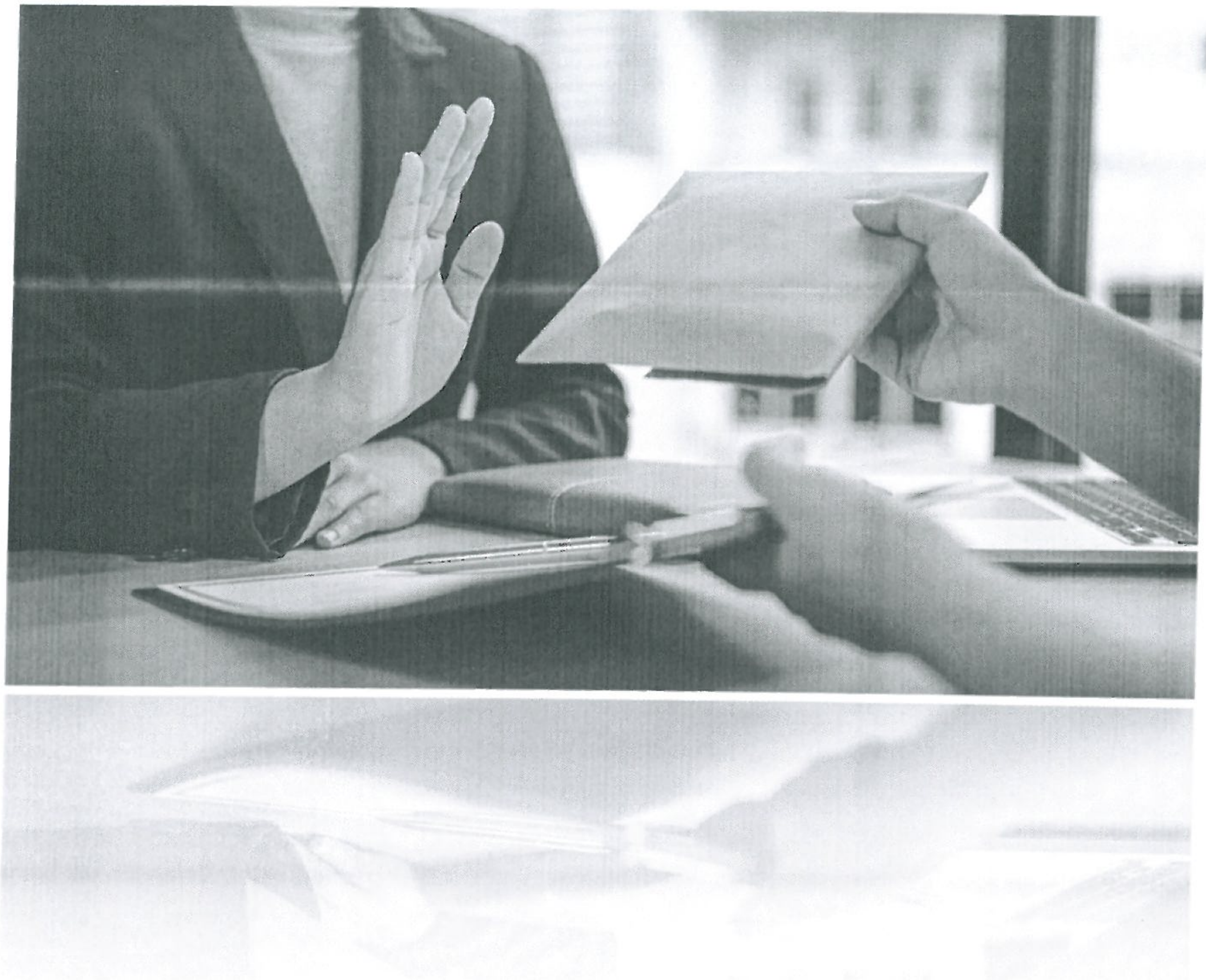

ETHICS, DUE DILIGENCE & ANTI-TERRORISM FINANCING POLICY

GAZA SOCIETY FOR SUSTAINABLE AGRICULTURE AND FRIENDLY ENVIRONMENT (SAFE) – OCTOBER 2025

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1. INTRODUCTION

SAFE operates in a uniquely challenging humanitarian context, where vast needs and restricted movement elevate risks of misappropriation, fraud, and diversion. Under the **Palestinian Charitable Associations Law No. 1 of 2000** and its implementing regulations, NGOs must maintain strict financial propriety and transparency. Moreover, the **Anti-Money Laundering and Terrorism Financing Decree Law No. 20 of 2015** criminalizes any facilitation of illicit finance and mandates rigorous due diligence on funds and partners . By codifying clear rules and narrative explanations here, SAFE ensures every staff member, volunteer, contractor, and partner understands both **what** is required and **why** it matters—in safeguarding aid flows, protecting beneficiaries, and preserving organizational reputation.

