Private Sector Engagement & Avoidance of Conflict of Interest Guide

Updated September 2013
1 Introduction

The private sector has been a growing contributor of financial resources for the Global Fund as well as effective partners that provide in-kind support to grant programs around the world. Looking forward, the Global Fund aims to continue its engagement with private sector organisations in mutually beneficial and innovative partnerships to scale up the fight against AIDS, tuberculosis and malaria. There is much scope for private sector partners to contribute to matters of governance, implementation, advocacy and procurement so that Global Fund-supported programs can continue to reach the people who are in need of their services.

This policy aims to give guidance on the Global Fund’s approach to partnerships with the private sector, recognising that such rewarding efforts are not without risk. The following sections explain the objectives and general approach to managing potential conflicts of interest and other risks.

1.1 Principles of Business Partnerships

The Global Fund strives to identify opportunities for shared value creation and enters into partnerships that are consistent with three key guiding principles:

1. The business partner is aligned with the Global Fund’s mission and committed to reducing the human suffering and economic impact caused by the three diseases.
2. The partnership is expected to yield significant additional resources for the Global Fund and its supported programs through the contribution of financial and non-financial assets, access to use of infrastructure and capabilities, and contribution of human skills and expertise.
3. The partnership supports the Global Fund’s key strategic priorities and complies with all its policies and guidelines.

1.2 Purpose of the Guide

To maintain the integrity of its operations and brand, the Global Fund needs to ensure that contributions are derived from legitimate sources and reputable donors that subscribe to the founding principles of the partnership. In addition, it is important to ensure that no single donor or group of donors impose undue influence on decisions made by the Global Fund through strong internal processes and a principle of transparency. Any breaches, whether perceived, potential or actual, may diminish public confidence in the Global Fund and may even affect the performance of Global Fund projects and programs.

A strong and well-implemented risk management process helps to ensure the prioritisation of Global Fund objectives and interest, and at the same time:

- Improve fairness and transparency in decision making processes
- Improve trust and confidence among key stakeholders and the general public
- Protect the reputation and integrity of Global Fund and associated organisations
2 Definitions

2.1 Conflict of Interest

Definition
In the partnership context, a conflict of interest occurs when a prospective or existing business partner of the Global Fund uses their position to advance their personal interests, the interests of an institution with which they are 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 Global Fund programs.

Avoidance of Conflict of Interest
The Global Fund takes a very broad view of the ethics of its partnerships that extends beyond the strict definition of conflict of interest. The contribution should be made in good faith and the donor should not seek to utilise their position as a partner with the Global Fund, their relationship with the Global Fund, or the knowledge and information they have received in connection with their relationship with the Global Fund to derive a direct benefit related to the Global Fund’s activities.

Examples of Conflicts of Interest
When an external party makes an offer of donation to:

- Influence Global Fund decision-making or seek a favourable business relationship with the Global Fund.
- Obtain favourable business relations with a party involved in the Global Fund’s activities, including: Principal Recipients, Sub-Recipients, LFAs, or suppliers of products.
- Imply an endorsement by the Global Fund of their products or services.

2.1.1 Material Interest
Each prospective partner is required to provide adequate disclosure of any material interests that may place the various roles of the partners in conflict or result in reputational damage due to perceptions of undue influence of the donor on the Global Fund or its grant recipients. A material interest includes the following:

- Being a staff member or member of an organisation or institution that is a Principal Recipient, Sub-Recipient or Implementing Partner funded by Global Fund grants.
- Being a party to a contract, or directly involved in a transaction, for the provision of goods and services to an organisation funded by Global Fund grants.
- Having a significant financial interest in an entity that is involved in a contract or transaction for the provision of goods and services to an organisation funded by Global Fund grants, through being an owner, shareholder or employee.

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1 A person is affiliated with an institution if they are an employee or volunteer, or have a financial interest, or a technical/governance role within that institution.

2 A close associate may be a family member, friend, business partner, professional colleague of the individual in question.
3 Disclosure Requirement

Duty to Disclose
Prospective partners must disclose any material conflicts of interest. Where clear conflicts of interest are identified, the Global Fund will take appropriate action, including rejecting the partnership or contribution. Such measures may potentially be applied also for perceived conflicts of interest. Existing partners are generally required to disclose significant changes that impact the partnership from a conflict of interest perspective.

Failure to Disclose
If the Global Fund learns that a donor or partner failed to disclose a material interest or issue (as defined by the Global Fund’s disclosure requirements) at the time the relationship between the Global Fund and the entity was established:

- The Global Fund should inform the entity of this fact and provide it with an opportunity to respond; and
- Where there is confirmation of a failure to properly disclose, the Global Fund will take the most appropriate course of action including, if needed, ending or revising the relationship with the entity and a public announcement to that effect.
4 Further Information

- Partnering for Global Health with the Private Sector [pdf]
  

- Guide to Global Fund Policies on Procurement and Supply Management of Health Products (June 2012) [pdf]
  

- Global Fund Governance and Core Documents
  

- Operational Policies, Guidelines and Tools
  