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Analytica think tank

Anti-Corruption Policy

1. Introduction

With its mission to help individuals and institutions with the aim to foster lasting improvement in the democracy and governance and to strengthen the rule of law in North Macedonia and the region of South Eastern Europe, Analytica think tank is committed to fighting corruption and fraud, which are reflecting in the organization's values of integrity, independence, transparency, and accountability. This commitment is internal as well as external, as corrupt and fraudulent conduct by Analytica's employees can impair the effective functioning of the organization, deplete its resources, diminish donor trust, and damage Analytica's image and reputation.
The Analytica's Anti-Corruption Policy aims to raise awareness of corruption risks and set out standards expected of all employees, give concrete and practical advice to Analytica's employees on detecting and preventing corruption and fraud, and provide a framework for combatting such activities. Analytica's management is committed to ensuring that this Anti-Corruption Policy is followed and fully implemented, through training and periodic evaluations of the effectiveness of the Policy.

2. Scope and Application

Analytica's employees must comply with the terms of this Policy with respect to any activities and operations involving the organization. Any employee who suspects or becomes aware of corruption or fraud involving Analytica, its employees, or individuals or entities with which Analytca has contracted or is otherwise engaged with, must report it promptly to Analytica's management (e.g. executive director, president of assembly) and it will be investigated. The Organization will take disciplinary action against any employee found to have acted in violation of this Policy or to otherwise have engaged in fraudulent or corrupt activity, up to and including termination, recovery of any financial loss, and reporting to law enforcement. The Organization will similarly take appropriate action with respect to any corruption or fraud involving individuals or entities with which Analytica has contracts with, including termination of the relationship, recovery of any financial losses, and reporting to law enforcement. The Policy will be reviewed annually by the assembly of the organization.

3. Domestic and International Law Relating to Fraud and Corruption

Almost all countries have laws prohibiting bribery of their public officials and criminalizing corrupt activity.. Employees found to have violated Law for prevention of corruption and conflict of interest relating to fraud or corruption can expect Analytica to respect the Law and report this behavior to the State Commission for prevention of corruption. Additionally, a number of Analytica's donor countries have laws applicable to corrupt activity abroad, such as the Foreign Corrupt Practices Act of the United States, and include specific anti-corruption undertakings in their grant agreements with Analytica. Analytica is committed to fully implementing all such undertakings and this Policy is not intended to derogate from or limit those undertaking in any manner.

4. Definitions

“Anything of value” means any benefit, consideration or item of pecuniary value, including but not limited to: money; gifts; “loans,” whether or not repaid; use of credit cards; sexual favors; overpaying for purchases; fees and commissions; hidden interest in business transactions; investment opportunity at below market value; contracts; medical, educational or living expenses; travel, meals, lodging, shopping or entertainment expenses.

"Appearance of Impropriety" refers to conduct which even if not unethical, immoral, or inappropriate, could reasonably be construed as such by an objective observer.

“Bribe” means giving or receiving money or anything of value to corruptly influence the actions of a decision-maker.

“Collusion” means an agreement by two or more persons or entities to defraud another or to do or obtain something forbidden by law, i.e., bid rigging.

“Corruption” means the offering, giving, receiving, or soliciting of anything of value to improperly influence the actions of another party either directly or indirectly.

“Donor” means any public or private entity that makes a monetary or in-kind donation to Analytica of any value or type.

“Employee” means anyone operating under an Analytica employment contract including, but not limited to, the executive director, staff members, consultants, secondees, interns, special service contractors, and volunteers.

“Family Member” means a parent, spouse, spousal equivalent, child, sibling, uncle, aunt, first cousin, or grandparent.

“Fraud” or “Fraudulent Conduct” means the use of deception with the intention of pursuing personal or private interests at the expense of the Organization or others, or to avoid an obligation. Examples of Fraud or Fraudulent Conduct include, but are not limited to: misappropriation of assets; embezzlement and theft; receiving a private gain in return for favoring a candidate in a recruitment process; participation in sham transactions; making false or deceptive statements; forgery or alteration of accounting records or vouchers; falsely claiming overtime, medical expenses, travel/subsistence allowance, or sick leave; and Collusion.

“Governmental Authority” means any domestic or foreign governmental body at any level, including executive, legislative, and judicial bodies, and any department, agency, or instrumentality thereof.

“Project Partner” means any entity, governmental or private, with which Analytica, through an agreement, grant, contract, or other financial arrangement, works to implement a program or project and which makes a contribution to the end product or beneficiary population.

"Public Official" means: (a) an officer or employee of a Governmental Authority or international organization, or any person acting in an official capacity or exercising a public function for or on behalf of any Governmental Authority or international organization; or (b) any political party, party official, or candidate for political office.

