

Anti-corruption and Conflict of Interest Policy Statement

Article I. Purpose

The purpose of this policy is to define the statement and declaration related to corruption and conflict of interest for employees of the Farmer Livelihood Development (FLD) and to protect an FLD's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of one of employees, or might result in a possible excess benefit transaction.

Article II. Anti-Corruption Defined

All employees shall adopt and implement measures to identify corruption and conflicts of interest, which include dishonest behavior by those in positions of powers, such as managers, members of procurement committee or/and any officers involving to purchasing and supplies. Corruption can include giving or accepting bribes or inappropriate gifts, double dealing, under-the-table transactions, diverting funds, laundering money and defrauding.

Employee shall not:

- authorize any use of the funds or other assets of FLD for any unlawful or improper purpose.
- any payments or gifts or offers or promises to pay money or give anything of value to or for the benefit of any person, including any "**Public Official**",
- that is or may appear to be related to obtaining or retaining business with any person, directing business to any person, obtaining any other advantage in the conduct of business, or inducing or rewarding the "improper" performance by any person of any function or activity
- or consent to, or connive in, any of the above.
- make contributions of funds, facilities or services of any kind to political parties or officials or candidates for office to obtain their support for executive, legislative, administrative or other action favorable to FLD
- give or offer to give on behalf of FLD any money, gift or thing of value to a third party if employee know or has reason to believe that it will be offered to a **Public Official** or any other person to obtain or retain business with any person, to direct business to any person, to obtain any other advantage in the conduct of business, or to induce or reward the improper performance by any person of any function or activity.

The books and records of the Company must reflect, accurately and fairly, the transactions of FLD and dispositions of its assets. No undisclosed or unrecorded funds or assets are to be established for any purpose.

Employee who is involved in business transactions must become familiar with the anti-corruption rules FLD operates and is responsible for seeking an advice of from Administration and Human Resource Unit in any situation involving questionable payments.

Article III. Conflicts of Interest Defined

A conflict of interest is a set of circumstances that creates a risk that professional judgment or the suppliers will unduly influence actions regarding to an interest and it refers to the principal goals of the profession or activity, such as the protection of clients and duties of public office.

The conflict of Interest includes not only financial gain but also such motives as the desire for professional advancement and the wish to do favours for family and friends, but its rules usually focus on financial relationships because they are relatively more

objective, fungible, and quantifiable.

Acceptance of Gifts:

Employees, members of employee's immediate family, and members of the committee are prohibited from accepting gifts, money or gratuities from the following:

- Persons receiving benefits or services from FLD;
- Any person or organization performing or seeking to perform services under contract with FLD; and
- Persons who are otherwise in a position to benefit from the actions of any employee of FLD.

Employee who is acting in any official capacity, honoraria received in connection with activities relating to employment with FLD is to be paid to the organization.

No employee of FLD should solicit or accept any kind of personal gift or commission from the suppliers of goods and services to FLD.

Article IV. Procedures

1. Duty to disclose

In connection with any actual or possible conflict of interest, an employee must disclose the existence of the Financial Interest and be given the opportunity to disclose all material facts to Procurement committee or Administration and Human Resource Unit considering the proposed transaction or arrangement. In an effort to aid such disclosure, each committee member or/and any employee involving to purchasing and supplies shall complete a conflict of interest declaration as circumstances warrant, but no less frequently than annually.

2. Determining whether a conflict of interest exists

The Administration and Human Resource Unit shall review each employee questionnaire and any other disclosures regarding the Financial Interests of its employees. After disclosure of the Financial Interest, the employee shall leave the Procurement committee's meeting while the remaining members discuss and vote on whether a conflict of interest exists.

3. Procedures for addressing the conflict of interest

After exercising due diligence, the committee shall determine whether the organization can obtain with reasonable effort a more advantageous transaction or arrangement from a person or entity that would not produce a conflict of interest. The employee concerned shall not be present in the room during the determination.

If an alternative transaction or arrangement is not possible, the committee shall determine by a majority vote of the disinterested employees (Project/Program manager and Executive director) whether the transaction or arrangement is in the best interests of FLD, for its own benefit, and fair and reasonable. Based on these determinations, the committee shall make its decision on whether to enter into the transaction or arrangement.

Article V - Disciplinary Action

If the committee has reasonable cause to believe an individual has failed to disclose actual or potential conflicts of interest, it shall inform the member and allow employee concerned to explain the alleged failure to disclose. If the committee still has reason to believe a possible conflict of interest exists after the alleged conflict is explained, it shall take appropriate disciplinary and corrective action.

Any violations of this policy may result in disciplinary action up to and including

dismissal based on the severity of the infraction and the totality of the circumstances.

Article VI – Records of Proceedings

The minutes of all committees with management committee delegated powers shall contain:

- a) The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Committee's decision as to whether a conflict of interest in fact existed.
- b) The names of the persons who were present for discussions and votes relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings. □

Article VII – Annual Statements

1. Each employee concerning to purchase and supplies and member of a committee with management committee delegated powers shall annually sign a statement which affirms such person:
 - a) Has received a copy of Anti-corruption and Conflict of Interest Policy Statement
 - b) Has read and understands the policy,
 - c) Has agreed to comply with the policy, and
2. At any time during the year, the information in the annual statement changes materially, the employee shall disclose such changes and revise the annual disclosure form.
3. The Management Committee shall regularly and consistently monitor and enforce compliance with this policy by reviewing annual statements and taking such other actions as are necessary for effective oversight. □

Article VIII: Limitation and Amendment

This policy is prepared and published in order to comply with Donor and Partner requirement's Financial rules and is not intended to create third party rights or duties or to form part of any contractual agreement between FLD and any client.

The policy may be reviewed and amended at any time.

This Anti-corruption and Conflict of Interest Policy Statement shall become effective from the date signed.

Phnom Penh, _____ January 2016

Board Chairman

Dr. Yang Saing Koma