Norwegian Afghanistan Committee

ANTI-CORRUPTION HANDBOOK 2018

"We cannot blame others for not solving this corruption problem that eats our countries alive from within."

H.E. President Mohammad Ashraf Ghani

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INTRODUCTION

The Norwegian Afghanistan Committee (NAC) has zero tolerance for corruption and nepotism in all its forms and is committed to plan, implement, monitor and evaluate all its programs, initiatives and operations in accordance with the highest ethical standards.

For NAC, anti-corruption is more than a legal obligation, it is a fundamental ethical commitment both to the people of Afghanistan and Norway. Corruption is a threat to the international community, the Afghan society and the communities we serve. It undermines legitimate programs and activities, distorts competition and erodes the trust of the people. It ruins the reputation of governments, authorities and organizations, and exposes people to risks.

NAC supports the Afghan government's commitment to combat corruption outlined in the Afghanistan National Strategy for Combatting Corruption (2017) through a series of efforts that are implemented throughout all NAC programs, initiatives and operations. NAC standards are set out in the NAC Provisional Anti-Corruption Policy, NAC Ethical Guidelines and Commitments, NAC Finance Manual and other governing documents, and apply to all elected officers, management, employees, interns, volunteers, consultants and partner organizations. NAC expects its suppliers and consortium partners to abide by the same principles in all joint operations with the NAC.

From time-to-time we may find ourselves in or experience situations where there is a risk of corruption. This Handbook is intended as a brief and practical overview of NAC's values, policies, rules and regulation relating to anti-corruption, with the aim of guiding us to make the right decisions at all times. The Handbook cannot provide answers to every possible situation we may face, we are therefore all strongly encouraged to seek advice when we are in doubt. It will be used and tested in all projects before a final, edited version should be presented to the NAC Board for their approval by end-September 2018.

Kabul, 20th March 2018

Terje Magnussønn Watterdal
Country Director

AFGHANISTAN NATIONAL STRATEGY FOR COMBATTING CORRUPTION

"And eat up not one another's property unjustly, nor give bribery to the rulers that you may knowingly eat up part of the property of others sinfully."

The Holy Quran, Chapter (2) Sûrat I-Baqarah
Mohammad Muhsin Khan
Mohammad Taqi-ud-Din al-Hilali translation

The Afghanistan National Strategy for Combatting Corruption describes a roadmap and a set of tools towards ending corruption in Afghanistan. Islam is clear about the importance of earning Halal income – income earned through work and not from bribery, theft or extortion.

Afghanistan's corruption challenges are closely linked to decades of conflict and war, and the lack of many key state institutions until these were reestablished 15 years ago. The Afghanistan National Peace and Development Framework presented at the Brussels Conference (2016) highlights eight priority areas, including: I) Revamping public procurement; III) Producing ministry-level action plans, and; VII) Increasing the use of e-payments and e-procurements.

The National Strategy rests on five pillars:

1. Political Leadership and Empowering Reformers
2. Ending Corruption in the Security Sector
3. Replacing Patronage with Merits
4. Prosecuting the Corrupt
5. Following the Money

All 25 Afghan ministries are required to develop effective action plans on combatting corruption. Two of the ministries with the largest budgets; Ministry of Education and Ministry of Public Health, are key partners with the NAC. In 2016, the Independent Joint Anti-Corruption and Evaluation Committee (MEC) conducted a Ministry-wide Vulnerability to Corruption Assessment of the Ministry of Public Health, and in 2017 a similar assessment was made of the Ministry of Education. The Ministry-wide Vulnerability to Corruption Assessment of the Ministry of Education was conducted with the technical support of NAC. The two assessments found that corruption was endemic in both the education and public health sectors, seriously undermining the government's efforts to provide equal access to quality education and health services for the Afghan people.

NORAD AND THE NORWEGIAN VIEW ON CORRUPTION[1]

Combating Corruption

Corruption is one of the world's largest obstacles to economic development and growth. Research shows that corruption, no doubt, has serious adverse effects on economic growth, inequality and poverty and on the allocation of public spending on education, health and infrastructure.

Corruption is often defined as the abuse of public power for private benefit. It applies to any transaction between the public and the private sectors where public goods are illegally converted into private benefits.

The United Nations Convention on Corruption entered into force in 2005 and provides a framework for state parties to fight corruption. It helps state parties to engage in dialogue and to cooperate with other countries on a topic that is usually perceived as difficult to discuss.

Definition of Corruption

The Norwegian Penal Code's main provision against corruption applies to both public and private sectors and states:

"Any person who a) for himself or other persons, requests or receives an improper advantage or accepts an offer of an improper advantage in connection with a position, office or assignment, or b) gives or offers anyone an improper advantage in connection with a position, office or assignment, shall be liable to a penalty for corruption."

