



The translation into English has been carried out from the Ukrainian language in accordance with the original document approved by the Association

APPROVED

By the Decision of the Board No. 17

dated July 18, 2021

NEW EDITION

APPROVED

By the Decision of the Board Protocol No. 28/11

dated November 28, 2024

**POLICY ON PREVENTION OF CORRUPTION
AND CONFLICT OF INTEREST RESOLUTION
of the Local Association of Local Self-Government Bodies
“Association for Communities Participatory Development”**

1. General Provisions

1.1. This Anti-Corruption Policy (hereinafter referred to as the “Policy”) of the Local Association of Local Self-Government Bodies “Association for Communities Participatory Development” (hereinafter referred to as the “Association”) declares that its members and employees, in their internal activities, as well as in legal relations with partners, state authorities, local self-government bodies, individuals, and legal entities, undertake all efforts and measures to counter and prevent corruption in the activities of the Association.

1.2. This Policy has been developed in accordance with the current legislation of Ukraine, in particular, the Law of Ukraine “On the Prevention of Corruption.”

1.3. The terms used in this Policy shall have the meanings defined by the Law of Ukraine “On the Prevention of Corruption,” including:

- Corruption offense – an intentional act containing signs of corruption committed by a person vested with full official powers, for which the law establishes criminal, administrative, civil, or disciplinary liability.
- Corruption – the use of official powers and related opportunities by a person to obtain undue benefits or to accept a promise/offer of such benefits for themselves or others, or respectively, the promise/offer or provision of undue benefits to such a person or, at their request, to other individuals or legal entities to induce them to unlawfully use their official powers and related opportunities.
- Undue benefit – monetary funds or other property, advantages, privileges, material or non-material services promised, offered, provided, or received free of charge or at a price lower than the minimum market value, without legal grounds.



- Potential conflict of interest – the presence of a person’s private interest in a field where they perform their official or representative duties, which may influence their objectivity or impartiality in decision-making or taking (or refraining from taking) actions in the course of performing such duties.
- Real conflict of interest – a contradiction between a person’s private interest and their official or representative duties, which affects the objectivity or impartiality of their decision-making or taking (or refraining from taking) actions while performing their duties.
- Private interest – any property or non-property interest of a person, including one arising from personal, family, friendly, or other non-official relationships with individuals or legal entities, including those related to membership or activities in public, political, religious, or other organizations.

2. Scope of Application and Responsible Persons

2.1. This Policy is mandatory for all employees of the Association, as well as other persons, including those who enter into civil-law contracts with the Association, in cases where the relevant obligations are stipulated in agreements with them, internal documents, or directly follow from the current legislation of Ukraine.

2.2. This Policy also applies to the Association, its employees, and/or representatives in their legal relations with business partners, including state authorities and local self-government bodies. If the Association becomes aware of any corrupt actions committed by a business partner or counterparty representative, the Association reserves the right to terminate relations with such business partners or counterparties.

2.3. The requirements of the Association’s donors regarding the prevention of corruption, as stipulated in the grant agreement, are considered part of this Policy within the framework of fulfilling such an agreement.

2.4. The implementation of measures for enforcing (implementing) this Policy within their competencies is carried out by:

- Members of the Association’s Board;
- The Head of the Association;
- All employees, members of the Association, as well as persons providing services and/or performing work for the Association under civil-law contracts and/or service agreements.

2.5. In cases where it is necessary to conduct any measures aimed at implementing this Policy, the organization and control of such measures shall be the responsibility of the Executive Director of the Association. The specific list of measures, appointment of responsible persons, etc., shall be determined by the relevant decision of the Association’s Board.

2.6. Relations with Members and Employees of the Association

The Association requires its employees to comply with this Policy, informing them about its key principles, requirements, and sanctions for violations.

The Association ensures confidentiality and accessibility for informing its governing bodies about acts of corruption, corrupt practices, and the receipt of undue benefits by persons providing services in the interest of or on behalf of the Association. Additionally, the Association is open to suggestions for improving anti-corruption procedures and control, as well as inquiries from employees and third parties, provided they comply with the current legislation of Ukraine.

3. Professional Ethics Standards for Employees and Members of the Association

3.1. Employees of the Association, in the performance of their official duties, must strictly adhere to generally recognized ethical standards of behavior.

3.2. Employees of the Association act objectively, regardless of personal interests, personal attitudes towards any individuals, political views, ideological, religious, or other personal beliefs or convictions.



3.3. Employees of the Association must refrain from carrying out decisions or instructions of the Association's leadership if they pose a threat to legally protected rights, freedoms, or interests of individuals, legal entities, state, or public interests, or if they contradict the law.

3.4. Employees of the Association independently assess the legality of decisions or instructions given by the management and the potential harm that may result from their execution. If an employee receives a decision or instruction they consider illegal or posing a threat to legally protected rights, freedoms, or interests of individuals, legal entities, the state, or the public, they must immediately notify their direct supervisor or the Association's Board in writing.

