Swedish Mission Council Anti-corruption Policy

Adopted by the Board on 29/09/2016.
This is a minor revision of the policy that the Board approved on 11/03/2010.

1. Introduction

1.1 Overall objectives of the policy

This policy defines the Swedish Mission Council's (SMC) approach to corruption and how we should work to combat it. By carrying out systematic anti-corruption work, SMC wants to create awareness and promote preventive measures that make it harder to make mistakes and easier to detect errors and take appropriate action.

1.2 Scope of the policy

The policy applies to SMC employees, elected representatives and commissioned consultants. Furthermore, SMC's member organisations shall apply the policy in their development cooperation and the humanitarian work for which they receive contributions through SMC, i.e. Sida grants and other grants that SMC provides. This means working in accordance with, and passing on to the next level of the chain, applicable parts of the policy's content. The policy also constitutes the basis of SMC's code of conduct for employees and elected representatives, as well as SMC's action plan for anti-corruption work.

1.3 Process of the policy

The policy has been developed in collaboration between the SMC's secretariat and member organisations. The policy is adopted by the Board and applies until further notice.

1.4 Background and rationale of the policy

Corruption has a negative impact on several levels. For society, it constitutes a serious obstacle to social and economic development and has a particularly serious effect on poor people. Corruption demoralises political and democratic systems, undermines respect for human rights and distorts resource allocation and competition. At the same time, poorly developed democratic institutions and

ineffective state structures allow corruption to spread. For an individual who is subjected to or carries out corrupt activities, it may become a form of abuse of power comparable to abuse and violation of basic rights. For development cooperation, corruption means reduced effectiveness and that poor and vulnerable people are not reached by the interventions.

For the development work of Swedish Popular Movements, including SMC and its member organisations, corruption can lead to a drop in public trust and donations. For many people, corruption is part of everyday life and SMC, its member organisations and their partner organisations are not spared, either from external or internal corrupting forces. The money and status involved in development work risk contributing to corrupt behaviour. Therefore, corruption is harmful to development cooperation in general, as well as to the organisations in Sweden and the partner countries.

Development cooperation can also constitute an opportunity to reduce corruption. SMC, its member organisations and their partner organisations must therefore continue their long-term work on values and attitudes against unjust structures and destructive behaviour, as well as further developing and strengthening internal processes and systems that ensure that corruption can be prevented, detected and addressed.

SMC's anti-corruption policy is based on SMC's value system, where the concept of a responsible stewardship is central. According to Christian belief, human beings were created to do what is good and right and with the mission to take joint responsibility for creation. Corruption seriously undermines the trust that must exist between people, so that we can work together for a good and fair society. The bible not only speaks of corruption as something inherently unjust, it also highlights how corruption particularly affects the vulnerable and poor. Hence, the work to combat corruption is also an important part of the fight against poverty and injustice in the world.

SMC's work consists of SMC's own operative work as a mission council and a framework organisation channelling Sida funding on the one hand, and of its member organisations' and their partner organisations' efforts internationally and in Sweden on the other. Each partner is expected to take responsibility for their work in relation to different actors. This involves having a clear set of values, the capacity and systems to plan, follow up, evaluate and document results, and the appropriate systems and procedures for internal control. All these elements are important for preventing, detecting and eliminating corruption in all its forms.

2. SMC's view of corruption

2.1 Definition

There are many ways to define what corruption is. SMC chooses a broad definition where corruption is a form of the abuse of power.

By corruption, SMC refers to the misuse of resources, trust, power and/or position to obtain an undue gain for oneself, a close relation or a group. This gain may include financial as well as other benefits, for example increased influence, improved reputation, political recognition, electoral votes and sexual or other services, benefits that can be obtained in exchange for food, shelter or protection amongst other things. But corruption can also involve failure to take action, for example not reporting a person suspected of corruption or crime.

