



**LESOTHO COUNTRY COORDINATING  
MECHANISM FOR GLOBAL FUND TO FIGHT  
AIDS, TB AND MALARIA**

**LCCM Conflict of Interest Policy and  
Procedures**

June 2019



## LESOTHO COUNTRY COORDINATION MECHANISM CONFLICT OF INTEREST POLICY AND PROCEDURES

### 1. Preamble

- 1.1 The Lesotho Country Coordination Mechanism is a multi-sectoral partnership body bringing together representatives from a broad range of stakeholders involved in addressing the country's health and development challenges. The role of the LCCM is to develop country proposals and to oversee the implementation of grants from the Global Fund to Fight Against HIV/AIDS and TB. Since the approval of Lesotho's first country proposal in 2002, the Global Fund contribution to Lesotho's health sector has grown to be the largest single commitment from any of the country's health and development partners.
- 1.2 The goal of Global Fund support is to assist Lesotho to stop and reverse the severe, negative impacts of the dual epidemic HIV/AIDS and TB. The impacts of interventions funded through Global Fund programmes have far reaching and affect all aspects of the social, cultural, political and economic fabric of the country.
- 1.3 As a result of the importance of Global Fund supported programmes in Lesotho, it is imperative that the governing body of these programmes, the LCCM, operates at the highest standard of transparency, accountability and effectiveness in all of its functions. No action of the LCCM, nor that of any of its members, may call into question or place in disrepute the legitimacy of this body or of any of the individuals or institutions that participate in it.
- 1.4 To this end, LCCM has developed this conflict of interest policy to support a transparent execution of its mandate.

### 2. Purpose

- 2.1 The LCCM recognizes that conflicts of interest, whether actual, potential, or perceived, may diminish public confidence in the LCCM as an institution. It may similarly affect programs the LCCM oversees, and the institutions responsible for program implementation. The purpose of this conflict of interest policy is twofold:
  - 2.1.1 To ensure the integrity of the LCCM and its processes
  - 2.1.2 To protect even the most well-meaning persons whose interests, or those of an institution with which they are affiliated, or a close associate, could be affected

### 3. Definitions

- 3.1 A **conflict of interest** occurs where a member of the LCCM uses his or her position to advance personal ambitions or interests, the interests of an institution with which he or she is affiliated, or those of a close associate, in a way that disadvantages or excludes others, or is otherwise detrimental to the overall effectiveness of the program. "Conflict of interest" includes **potential conflicts of interest** and **perceived conflicts of interest**.
- 3.2 A **potential conflict of interest** occurs when a member of the LCCM has the capacity to use their position in such a way that a conflict of interest, as defined above, can occur.
- 3.3 A **perceived conflict of interest** occurs when a person believes or suspects on reasonable grounds that a conflict of interest, as defined above, exists on the part of a member of the LCCM.

- 3.4 A **close associate** of a person includes a family member, friend, business partner, professional associate, or close associate of the person.
- 3.5 A person is **affiliated with an institution** when they are an employee or volunteer, or have a financial interest, or a technical or governance role with that institution.
- 3.6 The **jurisdiction of the LCCM** refers to all matters in respect of which the LCCM has the power or authority to make decisions or recommendations.
- 3.7 The presence of a **material interest** includes, but is not limited to, any one or more of the following:
  - 3.7.1 Being a CCM member, staff member or member of an organization or institution that is a Principal Recipient, Sub-Recipient or Implementing Partner that is funded within the Global Fund programme for Lesotho, or that is a prospective recipient as part of a funding proposal;
  - 3.7.2 Being a party to a contract, or directly involved in a transaction, for the provision of goods and services to the LCCM or an institution or organization funded by the Global Fund programme for Lesotho;
  - 3.7.3 Having a material financial interest (through being an owner, share holder or employee, for example) in an entity that is involved in a contract or transaction for the provision of goods and services to the LCCM or an institution or organization funded by the Global Fund programme for Lesotho.
- 3.8 A conflict of interest arises when a member engages in one or more of the following actions (this list is not exhaustive):
  - 3.8.1 The member 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 in which he or she has interest. This does not preclude potential principal and sub recipients from participating in proposal development. However, they need to declare their interest in making certain decisions such as in approving proposal gap analysis or deciding on fund allocation to organisations.
  - 3.8.2 The member has been involved in the provision of advice to an organization that is a recipient of grant funds from the Global Fund, either directly or through sub-granting through the PR
  - 3.8.3 The member's action creates the perception that the member is using his or her position on the LCCM for personal benefit or for the direct financial benefit of the organization in which the member is involved
  - 3.8.4 The member advocates for approval of a proposal or grant in which his or her organization will serve as an implementing agency (PR, SR or Implementing Partner), or play some other direct or indirect project implementation role or realize direct financial benefit;
  - 3.8.5 The member advocates for endorsement of a certain decision from which his or her organization will realize some direct financial benefit.

#### **4. Mandatory Declaration of Interest**

- 4.1 All LCCM members are required to pro-actively disclose any actual, potential or perceived material interest in a matter that is placed before the LCCM for deliberation.
- 4.2 LCCM members must make such declarations in any of the following manners:
  - 4.2.1 By completing, on an annual basis, a Material Interest Disclosure form
  - 4.2.2 By verbal or written notice to the LCCM Secretariat on receipt of an agenda other LCCM materials proposed for LCCM deliberation in which the member has a material interest
  - 4.2.3 By verbal notice to the Chairperson at the start of LCCM meeting and before the meeting agenda is formally adopted
  - 4.2.4 By verbal notice when a matter in which the member has a material interest arises during a LCCM meeting
- 4.3 All declarations of interest, whether verbal or in writing, are considered to be strictly confidential once made.