Compliance to corruption is also punishable in the same manner. It should also be emphasized if the act is committed by - or against - a public official, or any other person whom in breach of the special confidence that comes with his position, office or commission, whether it has provided significant economic benefit, whether there was a risk of significant harm economic or otherwise, or if it's false accounting information, prepared false accounting documents or false statements.

It is important to note that trafficking of influence is also included and that someone may be punished if for themselves, or others, they receive or accept an offer of an undue advantage for

[1] Norad (2013) / last updated in 2015. Ref: https://www.norad.no/en/front/thematic-areas/democracy-and-good-governance/combating-corruption/ [10.03.2018]

influencing the conduct of a position, office or assignment, or give or offer anyone an improper advantage to influence performance of a position, office or assignment. Position, office or assignment includes job duties or assignments abroad.

What does corruption do to the society and population?

Corruption undermines people's confidence in democratic processes and political systems. It hampers resources from being spent on development and poverty reduction.

It is estimated that illicit capital flows from developing countries are ten times greater than the international aid to the same countries. Tax evasion and mispricing is believed to consist of 2/3 of the illicit capital flight, while criminal activity accounts for the remaining third. It is important to support efforts to stop these flows, such as through support for the development of effective tax laws, tax directorates, openness and transparency in public administration.

Norway is also engaged in developing legislation requiring companies to expand their reporting obligations and in strengthening institutions that are responsible for the investigation and prosecution of corruption cases. Supporting a critical and active media, as well as a civil society that can monitor policy decisions by requiring results is also crucial.

Corruption increases the costs of investments and challenges companies' competitive conditions. Poor people are required to pay for services which should otherwise be free. While large-scale corruption has significant social consequences, small-scale corruption has significant consequences for individuals and can lead to families becoming unable to afford schooling or to access health services. Corruption reduces the trust in the public sector and therefore threatens the stability of democratic institutions.

What are the challenges?

The forces of criminal activities and the corruption which underpins them are strong and do not recognize borders. Further, the secrecy around corruption makes is difficult to access the information needed to shed light on the trends, challenges and solutions to combat corruption.

A large and frequently debated question is how development cooperation affects corruption, especially in states that are vulnerable and/or in conflict, risking corruption being overlooked because other considerations seem more pressing and immediate. In some situations the delivery of development aid enables corruption, for example, in places where aid workers, in order to get vital food supplies to people in need, are forced to pay a portion of those supplies as a bribe to get through road blocks.

By maintaining sound systems of management of Norwegian development funds, we make our own efforts stronger, but if this happens in a society where corruption is the norm and not the deviation, sustainability will be reduced. In countries receiving Norwegian aid, we also have to

assess the corruption in society at large, outside Norwegian funded projects. It is important to understand how corruption can potentially undermine our efforts and what measures are needed to address corruption risks.

Another challenge is to find good ways of measuring corruption and the results of the initiatives we support. Good risk analysis, based on previous studies and evaluations, can identify challenges as well as measures to reduce risk. Such analyses will also give decision makers a better and more thorough basis for determining whether a partnership is possible.

The globalization of the world in general and the financial sector in particular, the existence of tax havens and the interests of states in using these, makes it necessary to fight corruption across borders. Although we know that the existence of tax havens has very adverse effects on developing countries, the forces supporting their continued existence is still stronger than those against.

KEY MESSAGES

1. NAC defines corruption as the abuse of entrusted power for personal or organizational gain;
2. NAC has zero tolerance on all forms of corruption and nepotism;
3. NAC integrates its ethics and values in our everyday work;
4. NAC management and staff are jointly responsible for the anti-corruption program;
5. NAC management and staff will be transparent and seek guidance within the NAC and outside the organization when in doubt;
6. NAC prohibits any form of corruption and nepotism, both within the organization, towards donors and partners, and among beneficiaries;
7. NAC officers, management, staff and volunteers must never offer, give, ask for, accept, or receive any form of bribe;
8. NAC officers, management, staff and volunteers must exercise great care and wisdom in decision making and never compromise ethics when planning, implementing, monitoring and evaluating programs;
9. If any NAC staff and volunteers become aware of any infringement of Afghan, Norwegian and international laws, NAC's Ethical Guidelines, NAC Finance Policy, or any other governing documents, they must inform the NAC management in line with the NAC Whistle Blower Policy:
    - Through the responsible regional or project manager and the Country Director;
    - Through the Country Director if the regional manager is involved;
    - Through the Secretary General if the Country Director fails to act or if he/she is involved;
    - Through the Chair of the Board if both the Secretary General and the Country Director fail to act or themselves are involved;
    - Through the Staff-Contact appointed by the Board should the Chair of the Board fail to act or if he/she is involved, or;
    - Directly through the elected female or male staff representative.
10. If any NAC staff and volunteers need guidance on how to act in line with NAC policies and guidelines they should consult the NAC management in Afghanistan or in Norway.

