

Anti-corruption Guideline



Norwegian Refugee Council

Last updated: December 2006

Foreword

This Anti corruption Guideline is a tool to support the NRC staff members in avoiding and in handling corruption related issues. Focusing on preventing corruption is the responsibility of all NRC staff members.

Each Country Director is responsible for securing that the issues in this guideline are made known in the organisation and that anti-corruption work and awareness is regularly on the agenda in connection with staff meetings, training, etc. The Financial Manager, in close cooperation with the Logistics and Security Managers, is the focal point for the NRC-country's anticorruption work.

To make this guideline as useful as possible for all staff members in the various offices, it is considered as a living document and will be updated regularly. Therefore, all NRC staff members are encouraged to provide their inputs for improvements of this Guideline to the Logistic Officer at the Head Office (logistics@nrc.no).

Slides-presentations and training-tools for the anticorruption work will be developed, but you should trigger the awareness-building immediately, independently of this.

Oslo, December 2006



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1 Introduction

Corruption is widely acknowledged to distort markets, undermine the law, damage government legitimacy and hurt economic development. Focus on the damaging effects of corruption has increased the latest years. Many international organizations work on increasing the awareness of corruption and support governments in preventing and punishing misbehavior.

But corruption is an extremely negative word that nobody want their names linked to. Some organisations choose not to inform or discuss about the existence and challenges related to corruption, of fear that people will not be able to distinguish between fighting corruption and being involved in corruption. NRC has the opposite view. We are convinced that a strong focus on anti-corruption work both internally and externally will strengthen NRC's reputation as a professional and trustworthy organisation.

Trust among the public in general and our donors in special is of utmost importance for NRC. The donors must be able to trust that the funds spent by NRC on their behalf are well spent and in accordance with their expectations and of maximum effect to the beneficiaries. NRC therefore emphasizes building transparency and trust towards both existing and potential donors, beneficiaries and the public in general.

1.1 Intention of the Anti-Corruption Guideline

NRC has worked actively to avoid corruption for several years. This guideline is an attempt to build awareness and to systematise experiences and lessons learned and make corruption related procedures and policies easily available. The Anti-Corruption Guideline intends to be a reference document for NRC staff members in general and NRC managers in special on how to avoid and handle corruption related issues. Further, it will be a tool to build awareness of the challenges related to corruption.

The guideline focuses on how to avoid being involved in corruption and points out specific challenges to consider. In cases where corruption has taken place, this document gives guidelines on how to handle the situation. Detailed regulations on how to avoid corruption in the various daily tasks and challenges are given in the logistics handbook and the financial handbook.

1.2 NRC operates in challenging environments

Most of NRCs operations are in challenging environments, in countries where corruption is widespread. Emergencies, in countries affected by conflict or natural disasters, are fertile ground for corruption due to dysfunctional official structures and limited national capacities. It is naive to think that NRC is not, or might not be, affected by corruption. Corruption is not necessarily more or less of a problem in the humanitarian aid sector than elsewhere, but the need for quick actions in difficult environments might complicate the immediate implementation and detailed follow up of strong management routines. Operational requirements can easily become the main priority.

Corruption is closely linked to system weaknesses and mismanagement. These factors can be dealt with if taken seriously. It is necessary to focus on the corruption

challenges at all levels in the organisation and proactive measures must be established. By addressing the problem, awareness and knowledge will increase among all staff members and the risk of being involved in corruption will automatically be reduced.

1.3 Ethics

The anti-corruption work must build on a general framework of good ethical standards. Ethics is mainly a mind-set issue. Ethical values must be an important factor in all recruitment processes as well as in training. Creating good regulations does not help much if the staff members do not understand or want to follow them. NRC's ethical policy should also be communicated to the surroundings to make the expectations clear for all the various stakeholders of the organisation.

1.4 NRC must obey relevant laws, regulations and customs

While all countries in principle consider corruption illegal, there are considerable cultural variations in how legal systems define and address corrupt behaviour. Situations considered illegal, unethical and/or unacceptable in one country or region may be acceptable elsewhere. NRC, as a Norwegian NGO financed mainly through Western European donors, is subject to relevant laws and regulations for this area also when working abroad. In addition, local rules and regulations must of course be respected, but not as an excuse for supporting corruption or other unethical behaviour.

