



Vi Agroforestry

# Anti-corruption and integrity policy for Vi Agroforestry

<b>Document name</b>	VI GL Policy for Anti-corruption and integrity	<b>Document type</b>	Governing document
<b>Author</b>		<b>Valid from date</b>	13/11/2019
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<b>Approver</b>	Ewa Rutqvist Holmstedter		



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## 1. Purpose

The purpose of this policy is to establish organisational measures to prevent, detect and combat corruption efficiently and effectively, to promote integrity and accountability and to clearly define roles, responsibilities and courses of action.

## 2. Scope

This policy is valid for staff, board members and interns/trainees/volunteers or consultants/service providers acting on behalf of Vi Agroforestry. It is a policy that applies for Sweden as well as all program countries.

## 3. Introduction

Corruption poses a serious development challenge. It undermines democracy and good governance by subverting formal processes and it weakens economic development by generating inefficiency.

Corruption increases the vulnerability of poor women and men by denying them free and fair access to the services that they are entitled to. Vi Agroforestry therefore has **zero tolerance** against corruption.

Anti-corruption measures often target the effects of corruption, by focusing on internal control issues. Not denying the importance of having sound internal controls in place, Vi Agroforestry also strives towards targeting the causes of corruption, by building integrity within the organisation. This entails working with our attitudes. Vi Agroforestry believes this is possible, by an approach where choices and decisions are made in a way that puts self-respect over self-gain.

## 4. What is corruption?

Vi Agroforestry defines corruption as “The abuse of entrusted power for illegitimate individual or group benefit”.

Petty corruption encourages and lays the basis for large-scale corruption. It is therefore not possible to distinguish between practices that may be generally accepted or expected, and those that may be considered to be more serious.

Common forms of corruption include, but are not limited to:

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- Favoritism/nepotism: The unfair favoring of a person or group at the expense of others and favoring of relatives or personal friends because of their (close) relationship rather than their abilities.<sup>1</sup>
- Bribery: To offer, give or receive an item of value intended to influence the actions of an official or other person in charge.
- Sharing of profits: When a supplier of goods or services offers part of the profit to the person placing the order, such as kickbacks, cuts etcetera.
- Diversion of resources for private gain: Includes fraud, misappropriation, and theft etcetera.
- Misuse of position: To use entrusted power for personal benefits e.g. request money, services, sexual favors etcetera in exchange for advantageous staff benefits, a certain win in a tender process, private discount on purchases made from the same supplier etcetera.
- Related practices include protecting corrupt individuals, concealing incidents that have occurred, etcetera. Negligence and/or mismanagement can be considered as corruption.

Human error is not the same as corruption or fraud. Recognizing that all people make mistakes, Vi Agroforestry shall strive to design administrative and control systems that minimise the risks of both intentional and unintentional error, and that makes deviations in any form easier to detect.

Vi Agroforestry is subject to Swedish legislation and regulations, independent of where and with whom the organisation is working. Local legislation, rules and regulations must be adhered to, but never as an excuse for supporting corrupt or other unethical behavior.

## 5. Preventing and learning

Vi Agroforestry recognize that the availability of resources can cause opportunity for corruption and that weak organisational capacity increases the risks. Clear rules and regulations, including segregation of duties and well-understood internal control routines, are the basis for the prevention of corruption. Equally important, however, is the need to actively promote an organisational culture focusing on transparency, strong and shared ethical values, trust and good governance.

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<sup>1</sup> Persons, physical or legal, are considered close if one person has the possibility to exert control, or significant influence, over the other person when it comes to financial and operative decision-making. This includes relatives, close friends or persons who have other tight bonds to staff members involved in decision making. Having situations where transactions between closely associated parties occur can create opportunities for, or suspicion of, corruption. Such relations must therefore always, if they cannot be avoided, be known and transparent. In these situations, a risk analysis will be made to determine if certain procedures and processes should be changed for the specific situation, in order to reduce the risks involved. Transactions with closely associated parties must be reported, using a special form sent out yearly.

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Awareness about anti-corruption issues is essential in order to combat the problems. The aim is to create a proactive attitude in the identification and mitigation of risks.

Vi Agroforestry's preventive efforts will focus on the continuous improvement of administrative and control systems, as well as capacity building and awareness raising for the people that implement them. In order to enhance and develop internal control systems, Vi Agroforestry needs to constantly learn from both mistakes made by human error and from confirmed corruption cases. To be able to learn, a culture of openness and integrity is needed. To raise concerns about risks and weaknesses in systems in place or to suggest improvements or mitigation measures, shall always be encouraged. Reflecting upon errors committed is something positive.

## 6. Detection and obligation to report

Corruption is often difficult to detect. Knowledge about the local context is needed. Board members, staff members, as well as interns/trainees/volunteers or consultants/service providers acting on behalf of Vi Agroforestry are obliged to immediately report on any suspected cases of corruption. This includes any suspicion of wrong-doing by Vi Agroforestry staff, someone acting on behalf of Vi Agroforestry or the employee and board member of a partner organisation. To mitigate risks and ensure quality in our development work, a good relationship with the partner organisation and efficient monitoring of ongoing projects is necessary. Failure to report suspicion may lead to legal action or other disciplinary measures. Fear of losing public or financial support will never be accepted as an excuse for failure to report.

## 7. Taking action

All cases must be reported and all cases will be addressed. The checklist in Section eight (8) has been developed for guidance.

Vi Agroforestry reserves the right to freeze or withdraw agreed support or deny additional funding when suspicion on corruption exists at a partner organisation.

If in compliance with local labour law, Vi Agroforestry reserves the right to suspend a staff member from duty (with salary, and benefits, intact during the investigation) even prior to court conviction, if suspicion of corruption exists.

Partner organisations are responsible for taking measures against their own employees and board members. If needed Vi Agroforestry can give support in the process.

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Vi Agroforestry will take all available legal action to restore lost values and to make the responsible people accountable.

## 8. Responsibilities

In practice, prevention and detection of corruption is the continuous responsibility of all involved in development cooperation financed by Vi Agroforestry, in Sweden as well as in our countries, and should thus be embedded in the carrying out of our day to day activities. All Vi Agroforestry staff are responsible for adhering to this policy.

Board and management are utmost accountable when it comes to combating corruption. Managers, both in Sweden and in the regions, are responsible for implementing the policy and addressing incidents in their respective areas of operations. The specific responsibility to develop and monitor the global work against corruption lies with the Head of Administration in Stockholm in collaboration with Regional Office management and Head of International department in Stockholm.

## 9. Learn from experience

Once an issue has been resolved and depending on its nature, steps should be taken to ensure that lessons learned throughout the organisation in order to better avoid similar situations in the future.

Vi Agroforestry will take action to improve internal control systems, routines, methods etc. based on the experience. Person in charge will depend on the situation. In order to maintain and build trust as well as to learn from experience, it is Vi Agroforestry's policy to be transparent with information concerning corruption cases at the earliest possible stage.

## 10. Security concerns

Security issues must be considered when a potential corruption case is discovered. Vi Agroforestry will not endanger the security of staff or partner organisations due to strict adherence to the anti-corruption policy.

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