

ANTI-CORRUPTION POLICY OF AIPP

AIPP's Message on Anti-Corruption

Corruption in both the public and private sector remains a serious global problem. However, continuous efforts are also being done to address this condition through stronger regulations and enforcement. AIPP, as an organization committed to human rights, democracy and the rule of law, declares its strong commitment to combat corruption in all its forms as a matter of Policy and action. Along this line, AIPP recognizes the importance of institutionalizing strong anti-corruption measures necessary to support our transparent operation and at the same time reinforce our credibility and ability to deliver our important mission.

In addition to AIPP's Constitution, bylaws and core values, a zero-tolerance, Anti-Corruption Policy will strengthen the accountability and transparency of the organization. This Policy is a guideline on the acceptable and non-acceptable behaviors of all AIPP officers and staff, as well as member-organizations, partners and individuals receiving funds and services from AIPP to ensure compliance with anti-corruption laws. These include compliance with all domestic and foreign laws prohibiting improper payments, gifts or incentives/inducements of any kind from any person or agencies including private and public sectors. This Policy also applies when dealing with any government and its agencies.

In line with the implementation of its Anti-Corruption Policy, it is the responsibility of all organs of AIPP, from the General Assembly, Executive Council (EC), Foundation Board, to the members of the Secretariat, the (programme committees) and officers and staff of member-organizations to fully understand the Policy and comply with its provisions. In addition, every member of our organization has an obligation to report through the identified channels any suspicion or knowledge of corrupt activities concerning AIPP. This Policy will thereby be translated in languages understood by members and partners of AIPP.

Famark Hlawning
Chairperson
November 29, 2016

1. General Framework

1.1 Objectives

The Anti-Corruption Policy is established to:

1. Signify the strong commitment of AIPP to combat corrupt activities through clear measures for compliance by the whole organization.
2. Strengthen and ensure accountability and transparency to combat corrupt practices and activities in line with national and international laws and policies against corruption.
3. Provide a clear framework for efficient and effective operations in AIPP to prevent corruption.
4. Provide clear guidelines for the organization to operate under, as well as for the EC to review and oversee that operations are conducted appropriately, and in accordance with relevant regulations and the organization's policies and principles.

1.2 Statement

In line with AIPP's commitment to zero-tolerance of corruption activities, its approaches to corruption and other irregularities are to:

a) always prevent

To prevent fraud and corruption in the work environment, internal controls are essential, thus AIPP should ensure the following in the organization:

- Segregation of duties, to prevent one person from undertaking an entire transaction alone
- Clearly established lines of delegated authority and responsibility
- Description of positions that clearly represent the jobs people actually do
- Wherever possible, job rotation for those in key positions of trust
- Staff awareness, education and training to ensure all staff are aware of, and can recognise the signs of possible fraudulent or corrupt behaviour
- Adequate protective measures for safeguarding, assets, processes and data
- Documentation retained and managed in accordance with records management policy
- A work environment where people feel comfortable in raising concerns and are not penalised for doing so
- Ongoing management oversight / monitoring of work functions to verify that controls are operating effectively e.g. reconciliations, confirmations, exception reports.

b) never accept

AIPP shall do their business legally and ethically and never offer or accept bribes, or participate in any kind of fraudulent or corrupt practice, even when not to do so would clearly result in sacrifice. AIPP avoids political donations and giving or receiving money, gifts or favours that could influence someone's decision or that could be open to misinterpretation. AIPP understands that offering or accepting proportionate hospitalities is fine. AIPP's principle is to respect the

traditions and cultures of the countries and communities where the organization works, always applying the highest ethical standards and rejecting illegal activities.

c) always inform

AIPP staff members, AIPP members and partners are required to promptly report potential cases of fraud and corruption in relation to the operation of the AIPP Secretariat and in the implementation of projects and programme activities through the hotline number and/or email provided.

d) always act

AIPP will pursue all allegations falling under the scope of this Policy and that appropriate sanctions will be applied where the allegations are substantiated. AIPP will enforce a range of disciplinary measures and sanctions for all such cases, in accordance with applicable AIPP rules and regulations and contractual provisions. Such measures will include referral to the competent national authorities where warranted. Where such cases concern individuals employed by another entity, AIPP will take all possible steps to ensure that the other entity takes appropriate actions in a manner consistent with this Policy.

