

## **Adveniat Guideline on the Prevention of Corruption**

### **1. The mission of Bischöfliche Aktion Adveniat e.V.**

(1) The Episcopal Action Adveniat e.V. (hereinafter: Adveniat) receives the proceeds of the annual Christmas collection of Catholic parishes in Germany, donations, church tax funds and, in the case of some projects in cooperation with the Catholic Central Office for Development Aid (KZE), public funds so that these may benefit the projects of supporting organisations of the Catholic Church for the poor in Latin America and the Caribbean. Adveniat has an obligation towards the donors to ensure that these intentions are fulfilled.

(2) Adveniat can only fulfil its mission if the prevention and combating of corruption is an integral part of its work. The basis for this is essentially the cultivation of an open culture of communication with and among the staff as well as with the project partners. Likewise, the prevention of corruption requires appropriate administrative measures and continuous training of staff as well as the provision of information to partners on this topic.

(3) In this sense, the guideline first formulates the definition and manifestations of corruption at a general level and describes measures that enable Adveniat to work transparently and in accordance with its mandate. In further steps, the scope of the guideline, rules of conduct and sanctions are specified.

### **2. Definition of corruption**

(1) Corruption within the meaning of this guideline is understood as the misuse of entrusted power and funds for private gain or advantage. It can take various forms. This term covers not only bribery, but also embezzlement, misuse of entrusted property, patronage of offices and nepotism. In concrete terms, corruption can manifest itself in the offering, giving, demanding or accepting of gifts, loans, rewards, provisions or comparable advantages with the aim of inducing the corrupted person to behave in a way that is dishonest or illegal or constitutes a breach of trust.

(2) A distinction must be made between petty corruption, which has its roots in poverty, and grand corruption, in which the mainspring is the acquisition or maintenance of power, property and influence. However, all corruption primarily harms the people who are supposed to benefit from the funds entrusted to Adveniat and is taken seriously accordingly.

(3) A particular challenge for dealing with corruption is the so-called grey zone, where the question of whether a given act or practice is corruption or not in a given socio-cultural context cannot be answered unequivocally. It has been shown, however, that in most cases inadequate control systems or communication deficits are at the forefront.

(4) Corruption in international church cooperation and humanitarian aid takes many forms. Among the most common are:

#### **a) Embezzlement or misappropriation of project funds:**

i.e. private use of project funds or use of funds for other purposes that are not in line with the project's objectives, payment of fictitious salaries, payment of travel expenses for business trips not taken, private use of aid procured for project purposes, private sale of project goods or

exchange for less valuable goods, diversion of goods or delivery of poor quality goods, double billing of different budgets, falsified receipts. Among the forms of embezzlement, the so-called kick-back is often found, i.e. excessive invoices are agreed with suppliers and the difference is shared between the client and the contractor. Furthermore, the falsification of receipts is one of the frequent practices of embezzlement. Circumventing authorisation procedures can also be corruption.

**b) Financial gains:** e.g. by delaying project expenditure to invest money at interest or profit, which is then not reported as additional project income. In the case of large exchange rate fluctuations or currency black markets, exchange gains are made through black market rates without being reported and used for project objectives.

**c) Nepotism, trading in offices, preferential treatment:** Preferential treatment of related or friendly persons, or persons from whom one hopes to gain an advantage, in the awarding of offices and contracts.

**d) Bribery or threatening confidants:** in the form of financial benefits, gifts or sexual favours, as well as attempting to coerce third parties who have knowledge of corrupt practices into keeping quiet about them and covering up the conduct.

**e) Accelerated bribery:** payments to speed up customs clearance, the granting of government permits, the allocation of telephone connections, etc.

### 3. Scope of the directive

(1) The scope of the guideline extends to the Sub-Commission of the German Bishops' Conference for Latin America (in particular Adveniat) as the supervisory body of Adveniat, to the organs of Bischöfliche Aktion Adveniat e.V. as well as to the departments of the Episcopal General Vicariate of Essen which provide services for Bischöfliche Aktion Adveniat e.V..

(2) The guideline applies to all employees in the office.

(3) The guidelines also apply to service providers, freelancers, interns and other volunteers in their work in Germany as well as in Latin America and the Caribbean.

(4) Last but not least, it applies to project partners in Latin America and the Caribbean in accordance with the principle of transparency and the guidelines for project funding. Among the project partners, special mention should be made of those who assume co-responsibility for the implementation of projects in Latin America and the Caribbean by means of a letter of recommendation. The project partners on site shall ensure that the guideline on corruption prevention is applied in the respective relations and cooperations.

(5) The guideline applies worldwide to the above-mentioned groups of persons.

### 4. Organisational measures of Adveniat to prevent corruption

A prerequisite for successful corruption prevention is the promotion of an organisational culture that enables an open exchange about corruption, the risks of non-transparency and the possible

weaknesses of one's own organisation. In addition, administrative measures are crucial for the prevention of corruption.

