

## **APPENDIX 3**

### **Anti-Corruption and Sanction policy**

#### ***Applicable on implementation of Young Expert Programme***

#### **1 Purpose**

The purpose of this policy is to describe a sanction policy in case, a YEP partner or a local counterpart is suspected of fraud, corruption, or other misuse of funds, including non-delivery of agreed deliverables. The aim is to prevent the abuse of money for personal or other aims over and above those agreed upon in the contracts with her partners.

#### **2 Scope**

This policy applies to all YEP partners and local counterparts that are involved in the YEP programme. All workforce members of partners and local counterparts are made aware of the existence of this anti-corruption and sanction policy.

The YEP partner and local counterpart are defined as follows:

#### **YEP partner:**

A YEP partner is the Dutch partner that participates in the YEP Programme by concluding either:

- A (work, seconding or hiring) contract with **NAME** ("Young Expert") and putting the latter to work in the activities of the local counterpart in **CNTRY**

OR

- A contract in form of a signed Memorandum of Understanding (MoU) between the Dutch YEP partner and the local counterpart organisation with **NAME** ("Young Expert") and putting the latter to work in the activities of the local counterpart in **CNTRY**

#### **Local counterparts:**

In the YEP programme, the local counterparts implement projects in the field of water, food security and energy. The young experts are active in these projects. The relationship between NWP and the local counterparts runs through the YEP partner, who has a well-established working relationship with the local counterpart. If there is an issue with a local counterpart, the YEP partner is the first point of contact for YEP Programme Bureau. The procedures which the YEP partner has in dealing with non-delivery, fraud and corruption will therefore be leading in dealing with issues with local counterparts.

#### **3 Policy**

##### ***3.1 Anti-Corruption and sanction policy for the YEP partner***

- The YEP partner shall inform the YEP Programme Bureau and the Young Expert of any changes that take place in the organisation's financial or organisational situation that jeopardize the normal continued participation in the programme and/or the deployment of the Young Expert. The parties shall decide in consultation as to what measures can be taken.
- If, at the end of a project the delivered actions are found to differ substantially from what was agreed in the project plan, the YEP partner will be asked to provide an explanation of the difference. If the explanation is deemed unsatisfactory by the YEP Programme Bureau, the YEP partner is obliged to refund the received financial support.
- If a problem with a local counterpart results in the YEP Programme Bureau claiming back the payments from the local counterpart, the YEP partner will take reasonable actions in support of claiming back payments and reimbursing them to the YEP Programme Bureau.
- When there is a suspicion that a YEP partner is involved in fraud or corruption, the YEP Programme Bureau immediately addresses the issue with the YEP partner. When fraud is suspected (fraud can involve one or all of the following: misrepresentation of facts, breach of contractual responsibilities, suppression of the truth, and omission of critical facts, false spending of YEP subsidy), payments are stopped immediately, and an external audit is initiated by the YEP Programme Bureau.
- As long as there is an ongoing fraud investigation, no payments are made. If the investigation shows that no fraud has been committed, payments can continue.
- When a fraud investigation shows that fraud has been committed the relationship between the YEP partner and the YEP Programme Bureau is immediately terminated. All previous payments are claimed back. The YEP Programme Bureau immediately informs the steering committee.

### **3.2 Anti-Corruption and sanction policy for the local counterpart**

- If a local counterpart cannot realise the activities or deliver the reports as agreed in the YEP project description and in the agreement with the YEP partner, the YEP partner will initiate a process to remedy this situation, according to its own procedures. If this process leads to a change in scope, schedule or budget, this will be communicated to the YEP Programme Bureau.
- If the proposed change in scope or planning is significant (a change of over 20%) or if the proposed change is to increase the budget, the change should be discussed with the YEP Programme Bureau. Significant changes to the scope and schedule of a project and any increase to the cost of a project can only be incorporated in the project description with the agreement of the YEP Programme Bureau.
- If a change in scope results in a lower budget, the difference in funds will be reimbursed to the YEP Programme Bureau by the YEP partner. The YEP Programme Bureau will then redistribute the funds in accordance with the scope of the YEP programme.
- If, after the first change of scope, schedule or budget there are no improvements in realizing the agreed activities or improving the administration within the period agreed between the YEP partner and the local counterpart for doing so, the YEP Programme Bureau will make a request to the YEP partner to claim back payments made, and reimburse to the YEP Programme Bureau that part of the payments that originated from funds collected by the YEP Programme Bureau.
- When there is a suspicion that the local counterpart is involved in fraud or corruption the YEP Programme Bureau immediately discusses the issue with the YEP partner or the local counterpart. When fraud is suspected (fraud can involve one or all of the following: misrepresentation of facts, breach of contractual responsibilities, suppression of the truth, and omission of critical facts), the appropriate policy of the YEP partner for dealing with suspicion of fraud is followed.
- If the YEP partner decides not to initiate an external audit after a suspicion of fraud has arisen, YEP Programme Bureau may initiate an external audit.
- As long as there is an ongoing fraud investigation, no payments are made. If the investigation shows that no fraud has been committed, payments can continue.
- When a fraud investigation shows that fraud has been committed, the relationship between the local counterpart and YEP Programme Bureau is immediately terminated and all running YEP positions with this local counterpart are cancelled. The procedures of the YEP partner for claiming back previous payments are followed. The YEP Programme Bureau immediately informs the steering committee.
- If a local partner has been shown to commit fraud, the YEP partner should demonstrate towards the YEP Programme Bureau that the YEP Partner had no knowledge of the fraud, and that it took all reasonable measures to prevent fraud. If the explanation provided by the YEP partner is deemed unsatisfactory by the YEP Programme Bureau, the YEP Programme Bureau will terminate the relationship with the YEP partner.