2. PURPOSE

This policy aims to:

1. **Prevent**, **detect**, and **respond** to all forms of financial misconduct—fraud, bribery, corruption, money-laundering, and terrorist financing—thus upholding SAFE's mission integrity.
2. **Embed** shared responsibility at every level, from the Board setting "tone at the top" to field teams on the frontlines.
3. **Provide** clear, accessible channels for confidential reporting—essential in Gaza's restricted environment.
4. **Detail** an impartial, victim-centered investigation methodology rooted in the CHS Alliance Investigator Toolkit and IASC best practices.
5. **Ensure** compliance with Palestinian law, **USAID Mission Order 21**, **OFAC** general licenses for Gaza, and **FATF** Recommendation 8—thereby preventing inadvertent support to proscribed entities.

3. SCOPE

This policy governs **all** SAFE operations—covering:

- **Personnel**: Employees, volunteers, consultants, and Board members.

- **Third Parties**: Suppliers, contractors, donors, implementing partners, and community focal points.
- **Activities**: Financial transactions, procurement, recruitment, field distributions, registration, and data management.

  It applies equally to **suspected** or **confirmed** instances of:

  - **Fraud** (e.g., forging receipts, collusion).
  - **Bribery** (e.g., offering facilitation payments at checkpoints).
  - **Corruption** (e.g., favoritism in hiring or procurement).
  - **Money-Laundering** (concealing proceeds of illicit activities).
  - **Terrorist Financing** (direct or indirect, as defined by OFAC and Executive Order 13224).
  - **Conflicts of Interest** (e.g., accepting gifts that influence decisions).

4. GUIDING PRINCIPLES

SAFE's approach rests on seven interlocking principles:

1. **Zero Tolerance**: Any confirmed misconduct triggers immediate action, demonstrating that shortcuts or compromises will not be accepted.
2. **Confidentiality**: Identities of complainants and accused are protected; data stored in encrypted systems with strict access controls.
3. **Impartiality & Fairness**: Investigations follow a structured framework from CHS and IASC to ensure neutrality and due process.
4. **Transparency**: Process steps, timelines, and outcomes are communicated clearly—without disclosing sensitive personal details.
5. **Accessibility**: Multi-channel reporting (hotline, email, suggestion boxes, community focal points, online forms, social media) overcomes Gaza's mobility and connectivity challenges.
6. **Proportionality**: Sanctions and remedial measures are matched to the severity of the misconduct.
7. **Continuous Learning**: Quarterly and annual reviews of complaints data inform risk mitigation, policy updates, and targeted training.

5. DEFINITIONS

- **Fraud**: Intentional misrepresentation or concealment of material facts for unlawful gain—examples: forging receipts, altering beneficiary lists, siphoning cash from transfers.
- **Bribery**: Any offer or acceptance of value to influence an official act—e.g., paying checkpoint officers to expedite delivery or awarding contracts in exchange for kickbacks.
- **Corruption**: Abuse of entrusted power—nepotism in hiring or supplier selection, unauthorized disclosure of sensitive data for personal benefit.
- **Money-Laundering**: Layering, integration, or concealment of illicit proceeds—often via complex transaction chains or false invoices.
- **Terrorist Financing**: Providing or collecting funds, by any means, with the intent they are used to plan, prepare, or execute terrorist acts—the most serious breach in SAFE's context due to heightened regional risk.
- **Conflict of Interest**: Situations where personal interests may conflict with professional duties—e.g., awarding contracts to family members without transparent process.

6. ROLES & RESPONSIBILITIES

6.1 Board & Executive Leadership

- **Endorse** this policy annually, allocating adequate budget (≥ 1 % of operating budget) and empowering the Compliance & Audit Committee to act independently.
- **Set Tone**: Publicly affirm zero tolerance and lead by example in ethical conduct.

6.2 Compliance & Audit Committee

- **Risk Assessments**: Conduct biennial reviews of fraud, bribery, and terror-financing risks.
- **External Audits**: Engage independent auditors to verify financial controls and policy adherence.
- **Policy Reviews**: Update this policy based on audit findings, legal changes, and emerging threats.

