



Conflict of Interest Policy

Liberia Coordinating Mechanism

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Preamble

1. The Liberia Country Coordinating Mechanism (LCM) acknowledges the importance of adhering to good governance principles and maintaining the highest standard of ethical conduct in decision-making in all of its operations in order to engender public confidence and protect the reputation and integrity of the Global Fund to Fight AIDS, Tuberculosis and Malaria (the Global Fund) and its interests.

2. Further, the LCM recognizes the inherent potential for conflict of interest in the implementation of Global Fund Grants to Liberia due to the diversity of interests and perspectives among stakeholders. Thus, the LCM has developed a Conflict of Interest Policy to manage actual, potential and perceived conflict of interest at all levels.

Governing Principles

3. The governing principles of the LCM Conflict of Interest Policy are:

- a) To ensure the integrity of the LCM and its processes in the implementation of Global Fund Grants.
- b) To protect the reputation of the Global Fund and its interests.

Conflict of Interest Defined

4. By definition, a conflict of interest arises when an individual participates personally and substantially in any matter in which he/she or an associated person or associated institution has a financial interest or has an agreement, contract, grant or relationship with the LCM or any of its organs.

5. For the purpose of this Policy, categories of conflict of interest include:

- a) Financial interest. For all matters related to the management and operations of the LCM, financial interest shall extend to the direct or indirect access to or use of any funds made available through the Global Fund.
- b) Programmatic interest includes direct benefits accruing to a program or department in a public sector, civil society or private sector by virtue of members promoting a proposal or a level of funding for a proposal, or making recommendations regarding the utilization of awards, or the

monitoring or oversight of project performance that disregard the national interest of Liberia or the goals of the Global Fund.

- c) Administrative interest refers to specific policy position advanced by members that may influence decisions of the LCM in favor of their own organizations in approval of proposals, level of funding, utilization of awards or monitoring or oversight of performance.
 - d) Relationship interest involves situations where relatives and close affiliates of members stand to benefit as a result of a decision taken by the LCM. The benefit may be financial or non-financial.
6. A potential conflict of **interest** occurs when a member of the LCM has the capacity to use his/her position in such a way that a conflict of interest, as defined above, can occur.
7. A perceived conflict of interest occurs when a person believes or suspects on reasonable grounds that a conflict of interest, as defined above, exists on the part of a member of the LCM.
8. A conflict of interest exists in the presence in one or more of the following:
- a) Being an LCM member or staff member of an organization or institution that is a current or prospective Principal Recipient (PR), Sub-Recipient (SR) or Sub-Sub-Recipient (SSR).
 - b) Being a party to a contract, or directly involved in a transaction, for the provision of goods and services to the LCM or an institution or organization funded by the Global Fund program for Liberia.
 - c) Being an owner, share holder, board member, employee or volunteer in an entity that is involved in a contract or transaction for the provision of goods and services to the LCM or an institution or organization funded by the Global Fund program for Liberia.
9. A conflict of interest also arises when:
- a) An LCM member or alternate has been or is involved in the design of a proposal or request for funding that has been or will be submitted to the Global Fund in which he/she has material interest without declaring such interest.

- b) A member of the LCM serves as advisor to an organization that is a recipient of funds from the Global Fund, either directly or through sub-granting.
- c) The actions of an LCM member indicate that he/she is using his/her position on the LCM for personal benefit.
- d) A member of the LCM advocates for approval of a proposal or grant for which his/her organization is vying to become an implementing agency (PR, SR or SSR) or to play some other direct or indirect project implementation role or to realize direct financial benefit.
- e) The member advocates for endorsement of a certain decision from which he/she or his/her organization will benefit.

Transparency and Disclosure

10. All LCM members, alternates, Secretariat staff and others providing technical assistance to the LCM, including its committees, shall be required to proactively disclose any actual, potential or perceived material interest in any matter that is placed before the LCM for deliberation. This declaration (See Annex 1) shall be made at the beginning of each individual's association with the LCM, once a year after that, and any time there is a change in circumstances/interest.

