Anti-Diversion & Abuse Policy

1.0 Background & Purpose

Carrying out Christian Aid’s mission to end poverty and deliver on our humanitarian mandate requires us to work in a variety of complex environments. Often, this includes countries where terrorist groups are present, and/or which are subject to economic and trade sanctions.

This in turn carries the risk that funds may be diverted to terrorist groups or sanctions targets, or that Christian Aid may otherwise breach counter-terrorism laws or sanctions regulations.

This policy sets out how Christian Aid will tackle these risks, so that we ensure we can deliver our work responsibly, in a way that is compliant with relevant law, our own values, and humanitarian principles.

2.0 Scope & Application

This policy is applicable in all the jurisdictions in which Christian Aid operates. It sets out the standard due diligence requirements of partners and staff for all countries and additional requirements for countries designated as high risk, to ensure consistency and compliance with legal and regulatory obligations.

It is recognized regulations may vary between countries, while institutional donors may also impose their own measures. Where local requirements exceed this policy, they should take precedence.

3.0 Policy Statement

Christian Aid is committed to ensuring its funds and resources are used solely to achieve its essential purpose to expose and end the scandal of poverty; and is determined to prevent the diversion of funds for any illegal purpose, including financing terrorism or breaching sanctions, by making available funds or resources to individuals or entities who are proscribed or designated on counter-terrorism or sanctions lists.

To prevent diversion, ensure compliance with legislation and to meet requirements of regulators, donors and banking partners, Christian Aid will

- Apply a risk-based approach which is proportionate, accountable, targeted, consistent and transparent
- Implement standard due diligence in all countries as laid out in this policy
- Where applicable, implement enhanced due diligence standards in countries designated as high risk, as laid out in this policy
- Identify need and apply for licences as required to enable programme delivery in high risk, sanctioned environments
- Report any suspected breaches of legislation and sanctions to the relevant authorities; and escalate internal breaches of policy to the Senior Reporting Officer.
- Raise awareness among staff and partners and provide requisite training to implement this policy effectively
- Stay up-to-date with legal and regulatory changes both nationally and internationally and communicate information to ensure global compliance

Approved by Audit & Risk Committee 10 October 2018
This policy will apply a risk-based approach which will be proportionate, targeted, transparent, accountable and consistent. By identifying and assessing the potential threats relating to diversion of funds, the organisation can focus efforts and resources on addressing the most significant risks.

Partners and sub-grantees

This policy refers to both partners and sub-grantees. For the purposes of this policy a sub-grantee is defined as an organization to which one of our partners sub-grants Christian Aid funds to carry out project activities. Christian Aid still retains a responsibility to carry out due diligence on sub-grantees. Where due diligence checks on sub-grantees are required, this is clearly stated in the policy.

4.0 Risk Assessment

Risk assessments at country, regional or global level will incorporate threats relating to terrorism. Results of these risk assessments can then be used for assessing “high risk” countries.

The Anti-Diversion Oversight Committee will review and confirm designation of countries as ‘high risk’ twice-yearly based on staff recommendations and external assessments.

High risk countries may include:

- Countries or sub-regions* of countries where designated groups control access to beneficiaries
- Countries or sub-regions where designated groups operate and pose a threat to programmes or beneficiaries
- Countries or sub-regions where a significant number of designated persons or entities are located
- Countries subject to national or international sanctions
- Countries which donors consider to be high risk

*It is recognised some risks may only apply to specific regions within a country. Conversely, other risks may apply across international borders.

The Anti-Diversion Oversight Committee will determine high risk countries and will ensure designations are communicated to all relevant staff. The committee will review the designations every six months unless there is an urgent requirement for a country to be designated in the interim.

Country managers/heads of region will be notified if a country is classed as high risk related to sanctions compliance, and where required training carried out to make staff aware of compliance requirements.

Designations will be decided based on a variety of expert information sources including sanctions alerts, terrorism reports and global corruption indices/tables from government bodies, regulators and civil society organisations and also on recommendations from staff in the geographical divisions.

