



UWEZO UGANDA

ANTI-CORRUPTION POLICY

[APPROVED BY THE BOARD ON 15TH DECEMBER 2020]

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UWEZO UGANDA

VISION

A society in which all children are learning and realising their full potential.

MISSION

We are committed to demonstrating how to improve learning outcomes and keeping communities and leaders focused on learning through assessment, research, innovations, partnerships and advocacy

1.0 Introduction

Uwezo, a Swahili word which means 'capability', has been a programme of Twaweza East Africa since 2009. Beginning in 2020, Uwezo started operating as an independent entity. Twaweza's mission over the last ten years has been to enable children to learn, citizens to exercise agency and governments to be responsive to citizens' demands in Kenya, Tanzania and Uganda. Within this scheme of work, Uwezo's main function has been to generate and curate evidence on learning outcomes and use it to engage with policy actors and citizens to address the learning crisis.

The program and operations of Uwezo as an independent entity in the strategic period 2020-2023, will contribute to four strategic goals: i) Producing independent evidence on the learning levels of children and young people through learning assessments ii) Carrying out research and promoting innovations that have the potential to improve the level and distribution of learning outcomes in basic education iii) Engaging with policy actors and with the public to influence and promote policies and practices for improved and more equitable learning outcomes iv) Establishing and developing Uwezo as an independent, not-for-profit organisation in Uganda, with the capacity and resources to execute its mission effectively.

1.1 Need for an anti-corruption policy

All organisations are subject to fraud and corruption risks. Large frauds have led to the downfall of entire organisations, massive investment losses, significant legal costs, incarceration of key individuals, and erosion of confidence in markets. Managing corruption and fraud risk has taken on a higher profile following the occurrence of various corporate scandals locally and globally. Such occurrences have emphasised overall public and organisation stakeholder expectations for a no-fraud tolerance attitude.

Good governance principles demand that the board ensures overall high ethical behaviour by management of any organisation regardless of its status as public, private, government, or not-for-profit, or its relative size or industry. Handling of corruption and fraud cases within an organisation sends clear signals to regulators and stakeholders about the board and management's attitude toward corruption and about how the organisation's policies are implemented.

The board, management, employees, partners and internal auditing all have responsibility for managing corruption and fraud risk. Corruption and Fraud have serious repercussions on organisations, therefore boards of directors, executive management, and internal auditors, among others, are being asked specifically how the organisation is responding to the regulations in which the organisation operates, how they identify corruption and fraud risks, what they are doing to better prevent or at least detect fraud sooner, and what programmes and procedures are in place to investigate fraud.

Previously, organisations focussed on managing fraud and corruption but currently, it has become critical that organisations pay close attention also to anti money laundering and counter terrorism financing. Money laundering and terrorist financing allows criminals the ability to enjoy the proceeds of their crime.

In the case of terrorists, it allows them to enjoy the scenes of destruction that they deliver by using the money derived from crime such as fraud to fund their terrorist activities. Criminal activity related to fraud generates money that needs to be laundered, so where there is fraud there is money laundering.

This policy - is developed to set the tone generally for anti-corruption, but also to state Uwezo Uganda's position on aspects of money laundering and terrorism financing.

1.2 Scope

This policy sets out Uwezo Uganda's commitment to the prevention and detection of corruption, and Uwezo Uganda's commitment to anti money laundering and counter terrorism financing.

The scope of this policy applies to all Uwezo Uganda employees, management, members and board of directors. The principles and definitions in this policy also extend to relationships with external organisations (including partners, contractors, consultants, suppliers, and co-applicants and consortium partners). In the cases in which Uwezo Uganda is the funding (or paying, in the case of suppliers, consultants and district partners) party Uwezo Uganda actively seeks implementation of an anti-corruption policy of the supported organisations. These organisations are also mandated to commit to anti money laundering and counter terrorism financing.

1.3 Definitions

1.3.1 Corruption

Uwezo Uganda defines corruption as the abuse of entrusted power for private gain. Common forms of corruption include bribery, extortion, fraud or embezzlement, but also any kind of favouritism and nepotism are manifestations of corruption. From a donor perspective, corruption *diverts resources away* from social sectors and poor people. Corruption also *limits the development and economic growth* of a country, and *perpetuates the unequal distribution of power, wealth, and resources*. While corruption impacts negatively on most segments of society, people living in poverty lack the economic, social, and political power necessary to challenge corrupt practices and are more vulnerable than most to extortion, bribery, double standards, and intimidation.

