Anti-fraud and -corruption Policy & Procedures ICCO *including*:
Annex 1: Procedure on dismissal of high risk partners from blacklist
Annex 2: Legal steps

Version: 5.0
Date: 6-7 2020
Approved by EB dd: 1 September 2020
Adjusted by: Margriet Drent

1. Introduction

This anti-fraud and -corruption policy provides insight in the way ICCO manages the risks and controls of fraud and corruption.

ICCO is committed to the highest possible standards of openness, transparency and accountability and as part of the ACT Alliance ICCO promotes a culture of honesty and zero tolerance towards fraud and corruption.

ICCO operates in many regions and countries and has many different kinds of projects which makes the organisation vulnerable for risks of fraud and corruption.

The purpose of this management paper is to provide guidance to staff on how to prevent fraud and corruption cases. How to handle potential cases is written in the Integrity SOP.

2. Related policies

This policy paper should be read in conjunction with:
- the Integrity policy and system of ICCO
- the ACT Alliance Code of Conduct and ICCO's Code of Conduct (see website)
- the ACT Alliance Anti-fraud and corruption policy (see website)
- ICCO's Integrity Standard Operating Procedures Reporting and Handling suspected breaches (including Whistleblower regulations) (in short: Integrity SOP)
- the relevant ICCO HR policies (Arbeidsvoorwaardenregeling (AVR) ICCO and regional HR manuals) (see intranet: Kumulus)
- the office policies of the ICCO Regional Offices (available for all RO employees)

3. Definitions

For the purpose of this paper, the terms fraud and corruption are defined as follows:

Corruption is the offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person.

Fraud is an intentional distortion, deceit, trickery, and perversion of truth or breach of confidence, relating to an organization's financial, material, or human resources, assets, services and/or transactions, generally for the purpose of personal gain or benefit. Fraud is a criminal deception or the use of false representations to gain an unjust advantage.

The definitions above equally apply to all malpractice and unethical behaviour, including (this list is not exhaustive):
- Embezzlement: theft of organisation's resources for own use. It may involve only one person or more;
- Misuse and misappropriation of funds;
- Collusion and bribery: bribery means that a person, organisation or institution improperly provides goods or services against some form of improper remuneration (this involves at least two parties);
- Obstruction of justice;
- Sharing of profits / kick backs, cuts, discounts for personal benefits;
- Abuse or misuse of power;
- Extortion: the act of obtaining something by force, threats or undue demands;
- Favouritism: the unfair favouring of one person or a group with something at the expense of others;
- Nepotism: is favouritism shown to relatives in conferring offices or privileges.

In the annex to this paper details are described on the different procedures within the ICCO organization. In the annex contract parties are defined as organizations or individuals with whom ICCO has a contractual relationship, such as partner organizations, consultants, suppliers etc..

4. Responsibilities

4a. Executive Board
The Executive Board is responsible for the governance of the ICCO organization, and for ensuring that a zero tolerance culture and policy on fraud and corruption is embedded at all levels in the organization. Compliance and audit procedures are part of this responsibility.

4b. Managers
It is the responsibility of Regional Managers/Deputy Regional Managers/Country Managers, Manager of Departments and Finance Managers/Regional Controllers to be familiar with types of fraud and corruption that might occur in their RO or department and their working environment, including partner organisations, and to work on prevention and early detection, as well as proper handling and control.

4c. Integrity officers and Integrity focal points
The EB has appointed one or more Integrity Officers in the Global Office in The Netherlands and the EB and the Regional Manager has appointed one or more specialized Integrity Focal points in each Regional Office of ICCO.

The managers together with the integrity officers and integrity focal points are responsible for:
- Communication and training of staff of integrity policy and system, including fraud and corruption awareness, sharing all relevant papers, policies and procedures with their staff and making them aware of the risks and content, they also should encourage their staff to report suspected cases immediately.
- Receiving and handling of reports of potential violations following ICCO's Integrity Standard Operating Procedure, including handling potential cases of fraud or corruption.

4d. All staff

All staff have the responsibility to prevent fraud and corruption from happening, and they may in no case be involved in fraud or corruption practices. They must also be alert on signs, and report immediately to their direct supervisor or the Regional Manager/ Head of Department, or the Integrity Officer / Integrity focal point in case there is suspicion of fraud or corruption.

