



**Country Coordinating Mechanism Nepal (CCMN)**

**Conflict of Interest Policy**

**January 2019**

## **Introduction**

The concept of conflict of interest (COI) universally recognizes that the judgment of even the most well-meaning persons may be impaired when their own interests or those of family members, close associates, or those of an institution with which they are affiliated are affected by their work. The Country Coordinating Mechanism Nepal (CCMN) recognizes that addressing COI is not only the requirement of the Global Fund, but that having instituted a COI policy is in the best interest of the Institution. Given the diversity of interests and perspectives represented on the CCMN, it is particularly important that the CCMN operate in a balanced, ethical, collaborative, transparent, and open manner. This policy, as an annex to the Rule of Business (ROB) provides guidance in identifying and addressing actual or /and potential conflicts of interest. It is based on clear definitions of potential areas of concern, a duty to disclose, and outlines procedures for managing and mitigating these conflicts as they arise.

## **Purpose**

1. The purpose of this policy is to ensure fairness and a high standard of ethical conduct in the CCMN decision-making processes to protect the reputation and integrity of the CCMN and its interests, and to ensure broad public trust and confidence in the decision-making and grant making activities.
2. The COI policy is intended to provide the CCMN with procedures to appropriately manage and mitigate these conflicts in accordance with the requirements of the Global Fund and prevailing operative laws of the country including the CCMN Rule of Business.

## **Application**

1. The CCMN conflict of interest policy is applicable to all members and their alternates, Secretariat, Principal Recipients (PRs), Sub-recipients (SRs) and Sub-Sub Recipients (SSRs) and any other parties that interact with the CCMN.
2. The CCMN shall ensure that on taking a seat and at least once each year, the members of the CCMN will undergo training on their responsibilities regarding management of conflicts of interest and the requirements of this policy.
3. The CCMN may identify the appropriate body within its structure to address ethics and conflict of interest issues.
4. The CCMN should consider the consequences of conflicts of interest on its composition when considering membership renewal, Funding application development and reallocation.

## **Guiding Principles**

The CCMN shall be guided by the following core principles:

1. The CCMN's paramount goal is to serve the public interest of the Federal Democratic Republic of Nepal.
2. The activities of the CCMN should promote transparency, accountability and the integrity at all level. Engendering a culture that is intolerant of actual or perceived conflicts of interest should guide the CCMN in its activities.
3. Conflict of interest should be managed and mitigated through formal policies and procedures.

## **Definitions**

Within the context of the CCMN, a conflict of interest occurs when a member or alternate or the Secretariat uses his or her position to advance personal ambitions or interests, the interests of an

institution with which he or she is affiliated, those of a family member, or close associate, or in a way that disadvantages or excludes others.

“Conflict of interest” includes potential conflicts of interest and perceived conflicts of interest.

*Potential* conflict of interest occurs when a member or the Secretariat is placed in a position in which they have the capacity to use their position or status in such a way that a conflict of interest, as defined above, may occur.

*Perceived* conflict of interest occurs when a person believes or suspects that a conflict of interest, as defined above, exists on the part of a member or its Secretariat.

*Close associate* of a person includes a family member (spouse, child, sibling, parent, cousin, in-law), friend, business partner, or professional associate.

Affiliated with an institution when he or she is an employee or volunteer, or has a financial interest or a technical or governance role with that institution.

*Recusal* occurs when a person removes him or herself from participation in deliberations and decision-making when a conflict of interest would arise through their involvement. The conflict of interest may arise in association with gifts, which is defined as including favors, gratuities, or sponsorships whether of a monetary or intangible nature.

*CM body* refers to any of the organizational or governance structures a CCM establishes, including committees, subcommittees, working groups, task teams, and the CCM Secretariat.

### **Potential area of COI**

Conflicts of interest can occur but are not limited to the following:

1. Selection of principal recipients (PRs) and sub-recipients (SRs)
2. Issues relating to assessment, monitoring, and oversight of principal recipients and sub recipients
3. A substantial reprogramming and reallocation of the grant funds
4. Discussions of matters for which CCMN members or their institutions have a financial interest, such as procurement, contracting, recruitment of staff, etc.

