



Rift Valley Institute

Anti-bribery and Transactional Compliance Policy

INTRODUCTION

RVI, as a registered Charity in the United Kingdom, is bound by UK laws related to its activities and transactions. These laws include, but are not limited to, the UK Bribery Act 2010 and sanctions laws ('Compliance Laws'). Non-compliance with Compliance Laws can result in significant administrative, civil and criminal penalties for the organization, including monetary fines and imprisonment, loss of donors and reputational risks. Consequently, RVI is committed to conducting its activities consistently with Compliance Laws, and RVI policy is that the affairs of the Institute should be conducted in an honest and ethical manner. This policy document provides guidance to this end and applies globally.

If you are concerned about any practice or transaction, irrespective of Compliance Laws, you should report this immediately to your Manager or a Director, or to an RVI Trustee. This policy applies to all staff, employees and other associates, whether located in the UK or overseas and all working under contractual arrangements with the RVI. It applies to relations with all individuals or organisations that RVI staff, employees and associates come into contact with during the course of their work. RVI will review this policy regularly.

Subject to the restrictions below, neither the Compliance Laws nor the Anti-bribery and Transaction Compliance Policy prohibit RVI staff and consultants from speaking, meeting with or conducting interviews with any individual, including government officials for any purposes consistent with organizational aims.

I. BRIBERY

WHAT IS BRIBERY?

A bribe is an inducement or reward offered, promised or provided in order to gain any commercial, contractual, regulatory or personal advantage. The Act defines bribery in terms of an intention to encourage or induce improper performance by any person, in breach of any duty or expectation of trust or impartiality; so a bribe will still be an offence even if it is not acted on. Under the legislation, 'improper performance' will be judged by the courts in accordance with what a reasonable person in the United Kingdom would expect, in relation to the function or activity concerned.

Bribes may not be obvious. If a supplier gives your nephew a job, and makes it clear that in return they expect you to use your influence in the business for their benefit, this is unlawful. It would also be an offence to arrange to pay an additional amount to a foreign official to speed up an administrative process, such as clearing our goods through Customs or obtaining registration in a foreign country.

The aim of this policy is not to prohibit normal and appropriate hospitality being given to or received from third parties, but gifts and hospitality must not be given or received with the intention of influencing a third party to provide a business or personal advantage. You should ensure:

- The gift or hospitality offered or received complies with local law;
- It is given in the name of the RVI, not in your name;
- It does not include cash or a cash equivalent (such as gift certificates or vouchers);
- It is appropriate. For example, in the UK it is customary for small gifts to be given at Christmas;
- Considering the reason for the gift, it is appropriate in terms of type, value and timing;
- It is given openly, not secretly

- It is not offered to or accepted from government officials or representatives, or politicians or political parties, without the prior approval of an RVI director or Trustee.

It is not acceptable for you (or someone on your behalf):

- To give, promise to give, or offer, a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given;
- Accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them or a business advantage will be provided by RVI in return;
- Accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation of a business advantage;
- Threaten or retaliate against another worker who has refused to commit a bribery offence or who has raised concerns under this policy; or
- Engage in any activity that might lead to a breach of this policy.

OFFENCES UNDER THE UK 2010 BRIBERY ACT

There four types of offence covered under the Act, targeting:

- The payer of a bribe
- The recipient of a bribe;
- Bribery of foreign public officials ('FPO');
- Organisations that fail to prevent bribery.

As much of RVI's work is conducted with FPO's it is important to understand who these people are. Section 6(5) of the Bribery Act 2010 closely reflects the OECD's Convention, which describes an FPO as: "Any person holding a legislative, administrative or judicial office of a foreign country, whether appointed or elected; any person exercising a public function for a foreign country, including for a public agency or public enterprise; and any official or agent of a public international organisation."

The offence of bribing an FPO in section 6 of the 2010 Act extends to individuals who are not part of government and includes individuals who "exercise a public function". From a practical perspective, this distinction may not matter very much. Although the test is lower for an FPO, most classic instances of corruption will infringe both the private person and FPO offices, under the 2010 Act. While it does depend on the facts, it is likely that even if an employee is not an FPO, liability will still arise under Section 1 of the 2010 Act.

YOUR RESPONSIBILITIES

You must ensure that you read, understand and comply with this policy. The policy is communicated to all new workers as part of their induction process and is communicated, with relevant training, to existing workers. The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for RVI.

You must notify your Manager or a Trustee as soon as possible if you believe or suspect that a conflict with this policy has occurred, or may occur in the future. For example, if a client or potential client offers you something to gain a business advantage, or indicates to you that a gift or payment is required to secure their business or cooperation. The manager or trustee will record such information so it can be properly investigated, the risks assessed and the appropriate actions and measures taken.