YOUR RESPONSIBILITIES

You as NAC board members, management, staff, interns and volunteers share a responsibility to ensure that NAC complies with established standards. At NAC we are all both jointly and individually responsible for understanding the legal and ethical issues that affect our work and for acting with integrity at all times. You must all read and understand this Handbook, the NAC Provisional Anti-Corruption Policy and the NAC Ethical Guidelines & Commitments. This includes that you:

- Have this Handbook available at all times;
- Participate in anti-corruption training and activities in NAC and ACBAR;
- Are transparent, honest and ask for advice if you are unsure, and;
- If you become aware of any issues related to corruption and nepotism, report these in line with the NAC Whistle Blower Policy:
    - Through the responsible regional or project manager and the Country Director;
    - Through the Country Director if the regional manager is involved;
    - Through the Secretary General if the Country Director fails to act or if he/she is involved;
    - Through the Chair of the Board if both the Secretary General and the Country Director fail to act or themselves are involved;
    - Through the Staff-Contact appointed by the Board should the Chair of the Board fail to act or if he/she is involved, or;
    - Directly through the elected female or male staff representative.

  All reporting will be treated confidentially.

This Handbook takes you through the rules of the NAC Provisional Anti-Corruption Policy. Remember to consult other NAC policies and guiding documents where required. All documents are available on the NAC web page from 1st May 2018.

Management's responsibility

The senior management of NAC have a particular responsibility for leading by example and for creating an ethical atmosphere where staff, interns and volunteers can share their dilemmas and where they can raise their voice and report any act that may constitute a breach of the Provisional NAC Anti-Corruption Policy. The management, whether in Afghanistan or Norway, whether on national, regional, provincial or project levels, have a responsibility to ensure that people in their teams are aware of and follow NAC's goals, values, policies, rules, regulations and guidelines. NAC senior management is morally and contractually obliged to report all possible cases of corruption, both suspected and proven, to Norad and other donors.

THE NAC STRATEGY

The Vision

The Norwegian Afghanistan Committee (NAC) shall contribute to an Afghanistan free of poverty where equality, democracy, human rights and respect serve as the bases for political action and development.

The Purpose

The Norwegian Afghanistan Committee's purpose is to support the people of Afghanistan in the development of a democratic and egalitarian society in which human rights are respected. By way of long-term development and solidarity initiatives NAC shall seek to raise living standards and the quality of life in the rural areas of Afghanistan. Within Norway NAC shall act as a nexus for knowledge of, interest in and engagement for Afghanistan. The Committee shall promote Afghan voices and perspectives in Norwegian public debate, and ensure that the Norwegian authorities conduct informed and responsible policies as regards Afghanistan.

The Values and Principles behind our work

INDEPENDENCE

The work of the Norwegian Afghanistan Committee shall not be dictated by political, religious or commercial actors or interests.

SOLIDARITY WITH THE PEOPLE OF AFGHANISTAN

The work of the Committee shall be founded on friendship, equality and solidarity between the peoples of Norway and Afghanistan.

NEEDS AS GUIDELINES

The needs of the Afghan people shall be the guiding factors behind the organization's work. NAC's projects shall support the United Nations' present development goals, and be fully in line with Afghanistan's national development plans.

DEMOCRACY AND RIGHTS

To the Committee democracy means the sovereignty and participation of the people and equal opportunities for all. Equality on the basis of sex, ethnicity and geography shall serve as the foundation for setting priorities within our development work and shall be the basis for recruiting

employees to our organization. Rights enshrined in national and international conventions and laws shall constitute the foundations for all of our work.

PEACE AND RECONSILIATION

The Norwegian Afghanistan Committee shall help foster confidence by developing good communications and nonviolent conflict resolution.

SUSTAINABILITY AND LONG-TERM DEVELOPMENT

Enduring results are created through long-term work and local ties. The Norwegian Afghanistan Committee shall work in cooperation with the local people where needs are defined. By building up competence and structures at provincial, district and village level we can establish the basis whereby the local population themselves can carry on the work.

INTEGRITY

The Committee has a policy of zero tolerance for corruption within its organization. Anti-corruption measures and transparency are important components in all of our projects.

PLEASE NOTE that the NAC Strategy is currently under review. A new organizational and program strategy for the years 2019 onwards will be in place by October 2018.

WHAT IS CORRUPTION?

"Corruption is the abuse of entrusted power for private gain. It can be classified as grand, petty and political, depending on the amounts of money lost and the sector where it occurs."

