

# Anti-Corruption Guidelines

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## 1 Introduction

Corruption is one of the most challenging problems for international organisations. Depending on the sector or country, it is more or less likely that organisations will encounter corruption in some form. In development cooperation, corruption hinders poverty reduction and sustainable development. It increases inequality and social disparities. For the following reasons, combating corruption is one of the key socio-political tasks for all international non-governmental organisations (NGOs):

- In many countries, corruption is an obstacle of the first order for economic, political and social development and reform.
- Corruption undermines the efficiency and effectiveness of development cooperation.
- Corruption distorts access to public services, leads to the unlawful enrichment of individuals and causes tension in the social structure.
- Corruption undermines the rule of law and provides fertile ground for organised crime.
- Corruption weakens trust in public institutions and puts the principles of democracy at risk.

Corruption represents a major problem for FAIRMED. In the context of development cooperation, corrupt practices hinder the sustainable development of our projects. If development projects fail due to the inefficient distribution of funds or if they attract attention through corruption scandals, FAIRMED suffers reputational damage. If credibility and trust in FAIRMED is adversely affected, donors are less willing to make funds available. Therefore, safeguarding the funds that benefit our target groups is a major priority. When corrupt officials or development workers fill their own pockets with public funds, it is the poorest parts of the population that suffer the most. Corruption contradicts our values and our understanding of fair conduct. Corruption is no trivial offense – it is criminal behaviour.

FAIRMED has adopted the present Anti-Corruption Guidelines for all of its employees in Switzerland and in the project countries. These guidelines are mandatory for everyone. This guideline is very strongly oriented towards Transparency International's "Practical guide for non-governmental organisations" (Ratgeber für Nichtregierungsorganisationen, 2015) and the State Secretariat for Economic Affairs (SECO) publication "Preventing Corruption" (2017).

## 2 What do we mean by corruption?

### 2.1 Concept of corruption

By corruption, we mean "the abuse of a position of trust or a function in administration, economy or politics in order to obtain a tangible or intangible benefit for oneself or a third party for which there is no legal claim". Transparency International defines corruption as the "the abuse of entrusted power for personal gain". A person has power when they determine the use of resources and can make decisions for others. Whoever abuses an entrusted position to gain an unjustified benefit or advantage, is therefore corrupt.

Both the willingness to corrupt someone and their willingness to be corrupted can be considered corruption.

Corruption can have internal or external causes. For example, if officials demand bribes, this constitutes external corruption because the surrounding environment is corrupt. The misappropriation or embezzlement of money by a project employee, on the other hand, constitutes internal corruption (even though in a legal sense misappropriation does not fall under the concept of corruption). Of course, internal and external corruption can also occur together. The most important terms used in connection with corruption are defined in [Appendix](#).

## 2.2 Perception of corruption

There are many types of corruption and many grey areas where it is not always obvious. In development cooperation, the perception of corruption on the side of development partners also plays a role. Nepotism is a form of corruption that constitutes a large grey area with many marginal cases. A variety of factors can influence what is perceived as corruption. Depending on the cultural context, corrupt or unacceptable actions are perceived very differently. For this reason, it is important to engage in an active exchange of experiences and views on what is meant by corruption in the respective environment, and to decide on an appropriate code of conduct (chapters [Training](#) and [Code of Conduct for employees](#)).

Transparency International (TI) measures the perception of corruption in its annual Corruption Perceptions Index (CPI). The CPI is composed of various surveys and indicates how the respondents perceive the extent of public sector corruption in the different countries. However, corruption often happens in secret, making it difficult to recognise in the field. As a consequence, perceived corruption may not necessarily correspond to actual corruption. The reputation of a country can therefore be better or worse than the apparent reality.

## 2.3 Corruption from a gender perspective

The unequal access of men and women to resources and positions of power is pivotal to the relationship between gender and corruption. In the 'global south', women are exposed to corruption through legal, economic and social dependency on men.

In education and healthcare, the forcing of sexual services and sexual assault are forms of corruption that affect women and girls in schools (e.g. "sexual currency" or "body currency" as a form of tuition fee). It is also often the case that women are forced into sexual activities by employers for employment, wages and career advancement, or under threat of dismissal. The term "sexual corruption" applies when supervisors, officials, teachers etc. abuse their position of power to forcefully obtain sexual services.