### **Protocol to Manage and Mitigate Conflict of Interest**

**Statutory Declaration.** All CCMN members, alternates, and members of the TWGs and other CCMN committees shall complete an Acceptance of COI Policy & Declaration of Interest Statement (Annex: 1) at the time of being seated on the CCM and disclose any actual or perceived conflict of interest at that time. The statement will be completed on an annual basis thereafter and updated as needed, whenever a material change occurs in the information. Statements shall be archived by the Secretariat and made available for inspection by the delegated body charged with ethics and conflict of interest responsibilities. These statements shall form part of the public record of the CCMN.

**Role of Chair & Vice-Chair(s).** The CCMN shall ensure that neither its chairperson nor its vice-chairpersons is from an organization that serves as a principal recipient for a CCMN-initiated project financed by the Global Fund. In the event that this is the case, or that the CCMN chairperson or vice-chairpersons represent organizations that are candidates for selection as a principal recipient, then Section 6.6 shall apply. CCMN shall ensure that the Chair and the Vice-Chair shall each be elected from different constituencies.

## **Committee Membership**

1. CCM members representing institutions that are principal recipients or sub recipients shall NOT be named to the CCM Oversight Committee. CCM members may however be invited to Oversight Committee meetings as non-voting participants to provide information on the grants.
2. CCM members representing institutions that are candidates to serve as a principal recipient or sub recipient or sub-sub recipient shall not participate in deliberations (committee or general meetings) pertaining to the respective entity.

## **Notice of Agenda Items, Declaration of Potential or Perceived Conflict of Interest**

1. Each member of the CCM will receive an agenda of the meeting at least one week in advance. Members of the CCM must decide whether a potential conflict of interest exists and prepare to recuse themselves from CCM discussions. These members must disclose the nature of such interests to the chairperson. The member must recuse himself or herself from any and all deliberations and voting.
2. CCM members or alternates must declare whether a conflict of interest exists at the beginning of the CCM meeting, at the time when all agenda items are read or reviewed.
3. Any member of the CCM may raise the question of a potential conflict of interest prior to or during a meeting. Members may present an allegation of conflict of interest to the chairperson or other CCM body charged with responsibility for conflict of interest, who must investigate each question raised.

## **Recusal**

1. At the moment in the meeting when the relevant agenda item is to be discussed for which there exists a conflict of interest for a CCM member or alternate, members and alternates shall recuse themselves, leave the room, and wait elsewhere.
2. CCM members and alternates having a conflict of interest may NOT vote on the issue at hand and shall not be present in the meeting room when the vote is taken. Once the discussion and any necessary votes or decision making have been completed, the CCM member or alternate shall be recalled into the meeting room.
3. CCM members and alternates having a conflict of interest may be called into the meeting room in their capacity as a representative of their organization to provide needed information to the CCM. Once they have finished providing this information, they will again leave the room until recalled.
4. Whether in the meeting room, outside, or at any other time, the CCMN members and alternates shall not attempt to exert their personal influence with respect to the discussion topic.
5. If the chairperson has a conflict of interest, he or she must delegate meeting responsibilities to a vice-chairperson for the period of the deliberation and recuse himself or herself. If a vice-chairperson also has a conflict of interest, the vice-chair shall also recuse himself or herself and the CCM must elect an acting chairperson for the period of deliberation and thoroughly document the process that was followed.

## **Gifts and Favors**

1. CCM members and alternates are prohibited from accepting gifts under circumstances in which it could reasonably be construed that the gift is motivated by the position as a CCM member or alternate and could substantially affect decisions of the CCM.
2. CCM members and alternates are prohibited from giving gifts if it could be reasonably construed that the gift is intended to affect the policies or practices of the CCM, a principal recipient, or any of the programs it funds.

3. CCM members and alternates who represent governments, corporations, or organizations, and who are subject to a code of ethics or standards of conduct as a result of their position, may accept complimentary invitations to widely attended gatherings otherwise prohibited by this policy where such attendance is permitted under the code of ethics or standards of conduct to which the individual is subject.

### **Suspected Conflict of Interest**

1. If a suspected conflict of interest is reported by any party, the CCM chairperson and the appropriate CCM body responsible for conflict of interest issues will review the matter immediately to determine whether the CCM member or alternate has failed to declare an interest and if the breach is his or her responsibility. The issue must be reported to all CCM members. Any substantive issues must be brought to the entire CCM to decide.
2. If the matter is brought before the CCM for deliberation, the member or alternate shall be requested to withdraw while the matter is being deliberated. Any CCM member or alternate can bring allegations of conflict to the CCM, and such allegations must be discussed.