RVI is required to keep financial records which will evidence the business reason for making payments to third parties. You must therefore declare and keep a written record of all hospitality or gifts accepted or offered, and ensure that all expenses claims relating to hospitality, gifts or expenses incurred are submitted in accordance with the expenses policy and specifically record the reason for the expenditure.

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for gross misconduct.

The penalties under the Act on conviction include unlimited fines, for an individual or organisation. Prison sentences of up to ten years may also be imposed on an individual. Individual senior managers or trustees may be prosecuted if an offence is proved to have been committed by a corporate body with their consent or connivance. An organisation convicted on indictment for failing to prevent bribery is liable to an unlimited fine.

RED FLAGS

In the international NGO sector in which the RVI operates, we face a number of potential risks which reflect where we work, our activities, the nature of partner organisations and other stakeholders and the complexity of our activities. We need to assess the likelihood and potential impact of each risk and use them to inform our anti-bribery measures. Whilst not an exhaustive list, the following should be considered as key risk considerations:

- Geographical – risks may be higher in certain countries or regions within countries
- Partners – the size, structure/governance of partners, adequacy of partners' control systems; partner selection processes; partnership contract and agreements; and partners' monitoring and control processes
- Procurement – increased risk where processes are not fair or transparent. Procurement is a high risk area for bribery.

The following circumstances are considered to be the areas where risks are most likely and which may raise concerns under various anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only.

- You become aware that a third party engages in, or has been accused of engaging in, improper business practices;
- A third party requests payment in cash and/or refuses to sign a formal commission or fee agreement, or to provide an invoice or receipt for a payment made;
- A third party demands lavish entertainment or gifts before commencing or continuing contractual negotiations or provision of services;
- You receive an invoice from a third party that appears to be non-standard or customised;
- You are offered an unusually generous gift or offered lavish hospitality by a third party;
- A custom official asks you for an unofficial payment or gift to release imported goods or access to a particular project or camp; or.
- A government official asks you for payment in order secure your NGO registration beyond the normal official charge.

These later two examples may also be considered to be "Facilitation Payments", but are still be considered to be bribes under the Act. Whilst in some countries these may appear to be part of local custom and practice, our policy must be one of zero tolerance and we must resist demands for such payments. Such incidence must be reported. We must identify where such problems are likely to arise and plan our activities to try as far as possible to avoid such situations arising.

PAYMENTS UNDER DURESS

Whilst these would fall under the Act as bribes, it is recognised that due to RVI'S activities in certain countries, it may arise in rare and exceptional circumstances that individuals have no option other than to make illegal payments to protect loss of life, limb or liberty. These must be reported as soon as possible so appropriate action can be taken to try and avoid the situation arising again. We should plan all our operations and have security procedures to reduce the risk of such payments being requested under duress.

II. SANCTIONS

As a UK entity, RVI and all of its foreign offices, operations and personnel are subject to UK economic sanctions laws set by the UK HM Treasury (UKHMT). Additionally, in order for RVI to use the international banking system, it also has to comply with sanctions administered by the UN, EU, HKMA (Hong Kong Monetary Authority), US OFAC (Office of Foreign Assets Control) or as part of local sanctions law. Economic sanctions are used to punish and isolate perceived bad actors, such as certain political regimes, drug traffickers, terrorists and proliferators of weapons of mass destruction. As a result, when economic sanctions are imposed on a person, entity or country, persons are generally prohibited from engaging in transactions or dealings with the defined bad actor.

Sanctions generally fall into two categories (list-based sanctions and country-based sanctions). RVI does not currently operate in countries that are under sanction (Iran, North Korea, Syria, Cuba or Crimea region), and therefore has to obey list-based sanctions against individuals, entities and organizations. RVI staff and consultants must take care to ensure that all RVI activities comply with all list-based sanctions regimes listed above

LIST-BASED SANCTIONS SCREENING PROCESS

In connection with entering into any financial transaction or distributing funds, RVI has in place a compliance review and screening process which includes the screening of all prospective and current personnel, vendors and suppliers and donors if applicable, against the UKHMT, UN, EU, HKMA and US OFAC sanctions lists (the 'Sanctions Lists'). This process is designed to ensure RVI makes every effort to be in compliance with the Sanctions Lists. Procedures and assigned responsibilities for conducting this review and screening are set out below.