Women can be specifically affected by corruption in the legal and judicial system, for example if gender-based violence or trafficking in women prevents the effective enforcement of the law due to the pursuit of financial and/or political interests.

Political empowerment and the substantial economic and political participation of women at all levels are essential components of efforts to combat poverty and corruption. As such, the promotion of women at all levels in NGOs is an integral part of Good Govern-

ance and the promotion of democratic structures. Program managers should review their projects to analyse in what way they could be threatened by sexual corruption.

### 3 Estimating risks

FAIRMED often operates in corrupt environments and, in incidents of corruption, risks breaking the law. For FAIRMED, which is headquartered in Switzerland and maintains country offices in its project countries, it is predominantly local laws that apply. In that sense, it is important to be aware of and familiar with these laws. Violations of the law threaten not only fines or imprisonment, but because media scandals damage its credibility, FAIRMED also risks its reputation. Loss of reputation and credibility can threaten the financing of projects. Donors may withdraw and, in incidents of corruption, reclaim their money.

If projects are planned and implemented under time pressure, the risk of corruption increases. The risk of corruption is likewise greater when it is necessary to spend financial resources within a relatively short period of time. Through hidden costs, corruption increases the cost of projects and plays a part in non-transparent accounting.

In order to identify the various corruption risks, risk analyses are carried out regularly, both in the organization and in the projects. On the occasion of CC meetings, risks will be discussed in detail at all levels towards the subsequent development or adaptation a plan of action to minimise the likelihood of occurrence. Existing measures must be evaluated regularly. In addition, a person must be assigned to the area of corruption, and they will receive the full support of management personnel. A participatory process and the active engagement of all stakeholders will increase acceptance and understanding, and strengthen FAIRMED's communication efforts.

### 4 Organisational measures

The following organisational measures for fighting and preventing corruption are showing results. The most important measures must be incorporated at all FAIRMED offices.

- Clearly defined oversight functions,
- an internal control system,
- periodic information sharing,
- professional training measures for employees, as well as
- the inclusion of employees in efforts to combat corruption.

The responsibility and decision matrix between FAIRMED Bern and the country offices regulates the responsibilities at the top-most level. At the Bern office, various controlling instruments safeguard the internal control system (ICS), such as the dual control principle, joint signatures, internal audits, quality management, etc. These requirements must also be met by the country offices in order to meet the standards required in international co-operation.

The annual risk analysis (see Chapter 3: [Estimating risks](#)), which helps to identify risks in timely manner and prevent abuses, is considered an early warning system. An internal

and easily accessible reporting system will also be introduced. Employees can report suspected incidents and at the same time have confidence that they are protected from negative repercussions (see chapter 4.6 Confidential whistleblower system).

#### **4.1 Organisational ethics and role model function**

FAIRMED is committed to a mindful organisational culture that pursues mutual respect and trust, and which emphasises communication and effective conflict-management. FAIRMED also promotes a set of organisational ethics that fosters integrity and honesty. All FAIRMED employees, including the Honorary Foundation Board, must conduct themselves in such a way that no kinds of personal dependencies or obligations can occur.

The applicable laws and other relevant laws in Switzerland and in the project countries must be observed for all decisions and actions. Corruption is the diversion of basic resources from the poor. Corruption also leads to a sustained deterioration of trust in an organisation, impacts the relationship with its partners and makes it vulnerable to blackmail. For this reason, efforts should be made to refrain from even the appearance of influence through gifts, invitations or other benefits.

Employees at the management level have a role model function and must conduct themselves in an ethical manner. They must live up to their role model function through honesty and fairness, which should be demonstrated on a daily basis. They must also publicly declare that they and FAIRMED will not tolerate corrupt behaviour.

People in management functions must ensure that employees know and comply with the relevant laws and regulations. They are also responsible for creating the conditions that prevent corruption.

#### **4.2 Internal Control System (ICS)**

The Internal Control System (ICS) at the Bern office is also effective in combating corruption. With ICS, FAIRMED refers to the entirety of all process-related monitoring measures that contribute to the capacity of senior management to react in a timely manner to changes and to estimate risks. Clearly regulated responsibilities as well as a clear and functional separation at all levels must also be observed in the country offices. For example, the power to authorise payments must be separate from the power of budgetary or financial control. When such powers are separated, it makes it more difficult for individuals to commit wrongdoing. The following are components of the ICS in place at the Bern office.

