

Anti-Fraud, Anti-Corruption and Anti-Bribery Policy



**Policy number:
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General Objective

Effective fraud, corruption and bribery prevention, detection, and effective response mechanisms are essential in both safeguarding CIMMYT's interests against financial loss and reputational risk, and in effective program delivery for its beneficiaries, establishing trusted partnerships and ensuring continued funding. This Policy establishes the guiding principles governing CIMMYT's transparent and accountable management of resources to achieve its strategic objectives and seeks to prevent, identify and address Fraud, Corruption and Bribery with appropriate internal controls; training, awareness and reporting mechanisms; due diligence in Employee recruitment and Partner and Vendor Selection; and adequate internal and external controls, audits, investigations, and continuous improvement.

As CIMMYT is fully committed to integrity, transparency, and accountability, it observes a policy of zero-tolerance of Fraud, Corruption and Bribery in any form. In any circumstance where any form of Fraud, Corruption or Bribery is proven, the corresponding disciplinary measures are taken, which may result in immediate dismissal and/or legal actions.

This Policy must be read in conjunction with applicable laws and regulations. CIMMYT acts in compliance with local legislation regarding Anti-Fraud, Anti-Corruption, and Anti-Bribery.

Scope:

This Policy applies to both CIMMYT Int., and CIMMYT A.C., and their respective branches and affiliate organizations, at both its headquarters and all global locations (collectively "CIMMYT"); the CIMMYT Board of Trustees, all CIMMYT staff, consultants, visiting scientists and students, (collectively 'Team Members'), and to grantees, sub-grantees, partner organizations, project implementing partners,

contractors, subcontractors, visitors, outside experts, agents, representatives and any other organization or individual acting on CIMMYT's behalf, at CIMMYT's direction or with CIMMYT funding (collectively, "Partners"). Team Members and Partners are collectively referenced as "CIMMYT Community Members."

This Policy applies to all CIMMYT activities and operations, including any project funded by or through CIMMYT and any project implemented by CIMMYT with any government agency and/or partner.

Exclusion: Any academic misconduct or fraud in research activities shall be dealt as per CIMMYT's Ethics in Research policy.

Policies:

1. Policy Statement

CIMMYT prohibits and has zero-tolerance for all forms of fraudulent or corrupt behavior, including but not limited to fraud, theft, embezzlement, nepotism, product substitution, failure to declare a conflict of interest, false/unjustifiable claims, including bad faith reporting, and bribery.

2. Corruption and Bribery

For this Policy, CIMMYT follows international standards as to what constitutes **corrupt behavior**. Corrupt behavior, as defined by the [Criminal Law Convention on Corruption by the Council of Europe](#), is:

- active and passive bribery of domestic and foreign public officials;
- active and passive bribery of national and foreign parliamentarians and of members of international parliamentary assemblies;
- active and passive bribery in the private sector;
- active and passive bribery of international civil servants;
- active and passive bribery of domestic, foreign and international judges and officials of international courts;
- active and passive trading in influence;
- money-laundering of proceeds from corruption offences;
- accounting offences (invoices, accounting documents, etc.) connected with corruption offences."

CIMMYT deals with public officials, the private sector, and international civil servants.

Offering, giving, promising, soliciting, or accepting any 'undue advantage' is considered **bribery**. Undue advantages are those actions that are illegal, unethical, or constitute a breach of trust. Any form of bribery is prohibited by CIMMYT.

CIMMYT Team members may be exposed to both active (the offering of) and passive (being offered) bribery, related to local governments or private partners.

3. Fraud and Fraudulent practices

CIMMYT follows the definition and standards of what are considered fraudulent acts adopted by the United Nations (UN) Secretariat, namely "*encompasses any act or omission whereby an individual or entity knowingly misrepresents or conceals a material fact in order to obtain an undue benefit or advantage for himself, herself, itself or a third party, or to cause another to act to his or her detriment.*"¹

¹ See Chapter III of the Anti-Fraud and Anti-Corruption Framework of the United Nations Secretariat

Fraudulent practices defined by CIMMYT may include, but are not limited to:

