



## **Policy on Ethics and Conflict of Interest for Global Fund Institutions**

### **1. General Principles**

1.1 The Global Fund to Fight AIDS, TB and Malaria (the Fund) was created to attract, manage and disburse additional resources through an innovative public-private partnership to make a sustainable and significant contribution to the reduction of infections, illness and death caused by HIV/AIDS, Tuberculosis and Malaria in countries in need. To achieve these goals, the Fund recognizes the need to involve many interested stakeholders, including recipient and donor states, for-profit and not-for-profit enterprises, and the international intergovernmental community.

1.2 Because of the diversity of interests and perspectives represented by these stakeholders, it is particularly important that the Fund operate in a balanced, ethical, collaborative, transparent, and open manner. This policy – provided for in Article 7.4 of the Fund Bylaws – provides guidance in identifying and addressing conflicts of interest. It is based on clear definitions of potential areas of concern, a duty to disclose, and outlines procedures (including the establishment of a Ethics Committee and the appointment of an Ethics Official) for managing these conflicts as they arise.

1.3 The purpose of this policy is to ensure fairness in the Fund's decision-making, to protect the reputation and integrity of the Fund and its interests, and to ensure broad public trust and confidence in the Fund's decision-making and grant-making activities. Where provisions of this policy conflict with law or regulation applicable to a Covered Individual such provisions shall not apply. When possible, however, this policy shall be interpreted to be consistent with applicable law or regulation.

1.4 The Fund recognizes that the representative nature of its governing Board and its subsidiary units results in inherent conflicts when Board or its other governing units must consider matters that have a direct result on the interest of governments, corporations, or organizations who hold governance positions in the Fund. The Fund recognizes that these institutional conflicts of interest must be managed with the highest degree of integrity to safeguard against any perception that participation by a government, corporation or organization in any

position at the Fund confers an undue advantage for such entities in Fund decisions.

## 2. Definitions

- (a) *Covered individual* means a member of the Board of the Fund (“Board Member”), an alternate, a member of any committee, task force, the Technical Review Panel, or any other subsidiary body of the Fund, and employees of the Secretariat [\[2\]](#).
- (b) *Associated Person* means a Covered Individual’s (i) spouse, minor child, or domestic partner.
- (c) *Associated Institution* means (i) any organization, corporation or government in which a Covered Individual is serving as an officer, director, trustee, partner or employee, that receives or may receive funding from the Fund or with which the Fund has an agreement, contract, or relationship; or (ii) any person, organization, corporation, government or similar institution with whom a Covered Individual is negotiating or has an arrangement concerning prospective employment.
- (d) *Personally and substantially*. To participate *personally* means to participate directly, including, for example, consideration of a matter at a Board meeting, or direct and active supervision of a subordinate in a matter. To participate *substantially* means that the Covered Individual’s involvement is of significance to the matter.
- (e) *Gift* means any gratuity, favor, discount, entertainment, hospitality, loan, forbearance, honorarium, or other item having monetary value. These include services as well as gifts of training, transportation, local travel, lodgings and meals, whether provided in-kind, by purchase of a ticket, payment in advance, or reimbursement after the expense has been incurred.
- (f) *Ethics Committee* means the standing Committee, composed of four Board Members, established to assist with the implementation of the policy on Ethics and conflict of interest and to prevent situations that might affect the reputation and integrity of the Fund.
- (g) *Ethics Official* means the Secretariat employee designated by the executive director of the Fund Secretariat to assist the Ethics Committee in its work pursuant to terms of reference set forth in section B 1.3 of the Committee Rules and Procedures.

## 3. Conflicts of Interest

3.1 A conflict of interest arises when a Covered Individual participates personally and substantially in an official capacity in any particular matter in which, to his or her knowledge, he or she or an Associated Person or Associated Institution has a financial interest, if the particular matter will have a direct and predictable effect on that interest<sup>[1]</sup>. In general, and without limitation, conflicts may be deemed to exist in the following situations:

Where a Covered Individual's financial interests, or the interests of an Associated Person or Institution could affect the conduct of his or her duties and responsibilities with respect to the Fund or result in a reasonable perception that such a conflict exists;

Where a Covered Individual's actions compromise or undermine the trust that the public places in the Fund; and

Where the Covered Individual's actions creates the perception that the Covered Individual is using his or her position at the Fund for personal benefit or for the direct financial benefit of an Associated Institution.

