

Local Fund Agent

Conflict of Interest Procedures

February 2017
Geneva, Switzerland

I. Background

One of the core principles embedded in the Local Fund Agent programmatic and financial oversight and verification role is the need for the Local Fund Agent to be objective and independent. If a Local Fund Agent's independence and objectivity are compromised by a perceived, potential or actual conflict of interest (collectively referred to as "conflict of interest"), the Local Fund Agent can no longer fulfill its intended function and mandate to the Global Fund.

The purpose of the *Local Fund Agent Conflict of Interest Procedures* is to 1) outline the conflict of interest related requirements and processes as relevant to Local Fund Agents; 2) provide information on common conflict of interest typologies; and 3) outline considerations to take into account when evaluating conflicts of interest.

II. Definition of Conflict of Interest

Under Article 10 of the Local Fund Agent's Framework Contract with the Global Fund a Conflict of Interest is defined as follows:

"Conflict of Interest" means a situation in which the Contractor, any of its affiliates, or any of its sub-contractors, if any, has interests (financial, organizational, personal, reputational, or otherwise) that would or may appear to make it difficult for the Contractor to fulfil its obligations in providing Local Fund Agent Services to the Global Fund in an objective, independent, and professional manner, or a situation in which it is reasonable to foresee that such an interest would arise.

A Conflict of Interest may arise in the following circumstances, which are not exhaustive:

1. The Contractor 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;
2. The Contractor has been, or is involved in the provision of advice to an entity that is a Principal Recipient or a Sub-recipient;
3. The Contractor has been, or is involved in, or has provided advice in relation to the procurement of goods and/or services by a Principal Recipient and/or a Sub-recipient;
4. The Contractor has been, or is involved in the provision of audit and audit related services to a Principal Recipient and/or a Sub-recipient;
5. The Contractor is, or has been, a recipient of Global Fund resources, including, without limitation, as a Principal Recipient or Sub-Recipient, in a country in which it is proposed to provide LFA Services; or
6. The Contractor has submitted an expression of interest, tender, bid or otherwise indicated interest in providing services of any nature to a Principal Recipient or a Sub-recipient that remains valid at the time of, and for the duration of the term of this Contract.

III. Responsibilities of the Local Fund Agent

Local Fund Agents are critical partners in achieving the Global Fund's vision of a world free from the burden of HIV/AIDS, tuberculosis and malaria. Due to their role in undertaking an objective examination and providing independent professional advice and information relating to grants and recipients in the country, it is of utmost importance to the Global Fund and its stakeholders that **any conflict of interest situations** involving Local Fund Agents are 1) **prevented or avoided** or, when they cannot be avoided; 2) **disclosed**; and 3) **mitigated** when possible, through the establishment of effective mitigating measures. In light of this, Local Fund Agents are responsible for avoiding conflict of interest situations and disclosing relevant information fully and promptly to the Global Fund.

Local Fund Agents' responsibilities related to declaring conflicts of interest are clearly stipulated in, and governed by, the Local Fund Agent's Framework Contract with the Global Fund.

Under Article 10 of the Local Fund Agent's Framework Contract with the Global Fund, among other actions, Local Fund Agents must:

- **Make every effort to prevent** conflicts of interest, or the appearance of a conflict of interest, from arising;
- **Not enter into** any contract, arrangement, relationship or venture that would, or would appear to, cause a conflict of interest to arise;
- **Submit a declaration of absence of conflict of interest prior to signing** the Local Fund Agent contract with the Global Fund and on an annual basis; and
- **Disclose any perceived, potential or actual conflict of interest** situations before entering into a contract with the Global Fund and throughout the duration of the Local Fund Agent contract.

Failure to sign the conflict of interest declarations or to fully disclose any perceived, potential or actual conflict of interest in a timely manner may lead to the termination of the Local Fund Agent contract with the Global Fund.

IV. Disclosing Potential Conflict of Interest Situations

When a perceived, potential or actual conflict of interest exists, the Local Fund Agent or its Central Coordination Team must disclose this immediately by submitting a conflict of interest clearance request to the Global Fund using the standard conflict of interest questionnaires (annexes)

Equally, any Global Fund staff who has become aware of an actual, potential or perceived conflict of interest involving Local Fund Agents needs to immediately inform the LFA Coordination team.