Transparency International

Transparency International explains further: **Grand corruption** consists of acts committed at a high level of government that distort policies or the central functioning of the state, enabling leaders to benefit at the expense of the public good. **Petty corruption** refers to everyday abuse of entrusted power by low- and mid-level public officials in their interactions with ordinary citizens, who often are trying to access basic goods or services in places like hospitals, schools, police departments and other agencies. *It is important to emphasize that the term 'petty corruption' should not suggest that such corruption is less important, or has less of an impact on people's lives than 'grand corruption'. Indeed, the day-to-day corruption that ordinary Afghan citizens face has devastating and cumulative effects on people's lives and wellbeing, including their security, health, education and finances.*

Political corruption is a manipulation of policies, institutions and rules of procedure in the allocation of resources and financing by political decision makers, who abuse their position to sustain their power, status and wealth.[2]

What you need to know

Corruption occurs when individuals offer, give or ask for money or valuable gifts, or accept or receive an improper advantage. Corruption includes **bribery**, **facilitation payments** and **trading in influence**. Please note that any corrupt activity is strictly prohibited. Both offering and giving (active corruption) and asking for, accepting and receiving (passive corruption) are illegal.

Excerpts from the NAC Ethical Guidelines & Commitments (Paragraph 3.a):

- We will not accept any honor, decoration, favor, gift or remuneration from any authority, partners, or beneficiaries valued to USD 100 and above; such gifts must be politely refused with reference to NAC policies and regulations;
- Where it will be impolite or inappropriate to decline, we may accept minor gifts and token items of appreciation under the value of USD 20 (AFS 1,000). Gifts and tokens of appreciation

[2] Transparency International (2018) / Ref: https://www.transparency.org/what-is-corruption#define

valued between USD 20 to USD 100 must be handed over to the NAC Admin Department in Kabul, listed and placed in stock to be used later for the common good of the organization;

- Gifts from one staff member to another are prohibited, with exception of minor gifts and token items (under the value of USD 100) in connection with weddings, births, and other social occasions where gifts are commonly given and culturally appropriate;

A **BRIBE** is when someone attempts to influence the decision of someone else or benefit economically from procurement of goods and services (e.g. regarding procurement of goods and services, selection of beneficiaries, or during recruitment processes) by offering or receiving money, valuable gifts or any other improper advantages.

FACILITATION PAYMENTS are smaller or larger amounts paid to secure or expedite the performance of a routine action to which the payer has legal or other entitlement (e.g. payments to government officials for issuing documents and permits).

TRADING IN INFLUENCE is when money, valuable gifts or any other improper advantage is offered or given to someone in return for influencing the conduct or decisions of a third party (e.g. providing payments or favors to a parliamentarian for her/him to influence the decision of a ministry in favor of an organization in the bidding process for a government contract).

What you must do

- You must never offer, give, ask for, accept or receive any bribes, facilitation payments or trading in influence.
- If you are in doubt whether your actions or decisions are in line with the NAC Provisional Anti-Corruption Policy, NAC's Ethical Guidelines & Commitments, Procurement Practices or any other guiding documents, you shall contact your line manager for clarification. All such inquiries and clarifications shall be documented.
- If you, or your line manager, are in doubt as to the legality of an action or how to interpret NAC policies and procedures, you shall seek advice from the Country Director.

What you need to be aware of

- A bribe, facilitation payment of trading in influence can have many different forms, e.g. in form of cash, cash equivalents, valuable gifts, credits, discounts, travel, personal benefits (incl. benefits for family members and relatives), accommodation or services (e.g. free maintenance and repair of a private vehicle as bribe for awarding a maintenance contract for NAC vehicles with a specific garage / mechanic).

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BRIBES

NAC strictly prohibits both paying or accepting bribes and kickbacks. Even if bribery is common in Afghanistan, it is illegal according to Afghan Law.

What you need to know

The Cornell Law School defines bribery as: "Bribery refers to the offering, giving, soliciting, or receiving of any item of value as a means of influencing the actions of an individual holding a public or legal duty. This type of action results in matters that should be handled objectively being handled in a manner best suiting the private interests of the decision maker. Bribery constitutes a crime and both the offeror and the recipient can be criminally charged."[3]

You must never pay or accept bribes and kickbacks. If you are approached, you must immediately contact your provincial or regional manager, and your Country Director for guidance and support. In such cases please remember to document all details accurately in a written report.

What you must do

- Inform all government and civil society partners that NAC never pays or accepts bribes;
- Inform all suppliers of goods and services that NAC never pays or accepts bribes and kickbacks;
- Identify and report any potential bribery risks to your provincial or regional manager, and Country Director for guidance and support;
- Consider and implement all possible measures to reduce bribery risks, and;
- Consider how bribery risks could be handled within the law.

If necessary NAC would withdraw from communities, districts and provinces if our work and operations become impossible without bribery, and terminate collaboration with government and civil society partners who demand bribes.