*Specific examples of such conflicts include:*

- *Board Members advocating for approval of a particular grant in which his or her government, entity, or organization will serve as principal recipient, implementing agency, local fund agent, or play some other direct project implementation role or realize some other direct financial benefit;*
- *Board Members advocating for approval of a particular policy from which his or her government, entity, or organization will realize some direct financial benefit;*
- *Board Members using their position on the Board to advocate for or otherwise seek approval of any service contract between the Fund and an Associated Institution; or*
- *TRP members who are employees of a government, corporation, or organization participating in the assessment of a funding proposal in which an Associated Institution has any substantial interest.*

*Conflicts do not in principle arise when a Covered Individual or Associated Person or Institution stands to receive a diffuse benefit from the action in question. For example, a Board Member does not have a conflict of interest based on his or her consideration of a proposal if his or her country would realize general population health benefits, or in which non-governmental organizations or entities incorporated in his or her country would receive diffuse benefits as a result of the grant, but in which the government or its entities would not directly participate in its implementation.*

These lists are only illustrative, and are not intended to set out all instances where an actual or potential conflict of interest exists, but rather to articulate the principles the Fund will follow in addressing such conflicts as they arise. Each situation will be assessed based upon its particular facts and circumstances, but decisions will be governed by the guidelines set out in this policy, which applies to all activities sponsored or supported by the Fund, public and private, for-profit and not-for-profit alike.

#### **4. Transparency and disclosure**

4.1 All Covered Individuals have a duty to disclose the existence of any conflict of interest, including those that derive from Associated Persons or Institutions, and the nature of such conflict, whenever he or she becomes aware that a conflict exists or that it is reasonably likely to occur.

4.2 All Covered Individuals must complete and submit the attached “Declaration of Interest” to the Ethics Official.[\[3\]](#)

4.3 Disclosure statements shall be updated annually and whenever there is a material change in the information they contain, and shall be maintained by the Ethics Official and made available for inspection by the Ethics Committee, and, only as deemed appropriate by the Ethics Committee, by the Board. Except as outlined above, these statements shall be maintained confidential.

#### **5. Procedure when a Conflict of Interest Arises**

5.1 All conflicts of interest shall be immediately disclosed in writing to the Fund’s Ethics Committee through the Ethics Official.

Individuals are encouraged to consult with the Ethics Official or members of the Ethics Committee for guidance if questions arise in the application of this policy.

5.2 It is the duty of the Ethics Committee, with the assistance of the Ethics Official, to review these disclosures and to decide whether a conflict of interest exists and, if so, whether to issue a waiver defining the extent to which such Covered Individual may participate in any discussion of the issue that has given rise to the conflict. The Ethics Committee may also, at its discretion, bring any conflicts issue to the entire Board (excluding the individual or individuals with potential conflicts) for discussion and determination.

5.3 When it is determined that a conflict of interest exists, the Covered Individual shall not participate in the matter that has given rise to the conflict absent a waiver from the Ethics Committee. With respect to the Board, this means that the Covered Individual shall not vote or speak on the matter, and shall absent himself/herself without comment before any discussion or voting on the matter, unless a waiver has been granted by the Ethics Committee. The

waiver may be designed to allow for any level of participation the Ethics Committee deems appropriate. For example, it may permit the covered individual to present information of a technical nature, but not recommendations. Or it may permit the Covered Individual to attend the meeting in order to fulfill his or her administrative responsibilities, but not participate in any discussion on issues that have given rise to the conflict of interest. The names of Covered Individuals with conflicts of interest who participate in a particular meeting, and the issue on which there is a conflict, shall be recorded in the minutes for that meeting.

5.4 When the Board considers groups of proposals for approval, a Board Member's participation in the consideration shall generally not be considered to be a conflict of interest even though his or her country or entity that he or she represents may have a direct interest in a proposal in the group. When the Board considers specific proposals, the Covered Individual or any other person shall alert the Board of any conflict of interest and follow the procedures outlined in this policy.

5.5 Should a Covered Individual be found to have a conflict of interest that has not been disclosed as required above, or the Ethics Committee has reasonable cause to believe that a Covered Individual has failed to disclose a conflict of interest, it will inform the Covered Individual of the basis for such belief and provide him or her with the opportunity to explain the alleged failure to disclose. If, after hearing the response and making further investigations as may be warranted, the Ethics Committee determines that the interested person has in fact failed to disclose a conflict of interest, it shall notify the Board.

