

Welthungerhilfe-Anti-Terrorism Policy

1. Background

As an NGO operating in about 40 countries, Welthungerhilfe (WHH) recognizes that there may be a risk of its funds being diverted by staff, contractors, financial service providers and partners to finance or support terrorist activities.

WHH recognizes that, as other sectors (e.g. financial sector) are tightening their safeguards against terrorist abuse, there is a risk that terrorist organizations may focus more attention on our sector.

WHH recognizes that different countries have different approaches and levels of regulation and safeguards. We have developed this policy to ensure that we are consistent in our approach.

WHH believes that strong effective governance, financial and partner management are key to preventing abuse. This policy highlights the mechanisms in place. The issue of diversion of aid and contravention of counter-terrorism legislation is viewed as an internal control and risk management issue alongside fraud, bribery and corruption.

WHH has developed this policy to ensure that WHH's and donor funds and resources are not being used directly or indirectly to support terrorist activities and to provide a clear guide on what to do if terrorist activity is suspected. More broadly, this policy will enable WHH to support sustainable development and reputation in delivering sustainable overseas aid, as well as ensure continued community support for overseas aid projects.

Our donors have extensive legislation around anti-terrorism and national security. International and national bodies impose strict obligations on funding recipients to ensure that funds do not support terrorist activities. WHH will use its best practices and principles to ensure that our programmes are conducted in the context of these laws and obligations.

Failure to comply with donor requirements could significantly impact the reputation of WHH as well as expose the organization to potential penalties. This policy therefore articulates WHH's commitment to avoid involvement in terrorist activities and terrorist financing and outlines processes and procedures aimed at preventing, stopping, and punishing terrorism financing that has the capacity to result in the diversion of humanitarian aid or assistance.

2. Policy Statement

WHH renounces all forms of terrorism and will never knowingly support, tolerate or encourage terrorism or the activities of those who embrace terrorism. Consistent with numerous United Nations Security Council resolutions, including S/RES/1269 (1999), S/RES/1368 (2001), and S/RES/1373 (2001), WHH is firmly committed to the international fight against terrorism and in particular against the financing of terrorism. It is the policy of WHH to seek to ensure that none of its and its donor funds are used, directly or indirectly, to provide support to individuals or entities associated with terrorism. In accordance with this policy, WHH undertakes to use reasonable efforts to ensure that none of its or its donor funds are used to provide support to individuals or entities associated with terrorism.

3. Scope

This policy applies to all WHH board members, staff, financial service providers and contractors and private donors (suppliers, service providers and consultants).

This policy also applies to all partner organizations, their board members, staff, financial service providers, contractors and sub-grantees implementing projects with WHH funding.

4. Sources of Authority

International and national regulations: WHH recognizes the regulations by which donor countries abide. WHH also recognizes relevant legislation related to data protection (refer to *Annex 1*).

WHH's own rules and regulations (refer to Annex 4)

5. Procedures

5.1. Approach

WHH's procedures have a strong emphasis on "deter, detect, prevent, and respond". To minimize the risk of aid diversion, and in particular terrorism financing, WHH employs the following approach:

1. Conducts regular risk analysis concerning anti-terrorism activities. The risk analyses typically include a review of the relevant legal requirements of donor governments, transit governments (e.g., territories through which goods or services are transferred), and host state governments, as well as donor policies and industry standards (if any) from other sectors. It also includes security analyses, including stakeholder analyses (armed groups, state and non-state actors), to determine the risk of terrorism targeting or undermining our operations.
2. Enforces a strict code of conduct among its staff and staff of partner organizations with a strong reference point to anti-diversion and a statement on financial transactions with armed groups.
3. Maintains comprehensive financial records which account for all expenditure and publishes annual financial statements with detailed breakdown of incomes and expenditures.
4. Conducts annual external audit of all expenses as well as external audits of specific projects.
5. Reserves the right to carry out Third Party reference checks on individuals with whom WHH has a contractual link to ensure these individuals are not associated with terrorism and do not appear on sanctions lists through the use of an industry-standard auto-screening software.
6. Regularly trains its staff and partners on anti-diversion policies, procedures and practices.
7. Conducts an in-depth due diligence of partners and sub-grantees, including Third Party Reference Check to ensure the partner/sub-grantee does not appear on the sanctions lists through the use of an industry-standard auto-screening software.
8. Applies a "know your supplier" principle for procurements for all national, international and restricted tenders.