1.5 Responsibility, awareness-building and training of staff

Training of staff on anti-corruption issues is essential. Although NRC's anti-corruption guideline is global and absolute, the training must be adapted to the local culture and conditions. The Country Director is responsible for the implementation of necessary regulations and routines including training programs, in his/her program country. Managers should lead by example in preventing and avoiding corruption, and should ensure that all staff follow this lead. All staff members are responsible for following up the anti-corruption routines and reporting non-compliance of routines.

1.6 References

The policies for normal day to day handling of the offices and programme activities are covered in other handbooks. Detailed written procedures must be established locally for some activities, in accordance with local conditions, but always with an anti-corruption mindset. By following these regulations, the risk of corruption will be considerably reduced.

The following NRC handbooks/guidelines are especially relevant in this connection:

- Code of Conduct
- Logistic Handbook
- Financial Handbook
- Guidelines for management and administration of National staff
- Security Instructions

2 What is corruption

2.1 Zero-tolerance against corruption

NRC has zero-tolerance against corruption. NRC employees are not allowed to provide for, request or receive anything that can be defined as corruption according to this chapter.

However: Do not put your life or the lives of others in danger due to strict adherence to NRC's guidelines and regulations for anti corruption. The Country Director or your superior should be consulted for advice if possible and should always be informed as soon as possible.

2.2 Definition of corruption

It is difficult to define clearly what is corruption. Some activities might be seen as corruption by some individuals, but not by others. What appears to foreigners to be illegitimate or illegal governance practices might be acceptable locally both legally and culturally.

There are several different definitions of what corruption is, but there seems to be no single definition that captures every instance of corruption. In general, corruption has to do with unethical behaviour. Corruption is a lot more than briberies, and definitions often list issues such as fraud, waste, abuse and misconduct.

By trying to define corruption too precisely, the risk increases that issues not mentioned may be seen as not included. Still, a definition can help to give a common understanding of what corruption is all about. NRC has chosen to adopt The Norwegian Development Network's definition of corruption:

Corruption is the abuse of power for illegitimate individual or group benefit.

This definition is a reference for the content of this guideline.

Corruption can involve both financial and non-financial benefits such as enhanced personal reputation, the acquiring of political capital or access to services. Sexual corruption, in which sexual favours are extorted in return for assistance or preferential treatment is a huge problem in many areas of the world.

Corruption might occur in many forms, including but not limited to:

- **Bribery:** When someone improperly provides goods or services against some form of improper compensation.
- **Kickback:** A form of bribery, where someone involved in a purchasing process is getting a reward from the supplier for placing an order of goods or services.
- **Embezzlement:** Theft of resources for own use.
- **Extortion:** The act of obtaining something by force, threats or undue demands.
- **Favouritism:** The unfair favouring of one person or a group at the expense of others and includes **nepotism** which is favouritism shown to relatives.

- **Unnecessary waste:** Including inefficiency, poor administration and lack of oversight and coordination.

2.3 Motivations for corruption

Motivation factors may be linked to the various cultures' attitudes to honesty and historical elements in the various countries. Forms of corruption are culturally tolerated and expected in some areas of the world. The reward and risk factor will always be an important issue that could motivate corruption. It could be a motivation factor when a lot can be gained from corrupt acts and the likelihood of detection is considered low and/or minimal punishment is expected if detected. A staff member that is in the process of leaving NRC anyway, might have less to lose than one that expects to continue working for NRC.

Personal financial problems or challenges are often the motivation for corruption. Strong family ties and a commitment to share with less wealthy members of the extended family or clan, might create expectations and pressure from the staff member's surroundings that all possibilities to gain as much income as possible is utilized. Low trust in the governmental structures and society creates limited belief in the future and larger financial insecurity for the individuals. Indebtedness and gambling are also frequent motivations for corruption.

2.4 Consequences of corruption

Corruption poses a serious development challenge. It undermines democracy and good governance by subverting formal processes. It also weakens economic development by generating considerable distortions and inefficiency. Corruption especially hurts the poor by denying them free and fair access to the services that they are entitled to.

Individuals or organisations faced with the possibility that a bribe may help them get past cumbersome and in cases illegal bureaucracy, may be tempted to pay instead of overcoming such obstacles through time-consuming legal action. While the bribe may solve the immediate problem, the payment reinforces a bribing culture and may contribute to inflate the amounts unduly requested for the same goods or services later on. Accepting corruption might also complicate the lives and work of other persons and organisations and will have a negative impact on NRCs reputation.