6.3 Compliance Officer

- **Due Diligence**: Vet all partners, suppliers, and beneficiaries against UN, USG, and local sanction lists prior to engagement.
- **Training**: Deliver induction and annual refresher courses on AML, CTF, and anti-corruption measures.

6.4 Managers & Supervisors

- **Internal Controls**: Ensure dual authorization for high-risk transactions (≥ USD 5,000), segregation of duties, and reconcile accounts monthly.
- **Escalation**: Immediately report suspicious activity to the Compliance Officer.

6.5 All Staff, Volunteers & Contractors

- **Compliance**: Read, understand, and adhere to this policy.
- **Reporting**: Use any channel to report concerns—anonymous reports welcomed and protected against retaliation.

7. REPORTING & INVESTIGATION PROCEDURES

7.1 Reporting Channels

- **Hotline**: +970-599-188092.
- **Email**: complaints@palsafe.org.
- **Suggestion Boxes**: Secure boxes at each field office and project site.
- **Online Form**: Mobile-optimized, accessible via SAFE's website.

All reports logged in a secure case management system and **acknowledged within 3 working days**.

7.2 Investigation Process

1. **Triage & Classification**: CHO assigns Level 1 (routine), Level 2 (moderate), or Level 3 (critical) based on severity and potential impact.
2. **Independent Panel**: Convened for Level 2–3 cases; follows CHS Investigator Toolkit for structured interviews, document reviews, and site visits.

3. **Findings & Recommendations**: Written report with factual findings, root-cause analysis, and corrective actions.
4. **Feedback to Complainant**: Complainants receive status updates every 10 working days and final decision within defined timeframes.
5. **Appeals**: Unresolved grievances can be appealed to the Complaints Review Committee within 7 working days; further recourse to Palestine's Ministry of Social Development or donor grievance mechanisms if needed.

8. Anti-Terrorism Compliance

SAFE rigorously prevents any misuse of funds for terrorism through:

8.1 Legal & Donor Framework

- **Palestinian CT Law No. 17/2016**: Criminalizes financing of extremist groups and mandates reporting of suspicious transactions.
- **USAID Mission Order 21**: Requires risk assessment and vetting of sub-awardees to avoid unintentional support to listed entities.
- **OFAC GLs for Gaza**: Allows humanitarian aid under specific licenses but mandates strict screening against U.S. and UN sanctions.

8.2 Partner & Beneficiary Vetting

- **Sanctions Screening**: Automated checks against consolidated UN, U.S., and EU lists before signing contracts.
- **Certification Clauses**: All agreements include clauses certifying no links to terrorist entities.

8.3 Financial Controls

- **Dual Authorization**: Two independent approvals for transactions ≥ USD 5,000.
- **Automated Monitoring**: Transaction patterns flagged by finance software; quarterly reconciliation by internal audit.
- **Full Audit Trails**: Maintain original invoices, beneficiary lists, and bank confirmations for 7 years.

8.4 Staff Training

- **Induction Module**: Covers AML, CTF, fraud detection, and conflict-of-interest avoidance.
- **Annual Refresher**: Includes real-case scenarios from Gaza's context to reinforce practical vigilance.

9. Disciplinary Actions

SAFE enforces a **zero-tolerance** regime:

- **Immediate Suspension**: Pending investigation for Level 3 violations (e.g., PSEA, terror financing).
- **Termination & Prosecution**: Confirmed cases lead to dismissal and referral to judicial authorities (Palestinian courts, donor OIGs).
- **Contract Remedies**: Breaches by third parties trigger contract termination, blacklisting, and notification to relevant authorities.
- **Whistle-blower Protection**: Retaliation is strictly prohibited; offenders themselves face disciplinary measures.

10. Monitoring, Reporting & Continuous Improvement

By embedding **robust monitoring**, SAFE ensures the policy remains effective and evolves with new risks:

- **KPIs**: Track number of reports, average resolution time, audit findings, training completion rates.
- **Quarterly Compliance Reviews**: Compliance & Audit Committee reviews performance, publishes summary to the Board.
- **Annual Policy Review**: Incorporates staff and community feedback, legal updates, and lessons from investigations.
- **Budget Commitment**: Allocate ≥ 1 % of annual operating budget for compliance activities—training, audits, software, and policy updates.