Local Fund Agents have a contractual obligation to **fully disclose** to the Global Fund **complete and relevant details** relating to any **actual, potential or perceived conflicts of interest** before entering a contractual relationship with the Global Fund and throughout the term of their contract, as follows:

1. **At the Request for Proposal/Request for Information stage**, bidders who have identified a risk of an actual, potential or perceived conflict of interest must provide **complete and relevant information** by answering the **pre-defined conflict of interest-related questions** contained within the Request for Proposal/Request for Information documents, including any other relevant information, and **send these to the Global Fund Sourcing team** as part of the tender documents and as per the Request for Proposal/Request for Information submission guidelines.
2. **Once a year** as indicated by the Global Fund LFA Coordination team, Local Fund Agents are required to submit an **Annual Declaration of the Absence of Conflict of Interest** (see Annex C). In the year when the Global Fund signs Framework Contracts with the Local Fund Agents no separate annual declaration is required, since a declaration is already included in the Framework Contracts.
3. **Prior to approval of a key Local Fund Agent expert**, as stated in the [*Procedure for the Engagement and Approval of the Local Fund Agent Experts*](#), Local Fund Agents are required to submit a **declaration of absence of conflict of interest for each key Local Fund Agent expert proposed** (see Annex D).
4. **During the term of the contract**, **immediately** upon becoming aware of a risk of a conflict of interest, Local Fund Agents must submit **complete and relevant information** to the Global Fund LFA Coordination team by answering the **pre-defined conflict of interest-related questions** in Annex A and/or Annex B of this document, including any other relevant information. The information should be attached in a Word format or included in the body of the email.
5. All conflict of interest declarations or clearance requests under points 2-4 above should be addressed to:

LFACoordinationTeam@theglobalfund.org

As part of disclosing a conflict of interest situation, and based on the facts of the situation:

- The Local Fund Agent must **clearly provide its assessment** of the conflict of interest situation.
- Where a conflict of interest situation is identified, the Local Fund Agent **may propose realistic and effective mitigating measures** based on a careful evaluation of the risk and/or the scope of the conflict of interest. Please note that **not all conflicts of interest can be mitigated**.

Upon receipt of a Local Fund Agent conflict of interest clearance request, **the Global Fund will:**

- Consider each conflict of interest clearance request including the information provided by the LFA and any proposed mitigating measures, on a **case-by-case basis**.
- As soon as the Global Fund has reached a final conclusion on the conflict of interest situation, the LFA Coordination team informs the Local Fund Agent of the decision.
- If there is an actual, potential or perceived conflict of interest, possible courses of action may include:
 - a. The Local Fund Agent takes measures agreed with the Global Fund to mitigate the conflict; or
 - b. The Local Fund Agent relinquishes the work causing the conflict; or
 - c. The Local Fund Agent may choose to relinquish their Local Fund Agent role; or
 - d. In case of an unresolved conflict of interest, the Global Fund may terminate the Local Fund Agent contract for the country in question and select an alternative Local Fund Agent.

V. Types of Conflicts of Interest

A conflict of interest may arise due to a variety of factors in the context of Local Fund Agent work. Below selected types of conflicts of interest are listed as well as some common situations in which conflicts of interest often occur. It should be emphasised that this list is not exhaustive and other factors may lead to a conflict of interest. Early notification to and close consultation with the LFA Coordination team is critical to determining the risk of a conflict of interest materialising.

01 Institutional and Personal Conflicts of Interest

Conflicts of interest can compromise the Local Fund Agent's independence and objectivity at the institutional or the personal level:

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- **Institutional** - related to the entity acting as Local Fund Agent (i.e. the firm, organization, or network the Local Fund Agent belongs to).
 - **Personal** - related to a member, or proposed member, of the Local Fund Agent team (e.g. central coordination team staff, team leader, senior or junior expert).
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02 Actual, Potential and Perceived Conflicts of Interest

In a given situation, a conflict of interest may already exist, e.g. a Local Fund Agent team leader's spouse is managing the Global Fund grant of a key implementer; can potentially occur, e.g. a Local Fund Agent expert has previously been involved in technical assistance to a sub-recipient which can potentially cause self-review should the expert be requested to undertake work at the sub-recipient, or situations may be perceived as conflicts of interest. For example, there may be a perception of the Local Fund Agent's lack of independence and/or objectivity caused by a situation where a Local Fund Agent entity or an affiliate (such as a separate member firm of the same network) has financial interests, personal relationships, or professional associations with a key implementer or Country Coordinating Mechanism, that may make the Local Fund Agent appear to be biased by that interest or relationship. A badly managed perceived conflict of interest may cause as much reputational damage as an actual conflict of interest. Local Fund Agents are expected to exercise the **same detailed analysis** for cases of perceived conflicts of interest as for potential and actual conflicts of interest.

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- **Actual** - where a conflict of interest already exists.
 - **Potential** - where a conflict of interest could happen.
 - **Perceived** - where others may reasonably think that an entity/person has been/will be compromised.
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03 Positive and Negative Conflicts of Interest

Conflicts of interest are often thought of as using one's position to favor someone (*e.g. I want to protect my former colleagues at an entity and will therefore favor them in my report*). However, one can also use one's position to disadvantage someone with whom one has a negative relationship (*e.g. I have a grudge against the director of the entity and will therefore report on them negatively*).