Direct consequences for NRC might be:

- Loss of goodwill from the local population
- Loss of honesty in relationships between colleagues or organisations, and therefore loss of reliability of information when passed between them
- Loss of trust between colleagues or organisations, and therefore loss of reliable allies when danger threatens
- Pressure and stress on staff, often particularly national staff
- Corruption is a very sensitive issue within emergency relief, as reports of corruption will undermine public trust in the work of aid agencies, and might lead to a decrease in the already scarce resources available to support civilians caught up in conflicts and natural disasters
- Our donors might choose to use other agencies than NRC
- Any corruption encourages more corruption

3 How to reduce the risk of NRC being involved in corruption

Clear rules and regulations, including clear and well known segregation of duties, are the basis of corruption prevention. An atmosphere with focus on transparency, ethics, training and awareness-building is a key factor.

In many cultures, gifts are frequently given as a sign of friendship and appreciation. The intent of the giver and the receiver's perception of the giver's intent, are important factors to consider when trying to distinguish between a gift and a bribe. The value of the gift or bribe must also be considered. NRC staff members are only allowed to receive gifts with very low value. For further details on this refer to the logistic handbook.

3.1 *Protect the staff members against pressure from their surroundings*

In some cultures, it may be expected that staff members make use of potential options for corruption in given situations. It is NRC's obligation to help our staff to reduce such pressure through implementing strict rules, routines and follow up procedures.

3.2 *Control and follow-up routines*

Necessary control routines must be established and these routines must be followed up. How to set up proper routines and to control the adherence to these routines is described in the various NRC handbooks, mainly the Logistics and the Financial Handbook.

3.2.1 Whistle blowers

A whistle blower is someone notifying his or her surroundings (normally a superior) about potential corruption taking place. All staff members must be encouraged to become whistle blowers if they detect possible corruption issues. The whistleblowers can be pressured from the potential corrupt staff member or supporters. To reduce this risk, all NRC offices must establish procedures enabling the staff members to "blow the whistle" anonymously. Local routines for protection of the whistleblower must be established. Remember that the whistleblower is a witness, not a complainant.

A system with a suggestion box has been used with success in some programs and might be a suitable tool to enable staff members to make their surroundings aware of potential corruption, in complete anonymity. It can be a simple box with a lock, where written notes can be delivered. Suggestions must be handled by senior managers, preferably expatriates, to reduce the risk of close ties between the person(s) or organisations involved.

Always keep in mind that whistle-blowing can also be misused as a very powerful tool to hurt or damage other staff members' reputation. There might be motivations for putting forward false accusations, including to cover over corruption that the accused employee is trying to fight.

4 Areas with Specific corruption risks

In this chapter, some significant corruption risks are identified, based on lessons learned. It is attempted to map risks and types of corruption most likely to arise in connection with the different NRC activities. Generic recommendations on how these risks can be handled will be given in some instances. Measures should be taken by the management to reduce the possibility of being involved in corruption in the areas identified as particularly risky to an absolute minimum. An important tool to reduce the corruption risk is to establish local procedures based on the relevant generic NRC handbooks.

Different types of projects have various challenges when it comes to various risks and potential types of corruption. NRC often focuses on transferring knowledge to the beneficiaries, as in the ICLA and Education projects. Other projects, such as Shelter and Distribution, involve materials and equipment to be distributed to the beneficiaries. This must be considered when establishing local procedures and regulations to reduce the risk of corruption. The established routines and procedures must be followed up by managers at all levels.

4.1 Country specific risk analysis

The focus of a country specific risk analysis should be to map specific problem areas where corruption most likely will take place. Among the factors that should be analysed are degree of corruption in the specific country, culture, control measures and so on. The Country Director is responsible for developing a country specific corruption risks analyse and keeping it updated. It should not be a large document; a one-page “be aware”-notice to post on the office-wall may be the most effective way.

. The country specific analyses could be based on various sources, such as:

- Transparency international or other organisations working specific with corruption issues
- NRC experiences both from the specific country, region and world wide
- Other tools, organisations and agencies working in the area

4.2 Corruption risks in various project stages/phases

The corruption risks’ likelihood to occur and the impact if they occur must be analysed locally. The risk depends on the type and phase of emergency. Further, the risk depends on how well established the project is and the resources assigned to administrative tasks.