##### ***Dual control principle***

The dual control principle stipulates that certain work practices, work processes, tasks, decisions or actions must be carried out by at least two persons. For FAIRMED, the dual control principle applies in particular to tenders and contracts as well as to invoice verification and payment processing, whereby signature procedures are regulated in the corresponding documents (organisational regulations, function profiles, etc.).

##### ***Separation of functions***

An emphasis is placed on the separation of incompatible activities (separation of functions), whereby particular attention is paid to the strict separation of decision-making, im-

plementation, review and reporting. At all levels, responsibilities are governed by documents. The responsibility and decision matrix regulates the responsibilities between FAIRMED in Bern and the country offices at the top-most level.

***Accounting***

The accounting must be correct and truthful, and can be disclosed at any time on request as part of efforts to combat corruption. All business transactions must be recorded in writing and incorporated into the financial statements. The accounting department must meet international standards and staff must be provided with the appropriate training. FAIRMED in Bern carries out periodic regular audits using external auditors, also as part of efforts relating to corruption and its prevention. In the country offices, this accounting audit must be increasingly adapted to this international standard.

***Awarding of contracts and supplier assessment***

Employees who are not expressly authorised to make purchasing decisions may not place any legally binding orders (neither orally nor written). For economic reasons, FAIRMED makes sure to regularly solicit offers from different contractors, and to structure the procurement process in a manner that is optimally transparent. Procurement processes (with preparation of specifications, tenders, contract awards, complaints and payment processing) must be transparent and traceable at all times.

**4.3 Plausibility assessments**

The mutual interests and understanding of the payers of bribes and their beneficiaries often undermines common monitoring instruments such as budget control, documents, signature procedures, etc. For this reason, appropriate random checks and plausibility assessments must be carried out by a designated person.

**4.4 Remit of the auditor**

Detecting illegal activity (e.g. bribery, accepting of undue benefits, fraud or breach of trust) is difficult. In the course of auditing, the emphasis should be not only on detecting weaknesses and the pursuit of compliance violations, but also on prevention measures. This includes, among others, adherence to directives, formal and material accounting, the functionality and effectiveness of internal control systems, and the functionality and effectiveness of provisions for asset loss prevention.

The auditor of FAIRMED Switzerland is appointed by the Honorary Foundation Board. The Bern office appoints the external auditors of the offices abroad.

**4.5 Training**

Management personnel must attach the highest priority to the prevention of corruption and wrongdoing, and to ensuring that all employees are acquainted with the Anti-Corruption Guidelines. Supervisors must also ensure that, depending on the cultural context in which they work, employees are at all times sufficiently aware of and well-informed about the specific aspects of corruption.

FAIRMED supports the professional training and education of its employees and provides regular information on the risks and effects of corruption in the form of documentation, workshops and meetings. Targeted information on corruption risks supports appropriate responses to a corrupt environment, improves conduct and ultimately assists in the application of the guidelines in practice.

#### **4.6 Confidential whistleblower system**

Often, incidents of corruption in the area of development cooperation are uncovered after reports from whistleblowers. The senior management of FAIRMED therefore encourages employees to point out actual or suspected incidents of corruption affecting the organisation or its co-operating partners as soon as possible, and if possible to identify those responsible. Thereby, it is important to respect the local laws and regulations.

FAIRMED employees can report incidents without fear of retaliation and discrimination. Employees who fulfil their obligation to inform may not incur any disadvantage if they make a report in good faith. Disclosures are treated confidentially and anonymously upon request.

In principle, any suspicion of corruption should be reported to the immediate supervisor. The immediate supervisor then informs the country coordinator or the senior management in Switzerland. If it is not possible to inform the immediate supervisor, the internal reporting hotline should be contacted. At FAIRMED, this is the Director, the Head of Finance, Human Resources & Administration, or the Head of the Program Division. All information remains strictly confidential and any decisions on who is fully informed will remain dependent on the case. In any case, the reporting hotline is trustworthy, credible and independent. Employees and others can also use the reporting hotline to seek advice or to propose improvements in efforts to combat and prevent corruption. The reporting hotline also has the task of systematically recording and analysing all incidents of corruption for the purposes of further preventive measures.