Approved by Audit & Risk Committee 10 October 2018
5.0 Standard Due Diligence

Due diligence is undertaken to obtain information to assure ourselves and others of the identity, credentials and good standing of partners, beneficiaries and staff; and to identify and understand any associated risks. Christian Aid’s standard due diligence measures are as follows

- Screening of selected staff against counter-terrorism and sanctions lists, including as a minimum those of the United Kingdom, European Union, United States and United Nations. The following individuals will be screened prior to appointment and annually thereafter
  - Board of Trustees
  - Committee advisors to Board of Trustees
  - Executive Directors
  - International Department Senior Management Team
  - Head of Finance
  - Country Managers
  - Service Contract Leads
  - Change Alliance CEO and Head of Finance
  - Internal Audit Team
  - Central staff who are responsible for screening or involved in the screening process
  - Central finance staff involved in payment processes including signatories

- All new partner organisations and sub-grantees will be screened prior to signing of partnership agreement and on a quarterly basis thereafter
  - Data to be screened will comprise the partner organisational name.
  - Christian Aid will not request and screen personal data of partner staff and trustees for standard due diligence except when there is a legal or donor contractual obligation to do so.

- Beneficial ownership and control of the partner organisation, i.e. who has effective control of the organisation, will be confirmed as part of the Partner Organisational and Capacity Risk Assessment (POCRA) undertaken prior to the formation of the partnership and additional screening implemented as required to address any risks arising from third party control. Checks required as part of the POCRA to establish beneficial control will include the following
  - Obtaining partner registration documents
  - Obtaining partner governance documents (e.g. articles of association)
  - Establishing how the partner is controlled and governed on a day-to-day basis, e.g. establishing the key decision makers in the organization who control and direct its activities and use of funds and resources
  - Where a partner or sub-grantee is more than 50% owned or controlled by a third party (for example another organization) advice should be sought from the Financial Crime Manager or Head of Program Delivery and Operations on how to manage risks associated with this.
As a guiding principle, Christian Aid will not check the names of project beneficiaries against counter-terrorism or sanctions lists. Situations may however arise where beneficiary screening is judged to be necessary to manage risks, for example due to the nature of assistance being provided or the operating environment. Where such exceptions to this principle are deemed necessary, the decision to screen will be made by the Anti-Diversion Oversight Committee. Screening of beneficiaries does not form part of the Enhance Due Diligence applied in high risk programmes, and will only be required in high risk programmes in situations where the Anti-Diversion Oversight Committee has judged that this additional measure is necessary to manage identified risks.

Christian Aid’s standard partnership agreements and supplier contracts will be amended to include clauses requiring partners and suppliers to implement appropriate measures to guard against making funds or economic resources available to proscribed or designated individuals or entities. These contract clauses are included in appendix E.

Screening of suppliers of goods and services will not normally be required under standard due diligence.

6.0 Enhanced Due Diligence in high risk countries

6.1 Checks required under Enhanced Due diligence

Enhanced due diligence is undertaken to obtain sufficient information to assure ourselves funds will reach the intended beneficiaries and be applied for the intended purpose and will not be diverted to proscribed entities or otherwise used for an illegal purpose.

Country and head of region managers are responsible for ensuring enhanced due diligence is undertaken in high risk countries where they manage or fund programmes. Enhanced due diligence will include the following measures:

- The following individuals will be screened prior to appointment and annually thereafter:
  - All staff and volunteers employed by Christian Aid in high risk countries
  - All staff and volunteers working on high risk country programmes and based in London who are involved in the programme process
  - Consultants engaged by Christian Aid in high risk countries

- Partner organisations and sub-grantees in high risk countries will be screened prior to approval of the first grant transfer, with screening then repeated prior to each subsequent transfer. Any exception to this rule to screen prior to each subsequent transfer must be approved by the Head of Programme of Delivery and Operations.

