

GWPO AND GWP NETWORK

Anti-Fraud and Corruption Policy

10 NOVEMBER 2022

Established by the Steering Committee of the Global Water Partnership Organisation on June 4, 2015,

Revision 1, approved on 07 December 2021, for implementation as of 1 January 2022

Revision 2, following exceptional Staff Consultation completed on 21 October 2022

Approved by the Steering Committee on a non-objection basis on 20 December 2022

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Introduction

The Global Water Partnership (hereinafter referred to as “GWP” or “the GWP Network”) is a global network that currently comprises over 3,000 partner organisations located in 179 countries. At the time of issuance, GWP Network is organised globally by 13 Regional Water Partnerships (RWP) and 70 accredited Country Water Partnerships (CWP). The GWP Network is supported by an intergovernmental organisation – the GWP Organisation (GWPO), based in Stockholm, Sweden.

The GWP’s mission is “to advance governance and management of water resources for sustainable and equitable development.”

GWPO and the different entities in the GWP Network receive funding from several funding partners. The funding is provided under individual funding agreements, which generally have similar provisions; however, differences may exist as to specificity of what the funding is to be used for, and how reporting shall be carried out.

Funding received by GWPO is distributed, for GWP Network activities, through the Regional Water Partnerships (RWPs). The RWPs disburse part of this funding to Country Water Partnerships and to other external organisations, often GWP Partners (for example NGOs, academic institutions), to implement programme activities underlined in the GWP Strategy. GWPO also distributes funding directly to consultants and to members of the Technical Committee who carry out work for GWPO and the GWP Network. Activities occur throughout the GWP Network at all levels which places challenges on all actors to engage in activities in a non-fraudulent and non-corrupt manner.

The entities of the GWP Network and GWPO have an irrevocable commitment to the GWP principles and values such as inclusiveness, openness, transparency, accountability, respect, gender equity and sensitivity, and solidarity.

To ensure the financial viability of GWPO and the GWP Network and to protect the reputation of GWP it is imperative that all funding is managed to the highest international standards and that mechanisms exist to foster integrity, minimise reputational risk, and to prevent and correct corruption and fraudulent behavior.

This Anti-Corruption/Fraud Policy therefore:

1. Defines fraudulent and corrupt behaviour within the GWP Network.
2. Sets out steps to be taken when fraud or corruption is reported or suspected.
3. Highlights measures that shall be taken to minimise the risk of fraud or corruption occurring in GWP.

The present Anti-Fraud/Corruption policy applies to GWPO, its staff members, Experts, Consultants as well as any entity contracted by GWPO and using its funds. In order to ensure a certain alignment meeting international standards in combating bribery, it is strongly encouraged that this policy be also implemented by the entire GWP Network, Regional and Country Water Partnerships staff, consultants, members of GWP governance bodies, and host institutions in relation to managing GWP funds. Furthermore, it is recommended that Regional Water Partnership and Country Water Partnership adopt this policy through their own governance processes. In any case, GWPO will remain available to provide guidance and training regarding the application of this policy.

Behaviour that falls short of the required standards is not acceptable. Where such behaviour is suspected it will be investigated and, where proven with sufficient evidence, legal and/or disciplinary action taken.

What is fraud and corruption?

For the purpose of this Policy, fraud and corruption is defined as individuals and/or legal entities using deception with the intention of obtaining an advantage for themselves or for a third party or parties, avoiding an obligation, or causing loss to another party. It can involve both financial and non-financial benefits such as enhanced personal reputation, the acquiring of political capital or access to services. The definition applies to both external and internal frauds and/or corruption.

The terms fraud and corruption are used to describe offences such as, but not limited to, deception, bribery, forgery, extortion, theft, conspiracy, embezzlement, misappropriation, false representation, concealment of material facts, and collusion. It also includes favouritism which means the unfair favoring of one person or a group at the expense of others and includes nepotism which is favoritism shown to relatives.

