

International Centre for Policy Studies Anticorruption Policy

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BASIC PREMISES

ICPS defines corruption as the “abuse of power or office for personal gain.

Corruption is a threat to ICPS’s activities.

This guide is a key component of ICPS’s commitment to uphold anti-corruption legislation.

This guide offers ICPS employees recommendations for avoiding the risk of corruption and maintaining a high ethical standard in all situations that might arise when working towards ICPS’s statutory goals and objectives.

The purpose of this guide is to provide answers to such questions as:

- 1.** What is corruption?
- 2.** What kind of situations might lead to corruption?
- 3.** How can ICPS carry out its mission without corruption?

By acting honestly, ICPS employees have a positive impact on the image and reputation of the International Centre for Policy Studies, and the studies and projects that ICPS undertakes.

All ICPS employees are expected to behave in an honest and above-board manner in all matters, and to take responsibility for their own actions.

Upholding the rules presented in this guidebook is a mandatory condition for being employed at or working for ICPS, whether in projects in which ICPS is a partner or projects that ICPS is funding. Moreover, ICPS expects its commercial partners, agents, consultants, specialists and others to maintain these same anti-corruption standards in their cooperation with ICPS.

Every ICPS employee who violates the rules established in this guide will be liable to disciplinary action, including dismissal from their position at ICPS. Moreover, such violations could lead to criminal action being taken against the individual concerned by an authorized law enforcement agency.

Every ICPS employee is responsible for any action or inaction on their part that qualify as corrupt or as having the signs of corruption in accordance with this guidebook.

Every ICPS employee is expected to report on any activities that might qualify as corrupt in accordance with these guidelines, in the form and procedure provided for in this guide.

ICPS warns its employees that not understanding the provisions of this guidebook or any parts thereof will not be considered an excuse for violating such provisions and will not serve as an argument against being held liable.

Should any questions arise about individual provisions of this guidebook or about anticorruption legislation, ICPS employees should turn to the ICPS Legal and Anti-Corruption Service.

A guidebook of this nature cannot spell out every possible situation or answer every possible question regarding anti-corruption. In other words, situations may arise that this guide does not specifically address and in these situations, ICPS management strongly encourages ICPS employees to turn to the Center's Legal and Anti-Corruption Service for additional support.

If you should have doubts about activities you have come across that seem to fall into the kinds of actions classified in this guide as corrupt, ICPS management strongly urges you to contact the ICPS Legal and Anti-Corruption Service.

CORRUPTION PREVENTION PRINCIPLES

- 1) ICPS carries out all its activities fairly, honestly and openly.
- 2) ICPS prohibits the offering or giving of bribes. ICPS will never tolerate any bribery on behalf of ICPS in order to obtain any advantages whatsoever or assistance in carrying out its activities.
- 3) ICPS prohibits the taking or requesting of bribes on the part of any employee of ICPS. ICPS will never tolerate the taking of bribes in the name of ICPS for the purpose of gaining any advantage whatsoever or assistance in carrying out its activities.
- 4) ICPS requires that all purchases be handled in strict compliance with the guide on procurements, based on fair competition.

- 5) ICPS will not, under any circumstances, support the “laundering” of any income received from corrupt activities or having an illegal source
- 6) ICPS will avoid any cooperation whatsoever with any individuals who do not uphold the ICPS position regarding corruption.
- 7) ICPS will undertake its activities in such a manner as to prevent any emergence of corruption and, in the event that corruption is uncovered, will react in line with anti-corruption legislation.
- 8) ICPS will make every effort to continually improve and revise its anti-corruption measures and programs.
- 9) ICPS will, under all circumstances, uphold these principles, even that should place ICPS’s own activities under threat.

THE CONCEPT OF CORRUPTION

Corruption takes on many forms, including:

- 1) “Buying/bribing” – setting up a situation for the purpose of influencing actions or decisions. The benefits are not necessarily financial. This could take the form of a service, gift, entertainment, work, credit, or other incentives or encouragements.
- 2) “Extortion” – using threats of violence, injury, pressure, undue influence, and similar kinds of actions to force an individual to cooperate and carry out certain actions.
- 3) “Kickbacks” – the unlawful payment of a monetary reward to a person who has authority to make financial decisions, sign contracts, and so on;
- 4) “Grease money” – offering a financial reward to encourage the making of a quick decision or the issuing of a permit by a government official.
- 5) “Embezzlement” – providing fake invoices and bills for payment or providing invoices and bills with inflated prices or for inappropriate, improper or personal expenses or expenses that have no relationship to ICPS.
- 6) “Aiding and abetting in corrupt actions” – providing assistance to others in hiding or laundering income received in an unlawful manner or as a result of corrupt actions.

