



Kenya Organic Agriculture Network

ANTI-BRIBERY & ANTI-CORRUPTION POLICY MANUAL

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FOREWORD

Kenya Organic Agriculture Network (KOAN) is committed to fulfilling its mission of leading and coordinating the organic agriculture subsector in Kenya to promote its contribution to social, economic, environmental benefits. As KOAN and its members pursue their mission and executing their mandate, the Secretariat staff entails an extensive zero tolerance to corruption and bribery. This policy document is therefore intended to help the KOAN management and staff to comply with the set guidelines and controls contained therein. The development of this Anticorruption and Anti-bribery policy is a bold and deliberate attempt and quest by KOAN to strengthen its resolve to zero tolerance to corruption. The policy has been developed with wider consultation and hence many best practices have been incorporated as much as possible. We therefore urge the staff at the Secretariat to make continuous reference to it.

Signed,

Board Chairperson.

Date:

PREFACE

KOAN Secretariat staff members should not tolerate corruption or bribes in the course of their work. This policy outlines various cases and causes of corruption and outlines how they should be handled. In order to fully abide by the guidelines and controls, all the KOAN staff and board members should read and understand the entire policy document. In case some areas are not clear or are ambiguous, clarification should be sort from the management and or from the Board. It should be noted that all policies are dynamic and will be reviewed from time to time to suit prevailing situations.

Signed,

CEO:

Date:

ABBREVIATIONS AND ACRONYMS

CC	Compliance Committee
CEO	Chief Executive Officer
CTE	Client Travel and Expenses
CSDG	Corporate Sponsorship & Donations Guidelines
GH	Gifts and Hospitality
FAD	Finance and Administrative Department
FAM	Finance and Administrative Manager
GLD	Group Legal Department
RIM	Research and Information Management

1. BACKGROUND

1.1 Kenya Organic Agriculture Network (KOAN)'s business depends on its relationships with its Members and Partners and the trust they place in the Organization. To ensure the protection of this trust, KOAN undertakes to conduct all activities in an honest and ethical manner and in accordance with anti-bribery and anti-corruption laws and regulations. Violation of such laws and regulations creates legal, financial and reputation risks for KOAN and individual employees and is not acceptable. KOAN has a zero-tolerance approach towards bribery and corruption.

2. SCOPE AND COMMUNICATION

2.1 This Policy applies to all employees and relevant Associated Third Parties of KOAN and shall be communicated to them at the outset of the business relationship and as appropriate thereafter.

2.2 KOAN's anti-corruption policy should also be communicated to other third parties that have a relationship with KOAN (customers, partners, suppliers, contractors, etc.) and whenever possible related clauses should be inserted in the contractual arrangement with such parties.

2.3 This Policy applies in all countries or territories where KOAN operates. In any case, local customs, standards or laws must be complied with.

3. GENERAL PRINCIPLE & COMPLIANCE WITH THE LAW

3.1 KOAN does not tolerate any form of bribery or corruption and it is its policy to conduct all of its business in an ethical manner and to comply with the provisions of applicable national and international laws and regulations relating to anti-corruption.

3.2 In doing business anywhere in the world, neither KOAN nor any person or entity associated with KOAN, shall neither directly nor indirectly: authorize, offer, promise, give, solicit or accept any bribe, kickback, or other benefit or advantage, whether cash or other inducement, to or from any person or organization, wherever they are situated, and irrespective of whether they are public official or public body or private person or organization in order to gain any commercial, contractual or regulatory advantage for KOAN in a way which is illegal or undue or to gain any personal

advantage, pecuniary or otherwise, for the individual or anyone connected with the individual.

4. PROHIBITIONS ON DIRECT ADVANTAGES

4.1 It is prohibited to offer or grant an advantage to a government official or a private sector person to persuade that official or person to help the organization to obtain undue or illegal benefits. Improper advantage can be widely defined, including anything of value. For example, it is not allowed to:

- i. offer an advantage to a government official or a private person to illegally or unduly obtain a service or a good;
- ii. purchase government official's or private sector person's property or services at inflated prices or;
- iii. offer benefits (travel expenses, gifts, scholarship, employment etc.) to a family member of a government official or a private sector person to influence a decision.

