

**Lao People's Democratic Republic**  
**Peace Independence Democracy Unity Prosperity**

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**CONFLICT OF INTEREST POLICY**  
**For**  
**Country Coordinating Mechanism**  
**Global Fund To Fight HIV/AIDS, Tuberculosis and Malaria**

2nd Revision, 2016

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## 1. Background

The Country Coordinating Mechanism in the Lao People’s Democratic Republic (hereinafter referred to as “CCM”) is a multi-sectorial partnership which plays a critical role in the Global Fund process. The mandate of the CCM is to discuss, approve and submit viable and appropriate proposals to the Global Fund, and to oversee, evaluate and support the implementation of projects that are initiated by the CCM and financed by the Global Fund and to enhance the cooperation and the coordination among partners and implementers of the Global Fund projects. The CCM is composed of representation from a wide variety of sectors such as Government Sector: 8 members (including 6 Ministries and 2 Mass Organizations), Multi/Bilateral Agencies: 5 members, and Non-Governmental/Civil Society Organizations: 11 members (including 5 KAPs/PLWDs which are representatives of organizations, associations, etc., working with KAPs, PLWDs, women and girls, youth, etc.), 1 Faith Based Organization (FBO), 1 Non-Profit Association (NPA), 1 Private Sector, 1 Academia, 2 International Non-Governmental Organization (INGO)). Because of the diversity of interests and perspectives represented by these stakeholders, it is particularly important that the CCM operate in a balanced, ethical, collaborative, transparent, and open manner. This policy provides guidance in identifying and addressing conflicts of interest. It is based on clear definitions of potential areas of concern, a duty to disclose, and outlines procedures for managing these conflicts as they arise.

## 2. General Principles

The purpose of this policy is two folded. Firstly, the policy has been developed to ensure fairness in the CCM’s decision making to protect its integrity, reputation and interests, and secondly to ensure broad public trust and confidence in the CCM’s decision making and grant oversight activities.

According to the minimum standards of Eligibility Requirement 6 of the Global Fund to guarantee effective decision making, the CCM ensures that the number of members in the CCM with CoI does not exceed 1 person per constituency (excluding Ex-Officio Members with no voting rights)<sup>1</sup>.

The Global Fund recognizes that given the representative nature of the CCM and its diverse composition could give rise to inherent conflict when SRs and PRs are CCM members with decision-making authority, particularly in the Chair and Vice-Chair positions.

The Global Fund understands that CCMs must consider the role of PRs and SRs according to their national context and recommends a non-voting role for these actors.

## 3. Definitions

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<sup>1</sup> *Global Fund Guideline: Guidelines and Requirements for Country Coordinating Mechanism*, Art.62-64.

- a. **Covered Individual** shall be the CCM Chair; CCM Vice Chairs; CCM, Ex-Com, OC, RMC Members and Alternates; members of any CCM working group, committee or ad hoc team; the CCM Secretariat and employees of the Secretariat; as well as Managers and staff of the Principal Recipient, Sub-Recipients and Sub-sub-Recipients.
- b. **Associated Person** is the spouse, minor child, domestic partner or kin in any degree of a Covered Individual<sup>2</sup>.
- c. **Associated Institution** is (i) an organization or government institution in which a Covered Individual is serving as a manager, director, trustee, partner or employee, that receives or may receive grant funding from the Global Fund, or with which the Global Fund has an agreement, contract, or relationship; or (ii) any person, organization, company, government institution or similar institution with which a Covered Individual is negotiating or has an arrangement concerning prospective employment.
- d. **Personally and substantially**: participating personally is participating directly, including, for example, in the consideration of a substantial matter in a meeting of the Chair/Vice Chairs, or in the direct and active supervision of a subordinate on some matter. Participating substantially means that the involvement of the Covered Individual is of significance to the matter.
- e. A **conflict of interest** arises when a Covered Individual participates personally and substantially in an official capacity in a particular matter in which, to his or her knowledge, he or she, or an associated person or associated institution has a financial interest, if the particular matter will have a direct and predictable effect on that interest. 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 influence the conduct of his or her duties or responsibilities related to the CCM or result in a reasonable perception that such a conflict exists;
  - Where a Covered Individual's actions compromise or undermine the public's trust in the CCM; and
  - Where a Covered Individual's is using her/his position to gain personal benefit or for the direct financial benefit of an Associated Institution.

