



**AFR**

# Conflict of Interest Policy

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# ACCESS TO FINANCE RWANDA

## Conflict of Interest Policy

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# Acronyms

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<b>AFR</b>	Access to Finance Rwanda
<b>BIC</b>	Board Investment Committee
<b>CEO</b>	Chief Executive Officer
<b>COO</b>	Chief Operations Officer
<b>FCDO</b>	Foreign, Commonwealth and Development Office

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# 1. Conflict of Interest

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## 1.1. Introduction

Conflicts of interest may be actual, perceived or potential. If not addressed, conflicts of interest may result in corrupt practices, abuse of office, unethical conduct, violation of trust or other illegal activities. Conflicts of interest that are undeclared or improperly managed could therefore result in financial losses, legal, compliance, moral, ethical and reputational risks to AFR.

## 1.2. Policy statement

AFR is committed to ensuring the highest levels of integrity in all that it does. Staff, Board, and relevant associates must perform their duties and conduct their private life in a manner that will not put AFR in a position where its integrity and reputation of being objective could be questioned.

AFR recognises that its staff and relevant associated parties will develop relationships, friendships and contacts in their personal and working lives. These relationships must, however, not interfere with their duty to act in the best interests of AFR. AFR staff are obligated to avoid or declare any ethical, legal, financial, or other conflicts of interest as soon as they become aware, failure of which could be a matter of disciplinary process.

## 1.3. Purpose

This policy is designed to protect the integrity of and promote continued public trust and confidence in AFR by ensuring that any actual, potential or perceived conflicts of interest whether direct or indirect are declared and managed. The policy provides guidance to AFR staff on declaration and management of conflicts.

## 1.4. Scope

This policy applies to all employees of AFR and all AFR's associated parties (both during and outside regular working hours) including members of the Board, implementing partners, vendors, contractors and any other third party. The term 'AFR staff' will be used throughout this policy to refer to those within scope.

## 1.5. Definitions<sup>1</sup>

Conflict of interest is when the objectivity, personal judgement or independence of an employee or entity is perceived to be compromised.

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<sup>1</sup> Partly adapted from OECD

An actual conflict of interest is a conflict between an individual's duty and the private interests of that individual, in which the individual will have private-capacity interests which could improperly influence the performance of their official duties and responsibilities.

An apparent or perceived conflict of interest can be said to exist where it appears that an individual's private interests could improperly influence the performance of their duties, which may not be the case.

A potential conflict of interest arises where an individual has private interests which are such that a conflict of interest would arise if that individual were to become involved in relevant (i.e. conflicting) official duties and responsibilities in the future.

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## 1.6. Forms of conflict of interest<sup>2</sup>

To determine whether a conflict of interest exists, AFR staff should consider whether their private or personal interest could appear to interfere with their objective judgement. The following are situations where a conflict could arise.

### **Personal interest**

The majority of personal relationships will not give rise to any concern and can be regarded as a private matter. A conflict of Interest may however arise where one party in the relationship can grant the other an unfair advantage or disadvantage or can exert improper influence over a decision relating to the other. This might attract perceptions of bias and unfair treatment, for example, where an employee:

1. Makes or significantly influences any decisions about the other party in the relationship, such as selection for employment/promotion, pay and grading, performance management, discipline, access to opportunities and resources or the awarding of contracts for goods and services.
2. Has a responsibility for the direct or indirect supervision or monitoring of the other party.

AFR staff must declare personal relationships that may be perceived to influence decision making.

### **Financial interests**

A financial conflict of interest may arise where it could be perceived that a staff (or someone the staff has a personal relationship with) have:

1. The opportunity to gain financially which prevented another from gaining financially or placed that individual at a disadvantage from the staff's decisions or actions;
2. Financial interests which may influence the staff's independent judgement and integrity in carrying out his or her role; and,
3. The opportunity to gain from the award of a particular contract for goods or services.

AFR staff must declare personal relationships that may be perceived to influence decision making.

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<sup>2</sup> Partly adapted from FCDO Conflict of Interest policy

**Political interests**

Staff may have firmly held political views, but under no circumstances must these be reflected in any decision-making process or alter aspects of work. Staff must not:

1. Take part in any political or public activity which compromises, or might be seen to compromise their impartiality;
2. Allow their personal or political views to determine any advice they give or their actions including publishing personal comments in blogs or other web-based applications; and,
3. Use AFR's resources to extend their political ambitions.

AFR staff must declare political ambitions before running for office.