As a rule, FAIRMED pursues and investigates all relevant information. If a suspicion is reported, the following procedure applies: Generally, employees and others are protected from allegations of corruption until the validity of the evidence is confirmed. Because allegations of corruption are a serious matter and can also be misused to damage the reputation of a person or organisation, any allegations of wrongdoing must be proven. The procedure aims towards the timely investigation of such allegations. Employees and others may respond to allegations of corruption by commenting on the allegations within an agreed deadline. If the suspicion is confirmed, a solution will be pursued. Depending on the situation, FAIRMED may decide on internal consequences, such as suspending a project, cancelling payments and/or terminating contracts, or in the case of deeds liable to criminal investigation, by filing a criminal complaint.

#### **4.7 Review of measures**

In order to combat corruption, it is important that the effectiveness of measures is subject to regular review. FAIRMED designates the management in Switzerland as well as the country coordinators as responsible for the implementation of the Anti-Corruption Guidelines. In this function, the persons responsible must undertake regular checks as to whether the policy is being observed and whether adjustments are necessary. The implementation of the Anti-Corruption Guidelines must be discussed with employees from time to time.

The quality standards at FAIRMED undergo regular review in the form of the certification by ZEWO, as well as SQS (Swiss Association for Quality and Management Systems) and the regular audit. These procedures also partly serve as a review of measures taken in the fight against corruption.

## 5 Code of Conduct for employees

The principles laid down in these guidelines are brought to the attention of all FAIRMED employees and apply to all FAIRMED employees worldwide. Employees are obliged to adhere with the ethical principles that are contained therein. In light of the cultural differences in the perception of corruption and the grey areas that exist in relation to the issue of corruption, it is recommended to pursue an ongoing discussion about the appropriate behaviour.

### 5.1 General principles

Transparency and traceability are central to combating corruption. FAIRMED is determined to take a strong stance against corruption. FAIRMED prohibits corruption in any form, either directly or indirectly. Throughout, FAIRMED takes Swiss legislation into account as well as that of the project countries. FAIRMED is committed to acting in a fair and responsible manner in its interactions with sponsors and donors, governments, beneficiaries, employees and partners, and to reporting openly and transparently to all of these parties.

### 5.2 Conduct with partners and authorities

Employees must treat partners fairly and communicate with authorities on the basis of the applicable law and the internal guidelines.

Attempts by third parties, such as partners or public officials, to exert an unfair influence on employees in their decision-making will not be tolerated, and any such attempts are to be reported to the responsible management. Employees who attempt to influence partners or public officials through corrupt behaviour, or who allow themselves to be unfairly influenced by partners or public officials, will be held correspondingly accountable – regardless of any possible criminal consequences. This also includes disciplinary and criminal proceedings.

### 5.3 Bribery and kickbacks

In any event, the following conduct is considered a violation of ethical principles:

- The offer, provision, acceptance or demand of bribes of any form.
- The return of parts of a contractual payment (“kickback”), either accepting or offering.
- The use of other channels for improper services to customers, representatives, agents, subcontractors, suppliers, employees of these partners, or public officials.
- The offer, promise, granting or authorisation of preferential treatment to public officials or partners in the event of a decision, contract award or order.
- The requirement or acceptance of a personal benefit from a partner in regard to an order or contract award, or the acceptance of a promise of such a benefit.
- The demanding or offer of physical favours, or making services dependent on such offers.

However, a zero-tolerance policy against corruption can come up against limitations. In consultation with senior management and country coordinators, an exemption can be made if the zero-tolerance policy prevents essential or even lifesaving aspects of the goals pursued by FAIRMED. If employees do not have the opportunity to consult during such a situation, written notification must be sent to senior management and country coordinators within one week.

The ethically and legally objectionable behaviours mentioned above are punishable offences. This also applies if the benefit is for a third party (e.g. relatives, friends, partners or acquaintances). In addition, the mere granting of benefits to public officials such as gifts or invitations when no specific benefit or service is received in return may be prosecuted under certain circumstances.

The senior management or members of the Honorary Foundation Board are personally liable if they fail to fulfil their reasonable supervisory responsibilities. Among other things, ethical behaviour in the workplace means honesty and fairness in interactions with other employees, as well as with partners, public officials and the public. FAIRMED's integrity and reputation are in the hands of its institutions and employees.

#### **5.4 Responsible handling of gifts, hospitality and expenses**

As a matter of principle, gifts should not be given or accepted. This applies to gifts of money as well as material gifts. Gifts of money are amounts in any form and currency. Material gifts are any objects of value. If gifts are nevertheless made, these should be of such a nature that their acceptance does not place the recipient in position of binding dependency. They must be chosen according to the principle of avoiding any appearance of bad faith or impropriety on the part of the giver and taker.

