POLICY AGAINST FRAUD AND OTHER CORRUPT PRACTICES

1. The Organization is entrusted with significant resources and commensurately significant responsibilities in their proper administration. With the Organization’s overriding mandate of ensuring humanity’s freedom from hunger, it is imperative that all resources allocated for this purpose, both human and financial, are not diverted from their goal.

2. The Organization is committed to ensuring that its resources are used solely for their intended purpose, that all operations are free from fraud and other corrupt practices, and to being held accountable to donors and beneficiaries for the implementation of its programmes. The Organization therefore has zero-tolerance for fraud and other corrupt practices.

I. Scope

3. This Policy applies to all activities and operations of the Organization, irrespective of the source of funding and regardless of location. This Policy applies to all FAO Personnel\(^1\), and to all contractual arrangements between the Organization and external parties, including entities with which the Organization enters into contracts or agreements pursuant to Chapters V (Property & Services) and VII (Operational Modalities) of the Administrative Manual.


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\(^1\) For the purposes of this Policy, “FAO Personnel” is used to refer to staff members and other personnel within the meaning of Staff Regulation 301.13.6, including Consultants under Manual Section 317, and to subscribers to Personal Services Agreements under Manual Section 319, interns and volunteers, and any other individual engaged directly by the Organization.
II. Definitions

5. For the purposes of this Policy, fraud and other corrupt practices include:

a) “Corrupt practice” – the offering, giving, receiving or soliciting, directly or indirectly, of anything of value, whether tangible or intangible, to improperly influence the actions of another party.

b) “Fraudulent practice” – any act or omission, including misrepresentation, that knowingly or recklessly misleads, or attempts to mislead a party to obtain a financial or other benefit, or to avoid an obligation.

c) “Collusive practice” – an arrangement between two or more parties designed to achieve an improper purpose, including to influence improperly the actions of another party.

d) “Coercive practice” – impairing or harming, or threatening to impair or harm, directly or indirectly, any party or the property of the party to influence improperly the actions of a party.

e) “Improper use of the Organization’s resources” – any unauthorized, material use of property assets, professional services or resources belonging to the Organization for private purposes.

f) “Obstructive practice” – the act of knowingly inhibiting or failing to cooperate with an investigation, including, but not limited to, not responding fully or accurately to enquiries by the Office of the Inspector General (OIG); delaying the provision of information to OIG; intentionally providing false or misleading information; withholding, destroying, altering or concealing evidence; intimidating, harassing or threatening any potential witness to prevent the disclosure of facts relevant to the investigation; misrepresenting facts; or otherwise knowingly hindering the proper and timely conduct of an investigation.

III. Zero tolerance

6. The Organization has zero-tolerance for fraud and other corrupt practices, as they pose a grave threat to the effective implementation of the Organization’s mandate. This includes any conduct that instigates, attempts, assists, or amounts to conspiring to engage in, or cooperate in, fraud or other corrupt practices. Zero tolerance means more than reacting to established instances of fraud. It encompasses a comprehensive approach that includes effective measures to prevent, identify and combat fraud.

7. Fraud and other corrupt practices are misconduct and are contrary to the Standards of Conduct for the International Civil Service (Manual Section 304 Appendix A refers). To protect the integrity and efficiency of the Organization, administrative action and/or disciplinary measures will be taken in respect of FAO Personnel found to have engaged in fraud or other corrupt practices, up to and including summary dismissal or termination of contract. In the case of entities with which the Organization enters into contracts or agreements, appropriate action, such as debarment from working with the Organization, will be taken. Recoveries may also be made from salaries, terminal emoluments, and other payments.
IV. Prevention and Detection

8. The Organization has rules, administrative procedures, and internal controls for preventing and detecting fraud and other corrupt practices. The Organization takes steps to ensure that its rules and procedures reflect its position against fraud and other corrupt practices and that they are consistently applied.

A. Fraud Risk Management

Risk identification

9. All Offices/Centres/Divisions at headquarters and all Decentralized Offices are required to identify fraud risks and implement fraud risk mitigation in accordance with applicable guidance. Fraud risk mitigation must consider all fraud risks, including level of fraud risk awareness, operational modalities, procurement, disbursements, vehicles, inventory and asset management, and human resources administration.