4.2 Such an advantage to government officials or private sector persons is prohibited even if:

- i. the benefits flow to another party and not to the party granting the advantage;
- ii. the business is not with the government or the private sector entity;
- iii. the granting of the advantage does not result in the award of the business or service expected;
- iv. the government official or the private sector person initially suggested or requested the granting of the advantage.

5. GIFTS, HOSPITALITY AND PAYMENT OF BONA FIDE BUSINESS EXPENSES

5.1 Gifts and Hospitality: Offering or accepting reasonable gifts and hospitality is allowed but caution should be taken in accepting or providing gifts or hospitality that could be perceived as inappropriate or create a position of obligation on the part of the recipient. Solicitation of gifts or hospitality is prohibited.

5.1.2 The practice of giving business gifts and hospitality varies between cultures and countries. What may be normal and acceptable in one country may not be in another. In any case, local customs and laws shall be understood and respected and the gifts and hospitality (offered or received) shall be proportionate and appropriate and shall not be capable of misinterpretation if publicly disclosed.

5.1.3 Particular restraint shall be exercised with government employees and officials to avoid any impression of exerting improper influence on official decisions.

5.1.4 Corrupt gift or hospitality giving can best be defined by analyzing intent. If giving a gift or hospitality is intended to influence normal decision-making, such that the giver gains special advantage, this constitutes corruption, but reasonable gifts and entertainment offered openly to promote good relations or mark significant occasions are not corruption. Consequently, the giving of gifts or hospitality to a third party and the receiving of gifts and hospitality from a third party are not prohibited, if they meet following requirements:

- i. it is not made with the objective of influencing anyone to obtain or retain business or a business advantage, or to reward the provision or retention of business or a business advantage, or in explicit or implicit exchange for favours or benefits;
- ii. it complies with local law and practice (e.g., most countries impose restrictions on what government officials or employees may receive and such local rules, including internal rules of government agencies, must be identified and followed);
- iii. it is reasonable and proportionate in all circumstances from both an international and local perspective (e.g., in Europe it may be customary to give small gifts at Christmas time, while giving an expensive gift in the middle of a tender process is likely to be perceived as a bribe);
- iv. it does not have a significant value;
- v. it is not in cash;
- vi. it is given openly, not secretly; and
- vii. It is properly recorded, including the reason for the expenditure, and accounted.

5.2 Gifts: All non-trivial gifts (notably gifts with a value exceeding KES 1,000 or the value specified for the considered country) given to a third party must be approved in advance by the Chief Executive Officer and be properly accounted for and recorded with relevant supporting documentation. When KOAN employees or Associated Third Parties receive such non-trivial gifts from third parties, this must be reported to the manager in charge and properly recorded. Names, organizations and positions of the providers/recipients of non-trivial gifts as well as the nature and motivation of the gift given or received shall be reported in the gift register. In addition, the giving or receiving of any gift with a value in excess of KES 5,000 requires the prior approval by the CEO.

5.3 Hospitality: Corporate hospitality (including business entertainment) is a legitimate way of building business relationships. Although lavish hospitality in certain circumstances can amount to a bribe, appropriate, reasonable and genuine hospitality are allowed. It is generally recognized that the value of appropriate hospitality may be higher than the value of an appropriate gift.

5.4 Reasonable expenses incurred on behalf of a government official that are directly related to promoting, demonstrating, explaining, or certifying KOAN's products or services, or that are directly related to executing or performing a contract with a government, can normally be considered proper. Payment of such expenses may include items such as the reasonable cost of a government official's transportation, meals and lodging. However, before payment of a government official's expenses, it is important to ensure that such payments are permitted under the government official's local law. Caution must be exercised because payments which are construed as excessive may constitute an improper advantage. In case of doubt, KOAN Group Legal Department must be consulted in advance to ensure that payment of such expenses is proper. All hospitality expenses must be appropriate, proportionate and transparent and shall be accurately and properly recorded (including supporting documentation) in the financial records.

5.5 The giving of hospitality that appears to be higher than, or the receiving of hospitality higher than, the equivalent of KES 500 per person per occasion must be recorded in the hospitality register. The entry should indicate the employees and third

parties concerned, providing names and organization affiliation, a short description of the event, the nature of the hospitality received or given, together with the business reason for such hospitality. The giving and the receiving of such hospitality are subject to the prior approval of the CEO. In case of doubt concerning any hospitality given or received, it is recommended the prior approval of the CEO is sought before incurring the expenses. The same principles shall apply to gifts and hospitality payments received by employees or Associated Third Parties.