5. Fraud prevention, detection and handling

The ultimate goal of handling all fraud and corruption cases is to solve cases in such a way that minimum damage is done (financial and reputational and other) to ICCO, its stakeholders (donors, partners, consortium members etc.) and its employees. The procedures are described in the Integrity Standard Operating Procedures for Reporting and Handling suspected breaches & Whistleblower regulations. When considering taking legal steps, we refer to the more detailed procedure on legal steps in annex 2 of this document.
ICCO has implemented several procedures on managing fraud and corruption.

1. Prevention procedures
2. Detection procedures
3. Investigation procedures
4. Monitoring procedures
5. Reporting procedures
6. Communication procedures

5.1. Prevention procedures
Prevention is the most favored way of dealing with fraud and corruption, as fraud and corruption should not occur in the first place. Prevention is about raising awareness on zero tolerance, moral ethics and behavior and assessments before any fraudulent event may occur.
ICCO has developed several prevention procedures, and also has adopted some procedures from other organizations. The following table shows all applicable formal prevention procedures.

Table 1: procedures on prevention of fraud and corruption

Procedure	Description	Documentation
Anti-fraud and -corruption procedure for contract parties and own implementation	Prevention, detection, Investigation, monitoring, handling, reporting and communication procedures for fraud and corruption at the level of ICCO's contract parties or own implementation	Anti-fraud and -corruption policy and procedure (this document)
Risk assessment	Inclusion of preventive measures within proposals towards, and contracts with funders	Risk assessment procedure leads and proposals
Code of conduct ACT and ICCO	Code of conduct which contract parties and employees need to adhere to when signing an agreement with ICCO	Code of conduct ACT Alliance ICCO's Code of Conduct

Code of conduct ICRC	Code of conduct which contract parties and employees need to adhere to when signing an agreement with ICCO	Code of conduct ICRC
Behaviour of employees of ICCO and of contracting parties	Prevention of unwanted behavior as taken up in the CofC via a.o. training, moral deliberations, risk assessments, communication of our principles.	Integrity Policy and System & Integrity Standard Operating Procedure
Contract parties	Framework which can be used by ICCO within its programs and projects towards partner organizations and consultants	ACT anti-fraud and -corruption policies
Bribery Act	Official Bribery Act which ICCO uses as a guideline in its programs and projects	UK Bribery Act 2010
Child protection	Policy on protection children's rights within ICCO's programs and projects	Child Safeguarding policy
Procurement	Declaration which is mandatory to sign for members of evaluation committees in which they pledge to act according to certain principles	Procurement manual Annex 1 Declaration for members evaluation committees
Procurement	Declaration which is mandatory to sign for candidates who want to take part in tender procedures	Procurement manual Annex 2 Declaration for candidate tenderers
Assessments	Tool to assess partner organizations on organisational capacity before contracts are awarded	Organizational scan partner organizations
Assessments	Tool to assess partner organizations on financial capacity before contracts are awarded	Financial scan partner organizations
Assessments	Tool to assess private companies on corporate social responsibility before contracts are awarded	Company scan
Segregation of duties	Matrix to define roles and responsibilities in primary processes of ICCO	Risk control matrix

Next to these procedures ICCO uses also more needs based prevention measures, such as specific clauses within contracts with partner organizations, suppliers, service providers and consortium members if

funders explicitly ask for certain measures to arrange, provide needs based training within program inception periods and within teams, and have due diligence done in more complex environments.

5.2. Detection procedures

Detection of fraud and/or corruption should be systematized as much as possible, otherwise one might only detect fraud or corruption "by chance". ICCO has developed several procedures on detecting fraud or corruption, some of them already mentioned in table 1.

Contract parties monitoring includes analysis of reporting, procurement checks, visiting partners and projects in the field, doing audits, evaluations or assessments at location etc..
For program staff it is often difficult to detect fraud or corruption at the level of contract parties, because the monitoring of their performance is based on the information that the party shares in reports, offers etc. and during visits. Therefore the signs or symptoms of fraud or corruption are often indirect and intuitive. However in this section some signs are enumerated. When a combination of these signs is observed, staff should stay alert and should inform the responsible manager.