### **Failure to Disclose an Interest**

1. If the CCM learns that a CCM member or alternate has wittingly failed to disclose an interest, the CCM shall take all reasonable measures to revoke any benefit gained. Before taking such action, the CCM shall inform the member or alternate in writing of the conflict of interest issue and provide the member or alternate with the opportunity to explain the alleged failure to disclose.
2. The CCM chairperson shall refer all available information in relation to the conflict of interest to the appropriate CCM body charged with conflict of interest matters (i.e., oversight committee, executive committee, full CCM), which shall make a determination on whether a conflict of interest exists. If a conflict of interest does exist, the CCM body shall make a recommendation to the full CCM regarding appropriate action to be taken with respect to the person who has failed to declare the conflict of interest.
3. The full CCM shall consider and vote on the recommendation of the CCM body at the first meeting following receipt of the determination and recommendation.
4. Following the CCM's vote on the recommendation, the circumstances and CCM member or alternate shall be reported to the member's constituency. The constituency shall be requested to immediately replace the member or alternate who serves on the CCM.
5. The CCM shall report all instances of conflict of interest situations that are in apparent violation of any operative laws to the appropriate official government body responsible for enforcement and the Global Fund country team

### **Documentation of Conflict of Interest**

All decisions associated with conflict of interest will be recorded by the CCM and reported in the minutes of the meeting. The record will state:

1. The nature and extent of the conflict
2. A summary of the discussion
3. The actions taken to manage the conflict.

### **Periodic Review of COI Policy**

The COI policy shall be reviewed on a periodic basis at least consistent with the CCM's review of other governance documents or earlier as needed.

## Annex 1: Acceptance of COI Policy and Declaration of Interest Statement

*Upon appointment to the Country Coordinating Mechanism Nepal, please complete this Declaration and submit it to the Secretariat prior to attending your first meeting. You will be asked to update this annually throughout your term of office.*

### Section 1: Acceptance of COI Policy

**Name of CCM Member:**

**Institution:**

**Title:**

**Constituency:**

I, the undersigned, hereby pledge to comply with the attached Conflict of Interest Policy of the Country Coordinating Mechanism Nepal (CCMN).

As a CCMN member or alternate, I shall not participate in deliberations, the making of recommendations or decisions, or other processes in which I have a conflict of interest, or a potential conflict of interest, as defined in the attached Conflict of Interest Policy.

I will complete Section 2 of this document concerning my professional and personal affiliations. I promise to declare my conflict of interest to the general assembly of the CCMN prior to or at the commencement of any CCM meeting at which a relevant matter will be considered. I will state the nature of the conflict of interest and all relevant facts pertaining to my interest. I will then recuse myself from participating in any proceedings concerning the matter.

If another person alleges that I have a conflict of interest, I will respond to this charge and will abide by the decision taken by the CCMN.

If I have reason to believe that a person has a conflict of interest in relation to any matter arising from his or her role or responsibilities in the CCMN, I will report my belief and the information on which it is based to the chairperson, and will provide such further information as is requested from me by the chairperson to the best of my abilities. I undertake not to make allegations of conflict of interest except in good faith, and on the basis of a genuine belief that such conflict or conflicts could compromise the transparency, accountability, inclusiveness of or public confidence in the CCMN.

If I have any questions or need any assistance understanding or complying with the Conflict of Interest Policy, I will contact the chairperson of the CCMN or the Secretariat who will assist me.

I hereby certify that I have received a copy of, and read the CCMN Conflict of Interest Policy.

Signed :

Date:

Section 2: Declaration of Interest Statement

*Please answer the following questions completely. When done, initial the page.*

No.	Question	Response
1a.	Where do you work?	
1b.	What position do you hold?	
2.	Are you a member of a Board of Directors of an organization? If so, please list the organization(s).	
3.	Are you the owner, co-owner, or stockholder of a private business? If so, please list.	
4.	Do any of your affiliated organizations listed above, serve as a principal or sub recipient of a Global Fund grant? If so, please list the organization and grant.	
5.	Does a close family member work for or hold an ownership interest in an organization serving as a principal or sub-recipient of a Global Fund grant? If so, please list the person, organization, and disease program.	
6.	Do you serve on a CCM committee? If so, please list and identify if you have a leadership role on the committee (Chair, co-Chair, etc.)	
7.	Do the policies of the organization you work for conflict or have the potential to conflict with that of the national disease strategy? If so, for which disease and how?	
8.	Please list any other affiliation or situation you believe may cause a conflict of interest for you.	

Initialed By: