



**Policy**  
**Prevention of the financing**  
**of criminal activities**

**Terre des hommes**  
**Helping children worldwide - Foundation**

**June 2017**



## Content

<b>1. Background .....</b>	<b>3</b>
<b>2. The purpose of this policy .....</b>	<b>3</b>
<b>3. Who is this policy for? .....</b>	<b>4</b>
<b>4. Commitment of Tdh .....</b>	<b>4</b>
<b>5. Due diligence and compliance .....</b>	<b>4</b>
<b>6. General responsibilities of Tdh staff.....</b>	<b>5</b>
<b>7. Measures for preventing diversion .....</b>	<b>5</b>
<b>8. Monitoring and review .....</b>	<b>6</b>
<b>9. Entering into force.....</b>	<b>6</b>

## 1. Background

In risks management, Terre des hommes – Helping children worldwide - Foundation (Tdh) must detect and protect itself against risks linked with financing criminal activities, such as terrorism or money laundering. Nowadays terrorism is one of the most direct and global threats to peace, security and stability, as well as to the fulfilment of human rights, social and economic development. Many sectors, including humanitarian and development, may be directly impacted by activities of organisations or individuals linked with terrorism or money laundering.

The abuse of charities (or NGOs) for criminal purposes may take a variety of forms: including exploiting charity funding and abusing charity assets. Terrorism and money-laundering risks may arise when funds are raised and donations received, where grant funding is disbursed, and in the provision of services and other charitable activity.

The possible consequences of non-compliance with counter-terrorism measures and other similar risks commitments are multiple. They range from loss of reputation to outlawing of the NGO, withdrawal of banking facilities, legal action, suspension of activities, and more. Even the damage to reputation may be very serious threatening the existence of the charity.

Here is an inevitable dilemma for Tdh. On the one hand, it wishes to develop relationships with its partners based on trust and the delegation of responsibility. It seeks to expand its opportunities, and partners are its preferred mechanism to achieve this. Accordingly, Tdh does not wish to unwittingly reduce the humanitarian space nor contribute to a risk-averse humanitarian culture. On the other hand, it must manage its relationships in a manner that complies with the increasingly rigorous demands of government entities, private donors and other stakeholders who are themselves subject to legal obligations to take concrete measures in the field of counter-terrorism and other criminal activities. Tdh must be aware that it will be constantly scrutinized and held accountable for these demands.

It is the responsibility of each sector to prevent being misused by groups or individuals for criminal purposes.

## 2. The purpose of this policy

Terre des hommes – Helping children worldwide – Foundation (Tdh) intends to comply with Swiss and international laws and related regulations that prohibit transacting with proscribed groups and individuals associated with illicit activities, such as terrorism or other criminal practices, appearing on the Consolidated UN Security Council Sanctions List or other similar ones.

To this end, Tdh has developed a structured framework for ensuring that standards of due diligence and compliance with counterterrorism and money laundering financing related laws and other measures are met. Tdh will follow these standards when implementing programs or projects, both directly and when work is delivered in its name.

In specific countries of intervention, Tdh may go beyond the scope of this policy and decide to implement a no-contact rule with individuals or groups linked with terrorism.

### **3. Who is this policy for?**

All Tdh candidates, future partner, consultants, contractors and suppliers will be made aware of this policy and be expected to operate accordingly in their dealings on behalf of, or with, Tdh.

This policy is approved and monitored by Tdh Supervisory Board. It should be read alongside Tdh's whistleblowing and anti-fraud and corruption policies.

### **4. Commitment of Tdh**

Tdh commits to taking all the appropriate steps to prevent the financing of activities of proscribed organisations and individuals that could result in the diversion of humanitarian aid or assistance.

Tdh will not engage in any transaction with individuals and organisations associated with terrorism and other criminal activities, including those individuals or entities that appear on the Consolidated UN Security Council Sanctions List or on other similar ones. In specific countries, Tdh will even adopt a formalized no-contact rule.

Tdh has a duty to be vigilant to ensure its premises, assets, staff or other resources – and those of its partners – are not used for activities that may, or appear to, support or condone activities of proscribed organisations.

#### ***Tdh commits to:***

1. Ensure that procedures are put in place and properly implemented to prevent proscribed organisations and criminal individuals from taking advantage of its status, reputation, facilities or assets, whether knowingly or not.
2. Make due diligence and compliance obligations explicit in contracts with candidates and future suppliers/providers, as well as in future partnership agreements. All parties involved shall be well informed.
3. Monitor and manage risks to Tdh, whether operational, financial, or reputational, ensuring to exercise proper controls over financial affairs and keeps accurate records.
4. Ensure that Tdh complies with the laws, including counter-terrorism laws.
5. Bring to the attention of Tdh Supervisory Board any concern of links to a proscribed organisation or to other unlawful activity.
6. Protect the humanitarian space and the principles of international humanitarian law by deploying a 'rights and needs based approach' to beneficiary selection.
7. Protect positive staff and partner relations through the use of a minimal requirement of formal screening procedures.
8. Avoid entering into relation with a potential criminal partner/supplier/provider through the use of formal screening procedures prior to the contracting phase.
9. Use the internal audit process to review this policy and related procedures on a regular basis.