- Data to be screened will comprise the partner organisational name, personal data of partner senior personnel (CEO, Head of Programmes and Head of Finance) and personal data of partner board of trustees or equivalent governance body.
- Beneficial ownership and control of the partner organisation will be confirmed as part of the due diligence procedures undertaken prior to the formation of the partnership.
and following the steps set out under Standard Due Diligence. Additional screening may be implemented as required to address any risks arising from third party control.

- These screening and beneficial ownership checks will also be applied to sub-grantees

- Further checks will be carried out to assure ourselves that funds will be used for the intended purpose and reach the intended beneficiaries as follows

  - Obtaining payment routing details from partners in order to track fund transfers from source to ultimate beneficiary, including cash transfers; and evidencing receipt of funds at each stage
  - Obtaining details about partner governance and beneficiary selection processes including copies of policies and procedures and selection criteria tools used*
  - Screening suppliers used by partners for significant procurement (for purchase of single items of expenditure >£2K)** and obtaining partners’ procurement policies for procurement of goods where this is >£5K for the relevant grant
  - Setting out project monitoring that will be carried out by Christian Aid, including details of how and by whom monitoring will be implemented.
  - Christian Aid has a separate Partner Monitoring Policy, and staff completing Enhanced Due Diligence are responsible for ensuring that project monitoring is compliant with the requirements of this policy.

*While some of these measures can be seen as standard programmatic practice, the nature of the risk necessitates increased care and attention and requires additional documentation.

** This threshold will be lowered at the discretion of the Anti-Diversion Oversight Committee in situations where there is reason to believe risks of transacting with a vendor or supplier linked either to terrorism or to people or entities involved in terrorism or who are subject to sanctions is higher.

- When reviewing partner narrative and financial reports, visiting partner offices or project sites, carrying out project and financial monitoring, reading public statements made by partners or carrying out other business as usual programme activities Christian Aid staff should be vigilant for information which could suggest there is a risk Christian Aid funds have been or could be diverted to terrorism, to sanctions targets, or otherwise used for illegal purposes. Where such information emerges, this should be urgently discussed with the country manager in the first instance, who is then responsible for consulting with the Financial Crime Manager.

- Related to the above, an “adverse media” function is available within our screening software. Staff who have concerns about a specific partner can submit requests for adverse media searches to the Financial Crime Manager.

- Where required, additional checks will be carried out to ensure Christian Aid is managing the compliance risks associated with any sanctions regimes (for example including financial sanctions, travel bans, export controls or trade embargoes) that may be in place. Checks may include the following

  - Screening of partner/beneficiary and intermediary banks
- Checking dual purpose goods against relevant export control lists
- Identifying whether licences are required
- Seeking specialist legal advice where appropriate

6.2 Enhanced due diligence process

The above checks will be carried out through completion of an Enhanced Due Diligence form, which is listed in Appendix A of this policy. The process is as follows:

- Enhanced due diligence is undertaken at the project level at the point of grant transfer.
- The project proposer is responsible for undertaking enhanced due diligence and for obtaining and collating the information required and completing the EDD form (please see the EDD template).
- The Country Manager/Head of region is responsible for reviewing the EDD information to ensure it is adequate and complete.
- If satisfied, he/she will authorise and date the checklist and upload it to the notes section of the project in PROMISE. The transfer can then be processed in PROMISE and sent to the grants unit.
- In the event that the EDD information is insufficient, the Country Manager/Head of Region (in conjunction with their line manager or with the appropriate manager as per the project risk rating - whichever is the more senior) will assess the residual risk.
- A decision will be made whether to proceed with the transfer or withhold it pending further investigation; this will be documented and uploaded in PROMISE with the EDD form.

6.3 Monitoring of implementation of enhanced due diligence

The general issue of programme management in high risk countries will be included on both the corporate and relevant country risk registers. The risks will be reviewed on a regular basis and checks undertaken to ensure the requirements have been met.