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- **Positive** - You are seen to be favoring or benefiting someone
 - **Negative** – You are seen to be against someone and to disadvantage them
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Conflicts of interest may relate to **past, present or future work** and can occur in the following situations (among others). Please note that this list is not exhaustive:

04 Conflict of interest due to self-review

Is there a risk of the Local Fund Agent team being in a position of reviewing its own work, or work performed by the Local Fund Agent firm, organization or the network the Local Fund Agent belongs to (collectively referred to as *Local Fund Agent entity*), and therefore not being fully independent in arriving at its professional opinion? Examples of such cases could be:

- *The Local Fund Agent entity, Local Fund Agent team, or a member thereof, has been involved in providing technical assistance or capacity building to a grant implementer.*
- *The Local Fund Agent entity, Local Fund Agent team or a member thereof has been involved in writing the concept note for a grant.*
- *A current or proposed Local Fund Agent expert has worked for a Principal Recipient/sub-recipient on Global Fund grant related matters.*

05 Commercially motivated conflict of interest

Is there an intended (*e.g. LFA seeking business opportunities from a grant implementer*) or an actual commercial/contractual (financial/professional) relationship between the Local Fund Agent entity, or a member thereof, and a recipient of Global Fund grant funds (*e.g. Principal Recipient or sub-recipient*), a contractor of goods/services to the Global Fund or a provider of goods/services to a recipient of Global Fund grant funds? Does the Local Fund Agent have a financial stake or controlling interest in any such entities? This presents the risk that the Local Fund Agent team may not, or may not be perceived to, be fully independent in arriving at their professional opinions because those opinions might impact their client relationship, *i.e. the Local Fund Agent entity may want to protect its relationship with the entity in question*. Examples of such cases could be:

- *The Local Fund Agent entity has a long-term contractual relationship with a Global Fund Principal Recipient to provide tax advice. The work is not related to the Global Fund work, yet the Local Fund Agent entity may want to protect their long-term commercial relationship which may cause the Local Fund Agent team not to be, or not to seem to be, objective and independent.*

06 Conflict of interest due to personal relationships

Is there a personal relationship (family bonds, friendship, animosity, etc.) between a staff member of the Local Fund Agent team, and a staff member of a recipient of Global Fund grant funds, a contractor of goods/services to the Global Fund or a provider of goods/services to a recipient of Global Fund grant funds? This presents the risk that the Local Fund Agent may not, or may not appear to, be fully independent in arriving at their professional opinion, i.e. the Local Fund Agent team/expert may want to maintain their good personal relationships or protect a staff member employed by the implementer. Examples of such cases could be:

- *A current or proposed Local Fund Agent expert's spouse/ sibling/cousin is employed by a current or prospective Principal Recipient, sub-recipient, a Country Coordinating Mechanism, a contractor of goods/services to the Global Fund or a provider of goods/services to a recipient of Global Fund grant funds.*
- *A current or proposed Local Fund Agent expert has worked for a Principal Recipient/sub-recipient for a significant period of time and despite not having been involved in Global Fund-related work, s/he has formed personal relationships/loyalties with staff at the Principal Recipient/sub-recipient (e.g. Global Fund Project Management Unit Office).*

07 Conflict of interest due to legal disputes

Has a Local Fund Agent entity (or an affiliate), a member of a Local Fund Agent team or an immediate family member of a Local Fund Agent team member been involved in a legal dispute with the Global Fund or its grant recipients, or in any other legal dispute (past or present) that could have an actual, potential or perceived effect on their Global Fund related duties?

- *Both current and concluded legal disputes should be disclosed, including, but not limited to, matters involving the Global Fund.*
- *Other examples of legal disputes that should be disclosed are claims for professional malpractice, and legal proceedings relating to fraud, theft, and other financial or professional illegality (e.g., money laundering)*

Please note that this is intended to only address legal disputes that could have an actual, potential or perceived effect on a Local Fund Agent's ability to work with the best interests of the Global Fund in mind.

VI. Guiding Questions when Evaluating a Conflict of Interest

The key question when evaluating a potential conflict of interest is whether the objectivity and independence of the Local Fund Agent (or a member thereof) in delivering Local Fund Agent services and reporting to the Global Fund could be undermined or perceived to be undermined.

The **below guiding questions should not be considered in isolation**. For instance, a Local Fund Agent may propose to engage in work that bears no risk of a self-review. However, if the Local Fund Agent is selected, contracted and/or paid by a grant implementer, there may be a risk of a conflict due to the commercial relationship established with a grant implementer.