10. The identified fraud risks for the Office/Centre/Division at headquarters or Decentralized Offices should be shared with and available to all FAO Personnel in the headquarters unit and Decentralized Offices.

Risk Management Focal Points

11. At headquarters, risk management focal points are designated by senior management for each reporting line, to act as the main contact point for risk management and to assist with monitoring the implementation of the fraud mitigation in the units in their reporting line. The head of the Office/Centre/Division remains accountable for ensuring good risk management and implementation of risk mitigating actions.

12. Each Regional Representative and Head of Country Office designates a risk management focal point to assist with the identification and monitoring of risks, including fraud risks, and the implementation of the related mitigating actions and in exercising internal controls to prevent and detect fraud and other corrupt practices, including through awareness-raising activities and the dissemination of this Policy. The heads of Decentralized Offices remain accountable for ensuring good risk management and implementation of risk mitigating actions.

13. Risk management focal points at the Regional Office are also responsible for regularly following up with the Country Offices in the Region to ensure that the country risk logs are updated with potential fraud risks and mitigating actions are implemented.

B. Training and awareness-raising

14. Effective training and awareness-raising helps mitigate fraud risks, increase the effectiveness of anti-fraud controls, and ensure that anti-fraud policies and reporting protocols are followed.

15. The Organization provides training on fraud that aims to ensure that all FAO Personnel understand what fraud is, know how to recognize fraud risks and signs (red flags), how to support fraud prevention and how to report suspected fraud. All FAO Personnel must complete the
mandatory training that is provided through the Organization’s online training platform. Managers are responsible for ensuring the compliance of the personnel that they supervise with mandatory training requirements.

16. Managers are responsible for ensuring that FAO Personnel who are involved in the procurement or selection process for entities with which the Organization enters into contracts or agreements pursuant to Chapters V and VII of the Administrative Manual Section, or in the management of the contractual relationship with these entities, are made aware of this Policy and have completed the mandatory training.

V. Roles and responsibilities

A. FAO Personnel

17. All FAO Personnel must be committed to the highest standards of efficiency and integrity and must not engage in actions or omissions that would amount to fraud or other corrupt practices.

18. The responsibilities of all FAO Personnel in respect of prevention and detection of fraud and other corrupt practices go beyond merely abstaining from engaging in these practices. All FAO Personnel must know the Organization’s rules and policies and ensure their full compliance with them.

19. FAO Personnel have an obligation to immediately report any reasonable suspicion or indication of fraudulent, corrupt, coercive, or collusive practices or improper use of the Organization’s resources through appropriate channels (see paragraph 40 below), and to cooperate with any administrative or oversight activity, such as an investigation, into allegations of misconduct.

20. FAO Personnel who are responsible for administration or operational activities have an obligation to ensure that the proper checks are carried out in the implementation of activities, report suspicions of potential misconduct, implement internal controls, stay informed about emergent fraud risks, and complete the training relevant to their responsibilities.

B. Managers

21. Managers at all levels set the tone by:
   a) Promoting and maintaining a culture of integrity.
   b) Emphasizing zero tolerance for fraud and other corrupt practices.
   c) Encouraging openness and transparency in relation to risks of fraud and other corrupt practices.
   d) Demonstrating, through their instructions, actions and behaviour, the importance of integrity in supporting the functioning of the system of internal control.

22. Managers are responsible, with the assistance of the relevant support units, for assessing the risks of fraud and other corrupt practices and for taking measures to prevent and detect fraud and other corrupt practices within their area of responsibility. Managers must, on an ongoing basis:
a) Identify potential risks to which their assets, inventories, programme activities and interests are exposed, as well as the factors creating these risks.
b) Assess the identified risks and develop appropriate risk mitigation options, including the design and implementation of cost-effective prevention and control measures.
c) Implement new or improved measures to prevent the recurrence of incidents.
d) Seek guidance from relevant offices in case of doubt or difficulties managing their own or their subordinates’ responsibilities under this Policy.