1.3.1 Money Laundering

Money laundering is the process whereby criminals introduce the proceeds of their criminal activities into a financial system through transactions that attempt to disguise the true source of the funds. In terrorism financing, funds may originate from legitimate or criminal sources. These funds are used to finance terrorist activities. Criminals and Terrorists have access to large amounts of money. However, until the money is deposited into the banking system, their ability to utilise it is restricted. Criminals and Terrorists use charities as a means of making cash deposits knowing that they appear to legitimise (or launder) the source of the cash. Uwezo Uganda is diligent in detecting and reporting suspicious activity.

Money laundering is the term used for a number of offences involving the proceeds of crime or terrorist funds. It includes possessing, or in any way dealing with, or concealing, the proceeds of any crime. The process of money laundering has three stages:

- Placement, through which the funds (often in cash) enter the financial systems
- Layering, by which the funds pass through a complex sequence of transactions designed to make it impossible for investigators to follow a trail of evidence back to the origin of the funds; and
- Integration, the point at which the funds emerge from the process back into the legitimate economy in a way that they are unrecognisable as the proceeds of crime.

Charities can be especially susceptible to the attention of potential money launderers. An international presence often in regions where there are serious issues in control and regulation, make them particularly attractive for use as a stage in the layering process.

1.3.2 Terrorism financing

Terrorism financing is the provision of funds or providing financial support to individual terrorists or non-state actors.

2.0 Uwezo Uganda commitment to fighting corruption, money laundering and terrorism financing

Uwezo Uganda is committed to fight all types of corruption, money laundering and terrorism financing both within the organisation and within partner organisations

Uwezo Uganda lives up to this commitment by:

- Setting out a clear policy against money laundering, terrorism financing, bribery and other types of corruption
- Holding employees and partners accountable for reporting suspected cases of money laundering, terrorism financing, corruption, and providing them with suitable channels of communication and ensuring sensitive information is treated appropriately
- Rigorously investigating instances of alleged bribery and taking firm and vigorous action against any employee or partner involved in proven corruption
- Maintaining and enforcing additional policies and procedures for countering money laundering, terrorism financing and corruption within identified risk areas.

2.1 Uwezo Uganda zero tolerance to money laundering, terrorism financing and corruption

Uwezo has zero tolerance for corruption, theft, fraud and dishonesty. No employee may request, induce, demand or accept gifts, financial or otherwise, for actual or perceived direct or indirect performance of assigned responsibilities. All gifts received by Uwezo or employees in the course of working at Uwezo shall be reported to management and duly registered in the Gift Register. No employee may falsify or otherwise provide false information. An employee who engages in such illegal actions shall be subject to termination on the grounds of misconduct. An employee who has caused loss to Uwezo through such illegal actions may additionally be held liable for reimbursing the cost of the loss or damage caused.

Uwezo Uganda does not engage with terrorist organisations or give money to partners who carry out, or fund, or advocate terrorist activity. We are fully committed to ensuring all our business processes minimise the risk of funds being diverted for terrorist or any other criminal purposes. We work within the law to ensure that our work and that of our partners are free from interference and that resources are used for the purposes intended.

2.2 Clarification of scope of this policy

Uwezo Uganda recognises that practices vary across cultures and that behaviour which is seen as inappropriate in one circumstance may be deemed appropriate in another.

This policy is not meant to prohibit the following practices provided they are customary in a particular culture, are proportionate and are properly recorded:

- Normal and appropriate hospitality
- The giving or receipt of a ceremonial gift of nominal value

Decisions as to what is acceptable may not always be easy. If anyone is in doubt as to whether an act or potential act constitutes bribery or corruption, the matter should be referred to the appropriate manager as soon possible.

Regarding suppliers, gifts, entertainment or favours from them should be avoided.

2.3 Strong Policy against Other Types of Corruption

In addition to a Zero Tolerance Policy towards corruption, money laundering and terrorism financing, Uwezo Uganda will not accept any other type of corruption or fraud like behaviours, such may arise from conflicting personal interests, or illegal activities such as intentional deception made for personal gain.