Please note that the below guiding questions **relate to any work - past, present or future - that may constitute a conflict of interest** (for purposes of simplification we have referred to these in the present tense only). **The guiding questions below are not exhaustive.**

01 Who is the client?

- **Who pays the fees** and how significant are they? Is a commercial relationship established between the Local Fund Agent and an implementer? (Please see *Types of Conflict of Interest*, above).
- **Who selects the service provider for this work and who signs the contract?** Is a contractual relationship established between the Local Fund Agent and an implementer? If an implementer selects and/or contracts the Local Fund Agent, this could compromise the Local Fund Agent's objectivity, given their inherent interest to maintain and possibly extend/prolong the contractual relationship with the implementer.

02 Who is the work performed on?

- **Is the work performed on a grant implementer?** If so, is the implementer also the client or is the Local Fund Agent reporting to a third party? (Please also see point 1 above: *Who is the client?*)
- If it's a grant implementer, **consider the size and importance of the entity** within the grant portfolio: what is the size of the grant portion managed by the implementer (in terms of dollar value and percentage of grant total)?
- **What is the role of the entity for Global Fund grant implementation?** While an entity may not be significant in terms of the portion of the grant portfolio it manages, it could play an important role (e.g. advocacy or coordination) for Global Fund grants.
- If the entity is a sub-recipient, **how many other sub-recipients are there** in the grant portfolio?

03 What is the nature and scope of the work?

- Does the nature and/or scope of the work **affect or relate to the Global Fund grants**? How likely is it to create a risk of self-review for the Local Fund Agent?
- Does the work include **anything the Local Fund Agent team would also look at as part of its reporting to the Global Fund**, i.e. could the Local Fund Agent ever be in a position where it would review the work it (or colleagues) had performed?
- **Which period does the service cover** (e.g. in case of an audit or an evaluation, what is the period under audit/evaluation)?
- **In the case of a proposed audit** of an implementer, is it an audit of specific program funds (e.g. from other donor funding) or of the entity as a whole? Is the Local Fund Agent likely to look at some of the same things as the auditor and/or use the audit report as background information for conducting its Local Fund Agent work?

Typical **examples of conflicting services** could be:

- Auditing services for implementers;
- Capacity building or technical assistance to implementers;
- Involvement in developing funding requests;
- Providing advice to implementers in relation to procurement systems or procurement of goods, IT systems, financial management systems, monitoring and evaluation systems, etc.

04 Who is performing the work?

Is the work being performed by the Local Fund Agent entity? The Local Fund Agent team? An individual Local Fund Agent expert? What is the risk of the Local Fund Agent reviewing its own work?

- **Is the Local Fund Agent team (or members thereof) involved**, or is a separate team undertaking the work? Are there “ethical walls” in place? Depending on the nature/scope of work, a risk of a conflict of interest may remain even if a separate team from within the same organization (i.e. not Local Fund Agent team members but colleagues from a different department or a different country office) undertakes the work.
- Is the work **signed off by a different partner/manager** (as applicable for the Local Fund Agent) or the same partner/manager for Global Fund work?
- **Is the work performed by a Local Fund Agent expert** (as opposed to the Local Fund Agent organization)? For a Local Fund Agent expert bidding for/performing work/consultancy with an implementer/Country Coordinating Mechanisms the following questions, among others, should be considered:
 - Where is the work performed? Is it performed outside any countries where this expert is providing Local Fund Agent services?
 - Who is the Local Fund Agent in the country? Is the expert’s Local Fund Agent organization the Local Fund Agent in the country?
 - What is the nature of the work? Is it related to Global Fund grants/Local Fund Agent work? This question is particularly relevant if the work is performed in a country where the expert performs Local Fund Agent services or his/her Local Fund Agent organization is the Local Fund Agent for that country.

05 When is the work undertaken and for how long? Can a cooling-off period effectively mitigate the conflict of interest?

- **How long is the contract for this work?** Is it a one-off assignment or a longer-term engagement?
- **Was the work undertaken recently or several years ago? Is there a sufficient cooling off period?**

Cooling-off periods are not always effective mitigating measures. There can be no set cooling-off period that could be applied to all conflict of interest cases. It is expected that Local Fund Agents carefully evaluate whether a cooling-off period is an adequate mitigating measure.

When determining the adequacy of a cooling-off period to mitigate a conflict of interest, the following factors (among others) should be considered:

- What is the nature and scope of the work?
- When was the work undertaken? How long ago?
- What is the duration of the engagement/contract?
- Is any follow-up work required, when and for how long?
- Is it a one-off assignment or was a long-term relationship established with an implementer/stakeholder?
- What is the role of the Local Fund Agent (e.g. Local Fund Agent expert) now?

For instance, if a proposed Local Fund Agent team member has worked for a key implementer, the adequacy of a cooling-off period and its length will depend on the position held by the proposed team member in the implementer organization; the nature of his/her work and how related it was to Global Fund grant implementation, as well as the proposed position and role of the person in the Local Fund Agent team, among other considerations.

