



Union pour la Méditerranée
Union for the Mediterranean
الإتحاد من أجل المتوسط

SECRETARIAT OF THE UNION FOR THE MEDITERRANEAN (UfMS)



ANTI-FRAUD & ANTI-CORRUPTION POLICY

PROJECTS FOR PROGRESS



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FOREWORD

Fraud and corruption impede and rob the Organisation's ability to perform effectively and efficiently since they consume and deplete the scarce resources. They affect the dignity and reputation of individuals, the Organization and member states at large.

Corruption is dynamic and requires multi-pronged strategies that call for collective efforts to effectively deal with it. All UfMS members therefore need to commit to fighting this ill behaviour.

The development of this Policy is a demonstration that the UfMS has embraced an anti-corruption strategy, and commits to its successful implementation. The Policy intends to promote an organisational culture that is ethically upright and upholds the spirit of none tolerance to corruption.

Through the implementation of this Policy, the UfMS aims to combat fraud and corruption, foster and maintain none tolerance to corrupt beliefs and practices. Appropriate measures shall also be employed on those who do not conform or take hid of this call by continuing to negate these efforts.

The Anti-Fraud & Anti-Corruption Policy outlines the strategy adopted by the UfMS in preventing and combating fraud and corruption and thus stems on two fundamental pillars of prevention and law enforcement.



I. INTRODUCTION

Fraud and corruption are criminal offences in all Member States of the Union for the Mediterranean. The UfMS acknowledges further that any such act of fraud and corruption in its activities depletes funds, assets and other resources necessary to fulfill its mandate.

Fraudulent and corrupt practices can also seriously damage UfMS' reputation and diminish partners and donors' trust in its ability to deliver results in an accountable and transparent manner. Furthermore, it may affect staff and personnel effectiveness, motivation and morale, and impact on the UfMS' ability to attract and retain a talented work force.

II. SCOPE AND APPLICATION

UfMS has zero tolerance for fraud and corruption, meaning that UfMS shall not tolerate staff members, non-staff personnel, vendors, suppliers, implementing partners and responsible parties engaging in fraud or corruption.

All acts of fraud and corruption falling within the criminal definition are to be reported to the local police/prosecuting authorities, and upon final conviction, the disciplinary measure of summary dismissal will be imposed on the sentenced member of staff, while at the same time other actions will be pursued against such member of staff and any other perpetrators for recovery of financial loss suffered by UfMS and for preventing UfMS cooperation with such perpetrators for an appropriate period of time, as an administrative sanction.

Fraud and corruption incidents outside the criminal definition but within the definitions listed in section 3. below, involving UfMS members, will be considered as misconduct and will be dealt with in accordance with the relevant provisions of the Statutes and the Staff Regulations.

UfMS is committed to preventing, identifying and addressing all acts of fraud and corruption against UfMS, through raising awareness of fraud risks, implementing controls aimed at preventing and detecting fraud and corruption, and enforcing this Policy.



This Policy applies to all activities and operations of UfMS and aims to prevent, detect and address acts of fraud and corruption involving:

- i) Members of the UfMS
- ii) Non-staff personnel, including Service Contract holders, Individual Contractors and interns (collectively, “non-staff personnel”);
- iii) Vendors, including actual or potential contractors and suppliers of goods and services (collectively, “vendors”); and
- iv) Implementing partners and responsible parties engaged/contracted by UfMS for a UfMS funded project (“implementing partners” and “responsible parties”, respectively).

III. DEFINITION OF FRAUD AND CORRUPTION

The definition of fraud and corruption varies among countries and jurisdictions, and the term is commonly used to describe a wide variety of dishonest practices. The following definitions shall apply in the context of this Policy:

Fraud is a knowing misrepresentation of the truth or a concealment of a material fact to induce another to act to his or her detriment.

Corruption is the act of doing something with intent to give or have an advantage inappropriate with official duties, to obtain a benefit, to harm or to influence improperly the actions of another party. Actions taken to instigate, aid, abet, attempt, conspire or cooperate in a fraudulent or corrupt act, also constitute fraud or corruption.

