

GF/B29/ER1

For Decision

**Updated Declaration of Interest Form for Disclosure
by Global Fund Officials of Financial Interests**

Purpose:

This paper presents revisions to the Declaration of Interest Form for adoption by the Board. These revisions reflect the discussion of the Audit and Ethics Committee ('AEC') on the revision exercise at its Fourth Meeting, the input received through consultation with Board Constituencies, and the final recommendations of the AEC at its Fifth Meeting.

PART 1: INTRODUCTION

1. At the Fourth Meeting of the Audit and Ethics Committee (“AEC”), the Ethics Official presented proposed revisions to the Declaration of Interest Form to the AEC for review and proposed recommendation to the Board (see GF/AEC04/07). These revisions were designed to increase the accessibility of the Form, improve awareness by Global Fund officials of the nature of conflicts of interest, and enhance the process for disclosure of conflicts of interest.
2. The AEC reviewed and commented on the proposed revisions, and requested the Ethics Official to seek input from Board Constituencies on the revisions and then report back to the AEC at its Fifth Meeting. The Ethics Official thereafter provided the draft revised Declaration of Interest Form to all Board Constituencies for input in an email dated 8 May 2013.
3. Following review of input received from Board Constituencies and attendant modifications to the Declaration of Interest Form, at its Fifth Meeting the AEC approved the revised Form for recommendation to the Board.
4. This paper summarizes the input received from the AEC and Board Constituencies on the draft Declaration of Interest Form, and presents the further-revised Declaration of Interest Form for recommendation to the Board.¹
5. The revised Declaration of Interest Form (the “**Revised Form**”) is included as Annex 1, as proposed for adoption by the Board.

PART 2: COMMENTS RECEIVED ON THE DRAFT REVISED DECLARATION OF INTEREST FORM

6. The key substantive comments received on the draft revised Declaration of Interest Form from Committee members and Board Constituencies are as follows:

Scope of disclosure regarding legal matters

7. AEC members and Constituencies commented on proposed Question 3, which asks respondents whether they have been involved in a legal dispute with the Global Fund or its grant recipients, or if they are involved in any other legal dispute that could have a real or perceived effect on their Global Fund duties.
8. AEC members and Board constituencies raised concerns that this question could go to legal disputes of a personal or political nature which do not relate to a respondent’s duties at the Global Fund (e.g., legal actions relating to a respondent’s status as a sex worker or human rights activist). Commentators also noted that even facially relevant legal disputes, for example matters relating to financial fraud, could be brought based on dubious factual grounds or in order to harass certain individuals (e.g., political activists).
9. These comments are addressed in the Revised Form via the further-refined guidance on what respondents should disclose in proposed Question 3.

¹ Under Article 2.2 of the AEC Charter, the AEC’s functions include making recommendations to the Board regarding modifications to the Board-approved ethical guidelines and standards, including the Ethics Policy, which includes the associated Declaration Form.

Board / Committee leadership on ethics matters

10. A Board constituency noted that in addition to the updated ethics screening process, conflicts management should be an ongoing process, requiring Board, Committee and Advisory Group members to declare any actual or potential conflicts of interest they may hold at the outset of every meeting.
11. The Ethics Official noted to the AEC that in order to address this comment, the matter could be escalated to the Coordinating Group, with the recommendation for Board and Committee Leadership to request disclosure by members of any potential conflicts at the outset of each meeting.

Remedial actions when certain “Covered Individuals” fail to complete their Declaration of Interest

12. To ensure proper compliance with disclosure obligations, the AEC proposed that Board, Committee, and Advisory Group members should be required to submit their Declaration of Interest Form as a prerequisite to appointment. This recommendation is reflected in the Revised Form.

Other comments

13. Input was also received from the AEC and Board Constituencies on certain technical/drafting points; these comments are reflected in the Revised Form.

PART 3: PROPOSED GLOBAL FUND BOARD DECISION POINT

14. The AEC recommends the following decision point to the Global Fund Board:

GF/B29/EDP2: Revision to the Declaration of Interest Form for Assessing Conflicts of Interest

The Board approves the revised Declaration of Interest Form attached as Annex 1 of GF/B29/ER1.

Revised Declaration of Interest Form

See attached.