COMMERCIAL/FINANCIAL REPORTING AND USING ICPS ASSETS

ICPS requires its employees to be accurate when preparing any financial documents, without exception. This includes not only financial statements but also other documents such as project summary reports, expense reports, and so on.

Ensuring that all financial and commercial reporting is accurate and complete is the duty of every employee, not just those who work in the accounting department.

Accuracy of accounting and reporting reflects on the reputation of ICPS and guarantees that ICPS is in compliance with all its regulatory and legal obligations.

ICPS ensures that all accounting tracks any and all financial dealings with complete accuracy. All agreements and contracts must be accurately accounted for both qualitatively and quantitatively. Quantitative records relate to the financial value of each contract. Qualitative aspects include a written description of the operations and accounts through which financial transactions are carried out, credited or debited.

ICPS employees should guarantee that all purchases follow the procedures established in the approved ICPS procurements guide. All expense reports are expected to be complete and accurate. It is expressly prohibited to add to any expense report false invoices or to provide invoices with inflated prices or for inappropriate, improper or personal expenses, or expenses that have relationship to ICPS.

All financial records and copies of records that are used by ICPS during the course of its activities should be kept for three years unless otherwise required by law.

ICPS employees are expressly prohibited to use ICPS assets for their personal benefit or that of other individuals.

In using their time, equipment and other assets, ICPS employees are:

- forbidden to engage during their work hours in activities for their personal purposes that get in the way of or prevent them from carrying out their job duties;
- forbidden to use computer or office equipment for personal purposes;
- forbidden to make use of the intellectual property of ICPS such as studies, analyses, publications, and so on, for personal purposes.

WORKING WITH OFFICIALS

In terms of anti-corruption efforts, ICPS defines “officials” as those individuals who have been promoted or elected to public office, the civil service, government institutions and agencies, state-, community- or privately-owned enterprises, or international organizations, or individuals who act in an official capacity on their behalf and for whom there is official confirmation of their powers and authority. This also includes officials from all branches of government—the executive, legislative and judiciary branches—, members of political parties and party activists and candidates for political office.

For the purpose of applying this guide and anti-corruption legislation, ICPS recognizes as officials:

- ❖ officials and employees of any national, regional, local or other government body, including those who hold elected office;
- ❖ any private individual who temporarily has been authorized to carry out the duties or acts on behalf of any institution, organization, enterprise or agency;
- ❖ candidates for political office at any level, and members and officials of political parties;
- ❖ officials, employees or official representatives of international organizations such as the World Bank, the United Nations and the International Monetary Fund.

It is expressly forbidden to carry out any unlawful payments or to provide any incentives whatsoever to officials or their close relatives such as spouses, parents, children or other close relations, where such payment might be seen by law enforcement agencies as a violation of anti-corruption legislation.

Any commercial relations with close relatives of officials require careful review. Before entering into any commercial relations with close relatives of officials, ICPS employees are required to consult with the ICPS Legal and Anti-Corruption Service.

In its activities, ICPS may enter into contracts with government agencies. Nevertheless, all payments related to such contracts will be carried out in compliance with anti-corruption law.

These include transactions with organizations, enterprises and institutions that are owned or controlled by the state and can include state educational institutions of various levels, hospitals, communications companies, residential services, security services and so on.

Moreover, ICPS absolutely forbids offering any form of illegal incentives or payments to officials at these organizations.

ICPS can work with officials on a legal basis, so that no conflict will arise between the duties of the official's post and cooperation with ICPS.

All such decisions regarding cooperation with an official should have the preliminary approval of ICPS's Legal and Anti-Corruption Service.

Prior to the approval for payment of expenses tied to the travel of officials, the proposed expenditures must be vetted and reviewed with the ICPS Legal and Anti-Corruption Service.

The purpose of any given travel and its costs need to be carefully considered. Given that the payment of such expenses is only justifiable if there is an urgent need for the particular government official to participate in an event organized by ICPS and/or that individual is directly involved in or is the joint organizer of the event.

In addition, any expenses related to such travel may not be approved where:

- ❖ the travel is connected to additional personal goals or reasons;

- ❖ the expenses, including travel, lodging and board, are inflated based on the circumstances of the travel, the position and status of the public official;
- ❖ the expenses include the costs of travel, lodging and board of relatives, friends or acquaintances of the public official.

Travel expenses for a public official are settled directly by ICPS. Under no circumstances shall money be transferred directly to the official to compensate them for travel costs.

