

COMMUNICATION ON ENGAGEMENT (COE)



Period covered by this Communication on Engagement [Ideally the two years prior to this report]

From: 1st January 2018

To: 31st December 2020

Part I. Statement of Continued Support by the Chief Executive or Equivalent

Please use the box below to include the statement of continued support signed by your organization's Chief Executive or equivalent.

5th January 2021

To our stakeholders:

I am pleased to confirm that TI-Kenya reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption. This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents. In this Communication of Engagement, we describe the actions that our organization has taken to support the UN Global Compact and its Principles as suggested for an organization like TI-Kenya. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely,

A handwritten signature in blue ink, appearing to read "Sheila Masinde".

Sheila Masinde,
Executive Director

Part II. Description of Actions

TI-Kenya has been involved in the following engagements aimed at promoting transparency and accountability in the private sector in the reporting period.

1. **Beneficial Ownership Advocacy:** Some of the specific commitments made by the Government of Kenya during the 2016 London Anti-Corruption Summit¹ regarding exposing corruption included taking measures in line with the new Companies' regulatory framework to establish a public central register of company beneficial ownership² information and to

¹ The London Anticorruption Commitments were made by the country through the Attorney General's office in 2016 and they focused on exposing of corruption, punishing the corrupt and supporting those who have suffered from corruption and driving out the culture of corruption wherever it exists.

² Beneficial Owner is a natural person who ultimately owns or controls a legal person or arrangements or the natural person on whose behalf a transaction is conducted and includes those persons who exercise ultimate effective control over a legal person or arrangement.

ensure that international and domestic law enforcement agencies have full and effective access to beneficial ownership information for companies and other legal entities registered within their jurisdiction. TI-Kenya was thus involved in intensive advocacy for the inclusion of the aforementioned beneficial ownership provisions in the Companies' Act with TI-Kenya proposals adopted into the Companies (amendment) Act, 2017. The Beneficial Ownership Register by the Business Registration Service was rolled out in 2020, following the legislative amendments and development of the regulations. TI-Kenya has additionally been involved in coordinating an assessment on beneficial ownership transparency in Uganda, Tanzania, Burundi and Rwanda (in addition to a similar assessment conducted in Kenya in 2016, and whose findings and recommendations continue to guide advocacy efforts), and is also conducting an assessment on Transparency in Corporate Reporting in the East Africa region.

2. **Development of Bribery Act Regulations:** TI-Kenya continues to be a member of the Steering Committee formed by the Ethics and Anti-Corruption Commission (EACC) with the support of GIZ, to spearhead the process of developing the Regulations to the Bribery Act 2016. The development and advocacy for the law was initiated by the private sector.
3. **Illicit Financial Flows:** TI-Kenya conducted an intervention dubbed '**Global standards to stop corrupt money flows in the real estate and accountancy sectors in Kenya**' in the reporting period, which included a desk research, social media engagements and a Webinar, and production of infographics to raise public awareness on illicit financial flows in the aforementioned fields.
4. **COVID-19 Accountability:** TI-Kenya initiated a multi-sectoral initiative to advocate for accountability practices in the management of the COVID-19 Pandemic. This included calls for the Private Sector to advance responsible and ethical business practices, with businesses holding each other to the highest standards of ethical conduct and work with the government and other stakeholders to identify effective strategies to particularly address corruption in the award of contracts for COVID-19 related works, goods and services.
5. **Participation in Global Compact local events:** TI-Kenya participated in various UN Global Compact Kenya activities organised by the local network and the UN Global Compact 20th Anniversary Leaders' Summit among other global webinars.

Part III. Measurement of Outcomes

1. Following TI-Kenya's advocacy on beneficial ownership, Kenya has enhanced its legislative framework on beneficial ownership through the enactment of the Companies (Amendment) Act, 2017. TI-Kenya has also succeeded in creating greater awareness on beneficial ownership among key stakeholders from the government, private sector, civil society and general public. TI-Kenya also considers it great progress that the Beneficial Ownership Register by the Business Registration Service has been rolled out, having supported the development of the legislation and regulations since 2016.
2. TI-Kenya's engagement in the UN Global Compact events enabled TI-Kenya to form further linkages with the private sector, and establish contacts with private sector representatives engaged in our reported interventions.