

 hoffnungszeichen sign of hope	Hoffnungszeichen Sign of Hope e.V. Preventing Corruption, Money Laundering, and Financing of Terrorism Policy	Revision: 04.00 Valid after: 01.01.2025 Review: 01.01.2028 Page: 1 of 6
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Introduction

Corruption contributes to poverty and exacerbates hunger and food insecurity as a characteristic of poverty. Furthermore, direct or indirect involvement in corruption, money laundering, or the financing of terrorism can jeopardize the integrity and credibility of Sign of Hope (SoH), as well as the promotion and support of our work, in addition to leading to legal consequences. There is a risk that the resources SoH invests to carry out its work may not reach the intended beneficiaries.

This policy establishes the principles for preventing corruption, money laundering, and financing of terrorism within SoH. The aim is to ensure compliance with all relevant laws and regulations, uphold ethical standards, and protect the integrity of SoH's operations.

1. Scope of Application

This policy applies globally to all SoH staff, board members, interns and volunteers as they carry out SoH business. It also covers attempts at or corrupt acts committed by external groups or individuals (e.g., implementing partners, contractors, suppliers, donors, local authorities, and beneficiaries).

All references to 'staff and stakeholders' in this policy should be read as including the staff of implementing partners, suppliers, agents, and volunteers. SoH reserves the right to terminate contracts with implementing partners, suppliers, and agents with immediate effect if they breach the rules stipulated in this policy and SoH's Code of Conduct.

2. Definition

In the context of SoH's work, corruption and fraud are described as the wilful or dishonest misuse of organisational resources, including acts of dishonesty, deception, or omission, the improper use of influence or position and/or the improper use of information.

Corruption is defined as the abuse of entrusted power for private gain.

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Fraud is committed by an internal or external person with the deliberate intention of deceiving SoH, its donors, beneficiaries, or the general public to gain a personal advantage. Examples include, but are not limited to, a contractor charging for unnecessary repairs or a candidate who falsely claims qualifications on their CV.

Money laundering is the process of concealing the origins of money obtained through illegal activities. Legislation on money laundering in Kenya for example makes the following illegal: concealing, disguising, converting or transferring criminal property; becoming involved in an arrangement facilitating this, and the acquisition, use, and possessions of criminal property. It is also an offence not to disclose one of the above.

Financing of terrorism involves the raising and processing of funds to supply terrorists with resources. Financial sanctions are restrictions (counterterrorism measures) put in place for example by the UN and/or the EU to achieve a specific foreign policy aim e.g., to prevent conflict or respond to emerging or current crises. This means that the assets, property, and economic resources of these individuals, groups, and organizations are for example frozen, no funds should be made available or benefit them, directly or indirectly.

3. Prevention

High levels of transparency in all regards to project work are the best prevention. Besides this, control of own project administration and monitoring of the project administration of partners is another element to impede corruption and reduce the risk of any involvement in money laundering and financing of terrorism.

3.1 Creating a low-risk environment

Generally, any measures of prevention of corruption, like transparency and control mechanisms together with partner organizations, are the best means for protection against corruption and should be striven for.

- In matters of business, decision-making processes, and the use of resources, maximum transparency must be maintained so that decisions and actions can be understood.
- All processes must be documented in writing, especially the services provided and the use of any funds, which must be transparently recorded.

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It is prohibited to falsify, alter, destroy, or remove documents and/or records, as well as to charge for services not demonstrably provided.

- All staff and stakeholders should know the channels they can use to report any concern (like suspicious transactions) and misconduct.
- Potential new partner organizations must be carefully evaluated before agreeing on collaborations or signing contracts, incl. assessing their existing framework of anti-corruption measures and checking whether the organization of any of their representatives are listed on any sanctions list.
- “Segregation of Duties” & “4-Eye Principle” are implemented whenever possible.

3.2 Distribution of Aid Goods and Services

Staff must ensure that the distribution of aid goods and services to beneficiaries is always conducted in line with transparent selection criteria, without requesting a favour in return. Project participants should be adequately and transparently informed about the criteria for selecting beneficiaries, the type and quantity of aid goods and services, as well as details about distributions (time, location, method, etc.). Situations where individuals are seen as the sole authority for the distribution of aid goods and services should be avoided.