ICPS PARTNERS and PROVIDERS

ICPS employees are expected to uphold the rules and procedures described here when working with potential partners and providers.

ICPS practice is to purchase goods and services on a fair and honest basis and to be cautious and independent in the assessment of potential partners and providers

ICPS supports transparency of anti-corruption policies among its partners and providers.

ICPS tracks the reputations of potential partners and providers and will immediately cease any form of cooperation if it becomes evident that they have been involved in corrupt activities.

ICPS requires its employees to meet certain requirements in working with partners and providers:

- 1) *Partner contracts.* All contracts with partners should be drawn up in written form and approved by ICPS's Legal and Anti-Corruption Service and its Accounting Department before being signed by the Director of ICPS.
- 2) *Partner payments.* All payments to partners must follow approved ICPS payment procedures.
- 3) *Purchases of goods and services.* These should be undertaken in accordance with the ICPS procurements guide.

ICPS EMPLOYEES

1) *ICPS employees are strictly prohibited from receiving gifts or other incentives from current or potential partners and/or providers of goods, works or services.*

Minor promotional items, such as cups, key chains, t-shirts and notebooks may be accepted by employees for their personal use.

If an ICPS employee is in a situation where refusing a proposed gift is not appropriate, such as at a public event, such a gift may be accepted but the employee must later return the gift, along with an explanatory note. Moreover, with the agreement of the donor of the gift, the gift may be donated to charity, with an accompanying public announcement.

If an ICPS employee has to travel at the invitation of a partner or provider of goods, works or services and this travel is in ICPS's interests or is for ICPS purposes, all expenses involved in the travel are to be covered by ICPS, with the exception of travel that is related to a specific project being co-executed by ICPS with partners or to international technical assistance projects, provided that funding has been earmarked for such travel in the budget of the relevant project(s).

2) *ICPS employees are forbidden to promise, propose or give bribes.*

A bribe is any action that might affect the making of a decision or provide an advantage. Bribes may take on forms other than cash. Bribes include gifts, personal services, luxury items, jewelry or precious stones, and so on.

For the purposes of this guidebook, ICPS defines "bribery" as anything that might make a difference the making of a specific decision, influence a decision or offer an advantage.

3) *ICPS employees are not to allow conflicts of interest to arise.* In situations where a conflict of interests arises, employees should immediately inform ICPS management.

A conflict of interests is when an ICPS employee might not be objective in making certain decisions due to the influence of such factors as apparent

ownership or private business interests on the part of the employee or of members of the employee's immediate family in relation to current or potential providers of goods, works or services.

Where a conflict of interests arises, ICPS management will take the necessary measures to prevent any real or potential conflicts of interest, based on the circumstances and nature of a given circumstance.

Such measures may include, but are not limited to:

- 1) requiring the employment to withdraw from participating in any decision that relates to the particular provider of goods, works or services;
- 2) changing the provider of goods, works or services;
- 3) requiring the conflict of interests to be publicly declared a conflict of interests, followed by an investigation into the circumstances of the conflict and the possibility of penalizing the employee, in accordance with this guide and Ukrainian law.

For the purpose of recognizing conflicts of interest, ICPS offers this typical example:

“Goods, works or services are being purchased or about to be purchased from a supplier who is a family member of an ICPS employee, although the goods, works or services being provided by this provider are either more expensive or of poorer quality, and this can be verified.”

ICPS employees are expected to avoid entering into any conflict of interests in relation to employment. A conflict of interests in an employment situation would be hiring a person who is a relative of an ICPS employee to whom that hiree will be directly subordinate. ICPS employees are required to inform the Center about any possible conflict of interests situation with employment.

It is expressly forbidden to hire or to select for a position in ICPS's Legal and Anti-Corruption Service any individual who is a relative of any other ICPS employee.

To maintain the integrity and transparency of business relations within ICPS, all employees are expected to declare any actual or potential conflicts of interest.

The standard form for declaring a conflict of interests is to write an explanatory note to ICPS management.

POLITICAL AND CHARITABLE DONATIONS AND SPONSORSHIPS

ICPS does not offer financial or other support to political parties or political forces as this might be seen as an attempt to gain unlawful advantages.

ICPS encourages its employees to independently and on their own judgment to exercise their personal human and civil rights in the political and democratic process, with the understanding that:

- ICPS has no obligation to compensate employees for any expenses incurred while engaging in their personal political activities.
- Neither an employee's position nor their duties depend on their personal political views or their choice of political party.
- The ICPS name and reputation may not be used or mentioned in any political slogans, platforms and so on, for the purpose of promoting someone's personal political agenda.
- ICPS employees who have an executive position in any political party are obligated to consult with ICPS's Legal and Anti-Corruption Service prior to their appointment and to make every effort to ensure that their hiring will not compromise ICPS.