Policies and procedures for screening personnel, suppliers and donors (if applicable) for transactional compliance

Personnel

- 1. Screening policy:** The staff member in charge of hiring shall screen all prospective employees (including local support staff), consultants and interns ('Staff') and obtain a confirmation from the Head of Finance and Operations before any offer of employment, consultancy or internship. For these purposes, 'local support staff' means any individual who provides regular services to RVI, including drivers, research assistants and fixers, guards, cleaners, and translators. This screening shall be done as part of the regular recruitment process for employees, consultants and interns and is included in the RVI Staff Handbook.
- 2. Screening procedure:** Prior to hiring any prospective staff, including local support staff, the employee in charge of the hiring shall provide the Head of Finance and Operations by email with the full name, birth date, address of the person under consideration, and nationality or nationalities. They shall also attach a sanctions report generated by www.namescan.io. The Head of Finance and Operations will respond to advise whether the hiring can proceed or whether further information is needed. **Written authorisation from the Head of Finance and Operations is required before any offer of employment, consultancy or internship can be made.**
- 3. Responsibility for Implementation/Confirmation:** **The employee in charge of the hiring of any prospective employee, consultant or intern is responsible for ensuring these requirements are implemented and that written authorization from the RVI Head of Finance and Operations is obtained before an offer is made.**

Suppliers

- 1. Screening policy:** The relevant RVI budget holder shall screen prospective suppliers before any agreement or transaction is entered into with them. Suppliers include but are not limited to banks; landlords; providers of transport, catering, travel, IT, printing, and internet and communications services; and providers of equipment leasing and office supplies. Suppliers may include individuals-such as accountants or IT consultants. If there is uncertainty as to whether a particular individual should be screened, the RVI Head of Finance and Operations shall advise.
- 2. Screening procedure:** Prior to entering into or renewing a contract with any suppliers of goods or services, and prior to any electronic payment or bank transfer to any supplier of goods or services, the

budget holder (e.g. office manager) shall, together with the payment request, provide Finance by email (invoices@riftvalley.net) with the full name and address of the person or business entity (including the owner if known), and the bank that the supplier will be paid through (if applicable), and attach a sanctions report generated by www.namescan.io. If the sanctions report is satisfactory Finance will make the payment, or will let the budget holder know whether further information is needed. As per the RVI Finance Manual, Finance will add screened vendors and suppliers to the RVI Authorized Suppliers list, including the date the sanctions check was made. New sanctions checks must be carried out every year or when entering into a new contract with a supplier. Sanctions checks are not required for any payment that is not the first within an existing contract happening within 12 months of the first payment. If no sanctions report was supplied with a payment request, Finance will check the supplier against the Authorized Suppliers list and revert to the budget holder in the event one is required.

Written authorization from Finance is required before any contract can be entered into or renewed.

- 3. Responsibility for implementation and confirmation: The budget holder of each office or most senior person at the location where suppliers are to be engaged is responsible for ensuring these requirements are implemented and written authorizations from the RVI Head of Finance and Operations are obtained.**

Donors: Programme Managers will screen prospective donors and submit a sanctions report from www.namescan.io by email to the RVI Head of Finance and Operations, if s/he determines in the course of due diligence that it is applicable to do so before funding contracts are signed.

Partners: Programme Managers will screen prospective partners as part of the RVI due diligence procedure and submit a sanctions report from www.namescan.io by email to the RVI senior management staff member approving the partnership.

Trustees: The Board Secretary will screen all prospective Trustees and submit a sanctions report from www.namescan.io by email to the Executive Director before offers are made to join the RVI Board of Trustees.

In addition to the institutional screening process above, all personnel must exercise an appropriate level of due diligence to feel comfortable that they are not conducting transactions with or distributing funds to individuals or entities known to be on the Sanctions Lists, when making payments using cash advances when in the field. This list can be searched by computer or phone as follows: www.namescan.io. Personnel must conduct a check when paying an organization or representative of an organization.

RETENTION AND DISPOSAL OF FINANCIAL RECORDS

Please see the RVI Finance Manual.

RAISING CONCERNS

You are encouraged to raise concerns about any issue or suspicion of malpractice with respect to the above at the earliest possible stage or if you are offered a bribe by a third party, are asked to make one, or suspect that this may happen in the future. If you are unsure whether a particular act constitutes bribery, corruption or sanctions violations, or if you have any other queries, these should be raised with your Manager or a Trustee.

RVI encourages openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. RVI is committed to ensuring no one suffers any detriment or unfavourable treatment as a result of refusing to take part in bribery, corruption or sanctions violations, or because they report something in good faith. If you believe you have received any such treatment, you should raise the issue initially with your Manager and if it is not remedied, and you are an employee, you should raise it formally through the grievance procedure.