**Board memberships and voluntary services**

AFR encourages staff members to undertake speaking engagements, serving on boards, take on lecturing and tutoring roles and write articles on the provision that:

1. The time spent on such activities does not interfere with official responsibilities.
2. AFR resources are not used towards such activities unless express consent is obtained.
3. Materials prepared and all activities undertaken in connection with these activities are done on personal time.
4. The organisation the staff is engaging in is not a beneficiary of AFR grants.

Employees must disclose all their board affiliations, voluntary engagements, roles such as lecturers or tutors that could give rise to a perceived, potential or actual conflict of interest.

**Private businesses**

Staff must not:

1. Further their financial interests or private businesses during working hours.
2. Use AFR resources and proprietary information or intellectual property for their private businesses, even where the staff assisted AFR to obtain the resources, proprietary information or knowledge, or intellectual property.

Private businesses or commercial activities that might be perceived to conflict with AFR's must also be declared.

## 2. Gifts and hospitality

While accepting gifts and hospitality in certain circumstances may further AFR's interests this must be balanced with upholding high standards of propriety and guarding against any reasonable suspicion of perceived or actual conflicts of interest or an undue obligation being created.

Gifts and hospitality should typically not be accepted. However, reasonable (with a maximum value of USD 50) small tokens (e.g. inexpensive promotional items or seasonal gifts) from an organisation or individual may be accepted provided they do not give rise to the risk of influencing the judgement of the intended recipient of the gift; place the intended recipient under any obligation, or a reasonable perception of the gift representing bribery or other corrupt practice, or giving rise to a conflict of interest on the part of the intended recipient. If there is any doubt, the gift must be declined.

Where refusal to accept the gift may be considered to be outside the normal cultural practice, to cause offence, or be impossible or otherwise present a material difficulty, the matter should be referred to the COO at the earliest opportunity. The COO will determine what further action to take. Gifts received by AFR staff must be declared, recorded in the gift and hospitality register and where appropriate handed back to AFR. Gifts valued over USD 50 must be approved by the COO before acceptance.

Staff who have accepted a gift or hospitality and find themselves in the position of taking a decision or making a judgement on the provider should also declare a potential conflict of interest.

The providing or accepting of hospitality or entertainment of a reasonable amount (USD 50) is allowed, as long as:

1. It is not done with the intention of influencing the behaviour of the recipient.
2. It is done openly.
3. It is within reasonable limits.
4. It complies with local law.

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### 2.1 Handling of gifts received

All gifts received on behalf of AFR will be recorded on the gift and hospitality register. The COO will decide on how to handle such gifts. For example, they may be donated to a charity.



## 3. Declaration of interest

All staff must declare any perceived, potential or actual conflicts of interest. Staff must also declare gifts received under the guidance provided. The declaration must be made at the earliest opportunity possible, failure of which will be a disciplinary matter.

The declaration must be made in writing to the COO. Verbal declarations or declaration to other staff will not be considered valid. Appropriate forms should be used when making conflict declaration (Appendix 1). Annual mandatory declarations must be made by all staff; these should be made even where there is no conflict (Appendix 2). AFR will from time to time, require additional nil declarations to safeguard against perceived risks in significant decision-making points such as onboarding of high-value grantees, board members or directors.

Potential conflicts relating to the Chief Executive Officer (CEO) or the COO will be assessed by the Board to ensure transparency.

Board members must also declare any conflicting interest before accepting the appointment and during each meeting. Conflicts of interest affecting the Board will be assessed by the Chair of Board upon advice by the COO.

An employee who is in doubt or whether or not to declare may first discuss it with the Human Resources and Administration Manager or the line manager.

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### 3.1 Failure to make a declaration

Failure to declare a Conflict of interest (actual, potential or perceived) or the offer of a gift or hospitality (accepted or declined), appropriate action will be taken in line with AFR's misconduct, grievance and disciplinary policy. This could result in an investigation and the potential of dismissal. Any criminal offences will also be referred to the relevant authorities.

## 4. Managing the conflict of interest risk

It is the responsibility of line managers to manage conflict of interest risk. The Human Resources and Administration Manager will provide guidance and oversight over the administration and management of the conflict of interest.

When an employee declares a conflict, a conflict of interest risk management form must be completed by the line manager and handed over to the Human Resources and Administration Manager. The line manager must discuss the conflict with the staff and decide in consultation with the Human Resources and Administration Manager. The decision may be:

1. To continue with the activity but implement actions to mitigate any risk. This could include closer monitoring, revisions to plans, exclusions from decision-making activities and disclosure of all relevant information to others involved in the process; or
2. To be excluded from the activity.