Also considered gifts are travel, invitations to events, food-related invitations, services and other gratuities. To ensure transparency, it may be necessary to inform and/or seek a decision from the immediate supervisor.

Of less concern is invitations to or acceptance of customary and reasonable hospitality at general events in which employees take part on behalf of FAIRMED on the basis of their position, or in consideration of the social commitments required of their position (e.g. official receptions, social events serving professional interests, inaugurations, as well as meetings). This also applies to hospitality on the event or occasion of official acts, meetings, visits or the like, which serve the preparation or implementation of specific measures pursued by FAIRMED, if they are based on a reason that employees cannot avoid without risking violating social norms. The terms "customary" and "reasonable" must be narrowly interpreted. In case of doubt, employees are required to contact their immediate supervisor for approval.

In some countries, gifts can be normal and polite practice. Here, it should be ensured that there is no binding dependency on the side of either the giver or the recipient, and that national and international legal requirements are adhered to. The immediate supervisor must be informed about such gifts.

Where business and private comes together in such a way to make precise separation difficult, any costs – especially for gifts or hospitality – should be paid for privately. Even in

the case of private expenses, care must be taken to avoid any suggestion of binding dependency.

## **5.5 Conflicts of interest**

Conflicts of interest arise when employees have private interests that affect the integrity of their role or the independent fulfilment of their duties.

It is prohibited to use the official FAIRMED function for personal interests. Private interests must be secondary to the official function. Employees are not permitted to benefit improperly or allow a third party to benefit improperly (whether directly or indirectly) from any association with an enterprise that engages in any business or transaction with FAIRMED (including association with the senior management or the holding of a financial interest).

Any kind of interest (suppliers, service providers, business partners, family relationships or shareholding) must be disclosed from the beginning. Depending on the case, a decision will be made as to whether the disclosed interests will affect the ability to properly carry out the function.

## **5.6 Sanctions**

In the case of violations of the applicable Code of Conduct or legal regulations, FAIRMED will rigorously pursue organisational, disciplinary and legal measures. Sanctions are determined according to the responsibility and decision matrix between FAIRMED Bern and the country offices, whereby the senior management in Bern must be informed. Sanctions can take the form of a reprimand, a notice of dismissal, or the filing of a police report. Serious cases will result in instant dismissal.

All cases of violation will be investigated in order to understand the background of the corrupt conduct and to assist in the development of proposals for improvement. Sanctions may be waived on an exceptional basis if the person concerned acted in an emergency in order to save lives (e.g. bribery of a customs officer to ensure that perishable medicines reach the population). The immediate self-reporting of an offense will be considered mitigating.

Partner organisations can also be implicated in cases of corruption. Program managers on the ground are responsible for checking for possible irregularities. The country coordinators as well as the program director must be informed. In serious cases, the senior management in Bern must be informed. Transparency, clarification and maintenance of the relationship of trust are preferable to possible sanctions. The discontinuation of the relationship is mandatory if the partner refuses to take serious action to stop corruption.

## 6 Cooperation with partner organisations

### 6.1 Code of Conduct

FAIRMED aims to strengthen its organisational responsibility in the area of international development cooperation, and strives to deliver results through performance, quality, expertise and credibility. The successful fight against corruption is conditional on the support of all relevant partners. Transparency International recommends the development of a shared code of conduct that lays out generally applicable rules. The corruption risks and Code of Conduct should be communicated openly and should be an integral element of any negotiations with partners.

### 6.2 Project agreements

Together with partner organisations, FAIRMED agrees to joint project goals and decides upon the use of the project funds. At all times, FAIRMED must be able to ensure that the funding is being used for the agreed purpose and is not being misappropriated. Once FAIRMED has provided the partner organisation with funds, the partner organisation must disclose the budget and expenditure for joint projects and assume responsibility for the use of funds. Recovery claims for corruption cases should be regulated by contract.

### 6.3 Anti-corruption clause in contracts

Today, corruption is punishable in almost all countries as a basic principle. To underline its commitment and to facilitate sanctioning, FAIRMED recommends the integration of an anti-corruption clause in employment contracts and in contracts with partner organisations. For example, it is possible to apply an anti-corruption clause such as that used by the SDC in their contracts: *"The contracting parties shall neither offer a third person nor seek, accept or promise directly or indirectly for themselves or for another party any gift or benefit which would or could be construed as an illegal or corrupt practice."* In this way, FAIRMED raises awareness among its contractual partners and employees of the criminal liability of corrupt practices, and underlines its intention to resolve incidents of corruption. Partners should demand the implementation of anti-corruption measures as a necessary precondition of cooperation.