## **Exclusion of final Beneficiaries**

In accordance with the humanitarian principles of impartiality and independence and the Tdh Global Code of Conduct, in particular the following articles

- art. 2.3: “Standards and Certifications” – among others the respect of the “Do No Harm” framework
- art. 3.5: “We respect the principle of non-discrimination”
- art.3.6: “We respect the dignity of the people we work with” – respect for ethical principles and rules in the use of personal information,

Tdh will not screen the final beneficiaries of its projects, nor will it require its partners to do so.

## **5. Due diligence and compliance**

Tdh is aware that third party risks, which are not identified and mitigated, can develop into serious issues that have the capacity to affect one's reputation and even one's registration in a country. It is incumbent upon Tdh, to do what can be reasonably expected to put in place measures against the financing of criminal activities - including those related to terrorism and money laundering - to identify and mitigate risks.

Many of these risks are assessed and reduced through a thorough process of candidates, partners, suppliers and providers selection. Our robust selection process is designed to ensure that Tdh is aware of and contracts with professional partners with shared concerns for due diligence and compliance and the ability to ensure its delivery in the field.

There are existential risks associated with a failure to effectively assess internal and third-party risks related to counterterrorism and anti-money laundering activities, conduct due diligence assessments, identify gaps that could create new risks or policy compliance violations, monitor policy compliance, and proactively address and remediate issues that arise.

At the same time, Tdh is aware of the need to introduce proportionate and effective measures that are appropriate to build up the existent and new long-term relationships of trust (confidence). In conflict affected areas, there is the additional concern related to the impartial and non-discriminating humanitarian engagement.

## **Exemptions and derogations**

In no way counter-terrorism regulations and measures in contradiction with Tdh values and principles of action must:

- negatively affect assistance which must comply with humanitarian principles and international human rights law,
- nor put at risk the security and safety of Tdh personnel,
- nor undermine Tdh status as a neutral, impartial and independent non-governmental organization.

For all these reasons Tdh will actively advocate for humanitarian exemptions or derogations where overly restrictive rules may negatively affect its mission. Tdh will not enter into contracts with donors that include requirements that oblige it to carry out an action in contradiction with both the principles and values reiterated above and with the principle of “Do No Harm”.

## **6. General responsibilities of Tdh staff**

### **Tdh staff must:**

1. Check with their line manager when they believe that the financing of Tdh's assistance could be deemed to support proscribed organisations or individuals or if the policy infrastructure is insufficiently robust.
2. Be alert to incidents of the financing of proscribed organisations (whether or not involving Tdh's employees, assets or otherwise).
3. As soon as reasonably practicable, report to their line manager any belief or suspicion that Tdh or anyone else is involved in aid diversion activities.
4. Take all reasonable precautions to prevent funds or resources being seized or diverted.

## **7. Measures for preventing diversion**

In order to be compliant with international counter-terrorism laws and related regulations, Tdh commits to the systematically screening of its candidates, partners, suppliers/providers, against usual lists of proscribed organisations and designated individuals.

For this purpose, Tdh is using a software property of an enterprise compliant to the General Regulation on Data Protection (GDPR) and to the Federal Act on Data Protection Act (FADP) thus guaranteeing the data security of the individuals concerned. The screening consists in checking whether an individual or an organization selected for the procedure appear on one of the above- mentioned lists. A standardised and secure bank record of the screening is maintained.

## **8. Monitoring and review**

It is the responsibility of Tdh Supervisory Board to routinely review and reinforce this policy.

## **9. Entering into force**

This policy enters into force on the 8th of June 2017, after validation from the Supervisory Board of the Council of the Foundation. It formalizes all existing control mechanisms and procedures that have been established so far.

Title	Policy on the Prevention of Criminal Activities
Author	
Version	Version 1: 08.11.2017
Validated by (instance)	Bureau
Date of validation	08.11.2017
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Information to (instance)	All staff, partners and suppliers
Other related documents	<p>Directive 1 : Screening general modalities</p> <p>Directive 2 : Screening for Tdh candidates</p> <p>Procedure 1 : Screening for Tdh candidates</p> <p>Applicant Informed Consent</p> <p>Directive 3 : Screening of future Partners</p> <p>Procedure 2 : Screening of future Partners</p>

	<p>Clause XX - MoU</p> <p>Directive 4 : Screening for future tenderers and contractors</p> <p>Procedure 3 : Screening for future tenderers and contractors</p> <p>General Purchasing Terms</p> <p>Personal Information &amp; Declaration Form – Providers</p>
Distribution	HQ & Field
Responsible for the update	Risks management
Responsible for the application	Risks management