With these approaches, AIPP shall be able to effectively combat corruption in a comprehensive manner.

All individuals and entities covered in the scope of this Policy must at all times comply with the ethical principles of AIPP including on accountability and transparency as well as the specific duties and obligations set out in this Policy and the regulations and guidelines governing the activities of AIPP.

All members of AIPP are encouraged to adopt the Policy.

1.3. Scope

This Anti-Corruption Policy applies to all members of the EC, all staff members, volunteers and interns, organisations and individuals implementing AIPP activities or contracted services, consultants and all personnel of social enterprises managed by AIPP (e.g. INA House and AIPP Printing Press).

1.4. Definition

The definition of anti-corruption in this document is based on what is commonly applied by international financial institutions as follows:

“Bribery practice” means any offering, giving, receiving or soliciting, directly or indirectly, of anything of value to improperly influence the actions or decisions of another party to gain and retain the vested interest. Anything of value includes cash, gifts and courtesies.

A bribe can take many forms, including, but not limited to:

Receiving something of value to improperly influence a procurement process

Receiving something of value in return for showing favor to a candidate in the recruitment process (e.g. nepotism and patronage)

Making an unofficial payment to a government official (or an official's representative) in order to obtain a license, release imported goods or obtain favorable treatment in the speeding up of a process

Bribery may also occur for the purpose of laundering the proceeds of crime, concealing a crime or obstructing justice.

“Corrupt practice” means abuse of any entrusted power for personal gain and financial benefit in both private and public services and businesses undermining good governance and the rule of law.

“Facilitative Payments” means small sums paid (either directly or through a third party) to government officials or any other parties to facilitate or expedite the action or routing. For example, making an under the table payment to an immigration official to speed up the processing of work permits and visas.

“Extortion” is the taking of benefits by force, or threat of violence, property damage, harm to reputation, or unfavorable government action. Economic extortion occurs, for example, when an employee demands payment from a vendor for decisions made to inappropriately select that vendor.

“Conflicts of Interest” may occur when an individual's professional, personal or private interests interfere (or have the potential to interfere) with the performance of their duties for the interests of AIPP. While conflicts that have not resulted in inappropriate behavior may not in themselves necessarily be wrong, the potential for interference with one's duty should be recognized and reported to AIPP for transparency. Examples of conflicts of interest include, but are not limited to:

Personnel who holds roles in other organizations whose interests may not be aligned with the AIPP (e.g. a procurement officer having a role in the selection of vendors may have conflicting interests from a personal or family interest in a specific vendor seeking to do business with AIPP)

Personnel who has conflicting roles and responsibilities inside of AIPP

Personnel who grants favoritism to associates regardless of merit (nepotism)

Personnel who has received a significant gift from another party with the expectation of reciprocity from AIPP

“Illegal Gratuities” are the giving, offering, or promising of anything of value, whether directly or indirectly, for or because of any favorable action. These do not require intent to influence or require that the receiver be influenced. A gratuity is a reward for an action that a receiver has already taken, or for an action that the receiver has committed to take in the future.

“Political Contribution” is monetary or non-monetary support provided to a political party, representative of a political party, politician or candidate for election with expectation of benefiting from the politician, candidate, or political party. Non-monetary political contributions include lending or donating any equipment free of charge.

“Fraudulent practice” means any action intended to deceive another party in order to improperly obtain a financial or other benefit or avoid an obligation.

“Collusive practice” means any secret agreement/arrangement between two or more entities without the knowledge of a third party, designed to improperly influence the actions of the third party.

“Coercive practice” means impairing or harming, or threatening to impair or harm, directly or indirectly, any party or its property, or persons closely related to a party, to improperly influence the actions of that party.

“Reprisal” means any act taken against an AIPP staff or other entity for their revelation of violations to or non-compliance with AIPP regulations and rules by an individual or entity.

“Whistle-blower” means any AIPP staff or any third party who reveals corruption in any AIPP activity/project/programme by contacting either anonymously or openly the concerned authority of AIPP.

“Whistle-blower protection” means measures taken to ensure that anyone who reveals fraud and corruption in AIPP operations is protected from reprisals.