### 6.4 Promoting governance and transparent accounting

The strategy goals "development of selected national and international partnerships" and "further development of the organisation" are central to FAIRMED. In its work with partner organisations, the compliance with accounting standards as well as transparent and professional accounting, accountability to all stakeholders and Good Governance should all also be in accordance with Swiss and international standards.

## 7 Communication

An integral component of FAIRMED's commitment to tackling corruption is its communication about corruption and the measures taken in combating the issue. Within FAIRMED, it is essential that the issue of corruption is addressed explicitly and in a timely manner so

that it is possible to obtain comprehensive information on the extent of the corruption and to allow top-level leadership to recognise the corresponding risks on the ground. A tabooing of the topic with respect to donors, the media and other stakeholder groups runs the risk of corruption cases reaching the public via circuitous routes and quickly becoming a scandal. Therefore, internal communication (towards employees and partners) as well as external communication (towards external stakeholders) are hugely important in the fight against corruption.

## 7.1 Internal communication

Open internal communication is a prerequisite if employees are to have a strong and supporting role in FAIRMED's commitment to combating corruption. Open communication helps employees to identify and assess the problem as well as to prepare for situations in which they are confronted with corruption.

The following questions should be discussed together with employees before they go into the field:

- How should I respond if I am asked to make a (possibly) illegal payment, the rejection of which could have serious drawbacks for the project?
- How can I recognise wrongdoing in my own project?
- How should I respond to activities by employees that are customary in the project country but illegitimate in my country?
- Where should I begin if I want to achieve more transparency in my project?
- What potential risks do I face when dealing with wrongdoing in my project?

FAIRMED communicates to its employees that reports of corruption are welcome and assist efforts to combat the issue. However, FAIRMED also expects employees to comply with their obligation to report incidents of corrupt conduct. The reporting procedures (Confidential whistleblower system) guarantee protection for whistleblowers as well as the accused person / partner organisation until the investigation is completed. Until that point, all information will be treated confidentially. The employees will be informed by FAIRMED and/or the partner organisations as soon as a case has been clarified. At the same time, the nature of the external dissemination of this information is also communicated.

## 7.2 External communication

In the external communication to the public in Switzerland, a distinction is made between the regular reporting on the work of FAIRMED and "crisis communication". Regular reporting refers to communication that is planned independently of a specific case, with the involvement of stakeholders and in consideration of the organisational strategy. This reporting should be transparent and comprehensive. Crisis communication comes into effect when a corruption case is made public. In incidents of corruption, the senior management in Switzerland must be informed immediately. The existing guidelines apply at the headquarters. These can be referred to in the event of a crisis (see concept of internal & external communication in the chapter "Communication during Crises"). A crisis management team, which is convened immediately by the senior management, defines the communication strategy. As a general rule, FAIRMED adopts a policy of open and transparent information. Depending on the circumstances, a decision will be made on whether

FAIRMED should communicate an incident of corruption proactively or only prepare for possible enquiries from the media.

FAIRMED advocates a proactive and very open communication strategy. FAIRMED firmly believes that it can reduce damage caused to its image by the issue of corruption. Private donors are more inclined to entrust their money to an organisation which informs in an open and transparent manner. Open communication is even more beneficial if FAIRMED can demonstrate progress in the fight against corruption as well as provide its donors with detailed information to anti-corruption measures.

### **7.3 Communication with local partner organisations**

Communication with local partner organisations is handled separately because it cannot be clearly assigned to internal or external communication. The measures envisaged by FAIRMED must be discussed together with local partner organisations. This should not take the form of a “top-down” strategy in which partners are only informed about precautionary measures. Rather, efforts to combat corruption should be elaborated on site with local organisations in a participative manner.

## 8 Appendix

### A. Definitions of terms

## 9 Literature

Transparency International Switzerland (2015). Corruption in Development Cooperation: A practical guide for non-governmental organisations.

State Secretariat for Economic Affairs SECO (2017). Preventing corruption: Information for Swiss companies operating abroad.