4.2.1 Fundraising

NRC is mainly funded with earmarked funds from internationally oriented institutions with relatively clear and transparent procedures on who can expect to get funding for what, and how. But there is a limited risk that someone will try to make NRC pay a bribe or offer kickback in order to get local funding.

4.2.2 Assessments

The process of deciding who gets assistance in an emergency offers various opportunities for corruption. Local elites might try to bribe or otherwise influence the head of an assessment team or senior staff member to exaggerate the needs, and

thereby allowing more resources to flow to the area. Misinformation gathered during the assessment phase can be used to divert support away from the beneficiaries with the most relevant needs.

NRC staff may also try to misuse an assessment on their own initiative, in order to improve their reputation / powerbase or prepare for a later career in an area.

4.2.3 Establishing and scaling up local offices

There is a risk that management focuses on operational requirement rather than establishing systems and procedures when opening or scaling up an office. Officials could be bribed to get necessary permits and licences and there is a risk of corruption in the recruitment process of new staff members (ref HR chapter).

During the process of finding premises and setting up administrative systems there is a risk of various sorts of corruption such as kickback from the owner or agent and involving families or friends of staff members etc.

4.2.4 Working with partners

Working with partners creates different challenges compared to working alone. In general, partners add another step in the distribution chain that might increase the risk of corruption. Partners could have knowledge of the region or specific competences that NRC lacks and thereby strengthen NRC's operation. Local partners will normally have knowledge of local conditions, but close ties to beneficiaries and local officials could be challenging in a corruption-perspective.

4.2.5 Targeting and registration of Beneficiaries

NRC should provide support to those in most need and beneficiaries should be identified against specific criteria. Criteria and procedures for targeting may be very complex. When targeting and registering beneficiaries, there are opportunities for influential staff members or local elites to give preference to individuals or groups and to influence who is included on the list. Further, the beneficiary list might be manipulated by powerful individuals. It is a risk that registration staff might demand payment in return for registering beneficiaries (receiving a proportion of the aid given, kickback, sexual favours, political support etc).

4.2.6 Monitoring, reporting and evaluation

There is a risk that evidence of corrupt activities are covered up in this process. Evaluators must be independent (external or from another part of the country or another project) of who they evaluate and needs the project to be seen as a success.

Lack of quality and independence of audit staff could be a risk. Hiring of international auditors should be considered, especially if special cases are to be audited.

4.2.7 Closing down projects and offices

The final phase of an operation is particularly complicated and could easily face challenges and potential risks of corruption. Beneficiaries and staff members at all levels can see the ending phase of a project as a final chance to get "something extra". It could be tempting to go for easy solutions when assets, equipment, materials,

vehicles and properties are going to be sold or donated. Procedures for sale and donation are given in the Logistics Handbook.

4.3 Corruption risks in administration and support functions

These functions represent major risk-areas for corruption. Clear routines including segregation of duties are essential to reduce the risk. Develop local routines based on the relevant handbooks and make sure they are followed. Below are listed some of the major risk areas.

4.3.1 Finance

- Making payments to local organisations, partners or officers
 - Getting invoice/receipt for another amount than what is actually paid or supposed to be paid for
 - Falsifying or manipulating documents
- Ghost payments – payments for non-existing goods or services (the control and reception routines given in the Logistics Handbook should be followed)
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Deliberately delaying payments to suppliers, and giving faster services to suppliers who provide gifts/incentives

Cash and bank

- Cash-holdings – theft. Unauthorised access to safes and bank-accounts
- Bribes to inform potential thieves/blackmailers about cash holdings in the office or during transport

4.3.2 Administration

Risk of theft/misuse/private use.