Country Managers in designated high-risk countries will produce six monthly enhanced due diligence compliance reports confirming that Enhanced Due Diligence forms have been completed and filed appropriately for each transfer sent in the period, and submitted to the Financial Crime Manager. The Financial Crime Manager will confirm screening has been completed for each transfer, and then share the final report with the Head of Program Delivery & Operations.

The Internal Audit team will undertake periodic compliance checks to ensure the enhanced due diligence measures have been implemented and the information is sufficient.
7.0 Reporting

Any suspicion that funds may have been diverted to a terrorist group or sanctions target, or otherwise provided to an individual or entity involved in terrorism, or who is listed under a sanctions regime must be reported immediately.

Reports can be made as follows

- Notify either the Financial Crime Manager, Head of Programme Delivery & Operations or Chief Operating Officer
- We encourage staff to raise their concerns directly with the individuals named above. However, we also recognise the reporting suspected terrorist financing or sanctions breaches is inherently sensitive, and that staff may prefer to make a confidential report
- You can do this by contacting one of the named individuals in our Speaking Up (whistleblowing) Policy, or alternatively by sending an email to whistleblowing@christian-aid.org.

Once you have made a report you must keep your concerns confidential, and information may only be shared with approval from the named individuals listed above.

Reports will be assessed, and where appropriate notifications will be made to relevant authorities including the UK National Crime Agency and Charity Commission.

Please note that under UK law it is a criminal offence to fail to report suspicions of terrorist financing. It is therefore essential that any suspicions are escalated to appropriate staff so that they can be properly assessed and to ensure any reports required are made.

8.0 Training and awareness

All staff will be made aware of this policy and understand their obligation to report any suspicions of prohibited transactions or suspected breaches to the Senior Reporting Officer.

In designing training programmes, Christian Aid will again take a risk-based approach, targeting training at staff based in programmes which are already high risk, or where risks are more relevant, for example due to the presence of proscribed groups in the country or the existence of sanctions measures.

Targeted training will be provided to relevant staff both on the screening processes and on enhanced due diligence requirements in high risk countries.
9.0 Roles and responsibilities

- **Head of Programme Delivery and Operations** is the policy owner
- **Chief Operating Officer** is the reporting officer for the purposes of reporting compliance, breach and suspected breach to external authorities
- **Anti-Diversion Oversight Committee** develops and reviews the policy and procedures, defines high risk countries and oversees implementation.
- **Audit & Risk Committee** reviews updates to the policy as part of the regular cycle of policy review. Also reviews high risk matters escalated to it by the Anti-Diversion Oversight Committee, where it is felt trustee oversight is appropriate
- **Board of Trustees**: has overall responsibility to ensure Christian Aid is effectively managing risks associated with financial crime law, and the Audit and Risk Committee may similarly choose to escalate matters to the full board where it is felt appropriate to do so
- **Heads of Division** monitor and report on divisional compliance to the AOC
- **Country Managers** monitor and ensure compliance within high risk countries, and complete and report risk assessments
- **Programme staff** implement (enhanced) due diligence
- **Finance staff** screen partners
- **HR staff** screen staff
- **Governance staff** screen trustees
- **Internal Audit** check compliance
- **All Staff** are aware of and compliant with policies and procedures
- **Anti-Diversion Manager** is responsible for training, for being the focal point for receiving and disseminating information, and for dealing with queries (at least during implementation period), and monitoring changes to law and regulation

