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1.0 INTRODUCTION

1.1 Policy application and manual

The Policy applies to all sponsorships received by the Agricultural Development Bank (ADB). It helps to understand the bank's business impact on the Country and considers how it can use this impact in a positive way.

The Sponsorship Policy outlines:

- What sponsorships ADB will and will not undertake;
- Annual budget allocation for sponsorship
- The rights and responsibilities of all parties involved in a sponsorship in order to ensure there is neither conflict of interest nor negative impact on ADB's reputation or probity.

The manual provides a guide for ensuring that any sponsorship undertaken by the bank is implemented professionally and in the best interest of the bank. Adherence to the procedures can also be good for the bottom line. It means a responsible attitude and following straightforward principles that apply to the bank's business mandate.

The manual outlines guidelines for assessing, managing, evaluating, developing and reporting on sponsorship.

1.2 Sponsorship

ADB has a range of responsibilities to deliver products and services under the relevant business mandate. It also supports events and activities which contribute to the economic and social development of Ghana and individual Ghanaians. In line with the bank's vision of becoming a key stakeholder in championing a development agenda with strong focus in agriculture, Sponsorship should be sought and used by a number of ADB departments, principally the Marketing and Development Finance Unit, to obtain additional resources to support specific activities or programs. The success and public exposure of an activity can be enhanced by sponsorship.

Sponsorship can be provided as cash or as value-in-kind, where the sponsor provides a product or a service. The value of sponsorship arrangements can vary from a few cedis to several hundred cedis. A sponsorship agreement can last from a few hours, for a specific event, to a partnership of several years between the bank and sponsor.

Through sponsorship, ADB can enhance, extend or reduce the cost of current activities or programs or develop new ones. It can do this by providing some benefit to a private sector company, corporation or other government agency. The benefits to ADB include, for instance,

the exposure of the bank's name or logo as a supporter, message scrolling on television and advertisements. The activities of the organizer may attract a larger or different audience from which the bank might target in its normal business.

The association of the organizer with the broader public interest of the bank can improve the bank's relationship with its shareholders, staff and customers as well as provide the opportunity for the bank to present its name and products to a wider market.

1.3 Management of the policy

The Executive Committee will take full ownership of this document. The Marketing Manager will however, be responsible for the processes outlined. Most sponsorship of the bank activities will be managed by the Marketing Manager.

1.4 Purpose of the policy

The policy has been developed to provide a transparent process in the interest of public accountability. It provides a process for use by the bank's Marketing Manager and other staff, as well as information for potential sponsors about partnerships with the bank.

Any employee of the bank or potential sponsor can use this policy for reference or to identify projects which could benefit from sponsorship. Ideas for possible sponsorship opportunities should be discussed with the Marketing Manager. For reasons of consistency and probity, responsibility for undertaking negotiations for all sponsorships rests with the Managing Director or Executive Committee of the bank.

1.5 How to use the policy

A. An organisation that wants to enter into a sponsorship arrangement with the bank:

1. Read sections 6 and 4: Attracting Sponsors and The Purpose of Sponsorship
2. If you fulfill the criteria outlined in section 3, read Sections 9-11.
3. Contact the Marketing Manager

B. A member of staff who wishes to propose an idea for sponsorship:

1. Read Section 3: Key considerations
2. Discuss your proposal with the Marketing Manager.
3. Read sections 4 and 5: The Purpose of Sponsorship and Developing a Sponsorship Proposal.
4. If the proposal is approved by the Managing Director or Executive Committee then go ahead, read sections 6 and 7: Attracting Sponsors and Pitching and Negotiating the Sponsorship.
5. If the negotiations are successful, read and implement sections 9-11 under the guidance of the Marketing Manager.

2.0 DEFINITIONS

Benefits for sponsors	The primary benefit for sponsors is a competitively-priced medium to reach a target audience. Benefits include, but are not limited to branding, hospitality, and advertising. Benefits are determined by collaboration and agreement between the bank and the organizer.
Benefits for the Bank	Through sponsorship, the bank can gain resources to enhance, or to offset the cost of, producing and promoting ADB events, programs and services.
Project	Refers to the activity (eg. event, program or service) for which sponsorship is being sought.
Resources	Resources raised by sponsorships, can be in the form of cash, goods or services.
<i>Cash</i>	Cheque provided to the bank by a sponsor to be used to offset the cost or enhance the potential of a specific bank project.
<i>Value in kind</i>	Goods such as equipment, or services such as advertising or printing, given to the bank to enable a specific event, program or service to be produced and/or delivered.
Sponsor	<p>For the purpose of this Policy, a sponsor is any organisation or individual providing resources to the bank, for use in achieving bank's objectives, in return for specific benefits.</p> <p>A sponsor is not an organisation or individual providing a 'gift' with no benefits in return.</p>

3.0 Key Considerations

The bank's reputation is an important asset. In addition, the bank has public responsibilities and accountabilities, and must operate within its own legislation, policies and guidelines.

