

**POLICY TO MITIGATE
POTENTIAL OR PERCEIVED
CONFLICT OF INTEREST:**

BHUTAN COUNTRY COORDINATING MECHANISM

July 2010

Adopted by the Bhutan CCM on July 22, 2010.

1. Principles

In adopting this policy on effective management of conflicts of interest, the Bhutan Country Coordinating Mechanism (“the CCM”) acknowledges the importance of implementing good governance procedures in all matters related to the Global Fund to Fight AIDS, Tuberculosis and Malaria in Bhutan.

The concept of conflict of interest recognizes that the judgment of even the most well-meaning persons may be impaired when their own interests, those of an institution with which they are affiliated, or those of a close associate, are affected. The CCM will organize its structure, management processes, and day-to-day activities so as to minimize the possibility that conflicts of interest will arise with respect to all matters within its jurisdiction. Where conflicts of interest do arise, the CCM will ensure they are dealt with promptly and fairly.

In order to promote transparency, accountability, inclusiveness, and public confidence in all of its activities, the CCM adopts the following provisions concerning conflicts of interest. As currently written, this policy applies to all members of the CCM, its subcommittees and working groups, and the staff of the CCM Secretariat.

Principal Recipients (PRs), Sub-Recipients (SRs), and Sub-Sub-Recipients are also expected to adhere to this policy, and to make all efforts to avoid conflicts of interest, and effectively address those which arise. However, the mechanisms to implement this policy at the PR and SR levels are not included here, and need separate deliberation.

2. Definitions

A conflict of interest occurs where a member of the CCM, subcommittee or Secretariat uses his/her position to advance personal ambitions or interests, the interests of an institution with which he/she is affiliated, or those of a close associate, in a way that disadvantages or excludes others, or is otherwise detrimental to the overall effectiveness of the program. “Conflict of interest” includes potential conflicts of interest and perceived conflicts of interest.

A potential conflict of interest occurs where a member of the CCM, subcommittee or Secretariat has the capacity to use his/her position in such a way that a conflict of interest, as defined above, can occur.

A perceived conflict of interest occurs where 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 CCM, subcommittee or Secretariat.

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

A person is affiliated with an institution where he/she is an employee or volunteer, or has a financial interest, or a technical or governance role with that institution.

The jurisdiction of the CCM refers to all matters in respect of which the CCM has the power or authority to make decisions or recommendations.

3. Rationale

The CCM recognizes that conflicts of interest, whether actual, potential, or perceived, may seriously diminish public confidence in the CCM as an institution. They may similarly affect programs, which the CCM oversees, and the institutions responsible for program implementation. A strong and well-implemented conflict of interest policy helps ensure the integrity of the CCM and its processes, demonstrates transparency, substantiates fairness in decision making, and helps protect even the most well-meaning persons whose interests, or those of an institution with which they are affiliated, or a close associate, could be affected. Inadequate attention to the issue of conflicts of interest may result in applications for funding being rejected as “non-compliant” with Global Fund policy.

4. Role of Chair and Vice-Chairs

The CCM will make every effort to ensure that the positions of Chair and Vice-Chairs of the CCM are not held by persons from institutions or organizations which are PRs or SRs. Where a person from an institution which is a principal recipient or a sub-recipient holds the position of Chair or Vice-Chair of the CCM, that person must not participate during CCM meetings or otherwise seek to influence deliberations, recommendations, or decisions where a matter concerns:

The CCM’s monitoring and oversight of the PR;
The selection of any PRs or SRs;
The renewal of a PR for phase two or rolling continuation channel of a grant;
Reprogramming of grant funds;
Other decisions that have a financial or other significant impact on a PR or SR.

5. Chair and Vice-Chair – Sectoral Affiliation

The Chair and Vice-Chair of the CCM shall each be from different sectors represented on the CCM.

6. Initial Acceptance of Policy on Potential or Perceived Conflict of Interest

Prior to taking up a position on the CCM, each new member shall be required to complete the Acceptance of Conflict of Interest Policy which is included as Appendix 1 to this policy. The Acceptance of Conflict of Interest Policy shall be kept submitted to the Chair and Vice-Chair of the CCM and kept on file by the CCM Secretariat.

7. Renewal of Acceptance of Policy on Potential or Perceived Conflict of Interest

Each member must renew his/her Conflict of Interest Declaration annually. Prior to the first meeting of the CCM in each calendar year, each member must complete a new Conflict of Interest Declaration ensuring that all information relevant at the date of completion of the declaration is included.

8. Management of Conflict of Interest during CCM meetings

(a) At the commencement of every meeting of the CCM, the Chair shall ask all members present to declare any conflict of interest they have in relation to any matters on the meeting agenda. Where a member declares a conflict of interest in relation to any agenda item, that member shall recuse themselves from participation in any proceedings pertaining to that agenda item. At the moment in the meeting when the relevant agenda item is to be discussed, the CCM member shall leave the room and wait elsewhere. Once the discussion and any necessary votes or decision making have been completed, the CCM member shall be recalled into the meeting room. However, for the decision to be valid, the remaining CCM members must represent a quorum in the absence of any member or members who have recused themselves.

