

INTEGRITY MANAGEMENT at GIZ

GIZ has a Compliance Committee headed by the member of the Management Board responsible for compliance. Also on the committee are the Labour Relations Director and several departmental and management unit directors. The committee is the highest authority for the preparation of documents on fundamental integrity questions that are submitted for decision-making to the Management Board.

The committee has laid down a **Code of Conduct** that is binding for all staff. With this document, GIZ has established a set of ethical standards and rules governing its work. The aim is to ensure that staff are guided in their actions by principles such as equal rights, transparency and working together as partners. To deal with conflicts of interest, the Code lays down rules that prevent corruption before it occurs. Ethical conduct and integrity are of paramount importance in our day-to-day work.

The Code of Conduct contains clear rules on avoiding active and passive bribery, accepting or giving a gift or other advantage, conflicts of interest, employing and awarding contracts to closely connected or related persons, and separating the business and private spheres. It also provides guidance on specific issues such as making direct or indirect 'facilitating' or 'grease' payments, and how to proceed in cases of doubt.

GIZ staff at Head Office and seconded staff agree to adhere to the Code of Conduct under the terms of their employment contracts. The Code of Conduct is part of GIZ's Orientation and Rules (O+R).

A modified version of the Code of Conduct has been produced for **CIM**. It is included as an annex to the subsidy agreement between GIZ/CIM and **integrated experts** and is binding.

For **development workers**, the Code of Conduct applies mutatis mutandis and is incorporated into individual development worker contracts of service.

National Personnel sign a declaration of agreement to the Code of Conduct stating that they have understood and will strictly adhere to it. The Code of Conduct is explained to National Personnel in local training sessions at the start of their employment.

New Head Office staff and seconded staff are familiarised with the Code of Conduct during an induction course entitled 'Acting with integrity – integrity management at GIZ', conducted by GIZ's integrity advisors. Participation in this course is compulsory.

The course is integrated into GIZ's training programme. This means that over time almost all Head Office staff and all managers (in Germany and abroad) have received training and have been made aware of the issues by the integrity advisors.

Furthermore, all new staff members, development workers and apprentices complete the 'GIZ: Acting with Integrity' online tutorial within the first 100 days of their employment relationship (new national personnel must do this within one year). We recommend that integrated experts also complete the tutorial.

The **integrity advisors** are neutral and act autonomously and independently. They are the contact persons for all staff, business and project partners and members of the public,

whether they have general questions regarding integrity or a justified suspicion that the Code of Conduct has been infringed.

GIZ has appointed an external ombudsman – a lawyer providing confidential counsel – as an additional point of contact.

The role of the ombudsman is essentially to act as a contact for all GIZ staff and their business partners regarding matters involving corruption. He can be contacted by staff and business partners for advice on corruption-related matters. The main target group is staff who become aware of corruption but fear that their concerns will not be heard, and contractual partners who may suffer negative consequences if corruption is revealed in a business operation confined to a closed circle. A further target group is persons who are themselves involved in corrupt activities, or are benefiting or have benefited from these. The ombudsman is an independent external lawyer who is professionally obliged to maintain confidentiality.

Specific **measures to prevent corruption** are, of course, taken when GIZ awards contracts, procures equipment and materials, or signs contracts with individuals and consultancy firms, both at Head Office and in the field structure. The following precautionary measures against corruption may be mentioned here:

- **dual control (involving two people in decision-making);**
- **transparency in decision-making;**
- **preference for public tenders;**
- **separation of planning, contract awarding and invoicing.**

In September 2004, GIZ appointed management consultants Arthur D. Little to examine its procurement procedures. Their analysis showed that GIZ's procurement procedures are fundamentally corruption-proof. GIZ's public-benefit status, together with the worldwide distribution of its staff and the resulting diversity, naturally means that very particular standards need to be applied to the coordination and management of processes within the company.

Anti-corruption clauses are included in all contracts.

These anti-corruption clauses have been part of GIZ's General terms and conditions of contract since 1 April 2012.

The contractor is obliged to respect the rules and guidelines contained in the Code of Conduct (annex to the contract) in its dealings with GIZ employees.

The objective of the agreement is to acquaint the contractor with GIZ's integrity system and to oblige the contractor to observe its contents and take precautions that will enable compliance with the Code of Conduct by its employees, contractors and subcontractors to be monitored. The aim is ultimately to ensure that the contracting process is fair and the project implemented with integrity, and to create mutual trust.

To increase the transparency of procurement procedures in GIZ's field structure, the IT systems CoSoft and ProSoft are used.

CoSoft was set up for the purchase of services in the field, and offers the possibility of central data access and evaluation. This system allows us to draw up consistent local fee schedules

through benchmarking with other organisations in the field. With this we can increase the intensity of competition and evaluate the appropriateness of per diem rates.

ProSoft was set up for the procurement of materials and equipment in the field. It helps achieve transparency at the central level and allows us to assess the conformity of procedures and identify any anomalies.

A further important measure for preventing corruption at GIZ is the policy '**Preventing corruption by staff rotation**'. In this, we are following the German Federal Government guidelines on preventing corruption in the federal administration which require that the length of service of staff in areas at particular risk of corruption is generally to be restricted. We have classified all organisational units and positions at Head Office and in the field that play an important role in the procurement process as being at risk of corruption. For project staff appointments, the rule is to limit the term to six years. We have established that this is an acceptable compromise between project requirements and corruption prevention. If in individual cases rotation is not possible or appropriate, this should be documented. In such cases other preventative measures must be agreed. Directors general must discuss their measures with the Management Board and the integrity advisors once per year.

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