Examples of fraud and corruption include, but are not limited to, the following actions:

- Forging documents, preparing false entries in UfMS systems or making false statements to obtain a financial or other benefit for oneself or another/others;
- Collusion or other anti-competitive scheme between suppliers during a procurement process;
- Providing information in relation to a medical insurance claim or another entitlement that the claimant knows to be false;



- Forging the signature of a UfMS staff member or forging a document purporting to be from UfMS to induce a party outside UfMS to act;
- Using another's IT identity or password, or creating false identities/passwords, without consent or authority to manipulate UfMS processes or cause the approval or denial of actions;
- Accepting hospitality such as meals or entertainment from a vendor;
- Misrepresenting UfMS employment status to obtain a benefit from a government or private sector entity;
- Failing to disclose a financial or familial interest in a business or outside party while participating in the award/management of a contract to the benefit of that business or outside party;
- Processing the cost of personal travel as part of an official travel;
- Making misrepresentations, including educational credentials or professional qualifications, on a personal history form in the context of a job application; and
- Falsifying documents, making false statements, preparing false entries in UfMS systems or other deceptive acts to the detriment, or for disfavoursing or discrediting a person, programme or the Secretariat.

IV. FRAUD AND CORRUPTION PREVENTION MEASURES

IV.1. Oversight Committee (OC)

The OC is responsible for the overall monitoring of the implementation of this Policy and the specific functions stated herein. The OC reports to the Senior Officials. The OC is an institutional body with the assistance and technical support of the staff of the UfMS necessary for the development of its functions.

It is established by decision of the Senior Officials and composed by three members outside the internal governance of the UfMS, having recognized professional seniority and diversified experience, for a term of three years.

The OC will consider fraud and corruption red flags and risk factors in investigation, planning and reporting, consistent with applicable internal standards. Proactive investigations may also be initiated by the OC, without awaiting the receipt of allegations.



The OC will have to develop a proposal of internal regulations that will complete its legal status and regulate the procedure for action, which will be approved by the Senior Officials.

IV.2. Fraud and corruption awareness

Staff members, non-staff personnel, vendors, implementing partners and responsible parties must be aware of their responsibility to prevent fraud and corruption. In this regard, managers are to raise awareness of this Policy, and reiterate the duty of all staff members to report instances of fraud and corruption, as required by the UfMS Staff Regulations and the UfMS Legal Framework. Managers are also required to make non-staff personnel, vendors, implementing partners and responsible parties contracted/engaged by their respective offices aware of this Policy.

Vendors, service providers and beneficiaries are made aware of and accept that they are subject to the UfMS Vendor Sanction Procedures, through the instructions on fraud and corruption issued within standard contracts and agreements documents.

IV.3. Management of the risk of fraud and corruption

The risk of fraud and corruption is assessed and managed in accordance with UfMS' rules and procedures (Statutes, Staff Regulations, manual of internal procedures, circulars and instructions). Managers shall identify and assess the risks in their activities and operations areas, including the risk of fraud and corruption, and apply mitigating measures, taking due account of the level of risk involved. Because it is impossible to eliminate all risks, good risk management requires a sound balance of the following aspects: assessment, mitigation, transfer or acceptance of risks. These risks shall be communicated to relevant stakeholders, together with an assessment of the extent to which risks can be mitigated.

Managers shall be vigilant in monitoring irregularities and the risk of fraud. Where managers are concerned about the level of fraud risk within an activity, they may consult the OC for its consideration as to whether a proactive investigation by the OC is justified. Proactive investigations aim to identify and control an existing (but yet unidentified) risk of fraud or financial irregularity.

IV.4. Fraud and corruption risk assessment

Where a high risk of fraud or corruption has been identified within the general risk assessment of activities and operations, an additional and specific fraud and corruption risk assessment may be necessary. This in-depth assessment should be used to better identify fraud and corruption risks and develop effective measures that address these high risks. The aim is to help management to identify and



evaluate areas of the UfMS activities and operations that are most susceptible to fraud, and prioritise where UfMS should focus its resources for fraud and corruption prevention and mitigation.

These fraud and corruption prevention and mitigation measures should be monitored for effectiveness over time, and the fraud risk assessment process may be repeated periodically utilising lessons learned, especially for longer-duration activities.

IV.5. Internal control system

Fraud and corruption can be curtailed by a strong internal control system, where policies and procedures are enforced, and internal controls are appropriately implemented, and staff members, non-staff personnel, vendors, implementing partners and responsible parties, are informed about fraud and corruption and their consequences.