Non exhaustive examples of fraud and corruption are:

- Obtaining property, financial advantage or any other benefit by deception or abuse of authority granted by virtue of official position or duty (for example misuse of procurement rules). Using GWP funds for goods and services that have not been requested nor delivered.
- Seeking to obtain confidential information about a colleague or other with intent to use it for unauthorised or illegitimate purposes.
- Knowingly providing and/or accepting false, misleading, or incomplete information to GWPO or a GWP Regional or Country Water Partnership, their donors, partners, or other business relations, or deliberately failing to provide information where there is an obligation to do so.

Implementation

The GWPO Steering Committee through its Chair, and the Executive Secretary, are responsible for the enforcement of the Anti-Fraud/Corruption Policy and for its related awareness-raising activities. The GWPO Steering Committee's Audit and Finance subcommittee shall at the end of each year receive a report from the Executive Secretary noting that all procedures and internal regulations in relation to the risk of corruption or fraud have been adhered to and implemented.

The Regional Steering Committees assume responsibility for ensuring that the GWP Anti-Fraud/Corruption Policy is implemented by Regional Water Partnerships and the same applies to the Steering Committees of the Country Water Partnerships. The Regional Steering Committees shall at the end of each year receive a report from the Regional Coordinator(s) noting that no corruption and fraudulent acts have taken place in connection with any payments made by the Regional Water Partnership(s), by the Country Water Partnership(s), or by external consultants.

Maintaining and ensuring enforcement/compliance of a sound system of internal control, in practice, means that these responsibilities fall directly on the line management. Furthermore, these responsibilities involve all GWPO staff members, staff of GWP Regional and Country Water Partnerships as well as to anyone operating / working directly or as consultant for the RWPs and CWP wherever located.

GWPO Management Team, and Regional/Country Coordinators

The GWPO Management Team and Regional/Country Coordinators have specific responsibility to promote an anti-fraud/corruption environment and are responsible for:

- Distributing and explaining the Anti- Fraud/Corruption Policy to all GWPO employees, all individuals working for the RWPs or CWPs, all host institutions and all individuals/organisations contracted by GWPO or the RWPs and CWPs. If needed, the policy and related training materials

- should be translated into local language.
- Arranging for oversight, monitoring mechanisms, and providing guidance on the measures to be taken by GWPO employees, all individuals working for RWPs and CWPs, all host institutions and all individuals/organisations contracted by GWPO or the RWPs and CWPs to implement this policy.
- Ensuring all employees in GWPO and the RWPs/CWPs have the necessary competency development and/or training to comply with their obligations.
- Setting up mechanisms for reported incidents of actual or suspected fraud/corruption to be promptly and appropriately investigated and that appropriate legal and/or disciplinary action is taken against the perpetrators of actual or attempted fraud or corruption as well as those complicit in such acts.
- Integrating this policy into all internal management procedures throughout GWPO and RWP/CWP management structures/resources.
- Reporting incidents of suspected fraud/corruption to the GWPO Executive Secretary/Chair of Steering Committee of the RWP/CWP.
- Ensuring that incidents of suspected fraud/corruption are reported, as requested, to the GWP funding partners.
- Continuously updating the present policy in line with current best practice.
- Arranging the necessary “atmosphere” in which to ensure compliance (e.g., there is an understood and accepted “zero-tolerance” rule vis-à-vis fraud/corruption, staff know how and to whom to address their concerns if fraud or corruption is suspected, etc.).
- Making sure all employees, Steering Committee members, and consultants of GWPO, RWPs and CWPs sign this policy, acknowledging their understanding and compliance of it.
- Keeping a register of all acknowledgements and declared conflicts, revised on an annual basis.
- Making certain this policy, including the “whistle-blower” e-mail and address (see below), is readily available to all.

Network Specialists, Senior Network Specialists’ and RWP/CWP Project Managers’ Responsibilities

Network Specialists, Senior Network Specialists/Project Managers held accountable for projects, are responsible for:

- Assessing the types of fraud and corruption risk involved in the operations for which they are responsible.
- Ensuring that an adequate internal control exists within their areas of responsibility and that these controls are effective.
- Ensuring that all staff reporting to them fully understand the internal control system in place and that they always adhere to these control procedures.
- Regularly reviewing these control systems to ensure compliance and to satisfy themselves that the systems continue to operate effectively.

