

PROGRESSIO

Anti-bribery and corruption policy & guidelines

December 2011

Progressio's organisational statement :

Progressio seeks to operate to a high standard in all it does. It works with integrity, accountability and transparency across its procedures and processes. The organisation seeks the best outcome for those who are poor and marginalised.

Bribery and corruption run counter to the values of Progressio and to the interests of the poor. Therefore Progressio does not tolerate bribery and corruption in its own work or with any individual or organisation associated with it.

Introduction

Progressio staff operate to a high standard and comply with local law. There is a high level of probity amongst the staff team, development workers and partners. We know that this will continue. However, as a UK based organisation, **all** staff must be aware of and comply with the anti-bribery legislation as it applies to activity in any country beyond the UK. Given the geographic areas in which Progressio works, bribery and corruption can be a live issue, so guidance and support on this law is required. The statement above is for public use and is intended to be used and shared with partners, development workers and all people who have contracts or business with Progressio.

This document contains guidelines and further information to aid staff and development workers to support the statement above. The statement remains fixed, but this document will remain open to review as we learn from this experience.

Agreed by the Board of Trustees September 2011; revised December 2011

1. The legislation

The UK Government's Bribery Act 2010 came into force on 1st July 2011. Companies and Charities are required to have clear and effective measures in place to prevent bribery.

Progressio is both a charity and a company. It seeks to operate to high standard, being compliant with legislation and necessary processes.

The values of the organisation also mean that it seeks to operate with integrity, accountability and transparency in all that it does. It seeks the best outcomes for those who are poor and marginalised. Bribery and corruption not only run counter to the values of the organisation, but also the interests of the poor.

This policy and guidance should therefore be seen in the context of not only Progressio's values but also its financial management procedures, security policies, recruitment procedures and the risk management protocol.

Many of Progressio's partners have commented that bribery and corrupt practices are factors that make life more difficult for those who are poor and marginalised.

Progressio therefore does not tolerate any form of bribery within its operations. Progress subscribes to the NGO principles on bribery that are contained within the BOND guidance.

2. What is bribery?

Bribery is defined as:

The offering, promising, giving, accepting or soliciting of money, gifts or other advantage, whether directly or through a third party, as an inducement to do something that is illegal, a breach of trust or known to be improper in the course of carrying out an organisation's activities.

The UK Bribery Act also notes that the purpose of the bribe is to "induce a person to perform improperly a relevant function or activity" or to "reward a person for the improper performance of such a function or activity" and in some cases is done with the intention to obtain or retain business or business advantage.

A bribe can take many forms and be of any size. Where the offer or receipt is intended for family or friends, or when bribery takes place through partners or contractors, it is still considered to be a bribe. Progressio takes a "zero tolerance" approach to bribery.

The following are some simple examples of bribery:-

- A potential supplier offers you some money or a gift, in order to influence a tender process.
- A job applicant offers to pay to increase his/her chance of being offered employment.
- You offer a gift, (e.g. excessive hospitality connected to a training course), to a local government planner, in return for approval of a development application.

Hospitality must be reasonable and proportionate. If staff are considering offering hospitality to third parties, such as government officials or partner organisations [and are in doubt as to whether the proposed hospitality is reasonable,] they should speak to their line manager in the first instance. The recommendations in the financial regulations would apply.

3. What are the offences under the UK Act?

The Act creates four criminal offences:

- Bribing another person;
- Accepting a bribe;
- Bribing a foreign official;
- Failing to prevent bribery.

This last point is applicable to “relevant commercial organisations”. It doesn’t matter if an organisation is a charity, if it engages in commercial activities (such as providing paid for services or accepting public money), that charity will be subject to the last of the four criminal offences. This applies to Progressio.

The penalty for individuals breaching the Act is a maximum term of imprisonment of ten years and/or a fine for individuals and for organisations (which is unlimited in relation to the commercial organisation offence).

Aside from this, any breach of the Act would mean that the organisation would lose much of its current funding sources and if its reputation were tarnished in such a way, it would lose its capacity to operate.

4. Facilitation payments and payments under duress

There are also examples of payment that are called “facilitation payments”. These may be payments required to “get things done”. For instance:

- A customs official asks you for an unofficial payment or gift to release imported goods.

- A government official asks you for an unofficial payment in order to secure your NGO registration.

Whilst we recognise that this can be difficult, the legislation considers these unofficial payments to be bribery and does not tolerate them.

Any request for these payments should be reported, and will be monitored as part of the international programmes risk analysis.