Approved by Audit & Risk Committee 10 October 2018
# APPENDIX A

## Enhanced Due Diligence for High Risk Countries

<table>
<thead>
<tr>
<th><strong>Partner Due Diligence</strong></th>
<th><strong>Comments</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Registration</strong></td>
<td>Evidence: (insert link to record in PROMISE)</td>
</tr>
<tr>
<td>Obtain and review a copy of the partner’s legal certificate or officially stamped/signed registration document to confirm the partner is registered. Save a copy of the document in the partner site in Promise, and provide a link to it in the comments box</td>
<td></td>
</tr>
<tr>
<td><strong>NB:</strong> if the partner is not registered escalate to Financial Crime Manager for advice</td>
<td></td>
</tr>
<tr>
<td><strong>Control</strong></td>
<td>Evidence: (insert link to record in PROMISE)</td>
</tr>
<tr>
<td>Obtain and review a copy of the partner governing document to confirm who controls and directs the activities of the organisation (e.g. trustees, board of directors or similar). Provide brief details in the comments box confirming who controls the organisation, and save a copy of the governing document in the partner site in Promise</td>
<td></td>
</tr>
<tr>
<td><strong>NB:</strong> if partner appears to be controlled by a third party (e.g. another organisation), or if it is not possible to reliably establish who controls and directs the partner escalate to Financial Crime Manager for advice</td>
<td></td>
</tr>
<tr>
<td><strong>Screening – board and senior staff</strong></td>
<td></td>
</tr>
<tr>
<td>Confirm that an up-to-date list of the names and dates of birth of the partner Board and senior staff has been obtained and saved in the relevant secure site on the intranet for screening.</td>
<td></td>
</tr>
<tr>
<td>When ready, send an email to <a href="mailto:screening@christian-aid.org">screening@christian-aid.org</a> quoting the partner name and transfer ID and request that the names are screened against counter-terrorism and sanction lists</td>
<td></td>
</tr>
<tr>
<td><strong>Screening – networks and affiliates</strong></td>
<td></td>
</tr>
<tr>
<td>Confirm any formal networks or associations the partner is a member of. List these in the comment box for screening.</td>
<td></td>
</tr>
<tr>
<td>Confirm if the partner is legally affiliated to any other organisation(s). If yes list these in the comment box for screening.</td>
<td></td>
</tr>
<tr>
<td><strong>Policies – accountability to beneficiaries</strong></td>
<td></td>
</tr>
<tr>
<td>Confirm the partner has policies/processes in place to ensure beneficiaries have access to information about the partner, project, and expected staff behaviours.</td>
<td></td>
</tr>
<tr>
<td>Confirm the partner has policies/processes in place to allow beneficiaries to provide feedback and complaints, including about sensitive matters such as fraud.</td>
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</tbody>
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Approved by Audit & Risk Committee 10 October 2018
**Note:** if the partner does not have adequate policy/processes, please confirm that a capacity building plan has been agreed, as required by the POCRA

**Policies – procurement**
Obtain a copy of the partner’s procurement policy and save in Promise. Please confirm the policy is adequate to ensure procurement processes are transparent and competitive, and suppliers selected based on value for money

Evidence: (insert link to record in PROMISE)

<table>
<thead>
<tr>
<th>Project Due Diligence</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Risks of aid diversion</strong></td>
<td></td>
</tr>
</tbody>
</table>
Confirm the risks of theft or looting by designated groups, or direct payments being made to designated groups, e.g. in the form of “taxes” or “access payments” has been considered and actions taken to mitigate risk where relevant

**NB:** if there is reason to believe there will be direct payments to designated groups this must be escalated to Financial Crime Manager and Head of Division, and transfers held pending further analysis

| **Sub-grantees** |
Will any sub-grantees be involved in the project? If no, please record in the comment box that there is no sub-granting arrangement and that you have confirmed this with the partner.

**NB:** if there is a sub-granting arrangement the sub-grantee board and senior staff will need to be subject to screening before transfers are sent

| **Screening of Supplier details.** |
Does the project involve procurement of single transactions of expenditure >£2K (or $3k)?

If yes, please obtain the following supplier details from partners for CA approval and save in the master supplier data screening form

- Name of supplier company
- Name of director, or similar, of company
- The person who owns or controls the company
- Address of the supplier

Further information such as supplier address or date of birth may be required in the event of a match to confirm or discount it.

Evidence: link to partner letter in PROMISE

| **Commitment to provide supplier details** |
Where the partner is not able to confirm the supplier details prior to the start of the project, please obtain written agreement from the partner that supplier details will be passed to Christian Aid for approval prior to the purchase of any goods.

