

IMPACT Shaping practices
Influencing policies
Impacting lives



ANTI-TERRORISM POLICY

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1. Background

As an NGO operating in various countries, IMPACT recognises that there may be a risk of its donor funds being diverted by staff, contractors, financial service providers and partners to finance or support terrorist activities.

IMPACT recognises that, as other sectors (e.g. financial sector) are tightening their safeguards against terrorist abuse, there is a risk that terrorist organisations may focus more attention to our sector.

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

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

IMPACT has developed this policy to ensure that IMPACT's and donor funds and resources are not being used directly or indirectly to support terrorist activities and to provide a clear guide on what to do if terrorist activity is suspected. More broadly, this policy will support IMPACT to implement its activities in line with its mission statement and core principles.

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

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

The original Anti-Terrorism Policy is in French. Any other versions are available for translation purposes only. In case of discrepancy between the French and any other version of the policy, the French version prevails.

2. Policy statement

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



undertakes to use reasonable efforts to ensure that none of its or its donor funds are used to provide support to individuals or entities associated with terrorism.

International and national regulations: IMPACT recognises the regulations by which donor countries abide. IMPACT also recognises relevant legislation related to counterterrorism.

3. Scope

This policy applies to all IMPACT governance members, staff, interns and volunteers, financial service providers and contractors (suppliers, service providers and consultants).

This policy also applies to all partner organisations, their board members, staff, volunteers & interns, financial service providers, contractors and sub-grantees implementing projects with IMPACT funding.

4. Mechanisms to fight terrorism

4.1 Approach

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

1. Conducts regular risk analysis concerning anti-terrorism activities. The risk analysis typically includes a review of the relevant legal requirements of donor governments, transit governments (e.g., territories through which goods or services are transferred), and host state governments, as well as donor policies and industry standards (if any) from other sectors. It also includes security analyses, including stakeholder analyses (armed groups, state and non-state actors), to determine the risk of terrorism targeting or undermining our operations.
2. Enforces a strict code of conduct among its staff and staff of partner organisations with a strong reference point to anti-diversion and a statement on financial transactions with armed groups.
3. Maintains comprehensive financial records which account for all expenditure and publishes annual financial statements with detailed breakdown of incomes and expenditures.
4. Conducts annual external audit of all expenses as well as external audits of specific projects.
5. Reserves the right to carry out Third Party reference checks on individuals with whom IMPACT has or plans to have a contractual link to ensure these individuals are not associated with terrorism and do not appear on counter-terrorism lists through the use of an industry-standard auto-screening software.



6. Ensure training of its staff and partners on anti-diversion policies, procedures and practices.
7. Conducts an in-depth due diligence of partners and sub-grantees, including Third Party Reference Check to ensure the partner/sub-grantee does not appear on counter-terrorism lists through the use of an industry-standard auto-screening software.
8. Applies a “know your supplier” principle for procurements for all national, international and restricted tenders (IMPACT scenario D, E and F).

4.2 Enforcement

1. **HQ Managers and Country Focal Points** are responsible for:
 - Ensuring that IMPACT and all staff members, volunteers & interns and contractors comply with all relevant legislation, IMPACT Code of Conduct and IMPACT policies;
 - Ensuring that all partner organisations and their board members, staff members, volunteers and contractors implementing aid and development projects funded by or through IMPACT comply with all relevant legislation and policies.
 - Reporting to the Executive Director any information which could relate to breaches of this policy.
2. All employees, volunteers & interns are responsible for:
 - Complying with this policy and other relevant legislation.
3. IMPACT Human Resources Department is responsible for:
 - Recruitment of employees, volunteers & interns, and any additional Third party reference checks;
 - Ensuring that each member of staff abides by IMPACT Code of Conduct;
 - Ensuring adherence to relevant data protection legislation;
 - Providing support to managers and other staff during any complaint or dismissal process.
4. IMPACT Security & Safety Focal Point is responsible for:
 - Ensuring that up to date risk assessments and contextual analysis are provided for each area of intervention to determine risks (of aid diversion).
5. IMPACT Finance Department is responsible for:
 - Maintaining financial records and tracking all expenses and incomes: IMPACT maintains a multicurrency accounting system that allows tracking any expenses or incomes with a unique reference (voucher number) in the system. Each direct cost is linked to a specific project, contract and donor;
 - Controlling the use of IMPACT funds: through internal control mechanism as outlined in IMPACT’s Finance manual and procedures;
 - Selection of banks/financial institutions: following a due diligence check, incl. third party reference check;
 - Bank management: authorised levels to carry out financial operations, segregation of duties, signatures, monthly bank reconciliations contribute to having a clear picture on the use of funds and avoid misuse of funds;



- Cash management: cash keeping processes, segregation of duties, monthly cash checking, contribute to having a clear picture on the use of funds and avoid misuse of funds;
- Money transactions:
 - Control done before payment: as defined in IMPACT's finance manual and procedures, no commitment of expense can be done without authorisation, must be documented with both internal (validation of the expense beforehand, including purpose of the transaction and link to the budget line of the donor's contract) and external documentation (bill, receipt, proof that the service or good has been provided). Then only the expense can be done and booked in the system.
 - Bank transfers are preferred. In case of payment to be done in cash, a specific procedure has to be followed with identity check of the person coming to collect the payment at the office.
 - Following any payment by IMPACT, a confirmation of the receipt of funds is systematically requested.
 - Donations can only be accepted - as any other source of funding going through IMPACT - upon HQ review and validation.
 - No donation can be done by IMPACT to an external entity without HQ review and validation, due diligence of the entity and signature of a contract.

6. IMPACT HUB is responsible for:

- Procurement and contractor/supplier management based on the “know your supplier” principle which includes Third Party Reference check to ensure that contractors do not appear on the US Office of Foreign Asset Control (OFAC) list, UK Treasury lists, EU proscribed lists and UN sanctions lists;
- Administering Ethical Procurement Policy for suppliers;
- Controlling the use of IMPACT assets and stocks through internal control mechanism as outlined in the Logistics Manual and procedures.

7. IMPACT's Grants Management Department is responsible for:

- Due diligence and selection of partner organisations;
- Training and oversight of partner organisations (with the support of the above-mentioned departments);
- Project cycle management, incl. monitoring and evaluation to improve the relevance, quality and accountability of IMPACT's programs.

8. IMPACT Transparency Focal Point is responsible for:

- Compliance with IMPACT procedures including Anti-Fraud and Corruption Policy;
- Monitoring of this policy and adherence by staff, volunteers, partner organisations and contractors to this policy.

4.3 Reporting

In case of suspected terrorism related activity, IMPACT:



1. Encourages stakeholders to report suspected terrorist activity using confidential means through transparency.geneva@impact-initiatives.org;
2. Investigates according to IMPACT's Anti-Fraud, Bribery and Corruption Policy and takes action accordingly;
3. Notifies the donor immediately if any link is discovered between funds, an assisted organisation and a terrorist-related organisation.





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