EDA website: <https://www.eda.admin.ch/eda/de/home/aussenpolitik/finanzplatz-und-wirtschaft/korruption/interdepartementale-arbeitsgruppe-idag-zur-korruptionsbekaempfung/umsetzung-erste-empfehlung-idag-korruptionsbekaempfung.html>

SDC WEBSITE: <https://www.eda.admin.ch/deza/de/home/themen/staats-und-wirtschaftsreformen/korruptionsbekaempfung.html>

## Appendix

### A. Definitions of terms

The most important terms used in connection with corruption are briefly defined in the following. The definitions used in this document are taken from the Anti-Bribery Principles and Guidance for NGOs from Transparency International.

#### ***Active bribery***

Active bribery is committed by anyone who offers, promises or grants an inappropriate benefit to a public official in order to perform an action that is contrary to their duties.

The benefit may be material or immaterial and is directed towards the public official or a third party. The service provided in return by the public official must refer to a definite action that is contrary to their duty or is at their personal discretion. It can also involve neglect if, for example, the public official refrains from issuing a fine.

#### ***Passive bribe***

Passive bribery is the opposite of active bribery and refers to public officials who demand, expect or accept some form of undue advantage. If a public official commits passive bribery, they can expect a prison sentence of up to five years.

#### ***Private-to-private corruption***

In this case, the bribery takes place in the private sector. Even if the person bribed is not a public official, the person is abusing a position of trust by their action (e.g. towards their employer) to gain an undue benefit.

#### ***Granting and acceptance of benefits***

The granting and accepting of benefits involves illegal benefits (gifts) which are not directed towards a particular action by a public official, but rather are granted and accepted with an emphasis on future acts. In contrast to bribery, there is thus no action involved by the public official that is either illegal or at their personal discretion. The granting or acceptance of a benefit involves deliberately soliciting a public official and/or hospitality. In soliciting a public official, a specific return favour by the public official is not defined. The aim is to influence the recipient in their decision-making. As far as hospitality is concerned, there is no discussion of a return favour by the public official. The benefit is provided only to soften up the public official, for example with regard to future business. The granting and acceptance of benefits are only punishable in the case of Swiss public officials.

#### ***Kickbacks***

Payment of kickbacks involves small payments made to secure or expedite the performance of an official process or action to which the payer is entitled. In international usage, kickbacks are also known as "facilitation payments" or "grease money" and generally refer to the offence of granting and/or acceptance of benefits (Art.322quinquies and Art.322sexties of the Swiss Federal Penal Code).

#### ***Material benefits***

Material benefits bring about an economic or legal improvement for the recipient. They predominantly concern financial payments, tangible assets or the waiving of debts.

### ***Intangible benefits***

Intangible benefits include mainly professional, social or personal benefits which place the recipient in an advantageous position, for example a promotion, waiver of criminal charges or positive news coverage.

### ***Undue benefits and acceptance of gifts***

The term "gift" covers many things. They include benefits of any nature, such as material assets, services, invitations, favours and discounts. According to the Swiss criminal law on corruption, gifts are inappropriate if the gift establishes a binding dependency on the side of the public official. The advantages are not inappropriate if they are officially permitted or if they are of negligible value and/or of the nature of socially acceptable benefits. Gifts are permissible in the private sector if they are a "corresponding courtesy", in other words if they are a gift of insignificant value and these are given openly, without a particular reason and not repeatedly. It is inappropriate to accept a gift if it appears to involve a binding dependency.

### ***Donations***

In addition to political donations, donations to other institutions (e.g. charities or non-profit) can indirectly be destined or be designed such as to gain influence unlawfully on the decisions of people who are close to these institutions.

### ***Nepotism / favouritism***

Nepotism or favouritism are not punishable offences, but they are a form of corruption. In both cases, power is abused for personal gain in the form of privileged connections – at the cost of the common good and contrary to the principles of equality.

### ***Fraud / misappropriation of funds for personal gain***

In contrast to bribery, only one person is involved. The objective is personal gain. For example, if a person who is responsible for a project instead uses part of the money for their project to purchase a car for personal use, then they are guilty of misappropriation of funds. A benefit is not provided by a third party but the preferential treatment arises directly from the position itself.

### ***Coercion***

Those who coerce someone to act, or neglect or tolerate something by force or by threats of serious disadvantages, are guilty of coercion. Coercion also includes the forcing of sexual acts/services (abuse of power through sexual coercion / sexual violence).