DECLARATION OF INTEREST FORM

INSTRUCTIONS

What is the purpose of this Form?

A key element of protecting the Global Fund's integrity and reputation is ensuring that its decision-making processes are not affected by conflicts of interest. This Form is one of the tools used by the Global Fund to identify and address actual or potential conflicts. Conflicts are situations where a Global Fund official could be influenced to make decisions for improper reasons, specifically for reasons that relate to their own financial interests. It is the responsibility of all Global Fund officials to disclose any personal financial interests that could relate to their work for the Global Fund, such that potential and actual conflicts can be appropriately addressed.

Who must complete this Form?

As required by the Global Fund's Ethics and Conflict of Interest Policy (the "Ethics Policy"), this Form must be completed by all Board Members and Alternates, Committee Members, members of advisory groups (e.g., TRP, TERG, MDAG) and non-administrative employees of the Secretariat.¹

The Ethics Policy requires that when completing this Form, Global Fund officials must disclose both their own personal interests, those of their immediate family members, and those of any organizations to which they have a professional relationship.

What is a "conflict of interest"?

Generally, a conflict of interest is **a situation in which a Global Fund official has a competing professional or personal financial interest that could have a real or perceived effect on the official's ability to fulfill his/her responsibilities with the best interests of the Global Fund in mind.** Conflicts can create the perception that a Global Fund official's judgement is biased. As such, conflicts can compromise or undermine the trust that the public places in the Global Fund.

Who is an "immediate family member" for purposes of this Form?

When completing this Form, you are required to respond to the questions regarding you and your "immediate family members". For the purposes of this Form, "immediate family members" are: (i) your spouse or domestic partner, and (ii) your children.

What must I declare through this Form?

This Declaration of Interest Form is designed to identify and address both actual and potential conflicts of interest and other ethics-related issues.

There are four questions in the Declaration of Interest Form. Guidance and examples for completing each question are provided below. These examples are not exhaustive; if you are unsure whether to disclose a particular situation in your Form, please err on the side of over-inclusiveness.

¹ i.e., Staff at the level of G5 and higher.

Through the Declaration of Interest Form, you must declare:

1. Any **financial interest** in the **work of the Global Fund** held by **you or your immediate family members**.

Guidance and examples: The term “financial interest” is broadly defined under the Global Fund’s Ethics Policy. For reference, the table below lists four key financial interests and provides examples of how these may appear in practice.

Financial interest	Examples in practice: to be declared on this Form
1. A direct financial or business relationship with an entity that receives Global Fund grant funds.	<p><i>A Global Fund Board Member is employed by a current or prospective Principal Recipient.</i></p> <p><i>A Global Fund Board Member is hired as a consultant to develop a funding proposal for a Global fund grant.</i></p> <p><i>The spouse of a Secretariat staff member is employed by a current or prospective Principal Recipient or Sub-recipient, or by a CCM.</i></p>
2. A professional or financial relationship with a contractor of goods or services to the Global Fund.	<p><i>A TRP member providing consulting services to a Local Fund Agent or CCM.</i></p> <p><i>A Secretariat staff member holds an ownership interest (e.g., shares of stock) in a company submitting a bid to supply goods or services to the Secretariat.</i></p> <p><i>The spouse of a Secretariat staff member is employed by a company submitting a bid to supply goods or services to the Secretariat.</i></p>
3. A professional relationship with a provider of goods or services to recipients of Global Fund grant funds.	<p><i>A Secretariat staff member is actively engaged in employment discussions with a manufacturer of health products (e.g., ARVs, bednets, or condoms) used in Global Fund programs.</i></p> <p><i>A Board Committee Member is employed by a manufacturer of health products used in Global Fund programs.</i></p>
4. A financial stake or controlling interest in any of the entities listed in (1)-(3) above.	<p><i>A Board Member or Secretariat staff member owning shares of stock in a manufacturer of health products used in Global Fund programs.</i></p> <p><i>A TERG member serving as a Board member of a company that supplies consulting services to a Principal Recipient or CCM.</i></p>

2. Any **professional relationship** you or your immediate family members have with an organization that is or was subject to a **diagnostic review, audit, investigation**, or similar activity by the Global Fund’s **Office of the Inspector General**. Disclosure should also include any instances in which you or an immediate family member has been **personally subject** to an audit, investigation, or similar activity by the Office of the Inspector General. Finally, disclosure should include investigations by **any other authority** against you, your immediate family members, or an organization to which you have a professional relationship.