Where managers have identified and assessed the risk of fraud and corruption, these risks can be managed by establishing practices and controls to mitigate the risks, by accepting the risks — but monitoring actual exposure — or by designing ongoing or specific fraud evaluation procedures to deal with individual fraud risks. Within UfMS, this may involve applying controls additional to those specified in the UfMS Internal Procedures.

IV.6 Integrity and other best practices

Best practices with respect to knowing non-staff personnel, vendors, implementing partners and responsible parties, must be followed by UfMS members.

Integrity is a paramount consideration in the recruitment/secondment of staff members and the contracting of non-staff personnel. In this context, UfMS shall ensure when recruiting/contracting individuals that they meet the standards of conduct expected of staff members and non-staff personnel. This can be achieved, for instance, by using specific interview assessment tools for integrity, professional experience and academic checks.

Additionally, with respect to hiring staff members, HR has the duty to enquire about the candidates' possible existence of family relationships and to ensure that the job candidates are aware of and declare any family or spousal relationships, as required by UfMS' procedures on conflicts of interest.

UfMS requires all of its vendors to be qualified, as well as be eligible. UfMS shall not award a contract to any vendor that has been debarred by UfMS or EU Ineligibility List



IV.7 Application and adherence to standards and code of conduct

Standards and code of conduct have been established for staff members and non-staff personnel. In addition, contracts issued to non-staff personnel and vendors stipulate requirements with respect to such non-staff personnel's and vendors' actions in the context of their contractual relationship with UfMS. The observance of such standards of conduct and contractual obligations deters fraud and corruption and encourages the highest standards of professional behaviour.

UfMS members must be guided by the standards of conduct prescribed in the relevant code, the UfMS Staff Regulations and the UfMS Statutes.

V. ROLES AND RESPONSIBILITIES

All UfMS staff members and non-staff personnel have critical roles and responsibilities in ensuring that fraud and corruption are prevented, detected and dealt with promptly. They are responsible for safeguarding resources entrusted to UfMS and for upholding and protecting its reputation. Similarly, all UfMS vendors, implementing partners and responsible parties shall be held to the highest ethical standards, and should report to UfMS any acts of fraud and corruption.

V.1. Staff Members and Non-staff (external)

Staff members and non-staff (external) personnel must understand their roles and responsibilities, and how their job functions and procedures are designed to manage fraud and corruption risks, and how non-compliance may create an opportunity for fraud to occur or go undetected. Staff members have the obligation to complete all mandatory UfMS trainings, and to keep themselves informed of new policies, and report immediately any evidence of practices that indicate fraud or corruption may have occurred. Fraud and corruption, if committed by a staff member, constitutes misconduct for which a disciplinary measure may be imposed, including dismissal, in accordance with the UfMS Legal Framework. Similarly, fraud and corruption by non-staff personnel is not tolerated in accordance with UfMS' zero tolerance policy. Contracts will be terminated where non-staff personnel's involvement in prescribed practices is established. In both instances, the allegations of fraud and corruption may be referred to national authorities for criminal investigation and prosecution of those involved.

Additionally, staff managers are expected to act as role models and through their actions and behaviours set the tone for the rest of the Secretariat. They should foster a culture of zero tolerance for



fraud and corruption, and ensure that any practices not aligned with this Policy are dealt with expeditiously. They are required to go beyond compliance with relevant corporate policies and procedures and to take proactive steps to prevent and identify potential fraud and corruption. In particular, managers are expected to:

- Perform risk assessments to identify potential fraud risks to which their assets, programmes, activities, and interests are exposed;
- Assess the identified risks, select risk-avoidance options, design and implement cost effective prevention, mitigation and control measures;
- Establish/implement measures to prevent the recurrence of fraud; and
- Monitor and supervise the performance, working methods and outputs of their staff to ensure that staff is conducting themselves in ways that meet the most ethical and professional standards; and
- Seek guidance where necessary from the OC.

