



Inter-American Institute for  
Cooperation on Agriculture

# Anti-Fraud and Anti-Corruption Policy

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## **1. INTRODUCTION**

The present document establishes the anti-fraud and anti-corruption policy of the Inter-American Institute for Cooperation on Agriculture - IICA (hereinafter “the Institute”). The policy was drawn up bearing in mind the framework within which the organization carries out its activities and as part of a strategy of continuous improvement and resource management based on strict principles of austerity, equity, discipline, and transparency, and the implementation of policies aimed at the exercise of good corporate governance and ethical principles. The policy establishes the Institute’s guidelines for the prevention, detection, and investigation of fraud, and specifies possible acts of corruption and other types of conduct that are unacceptable or inappropriate or forbidden under the Institute’s rules and regulations, and the procedure for the adoption of corrective measures.

Any act of fraud or corruption in IICA’s operations depletes funds and other resources intended for supporting its mission. Thus, as in other organizations, these acts can undermine its functioning and divert available resources. Moreover, fraudulent acts and other corrupt behavior can seriously damage IICA’s reputation and jeopardize the trust that counterparts and partners place in IICA. The continuous improvement of processes adds value to the work carried out and ensures that the institution has solid and secure underpinnings, thereby increasing the member countries and partners’ confidence in IICA.

All IICA personnel are the stewards of the resources entrusted to the Institute. Hence, they are accountable for the proper, effective, and efficient use of those resources in achieving the intended outcomes of the Institute’s projects in accordance with the Medium-term Plan (MTP).

## **2. OBJECTIVES**

To establish mechanisms designed to prevent, identify and deal in an adequate, timely, and effective manner with acts or possible acts of fraud and corruption within IICA, and to permit action to be taken to correct the situation immediately.

To strengthen IICA’s ethical culture as an essential element for the establishment and implementation of mechanisms to prevent, identify and deal with acts of fraud and corruption that may occur within the Institute.

To ensure that the Member States, counterparts, and partners have an administration in which they can trust, and to prevent the Institute’s reputation from being tarnished, by enforcing the directives and rules that prohibit the commission of acts of fraud and corruption within IICA.

To ensure that:

- Financial information is accurate and reliable
- Policies, procedures, plans, rules, regulations and laws are enforced
- Assets are protected against loss and theft
- Resources are used efficiently
- Goals and targets are achieved

### **3. SCOPE**

IICA is committed to preventing, detecting, investigating, correcting and, where applicable, punishing all acts of fraud and corruption committed against the organization, whether they are committed by members of its own staff, employees of other institutions or third parties. IICA has a policy of zero tolerance for acts of fraud and corruption, meaning that all such incidents are to be reported and will be investigated in accordance with institutional policies. Furthermore, it endeavors to raise awareness of fraud and corruption risks, implement controls aimed at preventing them, and establish and maintain procedures for their detection and the enforcement of this policy.

This policy applies, without exception, to all activities and operations of IICA, including any irregularity, or suspicion of irregularity, involving staff members, as well as suppliers, consultants, contractors, and/or any other party that has a working or contractual relationship with IICA.

### **4. POLICY**

The Administration of IICA is responsible for the prevention and detection of fraud, acts of corruption, and other irregularities.

Fraud is defined as an act in which a person, institution or entity behaves in an illegal or incorrect manner, according to the parameters of this policy, harming the entity or person against whom the fraud is committed, to the detriment of the Institute or third parties.

Corruption is an action that transgresses legal and ethical standards; it also involves the complicit exchange of private resources and the abuse of authority; nepotism and favoritism may also be considered as corruption.

Neither fraud nor corruption is restricted to monetary or material gain; these acts can also include intangible benefits such as status or exchange of information, creating benefits for specific individuals or interest groups.



All IICA staff members should be familiar with the types of irregularities that may occur within their area of responsibility and be attentive to any sign of failure to comply with the regulations.

Any irregularity that is detected or suspicion that is aroused should be reported immediately to the Ethics Committee, which, in keeping with the Policy on the Protection of Whistleblowers and Witnesses, will objectively examine and analyze the case; determine an approach, disciplinary measures and corresponding actions; and conduct an investigation involving the gathering of information, analyses, conclusions, implementation and follow up.

Any irregularities detected by the Internal Audit Unit shall be reported immediately and directly to the Director General, who will decide whether to request the intervention of the Ethics Committee for the pertinent action to be taken.