Guidance and examples: Situations to be disclosed under this question include the following:

Relationship or Activity	Examples in practice: to be declared on this Form
1. A professional relationship you or your immediate family members have with an organization that is or was subject to a diagnostic review, audit, investigation, or similar activity by the Office of the Inspector General.	<p><i>A Global Fund Board Member is employed by a Principal Recipient that was under investigation by the Office of the Inspector General.</i></p> <p><i>A TRP member providing consulting services to a CCM that is subject to an investigation by the Office of the Inspector General.</i></p>
2. You or an immediate family member has been personally subject to an audit, investigation, or similar activity by the Office of the Inspector General.	<p><i>A Board Committee Member is subject to an investigation by the Office of the Inspector General.</i></p> <p><i>The spouse of a Secretariat employee was under investigation by the Office of the Inspector General.</i></p>
3. Investigations by any other authority against you, your immediate family members, or an organization to which you have a professional relationship.	<p><i>A Global Fund Board Member is employed by an organization that is subject to an investigation by a government authority.</i></p> <p><i>A TRP member was the subject of an investigation by a government authority.</i></p> <p><i>A Board Committee Member is employed by an organization that is subject to an investigation by a donor to the organization.</i></p>

3. Any **legal dispute** you or any of your immediate family members been involved in with **the Global Fund or its grant recipients**, now, or in the past, or **any other legal dispute** that could have a real or perceived effect on your Global Fund duties.

Guidance and examples: Both current and concluded legal disputes should be disclosed when responding to this question, 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).

Note: This question is intended to only address legal disputes that could have a real or perceived effect on your ability to work with the best interests of the Global Fund in mind. Therefore, any legal issues you may have experienced relating to your gender, sexual orientation, political beliefs, disease status, activities as a sex worker or drug user, or activities associated with advocacy for social, political or human rights issues do not need to be disclosed here. For the legal disputes disclosed here, you may provide any background you deem relevant, such as your view on the legitimacy of the claim (for example, its basis in fact; whether it was motivated on political grounds).

4. Anything else that could affect your **objectivity or independence** in the performance of your duties for the Global Fund, or the **perception** of that independence and objectivity by others.

Guidance and examples: This question is intended to capture any other situation – or perceived situation – which could affect your work with the Global Fund, whether financial, professional, or personal in nature.

How do I complete this Form?

Please answer the questions in the Form (at the end of this document), sign and date the Form, and then submit your signed and scanned Form, via email, to the Global Fund's Ethics Official, Ms Gülen Newton, at ethics@theglobalfund.org.

When must I complete this Form?

Proposed members of the Global Fund Board, any Board Committee, or any Advisory Group are requested to complete this form before their formal appointment.

Secretariat staff members are required to complete this form upon beginning work as a Global Fund employee.

As noted above, submitting and updating a Declaration of Interest Form is mandatory for all Board Members and Alternates, Committee Members, members of advisory groups (e.g., TRP, TERG, MDAG) and non-administrative employees of the Secretariat. Non-administrative employees that have not submitted their completed Forms - or any required update - to the Global Fund's Ethics Official as required may be subject to formal reprimand or other disciplinary measures. In the case of members of the Board, Board Committees and Advisory Groups, failure to submit and update completed Forms may result in non-appointment to the body in question.

When must I update my completed Form?

Once you have submitted this Form for the first time, you are required to update it:

1. At the request of the Global Fund's Ethics Official; and
2. If you have a change to your financial or professional situation that creates a 'financial interest' that must be disclosed. Examples of such a change include:
 - a. You begin new employment with a Principal Recipient, LFA, or other organization involved with Global Fund programs; or
 - b. Your current employer develops a financial relationship with the Global Fund, such as by becoming a grant recipient or a provider of goods or services to the Global Fund.

How will my Form be evaluated?

If the Global Fund identifies an actual or potential conflict of interest based on your disclosure, the Global Fund's Ethics Official will contact you to discuss the matter and identify potential ways for resolving the conflict. The issue may then be raised to the Audit and Ethics Committee for consideration and decision.