#### **4.1 Internal and external control systems**

(1) In order to create transparency, Adveniat pays attention to clear and transparent procedures in all areas of work.

(2) The Sub-Commission of the German Bishops' Conference for Latin America (in particular Adveniat), supported by advisors with expertise in the fields of finance, administration, development cooperation and theology, performs the role of supervisory body.

(3) Internally, Adveniat has control systems in the form of the four-eyes principle and the separation of tasks and functions in important areas. These principles are concretised in the business distribution plan, in signature regulations, job descriptions and various other written procedures. Information technology supports compliance with the regulations by assigning appropriate rights and warning mechanisms.

(4) In the various working areas and departments of the Secretariat, codes and guidelines ensure transparency among the actors involved:

- Through the "Leadership Guidelines" and their implementation, procedures for filling and re-assigning positions are defined beyond church service law, as well as for the procedure with employees in case of conflict. Positions to be filled are advertised publicly.
- The principles and guidelines for project funding regulate the project work and are also available to the project partners.
- By means of a "Guideline for the Verification of Funded Projects", all proofs of use of completed projects are checked by an internal office that was not involved in the approval and processing process for the respective project.
- The "Code of Ethics for the Education and Public Relations Work of the Episcopal Action Adveniat" guides not only the education and public relations work but also the work with donors and sponsors.
- The awarding of contracts to commercial service providers shall be done in writing and according to clear responsibilities, respecting the dual control principle and the principle of separation of tasks and functions.

(5) These and other documents providing clarity can be found in the Adveniat office manual ("Red Folder") and are accessible to all staff via the intranet.

The "internal audit" is located with the management and monitors compliance with the regulations.

(6) Adveniat undergoes an annual external audit; the auditing company is changed at regular intervals. The result of the audit consists of an auditor's opinion (attestation) which is published in the annual report. The result of the audit is discussed with the management and presented to the Sub-Commission of the German Bishops' Conference for Latin America (in particular Adveniat), which decides on the discharge of the management.

(7) Adveniat also has itself audited by the German Central Institute for Social Issues (DZI). This involves examining the relationship between administrative costs and project funding, the

information content of the advertising of donations and the measures to ensure transparency and sustainability in project funding.

(8) Every year Adveniat informs in the annual report in detail about the income and expenditure, the type of project support and about other activities of the office. The remuneration and expense allowances of the management are also disclosed there.

(9) In addition to these measures, the Sub-Commission of the German Bishops' Conference for Latin America (especially Adveniat) commissions an ombudsperson to report suspicious cases. An approved procedure for internal complaints allows staff members in particular to make suggestions and complaints without having to fear disadvantages.

## **4.2 Measures to prevent corruption in project management**

### **4.2.1 Defined procedures for project processing**

(1) Procedures for project decision-making and the disbursement of funds as well as the examination of project reports are organised in accordance with the dual control principle and the principle of separation of tasks and functions. In the case of projects financed by federal funds, project decisions and implementation shall be made in accordance with the criteria of the Catholic Central Office for Development Aid (KZE) and shall include an external audit and control of the achievement of objectives.

(2) The Sub-Commission of the German Bishops' Conference for Latin America (in particular Adveniat) is involved in the decision-making processes in accordance with its mandate and is regularly informed about the project funding.

(3) Prior to the disbursement of the aid funds, the project partners shall sign a contract together with Adveniat in which the conditions of the funding are laid down. This contains standards of the project agreement, such as the timely use of the funds for the agreed purpose.

(4) Project application, contract and project report must be signed. The signatures and the data communicated therein are checked against the information available to Adveniat to verify eligibility for funding.

(5) As a rule, Adveniat pays out grants of more than 20,000 € in instalments and thus controls compliance with the contractual agreements. Projects that are supported with public funds are excluded from this due to deviating specifications and control mechanisms.

### **4.2.2 Clarity of the criteria leading to the project decision**

(1) Adveniat has principles and guidelines for project promotion which are differentiated in standards of project appraisal. Adveniat communicates the principles and guidelines as well as the standards.

(2) Reasons for not registering or rejecting project applications in the aid organisation are formulated in a binding manner.

(3) The available financial resources are allocated to the country budgets according to clear

criteria. The guiding principle is the orientation towards the poor.

(4) In 21 country profiles, funding priorities are formulated to guide the use of funds. Priorities in project funding are discussed in the country officer meetings, defined together with the Chief Executive and documented in the corresponding minutes.

(5) The staff in the country departments have knowledge of the costs customary in the country, which makes it possible to assess the project application and propose a funding amount.

#### **4.2.3 Control mechanisms for appropriate investment of aid**

(1) Adveniat promotes projects for the church base in Latin America and the Caribbean. Project partners repeatedly approach the aid agency with project proposals. This circumstance promotes the partner's interest in a transparent handling of financial resources vis-à-vis Adveniat. At the same time, Adveniat is gaining experience with the project partners, which helps to assess the risks before starting new cooperations.