## **5. ACTIONS THAT CONSTITUTE FRAUD AND CORRUPTION**

### **5.1 FRAUD**

Terms such as embezzlement and misappropriation, as well as other irregularities, refer, but are not limited, to:

- Any dishonest or fraudulent act
- Misappropriation of funds, other assets or supplies
- Dishonest handling or reporting of monies or financial transactions
- Speculation based on knowledge of privileged information concerning the institution's activities
- Passing on of exclusive, confidential data to external parties
- Acceptance or seeking of material inducements from contractors, suppliers or individuals who provide services and materials to the Institute
- Destruction, elimination, or inappropriate use of records, furnishings, accessories, equipment, information; and/or
- Any related or similar irregularity

### **5.2 CORRUPTION**

A corrupt practice is one that involves directly or indirectly offering, giving, receiving, soliciting or promising something of value such as money, gifts or a private advantage such as an incentive or reward, in exchange for doing something that is illegal, for improperly influencing the actions of another party, or for abusing a position of power or authority; a

breach of trust or any other improper act may also constitute corruption. Acts of corruption may refer, but are not limited to:

- Participating in any form of bribery, including offering, promising, giving, accepting or soliciting payments to gain any improper business advantage.
- Promising, giving or soliciting contributions to political parties and organizations or individuals involved in politics as a pretext for bribery.
- Promising, giving or soliciting charitable contributions or participating in charitable sponsorships as a pretext for bribery.
- Offering or accepting gifts, entertainment or hospitality as a pretext for bribery.
- Making a payment to a government agent and/or public official to facilitate a routine activity that, while not prohibited, should not be used as a pretext for bribery.

### **5.3 OTHER IRREGULARITIES THAT DO NOT CONSTITUTE FRAUD AND CORRUPTION**

Situations involving irregularities relating to the moral or ethical conduct or behavior of a staff member are to be resolved by the Ethics Committee.

Should there be any doubt as to whether an action constitutes fraud or corruption, the Ethics Committee will provide guidance, requesting support from the Directorate of Corporate Services and advice from the Legal, International Affairs and Protocol Unit, as necessary.

## **6. REPORTING CHANNELS**

IICA has established two mechanisms to receive and respond to reports, which will allow persons to submit and channel their reports or complaints regarding the issues dealt with in this Policy in a confidential manner, namely:

- the official Internet site: [iica.int](http://iica.int), in the REPORTING/ COMPLAINTS section and
- the email address [ec.ce@iica.int](mailto:ec.ce@iica.int).

All reports, complaints, investigations and information in reference to the reported matter shall be examined and analyzed objectively by the Institute's Ethics Committee, which will determine an approach, disciplinary measures and corresponding actions.

If the complainant so requests, he or she will be informed in a timely manner of the processing of the complaint and, if appropriate, of the outcome of the investigation. To this end, the complainant must provide an e-mail address.

## **7. INTERNAL AUDIT UNIT**

It is the responsibility of the Internal Audit Unit to provide recommendations on risk prevention. Therefore, in order to contribute to the fulfillment of this Policy, the Internal Audit Unit shall:

- Draw up an auditing plan that includes monitoring the controls identified for mitigating the risk of fraud and corruption, and verifying their sufficiency and effectiveness.
- Communicate to the Director General of the Institute any shortcomings identified in their audits related to possible frauds, acts of corruption or inherent risks.

## **8. COMMUNICATION AND TRAINING**

In order to strengthen the prevention of the risk of fraud and corruption within the Institute, efforts shall be made to ensure that all members of staff receive information about this Policy, the Code of Ethics and the Policy on the Protection of Whistleblowers and Witnesses, and that the induction of new employees includes information about ethics-related issues and compliance with the Institute's rules and regulations, particularly policies related to risks, transparency and prevention, among other topics.

## **9. SANCTIONS**

If an IICA staff member and/or third party is/are found to have committed an act of fraud or corruption, separately or in collusion, the Institute will impose the corresponding sanctions, in keeping with its policies and rules.

## **10. RESPONSIBILITY FOR THE POLICY**

The Institute's Ethics Committee is responsible for the administration, review, interpretation, and application of this policy and shall coordinate the actions required, keeping the Director General informed, so that, pursuant to the authority vested in him and in keeping with institutional rules, he may decide the course of action to be followed or the sanctions to be applied. The policy will be reviewed annually and adjusted as necessary.