To minimise possibilities where conflict of interest may occur, and to ensure sponsorship activities fulfill the bank's public responsibilities and operate within its own legislation, policies and guidelines, this policy clearly outlines what sponsorships the bank will undertake and also not undertake.

The bank's *Code of Conduct* is a useful reference for maintaining professional and ethical behaviour at all times.

The risks associated with sponsorship can be higher than those associated with normal bank activities. The major risks include:

- Perceptions of improper conduct
- The potential to embarrass the bank through associating a bank project with an inappropriate sponsor
- Undertaking an activity on the basis of the promise of corporate sponsorship which then does not materialise
- Breaching the bank's accounting requirements
- Undervaluing or overvaluing sponsorship projects to potential sponsors;
- Not being cost effective
- Being incapable of surviving critical public scrutiny.

The key areas of concentration for sponsorship:

- Improvement in Agriculture
- Education
- Environment
- Health
- Poverty Relief
- Sports
- Culture
- Social
- Humanitarian

The idea is to complement Government's efforts in the provision of social amenities and other related support in the areas specified above, but not to be seen as solely responsible for this.

3.1 Conflict of interest

Any sponsorship the bank undertakes must not compromise the bank's reputation, public image, probity, or its ability to fulfill its functions.

Protecting the bank's reputation and its compliance role will be expressed as a term or terms in the agreement. The terms to be included depend on the nature and scope of the sponsorship. For example, the bank can include terms to ensure that:

- Its logo is not used without its specific permission
- The sponsorship deal is not regarded as a general endorsement by the bank of the business activity of the other party
- The sponsorship deal will not fetter the bank's ability to undertake its business mandate and compliance roles
- The bank continues to own the intellectual property developed
- The bank's information obtained by the other party in the course of the sponsorship is kept confidential.

Where the Sponsor proposes to deal with the bank in any other capacity, the Managing Director will implement appropriate measures to deal with any actual or potential conflict.

3.2 Public Responsibilities

Any sponsorship undertaken should not replace a service required by the bank's mandate nor inhibit the bank's ability to ensure that:

- Events, programs and services are accessible and appropriate to groups in the community
- All relevant program objectives, outcomes and outputs are consistent with the bank's Corporate and strategic plans.

The bank is accountable to the public. Any sponsorship it undertakes must be one which the bank would be proud to see on the front page of a newspaper.

3.3 Sponsorships not permitted under this Policy

Given the above considerations, the bank will NOT undertake sponsorships of the following types.

3.3.1 Policies and principles

- Require or imply the bank's endorsement of political parties or individual aspirants.
- Limit the bank's ability to carry out its function fully and impartially
- Restrict access to the bank's events, products and services by the widest audience possible
- Are not consistent with the bank's business mandate
- Personally benefit individual bank employees, or their friends/family
- Give a sponsor influence over the bank and access to restricted information
- Pose a conflict with the broader policies and practices of the bank

- Pose a conflict between the objectives and mission of the bank and those of the sponsor
- Illegal and illicit businesses
- Have not gone through the processes set out in this Policy
- Require the bank to commit to delivering a product or service which it does not have the means, infrastructure or resources to do so
- Have not been approved by the Managing Director or Executive Committee.

3.3.2 Sponsor Types

1. Sponsors that are in the business of pornography
2. Sponsors in political fields (eg political parties)
3. Sponsors in gambling

3.3.3 Cost Issues

1. Places a price on the bank's sponsorship package that is not fair in comparison to marketplace prices
2. Require research to establish the viability of undertaking a sponsorship, where that research exceeds the value of the sponsorship itself
3. Place a price on a sponsorship package which is so low as to undermine the perceived quality of that package
4. Place a price on a sponsorship package which does not represent value-for-money

3.3.4 Objectives

1. Do not have clearly-defined objectives which allow the sponsor and the bank to evaluate the outcome and results
2. Do not support the overall objectives of the bank
3. Do not have a written letter of agreement and/or contract between the bank and the sponsor.