## **6. Gifts**

6.1 All Covered Individuals and Associated Persons are prohibited from accepting Gifts under circumstances where it could reasonably be construed that the Gift is motivated by the position of the Covered Individual and interests that could be substantially affected by the Fund. All Covered Individuals and Associated Persons are prohibited from giving gifts where it could be reasonably construed that the gift is intended to affect the policies or practices of the Fund or any of the programs it funds. The Ethics Committee may waive this provision as appropriate.

6.2 Exceptions.

- (a) A Covered Individual may accept unsolicited gifts on behalf of the Fund when refusal to do so would not be in the interest of the Fund. Gifts accepted on behalf of the Fund will be turned over to the Secretariat and handled under procedures developed by the Secretariat.

- (b) A Covered Individual may accept unsolicited gifts or provide gifts having an aggregate value of \$20 or less, provided that the aggregate value of individual gifts received from or provided to any one person does not exceed \$50 in a calendar year.
- (c) Widely attended gatherings and other events.
  - (i) When a Covered Individual is asked to present information on behalf of the Fund at a conference or other event, an offer of free attendance at the event is not covered under this policy when provided by the sponsor of the event.
  - (ii) Widely attended gatherings. The Secretariat may approve the free attendance of individuals at widely-attended gatherings on a case-by-case basis, and may develop procedures for such attendance in lieu of individual approvals. In determining whether such approval is appropriate, the Secretariat should consider widely-attended gatherings to be those at which it is expected that a large number of persons will attend and that persons with a diversity of views or interests will be present, such that the actual and apparent degree of influence over the Covered Individual is sufficiently diluted.[\[4\]](#)

## **7. Employment by the Global Fund**

Any individual who has served as a Board Member, Alternate, a member of any Board committee, or as Chair or Vice Chair of the Technical Review Panel shall not be eligible for employment by the Global Fund Secretariat until eighteen months following their last date of service in such position. The Ethics Committee may waive this provision as appropriate.

## **8. Country Coordinating Mechanisms**

The transparent operation of Country Coordinating Mechanisms is necessary for the effective implementation of programs financed by the Global Fund, and for the integrity of proposal development and approval. Covered Individuals shall, as appropriate, individually and through Associated Institutions use their best efforts to ensure that Country Coordinating Mechanisms operate in a transparent manner and actively safeguard against conflicts of interest.

## **9. Dissemination and Review of Policy**

9.1 The Fund Secretariat shall distribute a copy of this policy to all Covered Individuals annually, along with a copy of the Declaration of Interest form.

9.2 Copies of this policy and the Declaration of Interest form shall be posted on the Fund website.

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[1] With respect to those Board Members and other Covered Individuals who serve on the Fund as representatives of national governments or entities, nothing in this document will be construed as to prohibit such person's participation in matters under consideration that will directly or indirectly affect the financial interests of such national government or entity, except that no Board Member or other Covered Individual shall participate in the consideration of a specific funding request that has been submitted by that government or entity, or any decision through which the government or entity may receive a direct financial benefit (e.g., a grant or a contract or policy), unless such participation has been authorized by the Board.

[2] Professional employees are those who have significant decision-making authority, as opposed to support staff positions. The Executive Director will determine whether a particular individual is covered in circumstances where there is uncertainty.

[3] Covered Individuals who are already subject to a code of ethics or standards of conduct regulation, and who, under such code or regulation, are required to complete and file a disclosure form that includes the information requested in the attached Declaration of Interest, may submit such form in lieu of the attached Declaration of Interest.

[4] For Covered Individuals who serve on the Fund as representatives of governments, corporations, or organizations, and where such individual is subject to a code of ethics or standards of conduct regulation as a result of such position, such individual may accept complimentary invitations to widely-attended gatherings otherwise prohibited by this policy where attendance is permitted under the code of ethics or standards of conduct to which the individual is subject.