Furthermore, NAC will blacklist providers of goods and services who demand or offer bribes and kickbacks.

[3] Cornell Law School. https://www.law.cornell.edu/wex/bribery [20.03.2018]

What you need to be aware of

- NAC is strictly against all forms of bribery and kickbacks;

  Excerpts from the NAC Ethical Guidelines & Commitments (Paragraph 3.a):

  NAC has a zero tolerance policy on corruption; we will therefore not accept any forms of bribes or kick-backs;

- Bribery is against both Afghan and Norwegian Law, and the Do-No-Harm Principles of International Committee of the Red Cross (ICRC) and UNICEF;
- Bribery and kickbacks is against our moral and contractual obligations to our donors, and may risk any future funding opportunities;
- Inquiries from potential providers of goods and services, and middlemen regarding bribery and kickbacks are 'red flags' and should be reported to your provincial and regional manager, and Country Director, and;
- NAC Senior Management is obliged to report all potential bribery cases involving NAC and NAC staff, as well as NAC partners to Norad and other donors. Such cases may risk all future funding and endanger NAC programs and operations.

Situations with a high risk of bribes

- Selection of contractors for government programs and projects;
- Procurement of good and services;
- Recruitment of staff, and;
- Enrolment of students.

FACILITATION PAYMENTS

NAC strictly prohibits any form of facilitation payments. Even though such payments are commonplace in Afghanistan, they are considered illegal. This applies whether such payments are made directly or indirectly through intermediaries. You shall not pay if faced with any such demands.

What you need to know

Facilitation payments are either small, or larger amounts, paid to secure or expedite the performance of a routine action to which the payer has legal or other entitlement.

You must not pay if faced with demands. Should you have justifiable reason to believe that your own life or the lives of family members, your health, or your property could be in danger unless you pay, you must immediately contact your provincial or regional manager, and your Country Director for guidance and support. In such cases please remember to document all details accurately in a written report.

What you must do

- Inform all government and civil society partners that NAC does not make facilitation payments;
- Identify and report any potential risks related to the demands for facilitation payments to your provincial or regional manager, and Country Director for guidance and support;
- Consider and implement all possible measures to reduce these risks, and;
- Consider how these risks could be handled within the law.

If necessary NAC would withdraw from communities, districts and provinces if our work and operations become impossible without making facilitation payments.

What you need to be aware of

- NAC is strictly against all forms of facilitation payments;
- Facilitation payments are against both Afghan and Norwegian Law, and the Do-No-Harm Principles of International Committee of the Red Cross (ICRC) and UNICEF;
- Facilitation payments are considered corruption and are against our moral and contractual obligations to our donors;

- Inquiries from potential or existing partners and middlemen regarding facilitation payments are red flags and should be reported to your line manager and Country Director, and;
- NAC Senior Management is obliged to report the demands for facilitation payments to Norad and other donors.

Situations with a high risk of facilitation payments

- Official approvals, permits and licenses (such as approvals of reports to government departments and ministries);
- Customs clearance, and;
- Work permits and visas.

GIFTS AND COURTESIES

In NAC, you can only give gifts to individuals that are promotional items bearing a company logo and of minimal value.

What you need to know

Exchanging gifts are often part of local culture and considered important to foster good relationships with both government and civil society partners.

A gift can be anything of monetary or symbolic value. Common gifts we receive from partners and communities are food items, carpets and blankets (e.g. patoos) fabrics and clothing items (e.g. chopans and pakuls), as well as painting and other wall decorations.

Irrespective of their value, gifts may lead to a conflict of interests. To keep things simple, NAC has adopted the rule that you can only give promotional items (bearing the NAC logo) of minimal value as gifts (e.g. photos, calendars, notebooks and pens), and that you can only receive gifts based on the following criteria:

Excerpts from the NAC Ethical Guidelines & Commitments (Paragraph 3.a):

- We will not accept any honor, decoration, favor, gift or remuneration from any authority, partners, or beneficiaries valued to USD 100 and above; such gifts must be politely refused with reference to NAC policies and regulations;
- Where it will be impolite or inappropriate to decline, we may accept minor gifts and token items of appreciation under the value of USD 20 (AFS 1,000). Gifts and tokens of appreciation valued between USD 20 to USD 100 must be handed over to the NAC Administration Department in Kabul, listed and placed in stock to be used later for the common good of the organization;
- Gifts from one staff member to another are prohibited, with exception of minor gifts and token items (under the value of USD 100) in connection with weddings, births, and other social occasions where gifts are commonly given and culturally appropriate;

Cash, or gifts that are convertible to cash, shall never be given or received. Examples include personal discounts, vouchers or gift cards. If you receive a gift that is not in compliance with the above, you should return the gift with reference to NAC policies, rules, regulations and practices.

