



SolidarMed Guidelines
to prevent

Corruption, Fraud and Conflicts of Interest (CFCI)

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1. Purpose and Scope

Corruption, fraud and conflicts of interest impede the efficient and effective use of funds, inhibit sustainable development and hinder the impact of the work of SolidarMed (SM). Our engagement against corruption, fraud and conflicts of interest therefore contributes to the effective and the purposeful, contractually, legally and morally correct employment of entrusted means.

The present guidelines on Corruption, Fraud and Conflicts of interest (CFCI) describe the main principles, roles and responsibilities, prevention measures and sanctions, as well as the complaint mechanism. They serve to:

- tackle CFCI proactively and through effective prevention and early detection
- sensitize employees and partners
- assure employees, partners and funders of SM's commitment to accountability
- define roles, responsibilities and mechanisms

2. Principles

2.1. Zero tolerance and respect of law

SM affirms and respects the right of people to be protected against the practice and consequences of corruption and fraud, regardless of gender, ethnicity, religion, culture, sexual orientation, education, social status or nationality. Based on its zero-tolerance policy, SM explicitly prohibits all forms of corruption and fraud.

SM's statutes and internal regulations constitute the binding framework for our operations. In addition, all activities of SM and its contractual partners and suppliers must respect the national civil and penal codes / law.

2.2. Confidentiality

Individuals who express a suspicion are protected. Confidential and sensitive data and information are treated in a confidential manner.

2.3 Prevention and management of conflicts of interest

SM and its employees are required to take all necessary measures to avoid and - where this is not possible - manage any actual, apparent or perceived conflict of interest that would adversely affect the interests of SM, its funding partners or our beneficiaries.

3. Definitions

3.2. Corruption

Corruption is the abuse of power for private gain and purposes. It describes the offering, giving, soliciting or acceptance of an award which may improperly influence the action of any person. Corruption covers all forms of use of resources and competences which are contrary to duty and/or illegal. It can adopt different forms:

- **Coercion:** To force somebody by means of violence or threat, e.g. threatening severe disadvantages
- **Active bribery:** To offer, promise or grant an undue advantage¹ or compensation for a certain act, e.g. to authorities, companies, partner organizations or employees
- **Passive bribery:** To demand or accept an undue advantage or compensation for a certain act; e.g. from authorities, companies, partner organizations or employees

3.3. Fraud

Fraud is the intentional distortion, deceit, trickery, perversion and breach of truth or confidence, relating to an organization's financial, material, or human resources, assets, services or transactions for the purpose of personal gain or benefit. Fraud can adopt different forms:

- **Falsification of documents**, e.g. altering, changing, modifying or creating a document
- **Misappropriation or diversion of assets** or funds to a purpose other than originally planned
- **Mismanagement** to gain a private advantage
- **Preferential treatment** based on family, friendship, ethnic or other ties. Key elements of such favoritism/nepotism are the preference of personal over institutional interest, abuse of authority and disrespect of the 'equal treatment' principle

3.4. Conflicts of interest

There are many types of conflicts of interest. They typically arise when a person has an interest that compromises his/her professional judgement/objectivity and improperly influences his/her official responsibilities or decision-making. Personal interests include direct interests as well as those of family, friends, or other organizations a person is involved with, e.g. as shareholder. It also includes conflicts between an employee's duty to SM and his/ her duty to another organization/institution.

A conflict of interest may be actual, potential, financial or non-financial. Conflicts of interest also include situations where the conflict of interest is not real, but only perceived. If there is doubt whether a conflict of interest really exists or is only perceived, the employee shall refer to the line manager or head of department to jointly clarify this question.

Conflicts of interest commonly arise and do not need to present a problem if they are openly and effectively managed. Failure to recognize and appropriately manage conflicts of interest can result in adverse consequences for SM, donor institutions, beneficiaries and partners.

Conflicts of interest can adopt different forms:

- Presence of financial or other incentives that can favor the selection of a specific contractor or service provider

¹ Undue advantages or compensations include all material and immaterial advantages which surpass what is contractually defined or socially accepted and which are more than insignificant, including inappropriate gifts.

- Possibility to gain a personal advantage through influencing specific material or administrative decisions
- Possibility of financial, professional or career advantages through influencing the design, decision and outcome of a particular program, project or activity
- Reception of financial or other inappropriate benefits (e.g. presents, gifts) as a result of the employee's position at SM
- Existing engagement (e.g. financial, personal, professional, career) in a SM's activities or projects influences his or her judgment in carrying out the duties and responsibilities within the organization
- Possibility to offer advantages and benefits to third parties in a function as SM representative, resulting in a personal, financial or career benefits

4. Responsibilities

In order to avoid corruption, fraud and conflicts of interest and to strengthen the proper, responsible, transparent, and unprejudiced management in accordance with the mission of SM, the following duties and responsibilities apply.