#### **5. Procedure for Determining and Addressing Conflict of Interest**

- 5.1 Where declarations of interest are made in advance of LCCM meetings, the Secretariat shall forward them to the Executive Committee for examination.
- 5.2 The Executive Committee will deliberate on the disclosure to determine the magnitude of the actual, perceived or potential conflict of interest.
- 5.3 Where the Committee deems the conflict of interest to be substantial, it shall advise the member concerned to follow the procedure for recusal when the item comes to the LCCM for deliberation.
- 5.4 Where the Committee deems that no conflict of interest exists, it shall inform the member that he/she may participate in deliberation when the item comes before the LCCM.
- 5.5 Where the Committee is unable to come to a decision, the matter shall be referred to the Chairperson so that it is placed before the LCCM for debate.
- 5.6 When a declaration of interest is made during the course of a LCCM meeting, the matter shall be dealt with as follows:
  - 5.6.1 The Chair of the meeting shall request the member to leave the room while the LCCM considers the disclosure and determine whether a conflict of interest exists. Once a decision is reached, and duly recorded in the minutes, the member shall be invited to return to hear the results of the deliberation.
  - 5.6.2 If the LCCM determines that a conflict of interest exists, the member shall be asked to follow the procedure set out in section 5.7 below
  - 5.6.3 If the LCCM determines that no conflict of interest exists, the meeting shall proceed in the usual way.
- 5.7 When deliberating on appropriate ways to address conflicts of interest, the Executive Committee or the LCCM may consider some of the following:

- 5.7.1 Personal recusal: When a matter comes before the LCCM for deliberation in which a member has a conflict of interest, that member shall voluntarily leave the meeting room until deliberation has ended and a decision on the matter has been reached.
- 5.7.2 Conditional participation in CCM meeting: The Chair allows a member to participate in the LCCM meeting but discloses his/her interest in a matter under discussion. This option can be applied in instances where the conflict of interest is considered as minor and disclosure would be sufficient to address it.
- 5.7.3 Partial participation in the CCM meeting: A member can be excluded from participating on an agenda item or a decision making process in which he/she has a conflict of interest but can participate in other agenda items. The member may also not be allowed to vote on the matter.
- 5.7.4 Total exclusion from the meeting: A member can be excluded from a CCM meeting if the member is deemed to have a major conflict of interest in relation to the agenda of the meeting
- 5.7.5 Should the Chairperson be the member for whom the conflict of interest arises, whether the disclosure is made in advance or during a LCCM meeting, the Vice-Chair person or any other member so appointed, shall preside over deliberations on the matter at hand. The Chairperson shall follow the recusal procedure.

## **6. Special Procedures for the Selection of PRs and for LCCM Oversight Functions**

- 6.1 Members shall recuse themselves from participating in LCCM deliberations where the selection of PRs, SRs or other implementing entities in which members have an interest is being considered.
- 6.2 Where the Chairperson, or Vice-Chairperson, or both are from the same entity as the PR, either individual shall excuse themselves deliberations on the performance of the PR.
- 6.3 At the discretion of the other members, the member may be invited to remain for the discussion according to the procedures in 3.0 above.
- 6.4 Where both individuals must recuse themselves, the LCCM shall appoint an individual from amongst themselves to preside over the discussions.
- 6.5 Members representing Principal Recipients, Sub Recipients, Implementing Partners or other entities involved in direct project implementation recuse themselves from participating LCCM deliberations on any of the following:
  - 6.5.1 Discussions or decisions related to the LCCM's monitoring and oversight responsibilities of the PR
  - 6.5.2 The selection or the removal of a PR
  - 6.5.3 Discussion or decision regarding the PRs during the Phase 2 renewal process
  - 6.5.4 Discussions or decisions regarding substantial reprogramming of grant funds
  - 6.5.5 Any other discussions or decisions that have a financial impact on the PRs, such as contracts with other entities, including SRs

## **7. Failure to Disclose Conflict of Interest**

- 7.1 Where a member of the LCCM has reasonable cause to believe that another member has not disclosed a conflict of interest, he or she shall inform the Ethics Committee, who will inform the individual in question and offer him or her a an opportunity to give a reply.
- 7.2 If, after hearing the response and making such other investigations or inquiries as may be reasonable, the Ethics Committee determines that a failure to properly disclose a conflict of interest has occurred, the Committee shall initiate disciplinary action which may include one or more of the following:
  - 7.2.1 Delivery of a formal apology on the part of the member in question
  - 7.2.2 Suspension of the member pending further deliberation on appropriate disciplinary action
  - 7.2.3 Resignation of the member
  - 7.2.4 Removal of the member
  - 7.2.5 Cancellation of contract or transaction without penalty to the LCCM
  - 7.2.6 Cancellation of a funding agreement

## **8. Gifts or Preferential Favours**

- 8.1 Members may never accept gifts or preferential favours under circumstances that could reasonably be construed to mean that such gift or favour is motivated by the position of the member and interests that could be substantially affected by the decisions of the LCCM.
- 8.2 Member may never give gifts or preferential favours where it could be reasonably construed that the gift is intended to affect the policies, decisions or performance of the CCM, PR or any of the programs it funds.
- 8.3 Exceptions to the provisions in this section may only be made by decision of the Executive Committee.

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

- 9.1 The LCCM Secretariat shall distribute a copy of this policy to all members annually, along with a copy of the Declaration of Interest Form (DIF).
- 9.2 Copies of this policy and the DIF shall be posted on the LCCM website.
- 9.3 This policy shall be reviewed according to the LCCM policy review schedule. Through the Chairperson, the LCCM may initiate a policy review and amendment process at any time in advance of the review schedule.