



## IFS POLICY DOCUMENT Anti-corruption Policy

APPROVED: 50<sup>TH</sup> IFS BOARD OF TRUSTEES MEETING, 2020

Value creation at IFS must take place in accordance with an acceptable code of conduct and in compliance with all applicable laws. As a consequence, IFS has zero tolerance for corruption. Corruption hampers economic development, inhibits competitiveness and undermines both the rule of law and the democratic process in a society.

We are aware that bribery and corruption can take many forms including cash or gifts to an individual or family members, inflated commissions, fake consultancy agreements, unauthorised rebates, political or charitable donations. Common business practices, if abused, can be construed as corrupt payments. For example, excessive or inappropriate entertainment, paying for the travel of spouses, or inappropriate non-business-related travel could be a problem. In some cases, the offer of the inducement is unlawful, even if it is not accepted. Giving, offering, requesting and receiving a bribe are all forms of corruption, even if made indirectly through a third party. Intangible benefits such as favours can be corruption if offered in exchange for other tangible or intangible benefits.

We take a firm and clear stance in relation to relevant authorities; we demand and receive professionalism and high ethical standards on the part of our employees and provide support to staff where and if necessary. IFS's anti-corruption approach includes the following principles:

- IFS tolerate neither active (attempts to bribe others) nor passive corruption (allowing oneself to be bribed).
- IFS reject the system of so-called facilitation payments, i.e., paying small amounts to civil servants, for example, in order to have routine services carried out. Demands of this type shall be met with a firm, dismissive attitude.
- Gifts, if they ever occur, shall be made openly. They shall not take the form of cash, must have a clear, legitimate basis in local business and shall have a minimal cash value.
- Payment of travel, dinners and arrangements shall have a clear business basis and shall take place openly.
- IFS attach importance to raising of employee awareness to ensure compliance with national legislation and IFS policies.

- IFS aspires to a culture where difficult matters are discussed openly and where employees find that it is both possible and desirable to take up dilemmas. The work of preventing unethical business conduct is a continuous and ongoing task.

We assess carefully every grant application for scientific and personal integrity and reject any that fall short of our anti-corruption approach. We and all partner organisations are audited annually. An institution supporting an IFS grantee must contractually agree to provide all facilities necessary for the execution of the research project and its grant administration, the rights and responsibilities of that institution are laid out in the IFS Research Grant Agreement that is signed between IFS, the grantee, and the institution. We visit grantees and institutions wherever possible during the course of our duty travel.

The following governance and accountability structures are in place: Grant expenditure is carefully monitored at the proposal stage, during the granting period, and at final reporting. Every IFS grantee must be associated with an annually-audited national research institution. The institution must contractually agree with IFS to provide the grantee with working space, access to laboratory and office facilities like internet, phone, photocopying etc. IFS does not fund institutional overheads or honoraria. The IFS grant will only cover costs needed to execute the research project. The total budget cannot exceed USD 15,000 for a Basic Grant and 20,000 for an Advanced Grant.

The budget items are scrutinised by experienced, independent Scientific Advisors and must be adjudged relevant to the proposed research plan and should be justified under item 11.6 of the application to be admissible.

Applicants are required to explain budget items in detail, or their grant will not be awarded.

Equipment is considered as items that have an individual cost of USD 500 or more and a life duration of more than three years. Applicants must specify and describe each item and give to the best of their knowledge: manufacturer, model/type, accessories if needed and a realistic estimate of the cost for each item, including freight charges, insurance, and taxes for items to be imported.

The IFS Purchaser scrutinizes each grant to ensure that the most appropriate equipment for the project is purchased. In many cases the Purchaser makes the purchase for the grantee. Cars or motor vehicles cannot be purchased from the IFS grant. Mopeds or scooters may be considered if such needs for local transportation are convincingly explained. Normally no more than 12% of the grant should be allocated to extra manpower. If the budget proposes costs for extra manpower above 12% of the total budget, then a detailed justification is required under item 11.6. IFS follow all international trade agreements and trade embargos. In practice, this means that IFS do not purchase and transfer equipment or materials between countries when such transfers are restricted by one or both countries. Final reports are scrutinized by Scientific Advisory Committees.

Although IFS has had little contact with corruption, we are aware that this is a risk that every organization has to deal with. If we are subjected to inappropriate behaviour, this shall be met with:

- A firm and clear stance in relation to relevant authorities and organizational connections.
- Professionalism and a high ethical standard on the part of our employees.
- Support to all staff from management where necessary.
- IFS is committed to conducting business in accordance with all applicable laws, rules and regulations and the highest ethical standards. Our strategy to avoid fraud and corruption is to maximize transparency and accountability related to all business conducted by IFS. Employees, Trustees, Scientific Advisory Committees, project partners and consultants are all made aware of our policies as part of their Terms of Reference/agreements and required to sign conflict of interest statements and/or acknowledge their responsibility to disclose all potential conflicts and report potential fraud as part of their signed agreements.
- When a case of corruption is reported/suspected, information should be shared with the Board and donors by the Director as soon as possible, and an investigation is started. Depending on the size and circumstances, this investigation is done internally or externally. When corruption is concluded, auditors are also to be informed, including process, findings and recommendations for adequate follow-up.