VII. Existing Global Fund Sources of Information/Guidance on Local Fund Agent Conflicts of Interest

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- [Code of Conduct for Suppliers](#) contains general provisions applicable to LFAs as service providers
 - **Framework Contract for Local Fund Agent Services**
 - **Local Fund Agent Declaration of Absence of Conflict of Interest**, which each Local Fund Agent is requested to sign as part of the Local Fund Agent Framework Contract with the Global Fund
 - **Annual Declaration of the Absence of Conflict of Interest**, which each Local Fund Agent is requested to sign on an annual basis (Annex C)
 - **Pro forma Declaration of the Absence of Conflict of Interest**, which must be signed for each Local Fund Agent expert before their approval (Annex D)
 - **Request for Proposals Conflict of Interest Definition and Declaration Form**, which bidders must complete and submit as part of their proposals for providing LFA services (Annex E)
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Annex A

Institutional Conflicts of Interest: Information to be provided by Local Fund Agents

N.B. The term “work” refers to the **past, present or future work** that may be at conflict with Local Fund Agent work and for which the conflict of interest clearance request is submitted.

1. Who is the Local Fund Agent?
2. Who is requesting the bid/work? What is their relationship to the Global Fund and its programs?
3. Who is bidding for/performing the work? What is their relationship to the Local Fund Agent?
4. What is the entity in respect of which the work is performed? What is their relationship to the Global Fund and its programs?
 - a) If the entity is a Global Fund grant implementer, briefly describe its role and significance in the context of the Global Fund grant implementation (*refer to section V.02 above*).
5. Is the work performed in a country where the same Local Fund Agent entity is the Local Fund Agent?
6. Is the Local Fund Agent team, or members thereof, involved in the work?
7. Who selects the service provider/signs the contract for this work? Who pays the fee and how much?
8. If there is a commercial relationship between the Local Fund Agent and a key grant implementer:
 - a) How large is the Local Fund Agent budget for that given year/country?
 - b) How large are the Local Fund Agent contract and the proposed contracted work in relation to the total annual revenue of the Local Fund Agent entity/office in the country?
 - c) How large is the portion of the Global Fund grant which this implementer manages? How large is it in relation to the implementer’s total annual revenue?
9. Who does the Local Fund Agent report to with respect to the work?
10. What does the work entail? What’s the scope of work (attach RFP/terms of reference as applicable)?
11. Does the work cause a risk of self-review for the Local Fund Agent? Why/why not?
12. If the work is an audit, is the audit performed as part of the fiduciary arrangements of the Global Fund?
13. Does the work (e.g. audit, evaluation, review) cover Global Fund-supported activities?
14. Does the work involve the Global Fund Project Management Unit (or equivalent) at a key implementer?
15. Which period does the work cover? (e.g. what is the period under audit/evaluation?)
16. When is the work undertaken? For how long? Please provide dates.
17. Does the Local Fund Agent concerned think that there is a conflict? Why/why not?
18. If applicable, does the Local Fund Agent Central Coordination Team think that there is a conflict? Why/why not?
19. If there appears to be a conflict, does the Local Fund Agent think it can be mitigated? If so, please set out a mitigation plan for consideration by the Global Fund.

Annex B

Personal Conflicts of Interest: Information to be provided by Local Fund Agents

N.B. The term “work” refers to the **past, present or future work** that may be at conflict with Local Fund Agent work and for which the conflict of interest clearance request is submitted.

1. Who is the Local Fund Agent?
2. Who is the person (e.g. the Local Fund Agent expert) with a potential conflict of interest?
3. What is his/her relationship to the Local Fund Agent (*e.g. Local Fund Agent team member/proposed Local Fund Agent team member, finance professional, programmatic/M&E expert, junior finance professional, etc.*)?
4. What is the entity in respect of which the work is performed and what is that entity’s relationship to the Global Fund and its programs?
5. Where is the work performed? Is the person a member (or proposed member) of the Local Fund Agent team in that country?
6. Is the work performed in a country where his/her Local Fund Agent entity/organization is the Local Fund Agent?
7. Who is the contract with? Who pays for the work? How much is the fee?
8. Who (what entity) does the person report to with respect to the work?
9. What does the work entail? What is the scope of work (please attach RFP and/or terms of reference as applicable)?
10. What is the person’s function/role/position in the entity and in respect of the scope of work to be performed (e.g. decision-making position, part of a team (specify how many members), etc.)?
11. Is the work related to Global Fund-supported programs? This question is particularly important if the work is performed in a country where an expert performs Local Fund Agent services or his/her Local Fund Agent organization is the Local Fund Agent.
12. If the work is an audit, is the audit performed as part of the fiduciary arrangements of the Global Fund?
13. What period does the service cover?
14. When is the work performed? For how long? Please provide dates.
15. If the work is **not** related to Global Fund-supported programs, is it in close collaboration with the Global Fund Project Management Unit (or equivalent) e.g. in close physical proximity, with extended interaction and/or close cooperation with the staff working on Global Fund-related work?
16. Does the work cause a risk of self-review for the Local Fund Agent? Why/why not?
17. Does the Local Fund Agent concerned think that there is a conflict? Why/why not?
18. If applicable, does the Local Fund Agent Central Coordination Team think that there is a conflict? Why/why not?
19. If there appears to be a conflict, does the Local Fund Agent think it can be mitigated? If so, please set out a mitigation plan for consideration by the Global Fund.