The scope of this Policy does not cover ethical conduct or procedural lapses of staff and consultants that do not fall within the scope of corrupt, fraudulent, collusive or coercive practices as defined above (e.g. harassment, mismanagement, disrespectful behaviour and breaches of legal and contractual obligations not involving fraud, corruption, coercion or collusion). Other policies and practices of AIPP remain applicable in dealing with such lapses with appropriate sanctions or remedies.

2. Guidance on Implementation

2.1. The key elements of this Policy are summarized as follows:

a. AIPP will apply a zero-tolerance Policy and will not support any form of corruption, whether direct or indirect where and when it has determined through an investigative process that its staff, consultants or project/activity partners have engaged in fraudulent, corrupt, collusive or coercive practices. “Zero tolerance” means that AIPP will pursue all allegations falling under the scope of this Policy and that appropriate sanctions will be applied where the allegations are substantiated. AIPP will enforce a range of disciplinary measures and sanctions for all such cases, in accordance with applicable AIPP rules and regulations and contractual provisions. Such measures will include referral to the competent national authorities where warranted. Where such

cases concern individuals employed by another entity, AIPP will take all possible steps to ensure that the other entity takes appropriate actions in a manner consistent with this Policy.

b. AIPP will continue to improve its internal controls so as to ensure that it is effective in preventing, detecting and investigating fraudulent, corrupt, collusive and coercive practices pertaining to its officers, staff, consultants or project/activity partners and dealings with governments. It will take all possible actions to protect individuals and agencies from reprisals that submit allegations of corrupt practices in its activities and operations and individuals subject to unfair or malicious allegations.

c. AIPP shall not engage in or conduct any form of corruption, whether direct or indirect, in connection with either government entities/officials or private entities/individuals, regardless of any advantages (at home or abroad) the organization may receive with the purpose of influencing personnel with power of authority in making decisions.

d. AIPP shall not ignore or neglect to raise concern or report any suspected instance of fraud or corruption in relation to the organization. Acts of corruption or any suspected instance of corruption shall be immediately reported to the designated person/hotline channel. The person reporting alleged case of corruption shall provide support to the investigation process. The reporting person's responsibilities include being aware of protocols to address the suspicions and obligations/protocols for reporting such incidents to the appropriate head office, authorities and/or donors.

e. AIPP shall encourage good values and awareness in working honestly, ethically and transparently, without fraud and corruption, as part of its organizational culture.

f. AIPP shall operate in compliance with all related laws and regulations, especially the laws in relation to anti-fraud and corruption in every country in which the organization operates.

g. AIPP shall operate with transparency, accuracy, and fairness under the applicable regulations, policies, procedures and guidelines of AIPP, especially for procurement, and accounting and finance processes.

h. Any act breaching this Anti-Corruption Policy shall be considered for disciplinary action in accordance with AIPP's procedures, which may include termination if deemed appropriate by the AIPP's management. Additionally, any personnel found to be in violation of this Policy may be subject to the law if the act is proven to be a violation of related laws.

i. AIPP shall provide fair treatment. Staff will not suffer demotion, penalty or other adverse consequences for reporting corruption in good faith, or refusing participation in any acts of corruption, even if such refusal may result in AIPP's loss of opportunities.

2.2. Facilitation Payments

AIPP shall not provide facilitation payments to government / public officials or their representatives, either directly or through a third party. Payments of a small amount of money without any legal basis under applicable laws and regulations might be requested by a government/public official. However, the organization considers facilitation payments to be a

form of bribery, thus, these are strictly prohibited under the organization's Policy. Similar to facilitation payments, AIPP also considers "illegal gratuities" to be a form of bribery, thus, illegal gratuities are also strictly prohibited under AIPP's Policy.

2.3. Gifts and Hospitality

The receiving or providing of gifts and/or hospitality is permitted according to tradition, but must not impact the organization's operations, reputation and decision-making, must be of a reasonable amount and must not exceed any limit set by applicable laws, regulations, or other party's internal regulations.

2.5. Bribery under Duress

AIPP may encounter a situation in which an unauthorized payment is demanded from a third party, which if not made, could result in risk of personal security, personal liberty or even loss of life. AIPP, faced with this predicament will not be considered to have participated in corruption by making such a payment. Such an incident, however, must be immediately reported to the EC.