23. When Managers have identified and assessed the risk of fraud and other corrupt practices, and accordingly recorded it in the risk log, they should develop appropriate measures to mitigate that risk, including putting in place adequately designed anti-fraud controls and continuous monitoring to ensure the effectiveness of the risk mitigation measures.

24. Managers should raise awareness of this Policy and remind FAO Personnel of their obligation to report fraud and other corrupt practices. Managers are responsible, with the assistance of the relevant support units, for proactively ensuring adherence of FAO Personnel under their supervision to the established system of internal control to prevent and detect fraud and other corrupt practices.

25. Managers have a duty to discharge their responsibilities proactively and diligently. Managers who fail to take appropriate actions in this connection or who directly or indirectly ignore signs of, tolerate, or condone, actions or omissions that would violate this Policy, may themselves be held accountable for violations of this Policy.

C. Specific units at headquarters

26. Heads of units with responsibilities entailing the development and maintenance of policies and processes (‘policy owners’) are accountable for identifying and monitoring fraud risks arising throughout the Organization in the area covered by such policies and for developing procedures and tools to manage related fraud risks.

27. The heads of these units are required to carry out a fraud risk assessment with the aim of identifying the areas covered by the policies that are most at risk of fraud and corruption, and to assess the level of risks and prioritise resources for prevention and mitigation. Fraud risk assessments should be carried out when a policy or process is introduced, undergoes a major change, or when there is any concern regarding the integrity of operations.

28. Once risks have been identified, assessed, and prioritised, suitable mitigating measures should be defined, including different forms of internal control.

D. The Office of Strategy, Programme and Budget

29. The Office of Strategy, Programme and Budget (OSP) is the originator of this Policy and oversees Enterprise Risk Management (ERM) for the Organization. Through its ERM activities, OSP provides support, guidance and training in anti-fraud and anti-corruption measures at the organizational level, as well as assistance to headquarters units and Decentralized Offices.
E. The Office of the Inspector General

30. The mission of the Office of the Inspector General (OIG) is to provide oversight of FAO's programmes and operations through internal audit and investigation. The Inspector General exercises operational independence in the conduct of these duties. In pursuing its mission, OIG has full, free and prompt access to all accounts, records, property, personnel, operations and functions within the Organization.

31. Pursuant to OIG's Charter, internal auditing is an independent, objective assurance and consulting activity that is responsible for evaluating and contributing to the effectiveness of the Organization's risk management, control, and governance processes. Based on the results of its audit work, OIG may make recommendations to management to improve management of risks, including risks of fraud and other corrupt practices.

32. Pursuant to its Charter, OIG has sole responsibility for the conduct of all investigations in FAO. OIG assesses and investigates allegations of misconduct involving FAO personnel, and allegations of misconduct involving entities with which the Organization enters into contracts or agreements. OIG considers all information regarding potential misconduct irrespective of its source and reviews the matters brought to its attention in accordance with its Charter and the FAO Investigation Guidelines.

33. The purpose of OIG investigative activities is to examine and determine whether misconduct, including fraud or other corrupt practices, has occurred. During the course of its investigative activities, OIG may recommend interim or mitigating measures deemed to be in the best interests of the Organization, such as suspension from duty pending investigation. Where OIG determines that fraud or other corrupt practices have occurred, it will set out its findings in a strictly confidential investigation report issued to the Director-General or delegated authority.

F. The Ethics Office

34. The Ethics Office fosters a culture of ethical and functional integrity, and respect for the dignity, diversity, and rights of all FAO Personnel in compliance with the Staff Regulations, Staff Rules and Administrative Manual, including the Standards of Conduct for the International Civil Service (Manual Section 304 Appendix A).

35. The Ethics Office manages the Organization's annual disclosure programme pursuant to Staff Regulation 301.1.11 and has a key role under the Whistleblower Protection Policy (Administrative Circular 2021/10 Corr.2).