5. Prohibited vs. Permissible Payments to Public Officials

When interacting with Public Officials and Project Partners, Analytica employees should take special care to ensure that they do not engage in conduct that reflects negatively upon the organization or is incompatible with the proper discharge of their four duties. Any actions to undertaken with the intent to improperly influence the conduct of another party or to receive a bribe or other prohibited payment will constitute a breach of this Policy. A general list of "do's and don'ts" is attached at Annex 1. Unauthorized payments are an area of particular concern and are discussed in depth here.

5.1 Prohibited Payments As a general rule

Analytica employees shall not offer, pay, promise, or authorize the payment of anything of value to a Public Official or service provider in order to influence any act or decision of that official or party: offering a Bribe in exchange for some business advantage is prohibited regardless of whether it is made directly or indirectly through another party. Analytica employees should take extra care when interacting with Public Officials or Service Providers and their Family Members to avoid even an appearance of impropriety. Likewise, Analytica Employees shall not solicit or receive the payment of anything of value from any third party made in order to influence or reward any act or decision on behalf of Analytica. Soliciting or receiving a Bribe in exchange for providing a benefit to a third party is prohibited regardless of whether it is solicited or received directly or indirectly through another party. Employees should take extra care when interacting with Public Officials or Service Providers and their Family Members to avoid even an appearance of impropriety.

5.2 Permissible Payments for Legitimate Business Purposes

Payments made to or for the benefit of Public Officials or Service Providers may, however, be permissible if they are for a legitimate business purpose and consistent with local law. For example, payments for the delivery of training or to reimburse meals, travel, or accommodation costs incurred by a Public Official/Service Provider are acceptable as long as they are directly related to Analytica's programs or projects or other bona fide business matters, are permissible under local laws, and do not pose a conflict of interest. On the same basis, it is also permissible to compensate Public Officials for their attendance at Analytica sponsored workshops/trainings and to provide reasonable honoraria to speakers and presenters.

5.3 Gifts

Gifts, hospitality and other benefits may not be given on behalf of Analytica or received by Analytica employees to or from Service Providers, Project Partners, or Public Officials unless they are: 1) acts of

courtesy and are of modest value; 2) do not compromise the integrity and/or the reputation of any of the parties; and 3) do not create the Appearance of Impropriety.
Permissible gifts and hospitality should also have all the following characteristics:

- not be a cash payment;
- be provided in connection with a bona fide and legitimate business purposes;
- not be motivated by the desire to exercise improper influence or the expectation of reciprocity;
- be reasonable according to the circumstances;
- be commensurate with generally accepted standards of professional courtesy; and
- comply with local laws and regulations applicable to the Public Officials or Service Providers.

Monetary or in-kind contributions made by an Analytica Employee in his or her personal capacity to support Public Officials are not prohibited by this Policy to the extent permissible under national law, if such payments are an exercise of an individual's political right guaranteed by the constitution or laws of the host country, are made by a national of that country, are made without reference to Analytica, and the intention is not to exert undue influence or receive a benefit for or on behalf of Analytica.

6. Falsification of Records

Misleading or false entries that conceal the source or nature of expenditures or receipts are included under the definition of Fraud. Forging documents, preparing false entries, falsifying record logs and expense claims, and creating fictitious invoices are all strictly prohibited under this and other Analytica policies.

7. Analytica Measures to Prevent Fraud and Corruption

Corruption or Fraudulent Conduct by Project Partners and Service Providers acting on behalf of the organization has the same detrimental effect on Analytica as similar conduct engaged in by Analytica employees. As a result, Analytica strives to vet Project Partners and Service Providers to avoid working with any that are disreputable and engage in corrupt or fraudulent conduct. The early detection of possible compliance and integrity concerns allows Analytica to avoid associating with individuals or entities that could expose the organization to serious financial and reputational risks while contributing to the overall integrity and transparency of ANALYTICA's operations.
While there is no foolproof approach to screening potential Project Partners and Service Providers, Analytica Employees can minimize risk to the organization by conducting, where appropriate, anti-corruption and anti-Fraud due diligence (see sub-section 7.1 below and Annex 2) on potential Project Partners and through proper procurement practices for the engagement of Service Providers and, in all cases, by including certain contractual provisions in its agreements with such entities.
Any procurement of goods or services on behalf of Analytica must be made in accordance with Analytica's Procurement Policy and Procedures (PPP) or, where contractual obligations dictate otherwise, with procurement rules of another party so long as they are regarded as reflecting international best practices. Selecting potential Service Providers through a competitive procurement process conducted in accordance with the PPP significantly reduces the risk of fraud and corruption. Please note

that the requirements of a particular donor agreement will prevail over Analytica's own due diligence standards to the extent they are stricter.