#### 4. Specific examples of such conflicts include:

- CCM Members advocating for the approval of a particular grant in which his or her organization or entity will serve as a sub-recipient, implementing agency, or play some other direct project implementation, or receive some other direct financial benefit;
- CCM Members advocating for the approval of a particular policy, in which his or her organization or entity will obtain some direct financial benefit;

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<sup>2</sup> Kinship is the relationship between people created by marriage, birth, adoption, or other rituals.

- CCM Members using their positions in the CCM to advocate for, in by some other means attempt to secure approval for a service contract between the Principal Recipient and an Associated Institution; or
- Members of a Technical Working Group who are employees of the Government or an organization participating in the assessment of a funding proposal and technical services in which an Associated Institution has a substantial interest.
- When key positions (e.g. Chair/Vice-Chair and Committee Chairs) are held by persons whose organizations are Global Fund recipients.
- When CCM members represent organizations that are sub-recipients and are frequently participating in meetings and, therefore, influencing decision-making.
- Location of CCM Secretariats and/or Ethics and Oversight Committees: When these entities are hosted by Global Fund recipients, perceptions of a lack of impartiality can occur.

## **5. Conflict of Interest Management Strategies**

- Full disclosure of conflicts of interest
- Recusal of members from discussions and decision-making related to their interests.
- Inclusion of an independent committee member for decision-making.
- Transfer or reassignment of members' responsibilities to avoid conflict of interest
- Recommends specific sanctions when failure to disclose interest is evident

These examples are only illustrative and are neither intended to detail all instances in which a potential or actual conflict exists nor to define absolute strategies, but rather to articulate the principles that will be followed by the CCM in addressing such conflicts as they arise. Each situation will be addressed on the basis of its particular facts and circumstances; nevertheless, any decision will be governed by the guidelines articulated in this policy, which shall apply for all activities sponsored and supported by Global Fund.

## **6. Transparency and Disclosure**

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

### **6.1 Minimizing the Potential for Conflict of Interest**

- a. The CCM conduct on an annual basis a Conflict of Interest Assessment to anticipate situation where Covered Individual might be exposed to potential or

actual conflict of interest. The Assessment is the opportunity for the CCM officials to disclose the relationship with any other entities that may have direct or indirect influences of the decisions/ discussion taken in CCM matters - Conflict of interest tool attached.

- b. If the Chair comes from a Government entity that benefit from GF financing, a conflict of interest plan shall specify how this inherent conflict of interest shall be reduced to a minimum. Under such circumstances, the Chair must, if at all possible, come from an institution that has a higher structural status than the institution in which the PR is located.
- c. The CCM shall make every effort to ensure that the Vice Chairs do not come from an organization that benefit from Global Fund funding. If there is little possibility of this, a conflict of interest plan shall specify how any inherent conflict of interest will be reduced to a minimum.
- d. If deemed necessary, and in particular when the CCM is determining which organizations shall benefit from GF financing, Members and Alternates shall declare where they have a potential conflict of interest, and shall as necessary sign a conflict of interest declaration in this regard – format attached. When the CCM publishes its list of CCM Members and Alternates internally, it will indicate for each such organization whether or not it benefits from GF financing.