**Conflict of Interest Declaration of Interest**

Name -----

Title -----

Address -----

This form accompanies the Global Fund Policy on Ethics and Conflict of Interest, and is required for all Covered Individuals, as defined in the Policy. The full text of this policy is located at [www.theglobalfund.org](http://www.theglobalfund.org). Instructions for completing this form are attached. Please refer questions on completing this form to the ethics official at the Fund Secretariat. By filing this form you acknowledge that you have received and read the Global Fund Policy on Ethics and Conflict of Interest.

**SCHEDULE A: ASSETS AND INCOME**

Assets and Income (Description)	Assets (Valuation) <sup>1</sup>	Income <sup>2</sup>

**SCHEDULE B: LIABILITIES AND AGREEMENTS OR ARRANGEMENTS**

Liabilities (Description)	Amount or Value <sup>3</sup>
Agreements or Arrangements	Parties

**SCHEDULE C: POSITIONS HELD OUTSIDE THE FUND**

Organization (Name and Address)	Type of Organization	Position Held	From	To

1 Do not report exact values; indicate whether the asset is valued in the following ranges: (1) \$5000 to \$15000, (2) \$15,000 to \$50,000, (3) \$50,000 to \$100,000, (4) \$100,000 to \$250,000, (5) \$500,000 to \$1,000,000, (6) Over \$1,000,000  
2 Do not report exact values; indicate whether the income amount is in the following ranges: (1) \$200-\$1,000, (2) \$1,000-\$5,000, (3) \$5,000-\$50,000, (4) \$50,000-\$100,000, (5) \$100,000-\$1,000,000, (6) over \$1,000,000  
3 Do not report exact values; indicate whether the liability amount is in the following ranges: (1) \$10,000-\$15,000, (2) \$15,000-\$50,000, (3) \$50,000-\$100,000, (4) \$100,000-\$250,000, (5) \$250,000-\$1,000,000, (6) over \$1,000,000



## Disclosure Form

### General Instructions

This form consists of three Schedules. If possible, use a black ink pen or typewriter to fill out your report. If you have no information to report in any Part of a Schedule, you should indicate "None." Schedule A combines a report of income items with the disclosure of certain property interests. Schedules B and C relate to liabilities and employment relationships.

### **SCHEDULE A**

#### **Part I. Assets and Income**

##### **A. Items to Report**

Report the identity and valuation of any interest in property (real or personal) held by you, your spouse or dependent child in a trade or business, or for investment or the production of income which has a fair market value which exceeds \$5,000 as of the close of the reporting period. These interests include, but are not limited to, stocks, bonds, futures contracts, mutual funds, beneficial interests in trusts, real estate, commercial property, accounts or other funds receivable, and items held for resale or investment. Exceptions: Exclude your personal residence (unless rented out) and any personal liability owed to you, your spouse or dependent child by a spouse or dependent child, or by a parent, brother, sister or child of you, your spouse, or dependent child. Exclude any retirement benefits and any pension benefits.

With respect to assets of a spouse or a dependent child, do not report items:

- (1) which represent your spouse's or dependent child's sole financial interest or responsibility and of which you have no knowledge;
- (2) which are not in any way, past or present, derived from your income, assets, or activities; and
- (3) from which you neither derive, nor expect to derive, any financial or economic benefit.

A personal residence held for investment or production of income, such as a summer home rented during parts of the year, must be reported.

##### **B. What to Show on the Form**

Enter the identity of the asset and then show the value. If you hold different types of securities of the same corporation (e.g., bonds and stocks of "X" Corporation), these holdings should be considered as being from the same source for purposes of determining whether the aggregate value of the interest is below or above the \$5,000 threshold value. Report personal savings accounts only if they aggregate more than \$10,000 in a single financial institution.

If you have an interest in an investment fund or pool which is an “excepted investment fund”,<sup>4</sup> you need only identify the interest by giving the complete name of the fund, rather than identifying the underlying assets as well.

With respect to trusts in which a vested beneficial interest in principal or income is held, or as to which you serve as trustee, report trust interests and trust assets that had a value in excess of \$5,000.

You need not report the identity of assets of a trust of which you, your spouse or dependent children are the beneficiaries if the interest is:

1. a “blind trust” or “diversified trust,” or
2. an “excepted trust,” that is, one which:
  - A. was not created by you or your spouse or dependent children, and
  - B. has holdings or sources of income of which you, your spouse and dependent children have no knowledge.