5.6 Client Travel and Expenses: Paying for official(s) or government employee(s) to attend a conference or other events should not violate anti-bribery legislation when the following factors are observed:

- i. KOAN plays no active role in selecting which government employees attend the conference or event (i.e. the choice is made by the government);
- ii. the government officials do not have direct authority to award future contracts to KOAN;
- iii. KOAN pays expenses for travel and accommodations directly or reimburses the attendees only upon presentation of a written receipt;
- iv. while limited and appropriate entertainment remains possible, the visit is pre-dominantly focusing on business matters;
- v. the total cost is reasonable under the given circumstances; and
- vi. the expense is properly recorded, including the reason for the expenditure, and accounted.

5.7 Unless exceptional circumstances and previously approved by the CEO, the payment or reimbursement of hospitality expenses for a spouse or family member of a public official is prohibited.

6. CONTRIBUTIONS TO POLITICAL PARTIES, ORGANIZATIONS OR INDIVIDUALS

6.1 Direct or indirect contributions to political organizations or individuals as a way of obtaining illegal or undue advantage are prohibited. For example, giving a contribution to a political candidate in return for that candidate's promise to vote for legislation is prohibited. Political contributions may be made legitimately when they

are made in accordance with local legislation and free of any obligation. In case of doubt, KOAN Group Legal Department should be consulted. Any such contribution requires prior approval from the CEO, the Compliance Committee and the relevant divisional CEO. Any payment relating to the above-mentioned subject matters must be properly accounted and recorded with, supporting documentation. Such contribution must be notified directly to the Finance & Administration Manager who will maintain a central register.

6.2 Employees and Associated Third Parties acting in their personal capacity as citizens are not restricted from participating in political processes. Employees making political contributions in their personal capacity shall not state their organization affiliation.

7. SPONSORSHIPS, DONATIONS, CONTRIBUTIONS TO CHARITY OR SOCIAL PROJECTS

7.1 Monetary and other contributions to charities, social projects and funds, including schools, educational funds and infrastructure projects, must be handled in accordance with applicable Corporate Sponsorship & Donations Guidelines. In order to minimize any risk, KOAN requires an appropriate investigation to be conducted into such charities and projects before funding, namely in order to exclude such contributions indirectly support any client, potential client or government bodies. Any such contribution requires prior approval of the divisional CEO, with consultation of the Finance & Administration Manager. If the amount of the contribution exceeds KES 20,000, prior approval of the CEO is also required. Any payment relating to the above-mentioned subject matters must be properly accounted and recorded, and supporting documentation must be kept.

8. FACILITATIONS PAYMENTS AND KICKBACKS

8.1 KOAN does not make, and will not accept, facilitation payments or kickbacks of any kind anywhere in the world. Where the facilitation payment is being extorted or any KOAN employee is being coerced to pay it and their safety or liberty is under threat or they feel they have no alternative but to pay for personal or family peace of mind, then they should pay the facilitation payment and report this to their line

manager as soon as possible. The matter shall also be immediately reported to KOAN Office.

8.2 The divisional KOAN services (supply chain etc.) responsible for interaction with government officials (e.g. custom agents, freight forwarders, companies assisting in the obtaining of permits and similar service providers) shall exercise care in the selection of such service providers and shall carry out a due diligence check into such service providers. It shall also supervise them appropriately and establish and maintain a list that outlines all service providers with which KOAN is in a direct contractual relationship. Such lists shall be made available to KOAN Group Legal Department who will check that the contracts with such service providers include the appropriate protection language. Moreover, the services rendered must be specified and remuneration of such customs agents and similar service providers must be proportionate in relation to the services rendered (“value for money”).

9. PROHIBITIONS ON INDIRECT ADVANTAGES

9.1 Payments to Associated Third Parties where the Associated Third Parties would subsequently make an illegal payment, are a violation of applicable anti-bribery and anti-corruption laws and regulations.

9.2 Employee’s position with KOAN shall not be used for personal gain. Employees shall use their good judgment to ensure that actual conflicts of interest are avoided and potential conflicts of interest are announced (line manager or Finance & Administration Manager), recorded and resolved.