How will my Form be used?

The Global Fund's Ethics Official will maintain information disclosed on this Form in confidence, on behalf of the Global Fund's Audit and Ethics Committee, which will have the right to review the information. The Audit and Ethics Committee may share the information in your completed Form with the Board of the Global Fund and the Office of the Inspector General, when required, and with all appropriate confidentiality restrictions.

DECLARATION OF INTEREST FORM

Please respond to the following four questions.

Please refer to the **guidance and examples** for each question contained in the **Instructions** to this Form when preparing your response.

If you require additional space to complete a response, please continue your response on a separate page and sign and date that page.

1) Do you or any of your immediate family members have any financial interest in the work of the Global Fund?

Yes: **No:**

If you have responded “yes”, please give details in the box below sufficient for the Global Fund to evaluate the situation, including, but not limited to, the following:

- If the financial interest relates to a role held at an organization, please list the name of the organization, the role held at the organization (such as employee, consultant, or Board member), the work performed in the role, and the dates during which the role was held.
- If the financial interest relates to an ownership interest, please describe the nature and amount of the interest owned, the duration for which the interest has been held, and any other relevant information.

2) Have you or an immediate family member had a professional relationship with an organization subject to a diagnostic review, audit, investigation, or similar activity by the Global Fund’s Office of the Inspector General, or been personally subject to an investigation by the Office of the Inspector General? Has there ever been an investigation by any other authority against you, your immediate family members, or an organization to which you have a professional relationship?

Yes: **No:**

If you have responded “yes”, please describe relevant information in the box below, including, as applicable:

- The organization involved;
- The role and title held (such as employee, consultant, or Board member), whether the role was held by you or by an immediate family member, and the dates when the role was held;
- The work performed, and whether the role involved working on, managing, or overseeing matters involving the Global Fund;
- The investigating authority (whether the Office of the Inspector General or another agency);
- The focus of the investigation or other action; and
- The outcome or resolution of the investigation or other action (such as findings of fraud or misuse of funds).

3) Have you or any of your immediate family members been involved in a legal dispute with the Global Fund or its grant recipients, or are you currently involved in any other legal dispute that could have a real or perceived effect on your Global Fund duties?

Yes: **No:**

If you have responded “yes”, please give details in the box below on the nature of the dispute, the parties involved, and, as applicable, the status of the dispute or how and when the dispute was resolved.

Note: This question is intended to only address legal disputes that could have a real or perceived effect on your ability to work with the best interests of the Global Fund in mind. Therefore, any legal issues you may have experienced relating to your gender, sexual orientation, political beliefs, disease status, activities as a sex worker or drug user, or activities associated with advocacy for social, political or human rights issues do not need to be disclosed here. For the legal disputes disclosed here, you may provide any background you deem relevant, such as your view on the legitimacy of the claim (for example, its basis in fact; whether it was motivated on political grounds).

4) **Is there anything else not captured in the questions above that could affect your objectivity or independence in the performance of your duties for Global Fund, or in your opinion, the perception by others of your objectivity and independence?**

Yes: **No:**

If you have responded “yes”, please give details in the box below sufficient for the Global Fund to evaluate the situation.

I confirm that I have read, understood and will comply with the Policy on Ethics and Conflicts of Interest for Global Fund Institutions². I declare that the information which I disclose in this Declaration of Interest Form is correct and complete. I undertake to update the information in this Declaration of Interest Form in the event of any material change in these circumstances and, in any event, at least annually.

Signature

Date

Name (please print)

Title (please print)

² See http://www.theglobalfund.org/documents/core/policies/Core_EthicsAndConflictOfInterest_Policy_en/

Current Declaration of Interest Form

See attached.

DECLARATION OF INTEREST FORM

In compliance with the Global Fund's Ethics and Conflict of Interest Policy, all Covered Individuals¹ are required to complete this form in respect of themselves, their spouses² and any dependent children annually or in the event of a material change or at the request of the Audit and Ethics Committee.

What type of interest needs to be declared?

Covered Individuals must report any interest in (including association with) any entity with which they may be required, directly or indirectly, to have official dealings on behalf of the Global Fund or which has a financial interest in the work of Global Fund.