Signs that can be observed:
- o Narrative, financial or audit reports to ICCO have delays of more than 3 months.
- o The quality of the goods provided varies significantly from the goods offered.
- o The external auditor of the partner expressed a qualified opinion on the institutional or project financial statements.
- o An (anonymous) letter or notification is received from (former) employees, beneficiaries or other external parties.
- o An external evaluation appoints that the results that were agreed upon in the contract were not (fully) achieved due to organizational problems.
- o The same signatures at different stages of procurement.
- o Fees and admin costs for facilitation payments.
- o There is lack of transparency in financial reports or price offers/tenders received from contract parties:
  - ▪ How core costs (overhead) are distributed over the several projects;
  - ▪ What is registered under each budget line;
  - ▪ How the organisation deals with exchange gains/losses, interest gains losses.
- o The contract party refuses to cooperate with external evaluations and/or audits.
- o Other donors are withdrawing their funds or phasing out.
- o The contract party is listed on a red list of other donors (e.g. List of Debarred Firms of the World Bank).
- o Budget monitoring reports showing inconsistent behaviour between line items. E.g. project related expenditure is underspent due to delays in the implementation but fuel is overspent.

Signs that can be observed in the financial records of the contract party:
- o Lots of corrections to the manual cashbook, including extensive use of white-out fluid.
- o Manual records that look as if they have been written on the same day, same hand, same pen. Could be an evidence of rewritten or duplicate books.
- o Delayed banking of cash received, shown up by bank reconciliation.
- o Records not being kept up to date so managers cannot detect acts of false accounting.
- o Missing supporting documents

Non-financial signs that can be observed during a visit:

o   One employee working very long hours – first in and last out.
o   Never taking holidays – to prevent anyone else seeing their records.
o   Change of lifestyle – spending patterns don't match with income.
o   Smoke screens: making false accusations of other colleagues to win time.

Table 2: procedures on detection of fraud and corruption

Procedure	Description	Documentation
Anti-fraud and -corruption procedures for contract parties and own implementation	Prevention, detection, Investigation, monitoring, handling, reporting and communication procedures for fraud and corruption at the level of ICCO's contract parties or own implementation	Anti-fraud and -corruption policy and procedure (this document)
Behaviour of employees of ICCO and of contracting parties	Detection of unwanted behavior as taken up in the CofC	Integrity Policy & Integrity Standard Operating Procedure
Whistleblowing procedure	Detection of fraud and/or corruption through confidential reporting to Integrity Officer, Integrity Focal Point or manager	Whistleblowing procedure as part of the Integrity Standard Operating Procedure
Integrity Standard Operating Procedure Complaints procedure	Detection of fraud and/or corruption through receipt complaints from contract parties	Complaints procedure Integrity Standard Operating Procedure
Audits and evaluations - external project audit	External project audits of programs/projects/offices, either needs based or contractually agreed	example ToR project audit
Audits and evaluations - Resource Management Audits	External forensic audits of programs or projects	example: ToR RMA
Audits and evaluations - external evaluations	External evaluations of programs or projects	Evaluation guidelines and ToR
Audits and evaluations - internal project audits	Internal audits on programs or projects	ToR Internal Project Audit
Segregation of duties	Matrix to define roles and responsibilities in primary processes of ICCO	Risk control matrix

5.3. Investigation procedures

The Integrity Standard Operating Procedures for Reporting and Handling suspected breaches & Whistleblower regulations - for staff, partner organizations and/or beneficiaries gives an overview of the steps to follow in investigation procedures.

Below additional, **specific guidelines** are provided in fraud- and corruption cases related to:
- Projects implemented by partners
- Project implemented by ICCO (Own implementation)
- Fraud in projects detected via Audits and evaluations

Trying to find out what is actually happening (fact finding) is for each way of detection different. That is why we can distinguish between different investigation procedures each having its own process steps.

5.3.1 Investigation procedure on contract parties

Step 1: Submission new case: staff observe signs of fraud or corruption at the level of the contract party, and are then obliged to report this to the responsible Regional Manager/Manager of Department. The case is reported to the integrity officer finance by the manager, and the manager will raise the risk level of the contract party to High in AllSolutions in the CRM module. The manager may delegate this action to the RC.

Check: The responsible manager, together with the integrity officer and integrity focal point form the case committee (see for general steps: integrity SOP). The case committee decides whether or not to start an investigation, internally or by an external expert, and appoints an investigation team.