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### 4.1. Managing Conflicts at Senior Management and Board level

Conflicts declared by the CEO and Board members will be signed off by the Chair of the Board.

Members of the Board will have to declare any conflict of interest for any agenda items (including investment proposals) presented to the Board for review and approval. It is the responsibility of all potential or existing Board members to declare any interests which may be relevant to these activities. Where a material conflict of interest is judged to exist by the remaining Members, the Member should step down and be replaced.

No material conflict of interest will be deemed to occur in the case of public sector funding proposals and representation by the Ministry of Finance and Economic Planning (MINECOFIN), other Ministries and agencies affiliated to the Government of Rwanda. Funding proposals to the Government of Rwanda agencies can be presented to the Board Investment Committee (BIC) without being deemed to compromise the position of the member representing the Government of Rwanda. However, in the event of a need to vote on a funding proposal he/she will be expected to abstain.

The Human Resources and Administration Manager or COO may provide guidance. The Human Resources and Administration Manager is responsible for filing the relevant declarations, as necessary.

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### 4.2. Conflict of interest in grantees

AFR grantees must hold its staff to similar standards and not put the reputation of integrity and objectivity of AFR into question. Arrangements entered into by the grantees must be free from bias, conflict of interest or the undue influence of others. Conflicts of interest that have an impact on AFR programmes must also be declared to AFR.

## 5. Roles and responsibilities

All AFR staff have a mandatory responsibility to read, understand and adhere to the contents of this policy. The COO and the CEO are responsible for ensuring that this policy is effectively communicated and implemented throughout the operations of AFR.

The AFR Board has a responsibility to provide governance oversight and to ensure that this policy is adhered to and that independent assurance of the integrity of the conflict of interest processes is obtained through internal audit.

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## 6. Related policies

This policy should be read in conjunction with:

- Code of conduct
- Whistleblowing policy
- Anti-fraud and anti-corruption policy
- Misconduct, disciplinary and grievance policy.

# Appendix 1

## Declaration of Conflict of Interest Form

This form should be completed by any staff or board member who becomes aware of a conflict of interest arising during the year. It should be filed as soon as the individual becomes aware of the conflict.

Name:	
Position:	

I understand that a conflict of interest arises if an employee or a Board Member has an interest, relationship, or friendship which could, or could be seen to, interfere with their ability to decide on an issue in the best interests of AFR. I understand that the existence of a conflict of interest does not constitute a breach of policy, so long as it is declared, so that it may be properly managed.

I hereby declare the following conflict of interest:

Name of person or organisation	
Nature of conflict (mention whether it is paid or not)	
Date conflict arose	

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

To be completed by the COO/Line Manager:

Actions taken to mitigate risk of above declared conflict:

Declaration: I declare and I'm satisfied that the mitigations in place will address the risk involved.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

The signed form should be filed on a conflict's declaration file, with a copy on the personal file.

# Appendix 2

## Annual Conflict of Interest Declaration Form

This form should be completed before 30<sup>th</sup> January each year by all board members, senior management team members, and staff members with roles in finance (accounting), procurement and Human Resources.

Your name: \_\_\_\_\_ Your position: \_\_\_\_\_

I understand that a conflict of interest arises if an employee or a Board Member has an interest, relationship, or friendship which could, or could be seen to, interfere with their ability to decide on an issue in the best interests of AFR.

I understand that the existence of a conflict of interest does not constitute a breach of policy, so long as it is declared, so that it may be properly managed.

I have been shown a list of current board members, staff members, suppliers and partners, which is attached to this declaration.

I hereby declare that I have no known personal or business relationships or interests with any other staff member, board member, current supplier or contractor, except for:

Name	Nature of relationship

I further state that I will declare any conflict of interest arising during the year as soon as I become aware of it.

Name: \_\_\_\_\_ Signature: \_\_\_\_\_ Date: \_\_\_\_\_

The signed form should be filed on a conflict's declaration file, with a copy on the personal file. The individual may retain a copy of the lists if they wish.

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## **Access to Finance Rwanda**

Access to Finance Rwanda  
KG 5 Avenue, House No.13 Kacyiru  
P.O BOX 1599 Kigali

Phone: +250 782 507 751  
Email: [info@af.rw](mailto:info@af.rw)  
[www.af.rw](http://www.af.rw)