The following is provided for guidance and is a non-exhaustive list of types of interest:

1. a financial interest, e.g., shares or bonds, in a commercial entity with which a Covered Individual may be required, directly or indirectly, to have official dealings on behalf of the Global Fund, or which has a commercial interest in the work of the Global Fund (except share holdings through general mutual funds or similar arrangements where the Covered Individual has no control over the selection of shares³);
2. an employment, consultancy, directorship, or other position or association, whether or not paid, in any entity with which a Covered Individual may be required, directly or indirectly, to have official dealings on behalf of the Global Fund, or which has a commercial interest in the work of Global Fund, or an ongoing negotiation concerning prospective employment or other association with such entity;
3. a proprietary interest in a substance, technology or process (e.g., ownership of a patent), relevant to the Global Fund's work;
4. performance of any paid work or research commissioned by an entity with which a Covered Individual may be required, directly or indirectly, to have official dealings on behalf of the Global Fund, or which has a commercial interest in the work of the Global Fund; and
5. a family interest in which, for example, a spouse or dependent child is employed by an entity from which goods and/or services are purchased using Global Fund resources.

How to complete this Declaration: Please answer questions 1 and 2 of the form in the English language and sign and date the form before submitting it under confidential cover, to the Ethics Official of the Global Fund, Ms Gülen Newton, Legal Counsel, at ethics@theglobalfund.org.

Assessment and outcome: Information disclosed on this Declaration Form by Covered Individuals shall be kept on behalf of the Audit and Ethics Committee of the Global Fund and may be made available to the Chair and Vice-Chair of the Global Fund and/or the Office of the Inspector General. The information may be made available to persons outside of Global Fund only when the objectivity of the work of the Global Fund has been questioned and when the Chair of the Audit and Ethics Committee considers disclosure to be in the best interests of the Global Fund, and then only after the Covered Individual concerned has had an opportunity to comment.

¹ A Covered Individual means a member of the Board of the Global Fund, an alternate, a member of any committee, task force, the Technical Review Panel, or any other subsidiary body of the Global Fund, and professional employees of the Secretariat.

² For the purposes of this Declaration, "spouse" includes a legally recognized domestic partner.

³ This exception would not apply to funds or similar arrangements which focus on industries which have commercial interests in the work of the Global Fund.

Please respond to the following two requests for information:

Declaration:

1) Have you, your spouse or dependent child(ren) any interest in (including association with) any entity with which you may be required, directly or indirectly, to have official dealings on behalf of the Global Fund, or which has a financial interest in the work of the Global Fund?

Yes: **No:** **If yes, please give details in the box below.**

(If additional space is needed, please continue on a separate page and sign and date that page.)

Type of interest, e.g. patent, shares (including number and current market value); employment, association, payment (including details on any compound, work, etc.);	Name of entity	Indicate whether held by you, or your spouse, or your dependent child(ren)?

2) Is there anything else that could affect your objectivity or independence in the performance of your duties for Global Fund, or the perception by others of your objectivity and independence?

Yes: **No:** **If yes, please give details below or on a separate page and sign and date that page.**

I confirm that I have read, understood and comply with the Policy on Ethics and Conflicts of Interest for Global Fund Institutions⁴. I declare that the information which I disclose in this Declaration of Interest Form is correct and complete. I undertake to update the information in this Declaration of Interest Form in the event of any material change in these circumstances⁵ and, in any event, at least annually.

Signature

Date

Name (please print)

Title (please print)

⁴ See http://www.theglobalfund.org/documents/core/policies/Core_EthicsAndConflictOfInterest_Policy_en/

⁵ The concept of “material change” allows for some flexibility of interpretation, thus in the event of any doubt the staff member should consult the Ethics Official. However, as an example, any change in the companies in which stocks are held should be reported, but it is safe to assume that any change of less than 20% in the *number* of a stock of a company already held would not be a material change. An increase in the *value* of stock, without a change in the number, would not by itself be a material change.

GF/B29/ER1

Annex 3

Policy on Ethics and Conflict of Interest for Global Fund Institutions
(Approved 10-11 October 2002)

See attached.