## **6.2 Procedure when a Conflict of Interest Arises**

- a. All conflicts of interest shall be immediately disclosed in writing and submitted to the CCM Chair. All parties shall be encouraged to consult the CCM Secretariat if any questions arise regarding the application of this policy.
- b. It is the duty of the Chair with the assistance of the CCM Secretariat, any other expert or external neutral body or person which opinion deemed necessary to review these disclosures and determine whether a conflict of interest exists, and, if so, whether to issue a waiver defining the extent to which the individual concerned may participate in any discussion of the issue that has given rise to the conflict. The CCM Chair may also, at its discretion, bring any issue to the entire CCM (excluding the person with potential conflicts) for discussion and determination.
- c. When it is determined that a conflict of interest exists, the Covered Individual shall not be allowed to participate in the matter that has given rise to the conflict, unless there is a waiver from the CCM Chair. In relation to the CCM, the Covered Individual shall not be allowed to speak or vote on the matter, and must absent herself/himself without comment before any discussion or vote on the matter, unless the CCM Chair has granted a waiver. Such waiver can be designed so as to provide an opportunity for the Covered Individual to participate up to a level deemed appropriate by the CCM Chair. For example, the CCM Chair permits the person concerned to deliver information of a technical nature, but not recommendations. Or the CCM Chair may permit the Covered Individual to attend a meeting to fulfil her/his administrative duties, but not to participate in any discussion of the matter that gave rise to the conflict of interest. The names of the parties involved in the conflict of interest who participate in particular meetings, and the issues in which a conflict exists, shall be recorded in the minutes.
- d. When the CCM considers reports, decisions and proposals or recommendations for approval, in general the involvement of a CCM Member shall not be

- considered to be a conflict of interest even though the entity that she or he represents may have a direct interest in the matter. When the CCM considers specific issues, the Covered Individual or any other person shall alert the CCM to any potential conflict of interest and follow the procedures outlined in this policy.
- e. A CCM member representing a constituency can potentially have a COI in a specific situation because the decision involves members of his/her constituency. In this situation the covered person or the head of the constituency must disclose the potential conflict to the CCM chair. Any process of this type should be clearly mapped out and recorded to ensure objectivity.
  - f. If a Covered Individual has failed to disclose a conflict of interest, the CCM Chair shall take all reasonable measures to revoke any benefit gained. The Covered Individual shall be reported to his/her Associated Institution for further investigation and disciplinary action. The Associated Institution shall be requested to immediately replace the affected Covered Individual.
  - g. If the Chair has a conflict of interest, he/she must delegate to a Vice-Chair for the period of the conflict. If the Vice Chairs also have interests, the CCM/OC must elect an acting Chair for that period.