(2) The applicant needs a letter of recommendation from the relevant church authority for the project application, so that the four-eyes principle is established at the place of implementation of the project. Opinions of the target groups are obtained if they are organised accordingly. Due to the large number of projects, the resulting close network of partners and the need for letters of recommendation, there is an interdependence between the project partners and with Adveniat. Adveniat uses this network to demand transparency in case of conflict, if necessary by blocking the funding of entire dioceses. A corresponding procedure regulates how this is done.

(3) Adveniat does not cover the total costs of a project, but insists on the applicant organisation's own contribution, which in individual cases may also be of a non-monetary nature. The organisation is motivated to use scarce resources sparingly.

(4) Each project requires a project report before further instalments are paid out or before the project is completed. Reporting is standardised, with guidelines and templates to guide reporting. The project report consists of two parts: a financial report, which presents the costs and financing of the project as a whole and goes beyond pure Adveniat aid, and a factual report, which informs about the measures, the achievement of objectives and the effects. Projects that are funded with 100,000 € and more require an external audit. The funded projects are additionally audited within the Adveniat office at the end of the project by a separate audit.

Projects supported by public funds require an external audit by qualified independent local auditors, which is to be arranged by contract. These auditors are selected from the list of certified auditors accepted and recommended by the CCR for the respective country/region. In addition, a six-monthly reporting period must be observed for publicly funded projects.

(5) Regular visits of the country officers on site and close contact with the partner network serve, among other aspects, to communicate the transparency criteria and to control the use of funds.

(6) Project processing, including corruption prevention measures, is supported by appropriate software.

## **5. Rules of conduct**

Adveniat does not tolerate any form of corruption. The following rules of conduct serve this purpose:

- Private and official matters must be kept separate in order to prevent corruption. Personal relationships or personal advantages must not influence the decisions of those to whom these guidelines apply.
- The payment of bribes or other benefits with the aim of securing or accelerating an official procedure to which a claim exists must be refrained from.
- The acceptance of gifts and hospitality is only permitted if they do not exceed reasonable and customary limits and if no influence on project approvals or business transactions is possible. Gifts must be registered with the Accounting Unit.

## **6. Handling of suspicious cases**

(1) Suspicions may manifest themselves in various ways: e.g.

- through conversations and observations on business trips
- during the examination of reports
- through informants.

Adveniat staff and persons involved in the implementation of the project are obliged to report any evidence of corruption. The official channels apply. An initial assessment of the suspicion is made by the country managers. If irregularities are detected or if there is a well-founded initial suspicion of corruption in a project, the head of department and the management are informed immediately, who determine the further course of action and any necessary sanctions. For the protection of the accused and whistleblowers and to prevent abuse, all information is examined confidentially. It is also possible to report information to the office's internal reporting office for the prevention of corruption. Any information on corruption can also be submitted to the ombudsperson in open or confidential form.

Suspicions must be verified by appropriate means.

Furthermore, it must be ensured that information is only used with the consent of the person making the report and that no repression is exercised against him or her.

(2) All irregularities, suspicions and cases of corruption must be documented in an appropriate manner. Appropriate implementing provisions shall be issued for this purpose.

## **7. Sanctions**

(1) In the event of a violation of this guideline and the corresponding implementation regulations, disciplinary or contractual sanctions (warning, termination, suspension or cancellation of project cooperation, repayment of payments made, etc.) are provided for. In the event of a criminal offence, the appropriate legal steps will be taken.

(2) In the case of corruption among project partners, Adveniat reserves the right to inform the responsible church officials and to warn other aid organisations against cooperating with the person/organisation in question.

(3) Only a consistent handling of violations of these guidelines and proven cases of corruption has a preventive effect. Depending on the severity, appropriate sanctions are to be taken and steps are to be taken under labour law and / or criminal law.

## **8. Implementation and further development of the Directive**

(1) This Guideline shall enter into force on 15 Jun 2020. In project cooperation, it shall become an integral part of the project agreements with the project partners.

(2) Details of individual aspects of the guideline will be developed jointly with the country representatives. The prevention of and fight against corruption will be discussed in their meetings.

(3) Implementing regulations are drafted and continuously updated.

(4) The employees of Adveniat are informed in detail about this guideline and the rules of conduct within the framework of internal training. They shall confirm receipt of this guideline in writing.

(5) The rules of conduct shall be a binding part of the honorary, work and partner contracts. Violations may lead to termination of the contracts without notice or to termination or suspension of the cooperation.

(6) A company agreement with the same wording has been concluded for this Adveniat guideline on the prevention of corruption.

(7) The management shall inform the Sub-Commission of the German Bishops' Conference for Latin America (especially Adveniat) once a year about the implementation and further development of the guideline and about measures taken on the basis of the Adveniat guideline on corruption prevention.

(8) The guideline shall be reviewed and, if necessary, adapted every five years at the latest.

**Essen, 15.08.2020**

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(especially Adveniat)

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