- Access control to offices/stocks
- Use of telephones and sat phones
- Follow up of easily sellable equipment
 - Stationeries
 - General office equipment
 - Computers and related items such as printer-ink and toner
 - Stamps

4.3.3 Personnel and Human Relations

Human resources

- Payments
 - Salaries paid to “ghost” workers (who do not exist in real life)
 - Loans or advances that are not paid back
 - Staff members paid a higher salary level than supposed
- Recruitment
 - Employment of people who are related or have close social ties, including clan or ethnic group – not based on qualifications
 - Bribe to get into interview or to get the job. Potential managers can demand a kickback when offering a job (fee or percentage of the salary)

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- Strict rules by the local authorities that must be followed – bribing to get around it.
- Positions with a high potential for getting bribes/illegitimate income might be “sold” to new employees.
- Persons receiving a high salary might have to pay bribes or involve themselves in other sorts of corruption to get the job.
- A high salary normally reflects a higher degree of trust and responsibility, that makes it easier to access potential/possible corrupt situations
- Persons receiving a too low salary might have to be corrupt to survive
- NRC salary level must be clear and easily available so that all staff members know which salary they should expect. The salaries should be on an average level of the international organisations operating in the area.

4.3.4 Logistics

Logistics is an area of particularly large risk, with large sums of money or other values involved. It is often complicated to follow up and control all parts of the logistics process. Generic routines for how the various areas should be handled to reduce the risk of corruption are given in the Logistics Handbook. To reduce the risk of corruption in the logistics sector, detailed local regulations, based on the Logistics Handbook, must be established and followed. Special risk areas are listed below.

Procurement:

- Choosing certain vendors for other reasons than price, quality, etc.
- Tendering process in general
- Purchasing officers demanding kickbacks for placing contracts. Kickback cases can be hard to detect and may demand some kind of cooperation with the supplier, like demanding access to his accounting. A way of checking the existence of kickbacks could be to ask the supplier directly how much kickback they usually have to pay...
- Receipts obtained for goods that have not been bought
- NGO's/foreigners might have to pay higher prices; increased risk of kickback.
- Advance payment or lending money to suppliers with liquidity problems and demanding a lucrative interest rate payable directly to a staff member.
- Technical contracts, significant amounts – might have to rely on external specialists - standardisation
- Reception of goods - suppliers may offer or be asked to bribe NRC employees in order for them to accept sub-standard deliveries.

Transport/Forwarding:

- Bribery in customs and at checkpoints
- Attack, looting or loss of shipments
- Poor reconciliation between amounts despatched and received goods – goods strangely disappearing - false documentation to cover up theft

Warehousing:

- Attack, looting
- Theft because of lack of/poor control/lack of routines
 - Keys and access control
 - Stacking of goods

- What to do with damaged goods

Asset management – clear overview of the inventory:

- Theft
- Misuse
- Unauthorised use

Vehicle management:

- Fuel (theft, falsifying logbooks and fuel consumption lists)
- Spare parts (theft and sale)
- Purchase
- Rental
- Unauthorised use of vehicles (taxi-services, transport of goods and other missions on the drivers own initiative), use by local authorities (because of bribes, violence/coercion)
- Inflated maintenance costs. Maintenance and repair too often, without real needs, parts changed without being needed. Good spareparts replaced by used or substandard parts.

Sale/donation/disposal of equipment/assets:

- To whom?
- How to decide the price when sold?
- Ref donation regulations

These issues are regulated in the Logistics Handbook.

4.4 Corruption risks in NRC's core activities

This chapter must be seen in connection with the previous chapter and outlines some specific corruption risk areas of the different NRC core activities. The program activities being implemented by NRC in the field are spreading different valuable resources. Preferential treatment will generally be a problem in all relief programs.

4.4.1 Shelter

Shelter projects are generally capital intensive, requiring compliance with various regulations from both local government and donors.

- Property and land allocation (disputes of land title)
- Design (permanent/semi permanent) and dimensioning/size of shelter project
- Tendering process for construction (ref log chapter)
- The construction process
- Monitoring and follow up (by professionals)
 - Correct measures
 - Use of materials (e.g. enough cement in the sand)
- Compliance with building regulations
- Selection of beneficiaries and handover to the beneficiaries
- Building materials can easily be resold – considerable risk of theft
- Starting and ending construction projects – equipment and building materials
- Warehousing and transit stocks(ref log handbook)

4.4.2 Camp Management

When managing the activities in a camp, the lead agency should be especially aware of the corruption risks in these areas. The Camp Management Handbook provides detailed guidelines on how to manage a camp properly.