What you must do

- Inform government and civil society partners of the NAC policy on giving and receiving gifts, and;
- If you receive a gift in value of over USD 100 you must politely refuse it with reference to NAC policies and regulations, and;
- If it will be considered impolite or inappropriate to decline, you may accept minor gifts and token items of appreciation under the value of USD 20 (AFS 1,000). Gifts and tokens of appreciation valued between USD 20 to USD 100 must be handed over to the NAC Administration Department in Kabul, listed and placed in stock to be used later for the common good of the organization;

What you need to be aware of

- Gifts that are not given in an open and transparent manner may lead others to question your independence and integrity, and should therefore never be give or accepted, and;
- If there are reason to believe that the purpose of any gift, regardless of its value, is to influence NAC decisions must never be accepted, but should be politely declined.

HOSPITALITY

Hospitality may take various forms such as events, meals, travels and other forms of representation. Offering and accepting hospitality can be a legitimate part of NAC's work. What you must never do is to cross the line between acceptable NAC activities and practices, and corruption.

What you need to know

As a general rule, you are allowed to arrange or attend work related arrangements provided there is a legitimate reason and the costs are kept within reasonable limits. Arranging or attending expensive and extravagant arrangements are strict prohibited unless your Country Director approves because it is necessary from a work- and visibility-perspective. Any requests and approvals must be in writing and kept on-file for future reference.

If you are in doubt please seek guidance on what is considered extravagant and what is considered reasonable. Your provincial or regional manager, or Country Director must be informed of attendance and organization of work related hospitality events, and if necessary provide a written approval.

Please note that NAC do not cover costs for alcoholic beverages.

What you must do

You should consider the following before hosting or attending a hospitality event:

- Purpose of the hospitality event;
- Form and content of the event;
- If you are invited to a hospitality event, could the association with the organizers or other attendees negatively affect the image, work and operations of NAC;
- Politely decline attendance of political or religious events that may lead others to associate NAC with a certain political or religious group (ref. NAC Strategy 2015 to 2019 where it is explicitly written: The work of the NAC shall not be dictated by political, religious or commercial actors or interests);
- Value and nature of the arrangement;
- Find out if the arrangement open and transparent;
- Would attending or hosting , and;
- Ask your line-manager or Country Director if you are unsure, even if you have the authority to make a decision.

What you need to be aware of

- Avoid work related arrangements and events that includes partners and spouses (unless they are invited as Mahrams);
- Be cautious about accepting invitations that do not have a real business agenda;
- Avoid arrangements and events that can be perceived by others to have as purpose to influence the decisions of the NAC as well as government and civil society partners;
- Avoid hospitality arrangements and events with potential partners during contractual negotiations;
- Be aware of participating in hospitality events and arrangements that are subject to personal taxation, and;
- Do not participate in hospitality events and arrangements that are offered for something in return.

PROCUREMENT

NAC spends considerable sums every year buying goods and services. Even if most individual procurements are relative small, they remain vulnerable to corruption.

Studies by Transparency International shows that corruption adds to a project's costs and reduces the quality of work or services.

What you need to know

NAC Provisional Anti-Corruption Policy requires you to exercise extra caution in all interactions with government officials and members of parliament, especially when making procurements of goods and services from businesses that are controlled by senior political power-holders. Any appearance that NAC and NAC staff attempts to influence government officials and members of parliament for organizational and personal gain must be avoided.

What you must do

- Follow the requirements set forth in the NAC Procurement Regulations / Thresholds;
- Purchases should be made based on quality, price and services offered by the supplier;
- Senior Management must conduct random market surveys for different goods and services;
- Preference should if possible be given to:
    - Businesses owned and/or run by women
    - Businesses that are owned, run by or employ persons with disabilities
    - Businesses that are owned by persons in the local community
- Businesses who use child-labor must be disqualified (as defined by the Afghan Labor Law);
- In multi-ethnic environments ensure that smaller procurements are made from businesses owned by persons representing different ethnic groups as long as quality, price and service is comparable to reduce communal, ethnical and sectarian conflict;
- When forming Ad-Hoc Procurement Team at least 1 of the members should be female, and teams should when possible be ethnically diverse as per NAC Procurement Regulations / Thresholds;
- Procurements must not be split up into smaller pieces in order to circumvent the procurement regulations, and;
- When in doubt seek advice from your provincial and regional manager, and your Country Director for guidance on what is permissible and within the limits of NAC policies, rules and regulations.

What you need to be aware of

- Single Source Procurement (SSP) can be made in exceptional cases, however SSP must be justified and approved by the Country Director in accordance with the provisions outlined in the NAC Procurement Regulations / Thresholds;
- A comprehensive Procurement Handbook will be developed later in 2018 to further reduce corruption risks and vulnerabilities, and;
- When working with government ministries, departments, (e.g. IHS Jalalabad and IHS Paktia) NAC procurement rules should be followed if these are stricter than those of the government and vise-versa to comply both with Afghan government rules and regulation and NAC standards.