2.6. Conflicts of Interest:

All AIPP officers and staff are required to report any potential conflicts of interest that may be reasonably perceived as having the potential to undermine the objective judgment and decision-making of the officer or staff in performing the duties and responsibilities to serve the best interest of the organization.

The EC, assisted by a designated staff shall document and monitor conflicts of interest reported by staff or individuals from members and partners receiving funds or services from AIPP.

AIPP always encourages to avoid all types of activities or events where potential conflict of interest may arise and affect organizational operations and implementation of development interventions.

2.7. Books and Records

AIPP prohibits the conduct of off-the-book, fictitious or otherwise falsified transactions, or any other similar acts prone to be misconstrued as such.

The Finance unit shall make and keep books of records and accounts (cash books, ledger books, sheets, account ledgers, etc.), which, in reasonable detail, accurately and fairly reflect the transactions and disposition of assets.

A system of internal control for accounting processes shall be devised and maintained to ensure accurate recording and maintenance of books and records.

3. Prevention and Detection

3.1. Risk Assessment

A corruption risk assessment process shall be implemented, in consultation with the relevant process bodies of the organization and stakeholders, to identify and assess the risks of corruption, and to develop appropriate mitigation strategies and controls to reduce AIPP's exposure to corruption.

The AIPP EC shall re-assess the identified risks every three years, or upon significant changes in the operating environment, regulatory requirements and donor expectations.

3.2. Internal Controls

This Policy is supported by a system of internal controls including policies and procedures guiding specific processes aimed at preventing corruption. These include, for example, requirements for third party due diligence, making payments, staff due diligence, reimbursements, reporting financial statements, among others.

This Policy is also supported by management oversight responsibilities, including monitoring performance to budget, reviewing transactions, monitoring assets, etc.

These policies and procedures as well as management oversight functions are subject to audit. Moreover, all staff are obligated to comply with these policies and procedures and cooperate with management's efforts to perform their oversight and review functions.

Spot checks shall be conducted on the financial records, implementation of the procurement policy and related regulations of this Policy with the AIPP secretariat and project partners.

The system of internal controls shall be reviewed periodically. This review shall take into consideration the assessed risks of corruption in order to prioritize these and to support the mitigation as they potentially change.

3.3. Communication and Orientation

The Anti-Corruption Policy will be communicated to all member-organisations, project partners, and consultants for their compliance. AIPP members and partners, if necessary, will translate the Policy in their national languages. All staff members and members/partners will be oriented on the Anti-Corruption Policy as appropriate, such as during the inception workshop meetings for project partners. The Policy statement will be available in the AIPP websites and shall be published in the annual reports.

4. Roles and Responsibilities

4.1. The Executive Council

The EC has the role of enforcing the Anti-Corruption Policy and overseeing that efficient, appropriate and complete protocols are in place to support its implementation.

In particular, the Chairperson and one member of the AIPP Foundation Board will be responsible for monitoring the implementation and execution of the Anti-Corruption Policy by the Senior

Management, and assessing the adequacy of the anti-corruption program by the Secretariat. Likewise, the heads of AIPP's partner organizations are responsible for monitoring compliance with the Policy in their respective organizations.

4.2. Secretariat Management Team

The Secretariat Management is responsible for establishing efficient protocols to support the Anti-Corruption Policy. It will set communications and a training program for all personnel, regardless of rank, to ensure that all personnel have sufficient understanding of the Policy and are able to effectively and efficiently apply related policies and protocols in their operations. Likewise, it will review the appropriateness of related protocols to align with any changes in, laws, rules or regulations.