VI. Vendors, Service Providers, Operational Partners and other entities

36. Vendors (Manual Section 502), Service Providers (Manual Section 507), Operational Partners (Manual Section 701) and other entities are required by the Organization to actively ensure that their operations align with UN principles, including, but not limited to, standards of ethical conduct regarding fraud and corruption, conflict of interest, gifts and hospitality, and post-employment restrictions.
37. Contracts and agreements must stipulate the requirements with respect to fraud. These entities must agree to abide by the UN Supplier Code of Conduct, as applicable, and to report to FAO any fraud or other corrupt activities, or allegations of such that they may receive.

38. No contract may be awarded to any entity that has been debarred, as recorded in the United Nations Ineligibility List, which is hosted and maintained confidentially by the United Nations Global Marketplace (UNGM).

VII. Reporting Fraud

39. It is an obligation of all FAO Personnel to report potential fraud and other corrupt practices by making a complaint to OIG or bringing their concern to the attention of a higher-level official, who must refer the matter to OIG.

40. As set out in paragraphs 30-33 above, OIG is the office designated to receive and review complaints of possible misconduct, including fraud and other corrupt practices. Anyone, including FAO Personnel, may submit a complaint to OIG through the strictly confidential channels listed below:

   a) FAO Hotline “Report Misconduct Online” web form, accessible at fao.ethicspoint.com (the principal channel for the Office of the Inspector General (OIG) to receive complaints of misconduct and for the Ethics Office to receive complaints of retaliation).
   b) FAO Hotline by telephone (worldwide numbers with interpretation available 24/7).
   c) Confidential email: Investigations-hotline@fao.org
   d) Address (mail or in person):
      Office of the Inspector General
      Building A, 4th floor
      Food and Agriculture Organization of the United Nations
      Viale delle Terme di Caracalla, Rome 00153, Italy

41. In order to facilitate investigations, complaints should be as specific as possible. To the extent possible, a complaint should include details such as the type of alleged misconduct, where and when the events occurred, who is involved, and who has knowledge about the matters being reported. Further information or evidence that may assist OIG in assessing the matter should be included with the complaint or sent as soon as possible thereafter.

42. Individuals wishing to withhold their identity may make anonymous complaints of misconduct to OIG. In all cases, OIG will treat information received in a strictly confidential manner and will only disclose information as necessary to carry out its investigative mandate.

   A. Confidentiality

43. All FAO Personnel have an obligation to keep strictly confidential any information relating to, or arising from, an investigation. Anyone involved in an investigation, including the complainant, the subject of the investigation, and witnesses, benefit from the confidentiality provisions contained
44. OIG has the responsibility to maintain the security and confidentiality of all information, including documentary and physical evidence, related to investigations. OIG must ensure strict confidentiality is applied with respect to the identity of the individuals involved in its investigative activities, and with respect to any information that could lead to their identification, unless it is determined that the individual has wilfully provided information in the knowledge that it was false or with intent to misinform.

B. Whistleblower Protection

45. The Whistleblower Protection Policy (Administrative Circular 2021/10) provides protection against retaliation. The objective of the Whistleblower Protection Policy is to encourage individuals to speak up about misconduct by protecting anyone who reports possible misconduct in good faith. The Ethics Office is responsible for receiving complaints of retaliation (see paragraph 35 above).

C. Cooperation within UN system and with national authorities

46. To promote United Nations System-wide initiatives to combat fraud and other corrupt practices, the Organization will share information on entities who engage in these practices, as determined as a result of investigations and in accordance with applicable procedures.

47. To the extent consistent with its privileges and immunities, the Organization will cooperate with national authorities investigating allegations of fraud or other corrupt practices involving FAO Personnel. In addition, the Director-General may refer to national authorities any evidence of fraud or other corrupt practices for possible criminal prosecution, debt recovery, or other appropriate action, in line with established procedures (Administrative Circular 2024/04 – Referral of Alleged Criminal Conduct to National Authorities for Investigation and Possible Prosecution refers).

48. This Administrative Circular supersedes and replaces Administrative Circular 2015/08 – Policy Against Fraud and Other Corrupt Practices.