



**Report to the
GAVI Alliance Board**
16-17 November 2011

Subject:	Ethics and Conflict of Interest Policies
Report of:	Debbie Adams, MD, Law and Governance
Authored by:	Eelco Szabó, Director of Legal
Agenda item:	16c
Category:	For Information
Strategic goal:	Alliance operations

Section A: Overview

1. Purpose of the report

- 1.1 Pending discussion by the Governance Committee at its meeting on 15 November 2011, attached is the report submitted to the Governance Committee with the current drafts of an Ethics Policy which provides the overarching framework for dealing with Conflicts of Interest (and other related policies) and an updated Conflict of Interest policy for the GAVI Alliance.

2. Recommendations

- 2.1 The Governance Committee will discuss the draft Ethics and updated Conflict of Interest Policies attached to the Committee paper during its meeting on 15 November 2011. If the Governance Committee considers that their comments on the proposed policies are adequately addressed in the drafts attached to the Committee report it may recommend the policies to the Board for approval in its current form or with some amendments. This report is aimed at ensuring that the Board has the opportunity to review the draft policies in preparation of the Board meeting at which the Ethics and Conflict of Interest policies may be discussed.
- 2.2 Note that the Governance Committee report references annexes 1b and 4b. These are blacklined versions of the policies that have not been included here. However, they are available upon request.

3. Context

- 3.1 The current GAVI Alliance Conflict of Interest Policy was approved by the GAVI Board on 3 June 2009 and following requests for clarity, it is appropriate to revise and update the Conflict of Interest Policy.



4. Next steps

4.1 See Recommendations.

5. Conclusions

5.1 See Recommendations

Section B: Implications

See the report to the Governance Committee.



Report to the Governance Committee

15 November 2011

Subject:	Ethics and Conflict of Interest Policies
Report of:	Debbie Adams, MD, Law and Governance
Authored by:	Eelco Szabó, Director of Legal
Agenda item:	04
Category:	For Decision
Strategic goal:	Alliance operations

Section A: Overview

1. Purpose of the report

- 1.1 This report sets out the main comments received from Governance Committee members on the Ethics and revised Conflict of Interest Policies presented to the Committee at its previous meeting. It presents an updated draft Ethics and revised Conflict of Interest Policies taking those comments into account.

2. Recommendations

- 2.1 It is proposed that the Governance Committee discuss the comments received. If the Committee considers that their comments are adequately addressed in the attached draft Ethics and revised Conflict of Interest Policies it may wish to recommend that the GAVI Alliance Board:

Approve the revised GAVI Alliance Conflict of Interest policy attached as Annex 1 to the report to the Board on the Ethics and Conflict of Interest Policies (Doc 16c in the Board pack); and

Approve the GAVI Alliance Ethics policy attached as Annex 2 to the report to the Board on the Ethics and Conflict of Interest Policies (Doc 16c in the Board pack).

3. Executive summary

- 3.1 Committee members provided many useful and constructive comments on the Ethics and Conflict of Interest Policies and the Secretariat has attempted to address the issues raised in the attached versions of the policies. However, as stated in the policies, there are no strict rules in relation to the ethics and conflicts of interest and the comments received illustrate that there are many

different views on them. Set out below are some of the main comments that the Committee might find useful to discuss.

Ethics Policy:

3.2 The main comments received on the Ethics Policy are:

- a. One member of the Committee suggested that the Ethics Policy be a more streamlined “principles based” document and that wording reproducing existing policies be removed. Some elements in the draft Ethics Policies reflecting other policies have been removed from the attached version. However, other sections covering issues not specifically addressed in an existing GAVI policy were retained.
- b. Committee members provided several comments on the Secretariat’s values and suggested that these could be useful for the GAVI Alliance as a whole. Given that these values were developed in an internal Secretariat process exclusively with the Secretariat in mind and to avoid confusion, it is proposed to remove that section at this stage. However, the Governance Committee may wish to discuss whether and how values for the Alliance could be developed. One option may be to discuss Alliance values at a Board retreat.
- c. Committee members requested clarity about whether the section on confidentiality would preclude representative Board or Committee members from reporting back to their organisation or constituency. The attached version clarifies that only when explicitly asked to do so would representative Board or Committee members be prevented from reporting back to their organisation or constituency. In situations where information that is commercially sensitive or related to investigations is shared with Board and Committee members such a request may be made.

3.3 In the attached proposed Ethics Policy the Secretariat aims to address the above comments and others, which may assist the Committee in its deliberations (Annex 1a and b).

3.4 The Committee may also wish to note Section 6 of the attached Ethics Policy, which sets out the proposed policy on receiving private sector donations. Also attached for the Committee’s information are guidelines that the Secretariat has developed further to the principles set out in Section 6 of the Ethics Policy which will guide donations and contributions from the private sector in more detail (Annex 2).

Conflict of Interest Policy:

3.5 The Conflict of Interest Policy aims to provide the tools to create an environment of trust in decision-making processes, on the one hand, and of openness in communications essential for the success of the Alliance, on the

other. As mentioned above, views on how best to achieve these objectives differ greatly. The main comments received from Committee members on the Conflict of Interest Policy are reflected below.

- (a) One Committee member raised the issue that Board members representing constituencies or organisations may have different interests from Board members that are appointed in their personal capacity.
- (b) Two Committee members requested that the provision explaining the Secretariat's role as the implementation arm of the Board be revisited and further explained (Section 2.1.4 in the original version) because in their view the Secretariat may have an "organisational interest" in certain Board decisions that could amount to a conflict of interest that needs to be addressed under the Policy. As the Secretariat may be perceived to have an interest in this issue, it asked the international law firm of DLA Piper to assess whether, in the context of the GAVI Alliance's Statutes, By-Laws and its draft updated Conflicts of Interest policy, the GAVI Secretariat can be said to have an "organisational interest" in decisions made by the Board, that may amount to a conflict of interest (attached as Annex 3). In summary, DLA Piper concluded that the GAVI Alliance Secretariat cannot be said to have an "organisational interest" in decisions made by the Board that could amount to a conflict of interest with the Board. Its opinion also endorsed the clear separation between the operational arm of the Secretariat and the Board's decision-making and oversight functions, which is also evidenced by the fact that the CEO does not have a vote on the Board.
- (c) One member of the Committee suggested that the word "perceived" be removed from the definition of a conflict of interest as it would make deliberations of the Board or a Committee unworkable. The Secretariat considers that in an open and transparent organisation perceptions of a conflict of interest should also be managed. Under the proposed Conflict of Interest Policy, there is scope to address differently a perceived conflict of interest as compared to a direct conflict of interest.
- (d) In the comments received it was suggested that a footnote be added to Section 2.1.5 on Financial/Personal interest to clarify that Board members who represent United Nations organisations are subject to the rules and regulations of the appointing organisation, which would take precedence over GAVI's policy. The Secretariat is concerned that adding wording to this effect may result in certain situations remaining unaddressed, as some personal or financial interests that would amount to a conflict of interest for GAVI would not necessarily be a conflict of interest under the rules of the sending organisation.