4.1. Individual responsibilities

Employees, partners, service providers and assisted organizations are responsible:

- to act with integrity and exercise good judgment and discretion in line with the values of SM
- to apply the entrusted resources and competences dutifully and to fulfil the assignment in a legal, reliable, credible, effective, target-oriented and efficient way
- to abstain from engaging in any form of corruption or fraud
- to comply with the applicable in-country law and the internal regulations of SM
- to report incidents of corruption and fraud through the complaint mechanism
- to avoid situations that give rise to conflicts of interest or their perception
- to report promptly about the existence of an actual or potential conflict of interest to the line manager
- to abstain from decisions – and even, if appropriate, from discussions - in case of existing conflicts of interests

4.2. Board

The SM board² confirms the organization's zero-tolerance policy towards corruption and fraud and commits to a culture of legal compliance and integrity. It ensures and overviews the establishment of appropriately and adequately resourced prevention and compliance mechanisms.

² Vorstand

4.3. Directorate

The directorate³ assesses SM's compliance with its integrity regulations including those on corruption, fraud and conflicts of interest. It implements an appropriately and adequately resourced compliance mechanism that includes periodic risk assessments, targeted training, and effective monitoring for the team at head office Lucerne and the country teams. In order to ensure the dissemination and implementation of the integrity codex, the directorate takes appropriate measures.

4.4. Desk officers/Programme Managers

Desk officers are the main contacts for country directors regarding this topic and give technical support to the country teams. They are responsible to raise awareness and to provide guidance, e.g. through sensitization material, updates, provision of integrity guidelines, information about complaint channels etc. In the area of their country program, they aim to ensure that employees are aware of their obligations to avoid, disclose and manage conflicts of interest. Finally, if they receive complaints, they forward them immediately to the notification officer (see also 4.6) and inform the head of programs.

4.5. Country directors

The country directors ensure effective in-country measures against corruption, fraud and conflicts of interest. They have the obligation to disseminate information on the integrity guidelines in their respective country programs. Country directors undertake regular risk assessments on corruption, fraud and conflicts of interest and plan and implement preventive and corrective measures. They report back to the desk officers about plans, progress and challenges and receive assistance from the desk officers where needed.

To support them, country directors can appoint a local anti-corruption, fraud and conflict of interest focal point.

4.6. Notification officer

SM internally defines a notification officer, who can receive complaints through various channels. S/he then establishes a report with recommendations to the hands of the directorate. The directorate then decides whether investigations will be carried out or not. In case investigations are not initiated, the notification officer informs all involved parties as well as the indicating party.

4.7. Case management team

The directorate of SM discusses the case and decides who will conduct the investigations. If needed, the directorate can appoint a case management team, which then leads the investigations. The case management team reports to the directorate on steps taken and the final result as appropriate.

5. Prevention

5.1. Board and directorate

The board of SM formulates the SM integrity guidelines in line with the statutes, mission and vision, and ZEWO guidelines. Together with the directorate it ensures their implementation, and the availability of the complaint mechanism.

All members of the SM board and directorate should avoid any potential conflict of interest, report on it in case it arises and then refrain from decisions on the respective matters. To make potential conflict of interest transparent, a list of the official functions, roles and mandates of the of the SM board and

³ Geschäftsleitung

directorates members apart from their position at SM is disclosed in the SM financial report on an annual basis. This list also includes all essential transactions (financial, goods, services) between SM and the board or directorates members, including persons close to them.

5.2. Management

All superiors attach importance to the prevention of corruption, fraud and conflicts of interest and communicate their support.

All superiors actively promote the **sensitization** of employees, partners and service providers and guarantee that these know the respective SM guidelines⁴. In addition, they ensure internal **competence building** for the employees.

Superiors ensure that adequate control and prevention **tools and processes** are developed and in place, complied with, and regularly reviewed.

Superiors provide a **safe work environment** which allows employees to report any cases of corruption, fraud and conflicts of interest. By means of adequate measures, they ensure that employees can report suspicions without fear of reprisal, and they protect employees from pressure of third parties.

5.3. Recruitment and employment

In the recruitment of new employees, special attention is given to minimize the risk of nepotism, corruption, fraud and conflicts of interest. In particular, it has to be assured that future employees have an impeccable reputation regarding these issues and are assessed on ethics and their values. References of former employers have to be taken into account and systematically documented.

Superiors must ensure that new employees are informed about the regulations on corruption, fraud and conflicts of interest during their induction, that they have read, understood and signed them as part of their contract. Information about the regulations on corruption, fraud and conflicts of interest must be reiterated during the end of probation appraisal and in future appraisal meetings.

5.4. Program management

SM screens all possible partners, service providers and assisted organizations systematically before starting or renewing a cooperation. The issue of corruption, fraud and conflicts of interest is addressed before the start of a cooperation⁵.