7.1 Due Diligence

Conducting appropriate anti-corruption due diligence on prospective Service Providers and Project Partners is essential to prevent the organization from retaining or partnering with disreputable entities. Carrying out due diligence is also necessary to demonstrate to auditors and donors that Analytica has made sufficient efforts to vet entities with which it works and use its resources wisely. Accordingly, before retaining a Service Provider or engaging on a project with a Project Partner, Analytica shall conduct due diligence appropriate under the circumstances that is documented and maintained in Analytica's records. The extent of due diligence required should correspond to the level of the perceived risk. For example, if the relationship being contemplated is financial in nature (e.g., a sub-grant to a partner organization), a greater degree of scrutiny is required than, for example, in the case of a non-binding memorandum of understanding. Furthermore, there are some potential partners that, by their very nature, present greater risk. Thus, an unfamiliar or newly-established NGO or contractor will require a more extensive inquiry than a better known and respected entity.

While the nature and extent of due diligence will vary depending on the attendant risks presented by the location and type of services to be provided by the Service Provider or the location and type of project to be co-sponsored with the Project Partner, due diligence should be conducted in an appropriate manner to determine whether the Private Provider or Project Partner:

- is qualified and appropriately licensed to perform the service or undertake the business venture (e.g., by confirming with the licensing body that the Service Provider or Project Partner is authorized to operate under local law);
- has a successful track record with Analytica or another reputable IGO/NGO;
- has the requisite reputation in the field;
- has any conflicts of interest;
- is willing to and capable of complying with accounting best practices, including retention of original receipts and adequate bookkeeping;
- is or employs a Public Official or Family Member of a Public Official;
- has adopted appropriate policies to prevent corruption and fraud; and
- has not engaged in activities that are against Analytica's mission and values (including, but not limited to, terrorism, drug trafficking, human trafficking, or sex crimes).

Due diligence of prospective Service Providers and Project Partners can include such illustrative activities as the following:

- obtaining from the prospective Service Provider or Project Partner a completed due diligence questionnaire;
- ascertaining the reputation and past dealings of the prospective Service Provider or Project Partner with their current and past stakeholders. Appropriate methods might include references from past or present clients, financial references, searches of publicly available sources, background checks, etc.; and

• Visiting the offices of the prospective Service Provider or Project Partner in the location where the services are to be performed to ensure that it is a legitimate entity.

Analytica shall update its due diligence on Service Providers and Project Partners at appropriate regular intervals. Annex 2 to this Policy contains a list of "Due Diligence Background Checks". This can be used as a resource on the types of information needed to conduct due diligence and what methods can be used to obtain it.

7.2 Written Agreements

Including anti-corruption and anti-fraud provisions in Analytica's agreements is an important way to protect the organization and prevent corrupt or fraudulent activities involving a Service Provider or Project Partner. Contracts and agreements with Service Providers or Project Partners on behalf of Analytica must be in writing. Additionally, all contracts and agreements should include additional anti-fraud and anti-corruption provisions as appropriate including, for example, special anti-money laundering or anti-terrorism financing provisions to comply with applicable Donor agreement requirements.

7.3 Accurate Record-Keeping and Payment Processing Procedures

Analytica shall make and keep books, records, and accounts which, in reasonable detail, accurately reflect any transactions involving expenditures on behalf of the organization, including all expenditures related to Service Providers and Project Partners, and the reasons or justifications for such expenditures, and all contracts, invoices, and receipts relating to the purchase of goods and services. No payment or receipt on behalf of Analytica may be approved or made with the intention or understanding that any part of that payment or receipt is to be used for a purpose other than that described in the relevant books and records. Analytica also shall devise and maintain a system of internal accounting controls sufficient to provide assurances that transactions are properly authorized and recorded.

8. Reporting, Investigation, and Disciplinary Action

Analytica's employees have an obligation to promptly report all known or suspected incidents of Corruption or Fraud, as well as any other illegal, improper, or unethical conduct, which will be reviewed and investigated. All information received and the identity of the person providing the information shall be treated by the organization confidentially to the extent possible within the legitimate needs of an investigation.

When reporting known or suspected fraud or corruption, Analytica employees are encouraged to provide as much detail and documentation as possible. Analytica will view any violation of this Policy or failure to report a violation as a serious matter that warrants disciplinary action, up to and including termination of employment.

Annex 1: General Do's and Don'ts

• DO report any interactions or relationships that you suspect violate this Policy to the executive director and president of the assembly

• DO be sensitive to and avoid interactions that may create even an Appearance of Impropriety.