SMC includes the following in the concept of corruption:

- **Favouritism and nepotism:** To favour an individual or a group at the expense of others.
- **Passive and active bribery:** To request and/or receive improper compensation for exercise of one's official duties is to commit passive bribery. To provide or offer undue rewards is to commit active bribery.
- **Embezzlement/misappropriation of funds:** To take or keep entrusted goods or moneys that one is obliged to pass on or account for, resulting in a financial loss to the victim and a gain for someone else.
- **Extortion/blackmail:** To coerce someone to act or fail to act, resulting in financial or other loss to the person coerced and a corresponding gain for someone else.
- **Conflict of interest:** To administer or take decisions in a matter that concerns or benefits oneself or a close relation, or causes harm to someone else.
- **Money laundering:** To use legal financial transactions to hide or dispose of money or property acquired from criminal activity.
- **Illegal financing of political parties:** To secretly fund political parties where the law prohibits such funding.

2.2 Risk areas

The risk of corruption exists in all contexts, but there are particular risks associated with development and disaster interventions. The following are especially important to emphasise:

Examples of external risks

- Wars and conflicts
- Development projects carried out in countries with a high incidence of corruption

- Poorly developed democracies and a lack of transparency
- Low and unevenly distributed economic growth
- Poorly developed civil societies and a lack of media coverage
- During the procurement of goods or services

Examples of internal risks

- Comprehensive cash management in an organisation or a project
- When the Sida grant constitutes a large part of a local organisation's finances
- Close friendships between colleagues and/or representatives from the contracting parties
- Where control of compliance with regulations and documentation requirements is replaced by an excessive trust in employees
- Inadequate internal procedures, policies and rules

2.3 Warning signals

Corruption is normally discovered when someone reacts to warning signs. Here are some examples of warning signals:

- Inadequate transparency in the organisation or project
- Unclear or inadequate structures for the allocation of responsibilities and accountability in the organisation or project
- A very dominant and charismatic leader in the organisation or project
- All power is concentrated to one or a few people in the organisation
- The organisation does not produce consolidated financial annual reports
- Project budgets are unclear and difficult to relate to planned activities
- Reports arrive late and are unclear
- The financial manager has insufficient skills
- Questions are answered in an evasive manner
- Tip-offs and rumours of incongruities come from various sources independent of each other

3. Principles and approaches for anti-corruption work within SMC

The application of these principles can in some cases lead to problems that delay, impede or prevent activities from being carried out. However, weighed against the damage that corruption causes to communities, organisations and individuals, these are consequences that SMC is willing to accept.

The following are SMC's principles and approaches with regard to corruption.

3.1 Openness and transparency

SMC, its member organisations and their partner organisations shall strive for openness and transparency in their operations.

Transparency in terms of policies, strategies, plans, decisions, reports and financial issues are crucial for the ability to fight corruption. With transparency, controls are strengthened and the conditions for trust and confidence increase among the employees, the various actors in the chain and the people that the activities are ultimately for.

Allocation and enforcement of accountability

It must be possible to hold those responsible accountable for their actions. To be able to enforce this accountability, it is important to have clear and well-documented structures for accountability and mandates, as well as systems that enable tracking of both mistakes and deliberately committed errors. SMC's complaints management system is part of the system for reporting suspected corruption.

All the relevant actors in the chain of cooperation, including the intended target groups, should take ownership of and influence the planning, implementation and monitoring of the project cooperation.

Preventive work

Working and acting preventively is a big part of the anti-corruption effort. Wherever we can suppress and prevent risks, there is a great deal to be gained for all parties. Please read more in SMC's action plan on anti-corruption work.

Never accept!

SMC's elected representatives and employees shall not create conditions for corruption by requesting or receiving anything that may be defined as corruption. Neither does SMC accept corruption in the operations that we finance.

Swedish laws and regulations apply for SMC and its member organisations, including work carried out in other countries. Once the money has been paid to a contractual party registered in another country, that country's laws apply. Furthermore, the relevant rules and customs of that country shall be followed and respected, but can never be used as an excuse for corrupt or otherwise unethical behaviour.

Always act!