In terms of ICPS's commitments to corporate social responsibility (CSR), ICPS considers charitable donations and voluntary contributions are possible and acceptable, whether in kind or in the form of services or knowledge, or as cash contributions.

Sponsorships, the support of significant civil or national initiatives, ICPS considers it possible and acceptable to join with other well-known individuals or brands in order to participate in the carrying out of such significant civil or national initiatives.

Nevertheless, ICPS employees should at all times be cautious that any charitable donations or sponsorships are not used to cover up bribery.

ICPS charitable donations, voluntary contributions and sponsorships may only take place in an open manner, using official, non-cash bank transfers. Under no circumstances may ICPS charitable donations or voluntary contributions and sponsorships be provided in cash form to an official of the beneficiary, or to other enterprises, organizations or institutions that are related in any way to the beneficiary.

COMMUNICATION AND EDUCATION

ICPS has committed itself to ensure that employees are familiar with the provisions of this guidebook. Every new employee will be provided with instructions and an opportunity to become familiar with the provisions of this guide and to sign the necessary form indicating that they have done so.

No ICPS employee will be penalized or disciplined in any other fashion for refusing to engage in corrupt activities, even if this could lead to harm for ICPS itself or gets in the way of carrying out ICPS activities. Violations of this provision constitute grounds for taking disciplinary action, including dismissal.

Every ICPS employee is expected to be familiar about the risks of engaging in corruption.

Any ICPS employee who has been in violation of the law through corrupt actions, that is, who has knowingly engaged in activities that are considered corrupt, may be subject to disciplinary action and civil, administrative or criminal liability.

COUNTERING CORRUPTION

In the fulfillment of their regular duties, ICPS employees may come across corrupt situations such as, but not limited to:

- being offered a bribe, threatened, pressured or frightened in a variety of ways;

- being requested for a bribe or given hints that a bribe is expected;
- becoming a participant in or witness to other corrupt activities mentioned in this guidebook.

In the case of a situation where an ICPS employee finds themselves participating in or witnessing corrupt activities, that individual is expected to immediately turn to ICPS's Legal and Anti-Corruption Service.

ICPS employees are expected to understand that corrupt activities are often very difficult to prove. In order to start an internal investigation or turn to law enforcement agencies, evidence will be necessary before anything can be done. However, the lack of hard evidence is not a reason not to provide notice or to remain silent about corrupt activities.

ICPS will not allow any disciplinary action whatsoever to be taken against an employee who has raised the issue of possible corrupt activity.

Any ICPS employee who is involved in the review of such a case should cooperate fully and respond to every question fully and honestly.

ICPS values the cooperation of its employees in warning about potential corrupt activity.

All notices, without exception, shall be submitted to the ICPS Supervisory Board for review after they have been checked by the Legal and Anti-Corruption Service.

At all stages without exception, the review of all notices will be held in strict confidence until a final determination about corrupt activity has been made.

ICPS employees may provide notice of corrupt activities that they are aware of through an open notice at a meeting of the ICPS Budget Committee if the matter relates directly to procurements, at a session of the ICPS Council, by submitting notice to the ICPS Legal and Anti-Corruption Service, or anonymously. Anonymous notice should be sent, along with any possible evidence, via e-mail to: AntiCorruption@icps.kiev.ua.

Any anonymous notice from an ICPS employee about possible corrupt activity must be checked over by the Legal and Anti-Corruption Service and reviewed by the Supervisory Board.

ICPS's Legal and Anti-Corruption Service is expected to respond to any notice from an ICPS employee about possible corrupt actions quickly and professionally and to begin studying the circumstances and any evidence that has been provided. The Legal and Anti-Corruption Service should inform the ICPS Director the same day as it receives the notice from an ICPS employee or, in the Director's absence, the ICPS Deputy Director, and one of the members of the Supervisory Board.

If the ICPS official who, in accordance with the ICPS Legal and Anti-Corruption Service (LACS) guidebook, is supposed to inform about the receipt of a notice of corrupt activity from an ICPS employee happens to be a possible participant in the corrupt activities, another person so authorized by the ICPS LACS must inform at least three members of the ICPS Supervisory Board about the notice.

After a review of the circumstances and any submitted evidence based on the notice of possible corrupt activities, the ICPS Legal and Anti-Corruption Service sends all materials, along with an explanatory note, for review by an extraordinary session of the Supervisory Board.