



ANTI-FRAUD AND ANTI-CORRUPTION POLICY

Anti-Fraud and Anti-Corruption policy:

HI considers the following misbehavior as a valid ground for a systematic exclusion of an awarding market procedure and for the termination of all working relationship and contracts:

- **Fraud** defined as any intentional act or omission relating to:
 - The use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of HI or institutional donor's funds
 - Non-disclosure of information, with the same effect
 - The misapplication of such funds for purposes other than those for which they were originally granted
- **Active corruption:** to deliberately promise or give an advantage to an official for him/her to act or refrain from acting in accordance with his duty in a way which damages or is likely to damage HI or institutional donor's financial interests
- **Collusion:** the co-ordination of firm's competitive behaviour, with the likely result that prices rise, output is restricted and the profits of the colluding companies are higher than they would otherwise be. Collusive behaviour does not always rely on the existence of explicit agreements between firms, but can also be tacit.
- **Coercive practice:** harming or threatening to harm, directly or indirectly, persons, or their property to influence their participation in a procurement process, or affect the execution of a contract.
- **Bribery:** to offer HI employees monetary or in kind gifts in order to gain additional markets or to continue a contract
- **Involvement in a criminal organisation** or any other **illegal activity** established by a judgement, by the US Government, the European Union, the United Nations or any donor funding HI.
- **Immoral Human Resources practices:** exploitation of child labour and the non-respect of basic social rights and working conditions of employees or sub-contractors

HI will exclude from a procurement procedure any candidate or tenderer falling into one of the following cases:

- To be **bankrupt** or to be wound up, to have affairs administered by the courts, to have enter into an arrangement with creditors, to have suspended business activities, to be the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations
- To have been **convicted of an offence** concerning professional conduct by a judgement that has the force of *res judicata*
- To have been **guilty of grave professional misconduct** proven by any means that HI can justify
- To have not fulfilled obligations relating to the payment of **social security contributions** or the **payment of taxes** in accordance with the legal provisions of the country in which they are established or with those of the country where HI mission is operating or those of the country where the contract is to be performed
- They have been the **subject of a judgement** for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Communities' financial interests
- To have been declared to be in **serious breach of contract** for failure to comply with their contractual obligations in another previous procurement procedure



HI will not award contracts to candidates or tenderers who, during the procurement procedure:

- Are subject to a conflict of interest
- Are guilty of misrepresentation in supplying the information required HI as a condition of participation in the contract procedure or fail to supply this information

III - Administrative and financial sanctions

In the event a Service Provider, candidate or tenderer is engaged in corrupt, fraudulent, collusive or coercive practices HI will impose:

- **Administrative sanctions:**

Administrative sanctions are the official notification of the misconduct to the relevant civil or commercial authorities and the immediate termination of all existing working relationships.

- **Financial sanctions:**

HI will request the reimbursement of the cost linked directly and directly to the conduct of a new tendering process or market award. If any, the tender or performance guarantee will be kept by HI.

IV - Information of the Donors

HI will inform immediately the Institutional Donors and will provide all the relevant information in the event a Service Provider, candidate or tenderer is engaged in corrupt, fraudulent, collusive or coercive practices.

V - Provision for institutional donors

The contractors agree to guarantee a right of access to their financial and accounting documents to the representatives of HI's institutional donors for the purposes of checks and audits.