- Complicated regulations in general (bribing officials to not having to comply with the regulations)
- Location of the camp
- Refugees - who should get access to the camp?
- Water and sanitation (capital intensive – attractive for corruption)
 - Complicated contracts with a large number of standards to be followed
 - Use of sub-standard materials
 - “Privatisation” of a water point – not allowing all to get water from it
- Food and nutrition
 - High value – food is often seen as the most valuable item in a camp setting
 - Officials take a certain percentage (could be redistributed in accordance with local traditions and the clan’s needs)
- Sexual misconduct. Rape, harassment, sex in exchange of services/goods.
- Health care
 - Who gets support
 - Storage and distribution of medical equipment
- Protection sector
 - Forced repatriation
 - Where to target support

4.4.3 Education

Specific areas to be aware of in the education sector:

- Where to build schools and dimensioning of school project
- Which students to admit to the school/training program – students might be required to pay to be admitted into a free training program
- Diploma and grades – might have to pay for diploma – possible to buy good grades
- Payment of the teachers – part of the salary disappears before they reach the teacher
- Purchasing and follow up of special school equipment – ref log chapter

4.4.4 Information Counselling and Legal Aid (ICLA)

ICLA mainly gives advices, meaning there are fewer possibilities for corruption compared to the other core activities. But there are risks also in ICLA.

- Selection of beneficiaries – short cuts – preferential treatment to certain individuals
- Charge beneficiaries for services that are supposed to be free of charge

4.4.5 Distribution

Large amounts of resources are split up and changing hands in remote places.

- Quick and uncoordinated delivery of aid – risk of discrimination (ethnic groups, certain companies, geographic areas).
- Theft, assistance diverted for private gain

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- Powerful individuals take larger shares than they are entitled to
- Beneficiaries forced to bribe to get what they are entitled to

Food aid

- Food aid is often regarded as highly corruptible as it can be used for both consumption and trade
- High monetary value and transportation costs
- Food can easily be used for trade
- Vulnerable to attack, theft and looting before and after distribution (including by beneficiaries)
- Transport and warehousing

5 How to handle potential corruption cases involving NRC

Either if there is only a suspicion or if there is clear proof that a corruption incident has occurred, the situation must be handled properly. The main focus must be on minimizing the (potential) negative consequences by identifying what has happened and deal with the situation immediately in a professional manner.

But it must also be ensured that NRC learns from the incident, and that the lessons learned are spread throughout the organisation to make NRC better able to avoid and handle future corruption cases.

5.1 Security considerations

NRC has zero-tolerance against corruption, but **you should not put your life or the lives of others in danger due to strict adherence to NRC's guidelines and regulations for anti corruption.** See chapter 2.1.

The security issue must always be considered when a potential corruption case is discovered. Investigating or reporting a potential corruption case might create security implications for those involved. This includes the security of:

- Those being corrupt
- Whistleblowers (including suspected whistleblowers)
- Those investigating the corruption issue

Many of those involved in corruption are well connected persons. When action is taken against their acts, they may protect themselves or take revenge by hurting individuals or NRC as an organisation in various ways. To reduce the security risk for the individual NRC staff members, it is important to highlight the fact that the case is handled by NRC as an organisation, not by a certain individual.

There could be a considerable corruption related pressure against staff members from family, friends and their surroundings in general which might have security implications.

5.2 Always report when suspecting possible corruption

Always react, but be careful not to overreact when suspecting corruption. All NRC staff members must report to their manager when becoming aware of potential corruption taking place in the organisation. It is of outmost importance that the management is reacting against and taking all potential corruption cases they are made aware of seriously. At the same time, the reaction must be proportionate to the dimensions of the situation.

If a staff member suspects that NRC or someone acting on NRC's behalf is involved in corruption, the management of NRC must be notified immediately. Communicating suspicion of corruption should be done in a discrete and safe manner. The superior should normally be the first to be notified if a staff member raises the issue. The Country Director must immediately inform the Program Coordinator in NRC Oslo when made aware of possible serious corruption cases. If the case is significant, the Program Coordinator informs the Directors of the International and the Finance/ Admin.- Department.

In cases where someone superior is suspected to be involved in corruption, the Director of Finance and Administration Department in Oslo should be notified directly. The Director of Finance and Administration Department in Oslo might be notified directly of suspected corruption by all staff members that for any reason do not want to report directly to their superiors.

Staff members being pressured in corruption related issues should immediately notify their superior or the Country Director directly. This could include pressure from family, clan/ethnic group, friends and (potential) suppliers. The country Director will take necessary action to protect the staff member from further pressure e.g. through, either temporarily or permanent, changing the staff members tasks.

