

# FSD Africa

## Supplier and Grantee Code of Conduct

### 1. Principles

FSD Africa aims to create an inclusive culture of best practice with Suppliers and Grantees. All Suppliers and Grantees, whatever their size, should adhere to the overarching principles of this “Supplier and Grantee Code of Conduct” (hereafter “the Code”).

#### **Overarching Principles**

Act responsibly, ethically and with integrity  
Be transparent and accountable  
Seek to provide value for money  
Demonstrate commitment to FSD Africa’s activities

### 2. Compliance

This Code forms part of FSD Africa’s standard contractual terms and conditions. We recognise that the Code may look daunting and potentially costly for smaller businesses to comply with, which could deter people from doing business with us. This is not the intention, and compliance with the Code is on a threshold basis as follows:

**Compliance Level 1** – Suppliers and Grantees with a contract or grant value of [£500,001] or above, or two or more contracts or grants with a combined value of - (£500,001)] or above;

All Level 1 Suppliers and Grantees with a multi-year contract or grant (i.e. a contract or grant that runs for more than one year) are also required to complete an annual Compliance Declaration in the form set out in Annex 1

**Compliance Level 2** – Suppliers with a contract value below [£500,000] or two or more contracts with a combined value below [£500,000].

Suppliers at this level are expected to adhere to the overarching principles of the Code and recognise, mitigate, and manage risks. All individual consultants shall be Level 2 Suppliers. Level 2 Suppliers will not be monitored against this Code.

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How you comply with the requirements should be proportional to the size and nature of your business – it is not a one-size-fits-all approach, and there are different compliance requirements for Level 1 and Level 2 Suppliers and Grantees. It is also possible that some requirements may not be applicable at all, even if you fall under Level 1 compliance. For example, if a business has no employees, the labour protections required under the Code will not be applicable.

Suppliers and Grantees should ensure they have read and understood the Code and seek clarification from FSD Africa where necessary. Suppliers and Grantees must understand any risks and have proportionate and appropriate systems to manage them.

### **3. General and Specific Requirements for Suppliers and Grantees**

#### **1. Value for Money and Governance**

##### **General Requirements applicable to all Suppliers and Grantees:**

Value for Money and financial transparency are essential requirements for all FSD Africa-commissioned work. All Suppliers and Grantees must seek to maximise results while driving cost efficiency. This includes budgeting and pricing realistically and appropriately to reflect delivery requirements and levels of risk over the life of the contract or grant. We expect you to demonstrate openness and honesty, be realistic about capacity and capability, and accept accountability and responsibility for performance along the full delivery chain.

##### **Specific requirements (Level 1 only):**

- ✓ Application of appropriate and robust value for money, financial management and governance systems to reduce waste and improve efficiency in your internal operations and within your delivery chains;
- ✓ Compliance with all applicable tax requirements and tax transparency about tax arrangements.

#### **2. Ethical Behaviour**

Suppliers and Grantees act on behalf of FSD Africa and, indirectly, the funders of FSD Africa (e.g., the UK Government). Interactions with third parties, for example, governments, other aid donors and their delivery partners, and other stakeholders, including citizens, must therefore meet the highest standards of ethical and professional behaviour, free from bias, conflict of interest or undue influence to uphold the reputation of FSD Africa and its funders.

Instances or allegations of previous unethical behaviour by an existing or potential staff member or where there is a known or suspected conflict of interest must be declared to FSD Africa.

##### **Specific requirements (Level 1 only):**

- ✓ Existence of approved HR policies and procedure documents, including staff recruitment and management (which must address circumstances where there may be a potential or actual conflict of interest)
- ✓ Existence of a functional whistleblowing policy (which shall be no less stringent than FSD Africa's whistleblowing policy);
- ✓ An active whistleblowing hotline;
- ✓ Ongoing monitoring of potential or existing personal, business or professional conflicts of interest and their mitigation and management;
- ✓ Ethical business training for every staff member and updates on ethical business practices suitable to the Supplier's or Grantee's sector (e.g., UN Global Compact principles), including awareness of modern-day slavery and human rights abuses.

#### **3. Delivery Chain Management**

FSD Africa recognises the critical value that downstream delivery partners contribute. All suppliers and grantees must engage their delivery chain partners consistent with FSD Africa's treatment of its suppliers and grantees. This includes, but is not limited to, appropriate pricing of goods and services, appropriate and robust fiduciary and financial risk management processes, applying transparent and

responsive measures where delivery chain partners underperform, and taking a zero-tolerance approach to tax evasion, corruption, bribery, and fraud.

#### **Specific requirements (Level 1 only)**

- ✓ Full delivery chain transparency;
- ✓ Support and help build the capacity of micro, small and medium-sized enterprises (“MSMEs”) by paying 100% of all undisputed and valid invoices from MSMEs within 30 days and not using restrictive exclusivity agreements with sub-contractors;
- ✓ Cascade the principles of the Code throughout your delivery chain and partners, as appropriate, to ensure FSD Africa’s ethical behaviour standards are embedded and maintained;
- ✓ Ensuring delivery chain partners (and their employees) are expressly notified of FSD Africa’s whistleblowing hotline and the circumstances in which this can be used.