- 3.6 In the attached revised Conflict of Interest Policy the Secretariat attempts to address the above comments and others received from Governance Committee members also taking into account the opinion of outside counsel – DLA Piper (Annex 4a and b).

4. Context

- 4.1 The current GAVI Alliance Conflict of Interest Policy was approved by the GAVI Board on 3 June 2009 and following requests for clarity, it is appropriate to revise and update the Conflict of Interest Policy.

5. Next steps

- 5.1 See Recommendations.

6. Conclusions

- 6.1 The Secretariat appreciates the Committee's further views and input on the draft Ethics and Conflict of Interest policies. As set out in the Recommendations, it is proposed that the policies and comments thereon are discussed at the Committee's meeting and if the Committee considers they are ready to go to the Board, to recommend them for approval.

Section B: Implications

7. Impact on countries

- 7.1 The proposed Ethics and Conflict of Interest policies pertain to the GAVI stakeholders involved in its governance processes and GAVI Alliance operations and, as such, there is no direct impact on countries.

8. Impact on GAVI Stakeholders

- 8.1 Once adopted, GAVI stakeholders are expected to comply with the GAVI Alliance Ethics and Conflict of Interest policies.

9. Impact on the Business Plan / Budget / Programme Financing

- 9.1 The proposed Ethics and Conflict of Interest policies do not have a direct impact on the business plan, budget or programme financing.

10. Risk implications and mitigations

- 10.1 The proposed Ethics and Conflict of Interest Policies would help to mitigate reputational risks and damage to GAVI Alliance and would contribute to its good governance.

11. Legal or governance implications

- 11.1 Once adopted all GAVI persons are expected to comply with the Ethics Policy. In the case of Secretariat employees, failure to do so may result in disciplinary measures being imposed in response to violations.
- 11.2 The Legal and Governance team will help support and implement the revised Conflicts of Interest Policy.

12. Consultation

- 12.1 The proposed Ethics and Conflict of Interest Policies were prepared taking into account the ethics policies of several comparable organizations.

13. Gender implications / issues

- 13.1 The proposed Ethics and Conflict of Interest policies intend to be gender neutral.

14. Implications for the Secretariat

- 14.1 Any implications for the Secretariat from the Ethics Policy are described in the text of the report.
- 14.2 The Conflict of Interest Policy applies to all staff members at the GAVI Secretariat. Senior staff are required to complete the Declaration of Interest Forms and all staff is asked to pro-actively disclose any conflict of interest.

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DOCUMENT ADMINISTRATION

VERSION NUMBER	APPROVAL PROCESS	DATE
1.0	Prepared by: Governance	July 2011

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Ethics Policy

1. Purpose

- 1.1. The strength of the GAVI Alliance (“**GAVI**”) lies in the involvement and participation of the main stakeholders to immunisation and the diversity of interests present is an asset to achieving GAVI’s mission. Because of the diversity of interests and perspectives of these stakeholders, it is essential to the continued successful operation and development of the alliance structure that GAVI operates in an ethical, transparent and open manner.
- 1.2. The purpose of this Ethics Policy (this or the “**Policy**”) is to ensure a clear, achievable and relevant standard of ethical conduct for the activities and decision-making of any member of the Secretariat (including employees and consultants), Board (including alternate Board members and Committee delegates) and Advisory Bodies (as defined in Article 5 of the By-laws) (“**GAVI Person(s)**”), to protect GAVI’s reputation and integrity, and to ensure broad public trust and confidence in GAVI’s operations.
- 1.3. GAVI Persons are therefore expected to conduct themselves according to both the language and spirit of this Policy, and seek to avoid even the appearance of unethical behavior.
- 1.4. This Policy should be interpreted to be consistent with other GAVI policies and applicable laws and regulations.

2. Scope

- 2.1. This Policy is not designed to be an all-inclusive rubric for ethical behaviour, but instead provides a framework of policies that serves to structure the understanding and increase the awareness of all GAVI Persons regarding the potential ethical dilemmas with which they might be confronted while working at or in the service of GAVI.
- 2.2. Ethical behaviour requires making determinations as to the correct course of action, often without clearly established rules or laws. Ethics is thus not about following a strict set of guidelines, but rather about doing more generally the right thing. In this respect, a successful ethics policy facilitates behaviour that by example leads to the development of an ethics-focused organizational culture and environment. The responsibility to behave ethically and in a manner that enhances GAVI’s reputation and supports the achievement of its mission and goals is therefore shared by all GAVI Persons.

3. Definitions

- 3.1. Terms found in this Policy have the same meaning as they do within the GAVI Statutes and By-laws. Further, the following definitions apply:
 - 3.1.1. “**Family Member(s)**” – A GAVI Person’s grandparents, parents/guardians, spouse/domestic partner, siblings, children or dependents and grandchildren.

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3.1.2. **“Conflict of Interest”** – A situation where a GAVI person has an actual, perceived, or potential Organisational or Financial/Personal interest, as defined below, that may:

- affect the conduct of his/her duties and responsibilities with respect to GAVI;
- create the perception that the person is using his/her position in GAVI for organisational or personal financial gain at the expense of GAVI.

3.1.3. **“Organisational Interest”** – An organisational interest arises when a GAVI Person is an officer, director, trustee, partner or (negotiating to become) an employee of an entity that may benefit financially from a decision he or she would vote on.

3.1.4. **“Financial/Personal Interest”** - A GAVI Person has a financial/personal interest when (s)he or any Family Member may benefit financially or in any other significant way from a transaction or other financial arrangement between GAVI and an entity with which the person has:

- an ownership or investment interest;
- a senior leadership or board member position (whether paid or unpaid);
- a direct or indirect compensation arrangement, including through a business, investment or Family Member, or in the form of substantial gifts or favours; or
- a potential of securing any of the above.

A person who possesses investments in independent non-discretionary managed accounts that may hold securities in entities that have a transaction or arrangement with GAVI will not be deemed to have a Financial/Personal Interest under this Policy.

4. Conflict of interest

This section of the Policy should be read in conjunction with GAVI’s Conflict of Interest Policy.

- 4.1. The reputational risks inherent in a Conflict of Interest are of particular importance to GAVI given its reliance on the cooperation and support of its stakeholders and donors.
- 4.2. A Conflict of Interest in and of itself is not wrong and may not be unethical, but GAVI Persons must take appropriate action to ensure disclosure of any actual, perceived or potential Conflict of Interest in order to comply with this Policy.

5. Outside activities and employment

- 5.1. A GAVI Person who is an employee of the Secretariat may engage in outside activities that do not conflict with GAVI’s interests or the GAVI Person’s responsibilities to GAVI. However, a GAVI Person who is an employee of the Secretariat may not serve as a director, trustee, consultant, adviser or similar position without the prior approval of the CEO.
- 5.2. A GAVI Person invited to speak at conferences or meetings on behalf of GAVI is encouraged to do so to the extent such conferences or meetings relate to or further the mission of GAVI. Participation should as appropriate be pre-approved by the CEO or

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Chair of the Board. Honorarium received for such speaking engagements on behalf of GAVI should be donated to GAVI.

- 5.3. When negotiating for or entering into an arrangement concerning employment outside of GAVI for themselves or for a Family Member, GAVI Persons should not allow such circumstances affect the performance of their duties. Further, GAVI Persons should not act in such a manner as to take improper advantage of their functions and positions with GAVI, including privileged information obtained from such functions and positions, when seeking employment or appointment after leaving GAVI.
- 5.4. Any individual who has served as a Board member, Alternate, or a member of a Board Committee will not be eligible for employment with the Secretariat until one year following their last date of service in such a position. The Chair of the Board in consultation with the CEO and/or Managing Director, Law and Governance, may waive this provision prior to application on a case by case basis.

Secretariat:

This section of the Policy should be read in conjunction with GAVI's Conflict of Interest Policy, Human Resources Policy Manual and Secondment Policy.

6. Donations and Contributions

This section of the Policy should be read in conjunction with GAVI's Vaccine Donation Policy.

- 6.1. GAVI may accept donations or contributions only for programmes, services and purposes consistent with its charitable mission, purposes and priorities. GAVI will not accept donations or contributions having restrictions that prevent it from effectively employing the donation or income derived from the donation in furtherance of its charitable mission unless with prior approval by the CEO or the Board.
- 6.2. GAVI will not seek to accept donations or contributions that inhibit it from seeking donations or contributions from other donors or donations that involve unlawful discrimination.
- 6.3. GAVI will not accept donations or contributions from companies or organizations that exploit child labour or are involved in or connected to the manufacture of tobacco, land mines, drugs (excluding pharmaceutical companies), or weapons of any kind.
- 6.4. Donations or contributions shall not be accepted from companies that represent a direct conflict of interest for the GAVI Alliance (including vaccine manufacturers), unless made in accordance with the Vaccine Donation Policy.
- 6.5. The GAVI Secretariat shall develop and maintain Private Sector Donation Guidelines to implement the principles set out in this Section.

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7. Gifts

- 7.1. GAVI Persons or any Family Member may not solicit or accept, directly or indirectly, any cash or monetary equivalents (i.e., stock or other marketable securities), object of value or preferential treatment or seek or accept loans (other than conventional loans at market rates from lending institutions) from any person or entity that has done business with, or is seeking to do business with, GAVI.
- 7.2. However, unsolicited gifts may be accepted on behalf of GAVI when refusal to do so would not be in the best interest of GAVI. Only business-related meals, entertainment, token gifts or favours may be accepted when the value involved is low and will not place the recipient under any obligation, either real or perceived, to the donor.
- 7.3. GAVI Persons or any Family Member may not offer gifts or entertainment to persons or entities whose support or business GAVI may be seeking.
- 7.4. Many countries in which GAVI conducts operations have laws that forbid the making, offering or promising of any payment or anything of value (directly or indirectly) to private individuals or government official (which may include the employees of public universities and medical centers, and foreign political parties and candidates), particularly when the payment is intended to influence an official act or decision. GAVI strictly prohibits payments of any kind to any person to influence or advance GAVI's interests with private individuals or governmental officials as defined above. Any such payment violates GAVI's policies and procedures.

Secretariat:

- 7.5. Members of the Secretariat may accept gifts in accordance with the following guidelines:
 - Common courtesies usually associated with customary business practices, such as refreshments and meals provided during a business meeting, may be accepted.
 - The gift or common courtesy must not be excessive in value and cannot be construed as a bribe or payoff.
 - The gift must not be in contravention of applicable laws or ethical standards.
 - Gifts of a value greater than US\$ 25 must be declared to the Director of Operations.
 - Gifts of a value greater than US\$ 25 accepted on behalf of GAVI must be handed in to the Executive Office.

Employees involved with procurement on behalf of GAVI or with the preparation, approval, monitoring and evaluation of in-country programme activities should take particular care, and when involved in any active tender, or after the awarding of a contract, should not accept any gifts or hospitality from relevant third parties.

Questions regarding the acceptability of a gift should be directed to the Director of Operations, Managing Director, Law and Governance, or CEO as appropriate.

This section of the Policy should be read in conjunction with GAVI's Hospitality Policy.

8. Equal opportunity, non-discrimination, and harassment

This section of the Policy should be read in conjunction with GAVI's Gender Policy and Guidelines on the GAVI Alliance Board Gender Balance.

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- 8.1. GAVI values a work environment where diversity is embraced, and where employees are treated, and treat each other, fairly and with respect and dignity. GAVI prohibits discrimination on the basis of any criteria protected by law, including, but not limited to, race, colour, religion, sex, gender, marital status, national origin, age, disability or sexual orientation, whether committed by or against an employee, vendor, visitor or otherwise in the workplace. Conduct involving discrimination or harassment will not be tolerated.

Secretariat:

This section of the Policy should be read in conjunction with GAVI's Human Resources Policy Manual, HIV/AIDS in the Workplace Policy and Respectful Workplace Policy.

9. Confidentiality

- 9.1. All GAVI Persons have the responsibility to protect the confidentiality of confidential information obtained or created in connection with their activities at GAVI. Proprietary information about GAVI or its employees, or confidential information about a company, organization or any individual having a relationship with GAVI, must not be disclosed unless disclosure is authorized or legally mandated. In addition, confidential information provided by a partner organization under a confidentiality agreement must also be protected from disclosure and must not be used except for its intended purpose. This would not preclude a GAVI Person from reporting back to his or her organisation or constituency unless explicitly requested not to do so, for example in cases of commercially sensitive information or information related to investigations.
- 9.2. Paperwork and documents related to GAVI operations should be produced, copied, faxed, stored and discarded by means designed to minimize the risk that unauthorized persons might obtain access to proprietary or confidential information. Access to work areas and computers must also be properly controlled. Additionally, discussion of sensitive matters or confidential information in public places where others might overhear should be avoided.
- 9.3. Any unauthorized use or disclosure of proprietary information violates GAVI policy. The obligation to safeguard confidential information continues after employment or service with GAVI ends.

Secretariat:

This section of the Policy should be read in conjunction with GAVI's Access to Information, Document Retention, and Publications Policies.

10. Media and public enquiries and statements

- 10.1. Communication with the media and general public must be accurate, responsible and in keeping with GAVI's policies. GAVI Persons authorized to speak for GAVI should make clear whether they are speaking on behalf of the GAVI Secretariat or Board or in their own name. Media enquiries should be referred to or coordinated with the Media & Communications department.

Secretariat:

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This section of the Policy should be read in conjunction with GAVI's Access to Information and Publications Policies.

11. Government requests for information

- 11.1. In addition to any legal obligations it may have, GAVI cooperates with all government departments or agencies in any reasonable requests for information or facility visits in connection with government investigations. GAVI Persons contacted by a government agency or requested to provide any information to a government agency should consult with the Chair of the Board, CEO and/or Managing Director, Law and Governance, to determine the appropriate response.

12. Use of GAVI resources and facilities

- 12.1. GAVI Persons should not utilize GAVI equipment, resources or services for personal benefit or that of another person or entity. However, reasonable personal use of GAVI equipment, resources or services may be acceptable. All GAVI Persons should also seek to protect GAVI's property from loss, theft or other misuse. Questions regarding use of GAVI resources and facilities should be directed to the relevant line manager or the Managing Director, Law and Governance, as appropriate.
- 12.2. The use of GAVI electronic communication systems, including Internet access and email, for incidental personal matters is not prohibited. However, GAVI makes no guarantee regarding personal privacy in communications sent to, from, or stored in GAVI systems, and such communications may be subject to monitoring and storage.

Secretariat:

This section of the Policy should be read in conjunction with GAVI's Human Resources Policy Manual, Access to Information Policy and relevant terms of use.

13. Environment, health, and safety

- 13.1. GAVI is committed to conducting its business in compliance with all relevant environmental and workplace health and safety laws and regulations. GAVI strives to provide a safe and healthy work environment and to avoid adverse impact and injury to the environment.

14. Compliance with laws, rules, and regulations

- 14.1. Regardless of its privileges and immunities, GAVI's policy is to comply with applicable laws, rules and regulations in the countries in which GAVI conducts operations. No GAVI Person shall commit an illegal act, or instruct others to do so, for any reason. Further, utmost care should be exercised in ensuring that all statements, especially those made to governmental authorities that regulate GAVI's activities, are accurate and truthful. Questions regarding compliance with laws, rules and regulations should be directed to the Managing Director, Law and Governance.
- 14.2. Privileges and immunities are granted to GAVI Persons in Switzerland in the interest of GAVI and with respect to acts performed by them in their official capacity. GAVI persons

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shall not use or attempt to use privileges or immunities for personal benefit that would be inconsistent with this Policy or the GAVI Statutes and Bylaws.

Secretariat:

This section of the Policy should be read in conjunction with GAVI’s Human Resources Policy Manual.

15. Duty to Report

- 15.1. GAVI Persons who suspect, or may be aware of, violations of this Policy should bring them to the attention of their line manager, managing director, the Managing Director, Law and Governance, or the Chair of the Board as appropriate. The reporting GAVI Person should have reasonable grounds for suspecting a violation and must do so in good faith. Knowingly reporting false or frivolous information is contrary to this Policy.
- 15.2. It is GAVI’s policy to protect all GAVI Persons from reprisal, retaliation or other adverse action when reporting alleged violations of this Policy or other acts of fraud or corruption if such reporting is done in good faith and with reasonable grounds for suspicion.

Secretariat:

- 15.3. All members of the GAVI Secretariat (including employees and consultants) are expected to comply with these policies in a manner consistent with the highest ethical standards. Failure to observe these policies may result in disciplinary action. Furthermore, violations of this Policy may also be violations of the law and may result in civil or criminal penalties.

This section of the Policy should be read in conjunction with GAVI’s Disciplinary Procedures and Whistleblower Policy.

16. Effective date and review of policy

- 16.1. This policy comes into effect as of [EFFECTIVE DATE].
- 16.2. This policy will be reviewed and updated as and when required, and is subject to GAVI Board approval.

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GAVI Alliance Guidelines Private Sector Donations and Contributions to GAVI	Version No.: 1.1	Page 1 / 3

DOCUMENT ADMINISTRATION

VERSION NUMBER	APPROVAL PROCESS	DATE
1.0	MD: David Ferreira, Innovative Finance	18 August 2011
	Reviewed by: Debbie Adams, MD Legal and Governance	18 August 2011
	Approved by CEO	25 August 2011
		Effective from: 25 August 2011
1.1	Amended	8 November 2011

		
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Guidelines

Donations and contributions from the private sector to the GAVI Alliance

1. Background

- 1.1. These guidelines shall apply to all private sector donations or contributions accepted for the GAVI Matching Fund and for any private sector donation or contribution to GAVI. These criteria are and shall be consistent with the GAVI Alliance Ethics Policy.

2. Donations or Contributions Criteria

- 2.1. Donations or contributions shall not be accepted from companies that represent a direct conflict of interest for the GAVI Alliance (including vaccine manufacturers), unless made in accordance with the Vaccine Donation Policy.
- 2.2. Donations or contributions shall not be accepted from any company where accepting that donation represents a significant reputational or operational risk to GAVI.
- 2.3. Donations or contributions shall not knowingly be accepted from any company any company whose core brand/identity is tobacco or tobacco related nor any company generating more than 10% of revenues from the production of tobacco products (cigarettes, cigars, snuff).
- 2.4. Donations or contributions shall not knowingly be accepted from any company by any company whose core brand/identity is weapons related nor any company generating more than 10% of revenues from the production of weapons (instruments specifically designed and whose primary purpose is for attack or defense in combat).
- 2.5. Donations or contributions shall not knowingly be accepted from any company generating revenues from the production of anti-personnel landmines or cluster munitions or key landmine/cluster munitions-specific components.
- 2.6. Donations or contributions will not be accepted from corporations in which 10% or more of revenues are derived from a combination of the above (1-3).

		
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- 2.7. Donations or contributions shall not knowingly be accepted from any company implicated in material breaches¹ of international human rights standards, as defined by the Universal Declaration of Human Rights².
- 2.8. Donations or contributions shall not knowingly be accepted from any company implicated in material breaches³ of international child labour standards, as defined by ILO Conventions 182 & 190.
- 2.9. Donations or contributions shall not be accepted from any company in the extractive industry that is not a Supporting Company to the Extractive Industries Transparency Initiative⁴.

3. Monitoring

- 3.1. GAVI will engage a professional firm to screen each company to ensure that they comply with the letter and with the spirit of all donations criteria prior to any donation being accepted.
- 3.2. In the case of the GAVI Matching Fund, following the screening process, a three-person committee comprising the GAVI Managing Director for Innovative Finance, an appointed representative of the Bill & Melinda Gates Foundation and an appointed representative of DFID will oversee the implementation of the guidelines.

¹ Material breaches are defined as ongoing, systematic or, if isolated, of a highly serious, grave nature.

² By virtue of making donations that are consistent with the Universal Declaration of Human Rights, this Donations Guideline is also considered to be consistent with the GAVI Gender Policy. This section excludes Articles 23 and 24, which are interpreted as labour rights.

³ Material breaches are defined as ongoing, systematic or, if isolated, of a highly serious, grave nature.

⁴ The Extractive Industries Transparency Initiative aims to increase transparency in transactions between governments and companies within extractive industries.



GAVI Alliance

Summary Report on Conflicts of Interest Procedures

7 November 2011

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1. BACKGROUND

- 1.1 GAVI Alliance works as an innovative international public-private partnership, which brings together various organisations and constituencies actively engaged in supporting immunisation in developing countries, such as Governments, United Nations organisations, vaccine manufacturers, foundations, nongovernmental organisations and research institutes, as well as individuals with private sector and other experience, which together provide legitimacy, credibility and technical expertise. Recognising and drawing on the mandates and responsibilities of all constituencies represented on the GAVI Alliance Board, the GAVI Alliance provides public and private finance and a broad diversity of perspectives, experience and skills (*GAVI Alliance Statutes, Article 2 - Purpose*).
- 1.2 Board members therefore engage in a process of strategic decision-making, innovation and partner collaboration.
- 1.3 However, with this broad mix of representation conflicts of interest are an unavoidable reality of such a collaborative structure, though a conflict of interest of itself is not wrong, nor unethical. However, to mitigate the operational and reputational risks inherent in such conflicts, it is essential that GAVI Alliance properly manages, and is seen to be properly managing such conflict of interest risks on a fully transparent basis.

2. PURPOSE OF REPORT

- 2.1 The purpose of this Report is to give an opinion as to whether, in the context of the GAVI Alliance's Statutes, By-Laws and its draft updated Conflicts of Interest policy, the GAVI Secretariat can be said to have an "organisational interest" in decisions made by the Board that may amount to a conflict of interest.

3. GAVI ORGANISATIONAL STRUCTURE

- 3.1 In order to address the specific question of whether the GAVI Secretariat can be said to have an "organisational interest" in decisions made by the Board, that may amount to a conflict of interest it is essential first to recognise the individual functional components within the GAVI Alliance organisation, and have a clear understanding of their respective roles.
- 3.2 The governing, administrative and advisory functions of the GAVI Alliance are:
- 3.2.1 The Board
 - 3.2.2 The Executive Committee (of the Board)
 - 3.2.3 The Advisory Committees (to the Board)
 - 3.2.4 The Standing Board Committees
 - 3.2.5 The Secretariat, and
 - 3.2.6 The Auditors.

Sub-paragraphs 3.2.1 to 3.2.3 inclusive are all functions of or relating to the Board. The functions of the Secretariat and the Auditors respectively are separate and different from the functions of the Board.