GOVERNMENT OFFICIALS

Extra cautions must be made when interacting with government officials and members of parliament to avoid any appearance that NAC attempts to influence the decision of government officials for its own benefit.

What you need to know

NAC Provisional Anti-Corruption Policy requires you to exercise extra caution in all interactions with government officials and members of parliament, especially with respect to giving and receiving gifts as well as inviting, or being invited to hospitality events and arrangements. Any appearance that NAC and NAC staff attempts to influence government officials and members of parliament for organizational and personal gain must be avoided.

What you must do

Seek advice from your provincial and regional manager, and your Country Director for guidance on what is permissible and within the limits of NAC policies.

What you need to be aware of

Government officials may have strict rules on what they are allowed to receive. You must always check whether a gift or a hospitality event or arrangement is compliant with Afghan government rules.

RELATIONS WITH PARTNERS

NAC partners will often be perceived to represent the NAC in target communities. NAC could therefore be held morally or legally accountable for corrupt or fraudulent activities by contractual partners of the NAC.

What you need to know

Extreme care must be exercised in the selection of Partners. You must make sure that all required verifications, including integrity checks on the proposed partner are performed. This may involve conducting a Due Diligence (IDD). If the IDD reveals information indicating an unacceptable risk, the Partner shall not be engaged, unless it is documented that the risk is satisfactorily mitigated.

What you must do

- Conduct a Due Diligence Test of all NGO partners based on the format provided by the UN OCHA Common Humanitarian Fund (CHF):
    1) Registration certificate with the Ministry of Economy (MoEc) or the Ministry of Justice (MoJ)
    2) Statutes
    3) Strategies
    4) Management and control tools
    5) Ethical guidelines
    6) HR policies and manuals
    7) List of staff with an overview educational background and work experience, incl. copies of sample CVs
    8) Finance policies and manuals, incl. procurement policies, rules or regulations
    9) Government tax clearance certificates for the past two financial years
    10) Annual and audit reports for the past two years
    11) List of projects and partners, incl. copies of current contracts with key donors
    12) List of members
    13) Goals, objectives, program plans and log frames
    14) Monitoring & Evaluation policy and plans
- Conduct a modified Due Diligence Test of smaller Civil Society Organizations based on their size and scope of operations;
- Due Diligent Tests of government ministries, departments, institutions and agencies will focus on organizational structures, equipment and resources, and the educational experience and work experience of senior officials and key staff members, and;
- Ensure that the Partner`s reputation and expertise is satisfactory.

What you need to be aware of

The following **red flags** may indicate an unacceptable risk in relation to potential Partners:

- The potential Partner is not willing to provide required information;
- Tax certificates are not available;
- Audit reports are not available;
- Apparent lack of resources or qualifications;
- Policies and statutes are biased towards certain political parties;
- The organization explicitly or implicitly seems to discriminate against women, persons with disabilities, or religious and ethnic minorities;
- Expenses are not proportionate to the programs and initiatives implemented;
- The list of members (if the potential Partner is a membership-based organization) reveals that a majority of the members are also staff of the potential Partner, or that senior government officials, or that previous and existing NAC staff are among the members of the potential Partner, and;
- Poor reputation and track record.

CONSEQUENCES OF CORRUPTION

Corruption harms the Afghan society on national, provincial, district, community and even on individual levels. It severely hinders development of just, democratic and peaceful societies. It erodes trust in the public sector, and children and youth 'learn' that they need to pay their way through life in order to succeed.

Economic Impact of Corruption

The costs of corruption are enormous. Even if it is impossible to measure the cost of corruption exactly, a recent estimate put the annual cost of bribery alone at about USD 1.5 to USD 2 trillion (roughly 2% of global GDP).[4]

The overall economic costs of corruption are likely to be even larger, since bribery constitutes only one aspect of the possible forms of corruption outlined above.

"The bribes that Afghan citizens paid in 2012 equals double Afghanistan's domestic revenue or one fourth of the Tokyo pledge"

Mr. Jean Luc Lemahieu, UNODC Regional Representative (2013)

One fourth of the Tokyo pledge constituted USD 4 billion. This is more than 16 times larger than the 2017 budget of the Afghan Ministry of Public Health.

The World Bank reports that "A strong connection has been demonstrated between corruption and increasing levels of poverty and income inequality."[5]

Corruption and insecurity are two main factors that prevent the NAC in reaching its Strategic Vision for Afghanistan of: […] an Afghanistan free of poverty […], as well as the Goal and Expected Impact of Phase III of the Integrated Rural Development Program: Reduced Poverty in Rural-Afghanistan.