11. LCM members shall make such declaration in any of the following ways:
- a) By verbal notice to the Chair at the start of LCM meeting and before the meeting agenda is formally adopted.
 - b) By written notice to the LCM Secretariat on receipt of an agenda and/or other LCM materials.
 - c) By verbal notice when a matter in which the member has a material interest arises during a LCM meeting.
 - d) By completing, on an annual basis, a Conflict of Interest Declaration Form (Annex 1).

12. The LCM shall ensure that the number of members with Conflict of Interest does not exceed one person per constituency (excluding Ex-Officio members with no voting rights), in conformity with the minimum standards of the Global Fund.

Remedial Measures/Procedures

13. Where declarations or reports of conflict of interest are made outside of LCM meetings, the LCM Secretariat shall forward these declarations to the Executive Committee for review. All reports of conflict of interest, whether substantiated or not and irrespective of the perceived magnitude, shall be reported in writing in this manner.

14. The LCM Chair shall report the findings of the Executive Committee, with recommendations, to the General Assembly of the LCM for its consideration. The decisions of the General Assembly on all declarations or reports of perceived or actual conflicts of interest shall be final and binding.

15. In matters requiring urgent attention in between meetings of the General Assembly of the LCM, the Executive Committee is empowered to act on its behalf. Formal reports on all such actions shall be reported to the subsequent meeting of the General Assembly for its ratification.

16. When a declaration of conflict of interest is made during the course of an LCM meeting, the matter shall be dealt with as follows:

- a) The meeting shall request the member to leave the room while the LCM considers the disclosure and determine whether a conflict of interest does exist. Once a decision is reached and duly recorded in the minutes, the member shall be invited to return to hear the results of the deliberation.
- b) If the LCM determines that a conflict of interest does exist, the member shall be asked to follow the procedure set out in Section 17. If the LCM determines that no conflict of interest exists, the meeting shall proceed in the normal manner.

17. The LCM shall consider the following options in addressing matters relating to conflict of interest:

- a) Personal recusal: When a matter comes before the LCM for deliberation in which a member has a conflict of interest, that member shall voluntarily leave the meeting room until deliberation has ended and a decision on the matter has been reached.
- b) Conditional participation in LCM meeting: The LCM Chair allows a member to participate in the meeting after having disclosed an interest in a matter under discussion. This option shall be applied in instances where the conflict of interest is considered as minor and disclosure would be sufficient to address it.
- c) Partial participation in the LCM meeting: A member can be excluded from participating on an agenda item or in a decision-making process in which he/she has a conflict of interest, but can participate in discussions on other agenda items. The member shall not be allowed to vote on such matter.
- d) Total exclusion from the meeting: A member shall be excluded from an LCM meeting if the member is deemed to have a major conflict of interest in relation to the agenda of the meeting. Should the LCM Chair be the member for whom the conflict of interest arises, whether the disclosure is made in advance or during a LCM meeting, the Vice-Chair or any other member so appointed shall preside over deliberations on the agenda item. The LCM Chair shall be obliged follow the recusal procedure.

Special Procedures for Selection of PRs, SRs and LCM Committee

18. Members who have an interest in being considered as PRs and SRs shall recuse themselves from participating in LCM deliberations in which the selection process is being discussed or undertaken.

19. Where the LCM Chair or either of the Vice-Chairs is from the same entity as PRs, they shall excuse themselves from deliberations on the selection or performance of the PRs.

20. In the event that the LCM Chair and Vice-Chairs must recuse themselves, the remaining LCM members shall appoint a member from among themselves to preside over the discussions.

21. Members representing PRs, SRs, SSRs or other entities involved in direct implementation of the Global Fund Grant shall recuse themselves from participating in LCM deliberations on any of the following:

- a) Discussions or decisions related to the LCM's monitoring and oversight responsibilities.
- b) The selection or the removal of a PR.
- c) Discussions or decisions regarding substantial re-programming of grant funds.
- d) Discussions or decisions that have a financial impact on the PRs, such as contracts with other entities, including SRs.

Failure to Disclose Conflict of Interest

22. Where the LCM Chair or any other member of the LCM has reasonable cause to believe that a member has not disclosed a conflict of interest, the individual in question shall be so informed by the LCM Chair and provided an opportunity to respond.