(b) CCM members representing institutions that are PRs or SRs shall not be named to the Oversight Committee.

(c) CCM members representing institutions that are candidates for PR or SR or Sub-SR shall not participate in committees selecting PR for a new proposal or replacement PR.

9. Referral of Conflict of Interest Issues to the CCM Oversight Committee

(a) Where at a meeting of the CCM a member believes that another member has a conflict of interest in relation to any agenda item and has not declared that conflict of interest, the first-mentioned member may raise the matter with the Chair. When such a matter is raised, the Chair shall inquire into the alleged conflict of interest including the basis on which the allegation is made and any response from the person alleged to have a conflict of interest. The Chair shall then determine whether to exclude the person against whom the allegation is made from part or all of the meeting, and whether the allegation should be referred to the CCM Oversight Committee for further deliberation.

(b) Any person who has reason to believe that there is a conflict of interest on the part of a member of the CCM may at any time refer the matter to the CCM Oversight Committee in writing. The CCM Oversight Committee shall advise the CCM of all such matters referred to it, the actions taken by the Oversight Committee to investigate such matters, and any recommendations for action on the part of the CCM. The CCM shall consider and vote on any recommendations from the Oversight Committee at the next meeting following receipt of advice from the Oversight Committee.

10. Ongoing Potential or Perceived Conflict of Interest

Where a person is found to have a conflict of interest, whether actual, potential, or perceived, and that conflict of interest is likely, as determined by the Oversight Committee, to have an ongoing impact on that person's capacity to fulfill any of their duties or responsibilities in a manner consistent with this policy, then the CCM may transfer such duties or responsibilities to another person who does not have a conflict of interest. Where it deems it appropriate to do so, if the CCM wishes to send a very strong signal regarding Conflict of Interest, it may decide to suspend or remove a member who fails to disclose a conflict of interest.

11. Consequence of Failure to Declare Potential or Perceived Conflict of Interest

Where a member is found to have participated in deliberations, the making of a recommendation or decision, or in another process in respect of which that person has a conflict of interest:

- The result of the process shall be declared null and void by the Chair of the CCM, and the deliberations, recommendation, decision, or other process shall be reviewed by the CCM in the absence of the person affected by the conflict of interest; and
- The Chair of the CCM shall refer all available information in relation to the conflict of interest to the Oversight Committee, which shall make a recommendation regarding appropriate action in respect of the person who has failed to declare the conflict of interest; and
- The CCM shall consider and vote on the recommendation of the Oversight Committee at the first meeting following receipt of the Oversight Committee's recommendation.

12. Mechanism for Reporting Conflict of Interest

Where a person suspects that a conflict of interest exists, that person may make a report in writing to the Executive Secretary of the CCM Secretariat, stating all matters they believe relevant to the alleged conflict of interest. All valid complaints will be investigated by the Oversight Committee or its designate.

13. Protection of Identity

Where requested by a person reporting a conflict of interest matter, all reasonable steps will be taken to protect the identity of the person making the report. The CCM shall ensure when publicizing this conflict of interest policy, that the identity of persons making reports shall be protected to the extent possible, where the CCM is requested to do so.

14. Orientation to Conflict of Interest Policy

The CCM shall ensure that at least once each year the members of the CCM undergo training on their responsibilities regarding conflicts of interest and the requirements of this policy.

15. Alternates

The provisions of this policy apply to alternates equally as to members.

Appendix 1:

Upon appointment to the Bhutan Country Coordinating Mechanism / CCM Committee members, please complete this form and submit it to the Chair and Vice-Chair of the CCM and the Secretariat of the CCM prior attending the first meeting of the CCM in this role.

Section 1: Acceptance of Policy to Mitigate Potential or Perceived Conflict of Interest, Bhutan Country Coordinating Mechanism

Prepared and Submitted by _____ Date _____

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 Bhutan Country Coordinating Mechanism 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 or perceived conflict of interest in relation to a matter arising from my position of _____ (name of position), then I will complete Section 2 of this document and also state this belief to the meeting of the CCM prior to or at the commencement of any CCM meeting at which the 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, 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 will provide all relevant facts to the Chair of the _____ (name of forum), and will 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 CCM or any related forum, I will report my belief and the information on which it is based to the Chair of the relevant forum, and will 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 CCM 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 CCM 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 will contact the Chair of the CCM or the CCM Secretariat who will assist me with questions and interpretation and will 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.

If you believe that you have a potential or perceived Conflict of Interest, please complete Section 2 below prior to signature of this document.

Section 2: Acknowledgment of Potential or Perceived Conflict of Interest

I, _____(name) agree by my signature below that if appointed to the position of _____ I acknowledge that I have a potential or perceived Conflict of Interest according to the Policy to Mitigate Conflict of Interest of the Bhutan Country Coordinating Mechanism for the Global Fund to Fight HIV/AIDS, Tuberculosis and Malaria.

As a _____ (name of position), I acknowledge under the following circumstances I have a potential or perceived conflict of interest. Explain the potential or perceived Conflict of Interest:

Name: _____

Witness name: _____

Position: _____

Witness signature: _____

Signature: _____

Date: _____

Date: _____