• DO report any potential conflicts of interest to the executive director and president of the assembly prior to Analytica beginning work with a Project Partner or Service Provider.

• DO seek guidance from the executive director and president of the assembly as needed to determine whether a contemplated interaction with a Public Official or Service Provider is appropriate and in compliance with this Policy and other applicable Analytica policies.

• DO conduct due diligence of all Project Partners and Service Providers before entering into an agreement with such entities.

• DO enter into written agreements with all Project Partners and Service Providers that contain anti-Corruption and anti-Fraud provisions, as well as any other provisions required by Donors.

• DO ensure that agreements for services are specific and detailed and that compensation is reasonable and in accordance with prevailing market rates.

• DO follow contract payment provisions when paying a Service Provider or Project Partner, and always ensure that Analytica receives a detailed invoice that fully and accurately describes the services provided and expenses incurred.

• DO ensure that any benefits that are provided to Public Officials or Service Providers, such as meals, travel, and attendance payments, are for a legitimate business purpose, permissible under local law, and conform to the requirements of this policy.

• DO keep receipts and invoices for any expenses paid on behalf of a Public Official or Service Provider.

• DO exercise appropriate care in managing funds, resources, and/or assets of Analytica and follow appropriate financial, procurement, and other applicable procedures and mechanisms to mitigate the risk of Corruption or Fraudulent Conduct.

• DON'T turn a 'blind eye' to evidence that gives rise to a suspicion of Fraud or Corruption involving Analytica on the part of a Public Official, Project Partner, Service Provider, or other Analytica employee regardless of your views as to whether such conduct is endemic locally.

• DON'T hide or fail to disclose a potential conflict of interest or material fact in any hiring, contract, procurement or other decision that involves yourself or others, for example, if you have a close relationship with the head of a potential partner organization or a particular candidate or a potential provider. Recuse yourself from your role in any such decision if your participation would give rise to an Appearance of Impropriety.

• DON'T enter into relationships with Project Partners or Service Providers that raise "red flags" during the due diligence process without authorization from the executive director and president of the assembly

• DON'T sign off on any documents which are in languages you cannot understand; in such circumstances seek a translation first.

• DON'T abuse your position and any attendant privileges and immunities for personal profit or at the expense of the Organization.

• DON'T provide or receive anything of value (including cash, gifts, travel, entertainment, charitable or political contributions, or other things of value) to or from a Public Official or Service Provider in exchange for a business or other advantage for Analytica or you.
• DON'T provide anything of value to Family Members of any Public Officials or Service Providers.
• DON'T make Facilitation Payments (i.e., modest payments to prompt a Public Official to perform or expedite a routine, non-discretionary act that he is otherwise required to perform as part of his duties) unless in exigent circumstances or with the prior authorization of the executive director and president of the assembly.

Annex 2: Due Diligence Background Checks

Background Check Number One:

IS THE COMPANY A LEGITIMATE BUSINESS, WITH THE CREDENTIALS AND EXPERIENCE IT CLAIMS IN ITS BID OR PROPOSAL?

Many companies involved in corrupt or fraudulent practices are shell companies, organized solely for the purpose of obtaining fraudulent contracts, without any staff or permanent business premises.
The following checks will help identify them:
• Does the firm have a website or appear on the Internet, in a manner consistent with its purported size and experience, and the firm's representations in its bid or proposal?
• Is the firm listed in on-line or hard copy telephone, business or Chamber of Commerce directories, appropriate to its claims?
• Are the company's listed address and telephone numbers correct? Do reverse address and telephone searches to identify the real persons or companies listed at the address or telephone number.
• Use map and satellite photo sites where available to view the purported premises.

Primary sources of information:
Call and visit purported business location; check local telephone, business and corporate directories.

Background Check Number Two

HAS THE FIRM OR INDIVIDUAL BEEN THE SUBJECT OF DEBARMENT, SUSPENSION, INVESTIGATION, LEGAL ACTION OR NEGATIVE PUBLICITY?

Primary sources of information:
Internet searches; On-site background checks for smaller or local firms not listed on the Internet; Check with prior clients, employers and donors, local NGO's and trade associations and local media sources.

Background Check Number Three

DOES THE FIRM HAVE THE CAPACITY (EXPERIENCE, PERSONNEL AND RESOURCES) TO DO THE PROPOSED WORK?

Primary sources of information:

- Check if a bidder, contractor or consultant has the necessary experience and resources to perform the proposed contract;
- On-site background checks for smaller or local firms not listed on the Internet;
- Check references with prior employers and donors, local business directories and trade associations.