5.3 Investigation

NRC must demonstrate efficiency and willingness to clarify exactly what has happened in a potential corruption case. The Country Director is responsible for immediately securing all relevant evidence when being made aware of a possible illegal act. Evidence could include information such as vouchers, contracts and written reports. An initial enquiry should be carried out by the Country Director or the one delegated authority. If a senior staff member at the country office is suspected to be involved in corruption, it should be considered whether the initial enquiry should be handled by a representative from the NRC Head Office in Oslo.

The initiation of an investigation will normally be handled by the Country Director based on the findings of the initial enquiry. An investigation group should normally be established. The role of the investigation group is to interrogate and take statements from persons that might be involved or have relevant information about the possible corruption case. The investigation group should normally have an external leader (not from the NRC (field) office involved) and in some serious cases no staff members from the involved office should be part of the investigation group. The investigators must be qualified for the task to ensure that the investigations findings are credible and valid. The composition of the investigation group must be coordinated with NRC Head Office in Oslo. When investigating, it is important to treat all staff members equal and fair. Investigators should never make any promises or attempt to “purchase” information. It is NRC policy that the police should be involved in the investigation of all corruption cases. The timing of the police-involvement must be considered from case to case, but the general rule is that they should be involved as early as possible.

To prevent the staff member from influencing the investigation or witnesses and to ensure the safety and security of those involved in the investigation process, the suspected staff member should normally be kept away from the office while investigating. The staff member could be relocated to another field office in or outside the country or given a leave. In serious cases, it should be considered suspending the staff member during the investigation.

The corruption charges and/or investigation could often involve powerful people in the local community, and these persons can pose a threat to the staff member, if such an investigation is known. The initial investigation of a corruption charge should be

kept at a need to know basis, normally within the organization until there is clear suspicion of a possible illegal act.

The local auditor can be tasked to make a special audit and/or investigate the potential corruption to support the work of the investigation group. If the ordinary auditor for some reason is not to be used, (could be the case if the corruption has gone on for a long time without being discovered or the auditor for some reason is suspected to be involved in the case) an independent auditor must be used. An auditor from another country is often the best choice to ensure total independence when investigating a corruption issue. Experience shows that auditors from the same region as those involved might be very vague when reporting their findings. Further, an internal NRC audit, carried out by the NRC staff from another country office or NRC Oslo can be used to support the investigation.

The investigation group should, as part of their work, give recommendations on how to avoid similar cases/issues in the future if finding through suggesting improvement of guidelines, policies and routines.

All accusation of corruption must be treated with care. False accusations could be used as a political tool, to damage the reputation of the organisation, a single person or a group of persons. All allegations should be investigated, but not necessarily openly. Even the perception of corruption, or false accusations of corruption, can cause the same negative effects as real corruption. Great care must be taken not to allow any false perception of corruption to arise in connection with NRC's work.

Some countries have traditions for using different forms of "witch-craft" to find out the truth in criminal cases. NRC does not allow the use of any such methods.

5.4 Reaction against staff members involved in corruption

If an investigation finds that a staff member is or has been involved in corruption, it must have an impact on the individuals' contract with NRC. There should always be a reaction against staff members involved in corruption. The reaction must be adapted to the local conditions and the degree of seriousness of the identified corruption case. Normally any involvement in corruption should lead to at least one of the following reactions:

- Dismissal
- Warning (in writing)
- Relocation (to another position or NRC office when involved in minor or less serious corruption cases)

Dismissing corrupt staff members may backfire against NRC and create a security risk for the organisation in general and for the managers involved in the firing process in special. The dismissal process should always be handled by senior managers, normally expatriates, and it should be made clear that it is NRC as an organisation that is dismissing the staff member, not an independent manager.

The case, depending on the current situation in the specific country, should normally be reported to the local authorities and/or police. By bringing the case forward to the

local authorities, NRC shows transparency, and signals that corruption is not acceptable in the organisation and is dealt with accordingly.

It should be considered to state the reason for the dismissal on the letter of recommendation issued to the dismissed staff member. Further, it should be considered to notify other organisations in the area about NRC staff members being dismissed due to serious corruption. This to make them aware of the history behind the dismissal of the staff member, in case that he/she is applying for a job in their organisation at a later stage.