### **4. The Environment and Climate Change**

All Suppliers and Grantees must comply with all applicable Environmental Laws and be committed to high environmental standards. Appropriate steps should be taken to protect the local environment and community to identify and mitigate environmental and climate change risks arising from their activities that are imminent, significant and/or could cause loss and/or reputational damage to themselves and/or FSD Africa.

#### **Specific requirements (Level 1 only):**

- ✓ Adopt and adhere to appropriate and robust environmental and net-zero policies and procedures;
- ✓ Embed the consideration of risks from climate change in your governance arrangements and develop an approach to the disclosure of such risks in accordance with the appropriate disclosure framework (e.g. [CDP](#), [ISSB](#) ).

### **5. Anti-Money Laundering, Countering the Financing of Terrorism and Security**

All Suppliers and Grantees must implement appropriate and robust due diligence processes to reduce the risk of money laundering and terrorist financing and to ensure that FSD Africa funding is not used in any way that contravenes the provisions of the Anti-Money Laundering and Combating of Terrorism Financing Laws (Amendment) Act 2023 of Kenya and any other applicable anti-money laundering and anti-terrorism legislation. Ensure that FSD Africa funding is not used or linked to terrorist offences, terrorist activities or the financing of terrorism.

All Suppliers and Grantees must maintain high levels of data security per all applicable Data Protection Legislation and the requirements of the grant or contract they have entered into with FSD Africa.

#### **Specific requirements (Level 1 only):**

- ✓ Availability of comprehensive policies and procedures to reduce the risk of money laundering and terrorist financing;
- ✓ Safeguarding the integrity and security of IT and mobile communications systems in line with the Cyber Essentials Scheme<sup>1</sup> or appropriate equivalent.

### **6. Human Rights**

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<sup>1</sup> <https://www.gov.uk/government/publications/cyber-essentials-scheme-overview>

Respect for human rights is central to FSD Africa's expectations of all its Suppliers and Grantees, who must ensure that proportional and robust procedures are adopted and maintained to eliminate the risk of poor human rights practices within the delivery chain environments funded by FSD Africa. These practices include sexual exploitation, modern-day slavery, abuse and harassment (including GBVH) and all forms of child abuse and inequality or discrimination based on race, gender, age, religion, sexuality, culture or disability. FSD Africa will expect a particular emphasis on managing these issues in high-risk fragile and conflict-affected states (FCAS), focusing on ensuring remedy and redress if things go wrong.

All Suppliers and Grantees must comply with the ESG Requirements.

**Specific requirements (Level 1 only)**

- ✓ Include in their contracts with downstream partners anti-slavery and human trafficking provisions that are at least as onerous as those set out in their contractual arrangements with FSD Africa;
- ✓ Implement due diligence procedures for their contractors, subcontractors and suppliers to ensure that there is no slavery or human trafficking in their delivery chains;
- ✓ Be a [UN Global Compact](#) participant and adopt and implement policies and practices to embed good practices in line with the [UN Global Compact Guiding Principles 1 & 2](#) on business and human rights throughout their delivery chain.

## Annex 1

### Supplier and Grantee Compliance Declaration and Checklist

[on headed paper of Supplier/Grantee]

[Name]

FSD Africa

[FSD Africa address]

Dear [insert name],

In accordance with FSD Africa's Supplier and Grantee Code of Conduct (the "**Code**"), Suppliers and Grantees with a multi-year contract or grant (as applicable) over [£500,001] for contracts and Grantees (all levels) are required to confirm their compliance with the Code prior to Contract Award and thereafter on annual basis at the end of each financial year in writing to FSD Africa [within 3 months of the end of their financial year]. Supplier and grantees should be aware that spot check compliance monitoring will take place to verify responses.

This Compliance Declaration confirms that we have reviewed our compliance for the period [insert period] (the "**Relevant Period**") and have complied with the Code except as set out in this Compliance Declaration.

#### 1. Certification

- 1.1 I hereby certify that, so far as I am aware, and save as set out in this Compliance Declaration [*name of supplier/grantee*] has complied with the Code for the Relevant Period.
- 1.2 For the purposes of paragraph 1.1 above, where any statement is qualified as being "so far as I am aware" such statement shall be deemed to refer to the actual knowledge or awareness of [*name of certifying individual and other named individual*] having made due and careful enquiry of other members of my team.
- 1.3 Having reviewed the requirements under the Code (as set out in the checklist attached at Annex A to this Compliance Declaration), we set out below a table listing the obligations with which [*name of supplier/grantee*] is currently not fully compliant (including, where applicable, the steps we are taking to remedy this, the compliance date, and action owner).

#	Requirement	Non-compliance	Reason	Corrective Action/Implementation Plan	Target Compliance date	Action Owner

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**Name:**

**Title:**

**Date:**

## Annex A

### Checklist

This checklist provides a tool for Level 1 Suppliers and all Grantees to use when verifying their compliance with the Code. Please use the commentary box to indicate whether the requirement has been complied with, whether the requirement is not applicable, a summary of how the requirement has been met (if applicable), reasons for any non-compliance, any planned corrective action or implementation plan; and the likely date by which compliance will be achieved, if it has not yet been achieved.