- Forging documents, preparing false entries in official records (including electronic) or making false statements to obtain financial or other benefits for oneself or other(s);
- Collusion, kickback, or other anti-competitive schemes between CIMMYT and/or suppliers/vendors during a procurement process;
- Providing known false information about an insurance claim or another entitlement;
- Forging a signature or signing a document knowingly without authority, for inducing an outsider to act;
- Misuse of Information Technology (IT) identity or password, or creating false identities/passwords, without consent or authority to manipulate institutional processes or cause the approval or denial of actions;
- Money Laundering: transactions and activities to generate money from criminal activity, illicit means, drug trafficking, terrorist funding, or illegitimate source. See also the Anti-Money Laundering and Countering Terrorist Financing Policy;
- Misrepresentation of any fact to obtain a benefit from a public or private sector entity;
- Misrepresentation of educational credentials or professional qualifications, in the context of a job application; and
- Deceptive acts, such as falsification of documents, making false statements, preparing false entries in official systems, submitted expense claims using fake invoices or for non-incurred expenses, or other deceptive acts to the detriment of those someone seeks to disfavor or to discredit a person or CIMMYT.

This list is non-exhaustive. Acts not mentioned in this list may still constitute a fraudulent act.

4. Guiding Principles

In these Guiding Principles, CIMMYT reflects the principles underlying the values of its funders, and those of the United Nations Convention against Corruption. In particular, these principles include measures to prevent fraud, bribery and corruption, including roles, and responsibilities of Team Members and Partners, training and disclosure program, reporting, investigation, and disciplinary action procedures.

- 4.1. The CIMMYT Board of Trustees and Management are committed to cultivating a culture that supports and strengthens the commitment in section 1.
- 4.2. CIMMYT Team Members and Partners adhere to the highest standards of accountability, which require honest and ethical conduct.
- 4.3. Team Members and Partners who participate in any bribery, fraudulent or corrupt act are subject to corrective or disciplinary measures, up to and including termination (of employment, consultant, supplier, or partner agreement); CIMMYT may pursue civil remedies, and authorities may determine to pursue criminal prosecution.
- 4.4. CIMMYT Team Members and Partners must immediately report suspected bribery or fraudulent or corrupt activities. CIMMYT reviews all such reports to determine their credibility, investigates credible evidence of corruption, fraud or bribery and addresses appropriate resolution.

- 4.5. CIMMYT does not tolerate any form of retaliation against Team Members who report suspected corruption, fraud or bribery in good faith. See the Misconduct Reporting Policy. All reports are treated confidentially, see Reporting Policy.
- 4.6. CIMMYT will report credible evidence of fraudulent or corrupt behavior to the appropriate legal authorities and the donor as required within the donor agreement or policies or, if not required, as CIMMYT determines appropriate per its internal procedures and based on the outcome of internal or external investigations. CIMMYT will cooperate with investigators and law enforcement to seek accountability of responsible parties.

5. Hospitality

The nature of CIMMYT's activities requires the organization to offer hospitality to its Team Members, and/or Partners. Hospitality includes the provision of food, beverages, activities, or events for the purpose of promoting and furthering the mission of the organization. CIMMYT may only offer hospitality if there is an explicit and legitimate business interest in doing so and must keep any such hospitality within reasonable financial limits.

Offers of hospitality may only be accepted when there is a legitimate business interest in doing so to work towards achieving CIMMYT's mission, and any excessive offers must be rejected.

CIMMYT, at all times, aims to prevent the appearance of impropriety or influence over the objectivity of decision-making.

6. Gifts

CIMMYT Team members must ensure that any gifts received or given do not exceed a value of 50 USD or its equivalent in the local currency.

Exceptions to the monetary limit may be granted if not accepting the gift would cause serious offense. In these circumstances, Team Members must inform their supervisor and the CIMMYT Compliance Officer. All gifts exceeding 50 USD must be registered in the gift registry through the Compliance Officer and stored adequately within CIMMYT premises. Where appropriate, the gift can be used for charity and other general initiatives.

7. Anti-Fraud, Anti-Corruption, and Anti-Bribery Prevention and Control Measures

Any suspicion of possible corrupt activities must be made known to the CIMMYT Compliance Officer through the mechanisms identified in the Misconduct Reporting Policy.

CIMMYT implements several mitigating measures in its Risk Management Framework and additional internal controls, which include but are not limited to:

- 7.1. Performance of periodic risk assessment to evaluate fraud, corruption and bribery risk in line with the Risk Management Framework; design and implementation of related procedures that are effective and proportionate to CIMMYT's risks, circumstances, and culture; and periodic review by the Board of Trustees' Audit Finance and Risk Committee (the "AFRC").