Annex C

Annual Declaration of the Absence of Conflict of Interest

[name of contractor]

Local Fund Agent in [name of country]

As a duly authorized officer of the Contractor stated below, I confirm, acknowledge, and agree on behalf of the organization, that:

1. I have read and understood, and the Contractor complies with, the conflict of interest rules set forth in the Framework Contract (the “Contract”) between the Contractor and the Global Fund to Fight AIDS, Tuberculosis and Malaria (the “Global Fund”), and the Local Fund Agent Conflict of Interest Procedures, including the definition of “conflict of interest” contained therein (the term “conflict of interest” shall have the same definition for purposes of this declaration as that contained in the contract).
2. All cases of potential, perceived, and/or actual conflicts of interest have been fully declared to the Global Fund since the submission of the Contractor’s previous Annual Declaration of the Absence of Conflict of Interest.
3. The Contractor commits to ongoing rigorous screening and reporting of any potential, perceived, or actual conflict of interest cases to the Global Fund.
4. For the Contractor and the individuals described in **Box 1** below, the information checked in **Box 2 and Box 3** below is true and correct:

Box 1 – include the complete list of all Local Fund Agent team members for the country listed above (including key experts and junior experts)

Name(s) of expert(s):	Role(s) of Expert(s):

Box 2

<input type="checkbox"/>	The conflict of interest rules and responsibilities set forth in the Contract between the Contractor and the Global Fund and in the Local Fund Agent Conflict of Interest Procedures are understood and complied with by the Contractor, any of the Local Fund Agent team members listed in Box 1, or any affiliate or sub-contractor of the Contractor.
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Box 3

<input type="checkbox"/>	No perceived, potential and/or actual conflict of interest exists on the part of the Contractor, any of the Local Fund Agent team members listed in Box 1, or any affiliate or sub-contractor of the Contractor with respect to the work performed or to be performed in the country listed above.
<input type="checkbox"/>	<p>One or more perceived, potential and/or actual conflicts of interest were identified since the previous <i>Annual Declaration of the Absence of Conflict of Interest</i> on the part of the Contractor, one or more Local Fund Agent team members listed in Box 1, an Affiliate, and/or a Sub-Contractor of the Contractor with respect to the work performed or to be performed in the country listed above and</p> <p>The Contractor has <u>declared/disclosed</u> that conflict of interest to the Global Fund pursuant to the procedures set forth in the LFA Conflict of Interest Procedures available on the Global Fund’s website.</p>
<input type="checkbox"/>	<p>A perceived, potential and/or actual conflict of interest has been identified since the previous <i>Annual Declaration of the Absence of Conflict of Interest</i> on the part of the Contractor, one or more Local Fund Agent team members listed in Box 1, an affiliate, and/or a sub-contractor of the Contractor with respect to the work performed or to be performed in the country listed above and</p> <p>The Contractor has <u>not previously declared/disclosed</u> the conflict of interest to the Global Fund pursuant to the procedures set forth in the Local Fund Agent Conflict of Interest Procedures available on the Global Fund’s website.</p> <p>Accompanying this declaration, the Contractor is submitting an attachment declaring/disclosing such conflict of interest and providing answers to the appropriate conflict of interest questions, found in the <i>Local Fund Agent Conflict of Interest Procedures</i> available on the Global Fund’s website.</p>

Name of Contractor:

Signed: _____
 Name: _____
 Title: _____
 Date: _____

Local Fund Agent Central Coordination Team (as applicable):

Signed: _____
Name: _____
Title: _____
Date: _____

Annex D

Pro forma Declaration of the Absence of Conflict of Interest

(As per the *Procedure for the Engagement and Approval of the Local Fund Agent Experts*)

Local Fund Agent Conflict of Interest Declaration Relating to Expert Assignment

On behalf of the Contractor listed below, I hereby declare that:

- The Contractor has read and understood the *Local Fund Agent Conflict of Interest Procedures* and the Conflict of Interest rules set forth in the Framework Contract between the Contractor and the Global Fund to Fight AIDS, Tuberculosis and Malaria including the definition of “conflict of interest” contained therein, namely:

A situation in which the Contractor, any of its affiliates, or any of its sub-contractors, if any, has interests (financial, organizational, personal, reputational, or otherwise) that would or may appear to make it difficult for the entity to fulfil its obligations in providing Local Fund Agent Services to the Global Fund in an objective, independent, and professional manner, or a situation in which it is reasonable to foresee that such an interest would arise.