4.0 PURPOSE OF SPONSORSHIP

There are many instances when the bank may want, or need, to seek a sponsorship. For example:

- ADB will benefit from the partnership established
- A business has approached the bank with an offer of sponsorship
- A prospective sponsor has a high reputation for providing a proposed service or goods

Whatever the circumstances, a sponsorship may be able to assist the bank to achieve its goals. A sponsorship, by definition, must provide both the sponsor and the bank with clear benefits. The bank as part of its approved budget will consider sponsorship in the key areas indicated below.

Key Area	Area of Support
Improvement in Agriculture	<ul style="list-style-type: none"> - Support research programs aimed at improving agriculture, the Arts and sciences. - Workshop and conferences promoting agriculture - Ministry of Agriculture organized programs such as National Farmers Day etc.
Environment	<ul style="list-style-type: none"> - Aforestation activities such as tree planting programs with schools - Provision of boreholes for communities - Programmes on safe use of Agrochemical
Health	<ul style="list-style-type: none"> - Medical Schools of Public Universities - Health Training Institutions - Ghana Medical Association - Veterinary services - Disease Control Programmes - Medical Foundations (Heart, Kidney etc)
Poverty Relief	<ul style="list-style-type: none"> - Physically challenged associations - Children in Deprived Areas / Homes
Culture / Sports	<ul style="list-style-type: none"> - Major festivals in locations where ADB has presence. Support can be monetary or with ADB branded items. - Ministry of Youth and Sports programs - Interbank sports activities
Social / Humanitarian	<ul style="list-style-type: none"> - Emergency treatment support for the needy. - Support to the security services - NADMO related activities
Education	<ul style="list-style-type: none"> - Educational programs aimed at institutions such as reading contest, essay writing , and choral competitions - Award of educational workers who have excelled in their field - Media programs on education - Support for basic school infrastructure (minor projects)

5.0 DEVELOPING A SPONSORSHIP PROPOSAL

5.1 For cash sponsorships

ADB staff will:

1. Determine the event, program or service available for sponsorship.
2. Determine the element of the event, program or service to which the sponsorship cash will be applied.

3. Determine the total amount of sponsorship required by the event, program or service.
4. Establish a value that you expect a sponsor to pay for the sponsorship (major, supporter, etc) and the basis for the valuation.
5. Establish a range of benefits for that level of sponsorship.
6. Establish a value for those benefits.
7. Establish a range of organizations to approach for sponsorship through research into the alignment of their objectives, and those of the project and the bank.
8. Develop a pitch aligned to each organization, including targeted benefits which address each organization's specific objectives.
9. Ensure a balance between the value of the sponsorship pitch and the sponsor benefits.
10. Identify any potential, real or perceived conflicts of interest (see policy).
11. Identify any other risks including public risk, political risk and risk to the bank and sponsor's reputation.
12. Develop a draft sponsorship contract, based on the corporate sponsorship template approved by the bank's legal department. (see policy).
13. Seek the Executive Committee or Managing Director's approval to go ahead with the sponsorship negotiation.

The Managing Director will address any potential real or perceived conflict of interest, advice on how it should be treated, or decline to continue with the sponsorship approach.

5.2 For Value in Kind sponsorships

ADB staff will:

1. Determine the event, program or service available for sponsorship.
2. Determine the goods or service required to undertake the event program or service.
3. Determine the fit-for-purpose nature of the goods or service, eg:
 - for media sponsorships, determine the market you want to target with media, and establish which media outlets provides the best fit for that market, through frequency of publishing, coverage, audience demographic etc;
 - for production equipment, develop a brief on the nature and amount of equipment (lighting, audio, audiovisual, computing, staging etc) that is required by the event.
4. Establish the amount of goods or services that you require to undertake the event.
5. Establish a value for the goods or services at a commercial rate. This should be the value of the sponsorship sought.
6. Determine a range of benefits for that level of sponsorship (in line with the cash sponsorships).
7. Establish a value for those benefits.
8. Establish a range of organizations to approach for sponsorship through research into the alignment of their objectives, and those of the project.
9. Develop a pitch aligned to each organization, including targeted benefits which address each organization's specific objectives.
10. Ensure a balance between the value of the sponsorship pitch and the sponsor benefits.
11. Identify any potential real or perceived conflicts of interest (see policy).