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**Fund transfers**
Please confirm how funds will be sent to the partner. If any method other than bank-to-bank transfer will be used confirm a conduit form has been completed and approved (e.g. if Hawala, Money Service Businesses, or other intermediaries will be used to send funds).

**Beneficiary selection**
Please provide details from the project proposal (or similar) of the partner’s beneficiary selection criteria, including details of any selection process or tools used.

Please confirm these are adequate to ensure funds and resources will be made available to the intended groups or individuals.

**Project monitoring**
Please provide details about how Christian Aid will monitor project implementation, including monitoring schedules and details of how and by whom monitoring will be implemented. Please confirm these are adequate to ensure

- project funds are used for their intended purpose,
- the recipients of humanitarian and development assistance are the intended beneficiaries
- agreed project outcomes are delivered

**Reporting serious concerns**
If a beneficiary or partner staff member needs to report serious concerns about the project, e.g. related to fraud or significant non-delivery of project activities, how will they do so? i.e. what mechanisms are in place to allow sensitive complaints to be raised

**Project Due Diligence – cash programming**
Does the project involve cash programming? If “yes” please complete the remaining checks set out below. If “no”, leave the rest of this section blank

Please obtain written authorisation and agreement from a CA Anti-Diversion Oversight Committee member on the type of cash programming that will be used within the project.

Evidence: [link to approval document in PROMISE](#)

What measures are in place to ensure funds reach the intended beneficiaries and are used for the intended purpose?

Please provide details of the bank accounts involved in the cash programme for screening.
**Record-keeping**

<table>
<thead>
<tr>
<th>Check that where relevant the above information has been saved on PROMISE under the project information. If any of the documentation can’t be saved to PROMISE, include a note on the PROMISE file with the location of the document.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Confirm that evidence of receipt of funds received at each stage, including cash transfers, from CA through to final beneficiary, will be captured and saved in Promise (or in an appropriate secure location in the case of informal transfer agent receipts containing personal details).</td>
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</table>

**Approver’s Comments**

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By signing this form, the approver is confirming that all the above steps are complete. Once signed, this form should be saved in the relevant project site in Promise.

This form must be completed prior to the first transfer being sent on a project. Prior to approving subsequent transfers, the approver must confirm that the information in the form remains current and send an email to screening@christian-aid.org confirming this.

If information remains current there is no need to prepare a new form. However, if there has been any significant change to information in the form, an updated version must be produced. To guide approvers, a “significant change” is likely to include any of the following:

- There is a change in the risks of aid diversion
- A new sub-grantee is added to the project
- There is a reduction in the project monitoring that will be carried out (e.g. due to security constraints)
- There is a change in the payment routing that will be used

The form expires after 12 months and so additional form(s) will need to be prepared for any project lasting more than one year.

Name of person who has completed the form:

Name of approver:

Approver’s signature:

Date:
Appendix B

Screening

The following partner organisation details must be obtained for screening. This should be done at the outset of the partnership and details regularly refreshed to ensure they are up-to-date.

Partner details

- Organisation name
- Organisation address
- CEO (or equivalent) name and date of birth
- Head of Programmes name and date of birth
- Head of Finance name and date of birth
- Board of directors/trustees names and dates of birth

Bank details

- Name of partner bank
- Name of correspondent bank
- Name of money agent (if applicable)

Partner suppliers (for transactions or contracts above £2,000 or $3,000)

- Name of supplier
- Name of supplier owner

Sub-grantees (if applicable)

- Organisation name
- Organisation address
- CEO (or equivalent) name and date of birth
- Head of Programmes name and date of birth
- Head of Finance name and date of birth
- Board of directors/trustees names and dates of birth

Details should be captured in a master data screening form and saved in the restricted data screening forms folder on the Anti-Diversion & Corruption intranet site. The Financial Crime Manager can provide access to this where required.