Steps to be taken in All Solutions when signs of fraud or corruption are detected:

Step	Who
0. Normal situation: Risk Level Relation = Low	
1. Submission new case	
1.1 The employee receives an external or internal signal of possible fraud or corruption at the level of a contract party and reports this as described in ICCO's Integrity Standard Operating Procedure.	Employee
1.2 The RM/Head of Department changes the risk level of the contract party in the AllSolutions CRM module from Low to High (CRM/Relations/Visit reports). RM/HoD may delegate this action to the Regional Controller.	RM/HoD/RC
1.3 The Regional Controller writes a brief description of the case in the CRM module/ Visit reports/ Notation.	RC
1.4 The RC prepares quarterly reports to the RM on high risk levels of relations (new and mutations). The Integrity Officer Finance does the same ICCO wide to the CFO.	RC/IO Finance

Step 2: Investigation: the appointed investigator/investigation team (see step 5 SOP) will start an investigation to find out what is the underlying reason for the observed signs: is it really fraud or corruption? Security risks should be taken into account.

The contract party is informed of the fact that it is under investigation and that payments and contracts are suspended immediately.

The following information should be included in the letter: the reasons of the investigation are mentioned and the investigation process is explained as well as the consequences regarding payments and contracting. The contract party is asked for a reaction. The importance of the reaction/investigation is emphasized by indicating that investigating/reacting is in each other's interest, also to clean the name of the contract party, in case there is no fraud or corruption.

Some tools that can help in the investigation process are:
- o Correspondence with the contract party to ask for clarification;
- o Information from other donors;
- o Visit of program staff to the contract party;
- o Financial audit or RMA by an external auditor chosen by ICCO. Costs and benefits should be balanced. Costs are to be covered by program budget and later covered by the contract party in case fraud is proven;

Results of the investigation phase will be reported by the investigator to the case committee and documented in the CRM module (via documents and the visit report/risk level function) and under the specific subproject(s). The results can be:
- o There is no fraud or corruption proven, it is a matter of incapacity from the side of the contract party;
- o The case remains uncertain;
- o Fraud or corruption are proven and confirmed.

Steps to be taken in All Solutions when an investigation is started:

2. Investigation	Who
2.1 Taking into account privacy regulations, the RC uploads all relevant documentation and correspondence related to the investigation in the Google folder of the specific relation in CRM: Visit reports: Document folders, as well as in the project folder of the specific subproject. NB If the documentation is considered too sensitive by the case committee, a separate secure file outside AllSolutions may be made, as described in the SOP.	RC
2.2 The RC gives regular updates on the case in the CRM module: Visit reports: Notation.	RC
2.3 Based on the investigation and provided the case committee decides on the outcome of the investigation: - Fraud or corruption are not confirmed. The RC updates the system in Visit reports: Notation and lowers the risk level of the relation and the subproject(s) back to Low - End of procedure. - The case remains uncertain - See 3.1 - Fraud or corruption are confirmed - See 3.2	RC

Step 3: Action Plan: In some cases the Case Committee can decide that the relation with the contract party should be continued, despite the fact that incapacity is confirmed, that the case remains uncertain or that fraud is confirmed. For proven fraud cases continuation is only allowed when the fraudulent actions have been "repaired", funds are returned, goods are exchanged, staff and management is replaced etc..

An Action Plan should be written by the contract party in which an improvement trajectory is outlined to address the problems found during the investigation. The Case Manager approves the Action Plan. The contract party is informed whether the Action Plan was approved. One appointed staff member is responsible for monitoring the implementation of the Action Plan and will report to the Case Committee.

Steps to be taken in All Solutions:

3. Action Plan	Who
3.1 Uncertain cause: If after investigation it remains uncertain whether fraud or corruption occurred, the case committee will decide whether:	
*3.1.a. Relation with the contract party will be continued***:** The RC uploads the relevant documentation to the CRM module: Visit reports: Documents folders. The RC also gives an update in the Notation field. Pending progress of improvements in the relationship, the RC lowers the risk level to Medium in CRM module: Visit reports, and of the specific subproject(s). RC gives regular updates in the CRM module: Visit reports: Notation. If the contract party shows the requested improvements, the RC will lower the risk level of the relation and specific subproject(s) back to Low, and RC will give an update in the CRM module: Visit reports: Notation - End of Procedure.	RC
3.1.b. Relation with the contract party will be ended: see 4.1 below	

Step 4: End of investigation:
The investigation ends in one of the following ways:
- The relation with the contract party is ended. A letter is sent to the contract party by the Case Manager confirming the fraud or corruption, and the relevant (legal) actions and consequences for the contract party. The contract party will be marked as a High risk contract party in the CRM module of All Solutions and the relation will be blocked in the system as well. Afterwards new contracts and payments are not possible anymore. It is advised to check the procedure and communication with the legal advisor.
- The risk level is considered medium or low again, due to e.g. an implemented Action Plan, returned funds etc.. The Case Manager changes the risk level of the contract party back to Medium or Low in the system.