- 3.3 The Board is the supreme governing body of the GAVI Alliance, possessing the highest and most extensive authority concerning decision-making, policy setting, strategic direction and administration of the GAVI Alliance. The Board has two primary functions, being (i) the decision making and policy setting function of the GAVI Alliance and (ii) the body responsible for the oversight of the operational activities carried on through the medium of the GAVI Secretariat. In summary, therefore, the GAVI Board is responsible for (amongst other things) (a) setting policies and strategies; making major funding decisions; the provision of financial accountability; and executing or authorizing the execution of agreements required to carry out the purposes of the GAVI Alliance and (b) for setting operational guidelines; for monitoring, evaluating and reviewing the performance of the GAVI Secretariat; for approving the annual accounts; appointing the Auditors; and appointing and determining the employment terms of the CEO (*Statutes, Article 13*).
- 3.4 The Secretariat on the other hand consists of professional managers responsible for the day to day implementation of the GAVI Alliance Board decisions, being the implementation of the policies, strategies and directions determined and agreed by the Board. Furthermore, the Secretariat's powers, duties and processes are defined by the Board, either through the By-Laws (which the Board solely is responsible for determining) or through ad hoc directions provided by the Board from time to time (*Statutes, Article 17*). The Secretariat is responsible for managing the GAVI Alliance business, including facilitation of the participation and contribution of all GAVI Alliance stakeholders (*Article 7 of the By-Laws*) and for the provision of information to the GAVI Board to enable the GAVI Board to discharge its decision-making and oversight and monitoring obligations and responsibilities.
- 3.5 The CEO (who heads the Secretariat) and other officers appointed by the Board who together comprise the Secretariat shall have the authority and responsibility granted from time to time by the Board (or the Executive Committee), and no further. The Secretariat cannot implement decisions that exceed the authority determined by the Board, nor can it vary or change the scope of activities determined by the Board.
- 3.6 Oversight of the activities of the Secretariat is reserved to the GAVI Board (and the Executive Committee), to whom the CEO is required to report (*Statutes, Article 17*).
- 3.7 There is therefore a clear separation between the operational function, responsible for carrying on the day to day operations of the GAVI Alliance as dictated by the GAVI Board (the Secretariat, headed by the CEO) and the decision-making and oversight responsibilities of the Board, headed by the Chair (*Statutes, Article 12*). In keeping with this separation of responsibilities, the CEO is an ex-officio, non-voting member of the Board. This also enables the Board to maintain the proper oversight of the operational function of the GAVI Alliance. As set out in Article 7 of the By-Laws, the GAVI Secretariat supports the GAVI Board in achieving the purpose of the GAVI Alliance as referred to in the Statutes, Article 2, through facilitating the participation and contribution of all GAVI Alliance stakeholders and sustaining its unique public-private character.

4. REQUIREMENT FOR A CONFLICT OF INTEREST POLICY

- 4.1 The potential for conflicts of interest to exist between Representative Board Members and the GAVI Alliance is clearly recognised in the Statutes. Article 28 imposes a mandatory obligation on the Board to adopt a conflict of interest policy for all organs of the GAVI Alliance, to preserve transparency in financial arrangements.
- 4.2 In addition, Article 15 makes it expressly clear that:

"No decision taken by the Board is binding on any organisation providing members to serve on the Board. When discharging their duties, Board members are not required to take decisions that conflict with the constitution, regulations, rules and policies of the organisation providing that member to the Board".

- 4.3 The role of the Secretariat is described in Article 7 of the By-Laws, under which the Secretariat *"shall be responsible for managing the GAVI Alliance business, including facilitation of the participation and contribution of all GAVI Alliance stakeholders and sustaining its unique public-private character."*

5. ANALYSIS

- 5.1 Because of the separation between the Secretariat's operational function and the Board's decision-making and oversight functions, the GAVI Secretariat, in discharging the functions bestowed on it by the Statutes and By-Laws and directions made from time to time by the GAVI Board, cannot have an "organisational interest" that could amount to a conflict of interest with the GAVI Board.

- 5.2 Indeed, we are of the opinion that if it was to be the case that the GAVI Secretariat might to be considered to have a conflict of interest with the Board, and as a consequence would have to absent itself from participating in certain day to day operational activities, that would deprive the GAVI Alliance of the ability to act on a day to day basis and achieve its fundamental purpose. The Statutes and By Laws expressly provide for those operational activities to be undertaken and discharged by the GAVI Secretariat and in our view it is not anticipated that the GAVI Board, or any individual stakeholder or Representative Board Member should perform independently the functions of the Secretariat set out in Article 17 of the Statutes and in Article 7 of the By Laws. The Secretariat on the other hand is required to facilitate the participation and contribution of all GAVI Alliance stakeholders and sustain the GAVI Alliance's unique public-private character.

- 5.3 Were the GAVI Secretariat to be said to have a conflict of interest with the GAVI Board that would indeed create a profound oxymoron: Pursuant to Article 2 of the GAVI Alliance's Statutes (*Purpose*), the purpose of the GAVI Alliance is to:

"bring together various organisations and constituencies such as Governments United Nations organisations, vaccine manufacturers, foundations, nongovernmental organisations and research institutes, as well as individuals with private sector and other experience...."

and the GAVI Alliance Secretariat's inability to engage on a day to day basis with all of the relevant organisations and constituencies because of an alleged conflict of interest would seriously diminish the GAVI Alliance's effectiveness.

- 5.4 For the reasons set out above, we do not find there to be any "organisational interest" that may amount to a conflict of interest with the GAVI Board.
- 5.5 This is not the case with regard to the Representative Board Members of the GAVI Board, in respect of which there are inherent conflicts of interest between Eligible Organisations and Eligible Constituencies represented on the GAVI Board. The potential for conflicts of interest between Representative Board Members is in the very essence of the type of alliance that the GAVI Alliance is and the Conflict of Interest Policy provides tools for the management of such conflict of interests on a transparent basis.
- 5.6 Finally, it is clear that the Eligible Organisations play a crucial and significant part in the success of the GAVI Alliance, in some cases in a practical, operational capacity. We believe

that the separation of functions within the GAVI Alliance (as set out in the Statutes and By-Laws) and the relationship between the GAVI Alliance and such Eligible Organisations is clearly illustrated by such arrangements. The decision to engage other organisations (including Eligible Organisations represented on the GAVI Board), in order to achieve its mission, is taken by the GAVI Board (taking into account any relevant conflicts of interest). That Board decision is then implemented by the Secretariat which puts in place appropriate legal arrangements with such organisations.