3.0 Responsibility for fighting corruption

All employees of Uwezo Uganda, or people working on behalf of Uwezo Uganda, and people working within partner organisations, are responsible for reporting suspicion of fraud or corruption. In addition to the specific responsibilities listed below, all employees should also adhere to Uwezo Uganda's Governance Management and HR Policies, which provide guidance on our core values and commitment to transparency and accountability.

3.1 Responsibilities of Employees

All employees are responsible for:

- Acting with propriety in the use of Uwezo Uganda 's assets and resources
- Alerting their line manager where they believe the opportunity for fraud or corruption exists. Employees should report to their line manager:
 - Any suspected or actual fraud or corruption
 - Any suspicious acts or events which might give rise to a suspicion of fraud or corruption
- If for any reason a member of staff does not feel able to report a suspected fraud or corruption to their line manager, he/she should inform a more senior manager or the Executive Director by email on concerns@uwezouganda.org. If the suspected fraud involves the Executive Director, the staff member can write to the chairperson, Uwezo Board of Directors on email ajlutaobosa@yahoo.com.
- Assisting in any investigations by making available all relevant information and by cooperating in interviews.

3.2 Responsibilities of Managers

The day to day responsibility for the prevention and detection of fraud and corruption rests with the line managers who are responsible for:

- Identifying the risks to which systems, operations and procedures are exposed
- Developing and maintaining effective controls to prevent and detect fraud and corruption
- Ensuring that controls are being complied with
- Establishing the internal control system designed to counter the risk of fraud and corruption, and ensuring the adequacy and effectiveness of this system
- Ensuring that arrangements are in place for investigation of all suspected and alleged fraud or corruption.
- Assuring that there is a record of fraud and corruption cases which is properly maintained
- Where there is a significant risk to Uwezo Uganda's reputation promptly reporting all cases of fraud and corruption to the Executive Director, as well as carrying out investigations into suspected or alleged fraud and corruption. The executive director will inform the Board.

3.3 Partner Responsibilities

Partners must provide a detailed overview of the income and expenditures related to the project funded by Uwezo Uganda and also actively report any suspected fraud or corruption to the Executive Director Uwezo Uganda on email address gnakabugo@uwezouganda.org or if the fraud involves the Executive Director, to the chairperson Uwezo Uganda Board on email ajlotalobosa@yahoo.com.

4.0 Uwezo Uganda Concerns Policy

Uwezo Uganda's Concerns *Policy* is a procedure for reporting an abuse or suspected abuse within the sphere of Uwezo Uganda, in which a public interest is at stake. The procedure also applies to reporting any kind of (suspected) corruption.

Within Uwezo Uganda's management philosophy great importance is given to transparency and accountability. The internal reporting of abuse is seen as a contribution to improving the functioning of Uwezo Uganda and the desired transparency. Employees who in good faith report an abuse must be protected against unfair treatment.

4.1 Grievance Procedures

All stakeholders can approach Uwezo Uganda with their grievances, including complaints related to possible cases of fraud or corruption through the Executive Director Uwezo Uganda on email address gnakabugo@uwezouganda.org or if the fraud involves the Executive Director, to the chairperson Uwezo Uganda Board on email ajlotalobosa@yahoo.com.

5.0 Investigation of suspected cases

The duty to investigate lies with the Executive Director and overseen by the Chairperson Uwezo Uganda Board of Directors. In cases where the investigation relates to the Executive Director, the chairperson Uwezo Uganda Board of Directors will work with the board members and determine an appropriate course of action to execute the investigation.

If certain actions are required before the investigation is complete to preserve evidence, maintain confidence, or mitigate losses, those responsible for such decisions shall ensure there is a sufficient basis for those actions. Actions taken should be appropriate under the circumstances, applied consistently to all levels of employees, including top management, and taken only after consultation with individuals responsible for such decisions. Consulting legal counsel is strongly recommended, and shall be a requirement, before undertaking an investigation and is critical before taking disciplinary, civil, or criminal action.

6.0 Consequences

Uwezo Uganda takes any indication of attempting to commit an act of fraud or corruption by employees, partners, related and external organisations very seriously.

6.1 Uwezo Uganda Employees

Employees and partners involved in fraud and corruption of any kind will be subjected to disciplinary action within the organisation such as (but not limited to); suspension, dismissal or be reported to external authorities for criminal prosecution.

6.2 Partners

For partners possible consequences such as dissolution of the partnership, legal actions and escalating the matter to external authorities for criminal prosecution may apply.