Network Specialists, Senior Network Specialists/Project Managers should be alert to the possibility that unusual events or transactions could be symptoms of fraud or corruption. Network Specialists, Senior Network Specialists/Project Managers should ensure that satisfactory controls are in place and be alert to any “red flags” that come to their attention. Examples of such “red flags” are as follows:

- Unusual or inadequately documented payments.
- Purchases which have not passed through the set procurement procedure for obtaining quotes.
- Unjustified additional benefits and/or entitlements to employees.

- Excessive rates of remuneration paid to consultants.
- Regular use of the same consultants without a justified, clear, and transparent process.
- Use of government officials as consultants or the provision of travel grants to government officials for non-official or unrelated purposes.
- Equipment or travel grants provided for individuals without justification.
- Excessive usage of fuel for vehicles, telecoms and/or travel expenses which are not justifiable.
- Sale of assets to third parties which do not follow laid down procedures.

Such activity may be highlighted as a result of specific internal checks or be brought to GWPO's or RWPs/CWP's attention by a third party. Irregularities may also come to light during an internal audit or during the annual year-end audit. However, Network Specialists, Senior Network Specialist/Project Managers should not rely solely on the work of auditors to detect fraud. The GWPO Chief Financial and Administration Officer (CFAO) and a representative of the Legal & Governance Unit are available to offer advice and assistance on control issues.

Employee Responsibilities

Every employee of GWPO or RWP/CWP has a duty to ensure that the organisation's assets and funds are safeguarded and to report immediately if they suspect corruption or fraud or if they see any suspicious acts or events (see investigation below). In addition, they should alert their line manager where they believe that the opportunity for fraud or corruption exists because of weak procedures or the lack of effective internal control. The employee should assist in any investigation by making available all relevant information and by co-operating in investigations (e.g., interviews, provision of documentation, etc).

Every employee and, where relevant, consultants, must read and sign the Declaration of Conflict of Interest **on an annual basis**, stating that they have read, understands, and commits to the Policy. In addition, every employee must inform of any new conflicts, should they arise during the year. Based on these Declarations of Conflict of Interest, the GWPO CFAO, the Regional Coordinator/Country Coordinator shall keep a register of conflict which shall be updated annually or when necessary.

Whistle-blower Protection

At GWP, no staff members or member of personnel reporting such allegations in good faith shall be subjected to any form of retaliation. Whistle-blower protection applies to protected activities such as, for instance, reporting of misconduct, cooperating to an investigation or audit, or partaking to dispute resolution procedures. A whistle-blower is someone notifying his or her surroundings (normally a line manager) about potential corruption or fraud taking place. All staff members must be encouraged to become whistle-blowers if they detect fraud/corruption issues. The internal reporting of abuse is seen as a contribution to improving the functioning of the GWP Network and the desired transparency and accountability in relation to financial and programme management. Employees who in good faith report an abuse must be protected against unfair treatment. The whistle-blowers can be pressured from the potential corrupt individual or supporters. To reduce this risk, employees can "blow the whistle" anonymously supported by the principle that the whistle-blower is a witness, not a complainant.

An employee of GWPO or an RWP/CWP who has made a report of suspicious conduct and who subsequently believes they been subjected to retaliation of any kind is directed to immediately report it to the GWPO Executive Secretary, or to the GWP Chair, should it concern the Executive Secretary. An *ad hoc* special committee assisted of external expert could be constituted should the allegations pertain to a member of the Steering Committee. In any case and regardless of the outcome, there will be an acknowledgement of receipt of the complaint sent to the whistle-blower. An external investigation team will be appointed, and reports of retaliation will be investigated promptly in a

manner intended to protect confidentiality as much as practicable, consistent with a full and fair investigation. Once the investigation has been completed, a report will be provided to the Executive Secretary or the Chair who will then take appropriate action. The reporting employee shall be notified of the results of the investigation.

GWP strongly disapproves of and will not tolerate any form of retaliation against employees or others who report concerns in good faith regarding GWP's operations. Any individual who engages in such retaliation will be subject to discipline up to and including termination according to the disciplinary measures of the GWPO Staff Rules and Regulations and other relevant policies abided to by the RWPs and CWPs.