23. If it can be verified that the response by that individual were inaccurate, it shall be determined that a failure to properly disclose a conflict of interest has occurred and the LCM Chair shall institute disciplinary action which may include any of the following:

- a) Request for a formal written explanation or apology from the member in question.
- b) Suspension of the member pending further deliberation on the appropriate disciplinary action to be taken.
- c) Request for a resignation of the member or recall by his/her constituency.
- d) Cancellation of contractual arrangements.
- e) Cancellation of a funding agreement.

Gifts or Preferential Favors

24. LCM members may not accept gifts or preferential favors in the form of gratuity, discount, entertainment, hospitality, loan, forbearance or honorarium that may reasonably be construed gift or favor to unduly influence the position of the member on decisions of the LCM.

25. LCM members may not offer gifts or preferential favors where it could be reasonably construed that the gift is intended to affect the policies, decisions or performance of the LCM, PR or any programs activities.

26. Exceptions to the provisions on gifts or preferential favors shall only be made by formal vote of the LCM.

Documentation of Conflict of Interest

27. All decisions associated with conflict of interest shall be documented in the minutes of Executive Committee and LCM meetings and archived by the LCM Secretariat. The records shall state:

- a) The nature and extent of the conflict.
- b) A summary of the key points of the discussion.
- c) The specific actions taken by the Executive Committee and LCM to manage the conflict.

Policy Dissemination and Review

28. The LCM Secretariat shall distribute a copy of this Conflict of Interest Policy to all LCM members and alternates, along with a copy of the Declaration of Conflict of Interest Form to be signed each year.

29. This Conflict of Interest Policy shall be posted on the LCM website.

30. This Conflict of Interest Policy shall be reviewed and updated periodically to ensure its continuing relevance and compliance with Global Fund requirements.

Changes to this Policy

31. Any change to this Conflict of Interest Policy shall require the approval of two-thirds of the membership of the LCM.

Annex 1: Conflict of Interest Declaration

I, _____ (name) agree by my signature below that if appointed to the position of _____ I pledge to comply with the attached Conflict of Interest Policy of the Liberia Coordinating Mechanism (LCM) for the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria.

As a _____ (name of position) I shall not participate in deliberations, the making of recommendations or decisions, or other processes in which I have a conflict of interest, a potential conflict of interest, or to the best of my knowledge a perceived conflict of interest, as defined in the attached Conflict of Interest policy.

If I believe I have a conflict of interest, a potential conflict of interest, or a perceived conflict of interest in relation to a matter arising from my position of _____ (name of position), then I shall state this belief to the meeting of the LCM prior to or at the commencement of any LCM meeting at which the matter shall be considered. I shall state the nature of the conflict of interest and all relevant facts pertaining to my interest. I shall then recuse myself from participating in any proceedings concerning the matter.

If another person alleges that I have a conflict of interest, a potential conflict of interest, or a perceived conflict of interest in relation to a matter arising from my position of _____ (name of position) I shall provide all relevant facts to the Chair of the _____ (name of forum), and shall abide by any decision taken by the _____ (name of forum) regarding the alleged conflict of interest.

If I have reason to believe that a person has a conflict of interest in relation to any matter arising from their role or responsibilities in the LCM or any related forum, I shall report my belief and the information on which it is based to the Chair of the relevant forum, and shall provide such further information as is requested from me by the Chair of the relevant forum to the best of my abilities. I undertake not to make allegations of conflict of interest except in good faith, and based on a genuine belief that such conflict or conflicts could compromise the transparency, accountability, inclusiveness of or public confidence in the LCM or other associated forum. I understand that in making such a report, it is my right to request that my identity be protected to the fullest extent possible, and that it is the obligation of the LCM and related forums to uphold this right.

If I have any questions or need any assistance understanding or complying with the Conflict of Interest policy, I shall contact the Chair of the LCM or the LCM Secretariat who shall assist me with questions and interpretation and shall provide me with a recommendation on whether or not I should excuse myself from participating in the relevant procedure/s. I understand that I am entitled to a written response to any questions or requests for assistance I submit.

Name: _____

Position: _____

Signature: _____

Date: _____