



## **The Anti-Corruption Policy of the Leprosy Mission Sweden (TLM Sweden),**

Based on the Anti-Corruption Policy of the Swedish Mission Council (SMC)

### **1. Introduction**

#### **1.1 Overall objectives of the policy**

TLM Sweden's anti-corruption policy describes TLM Sweden's approach to corruption and how to implement efforts to combat corruption. By conducting systematic anti-corruption work, TLM Sweden wants to create awareness and promote preventive measures, making it more difficult to commit errors, and easier to trace wrongdoing and to take appropriate action.

#### **1.2 Scope of the policy**

The policy applies to TLM Sweden's employees, elected officials and hired consultants. In addition, TLM Sweden's partner organisations are expected to apply the policy in the development work for which they receive funding in the form of Sida grants or other grants channeled through SMC. Applying the policy includes acting in agreement with the policy and passing on relevant and applicable parts of the policy to partner organisations. The policy is supplemented by action plans of a more practical nature aiming to build capacity to fight corruption. TLM Sweden's policy incorporates the guidelines of Sida.

#### **1.3 The process of developing the policy**

This policy was developed in collaboration with SMC and its member organisations. It has been adopted by TLM Sweden's Board and is in effect until further notice.

#### **1.4 Background and justification for the policy**

Corruption has a negative impact on every level. For the community, corruption is a major obstacle to social and economic development; it particularly affects those already living in poverty. Political and democratic systems are demoralized; the respect for human rights is undermined; competition and the allocation of resources are distorted. Poorly developed democratic institutions and an inefficient state apparatus contribute to facilitating the spread of corruption. For an individual who is exposed to, or commits acts of corruption, this can become a form of abuse of power comparative to violence and abuse. In development work, corruption lowers efficiency; as a result, people living in poverty and vulnerability are not reached by the interventions.

For the development work of the Swedish Popular Movements, including TLM Sweden, SMC and its member organisations, corruption can lead to lowered public confidence and reduced support. Corruption is an everyday phenomenon for many. Neither TLM Sweden, nor its partners, is spared from external as well as internal corrupting forces. The money and the status involved in the

development work risk contributing to corrupt behavior. Corruption is harmful for development cooperation in general, also including the Swedish organisations and their partner organisations.

Development cooperation can also constitute an opportunity to reduce corruption. This is one reason for TLM Sweden to continue its long term work on values and attitudes, taking a stand against unfair structures and destructive behaviors. There is a need to develop and strengthen internal processes and systems making it possible to prevent, detect and take action against corruption.

TLM Sweden's anti-corruption policy is based on TLM Sweden's basic values, where the idea of responsible stewardship is central. According to the Christian faith, human beings are created to do what is good and right, with a duty to take joint responsibility for the creation. But the Bible describes how God's original intention was thwarted, and how humankind acquired a propensity for greed, selfishness and power abuse. Human beings can choose to build or to destroy. However, God still wants to cooperate with us, despite our shortcomings.

Corruption seriously undermines the trust that needs to exist between people so that we can work together for a good and fair society. The Bible does not only speak of corruption as a wrong in itself, but also highlights how corruption particularly affects the fatherless, the widow, the immigrant and the person living in poverty. Therefore, the work against corruption is an essential part in the struggle against poverty and injustice in the world.

## **2. TLM Sweden's understanding of corruption**

### **2.1. Definition**

There are many ways to define what corruption is. TLM Sweden chooses a broad definition seeing corruption as a form of power abuse.

TLM Sweden defines corruption as misuse of resources, trust, power and/or standing in order to attain undue advantages for oneself, for a related person or for a group. The advantage may be of financial character as well as other advantages such as increased influence, improved reputation, political recognition, votes and sexual or other services. Such advantages can be obtained in exchange for food, shelter, and protection among other things. But corruption may also consist of failure to take action, e.g. failing to report a suspect person.

Examples of what is usually included under the concept of corruption:

- Favoritism and nepotism: favoring one person or group over and against other persons.
- Bribery and kickbacks: to request and/or receive undue rewards for exercising one's office, or to give or offer such undue rewards. Both of these are a criminal offence.
- Embezzlement: to take or keep goods or money which should have been passed on or accounted for, in a way which entails economic loss for the person affected and gain for someone else.
- Blackmail: using unlawful coercion to induce a person to an action or an omission which involves financial loss or other harm to the person being coerced and corresponding gain for someone else.
- Fraud: to disseminate misleading information to the public or to particular groups in order to influence the price of goods, securities or other property.

- Conflict of interests: to handle or take decisions in a matter which concerns or will benefit oneself or a close relative, or which will cause harm to somebody else.
- Money laundering: using legal financial transactions to hide or dispose of money or property acquired from criminal activity.
- Illegal funding of political parties: secretly financing political parties where such funding is prohibited by law.

Virtually any form of abuse or misuse of funds granted by TLM Sweden is considered as corruption.

## 2.2. Risk Areas

The risk of corruption exists in all contexts. But there are particular risks associated with development and disaster relief, notably the following:

Examples of external risks:

- War and conflict tend to generate more corruption.
- A context where the prevalence of corruption is high increases the risk for corruption in partner organisations and in development projects.
- Weak democracies and the lack of transparency.
- Low and unevenly distributed economic growth.
- Weakly developed civil societies and lack of media coverage.
- When the development assistance involves a lot of money compared to the local economy.
- At the procurement of goods or services.

Examples of internal risks:

- Extensive handling of cash in an organisation or project.
- Close friendships between colleagues and/or between representatives of the contracting parties.
- When formal control of documentation and conforming to regulations are replaced by exaggerated confidence in the staff.
- Inadequate internal procedures, policies and rules.

## 2.3. Warning signs

Corruption is usually discovered when someone reacts to warning signs. At that point it may often be unclear what has happened or in what area. The following are examples of warning signs:

- Lack of transparency in the organisation or in the project.
- Unclear or inadequate structures for the allocation of responsibilities and for accountability in the organisation or project.

- A very dominant and charismatic leader of the organisation or project.
- All power is concentrated to one or a few people in the organisation.
- The organisation makes no consolidated annual financial statements.
- Project budgets are unclear and difficult to relate to planned activities.
- Reports tend to be late and are unclear.
- The finance manager has insufficient expertise.
- Questions are answered evasively.
- Time pressure is applied because the needs are supposed to be met immediately.
- Tips and rumors of improper activities come from different sources, independent of one another.

### **3. Principles and approaches for TLM Sweden's anti-corruption work**

Applying these principles may sometimes lead to problems such as delaying or hindering the activities, or making it impossible to carry out the work. In comparison to the damage that corruption causes to communities, organisations and individuals, these are consequences which TLM Sweden is ready to accept.

Below are TLM Sweden's principles and approach to corruption:

#### Openness and transparency

- TLM Sweden and its partner organisations should strive for openness and transparency in all their activities.

It is crucial to apply openness concerning policies, strategies, plans, decisions, reports and financial issues in order to be able to combat corruption. Through transparency, the internal control is strengthened, and confidence is created among employees and the various actors in the chain, including the ultimate beneficiaries of the work.

#### Accountability and distribution of responsibilities

- It must be possible to hold persons in charge accountable for their actions.

Clear and well documented structures for responsibilities and mandates, as well as systems which makes it possible to trace both involuntary mistakes and knowingly committed wrongdoings, are important prerequisites for being able to claim such accountability.

#### Participation

- All the relevant stakeholders in the chain of cooperation, including the intended beneficiaries, should have ownership and influence over the processes in the development cooperation.

Never accept!

- The elected officers and the staff of TLM Sweden cannot provide, ask for or receive anything which could be defined as corruption. Nor does TLM Sweden accept any form of corruption in interventions funded by SMC .

For TLM Sweden, Swedish law applies also when the work is carried out in other countries. When funds are paid out to a contracted partner registered in another country, the laws of that country apply. Furthermore, relevant rules and traditions in the country are to be upheld and respected – but can never be used as an excuse for a corrupt behavior or any other type of unethical behavior.

Always take action!

- The elected officers and the staff of TLM Sweden must always take action on information, warning signs or suspicious incidents, according to the action plans which have been elaborated. This primarily means finding out more without overreacting or creating unnecessary rumors. Any investigation should be conducted after a decision according to the action plan. Internal as well as external informants should be offered anonymity and, when called for, other security measures.

Always inform!

- At suspicion or discovery of corruption, the elected officers and the staff of TLM Sweden must always inform the person at TLM Sweden designated to be responsible for corruption issues. Likewise TLM Sweden must always inform SMC. They must also inform about measures taken and what they plan to do in connection with the matter. SMC is responsible for informing Sida.

#### **4. Guidelines for TLM Sweden's anti-corruption work**

Action plan:

TLM Sweden shall have an up to date action plan based on this policy, which clarifies the approach and the procedures for preventing, detecting and handling corruption. The action plan should have an internal and an external section, and also describe how informants are to be treated.

Work on values and competence development:

There should be an ongoing discussion of ethical dilemmas and value issues at TLM Sweden, as well as in cooperation with its partner organisations.

Planning:

Corruption risks must be identified and analyzed when preparing regional, country and thematic strategies and action plans. A description of how these risks are to be managed must also be included.

Organisational development:

TLM Sweden's work with organisational development should include promoting the development of sound and relevant actors in community development work and the fight against corruption

#### Organisational assessment:

In connection with funding for programs and projects, TLM Sweden is to analyze and assess the capacity of the partner organisations to undertake planned interventions and to manage funding approved under contract.

#### Assessment of interventions:

When assessing an intervention, the risks of corruption as well as the potential of the intervention to contribute to reducing corruption should be taken into account. TLM Sweden shall ensure that planned activities have clearly defined descriptions of objectives, results and activities.

#### Monitoring:

TLM Sweden shall strive to ensure that reports are submitted within the agreed time frame, and that they are handled in a timely manner. On suspicion of corruption TLM Sweden can, when appropriate, demand an extra audit or an investigation of the organisation or of the intervention. If evidence of misconduct and/or corruption is found, TLM Sweden and SMC should consider discontinuing its support for the intervention, demand repayment of funds, terminate the contract and take legal action. Special checks with a focus on detecting mismanagement and corruption can be implemented by SMC and/or Sida.

#### Contracts, forms and other relevant documents:

Contracts, forms and other relevant documents should be edited in a way which takes into consideration and facilitates the work of combating corruption.

#### Review and checks:

TLM Sweden's systematic review of the partner organisations' compliance with rules and agreements shall include the review of measures to combat corruption.

#### Networking:

TLM Sweden will participate in relevant networks for the exchange of experiences, competence development and learning about anti-corruption.

## **5. Communication and monitoring**

### **5.1. Implementation**

Internally: TLM Sweden's Director is responsible for coordinating and monitoring the implementation of the anti-corruption policy and the related action plan. He/she shall also register and handle incoming tips and coordinate ongoing cases. The handling is to be included in TLM Sweden's annual planning and monitoring work, and should be documented.

The Director is responsible for ensuring that employees under his/her area of responsibility are aware of and apply TLM Sweden's policy. He/she is also responsible for making decisions about

starting an investigation or taking other measures when suspected or detected cases of corruption occur.

Each employee is responsible for implementing the policy in his/her work. This includes clarifying the implications of the policy for partner organisations and other relevant actors, and to be vigilant and report incidents and suspected corruption according to standard procedures.

Externally: TLM Sweden's partner organisations shall implement the policy in their development work funded by SMC. This includes applying relevant parts of the policy, and communicating these to the other partners. It also implies informing the Director at TLM Sweden about suspicious incidents, and about measures taken for handling these. It is also involves each partner organisation having its own policy and action plan for anti-corruption work. The Partner organisations should use SMC's policy until they have developed and adopted their own policies.

## **5.2. Plan for communicating the policy**

The policy will be published on TLM Sweden's website. TLM Sweden's staff and its partner organisations are to be adequately informed about the policy and its contents.

## **5.3. Monitoring and evaluation**

A review of the policy is to be made every three years. Significant changes will be processed by the TLM Sweden Board. The work should lead to continuous learning through the implementation of the policy, and to its partner organisations creating their own policies and action plans, as well as appointing persons to be responsible for corruption issues.

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