Vientiane Capital  
date... 02 NOV 2016

Chair of CCM



Ass.Prof.Dr. Phouthone Muongpak

## Annexes

### Annex 1: Conflict of Interest Assessment Tool

Name of the CCM (Country): Membership and Potential COI at-a-glance <i>List each CCM member, offices or committee assignments held, and mark the status of their institution as PR or SR of Global Fund grants. Discuss the potential for COI and highlight in blue those members with potential COI.</i>												Date:	
	Member (Name)	Organization	Sector	CCM Role	Ex-Com	RMC	OC	PR	SR	SSR	Potential COI	Type of Conflict Direct	Indirect
1	Asse.Prof.Dr Phouthone Muongpak	Ministry of Health	Government	Chair	x			x			x	x	
2	Dr. Rattanaxay Phetsouvanh	Ministry of Health	Government	Alternate		x		x			x	x	
3	Ms. Sisomboun Ounavong	Ministry of Plan and Investment	Government	Member									
4	Mr. Morakot Vongxay	Ministry of Plan and Investment	Government	Alternate		x							
5	Mr. Angkhansada Muangkham	Ministry of Finance	Government	Member		x	x						
6	Ms. Phengkhiem Xayakeo	Ministry of Finance	Government	Alternate									
7	Mr. Chomyaeng Phengthongsavant	Ministry of Labor and Social Welfare	Government	Member									
8	Mr. Duangsy Thammavong	Ministry of Labor and Social Welfare	Government	Alternate									
9	Mr. Anoupharb Vongnokeo	Ministry of Foreign Affaires	Government	Member									
10	Mr. Daovy Vongxay	Ministry of Foreign Affaires	Government	Alternate									
11	Mr. Sengaloun Nhothleuxay	Ministry of Home Affaires	Government	Member			x						
12	Ms. Kheuavanh Chanthaphouvong	Ministry of Home Affaires	Government	Alternate									
13	Ms. Chongchit Vongsa	Lao Federation of Trade Unions	Government	Member									
14	Mr. Thognphim Vongrapha	Lao Federation of Trade Unions	Government	Alternate									
15	Ms. Kaysamy Latvilayvong	Lao Woman's Union	Government	Member									
16	Ms. Daovone Simuangvong	Lao Woman's Union	Government	Alternate									
17	Dr. Juliet Fleischl	World Health Organization (WHO)	Multi/Bilateral	Member	x								
18	Mr. Thongdeng Silakoune	UNAIDS	Multi/Bilateral	Alternate									
19	Mrs. Fanny Gazagne	Embassy of France	Multi/Bilateral	Member									
20	Mr. Jérôme Dubois-Mercent	Embassy of France	Multi/Bilateral	Alternate									
21	Ms. Saeda Makimoto	JICA	Multi/Bilateral	Member									
22	Dr. Moritoshi Iwagami	JICA	Multi/Bilateral	Alternate									
23	Ms. Alexandria Huerta	USAID	Multi/Bilateral	Member									
24	Ms. Banthida Komphasouk	World Bank	Multi/Bilateral	Alternate		x							



Name of the CCM (Country): Membership and Potential COI at-a-glance List each CCM member, offices or committee assignments held, and mark the status of their institution as PR or SR of Global Fund grants. Discuss the potential for COI and highlight in blue those members with potential COI.												Date:	
No.	Member (Name)	Organization	Sector	CCM Role	Ex-Com	RMC	OC	PR	SR	SSR	Potential COI	Type of Conflict	
												Direct	Indirect
25	Mr. Claude Jentgen	Embassy of the Grand-Duchy of Luxembourg	Multi/Bilateral	Member									
26	Mr. Peter Heimann	Lux-Development	Multi/Bilateral	Alternate			x						
27	Dr. Soulany Chansy	Lao Red Cross	Non-Governmental	Member	x				x		x	x	
28	Mr. Kinoy Phongdeth	Association of People Living with HIV (APL+)	Non-Governmental	Alternate		x				x	x	x	
29	Ven. Arthipatay Maytryjit	Metta Dhamma Project	Non-Governmental	Member						x	x	x	
30	Monk. Anoxa Maytryjit	Metta Dhamma Project	Non-Governmental	Alternate						x	x	x	
31	Mr. Korlakanh Thippavong	PLHIV Network Central region	Non-Governmental	Member			x				x	x	
32	Ms. Soukhamsay Phououdome	PLHIV Network South region	Non-Governmental	Alternate							x		x
33	Mr. Vilat Thonlaongtha	TB Network	Non-Governmental	Member							x		x
34	Mr. Bualay Vongphachanphet	TB Network	Non-Governmental	Alternate							x		x
35	Mr. Bounleuang Keomisay	Malaria Network	Non-Governmental	Member							x		x
36	Ms. Phonelavanh Mounthavong	Malaria Network	Non-Governmental	Alternate							x		x
37	Mr. Metta Khamthavone	LaoPHA	Non-Governmental	Member							x		x
38	Mr. Maythaisan Nagnon	LaoPHA	Non-Governmental	Alternate							x		x
39	Ms. Phonesamay Moamortu	Gender Minority group	Non-Governmental	Member									
40	Ms. Phewdavanh Bualaphon	Peer educator	Non-Governmental	Alternate							x		x
41	Ms. Emelita Santos Goddard	Child Fund Lao	Non-Governmental	Member		x							
42	Mr. John Holveck	Health Poverty Action (HPA)	Non-Governmental	Alternate					x		x	x	
43	Mr. Eric Seastedt	Population Services International (PSI)	Non-Governmental	Member			x		x		x	x	
44	Mr. Luc Sabot	ADRA	Non-Governmental	Alternate									
45	Dr. Philaysak Naphayvong	Francophone Institute of Tropical Medicine	Non-Governmental	Member			x						
46	Mr. Chanthakhonesouk Southideth	Francophone Institute of Tropical Medicine	Non-Governmental	Alternate									
47	Ms. Keomanivone Sayavongsa	Lao National Chamber of Commerce and Industry	Non-Governmental	Member									
48	Mr. Khen Sengmanykham	Pharmaceutical Manufacture No 3	Non-Governmental	Alternate									