- 7.2. Effective design, implementation, and continuous improvement of a preventive and detective financial control system, which ensures Management monitoring.
- 7.3. Reliance on different lines of defense, including the Delegation of Authority, the Risk Management Framework and Internal and External Audit Functions with a distribution of accountability among CIMMYT's operational, managerial, and oversight activities;
- 7.4. Mechanisms for detection and identification of fraud, corruption or bribery activities, including the advance consideration of such risks in CIMMYT projects and monitoring of Partners;
- 7.5. Provision of and training on reporting mechanism usage, including CIMMYT's third-party reporting Helpline (anonymous, if desired) for reports of fraudulent, corrupt or bribery activities and a coordinated approach to investigate and implement remedial actions. See Compliance Investigation Procedure;
- 7.6. Thorough and impartial system to review, investigate, and resolve reports under the CIMMYT Misconduct Reporting Policy. Including oversight by the AFRC of a Fraud, Corruption and Bribery Incident Register documented by Compliance and HR to identify and monitor trends in collaboration with the AFRC;
- 7.7. The implementation of the Corrective and Disciplinary Measures Policy and Procedure.
- 7.8. Team Member and Partner training and awareness communications on prevention and detection of fraud, corruption and bribery, available reporting mechanisms and continuous improvement process;
- 7.9. Due diligence practices regarding:
 - 7.9.1. The recruitment of CIMMYT Team Members;
 - 7.9.2. Selection and engagement with eligible partners. Agreements may include i) compliance statements/certifications of eligibility, Anti-Fraud, Anti-Corruption and Anti-Bribery Policy, compliance, an affirmative obligation to report suspected fraud, corruption or bribery activity; and ii) CIMMYT access to records relating to CIMMYT activities. See for more information the Due Diligence Procedure.
- 7.10. Management monitoring and approval processes;
- 7.11. Reporting of red flags to the Internal Audit Unit;
- 7.12. Holding CIMMYT's Community Members to the highest standards of integrity with the advance written commitment to a) comply with the standards as set out in this Policy and b) to report to CIMMYT any incidents of fraud, corruption or bribery that involve CIMMYT Team Members or Partners, or are related to resources provided by CIMMYT;
- 7.13. Prompt action to recover misappropriated funds or losses caused by a Policy violation;
- 7.14. Annual Assurance to stakeholders on internal control with a "Statement on Internal Control" issuance, providing specific assurance on the effectiveness of CIMMYT internal controls, identifying significant risk and internal control matters in need of improvement, and outlining actions planned to improve controls. This statement is prepared with input from the above-described lines of defense, including a management certification and consideration of Internal Audit Unit and External Auditor input.

8. Additional Measures

CIMMYT parties with additional accountability for prevention and control include:

- 8.1. **Risk Management** - CIMMYT's Risk Management Framework is an essential element of the effective anti-fraud, anti-corruption and anti-bribery approach at CIMMYT. It provides a comprehensive framework through which to identify, analyze, and address risks; it also assigns accountability for managing the risks and opportunities in the context of CIMMYT's strategy. This includes a risk appetite statement and risk register, reviewed periodically by identified risk owners, and coordinated with the AFRC.
- 8.2. **Partners/Collaborators** – Any third party entering into a contractual arrangement with CIMMYT shall be bound to carry out its activities following the CIMMYT Code of Conduct, relevant Policies and Procedures, as outlined in the General Terms and Conditions included with the Subgrant Agreement (including the provisions set forth in this Policy) that may be amended from time to time, and must report any later-arising allegations of fraud, corruption, or bribery.
- 8.3. **Vendors** – CIMMYT's procurement function prescribes General Terms and Conditions when entering a contractual agreement with a third party (including the provisions set forth in this Policy). Third parties must report any relevant later-arising allegations of fraud, corruption, or bribery.
- 8.4. **Recruitment, Beneficiary, and Partner Engagement** – Team Members responsible for recruitment are required to include integrity as a selection criterion, conduct due diligence, and exercise due care during recruitment processes. Background checks, if deemed necessary, are consistent, reliable, and aligned with the risk exposure of the position. Conflict of interest reviews include consideration of an undue advantage in a business concern that could benefit from actions taken by the CIMMYT Team Member.