Steps to be taken in All Solutions:

4. Ending the relationship	Who
4.1 Action plan not implemented or not implemented to ICCO's satisfaction*:* *Relation with the contract party will be ended*: If the contract party does not show the requested improvements the RC will raise the risk level of the relation and specific subproject(s) again to High. The RC will give an update in the CRM module: Visit reports: Notation. Ultimately the RM/HoD can block the contract party Relations (organisations): (Un)block - End of Procedure. This means that the contract party is registered on the red list contract parties of ICCO. To block the relation the RM should use the All Solutions template Request blocking relation.	RC

4.2 Fraud or corruption are confirmed: The RC uploads the letter in CRM Module: Visit reports: Document folders, and in the project folder of the subproject(s). The risk level of the relation and subproject(s) is raised to High in CRM module: Visit reports and under the subproject(s). The RC gives regular updates in CRM Module: Visit reports: Notation.
    - contract party responds to letter and meets ICCO's demands: the same applies as under 3.1
    - contract party does not respond or meet ICCO's demands:
The RM/HoD may decide to start a legal procedure, see process 2.9.5. Or the contract party relation will be ended. See 3.1.b. - End of Procedure.	

5.3.2 Investigation procedure for projects implemented by ICCO (own implementation)

The investigation procedure applicable on own implementation can be twofold: either the investigation procedure applies on risks within own implementation (sub)projects, or it applies on more general behavioral issues outside the project work.
In the first case the procedure will be quite similar to the one applicable on contract parties, after all one has to look into project related activities.
The main difference is that the focus is one ICCO's own employees and procedures and not on an external partner.
In All Solutions the CRM risk level and notifications cannot be used, so a separate secure file should be made and used by the Case Committee, taking into account privacy regulations as described in the SOP.

The investigation procedure applicable on ICCO's own employees' behavior in- and outside project work is covered under the Integrity Standard Operating Procedures for Reporting and Handling suspected breaches & Whistleblower regulations.

5.3.2 Investigation procedure on own monitoring

The investigation procedure applicable on own monitoring can be twofold: either the investigation procedure applies on risks within own implementation (sub)projects, or it applies on more general behavioral issues outside the project work.
In the first case the procedure will be quite similar to the one applicable on contract parties, after all one has to look into project related activities.
A detailed workflow description of this procedure can be found in the risk level procedure own implementation subprojects.

The investigation procedure applicable on ICCO's own employees' behavior outside the project work is covered under the Integrity Standard Operating Procedures for Reporting and Handling suspected breaches & Whistleblower regulations.

5.3.3 External audits of offices and projects
In case fraud or corruption is proven through external audits, the investigation method for the ICCO investigation is the responsibility of the Case Manager and follows the same method steps as with contract parties.

5.4 Follow-up and Monitoring procedures for fraud and corruption cases related to projects
The monitoring procedures for 5.3.1, 5.3.2 and 5.3.3 are mainly embedded within the project management cycle. These procedures focus on reports from contract parties, follow up monitoring of Action plans, visits to contract parties by program staff, meetings and evaluation with contract parties or employees, system monitoring through risk levels and regular updates, donor visits or meetings etc.

The line management (appointed Case Manager) is primarily responsible for the follow up and monitoring of fraud and corruption cases, but the line manager may delegate the actual work to the Regional Controller or the Project Manager.
The line manager and Project manager are the so called first line of defense, the Regional Controller is the second line of defense.
The third line of defense is organized at the level of internal audits by GO or RO controllers (controllers do not audit their own region).
The fourth line of defense is considered external audit. Fraud and corruption cases will be monitored through external audits and reported in audit reports and management letters.