- For the arrangement described in **Box 1** below, the information checked in **Box 2** below is true and correct:

Box 1

Name(s) of Expert(s):	
Role(s) of Expert(s):	
Country/ Countries:	

Box 2 (please check one, as appropriate)

<input type="checkbox"/>	No Conflict of Interest exists on the part of the Contractor or any affiliate or sub-contractor of the Contractor for the arrangement described in Box 1.
<input type="checkbox"/>	A Conflict of Interest exists on the part of the Contractor, an affiliate, and/ or a sub-contractor of the Contractor for the arrangement described in Box 1 and The Contractor has declared and disclosed that Conflict of Interest to the Global Fund pursuant to the procedures set forth in the Local Fund Agent Conflict of Interest Procedures available on the Global Fund’s website.

CONTRACTOR:

Signed: _____

Name: _____

Title: _____

Date: _____

Annex E

Request for Proposals Conflict of Interest Definition and Declaration Form

(The below to be attached to Request for Proposals document)

Conflict of interest definition and provisions:

All parties submitting a proposal in response to this Request for Proposal are obligated to disclose the existence of any perceived, potential or actual conflict of interest relating to every country included within their proposal in the attached *Conflict of Interest Declaration Form*.

Failure to fully disclose such information could lead the Global Fund to reject a proposal.

If a party has no conflict to declare for any of the countries covered in their proposal, they may submit one form, listing all of the countries covered.

“Conflict of interest” means a situation in which an offeror, or an affiliate (as defined below), or a sub-contractor (if any) of an offeror, has interests (financial, organizational, personal, reputational or otherwise) that would or may appear to make it difficult for an offeror to fulfill its obligations to the Global Fund in its role as Local Fund Agent in an objective, independent and professional manner, or a situation in which it is reasonable to foresee that such an interest would arise.

A conflict of interest may arise in the following circumstances, which are not exhaustive:

- i. an offeror 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;
- ii. an offeror has been, or is involved in the provision of advice to an entity that is a Principal Recipient, Sub-recipient or another key implementer of Global Fund grants;
- iii. an offeror has been, or is involved in, or has provided advice in relation to the procurement of goods and/or services by a Principal Recipient, Sub-recipient or another key implementer of Global Fund grants;
- iv. an offeror has been, or is involved in the provision of auditing services to a Principal Recipient, Sub-recipient or another key implementer of Global Fund grants;
- v. an offeror has submitted an expression of interest, tender, bid or otherwise indicated interest in providing services of any nature to a Principal Recipient, Sub-recipient or another key implementer of Global Fund grants that remains valid at the time of, and for the duration of the term of this Contract;
- vi. an offeror has a financial/professional relationship with a key grant implementer or a provider of goods/services to a recipient of Global Fund grant funds;
- vii. an offeror has a financial stake or controlling interest in a key grant implementer or a provider of goods/services to a recipient of Global Fund grant funds;
- viii. an offeror is or has been involved in a legal dispute with the Global Fund or its grant recipients or any other legal dispute that could have an actual or perceived effect on their Global Fund related duties.

“**Affiliate**” means a business concern, individual or other entity that, directly or indirectly: (i) controls or can control an Offeror; (ii) is controlled by, or can foreseeably be controlled by, an offeror; or (iii) along with an offeror, is controlled by, or can foreseeably be controlled by, the same third party.

ANNEX E *continued*

Conflict of Interest Declaration Form

Portfolio:

Please check one box below, as appropriate:

Note: in the event that the offeror's proposal includes multiple countries, and the offeror has no disclosure to make for any of those countries (i.e., for all countries, the first box below would be checked), the offeror may submit one form with the first box checked, listing all such countries.

<input type="checkbox"/>	The offeror hereby declares that it has read and understood the conflict of interest rules set forth in the Request for Proposals and the <i>Local Fund Agent Conflict of Interest Procedures</i> (www.theglobalfund.org/en/lfa/documents) ¹ and warrants that no conflict of interest (actual, potential or perceived) exists on the part of the offeror or an affiliate of the offeror, with regard to the services to be performed under the Request for Proposals. The offeror hereby agrees to comply with the conflict of interest rules set forth in the Request for Proposals.
<input type="checkbox"/>	The offeror wishes to disclose an actual, potential or perceived conflict of interest situation(s) and propose mitigating action(s). <i>Note:</i> if this box is checked, please describe, <i>in detail</i> , the situation and present a proposed mitigation plan/arrangement for consideration by the Global Fund.