6. GENERAL

- 6.1 This Report has been prepared for the purpose specified in, and in accordance with the terms of reference set out in our engagement letter relating to this assignment.
- 6.2 DLA does not owe any duty of care to any person, body or organisation other than GAVI as a result of the review undertaken leading to, or the preparation or publication of this Report.

DLA Piper UK LLP
Ref. IWB
7 November 2011

APPENDIX 1: GLOSSARY OF TERMS

"Board"	the board of directors of the GAVI Alliance referred to in Article 8 of the Statutes and comprised as set out in Article 9 of the Statutes.
"By-Laws"	the GAVI Alliance By-Laws of 1st December 2010.
"Eligible Constituency"	means each of (i) developing country governments (ii) donor country governments (iii) the industrialised vaccine industry (iv) the emerging vaccine industry (v) civil society, and (vi) technical health/research institutes.
"Eligible Organisation"	means each of (i) the World Health Organisation (ii) UNICEF (iii) the International Bank for Reconstruction and Development, and (iv) the Bill & Melinda Gates Foundation.
"Executive Committee"	means the Executive Committee of the Board established by the Board pursuant to Article 3 of the Bye-Laws.
"Statutes"	the GAVI Alliance Statutes of October 29, 2008.

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DOCUMENT ADMINISTRATION

VERSION NUMBER	APPROVAL PROCESS	DATE
1.0	Prepared by: Governance	March 2009
	Reviewed by: GAVI Governance Committee	15 April 2009
	Approved by: GAVI Alliance Board	03 June 2009
		Effective from: 03 June 2009
		Review: At the request of the Board
2.0	Revised by: Governance	July 2011

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Conflict of Interest Policy

1. Purpose

- 1.1. The GAVI Alliance (“**GAVI**”) is structured as an open, collaborative organisation in order to ensure the meaningful involvement and participation of the main stakeholders to immunisation, including developing and donor countries, international organisations, pharmaceutical companies, individuals and philanthropic organizations. This fact is reflected in the composition of the GAVI Alliance Board (the “**Board**”), in which representative Board members ensure that institutions and constituencies can provide formal input into the development of all GAVI’s policies and the management of its operations. Together with independent board members, whose experience in the private sector brings an innovative perspective to discussions, Board members engage in a process of balanced strategic decision-making, innovation and partner collaboration.
- 1.2. Given this collaborative structure, conflicts of interest are an unavoidable reality in the conduct of GAVI’s operations. A conflict of interest in and of itself is not wrong and may not be unethical, but those involved in decision-making processes on behalf of GAVI must take appropriate action to ensure disclosure of any actual, perceived or potential conflict of interest. As a result, GAVI will be able to properly manage its conflicts of interest and thus mitigate the operational and reputational risks inherent in such conflicts.
- 1.3. The purpose of this Conflict of Interest Policy (this “**Policy**”) is therefore to protect the integrity and reputation of GAVI’s decision-making processes, particularly in regard to the allocation and disbursement of resources, by establishing procedures to identify, evaluate and address any actual, perceived or potential conflicts that may arise. As a basic principle, such conflicts must be resolved in favor of GAVI. Taking into account the Statutes and By-Laws, those involved in decision-making processes on behalf of GAVI will be expected to abide by the provisions of this Policy.
- 1.4. This Policy should be read in conjunction with GAVI’s Ethics Policy, which sets out the values and ethical framework within which this Policy should be applied.

2. Definitions

- 2.1. Terms found in this Policy shall have the same meaning as they do within the GAVI Alliance Statutes and By-laws. Further, the following definitions shall apply:
 - 2.1.1. “**GAVI Person(s)**” – Any member of the Secretariat (including employees and consultants), Board (including alternate Board members and Committee delegates), or Advisory Bodies (as defined in Article 5 of the By-laws).
 - 2.1.2. “**Family Member(s)**” – A GAVI Person’s grandparents, parents/guardians, spouse/domestic partner, siblings, children or dependents and grandchildren.
 - 2.1.3. “**Conflict of Interest**” – A situation where a GAVI person has an actual, perceived, or potential Organisational or Financial/Personal interest, as defined below, that may:

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- affect the conduct of his/her duties and responsibilities with respect to GAVI;
- create the perception that the GAVI person is using his/her position in GAVI for organisational or personal financial gain at the expense of GAVI.

2.1.4. **“Organisational Interest”** – An organisational interest arises when a GAVI Person is an officer, director, trustee, partner or (negotiating to become) an employee of an entity that may benefit financially from a decision he or she would vote on.

2.1.5. **“Financial/Personal Interest”** - A GAVI Person has a financial/personal interest when (s)he or any Family Member may benefit financially or in any other significant way from a transaction or other financial arrangement between GAVI and an entity with which the person has:

- an ownership or investment interest;
- a senior leadership or board member position (whether paid or unpaid);
- a direct or indirect compensation arrangement, including through a business, investment or Family Member, or in the form of substantial gifts or favours; or
- a potential of securing any of the above.

A person who possesses investments in independent non-discretionary managed accounts that may hold securities in entities that have a transaction or arrangement with GAVI will not be deemed to have a Financial/Personal Interest under this Policy.

3. Conflict of interest established

3.1. There are several possibilities for determining whether an actual, perceived, or potential Conflict of Interest exists:

- a GAVI Person discloses that (s)he has an actual, perceived or potential conflict;
- the Chair of a meeting determines an actual, perceived or potential conflict exists;
- the Board determines an actual, perceived or potential conflict exists;
- a Board Committee or Advisory Body determines an actual, perceived or potential conflict exists in the context of its own deliberation; or
- the CEO determines that a member of the Secretariat has an actual, perceived or potential conflict.

4. Categories of Interest

4.1. Given the often ambiguous nature of a Conflict of Interest, it is not always possible to identify easily either the type of interest that exists or the proper means by which to mitigate the effects of the resulting conflict. In order to structure the management of conflicts, which is the core of a conflict of interest policy, interests can generally be categorized according to the following types:

- **Direct** – A direct interest in any Board decision, policy or contract may be established when a GAVI Person directly benefits from such decision, policy or contract through an Organisational or Personal/Financial Interest.