3.3 Awarding Contracts

When awarding contracts, staff and stakeholders must ensure that decisions are based solely on objectively verifiable criteria such as price, quality, or performance. Exclusive information should not be provided to individual bidders, as this could result in a potential competitive advantage. The selection process must be conducted and documented according to the Logistic (Procurement) Standard Operational Procedure. Before awarding a contract, the integrity of the service provider or supplier must be thoroughly checked.

3.4 Accepting Gifts & Donations

The SoH Code of Conduct commits all staff to act in an ethical manner and to not accept gifts with a value of more than 40 EUR or any remuneration, advantages, or favours from governments, beneficiaries, partners, donors, suppliers, or other persons, which have been offered to staff members as a result of their employment with SoH. Small gifts under 40 EUR are permitted and should benefit the entire team. Exceptions, such as uncertainties about the value of the gift, personal gifts with high sentimental value, or the receipt of a high-value gift

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that could not be declined, must be discussed with the respective supervisor and, if retained, recorded in the gift register.

Receiving and/or awarding direct or indirect grants for the purpose of advantaging the donor or a third party is prohibited. Donations from companies, foundations, political parties, or politically-active organizations must be approved by the Executive Board.

3.5 Recruitment processes

Pre-Employment Screening is one of the most powerful tools in preventing corruption. Possibilities of implementation can vary from position to position and country to country. Be aware of legal limitations (e.g., contacting previous employers to verify the employment history, which is not always everywhere allowed due to data protection and labour laws).

3.6 Conflict of Interest

All staff and stakeholders must avoid both real and perceived Conflicts of Interest. Employees or Contributors who have an actual or perceived Conflict of Interest must declare it to SoH. All observed Conflicts of Interest must be recorded in the register for Conflict of Interests. Where there is any doubt, the Compliance Manager can offer guidance.

3.7 Special preventive measures to ensure compliance with sanctions

An anti-terrorism and sanctions assessment must be part of SoH's programme planning. SoH staff must check the sanctions list status for each such third party and their management and act accordingly for any persons or entities who are on a sanctions list by either avoiding engagement or seeking guidance and appropriate exceptions from SoH's management and by obtaining licenses where required.

When negotiating a grant agreement with institutional donors, SoH staff must have a general understanding of the rules governing such donors and must carefully review the entire draft agreement, especially any anti-terrorism or sanctions provisions, to ensure that they are clear and that SoH can comply with them. An Anti-Terrorism clause has to be included in any agreement with foreign partners, suppliers, and consultants.

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4. Conduct in Dangerous Situations

Staff and stakeholders can end up in situations in which payments are requested to protect themselves and/or others from a direct threat to life, liberty, security, or health. Staff who make a payment under that kind of extreme pressure are required to report the incident to SoH by using the “note to file” template but need to fear no penalty.

5. Reporting & Misconducting



If in doubt, whether a suspicion is reasonable or not, it is always the right choice to report if further. The responsibility to act will then lie with the next level of authority. Among other ways, concerns and complaints can be reported via the Sign of Hope Integrity platform: <https://sign-of-hope.integrityline.app/?lang=en> or via Email to the Compliance Manager: compliance@sign-of-hope.org.

Information about violations of this policy will be treated as strictly confidential. No person who in good faith reports violations, the suspicion of a violation, or indications of such violations needs to fear disadvantages or other negative consequences because of this report, even if the report or indication later turns out to be unfounded. It is not the duty and responsibility of the reporting person to independently investigate or decide whether or not a breach has occurred.

Disciplinary measures can be taken against misconducting staff which may result in a termination of employment or the initiation of criminal proceedings.

Checked & Approved		
Name	K. Stieglitz (Chairperson)	M. Schütze (Vice Chairperson)
Date & Signature		

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Annexes:

- Project-related examples of corruption and fraud.
- Definition and examples of a conflict of interest

Related documents:

- Standard operational procedures for compliance with sanctions
- Register for gifts and conflict of interest