

INTEGRITY MANAGEMENT at GTZ

GTZ has an **Integrity Committee** consisting of the responsible Managing Director (Personnel Director) and the Directors General of the Commercial Affairs Department and the Personnel Department. It is responsible for all matters relating to integrity and is the decision-making body and highest authority for these.

This committee has laid down a **Code of Conduct** that is binding for all staff. GTZ has thereby established a set of ethical standards and rules governing its work. Staff conduct should be guided by principles such as equal rights, transparency and partnership-based cooperation.

The Code of Conduct contains clear rules on avoiding active and passive bribery, accepting or giving gifts and other advantages, conflicts of interest, employing and awarding contracts to closely connected or related persons, and separating the business and private spheres. It also provides specific guidance on individual issues such as the direct or indirect payment of so-called dispatch money, and how to deal with doubtful cases.

GTZ staff at Head Office and seconded staff agree to adhere to the Code of Conduct under the terms of their employment contracts. The Code of Conduct is also part of GTZ's Orientation and Rules (O+R).

National Personnel sign a declaration of agreement to the Code of Conduct stating that they have understood the Code and will adhere strictly to it. The Code of Conduct is explained to National Personnel in local training sessions at the start of their employment.

New Head Office staff and seconded staff are familiarised with the Code of Conduct during an introductory course entitled 'Acting with integrity – integrity management at GTZ', conducted by GTZ's Integrity Advisor. Participation in this course is compulsory.

The course has been adopted as part of GTZ's training programme. Today, almost all Head Office staff and all senior managers (in Germany and abroad) have successively been trained and sensitised to the issue of integrity by the Integrity Advisor.

The **Integrity Advisor** is neutral and not subject to any directives. He is the contact person for all staff, business and project partners and members of the public, whether they have general questions regarding integrity or a justified suspicion that the Code of Conduct has been infringed.

GTZ has appointed an external ombudsman – a lawyer providing confidential counsel – as an additional point of contact.

The role of the ombudsman is essentially to provide a point of contact for all GTZ staff and their business partners regarding matters involving corruption. He can be contacted by staff and business partners for advice on corruption-related matters. The primary target group is staff who become aware of corruption but fear that their concerns will not be heard, and contractual partners who may suffer negative consequences if corruption is revealed in a business operation confined to a closed circle. A further target group is persons who are themselves involved in corrupt activities, or are benefiting or have benefited from these. The ombudsman is an independent external lawyer who is obliged to maintain confidentiality, not least because his profession requires it.

Specific **measures to prevent corruption** are naturally employed when GTZ awards contracts, procures equipment and materials, or signs contracts with individuals and consultancy firms, both at Head Office and in the field structure. The following precautionary measures against corruption may be mentioned here:

multiple control (involving more than one person in decision-making)

transparency in decision-making

preference for public tenders

separation of planning, contract awarding and invoicing.

In September 2004, GTZ appointed management consultants Arthur D. Little to examine its procurement procedures. Their analysis showed that GTZ's procurement procedures are fundamentally corruption-proof. GTZ's public-benefit status, together with the worldwide distribution of its staff and the ensuing diversity, naturally means that very particular standards need to be applied to the coordination and management of processes within the company.

Anti-corruption clauses are included in all contracts.

When contracts are awarded, the party contracted by GTZ signs an integrity agreement. The objective of the agreement is to acquaint the contractor with GTZ's integrity system and to oblige the contractor to observe its contents and take precautions that will enable compliance with the Code of Conduct by its employees, contractors and sub-contractors to be monitored. The aim is ultimately to ensure that the contracting process is fair and the project implemented with integrity, and to create mutual trust.

To increase the transparency of procurement procedures in GTZ's field structure, the IT systems CoSoft and ProSoft are used.

CoSoft was set up for the purchase of services in the field structure, and offers the possibility of central data access and evaluation. This system permits the consistent preparation of local fee schedules through benchmarking with other organisations on site. With this we can increase the intensity of competition and evaluate the appropriateness of per diem rates.

ProSoft was set up for the procurement of materials and equipment in the field structure. In this way we gain transparency at the central level and the possibility of assessing the conformity of procedures and any anomalies.

A further important measure for preventing corruption at GTZ is the policy known as 'Preventing corruption by staff rotation'. In this we are following the German Federal Government directive on preventing corruption in the federal administration which requires that the length of service of staff is generally to be restricted in areas at particular risk of corruption. We have classified all organisational units and positions at Head Office and in the field that play an important role in the procurement process as being at risk of corruption. For project staff appointments, the rule is to limit the term to six years. We have established that this is an acceptable compromise between project requirements and corruption prevention. If in individual cases rotation is not possible or feasible, this should be documented. In such cases other preventative measures must be agreed. Directors general must discuss their measures with the Managing Directors and the Integrity Advisor once per year.

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