

ANTI-FRAUD AND ANTI-CORRUPTION POLICY

ENGAGEMENT OF INTERMEDIARIES - GUIDANCE

JULY 2022 – VERSION 1

Section 2.12 of the Anti-Fraud and Anti-Corruption Policy states:

Mercy Corps may retain a local individual or company (an intermediary) to help conduct routine government actions (e.g., visas, permits, vehicle registrations). Although these intermediaries may provide entirely legitimate advice regarding local customs and procedures and may assist with routine government actions, there is a high risk of corruption when third-party intermediaries are involved. Due to this risk, Mercy Corps requires all Team Members to immediately disclose to the Ethics and Compliance Department the engagement of an intermediary for routine government actions. Before engaging intermediaries to conduct routine government actions for Mercy Corps, Team Members and Partners should follow the process outlined in [this guidance document].

This guidance document outlines the steps that country teams should take to engage intermediaries to help conduct routine government actions.

Steps to Engage Intermediaries

In addition to following the Engaging Independent Contractor Policy, the following steps should be taken by a country team when retaining a local individual or company (an intermediary) to help conduct routine government actions (e.g., visas, permits, vehicle registrations).

1. Conduct anti-corruption due diligence

Anti-corruption due diligence should be performed to confirm that the intermediary does not have a history or reputation for corruption or similar wrongdoing. Appropriate anti-corruption due diligence includes Ineligibility & Compliance Checking, check against country gray list, and disclosure of any potential conflict of interest.

2. Ensure Mercy Corps and intermediary enter into a written agreement

The written agreement between the intermediary and Mercy Corps should contain the following:

- a. anti-corruption compliance clauses (see provisions below):
 - i. Mercy Corps prohibits and takes has a zero tolerance stance towards fraud and corruption, including bribery, facilitation payments, embezzlement, theft, conflicts of

interest, false claims, and other misuse of funds including any associated inappropriate behavior.

- ii. The intermediary shall comply with all relevant anti-fraud, anti-corruption and bribery laws, including the U.S. Foreign Corrupt Practices Act of 1977, as amended, and the UK Bribery Act 2010.

- b. a description of the services to be provided by the intermediary;
- c. the government's fee(s) for the routine government action;
- d. the intermediary's costs for assisting with the process; and
- e. an acknowledgement by the intermediary that no payment will be made to a government official in connection with the services except for payment of the official government fee(s).

3. Notify the Ethics and Compliance Department

Following the engagement of a local individual or company (an intermediary) to help conduct routine government actions, the country team should notify the Ethics and Compliance Department by using the following form: [Reporting Engagement of Intermediary to Ethics and Compliance Department](#)

Notification should be made by the Country Director or responsible country senior management team member (i.e., HR Director, Finance Director).