5.5 Reporting procedures
As fraud and corruption cases are Integrity violations under ICCO's Integrity policy, internal reporting procedures for fraud and corruption are described in the Integrity Standard Operating Procedures for Reporting and Handling suspected breaches & Whistleblower regulations.

Externally ICCO reports about its performance on fraud and corruption cases through the corporate annual report and reports to donors.

5.6 Communication procedures
Within the organisation ICCO has several ways of communication on the topic fraud and corruption. This communication is part of the communication on ICCO's Integrity policy and system:
- policies and procedures are published on the ICCO international website and ICCO's intranet called Kumulus;
- articles are embedded in the terms of employment and contract templates with contract parties;
- trainings are given to raise awareness and ensure compliance
- during internal audits and project visits attention is given to these subjects.

Annex 1 Procedure on dismissal of high risk partners from blacklist

Step	Who	Payments
0. Normal situation: Risk Level 4	AU	Deferred
On the black list all high risk partners with risk level 4 are registered, and ICCO does not have any active projects with these partners anymore. It is not possible to start a new contract with partners on the black list.		
1. Submission of request to Executive Board		
The RO/Dpt. may decide to start a new contract with a partner on the black list. In order to be able to do that, the following conditions have to be met: - The partner should explain in writing how it has solved the problems which existed and which were the reason of the high risk. - The RO/Dpt. should write a draft letter to the partner in which a formal reaction is given on the mentioned solutions. The RM/HoD should sign this letter. The letter is not sent until the EB decision is received, see 3.3. - The RO/Dpt. should also write a letter to the Executive Board in which a motivation is given why the partner (with CRM number) should be dismissed from the black list. The RM/HoD should sign this letter. - All three letters should be submitted to the Integrity Officer Finance by email.	RM/HoD	Deferred
2. Analysis by Integrity Officer Finance		
2.1 The Integrity Officer Finance will analyze the request and give feedback to the RM/HoD by email.	AU	Deferred
2.2 Based on the feedback the RM/HoD may revise the request and re-send the request by email to the Integrity Officer Finance	RM/HoD	Deferred
2.3 The Integrity Officer Finance will send a memo to the EB in which the IOF gives advice on the request, and will enclose the complete request for the EB to make a decision.	AU	Deferred
3. End of Procedure		
3.1 The EB will make a formal decision on dismissal of the partner from the black list.	EB	Deferred
3.2 The EB will send their decision to the. Integrity Officer Finance	EB	Deferred
3.3 The Integrity Officer Finance will inform the RM/HoD by email on the decision made by the EB.	AU	Deferred
In case the EB decides to dismiss the partner from the black list, the Integrity Officer Finance will lower the risk level of the partner to 2. The RM/HoD will attach the decision	AU	Normal
in AllSolutions under the Documents section of the partner in the CRM module.	AU	Deferred
In case the EB decides not to dismiss the partner, the Integrity Officer Finance will not change the risk level. The RM/HoD will attach the decision in AllSolutionsDynamics under the Documents section (see above).		
3.4 The RM/HoD will send the letter to the partner with the decision of the EB. The letter will be attached in ALLSolutions in the CRM module.	RM/HoD	