4. Rights and Responsibilities of Employees and Members of the Association

4.1. Members, employees, and other persons acting on behalf of the Association have the right to:

- provide suggestions for improving this Policy;
- contact the Association's Board for consultations on the implementation of this Policy and clarifications regarding its provisions;
- report violations of this Policy anonymously;
- not be held liable for reporting detected or potential violations of this Policy.

4.2. Employees and other persons acting on behalf of the Association are required to: comply with the relevant requirements of applicable legislation and this Policy, as well as ensure their practical implementation;

- perform their direct duties while considering the interests of the Association;
- immediately inform the Association's Board of any violations of this Policy (or incitement to such actions), acts of corruption, or corruption-related offenses committed by other employees of the Association or by other individuals or legal entities with whom the Association has or plans to establish business relations;
- immediately inform the Association's Board of any real or potential conflict of interest;
- refrain from behavior that may be perceived as a willingness to commit a corruption-related offense related to the activities of the Association;
- not engage in or participate in corruption-related offenses related to the activities of the Association.

4.3. Employees and other persons acting on behalf of the Association are prohibited from: using their official powers or position and related opportunities to obtain undue benefits for themselves or others;

- using any property or funds of the Association for private interests without the consent of the Association's Executive Director;

- demanding or receiving any material or non-material benefits (for themselves or close relatives) in connection with their official duties, which are not provided for in their employment or other contract with the Association;

- organizing, mediating, or personally conducting any cash or non-cash payments or transactions with the Association's business partners if such payments or transactions are not provided for by applicable law;

- directly or indirectly influencing the decisions of the Association's employees to obtain any material or non-material benefits for themselves or close relatives that are not provided for in their employment or other contract with the Association;

- engaging in any actions that directly or indirectly incite other employees of the Association to violate the law or this Policy.

4.4. After dismissal or termination of cooperation with the Association, a person is prohibited from disclosing or otherwise using information in their own interests (without the consent of



the Association's leadership) that became known to them in connection with the performance of their duties or contractual obligations, except in cases established by law.

5. Conflict of Interest Management in the Association

5.1. To prevent conflicts of interest in the Association, the following restrictions are established: Two-thirds of the total number of members of the Association's Board may not be employees of the Association who receive salaries. Participation in the Association's Board is unpaid. Employees of the Association who are close relatives may not be in a direct supervisory-subordinate relationship with each other.

5.2. In the event of a conflict of interest in the Association, the following measures shall apply: Employees of the Association or individuals with a contract must notify their direct supervisor or the person who signed the contract on behalf of the Association no later than the next business day from the date they became aware or should have become aware of a real or potential conflict of interest. They must also refrain from taking actions or making decisions in conditions of an actual conflict of interest and take measures to resolve the real or potential conflict of interest.

If the Head of the Association has a real or potential conflict of interest, they must notify the Association's Board in writing.

The direct supervisor or the person who signed the contract on behalf of the Association must decide on how to resolve the conflict of interest within two business days of receiving the notification or independently identifying the issue. The employee or contractor must be informed of the decision.

5.3. Conflict of interest resolution may involve one of the following measures:
removing the employee or contractor from performing tasks, taking actions, making decisions, or participating in decision-making;
establishing additional oversight over the employee's or contractor's execution of tasks, actions, or decisions;
limiting the employee's or contractor's access to specific information;
reviewing the scope of the employee's job responsibilities;
transferring the employee to another position;
terminating employment or contractual agreements.

5.4. The Association's Board decides on resolving conflicts of interest involving the Head of the Association.

5.5. Employees of the Association or individuals with a contract may independently take measures to resolve a conflict of interest by eliminating the relevant private interest.

6. Audit and Control

6.1. The Association may undergo external audits of its financial and operational activities, ensuring the completeness and accuracy of accounting records, compliance with legal requirements, and internal regulations, including the principles and requirements established by this Policy.

6.2. As part of internal control procedures, the Association's Board may conduct audits of key areas of activity, including selective checks on the legality of payments made, their economic justification, and the appropriateness of expenditures, including verification through primary accounting documents and compliance with the requirements of this Policy.

6.3. Corruption-related risks must be considered when developing and approving the Association's internal documents.

7. Liability

7.1. Violation of this Policy and the provisions developed for its implementation shall be grounds for holding employees of the Association disciplinarily liable.

7.2. Violation of this Policy by individuals who have concluded civil law contracts or service agreements with the Association, including individual entrepreneurs, shall be grounds for terminating such agreements.

8. Final Provisions

8.1. This Policy is subject to regular review for improvement.

8.2. This Policy shall enter into force on the date of its approval.

8.3. Members of the Association, representatives of the Association's governing bodies, and hired employees may submit proposals for improving the Policy by sending their suggestions in writing to the Association's Executive Directorate. The Executive Directorate of the Association shall review such proposals.

8.4. Amendments and additions to this Policy shall be made by decision of the Association's Board.

Head of the Association
Ivan Kalashnyk