Requested information for the disclosure of an actual/potential/perceived conflict of interest:

1. The offeror has a responsibility to **fully disclose** all relevant details relating to perceived, potential and/or actual conflict of interest situations that may incur in case the offeror was awarded a contract to provide Local Fund Agent services for the Global Fund in the above-named country.
2. If conflicting work was performed in the past, please provide all relevant information pertaining to such work performed over the last five years (please also describe any significant work performed prior to that period if it was of an ongoing nature which could present a potential or actual conflict of interest in the present day).
3. For the purpose of disclosing any conflicts of interest, please answer the below questions and add any relevant information, as required, and attach this written analysis as an appendix to the signed and completed form.
4. As part of disclosing a conflict of interest situation, and based on the facts of the situation, the offeror must clearly provide its assessment of the conflict of interest situation.
5. Where a conflict of interest situation is identified, the offeror must propose **realistic** and **effective** mitigation measures. Please note that not all conflicts of interest can be mitigated. The Global Fund therefore requests the offeror to carefully evaluate the risk and/or the scope of the conflict of interest before proposing mitigating measures.

¹ The Local Fund Agent Conflict of Interest Procedures can be found on the Global Fund website (www.theglobalfund.org)
 Local Fund Agent Conflict of Interest Procedures
 February 2017

Institutional conflicts of interest: Information to be provided by the offeror

N.B. The term "work" refers to the **past, present or future work** that may be at conflict with Local Fund Agent work and for which the conflict of interest clearance request is submitted.

1. Who is requesting the bid/work? What is their relationship to the Global Fund and the programs it supports?
2. Who is bidding for/performing the work? What is their relationship to the offeror?
3. What is the entity in respect of which the work is performed? What is their relationship to the Global Fund and the programs it supports?
4. Is the proposed Local Fund Agent team, or members thereof, involved in the work?
5. Who selects the service provider/signs the contract for this work? Who pays the fee and what is the value of the contract?
6. Who does the offeror report to with respect to the work?
7. What does the work entail? What is the scope of work (attach Request for Proposals/terms of reference as applicable)?
8. Does the work cause a risk of self-review vis-à-vis the Local Fund Agent work? Why/why not?
9. If the work is an audit, is the audit performed as part of the fiduciary arrangements of the Global Fund?
10. Does the work (e.g. audit, evaluation, review) cover Global Fund-supported activities?
11. Is the Global Fund Program Management Unit (or equivalent) involved?
12. Which period does the work cover? (e.g. what is the period under audit/evaluation?)
13. When is the work undertaken? For how long? Please provide dates.
14. Does the offeror think that there is a conflict? Why/why not?
15. If there appears to be a conflict of interest, does the offeror think it can be mitigated? If so, please set out a mitigation plan for consideration by the Global Fund.

Personal conflicts of interest: Information to be provided by offerors

N.B. The term "work" refers to the **past, present or future work** that may be at conflict with Local Fund Agent work and for which the conflict of interest clearance request is submitted.

1. What is the name of the person (e.g. the proposed Local Fund Agent expert) with a potential conflict of interest?
2. What is his/her relationship to the offeror (e.g. proposed finance professional, programmatic/monitoring and evaluation expert, junior financial professional, etc.)?
3. What is the entity in respect of which the work is performed and what is that entity's relationship to the Global Fund-supported programs?
4. Where is the work performed? Is the person a proposed member of the Local Fund Agent team in that country?
5. Is the work performed in a country where the offeror is the Local Fund Agent?
6. Who is the contract with? Who pays for the work? How much is the fee?
7. Who (what entity) does the person report to with respect to the work?

8. What does the work entail? What is the scope of work (please attach Request for Proposal and/or terms of reference as applicable)?
9. Is the work related to Global Fund-supported programs?
10. If the work is an audit, is the audit performed as part of the fiduciary arrangements of the Global Fund?
11. If the work is an audit, evaluation, etc., what period does the service cover?
12. When is the work performed? For how long? Please provide dates.
13. If the work is not related to Global Fund-supported programs, is it in close collaboration with the Global Fund Project Management Unit (or equivalent) e.g. in close physical proximity, with extended interaction and/or close cooperation with the staff working on Global Fund-related work?
14. Does the work cause a risk of self-review vis-à-vis Local Fund Agent work? Why/why not?
15. Does the offeror concerned think that there is a conflict? Why/why not?
16. If there appears to be a conflict of interest, does the offeror think it can be mitigated? If so, please set out a mitigation plan for consideration by the Global Fund.

Organization/Offeror name: _____

Name of representative: _____

Title of representative: _____

Date: _____

Representative Signature: _____