- **Collaborative organizations** are systematically assessed through a partnership appraisal led by the project manager. The cooperation with assisted collaborative organizations is based on specific funding schemes, defined at project level. Regular exchanges with collaborative organizations take place during the collaboration to ensure that measures are in place to prevent corruption, fraud and conflicts of interest and that collaborative organizations comply with the requirements.
- **Service providers** are selected according to the process as defined in the procurement guidelines.
- **Contracts** with partners, service providers and assisted organizations include a specific clause on corruption, fraud and conflicts of interest. SM also offers **support** to its collaborative organizations and service providers in their efforts to fight corruption and fraud and to deal with conflicts of interest.

⁴ It is, for example, a specific duty of all desk officers and country directors to ensure that the country teams know, understand and follow these guidelines. As it is the specific duty of the heads of department at the office in Switzerland to ensure that their teams know, understand and follow these guidelines.

⁵ This applies for partners and cooperations both in Switzerland and the program countries

5.5. Audits and internal control systems⁶

The annual independent external audits contribute to reviewing the effectiveness and appropriateness of the prevention and control system. The regular internal audits, in addition, provide support to the organizational prevention of corruption and fraud risks by identifying weaknesses, room for improvement, issuing recommendations and giving technical support.

To prevent corruption, it is important to clearly define the level of authority and competences of individuals and analyse the potential of associated risks. Organizational measures within the framework of an internal control system (ICS), e.g. collective signature, reduce the risk of abuse of power and pressure on employees. The ICS identifies and evaluates fraud risks and defines implementation and mitigation measures. At head office, the internal controls are integrated in the finance system. At country level, the organizational handbooks provide instructions on minimal standards of the ICS.

6. Complaint mechanisms

Reporting of suspicions through a formalized, easy to use complaint mechanism is decisive for an efficient fight against corruption and fraud. If employees have reason to suspect or are informed about corruption, fraud or conflicts of interest, they have the right and the obligation to report it immediately. While anonymous complaints are accepted, whistle-blowers are encouraged to provide their names to facilitate the case management. SM provides different channels:

Reporting to the superior line manager or head of department⁷. Both will forward the complaint to the notification officer

File a complaint per email through integrity@solidarmed.ch

Contact the independent SM - whistle-blower organism as indicated on the SM homepage (per phone or mail; all languages allowed). As per September 2020, this is:

www.safecall.co.uk/report, +44 800 915 15 71

Fill in the complaint form on the SM homepage

The complaint mechanism and its channels will be reviewed and evaluated annually by the notification officer together with the case management team to identify any malfunction and to propose ways to improve it.

7. Case management

SM is committed to investigate any suspicion about any form of corruption, fraud and conflicts of interest fairly, promptly and efficiently. The complaint and the process involving allegations of misconduct will be kept confidential whenever possible. Case management will be steered by the case management team, if necessary, together with internal or external auditors. This way, patterns can be discovered, and strategies developed to adapt policies and procedures to prevent the future occurrence of cases.

SM does not tolerate malicious complaints and false allegations. Any staff member who makes knowingly or proven false allegations against an employee shall be subject to disciplinary procedures and sanctions.

⁶ ICS

⁷ Head of International Program Department (HIPD) when it comes to country programs

8. Sanctions and consequences

Sanctions: If the case management team confirms that the employee is culpable, adequate sanctions are imposed and legal measures are taken if appropriate. In case of minor infringements, written warnings may be delivered and noted in the personnel dossier. Recurrence or serious infringements are sanctioned with immediate release from work and dismissal, in accordance with the applicable legal framework.

Other consequences: If a corruption, fraud or conflicts of interest case occurs and other organizations such as contracting authorities or funding partners bear a damage, they are contacted to inform them about what has happened and the measures that will be implemented.

Sharing of lessons learnt: Lessons learnt of cases are shared regularly with the employees and the entire organization. In addition, the notification officer establishes the Annual Anti-Corruption, Fraud and Conflicts of Interest Report for the attention of the directorate and audit committee. The report describes

- the commitment of the organization to fighting corruption, fraud and conflicts of interest
- the prevention measures taken during the year
- the cases that occurred, how they were handled and the sanctions which were applied

9. Scope of application

These regulations apply to all employees worldwide⁸ in any contractual relationship with SM, including interns, volunteers, board members, advisory board members as well as service providers, at all times during their assignment with SM. The regulations are an integral part of any employment contract with SM.

All organizations with whom SolidarMed collaborates and has financial transactions are made aware of our relevant policies and regulations during partnership negotiations.

10. Policy management

- Policy approved date: 24.09.2020
- Policy approved by: SolidarMed board
- Policy version: 1.0
- Policy language: English only
- Policy review: Every 4 years
- Policy owner (in charge of conducting review, dissemination, training and learning): SolidarMed focal point gender

⁸ In Switzerland, the program countries or any other country