If there is proven theft, misuse of fund and so on, the staff member should be requested to pay back an equivalent amount. As there are often considerable amounts involved, it is not always realistic to expect that NRC will get all the missing values back.

5.5 Information strategy

The international dept in Oslo is normally responsible for the internal communication in such cases. The Financial Director, Secretary General, Security Coordinator and the communication dept should be informed at the earliest possible stage. Whether all staff at the HQ and/or worldwide should be informed depends on the case and will be decided by the Secretary General.

The international department in Oslo is normally responsible of notifying the donors about the corruption case. Relevant donors and partners in the country where corruption have taken place should be informed when found appropriate by the Country Director, after consultations with Oslo. NRCs policy is to be very open with the donors about such incidents, in order to maintain and even build trust. They understand that some such incidents will occur in our type of organization, even if we do our utmost to avoid it.

No information should be given the Norwegian, local or international press without permission from the Head of Communication Department.

- NRC is a transparent organisation with an open attitude towards media
- Promotion of our anti-corruption initiatives should be a by-product of all information
- It is crucial to inform Head of Communication Department and press officers at an early stage, independently on whether NRC is to go public on the corruption case or not.
- Communication Department shall immediately develop a media strategy, in order to be prepared to answer any questions
- Whether, and at which point, NRC shall inform the media, must be decided upon in every single case.
- Tell the whole truth when dealing with the press. This builds trust and might even help us influencing how the case is presented. The press will normally find out the whole story anyway and a string of new discoveries connected with “half-lies” is very bad for our reputation.

Annex: Practical hints in bribery situations

This advisory is aimed at all staff, and intended to raise awareness of anti corruption work, at the same time as it can be used as an guidance in the field.

Corruption can threaten the security of the organization and its operations. This is obvious in the case of theft or fraud, two kinds of corruption. It is just as true, though sometimes less obvious, in the case of other kinds of corruption, such as bribery.

Many experienced humanitarians have found it possible to work for years in countries that have serious corruption, without ever paying a bribe. There are respectful and courteous ways of doing this. Consider the following, if appropriate to your personality. To the context and the culture:

- In answer to the question: “Have you got a little present for me”? answer: “Yes – a smile” – and smile genuinely as you do so.
- Good humour, the time to talk for a minute or two and have a joke together – these are sometimes quite sufficient to persuade a soldier at a checkpoint not to insist on a bribe. Often he is bored, and is grateful to be treated as a human being.
- Explain why you are not able to pay the bribe. Have various simple phrase that do not sound like an accusation of corruption – for example: “My head office doesn’t allow me to pay any fee that isn’t official.”
- If a soldier is insistent, say that you are not able to pay the bribe, but that you are willing to speak to his commander. (The soldier will often not want his commander involved.)
- Be prepared to wait. Patience cures many problems, while impatience often increase the pressure to pay a bribe. At a check when you have reached an impasse, be prepared to wait an hour or two, while you keep negotiating politely, if it’s important to you to get through. Otherwise, consider turning back, and trying again another day.
In the meantime, you could inform the higher military or police authorities of the problem that you faced, and get them to do sometime about it.
- The patience principle also applies to bureaucratic processes, such as NGO registration with the government authorities. In some countries this can take a year or more, leading to a temptation to try to hurry the process up.
- Remain courteous, respectful and – if possible – friendly. Some officials who normally insist on a bribe seem flattered and pleased when treated kindly, and waive the bribe as a result.
- Ensure that all you paperwork and documents are in order, and that you have copies of them with you at all times, so that if an official challenges you, the document is there to show. This may mean always having bulky folder with you – a small price to pay to avoid the hassle that you might otherwise face.

Norwegian Refugee Council Anti-Corruption Guideline

- Keep some picture postcards with you, and give one of them as a “present” of minimal value.
- Some people like to keep a packet of cigarettes on them – even if they themselves don’t smoke – so that they can offer one (or two or five!) to the soldier at the checkpoint.
- Ensure you or your driver knows the traffic rules and respects them. Otherwise it is an open invitation to a policeman or traffic warden to threaten dire penalties – unless you offer a bribe.
- Make sure that you and your colleagues respect the laws scrupulously, so that you are less likely to be accused of wrongdoing and therefore put in the power of law enforcement officials.

It will always be of crucial importance to consider the rules and regulations of the organization, but never put your life, or others in danger due to strict adherence to NRC’s guidelines and regulations for anti corruption!