5.2. Enforcement

Senior Managers are responsible for

- Ensuring that WHH and all staff members, and contractors comply with all relevant legislation, WHH Code of Conduct and WHH policies;
- Ensuring that all partner organizations and their board members, staff members, and contractors implementing aid and development projects funded by or through WHH comply with all relevant legislation and policies.

Managers are responsible for

- Ensuring compliance with relevant legislation and WHH policies;
- Communicating this policy to all partner organizations and their board members, staff members, volunteers and contractors implementing projects funded by or through WHH and ensuring that they comply with all relevant legislation and policies;
- Approving activities after all conditions have been met;
- Providing the Board of Directors with all relevant information which relates to breaches of this policy

All employees and volunteers are responsible for:

- Complying with this policy and other relevant legislation.

WHH HR Department is responsible for

- Recruitment of employees and volunteers, and any additional Third party reference checks which may be employed in sensitive and/or high risk countries;
- Ensuring that each member of staff abides by WHH Code of Conduct;
- Ensuring adherence to relevant data protection legislation
- Providing support to managers and other staff during any complaint or dismissal process.

WHH Safety & Security Department is responsible for

- Ensuring that up to date risk assessments and context analysis are provided for each area of intervention to determine risks (of aid diversion).

WHH Finance Department (FACT and FIN) is responsible for

- Maintaining financial records and tracking all expense and incomes: WHH maintains a multicurrency accounting system that allow tracking any expenses or incomes with a unique reference (voucher number) in the system. Each expense is linked to a specific project, contract and donor.
- Controlling the use of WHH funds: through internal control mechanism at project, Country Office and HQ levels, performed on a daily basis and reported from field to HQ on a monthly basis.
- Selection of banks/financial institutions: following a due diligence check, incl. third party reference check;
- Bank management: authorized levels to carry out financial operations, segregation of duties, signatures, monthly bank reconciliations contribute to having a clear picture on the use of funds and avoid misuse of funds.
- Cash management: cash keeping processes, segregation of duties, monthly cash checking, contribute to having a clear picture on the use of funds and avoid misuse of funds.
- Money transactions:
 - Control done before payment: as defined in WHH Overseas Handbook (Chapter 28: Financial Administration), no commitment of expense can be done without authorization, must be documented with both internal (validation of the expense beforehand, including purpose of the transaction and link to the budget line of the donor's contract) and external documentation (bill, receipt, proof that the service or good has been provided). Then only the expense can be done and booked in the system.
 - Bank transfers are preferred. In case of payment to be done in cash, a specific procedure as to be followed with identity check of the person coming to collect the payment at the office.
 - Following any payment by WHH, a confirmation of the receipt of funds is systematically requested.

- Donations can only be accepted - as any other source of funding going through WHH - upon HQ review and validation.
- No donation can be done by WHH to an external entity without HQ review and validation, due diligence of the entity and signature of a contract.

WHH Procurement and IT Departments are responsible for

- Procurement and contractor/supplier management based on the “know your supplier” principle which includes Third Party Reference check to ensure that contractors does not appear on sanctions lists;
- Administering Ethical Procurement Policy for suppliers.
- Controlling the use of WHH assets and stocks through internal control mechanism at project and Country Office levels and performed regularly and reported from field to HQ as detailed in the WHH Overseas Handbook (Chapter 2862: Transportation of Material Resources).

WHH Programme Department is responsible for

- Due diligence and selection of partner organizations;
- Training and oversight of partner organizations (with support of above departments);
- Project cycle management, incl. monitoring and evaluation to improve the relevance, quality and accountability of WHH’s programs;
- Ensuring beneficiaries are selected in line with pre-established beneficiary criteria;
- Management of the beneficiary complaints and response mechanism.

WHH Internal Audit and Compliance Department is responsible for

- Compliance with WHH’s own rules and regulations (refer to annex 4)
- Monitoring of this policy and adherence by staff, partner organisations and contractors to this policy;
- Providing an independent assurance perspective with regard to all WHH operations.

5.3. Reporting

In case of suspected terrorism related activity, WHH

- Encourages stakeholders to report suspected terrorist activity using confidential means audit@welthungerhilfe.de
- Investigates according to WHH’s Code of conduct on the prevention of conflict of interest and corruption and Whistleblowing Policy and takes action accordingly;
- Notifies the donor immediately if any link is discovered between funds, an assisted organisation and terrorist related organisation.

This policy was endorsed by the WHH Executive Board on 19.07.2017.