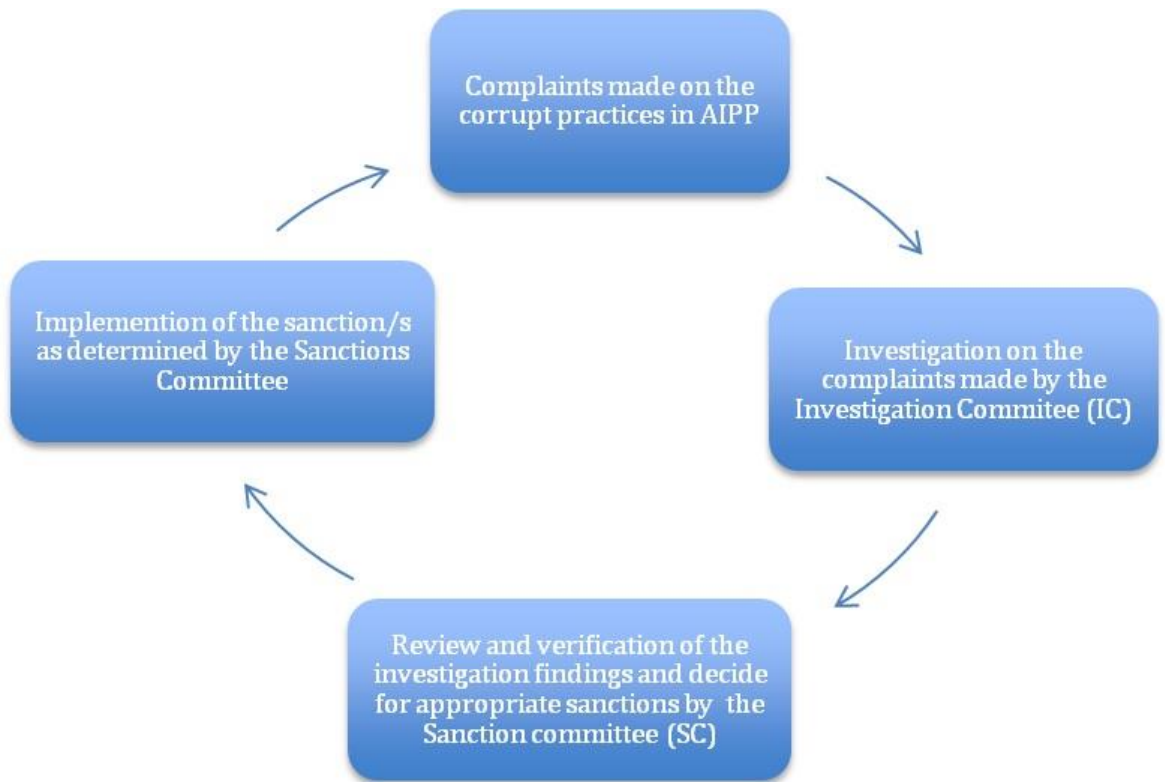
All levels of management are also responsible for encouraging an ethical working environment and leading by example which clearly and consistently demonstrates that the entire organization does not tolerate corruption.

4.3. All Personnel

All AIPP Secretariat members are responsible for understanding that corruption is unacceptable and that they must work in accordance with the Anti-Corruption Policy and any related protocols. All personnel must report to their supervisor or to a designated reporting channel (designated officer) if they encounter any breach of Policy or have any questions about this.

5 . Implementation of Anti-corruption Policy

Figure: Flow chart for implementation of Anti-Corruption Policy in AIPP



5.1. Complaints Channels / Raising Concerns

All suspicions of economic fraud, bribery and corruption should immediately be reported directly to the President of the AIPP Foundation Board, through confidential channels established by AIPP. The anonymity of the whistleblower will be respected and protected. For this purpose, the following means of communication for confidential reporting will be established:

- A confidential anti-corruption hotline and an e-mail address to be managed by the President of the AIPP Foundation Board has been set up for confidential reporting. All corrupt practices and information on any allegation will be reported to the President of the AIPP Foundation Board through these channels where 2-3 Foundation Board members will be involved in the consultation process. The telephone number and email address will be provided to all secretariat members, communicated to all members and partners and also publicized in the annual report of AIPP, websites and others. Special measures will be put in place to ensure adequate security in the operation of these channels.
- A simple complaint format will be developed, circulated to members and partners and also posted in the websites of AIPP. Whistleblowers are encouraged to use the complaint format to provide the necessary information but in their own discretion. The format is provided so as to enable the AIPP investigation body to act without hindrances, upon the assurance that they have enough information to proceed with their investigation. The investigation committee (IC) may seek additional information in the process of the investigation.

