



# **CONFLICT OF INTEREST**

## **POLICY STATEMENT**

<b>Policy Version Reference</b>	2024_2.0
<b>Policy Approver</b>	AGF Board of Directors, following the recommendation of the Audit and Risk Committee

# 1. Introduction

The African Guarantee Fund (AGF) is a Pan-African non-bank financial institution whose primary mandate is to assist financial institutions (FIs) in Africa to scale up their SME financing initiatives.

AGF contributes to the promotion of economic development, vital for the prosperity, stability and poverty reduction in Africa through provision of a mix of financial guarantees and other products which will reduce the risks supported by financial sector lending to SMEs that have insufficient collateral and support for capacity development of the partner financial institutions.

**AGF is rated 'AA-' by the globally renowned Fitch Ratings Agency.**

## 2. Purpose

The purpose of this Policy is to manage the conflicts of interest within the organization, to promote ethical conduct and to ensure that personal interests do not interfere with the professional duties.

## 3. Scope

The Policy applies to Directors (Board members), Management members, all permanent and temporary staff members, interns, and any relevant stakeholders as specified. It covers any situation where personal, financial, or other interests might influence or appear to influence the impartial performance of their duties.

## 4. Our Responsibilities

At AGF, we recognize the importance of identifying, managing, and mitigating conflicts of interest to uphold the trust of our stakeholders and maintain our reputation as a responsible financial institution. AGF ensures that all conflict-of-interest matters are handled with the highest level of diligence and professionalism to safeguard the interests of our clients, partners, and the organization. AGF is dedicated to establishing and maintaining robust policies and procedures that effectively address conflict-of-interest situations.



To ensure effective implementation, AGF promotes continuous open communication, awareness and training programs, enabling employees and relevant stakeholders to understand the implications of conflicts of interest and their responsibilities in mitigating associated risks.

AGF continuously monitors adherence to conflict-of-interest policies and takes appropriate actions to address any identified issues. We maintain transparent reporting channels and uphold strict confidentiality standards when handling disclosures and investigations. Regular assessments are conducted to evaluate the effectiveness of our conflict-of-interest management framework, ensuring that it remains aligned with evolving regulatory requirements and industry best practices.

## 5. AGF Conflict of Interest Guiding Principles

### 5.1 Definition

A conflict of interest arises when an individual's personal interests, relationships, or activities interfere, or appear or perceive to interfere, with their professional responsibilities and obligations to the organization. This situation can affect an individual's ability to act impartially, objectively, and in the best interest of the organization or its clients.

A conflict of interest will occur in the situation where AGF proposes to deal or create any business relationship or partnership with:

- i. a legal person or entity (Financial Institutions, services providers, etc.) in which AGF person or relative or an associate of his/her has direct or an indirect interest or
- ii. with a natural person who is an AGF person's relative or associate

## 5.2 Identification

As an individual associated with AGF, it is crucial to recognize that various conflicts of interest may emerge in different situations. Conflicts of interest can be actual, potential, or perceived, and they may involve financial interests, personal relationships, or other forms of direct and indirect benefit.

Type of Conflict	Description
Actual	A situation where there is a direct and current interference between an AGF person or relative or associate 's private/ personal interests and their professional duties.
Potential	A situation where an AGF person or relative or associate's private interests could foreseeably interfere with the conflicted individual's professional duties in the future.
Perceived	A situation where it appears that an AGF person or relative or associate 's private interests might influence the conflicted individual's professional responsibilities, even if this is not actually the case.

Being mindful of the potential risk areas related to conflicts of interest is essential to fully comply with AGF requirements and prevent any such conflicts. The following are areas that are at risk in relation to conflict of interest but are not limited to:

- Gift and hospitality
- AGF person external activities and relationships
- Political activities and government interactions
- AGF relationship with suppliers or other service providers
- AGF person information disclosure and dissemination

## 5.3 Disclosure

All employees, Board members, Management members officers, and stakeholders are required to disclose any actual, potential, or perceived conflicts of interest. All disclosures and related information will be treated with appropriate measures to ensure timely resolution and management of the conflict.

## 5.4 Sanctions

An AGF Person failing to disclose timely and entirely a Conflict of Interest or acting in contradiction, without formal and adequate authorization, shall be subject to disciplinary action and may be subject to civil or criminal action as required by applicable laws & regulations.





Africa House, Muthangari Road  
Nairobi, Kenya

**Tel:** +254 732 148 000

**Web:** [www.africanguaranteefund.com](http://www.africanguaranteefund.com)