12. Identify any other risks including public risk, political risk and risk to the bank and Sponsor's reputation.
13. Develop a draft sponsorship contract, based on the corporate sponsorship template approved by the bank's legal department.
14. Seek the Managing Director's approval to go ahead with the sponsorship negotiation.

The Managing Director will address any potential real or perceived conflict of interest, advice on how it should be treated, or decline to continue with the sponsorship approach.

6.0 ATTRACTING SPONSORS

In order to maintain a fair playing field, the Procurement Act recommends that Government agencies seeking sponsorship should publicly call for Expressions of Interest to allow all potential sponsors equal opportunities for involvement in the project.

However, research has shown that this is not the most effective method of attracting sponsors, particularly on a per-project basis. The Procurement Act does recognise instances where it is more feasible to approach individual sponsors directly. This is also more effective in terms of cost and time, as it allows the bank to identify those sponsors that will meet its criteria (see policy).

In those instances where it is more feasible to approach individual sponsors directly, the bank will employ both methods to allow for both a fair playing field and the identification of most appropriate sponsors.

Attracting sponsors is a two stage process:

1. Attracting interest from potential sponsors; and
2. Pitching a sponsorship to individual organisations, in view of their specific corporate objectives.

6.1 Unsolicited offers

The bank may be approached directly by an organisation with an unsolicited sponsorship offer. Generally there is a commercial advantage to the organisation proposing the sponsorship. Careful consideration should be given to the acceptance of this offer. The bank may obtain better value for money by accepting the sponsorship than by calling for expressions of interest. The sponsorship offer should be evaluated in accordance with the bank's Policy.

Where an unsolicited offer of sponsorship is received and there is a desire to test the market for further interest, it is important to protect the commercially valuable ideas and strategies of the organisation or the individual that proposed the original offer.

6.2 Exceptional circumstances

There may be occasions when it is considered necessary or desirable to accept an unsolicited offer or to renew an existing sponsorship agreement without first testing the market for alternative offers. Such instances could include:

- Sole/limited supplier situations
- Where a considered assessment establishes that the calling or expressions of interest or tenders will threaten the viability of the first offer and/or lead to a lesser end result
- Where there is reason to believe that no other competitor could provide a better offer
- When deadlines prohibit the calling of expressions of interest or tenders.

In this case, the sponsorship offer/renewal should be evaluated in accordance with the bank's Policy.

6.3 Selecting sponsors

The bank should always select the sponsor that offers the most towards achieving the project's and the bank's goals, and will clearly benefit from sponsoring the activity. Sponsors can be declined if they do not meet the bank's criteria for sponsorship (see policy).

If the bank receives expressions of interests from more sponsors than the project requires or can support, it should seek other opportunities for them where possible. For example, the bank might be able to offer them a smaller sponsorship package within the same project creating a tiered sponsorship with major and secondary sponsors or sponsorship of another project in progress. In each case, the bank must be able to clearly demonstrate and record reasons for selecting and not selecting sponsors.

7.0 PITCHING AND NEGOTIATING

The bank will:

1. Pitch to the sponsor through the most appropriate process: directly, through an advertising agency, through a manager of the organisation's sponsorship funds, etc.
2. Where appropriate, seek the support of the Managing Director in the sponsorship pitch.
3. If an organization expresses interest in the sponsorship, negotiate a sponsorship arrangement based around the original pitch.
4. Where the sponsorship involves a change to the cash amount sought, negotiate the benefits accordingly.
5. Once a sponsorship deal has been reached, seek the approval of the relevant manager, Managing Director or Executive Committee.
6. Finalise the sponsorship with the execution of a sponsorship contract.

8.0 APPROVAL PROCESS AND BUDGET ALLOCATION

The bank's procurement manual will be the guide. However, there will be other considerations.

- The request must be contained in the annual budget or corporate plan
- It should also be contained in the Corporate Social Responsibility (CSR) plan
- Sponsorship agreements of any amount whether a single year or multi-year sponsorship agreement, will be put to the appropriate authority for approval.

An amount equivalent to 1% of the previous year's net profit will be allocated to all sponsorship activities and donation for the year. No single donation/sponsorship should exceed GHS 10,000 unless approved by the Executive Committee or Board.