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Example 1: The Board will discuss and vote on approval of funding for a contract/agreement with an organisation that employs a Board member. That Board member is thus connected directly to the relevant agenda item through an Organisational Interest (i.e. a financial interest), and the Chair may take appropriate action, such as requesting recusal from discussions and voting on the issue.

Example 2: A GAVI Person who is a Secretariat employee is involved in a procurement decision-making process that potentially involves an organization of which his or her spouse is the only employee. That GAVI Person is thus directly connected to the decision through a Financial/Personal Interest and should declare this interest to their line manager, managing director, or the Managing Director, Law and Governance.

- **Indirect** – An indirect interest in any Board decision, policy or contract may be established when a GAVI person indirectly benefits from such decision, policy or contract through an Organisational or Financial/Personal Interest.

Example 1: The Board will discuss and vote on a strategy or policy that affects GAVI's general relationship with a group of organisations that are represented on the Board by a number of GAVI Persons and that may result in a future financial benefit for member(s) of this group. A GAVI Person representing any such organization would thus be connected indirectly to the strategy through an Organisational Interest, and the Chair may take appropriate action, such as requesting recusal from discussion and voting on the issue.

Example 2: A member of an advisory committee to the GAVI Board is involved in a competitive selection process for which a firm with which he or she has a business contract has submitted a proposal. A perception could arise that the member of the committee's responsibilities to GAVI may be affected by his or her business relationship with one of the bidders. Taking into account all circumstance any appropriate mitigating steps may be identified.

5. Transparency and duty to disclose

- 5.1. A GAVI Person must disclose Organisational or Financial/Personal interests, including those that derive from Family Members, and the nature of such interest whenever (s)he becomes aware that a conflict exists, could be perceived to exist, or is reasonably likely to occur. Such interests should be disclosed to the Chair, a line manager, a managing director, or the Managing Director, Law and Governance, as appropriate. GAVI Persons are encouraged to consult the Managing Director, Law and Governance, for guidance if they have questions about disclosure requirements.
- 5.2. Annually, each member of the Board (including alternate Board members and Committee delegates), members of Advisory Bodies, officers, and members of the Secretariat with signature authority shall complete and submit a conflict of interest form, to be distributed by the Managing Director, Law and Governance.

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6. Board Committee and Advisory Body meetings

- 6.1. Though Board members bring their experience and affiliations to bear for the benefit of GAVI, they recognise their fiduciary responsibility to put the interests of GAVI before other interests when taking decisions on behalf of GAVI. Concurrently, when discharging their duties, representative Board members are not required to take decisions that conflict with the constitution, regulations, rules and policies of the organisation providing that member to the Board. Therefore, participation in and disclosure of any actual, perceived or potential Conflict of Interest relevant to a Board, Board Committee or Advisory Body decision should be guided by the provisions of this Policy, with any such conflict identified and declared, and more generally the GAVI Ethics Policy.
- 6.2. During the course of a Board or Board Committee meeting, a GAVI Person with an actual, perceived or potential Conflict of Interest shall disclose the conflict to the Chair of the meeting at the beginning of discussion of the pertinent agenda item.
- 6.3. It shall be the prerogative of the Chair of the meeting, in consultation with the Managing Director, Law and Governance, as appropriate, to determine the scope and level of a conflicted person's participation in the discussion and the necessity of recusal from voting given the type of interest disclosed. The minutes of the meeting shall reflect the conflicted member's disclosure and whether the conflicted member participated in the discussion and/or abstained from voting.
- 6.4. Board members and alternate Board members representing developing country governments are subject to the provisions above except that they shall be entitled to participate fully in discussions and to vote on decisions on the recommendation by the Independent Review Committee, unless the Board is considering a decision exclusively on programmes in the country of the representative Board member.

7. Procurement and contracting

- 7.1. All GAVI Persons engaged in GAVI procurement processes and contracting activities that have, or may have, any direct or indirect outside interest, financial or otherwise, or relationship that might conflict, potentially conflict, or appear to conflict with the procurement interests or contracting of GAVI must disclose this conflict to the Chair, a line manager, a managing director, or the Managing Director, Law and Governance, as appropriate, and if necessary seek advice from the Managing Director, Law and Governance.

8. Outside employment

- 8.1. When negotiating for or entering into an arrangement concerning employment outside of GAVI for themselves or for a Family Member, GAVI Persons who are members of the Secretariat should not allow such circumstances to affect the performance of their duties. Any Conflict of Interest that arises in the course of negotiations for or entering into an arrangement concerning outside employment should be disclosed to the Chair, a line manager, a managing director, or the Managing Director, Law and Governance, as appropriate.

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9. Special advisors

- 9.1. From time to time, the GAVI Alliance provides the Chair and Vice Chair of the Board, and other Board members (primarily developing country government Board members), staff support to aid them in their roles as GAVI Alliance directors. Board members receiving this support are asked to acknowledge on their annual conflict of interest form that Special Advisors support only activities in furtherance of their service on the Board.

10. Failure to disclose

- 10.1. Should any GAVI Person have reasonable cause to believe that another GAVI Person has failed to disclose an actual, perceived or potential Conflicts of Interest, (s)he shall inform the relevant line manager, managing director, the Managing Director, Law and Governance, or the Chair of the meeting as appropriate of the basis for such belief so as to afford the GAVI Person an opportunity to explain the alleged failure to disclose. The reporting GAVI Person should have reasonable grounds for suspecting a violation and must do so in good faith. Knowingly reporting false or frivolous information is contrary to this Policy.
- 10.2. Failures to disclose or disputes over whether a conflict exists may be referred to the Governance Committee or, if necessary, the Board for resolution. Failures to disclose a personal interest by a representative Board or Committee member shall be addressed in consultation with the organisation providing that member.

Secretariat:

- 10.3. It is GAVI's policy to protect all employees from reprisal, retaliation or other adverse action when reporting alleged failures to disclose if such reporting is done in good faith and with reasonable grounds for suspicion.

11. Effective date and review of policy

- 11.1. This policy comes into effect as of [EFFECTIVE DATE].
- 11.2. This policy will be reviewed and updated as and when required, and is subject to Board approval.