[4] This estimate for 2015 is an extrapolation by Daniel Kaufmann based on his earlier estimate of $1.1 trillion in in 2005 / [20.03.2018].
[5] World Bank (2000) / Anticorruption in Transition - A Contribution to the Policy Debate / Chapter 2 page 19 / http://siteresources.worldbank.org/ECAEXT/Resources/Anticorruption/chapter2.pdf [20.03.2018]

Social Impact of Corruption

NAC's Strategic Vision for Afghanistan also addresses social development issues in addition to poverty alleviation: The Norwegian Afghanistan Committee (NAC) shall contribute to an Afghanistan free of poverty where equality, democracy, human rights and respect serve as the bases for political action and development.

With continued high level of corruption a vast majority of the Afghan people will continue to suffer from poverty, and peace, equality, democracy, human rights and respect for diversity and human integrity will remain a distant dream.

"There is nothing more likely to cause a government to lose the support of the people than for those people to be subject, year after year, to ineffective and corrupt institutions. Afghanistan is a country at war, and if the government loses the trust of the people, it will have no chance of winning."

Sayed Ikram Afzali, Executive Director of Integrity Watch Afghanistan

REPORT AND SPEAK UP AGAINST CORRUPTION

It is important to NAC that you report and speak up against corruption. It is your duty and responsibility to report any act that is likely to constitute a breach of the NAC Ethical Guidelines, the Provisional Anti-Corruption Policy, the Finance Manual, or any other guiding document. Any reports will be treated confidentially.

Whistle Blower Policy

By "whistle blower" is meant a person who is making valid complaints about malpractices in the organization and breach of these 'Ethical Guidelines and Commitments.' These are the key principles of the NAC Whistle Blower Policy:

1) Every complaint will be taken seriously and given due consideration;
2) The interests of both the whistle blower and those targeted by the complaint must be considered. The legitimate interests of any incriminated persons must in particular be respected to avoid victimization and stigmatization;
3) The identity of anonymous complaints will not be sought or revealed. The withholding of the identity of named persons that want to remain anonymous in further follow-up, will be respected;
4) Anonymous accusations will not be acted upon without prior consultation with the parties involved;
5) An accusation can by itself never prove anybody's fault;
6) In the case of revelations indicating the potential of personal danger, this will always be communicated to those involved, whatever the credibility of the information may be, and;
7) Intentionally false accusations and reports are considered a serious breach of these 'Ethical Guidelines.'

The NAC Ethical Guidelines & Commitments clearly state

We have the duty to adhere to these 'Guidelines' and to report any misconduct or failure committed by NAC staff, interns, officers, consultants, volunteers or anyone else representing the NAC.

We will report any information received indicating a situation where any of the above agreements are broken through one of the following reporting channels:

1) Through the responsible regional or project manager and the Country Director
2) Through the Country Director if the regional manager is involved
3) Through the Secretary General if the Country Director fails to act or if he/she is involved
4) Through the Chair of the Board if both the Secretary General and the Country Director fail to act or themselves are involved
5) Through the Staff-Contact appointed by the Board should the Chair of the Board fail to act or if he/she is involved
6) You can also report directly to the elected female or male staff representative

Investigation Teams

NAC Senior Management is legally and morally obligated to report potential bribery cases involving NAC staff as well as NAC partners to affected donors. Based on an internal NAC investigation they will decide whether an external investigation (e.g. by an External Auditor) will be required.

Within 10 working days of receiving a warning of possible corruption within the NAC, or among one of its partners, the Country Director and Secretary General shall establish an ad-hoc **Internal Investigation Team** comprising of representatives from both: 1) Administration; 2) Finance; 3) HR, and; 4) Program departments. The Team should ideally be ethnically mixed and gender balanced. The composition of Team and its Terms of Reference will depend on the size and scope of the investigation. The **Team Leader** should be from outside the affected region. If needed the Country Director should appoint external members to assist the team (e.g. a GIHS Representative was appointed to join the NAC Investigation Team at IHS Jalalabad late-2017).

Based on the Report from the **Internal Investigation Team**, the NAC Senior Management will decide if a second or third mission, or a new **Internal Investigation Team** should be dispatched to complete the investigation. The final **Report** should be sent to the affected donor and to the NAC Board of Directors for approval.

Remember

Both acts of corruption and attempted corrupt behavior represent a breach of the NAC Ethical Guidelines and Commitments and may lead to termination of employment, and in severe cases corruption will endanger the programs and operations of NAC, the security and safety of all NAC officers, staff and members, partners and beneficiaries, and may lead to legal actions.

"Corruption costs, it ruins lives, and it can even kill. It's vital that those facing it have a way to speak out."

Transparency International (2015)