## Annex 2: Self declaration of Conflict of Interest

### Declaration of Conflict of Interest

ໜັງສືແຈ້ງຂໍ້ຂັດແຍ່ງດ້ານຜົນປະໂຫຍດ

I, the undersigned, ຂ້າພະເຈົ້າ

Name, ຊື່ ແລະ ນາມສະກຸນ: .....

Position, ຕຳແໜ່ງ: .....

Organization, ອົງການຈັດຕັ້ງ: .....

Contact/E-mail, ເບີໂທ-ອີເມວ: .....

Having read and understood the conflict of interest policy of the CCM, please answer the following questions:

ພາຍຫຼັງໄດ້ອ່ານ ແລະ ຮັບຊາບນະໂຍບາຍກ່ຽວກັບຂໍ້ຂັດແຍ່ງດ້ານຜົນປະໂຫຍດຂອງ CCM, ກະລຸນາຕອບຄຳຖາມດັ່ງລຸ່ມນີ້:

1. As a CCM Member / Alternate and in the relation of your constituency, do you represent the organization/foundation that receives GF grant funding? (In case of positive answer, please specify):

ໃນນາມສະມາຊິກສົມບູນ/ສຳຮອງຂອງCCM ແລະ ອົງການຈັດຕັ້ງຕົວແທນຂະແໜງການ, ອົງການຈັດຕັ້ງ/ສະມາຄົມຂອງທ່ານໄດ້ຮັບທຶນຊ່ວຍເຫຼືອຈາກອົງການກອງທຶນໂລກ ຫຼື ບໍ່? (ຖ້າແມ່ນ ກະລຸນາລະບຸລາຍລະອຽດ)

.....  
.....  
.....

2. In your organization/foundation, are you in a position that receives GFATM grant funding? (In case of positive answer, please specify)

ພາຍໃນອົງການຈັດຕັ້ງ/ສະມາຄົມຂອງທ່ານ, ທ່ານຢູ່ໃນຕຳແໜ່ງທີ່ໄດ້ຮັບທຶນຊ່ວຍເຫຼືອຈາກກອງທຶນໂລກ ຫຼື ບໍ່? (ຖ້າແມ່ນ ກະລຸນາລະບຸລາຍລະອຽດ)

.....  
.....  
.....

With this statement I declare that I will comply with all the provisions and procedures articulated in the Conflict of Interest policy and the implementing GF guidelines as necessary.

ອີງຕາມຂໍ້ມູນທີ່ໄດ້ລະບຸໄວ້ຂ້າງເທິງຂ້າພະເຈົ້າຂໍປະຕິຍານວ່າຈະປະຕິບັດຕາມທຸກຂໍ້ກຳນົດ ແລະ ລະບຽບການທີ່ໄດ້ລະບຸໄວ້ໃນ ນະໂຍບາຍກ່ຽວກັບຂໍ້ຂັດແຍ່ງດ້ານຜົນປະໂຫຍດ ແລະ ຄູ່ມືການຈັດຕັ້ງປະຕິບັດຂອງກອງທຶນໂລກ.

Date, ວັນທີ: .....

Name, ຊື່ ແລະ ນາມສະກຸນ: .....

Signature, ລາຍເຊັນ: .....