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

1. General Principles

- 1.1 The Global Fund to Fight AIDS, Tuberculosis 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 provides guidance in identifying and addressing actual or potential 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 an Audit and 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 and a high standard of ethical conduct 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 the Board or its other governing units must consider matters that have a direct result on the interest of governments, corporations, or organizations that 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 professional employees of the Secretariat.^[1]
- (b) *Associated Person* means a Covered Individual's (i) spouse, minor child, or domestic partner.

* Approved 10-11 October 2002, as amended at the Eighteenth Board Meeting (GF/B18/8) of the Global Fund to Fight AIDS Tuberculosis and Malaria and at the Twenty-Seventh Board Meeting (GF/B27/DP05).

- (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, grant 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 or to attempt to influence the outcome of a decision-making process, 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) Audit and Ethics Committee means the standing Committee, composed of five independent members and three representatives of Board constituencies, established to provide oversight of (i) the internal and external audit and investigation functions of the Global Fund and (ii) the adherence by the Global Fund and programs financed by it to appropriate standards of ethical behavior. As part of this mandate, the Audit and Ethics Committee assists with the implementation of the Policy on Ethics and Conflict of Interest to help 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 Audit and Ethics Committee in its work.

3. Conflicts of Interest

3.1 A conflict of interest arises when a Covered Individual participates personally and substantially in any particular Global Fund 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 may have a direct and predictable effect on that interest.^[2] 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 create 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 actual or potential 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 a conflict is reasonably likely to occur or that there is the appearance of a conflict.
- 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 Audit and Ethics Committee, and, only as deemed appropriate by the Audit and Ethics Committee, by the Board. Except as outlined above, these statements shall be maintained confidential.
- 4.4 An employee shall request authorization of the Executive Director before accepting an office or occupation outside his or her employment duties at the Global Fund or accepting an honor or decoration provided by an outside party if the proposed action may give rise to an actual or

potential conflict of interest or the appearance thereof. Such requests shall be treated in accordance with the procedure set out in Section 5.4 of this Policy.

5. Procedure when a Conflict of Interest Arises

- 5.1 All actual or potential conflicts of interest or the appearance thereof shall be immediately disclosed in writing to the Fund's Audit and Ethics Committee through the Ethics Official. Individuals are encouraged to consult with the Ethics Official or members of the Audit and Ethics Committee for guidance if questions arise in the application of this policy.
- 5.2 It is the duty of the Audit and Ethics Committee, with the assistance of the Ethics Official, to review these disclosures and to decide whether an actual or potential 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 Audit and 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 an actual or potential 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 Audit and 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 Audit and Ethics Committee. The waiver may be designed to allow for any level of participation the Audit and 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 to participate in any discussion on issues that have given rise to the conflict of interest. The names of Covered Individuals with actual or potential 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 The Executive Director may, in consultation with the Audit and Ethics Committee, authorize a Global Fund employee to accept or hold an office or occupation outside of his or her employment duties at the Global Fund, or to accept an honor or decoration provided by an outside party. When requested, the Audit and Ethics Committee shall state whether such authorization would result in an actual or potential conflict of interest.
- 5.5 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 actual or potential conflict of interest and follow the procedures outlined in this policy.
- 5.6 Should a Covered Individual be found to have an actual or potential conflict of interest that has not been disclosed as required above, or the Audit and Ethics Committee has reasonable cause to believe that a Covered Individual has failed to disclose an actual or potential 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 Audit and Ethics Committee determines that the interested person has in fact failed to disclose an actual or potential 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 Audit and 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 Secretariat

Any individual who has served as a Board member, Alternate, a member of a 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 one year following their last date of service in such a position. The Audit and Ethics Committee may waive this provision as appropriate. A request for such a waiver must be submitted by the concerned individual to the Audit and Ethics Committee before he or she applies for employment by the Secretariat. The Secretariat shall not take action on or accept an application for employment from such an individual unless a waiver has been granted by the Audit and Ethics Committee.

8. Uncompensated Involvement of an Associated Person

An Associated Person of any employee of the Secretariat shall not be engaged to carry out work without compensation either on or outside the Global Fund premises.

9. 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.

10. Dissemination and Review of Policy

- 10.1 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.
- 10.2 Copies of this policy and the Declaration of Interest form shall be posted on the Fund website.

^[1] 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.

^[2] 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.

^[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.