Managers who fail to take appropriate action or who tolerate or condone fraudulent activities or corruption will be held accountable

V.2. Vendors

Actual and potential UfMS vendors and their employees, personnel and agents, have the duty to interact honestly and with integrity in the provision of goods and services to UfMS, and to report immediately allegations of fraud and corruption to UfMS. Vendors shall be encouraged to establish robust policies and procedures to combat fraud and corrupt practices, and are to cooperate with UfMS auditors and investigators. Whenever a service provider or beneficiary acts as a UfMS implementing partner or a responsible party, they have the duty to ensure that those funds are safeguarded and used for their intended purposes, as authorized by UfMS. service providers and beneficiaries

When allegations concerning possible involvement in fraud or corruption are deemed substantiated, UfMS shall take any administrative actions available to it, including but not limited to vendor sanctions procedures, and shall seek to recover fully any financial loss. In addition, UfMS may terminate contracts, and may refer appropriate cases to national authorities for criminal investigation and prosecution, when applicable.

UfMS has a zero-tolerance policy towards the acceptance of any gift or any offer of hospitality from vendors. UfMS staff will not accept any invitations to sporting or cultural events, offers of holidays or



other recreational trips, transportation, or invitations to lunches or dinners. UfMS vendors shall not offer any benefit such as free goods or services, employment or sales opportunity to a UfMS staff member in order to facilitate the suppliers' business with UfMS.

Post-employment restrictions apply to UfMS staff in service and who participated in the procurement process, if such persons had prior professional dealings with suppliers. UfMS suppliers are to refrain from offering employment to any such person for a period of at least one year following separation from service.

VI. REPORTING FRAUD AND CORRUPTION

Anyone with information regarding fraud or other corrupt practices against UfMS or involving UfMS staff, non-staff personnel, vendors, implementing partners and responsible parties, shall report this information to the OC.

VI.1. Details that should be included in a report of fraud

In order for investigations to be successful, complaints should be as specific as possible. To the extent possible, they should include details such as:

- The type of alleged wrongdoing;
- When, where and how the wrongdoing occurred; and
- Who was involved and may have knowledge of the matters being reported.

Relevant documents or other evidence should be included in the report or provided as soon as possible. However, the absence of any of the above details does not prevent the OC from investigating allegations of fraud or corruption.

VI.2. Confidentiality

Requests for confidentiality by persons making a complaint will be honoured to the extent possible within the legitimate needs of the investigation. All investigations undertaken by OC are confidential. Information will only be disclosed as required by the legitimate needs of the investigation. Investigation reports are confidential, internal OC documents.



VII. INVESTIGATION OF ALLEGATIONS

All allegations of fraud and corruption are taken seriously. Upon receipt of an allegation, OC will assess the case and if it determines that there is sufficient ground to warrant an OC investigation, it will conduct an investigation. In addition, OC may undertake proactive investigations in high risk areas that are susceptible to fraud and corruption.

VIII. ACTION BASED ON INVESTIGATIONS

The allegations, if substantiated by the investigation, will result in disciplinary and/or administrative actions, reporting to local Police/Prosecuting Authorities, or other actions taken by UfMS, depending on the case. The outcomes (other than the ones in penal procedures) may be as follows:

- a) For staff members, disciplinary and/or administrative actions;
- b) For Service Contract holders and Individual Contractors, non-renewal or termination of their contract or other action as deemed necessary.
- d) For vendors, service providers and beneficiaries' termination of the contract and debarment from doing business with UfMS or other sanctions;
- e) Referral to the national authorities of a member state for criminal investigation and prosecution;
- f) Recovery of financial loss and/or assets suffered by UfMS, and return of funds recovered to the respective funding sources; and
- g) Issuance of Management Letters to allow business units concerned to take corrective actions and strengthen internal controls.

IX. REMEDIATION AND IMPLEMENTATION OF LESSONS LEARNED

The OC will also use its collective knowledge gained from lessons learned on investigations to enable UfMS management to be more proactive in dealing with potential systemic weaknesses. When appropriate, OC will provide briefings and reports on risks facing the UfMS and "lessons learned" from investigations to relevant management in UfMS. In addition, if during an investigation OC determines that there is a substantial risk to UfMS personnel or to the UfMS' interest, OC may inform persons with a



need to know of sufficient information about the investigation to allow them to take mitigating measures. Action is then taken to address the problems identified and prevent their recurrence.

The OC shall periodically review the outputs from the investigation processes and the resultant remediation, mitigation, sanctions and recovery cycles, to ensure that this process is operating coherently and timely, and to seek to improve its effectiveness.

X. REPORTING MECHANISM

In order to ensure confidentiality and anonymity when reporting misconduct or fraudulent activities, and avoid fear of retribution, members of the Secretariat can contact the OC at:

oc@ufmsecretariat.org