Complaints Channel:

Email: chupinit@gmail.com

5.2 Sanction Committee (SC)

Mobile: + 66896813536

5.2. Investigation Committee (IC)

Upon receipt of any complaints of alleged corruption or suspicion of indulging in corrupt practices, the President of the AIPP Foundation Board will call the other Foundation board members (minimum of 3 members of the foundation board) and auditor if relevant to assess/evaluate the allegation. If the Foundation Board deems the complaint to be legitimate or with merit, an Investigation Committee (IC) will be formed and constituted within two weeks of the receipt of the report.

The IC will be headed by the President of the AIPP Foundation Board and the following:

- Three members of the Foundation Board
- At least two (2) individuals with integrity
- One lawyer (recommended by the Foundation Board for cases with perceived serious legal implications)

All INDIVIDUALS involved in, or with knowledge of any actual or suspected instances of corruption are required to fully cooperate and be truthful with any investigations conducted by AIPP or the authorities.

5.3. Sanction Committee (SC)

A Sanction Committee (SC) will be constituted of not more than five (5) members from amongst the EC members and designated person from the AIPP Foundation Board. The Chairperson of the EC will head the SC, together with the designated person from the AIPP Foundation Board along with three other members from the EC or the Foundation Board.

The SC will review the findings of the investigation and decide on appropriate sanctions to impose on the party found guilty. The EC can also deliver it to the Secretary General for necessary actions particularly on corrupt practices within the Secretariat, whereas EC will decide and take actions on matters related to AIPP members and partners in consultation with the SG and (Programme Committees), if necessary.

In most of the cases, the EC and AIPP Foundation Board will handle the case of corruption internally in consultation with the SG and Secretariat, as appropriate. If the case is serious to merit legal process like a Court case, a reliable lawyer shall be hired for additional legal support, as required.

Range of Sanctions

- a. Letter of Reprimand/Warning – where there is a lack of oversight, or for isolated or minor violations of prohibited practices
- b. Restitution/Financial Remedies – where there is a quantifiable amount to be restored
- c. Termination of Contracts
- d. Denial of further financial support
- e. Legal Action as appropriate

5.4. Communication of the Report

All incidences of corruption or an act of suspected corruption will result in a report stating the severity and scope of the issue and actions taken thereafter. All reports shall be sent to the EC and the Foundation Board of AIPP.

5.5 Confidentiality /Protection

AIPP will strictly maintain confidentiality of all information it receives, including the identity of anyone making a complaint or reporting a concern about wrongdoing. AIPP commits to protect from retaliation, any whistleblower who in good faith has reported alleged fraud and corruption or who has otherwise cooperated with an investigation process.

However, if AIPP determines that the information it received is malicious or deliberately false, AIPP will take appropriate action.

What kind of concerns should be reported to AIPP?

AIPP investigates allegations of fraud and corruption in relation to the operation of AIPP Secretariat and in the implementation of projects and programme activities.

Concerns to report to AIPP include:

- Giving of bribes or gifts to government officials in violation of the law of the country by AIPP staff
- Fraud and corruption by AIPP staff members and individuals or entities implementing the projects or activities with AIPP
- Suspected contract irregularities and violations of AIPP's procurement guidelines
- Kickbacks, bribes or gratuities for purposes such as influencing the awarding of contracts
- Personal benefits and entitlement in awarding contracts
- Inappropriate giving and receiving of gifts in return for personal favors

AIPP staff members, AIPP members and partners are required to promptly report potential cases of fraud and corruption through the hotline number and/or email provided.

6. Enforcement/Consequences of Violation

All forms of corruption will result in immediate investigation and appropriate action shall be taken against anyone found guilty. AIPP shall abide by procedures of due process in upholding the principle of innocence unless proven guilty. In the case of AIPP staff, the identity of whoever is found guilty of any form of corruption as defined above will be made known to all other staff, members and partners for preventive purposes in addition to other appropriate actions.

7. Policy Review

The EC will monitor the efficiency and effectiveness as well as review the implementation of this Policy and related procedures to ensure the administration, revision, interpretation and application of this Policy and procedures. This Policy and related procedures will be reviewed every four years and revised as needed.

The EC and/or simple majority of the members can initiate revisions to this Policy if needed, to make it more relevant and appropriate, taking into account changes within and outside AIPP.