For data protection reasons screening details related to individuals must not be saved in any open source location, e.g. Promise or an unrestricted intranet site. They must only be stored in the restricted data screening folder set up for the purpose.
Appendix C - Screening process

**Software**

Screening will be undertaken using automated screening software. This will check data points against a comprehensive set of global sanctions lists including the main lists produced by UK, EU, UN, US, Australian and Canadian authorities which are sufficient to meet our legal, regulatory and donor requirements.

**D.2 Personal Data**

Information required for screening of individuals will comprise full name, variant names and date of birth where it is possible to obtain this. Information required for screening of entities will comprise full name and address. Data for screening should be collated on the Data Screening Form in Appendix B.

Christian Aid takes its data protection responsibilities very seriously. Access to personal data will be restricted to specific roles with screening responsibilities. Personal data will be retained for the length of the project. Personal data will not be uploaded into PROMISE. Screening of staff personal data will be restricted to Human Resources.

**D.3 Process**

Data will be entered into the software and a report will be produced, listing any matches found. Matches will be investigated to assess whether they are ‘false positives’ and can be discounted.

Responsibility for reviewing, analysing and authorising the reports will follow a ‘three line of defence’ model for greater assurance and compliance control. Some reports can be reliably discounted by the person doing the screen, based on available information which demonstrates it is not a genuine match. Where this is not possible, reports will be escalated to the Financial Crime manager in the first instance. They may be able to discount, for example through requesting further information from the programme team. If it is still not possible to discount a match, or there are concerns it may be genuine, it will be escalated to the Head of Program Delivery and Operations.

**D.4 Reporting Matches**

In the event of a genuine (‘target’) match being identified and confirmed, the report will be escalated from the third level checking stage to the Chief Operating Officer who is the organisation’s Senior Reporting Officer. The match will also be reported to the Head of Programme Delivery and Operations and the relevant Head of Division if a match on a partner; and to the Director of Strategy and People Management and Head of Human Resources if a match on a member of staff.

No further funds, payments or economic resources will be made available to the individual or entity and where applicable the match will be reported to the appropriate authorities which may...

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include the National Crime Agency, HM Treasury and the Charity Commission. Relevant staff will also be notified regarding the block on further funding.

In the event of a positive match of a partner organisation the relevant Head of Division will be responsible for advising the executive director of the partner organisation. In the event of a positive match of a member of CA staff the Head of Human Resources will be responsible for advising the staff member, subject to appropriate legal advice.
Appendix D Licences

Many countries with counter-terrorism and sanctions regimes authorise the issue of licences to make available funds, economic resources or other goods and services to sanctioned countries or designated persons and entities which would otherwise be prohibited.

There are two types of licences: general and specific. General licences authorise particular types of transactions for anyone engaging in these activities, such as the general licence for humanitarian aid for Syria*. General licences are published and in the public domain. Specific licences apply to particular transactions and nominated individuals and entities and require written application.

*General licences apply in the circumstances detailed on the licence only.

Circumstances in which Christian Aid may apply for a licence include: to authorise transactions with governments which are subject to sanctions; or to import or export goods or services into or from a sanctioned country. Generally these circumstances would not involve payments to prohibited groups. Circumstances in which we would consider applying for a licence to make a payment to a proscribed group would be if this was essential for guaranteeing access to beneficiaries or for the health, safety and security of beneficiaries in territory under the control of a proscribed group; or if the presence/safety of CA (staff) in a country/region is threatened if a payment is not made to a proscribed group. Such applications should take place only with the prior approval of the Chair of the CA Audit and Risk Committee and two other members of that committee.

Staff working on high risk country programmes are responsible for familiarising themselves with relevant sanction regimes and identifying whether a licence is required to undertake programme activities. The Anti-Diversion Manager will provide support to country programme staff do this.

The decision to apply for a licence rests with the Audit and Risk Committee of the CA Board of Trustees (see E.3 above).

The licence application will be made by the senior reporting officer (Director of Finance and Operations).