	Compliance Area	Commentary
<b>1</b>	<b>Value for Money (VfM) and Governance</b>	
a)	Evidence of application of appropriate and robust value for money, financial management and governance systems.	
b)	Evidence of compliance with applicable government tax requirements and tax transparency in the country.	
<b>2</b>	<b>Ethical Behaviour</b>	
a)	Existence of approved HR policies and procedure documents, including staff recruitment and management (which must address circumstances where there may be a potential or actual conflict of interest) and evidence of continuous monitoring of potential or existing personal, business or professional conflicts of interest and their mitigation and management.	
b)	Existence of a functional whistleblowing policy (which shall be no less stringent than FSD Africa's whistleblowing policy) with an active whistleblowing hotline known to all employees and delivery chain partners	
<b>3</b>	<b>Delivery Chain Management</b>	
a)	Evidence of embedding your organisation's payment terms within contracting tools, such as Purchase orders and service contracts for all suppliers	
b)	Evidence that the principles of the Code have been cascaded throughout their delivery chain, as appropriate, to ensure FSD Africa's ethical behaviour standards are embedded and maintained.	
<b>4</b>	<b>The Environment and Climate Change</b>	
a)	Provide insights on any environmental and climate change efforts that your organisation has adopted, including any policies and procedures adhered to	
<b>5</b>	<b>Anti-Money Laundering, Countering the Financing of Terrorism and Security</b>	
a)	Evidence that comprehensive policies and procedures relating to the prevention of money laundering and terrorist financing have been adopted and are being implemented.	

b)	Evidence of the development, application and embedding of a data protection policy and personal data processing processes.	
6	<b>Human Rights</b>	
a)	Evidence of development and implementation of a safeguarding policy that is no less stringent than FSD Africa's safeguarding policy.	
b)	<p>(i) they comply with all applicable laws, legislation, codes of practice and government guidance relevant to safeguarding and the protection of children and vulnerable adults; and</p> <p>(ii) they comply with all applicable anti-slavery and human trafficking laws, statutes and regulations (or equivalent) from time to time in force, including, if applicable, the UK Modern Slavery Act 2015 and the Kenya Counter Trafficking in Persons Act 2010</p>	

## Annex 2

### Definitions

**“Basic Terms and Conditions of Employment”** means the applicable requirements in respect of wages, working hours, labour contracts and occupational health and safety issues, as set out in the ILO conventions as amended from time to time.

**“Core Labour Standards”** means the applicable requirements on child and forced labour, discrimination and freedom of association and collective bargaining set out in the ILO Declaration on Fundamental Principles and Rights at Work, 1998 (as amended).

**“Data Protection Legislation”** has the meaning given to it in the grant agreement or contract between FSD Africa and the Grantee or Supplier (as applicable).

**“Environmental Law”** means any applicable law, rule, regulation or international treaty obligations concerning environmental matters, including but not limited to: the climate, biodiversity, nature, the pollution or protection of the environment, harm to or protection of human life, emissions or substances capable of causing harm to any living organism or the environment, and natural resource management.

**“ESG Law”** means all applicable health, safety, environmental and social laws, included Environmental Law and Social Law.

**“ESG Requirements”** means the Mandatory Policies, the Code, all applicable ESG Laws, the Basic Terms and Conditions of Employment, the Core Labour Standards and the IFC Performance Standards (as applicable).

**“GBVH”** means gender-based violence or harassment, which includes any form of sexual harassment, exploitation or other form of abuse perpetrated towards any individual based on their gender, or to children.

**“Grantee”** means any party that has entered into a grant agreement with FSD Africa.

**“IFC Performance Standards”** means the International Finance Corporation's performance standards on social and environmental sustainability (including the technical reference documents known as World Bank Group Environmental, Health and Safety Guidelines) which are accessible on the IFC website as follows:

- (a) IFC Performance Standards: <http://www.ifc.org/PerformanceStandards>; and
- (b) World Bank Group EHS Guidelines: <http://www.ifc.org/EHSGuidelines>.

**“ILO”** means the International Labour Organisation of the United Nations.

**“Social Law”** means any applicable law, rule, regulation or international treaty obligations concerning (i) safeguarding, (ii) labour (including forced labour, modern slavery and human trafficking), (iii) diversity, equity and inclusion, (iv) social security, (v) the regulation of industrial relations (between government, employers and employees), (vi) the protection of occupational and public health and safety, (vii) the regulation of public participation, (viii) the protection and regulation of ownership of land rights (both formal and traditional), immovable goods and intellectual and cultural property rights, (ix) the protection and empowerment of indigenous people or ethnic groups, (x) the protection, restoration and promotion of cultural heritage, (xi) security risks, (xii) the payment of wages; (xiii) the payment of taxes, and (xiv) all other laws, rules and regulations providing for the protection of employees and citizens.

**“Supplier”** means any provider of goods or services to FSD Africa.