Annex 2 Legal Steps

Procedure on legal steps

Step	Who	Relation
0. Start situation: Risk Level Relation and/or subproject = High		Blocked
1. Start of the procedure		
1.1 In case fraud and/or financial incapacity is confirmed and proven (possibly supported by external audit report) the RM should prepare an advice to the EB whether or not to start a legal procedure. In the advice the following is specified: cost/benefit analysis, risk analysis, reasons and context and objectives (financial, other). The RM sends the advice first to the Legal Advisor (LA) with a copy to the Integrity Officer (IO). The RM could seek support from the local lawyer in preparing the advice.	RM/HoD	Blocked
1.2 The LA will send a confirmation of receipt to the RM with a copy to IO.	LA	Blocked
1.3 The RM will register the submitted legal advice as a process step in the CRM module, under Actions. The advice itself will be uploaded on Drive under the relation in the CRM module as well.	RM/HoD	Blocked
1.4 The EB has the right to request an advice from the RM in case the EB holds the opinion that legal steps should be investigated. The same steps are followed as described above. EB requests RM to prepare the advice, inform LA and maintain CRM module.	EB	Blocked
2. Decision by EB		
2.1 The LA gives comments on the advice from the RM and makes a proposal for the EB to either follow and approve the advice or reject/change the advice. The LA may advice before EB decision.	LA	Blocked
2.2 The EB makes a decision to start a legal procedure or to take any other action necessary. Part of this decision is on which budget the costs of any following actions will be borne. As a rule all legal costs are to be borne by the RO or Program Department GO.	EB	Blocked
2.3 The LA informs the RM by mail on the decision made, and uploads the mail in the CRM module.	LA	Blocked
3. Legal steps		
3.1 In case the EB decides to start a legal procedure, the RM is requested to initiate the legal steps by finalizing an action plan and budget (including costs for local lawyer) and share the action plan with the LA by email. Part of the plan is a reference to which law applies and a timeline. The RM also follows the procedure to block the High risk relation in AllSolutions.	RM/HoD	Blocked
3.2 The RM will inform the partner organization through a warning letter in which the possibility of a legal procedure is announced. The partner organization is given a chance to fulfill its obligations before a certain deadline without any legal consequences. The RM informs the LA on this letter and also uploads the letter in the CRM module.	RM/HoD	Blocked
3.3 In case the partner organization fulfills its obligations or an agreement is reached to come to a solution, the agreements are documented in an official letter from the partner organization. The RM shares this letter with the LA and uploads the letter in the CRM module.	RM/HoD	Blocked
3.4 Having reached the expected result the RM will review the partner's status and judge whether or not the partner can receive a lower risk level (Medium) and can be unblocked again, or that the partner should remain on risk level High, or eventually should be put on the red list. The RM will inform the LA and IO on this decision and upload the decision in the CRM module. Possible actions to be taken by IO.	RM/HoD	(Un)Blocked
3.5 In case 3.2 – 3.4 do not apply, based on the action plan the RM will contract a lawyer. The contract and contact details from the lawyer are shared with the LA.	RM/HoD	Blocked

3.6 The RM gives monthly updates on the legal procedure in the CRM module. Next to these regular updates the RM informs the LA on each significant process event. The RM has the right to advise the EB via the LA to stop the legal process and to give a written motivation by email on the reasons why the process should be stopped.	RM/HoD	Blocked
3.7 In case the RM intends to stop the legal process, the RM will send a negative advice to the LA. The LA will organize a meeting with the EB in which the EB is requested to make a decision on stopping or continuing the case.	EB	Blocked
3.8 The LA will confirm the EB decision to the RM and upload the decision in the CRM module. In case the process is stopped, the procedure 2.9.4. ends here. The relation can either be Unblocked in case of a positive outcome and EB decision, or the relation can remain Blocked and therefore put on the red list, in case of a negative outcome or EB decision.	LA	(Un)Blocked
3.9 After finalization of the legal process the RM will write an evaluation report in which the process and results are described, and the actual costs incurred. The RM and local lawyer should both sign the report and send it to the LA. The RM also uploads the report in the CRM module.	RM/HoD	(Un)Blocked
3.10 The LA organizes a meeting with the EB to discuss the outcome of the evaluation report.	LA	(Un)Blocked
3.11 The EB gives approval on the evaluation report, or asks the LA to coordinate possible revisions or actions with the RM.	EB	(Un)Blocked
3.12 In case the EB approves the report, the LA will inform the RM and IO on the approval. The LA also uploads the approval in the CRM module.	LA	(Un)Blocked
3.13 Having finalized the legal procedure the RM will review the partner's status and judge whether or not the partner can receive a lower risk level (Medium) or that the partner should remain on risk level High, or eventually should be put on the red list (Blocked). The RM will inform the LA and IO on this decision and upload the decision in the CRM module. Possible actions to be taken by IO.	RM/HoD	(Un)Blocked
3.14 The RM informs the partner organization in writing and uploads the letter in CRM module.	RM/HoD	(Un)Blocked
3.15 The RM will follow up that the possible legal results are effectuated and informs LA and relevant departments (F&C, other RO's) on progress.	RM/HoD	(Un)Blocked
3.16 The LA gives legal support throughout the whole process.	LA	
4. End of procedure		
4.1 After effectuation of the legal results the RM formally closes the legal case by confirming this to the LA and relevant departments. Confirmation of closure is also uploaded by the RM in the CRM module.	RM/HoD	(Un)Blocked
4.2 The LA documents the closed case in the legal archive.	LA	(Un)Blocked