Licence applications be retained as hard copy by the senior reporting officer and filed in a secure location. An electronic copy will be retained by the senior reporting officer in a restricted location.
Appendix E Anti-diversion & corruption clauses for inclusion in contracts

8.0 Fraud and Misuse of funds and Conflicts of interest

Christian Aid is firmly committed to ensuring that funds and resources are used for the intended humanitarian and development purposes and are protected from loss through fraud or other misuse and are not used for illegal purposes. We are similarly committed to protecting against delivery of projects being compromised through conflicts of interest. Christian Aid’s policies are available upon request.

8.1 PARTNER X is required to use funds granted to them by Christian Aid for the agreed purpose and in accordance with the objectives and rules of the current project and with any donor requirements.

8.2 PARTNER X agrees it will take a zero-tolerance approach to fraud, theft, bribery, money laundering, terrorist financing or other misuses of funds. PARTNER X will take all reasonable steps to prevent fraud, theft, bribery, money laundering, terrorist financing or other misuses of funds from occurring, and immediately notify Christian Aid if actual or suspected incidents occur in relation to the project(s) covered by this agreement. PARTNER X agrees to co-operate fully with any investigation undertaken into such events by Christian Aid and/or our advisors.

8.3 PARTNER X agrees to comply with all applicable economic and trade sanctions implemented by the United Nations Security Council, the European Union, the United Kingdom and the United States.

8.4 By signing this agreement, PARTNER X represents and warrants that it does not and will not commit, attempt to commit, advocate, facilitate, or participate in terrorist acts, and that it has not committed, attempted to commit, facilitated, or participated in terrorist acts.

8.5 PARTNER X will take all reasonable steps to ensure it does not knowingly provide funds or resources to any individual or entity involved in terrorism. Reasonable steps include, but are not limited to, implementing monitoring and oversight mechanisms to safeguard against funds or resources being diverted to terrorist activity and considering information of which PARTNER X is aware or is reasonably available to it prior to providing funds or resources to an individual or entity.

8.6 PARTNER X will co-operate with any due diligence measures that Christian Aid may take to ensure compliance with applicable law, regulations or donor conditions. This may include, but not limited to, providing to Christian Aid on request the names, addresses, birth dates, and other identifying information about trustees/directors, officers, and other key personnel of PARTNER X, and of its contractors, subcontractors and subgrantees, for screening against relevant counter-terrorism and sanctions lists, including but not limited to lists published by the United Nations, European Union, United Kingdom and United States.
8.7 PARTNER X agrees to immediately inform Christian Aid of any actual or suspected incident of fraud, theft, bribery, money laundering or other misuse of funds, or if there has been any breach, however minor, of the above clauses related to sanctions and terrorism. Notification should be made to the person who has signed this agreement on behalf of Christian Aid, also copying the notification to Christian Aid’s Chief Operating Officer, Martin Birch. Telephone: +44 (0)207 620 4444 Address: 35, Lower Marsh, London SE1 7RL. mbirch@christian-aid.org. Alternatively, a confidential report can be submitted to whistleblowing@christian-aid.org. Further details on how we respond to such reports are available on the Christian Aid website: https://www.christianaid.org.uk/about-us/reporting-serious-concerns-christian-aid

8.8 PARTNER X shall take all necessary measures to prevent any situation where the impartial and objective implementation of the project is compromised for reasons involving economic interest, political or national affinity, family or emotional ties or any other shared interest with another party or person which could create a conflict of interest. PARTNER X shall advise Christian Aid immediately of any such conflict of interests.

8.9 If PARTNER X fails to comply with any of the requirements of this Article, Christian Aid shall at our sole discretion be entitled to terminate this Agreement immediately without liability or penalty. This is in addition and without prejudice to other remedies available to Christian Aid. Christian Aid also reserves the right to require repayment of any losses of project funds to fraud, theft, bribery, money laundering, terrorist financing, sanctions breaches or other misuse.