## **Part II. Earned and Other Non-Investment Income**

### **A. Items to Report**

For yourself, report the identity of the source and the type and actual amount of non-investment income exceeding \$1000 from any one source, amount and date of honoraria exceeding \$200 from any one source. Such income includes fees, salaries, commissions, and compensation for personal services.

For your spouse, report the source, but not the amount, of non-investment income exceeding \$1,000 and the source, amount and date of honoraria exceeding \$200 from any one source.

Exclude for yourself and spouse income from employment by Government entities and from any retirement system or Government retirement benefits.

### **B. What to Show on the Form**

1. **HONORARIA** – For you or your spouse, show honoraria aggregating more than \$200 from any one source. Report the identity of the source and the date of the services performed and actual amount. List each honorarium separately.
2. **EARNED AND OTHER NON-INVESTMENT INCOME** – Include all income, exclusive of honoraria, from non-investment sources including fees, commissions,

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<sup>4</sup> Any fund which is widely held, such as a mutual fund, common trust fund of a bank, pension or deferred compensation plan, publicly traded, or widely diversified.

salaries, and income from personal services or retirement. Report the identity of the source and give the actual amount of such income exceeding \$200 from any one source.

If your spouse has earned income in excess of \$1,000 (other than honoraria) from any source, identify the source but show nothing under amount.

### **Part III. Investment Income**

#### **A. Items to Report**

Report the identity and the type and value of any investment income over \$5000 from any one source received by or accrued to the benefit of you, your spouse or dependent child during the reporting period. For purposes of determining whether you meet the over \$5000 threshold from any one source, you must aggregate all types of investment income from that same source.

Investment income includes, but is not limited to: income derived from dealings in property, interest, rents, royalties, dividends; your distributive share of partnership or joint venture income, gross business income, and income from an interest in an estate or trust.

## **SCHEDULE B**

### **I. Part I – Liabilities**

#### **A. Items to Report**

Identify and give the category of the amount of the liabilities which you, your spouse or dependent child owed to any creditor which exceeded \$10,000 at any time during the reporting period, except:

1. a personal liability owed to a spouse or dependent child, or to a parent, brother, sister, or child of you, your spouse or dependent child;
2. a mortgage or other loan secured by real property which is the personal residence (or a second residence not used for producing income) of you or your spouse;
3. a loan secured by a personal motor vehicle, household furniture, or appliances, where the loan does not exceed the purchase price of the item;
4. a revolving charge account where the outstanding liability did not exceed \$20,000 as of the close of the reporting period; and
5. any liability of your spouse or dependent child which represents the sole financial interest or responsibility of the spouse or child, and about which you have no knowledge, and which is not derived from your income, assets, or activities, and

concerning which you neither derive nor expect to derive any financial or economic benefit.

**B. What to Show on the Form**

Under CREDITORS (NAME AND ADDRESS), show the name and address of the actual creditor. Under TYPE OF LIABILITY, briefly indicate the nature of the liability. Check the category of value for the highest amount owed during the reporting period.

**Part II – Agreements or Arrangements**

**A. General Instructions and Items to Report**

Provide information regarding any agreements or arrangements you have concerning (1) future employment; (2) continuation of payments by a former employer other than your Government; (3) continuing participation in an employee welfare or benefit plan maintained by a former employer other than Government retirement benefits. This includes any agreement or arrangements with a future employer.

**B. What to Show on the Form**

Under STATUS AND TERMS, describe the agreement or arrangement. Under PARTIES, show the name of the organization, or entity, and (if applicable) the name and title of the official, corporate officer, or principal person responsible for carrying out the terms of the agreement or arrangement. Under DATE, show the date of any such arrangement.

**SCHEDULE C**

**Part I – Outside Positions**

**A. Items to Report**

Report all outside positions held at any time during the reporting period, as well as those positions you currently hold as an officer, director, trustee, general partner, proprietor, representative, employee or consultant of (1) any corporation, company, firm, partnership, trust, or other business enterprise; (2) any non-profit organization; (3) any labor organization; (4) any educational institution; or (5) any organization other than your current employer or the Global Fund. Exclude positions held in any religious, social, fraternal, or political entity, and any positions solely of an honorary nature.

**B. What to Show on the Form**

Give the name, address and brief description (type) of the organization, the title or other brief functional description of the position, and the dates you held the position. If you currently hold the position, in the entry block under TO, note "Present."