SMC's staff, elected representatives and member organisations shall always act on tip-offs, warning signals and suspicious incidents in accordance with SMC's action plan for the management of deviations and complaints, as well as suspicions of corruption. In the first place, this entails finding out more without overreacting and creating unnecessary rumours.

Potential investigations are conducted by SMC following a decision made in accordance with the action plan. We shall offer both external and internal whistle-blowers anonymity and, if necessary, other safety measures. The same procedures for assessment of the case are applicable regardless of whether the information comes via SMC's formal system for complaints management or by other means from an employee or an anonymous source.

To act means, in the first place to report to the person responsible for anti-corruption work or the Secretary General.

Always inform!

In case of suspicion or detection of corruption, SMC's elected representatives and employees shall always inform the person at SMC who has been assigned responsibility for anti-corruption issues. The same applies to SMC's member organisations, which should always inform SMC about what has happened, the measures taken and what they plan to do going forward. SMC is responsible for informing Sida.

An individual shall, as a rule, inform their line manager (or other person as per the organisation's action plan) within their own organisation in the event of corruption suspicions. If an individual does not get an appropriate response within their own organisation, the suspicions must be reported to the organisation that supports the effort, i.e. a member organisation or SMC.

4. Guidelines for anti-corruption work within SMC

4.1 Action plan

SMC's efforts to deal with corruption take place at several different levels and in different parts of the operations.

Procedures for preventing, detecting and dealing with suspected corruption, suspected cases and complaints management are described in SMC's action plan for anti-corruption work. SMC's complaints management system provides an opportunity for whistle-blowers to report a corruption case to SMC in those cases where the member or partner organisations' management team does not handle corruption cases within their own organisations. Please see SMC's guidelines for complaints management.

Values and skills development

SMC's secretariat shall continuously reflect upon ethical dilemmas and values, both within the secretariat and in collaboration with member organisations. We shall regularly offer training opportunities to increase awareness of how corruption can be combated.

Openness, participation and transparency

SMC shall have an open and transparent environment with regard to policies, strategies, plans, decisions, reports and financial issues. SMC's governing documents shall be easily available to employees and member organisations.

Contracts and templates

SMC's contracts and other relevant documents shall be adapted to take in to account, facilitate and support the anti-corruption work.

Networks

SMC shall be part of relevant networks for the exchange of experience, upgrading of skills and learning about anti-corruption.

5. Communication and follow-up

5.1. Implementation

Internally: The General Secretary of SMC shall appoint a person with the responsibility to coordinate and follow up the implementation of the anti-corruption policy and the associated action plan. This person shall also receive and handle incoming tip-offs, coordinate ongoing cases and take decisions about investigations and/or other measures in the event of suspected or detected cases of corruption. This person is responsible for ensuring that work to implement the policy and action plan is documented and that the anti-corruption work is always included as a part of SMC's operational planning.

Each unit manager is responsible for ensuring that the staff within their unit is aware of SMC's policy. Each employee is responsible for applying the policy in the operational activities. This means acting in accordance with the policy as well as being on the alert and reporting incidents and suspected corruption as per standard procedures.

Externally: SMC's member organisations shall apply the policy in the development work financed by SMC. This means working in accordance with, and passing on to the next level of the chain, applicable parts of the policy's content. It also entails informing those responsible for anti-corruption work at SMC of suspicious incidents and of the measures they have taken, and managing the incident in a relevant manner. The member organisations should use SMC's policy until they have developed and implemented their own policy. The member organisations shall thereafter follow their own policy, together with applicable parts of their contracts with SMC.

5.2. Communication plan

The policy is published on SMC's website in Swedish and English. SMC shall offer seminars on a regular basis to promote integration of the policy into the work of SMC and its member organisations. On suspicion of corruption, a specific communication and media plans shall be developed.

5.3. Follow-up and evaluation

The policy shall be revised every three years. Significant changes shall be evaluated by SMC's management and adopted by SMC's Board. The person responsible for implementation of the policy will work together with a working group consisting of representatives from SMC's secretariat.

Read more about our anti-corruption methods and tools at the [Learning Center on our website](#).