The security and safety of staff, partners and other representatives must not be compromised. There may be instances where payments will need to be made to protect against loss of life, limb or liberty. These are called **payments under duress** and as such are permitted under the law, however the assumption is these are rare.

Any payment or incident such as this must be reported to your line manager as a payment under duress and security procedures will be revised accordingly.

These will be monitored carefully. Any instance of such payments being repeated, systemic or accepted as part of the way of doing business are not payments under duress, but rather bribery and therefore a contravention of this policy and the law.

5. Anti-bribery practices

It is important to note that anti-bribery practices are built in to the current practices and procedures within the organisation. These include:

- The Code of standards (which are within the terms and conditions) that outline behaviour expected
- Current security procedures
- The financial regulation procedures (how this statement affects the procedures will be looked at when we review the Financial regulation)
- Other processes such as the guide to programme management, recruitment etc that indicate standards required
- The CAP assessment tool which looks at governance capacity of partners
- Conflict of interest register for board members
- Expectation that any staff member will declare a conflict of interest if they or someone they are related to will benefit from a decision made and will not be a party to the final decision (for instance in choosing consultants, tenders etc)
- We undertake due diligence procedures on new staff and partner agencies and organisations (references)

It is important that all staff consider the ways in which this Act may affect their work.

Since Progressio works with a number of partner organisations, we carry out appropriate due diligence on the people and organisations that help us to deliver our work. We need to be confident that we know enough about our partners' work and mechanisms and clear about what they will deliver for us. The nature and extent of such checks will be proportionate to the risks involved in a particular project or region, and will depend on whether we are continuing an existing relationship or starting a new one. In particular, Progressio will also make it clear that it expects partner organisations to adhere to the anti-bribery statement and may look for policies and procedures to demonstrate this.

6. Reporting and updating

All instances of attempts at bribery, including facilitation payments, should be reported. There is a simple form for this which staff should use to report any incidents. An annual report on Bribery will be made to the Board and included in the Trustees Report. This document will be updated to reflect any learning and new information.

Bribery is included in the risk assessments and will this element will be included within the on-going internal and external audits. Where specific risks are identified we will decide how they will be managed.

7. Learning

It is important to Progressio that we learn from one another within the organisation, and also from the experiences of others in the sector and beyond.

Staff should be aware that reporting is important for internal learning, and that their experiences will be shared with others within the organisation, but they will be anonymous.

Learning from the experience of others is also important and CR/SRMs should liaise with other INGOs that we work with (for instance CAFOD, Christian Aid etc) on their experience of how the legislation is played out in their country.

We will also continue to find opportunities to learn through BOND and we aware that they are planning some training materials. BOND have recently issued guidelines which staff are encouraged to read: www.bond.org.uk/pages/anti-bribery-principles-and-guidelines-for-ngos.html

8. Training

There will be a workshop/discussion with relevant staff members on the statement and using the BOND guidelines. There are some scenarios within the BOND guidelines for people to discuss which are useful in a local context.

There will also be training available for senior managers and Board members on the general principles.

Country staff should also look for opportunities for training, particularly in conjunction with larger organisations. Some funding will be set aside for this.

We would want to highlight the following resources:

Resisting Extortion and Solicitation in International Transactions which is designed for companies but has some useful case studies too:

<http://www.transparency.org/publications/publications/resist>

Business principles for countering bribery – again a framework for private sector companies:

http://www.transparency.org/global_priorities/private_sector/business_principles

The BOND guidelines (see above)

9. Investigations

Reports of any incidents of bribery or attempted bribery should be reported to the immediate line manager, using the form.

Any reported incident of bribes or attempts to bribe may be investigated further. In which case, the Management Team will, in conjunction with the person making the report, investigate the incident and decide on the next steps. If a member of the Management Team were involved, then this would involve a committee made up of Board members. Next steps could include:

- Identifying if bribery has taken place and who was responsible
- Undertaking suitable disciplinary action should a staff member be involved
- Reporting the matter to relevant authorities:
 - To a senior person in any organisations or partners if the person is from another organisation or partner
 - To an appropriate government department or agency in country
 - To legal authorities locally or in the UK

- If the matter is deemed a “serious incident” then it may also require reporting to the Charity Commission
- Identifying any improvements to the Progressio procedures

Staff members need to be aware that if, after investigation, any deliberate and unjustified contravention of this policy is found, it would result in disciplinary measures and suitable action will be taken.

10. Whistleblowing

Progressio seeks to work with transparency in all it does and welcomes all staff raising their concerns on this issue with their line manager or other senior manager. This might be about activities within Progressio, a partner or third party.

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