Internal Procedures

GWPO has several procedures and mechanisms in place to minimise and prevent the risk of corruption and fraudulent acts. RWPs, CWPs and their Host Institutions are obligated to follow the GWPO Financial Guidelines in relation to how funds from GWPO are managed.

In addition, applicable procurement rules and procedures, and the Host Institution's decision procedures, shall be adhered to by all employees at the RWP and CWP in order to ensure proper management of funds. If the Host Institution has its own Anti-Fraud/Corruption Policy, then staff at the RWP or CWP must follow such Policy as well to the extent it is stricter or wider in scope than GWP's Anti-Fraud/Corruption Policy.

All staff that are involved with the receipt, transfer or management of funds shall familiarise themselves with the provisions of the relevant documents within their respective institution. If a staff member suspects that the guidelines and rules are not being followed, then they shall either alert their line manager or contact GWPO at legalofficer@gwp.org or send a notice to the Legal & Governance Counsel at GWPO, PO Box 24177, 104 51 Stockholm, Sweden. Any such alert or notice can be made anonymously and will be treated in strict confidentiality.

Upon receipt of the notice, an internal *prima facie* review will first be undertaken following the application of criteria of credibility, materiality, specificity, and verifiability of the allegation. Then, based on the outcome of such preliminary review, the Legal & Governance Counsel shall, refer the matter with their recommendation for action as the next step to the ES or the SC where applicable. Only if there are enough elements meeting the four criteria, an external investigator shall be appointed to conduct an independent and thorough investigation.

Investigation

Upon receipt of a notice, by the line manager or to GWPO, the Executive Secretary, and where relevant, the GWP Chair and/or Regional Chair, shall be informed immediately. The Executive Secretary or, when applicable, the GWP Chair shall immediately instruct for the instigation of an investigation of the alleged breach of guidelines or agreements, including breaches of this policy.

The investigation is an administrative fact-finding activity that must be conducted according to the highest standards of professionalism, objectivity, confidentiality, thoroughness, impartiality, and fairness. The investigation shall be led by an external investigator selected from a diverse roster of investigators with the assistance of relevant staff as per applicable internal policies and recognised international standards. The Executive Secretary shall also inform the Chair of the Audit and Finance Subcommittee. Should it be deemed necessary, the external investigation team may recommend to the Executive Secretary or the Chair to take any temporary administrative measures that would preserve the integrity of the investigation process.

Once completed, a confidential report will be submitted to the Executive Secretary or their designated

delegate, or the GWP Chair, when applicable. The Executive Secretary, together with such person(s), shall decide on the necessary course of action to investigate the allegations. The decision on the necessary course of action shall be submitted to GWPO's external auditors for comments within 3 weeks after the initial notice was received. The report shall set out findings and suggestions as to further action/steps if necessary.

The results of the investigation, as well as the external auditor's comments, shall be presented to the Executive Secretary, and or the GWP Chair and where relevant to the Regional or Country Chair of the affected RWP or CWP. The Regional or Country Chair shall decide on any remedial action and/or disciplinary action against an employee/consultant, where relevant. Such action may include, but is not limited to, warnings, dismissal, termination, and/or legal action in the country where the fraudulent action or corruption has taken place.

Corruption cases involving the Executive Secretary, COO, CFAO, Members of the Executive Management Team, Legal & Governance Counsel and the Regional Chairs should be handled directly by the GWPO Steering Committee. Following an internal preliminary review of the case based on criteria of credibility, materiality, specificity, and verifiability of the allegation, the SC members may then appoint an external investigator to carry out a full fact-finding activity should it be warranted.

External Relations

In the event a fraud has been notified and an investigation has been carried out, regardless of the results, the Executive Secretary or GWP Chair, when applicable, together with the Head of Communications, shall decide upon a communication strategy to prepare and disseminate messages regarding the event to funding partners, programme partners and/or other relevant third parties to inform of the event(s) clearly and transparently, and how they were or will be remedied. This will be done protecting the rights of privacy of the parties involved, particularly those who bring up allegations, as mentioned above in the section on Whistle-blower Protection.