Sponsorship activities and Donation are considered different from core marketing and as such Marketing will have a separate annual budget.

9.0 CONTRACTING THE SPONSORSHIP

Once the proposed sponsorship has been approved, it must be contracted. Any agreement between the bank and a sponsor must be put in writing outlining all the rights and responsibilities of both parties, in addition to establishing clear objectives. Agreements must be signed by the bank's Legal department.

Not all agreements need to originate with the bank. Where the sponsorship approach is from the bank there is likely to be an expectation by the other parties that the bank drafts the agreement. Where another party submits an unsolicited proposal to the bank, it is likely the sponsor may draft the agreement. All agreements, regardless of who drafts them, must be vetted by the Legal department before it is sent for signature.

Sponsorship agreements will include:

1. The objectives of the parties
2. The event, program or service to be sponsored
3. The value of the sponsorship to be provided by the sponsor and a payment schedule
4. The nature and value of the benefits to be provided by the bank
5. The right of the bank not to be fettered in its regulatory and compliance role by the sponsoring organisation or the sponsorship;
6. Cancellation and termination conditions
7. Dispute resolution clause
8. That the Sponsor advises the bank of any change in circumstances relating to the Sponsor's reputation
9. That the Sponsor advises the bank of any association or parent company directly or indirectly involved in the sponsorship
10. That the Sponsor will disclose the existence of the sponsorship when dealing with the

bank in any other capacity (eg, the provision of goods and services, regulatory or compliance matters).

Contracts must be signed before the sponsorship is provided.

10.0 ACCOUNTING FOR SPONSORSHIP

Cash sponsorships

- Cash sponsorships will be recorded as income for the relevant event, program or service.
- The cost of providing benefits will be recorded as a cost to the relevant event, program or service.

Value in Kind sponsorships

- VIK sponsorships will be recorded as income against an equal expenditure in the relevant project code.
- The cost of providing benefits will be recorded as a cost to the relevant event, program or service.

11.0 MANAGING THE SPONSORSHIP

The bank will:

1. Ensure the contract is executed by both parties.
2. Provide the sponsor with a project management plan including an event timeline, with invitation, PR and print deadlines.
3. Determine with the sponsor an approval process for the use of logos and other printed materials.
4. Provide the sponsor with updates on the planning of the event.
5. Manage the hospitality requirements, including invitations, RSVPs, ticketing and catering.
6. Maintain good communication with the sponsor.
7. Ensure the exchange of VAT invoices.

12.0 EVALUATING AND REPORTING

Sponsorship activities should be evaluated regularly against measurements established in agreement with the sponsor. As any dealings with corporate sponsors need to be highly transparent and satisfy public accountability, reports must be clear and easily accessible.

12.1 Evaluation

Evaluation is used to gauge performance and provide information for reports, to both the bank and the sponsors, on the success of the sponsorship activity. Measurements for evaluation should

be established in conjunction with the sponsor. Possible qualitative and quantitative measures could include:

- Whether the letter of agreement or contract was fulfilled
- Extent to which sponsor used benefits
- Qualitative assessment of the activity
- Whether the target audience was reached
- Whether the general community's awareness was raised
- How much media coverage was generated
- Cost/benefit analysis (actual versus budget)

In some instances, either the bank or the sponsor will gain benefits from formal marketplace research to assess outcomes. Results of market research can be used to assist in acquiring sponsors in the future and encouraging existing sponsors to renew.

12.2 Reporting

12.2.1 Reporting to the bank

- All sponsorships will be provided for within the bank's budgets for events, programs and services.
- The total value of sponsorships for each event will be reported within the Quarterly Financial reports to EXCO
- Individual sponsorship amounts will not be reported for commercial-in-confidence reasons unless the sponsors agree.
- Sponsorships will be included in the Annual Report.

12.2.2 Reporting to the sponsor

A report will be provided to each sponsor at the completion of the sponsorship activity, including an evaluation of the project as outlined in clause 12.1 above.

13. SPONSOR BROKERS

The bank may invite Sponsor or Media Brokers to assist it in attracting, negotiating with and selecting sponsors and media partners. Any arrangement will be undertaken under the terms of the bank's Policy.

Any Sponsor or Media Broker must disclose any potential conflict of interest prior to entering into a contract with the bank for their services.

