

## CONFLICT OF INTEREST POLICY

### 1.1. Purpose and Scope

This Conflict of Interest (COI) Policy outlines HAI's commitment to conducting its affairs with the highest level of integrity and transparency. The policy aims to identify, manage, and resolve conflicts of interest that may arise during the course of the organisation's operations, ensuring that decisions and actions are free from undue influence. This policy applies to all HAI staff members, board members, advisors, consultants, volunteers, and partners.

### 1.2. Objectives of Conflict-of-Interest Policy

Conflict of Interest policy helps the organization to establish robust structures and procedures to be adopted in case a conflict of interest is identified. The following are the key objectives of a Conflict-of-Interest policy-

- To provide guidelines for the identification of the conflict of interest
- To provide formal procedures to be adopted in case of a conflict of interest
- To provide clear reporting structures that spell out the nature and persons having a conflict of interest
- To provide guidelines to the individual/organization for avoiding/managing issues of conflict of interest

### 1.3. Definition of Conflict of Interest

A **Conflict of Interest (COI)** arises when an individual's personal, financial, or other interests could compromise or have the appearance of compromising their impartiality, integrity, or ability to act in the best interests of HAI. Conflicts of interest may be:

**1. Direct:** A direct conflict of interest arises when a decision-maker or individual at HAI has a personal interest that clearly conflicts with their responsibilities to the organisation. This personal interest could be financial or non-financial, but it directly affects their objectivity in performing their duties for HAI. Examples include:

- **Personal Financial Gain:** If a board member owns shares in a company bidding for an HAI contract, they stand to benefit directly from any decision awarding that contract to their company.
- **Personal Business Interests:** If an employee is part of a procurement committee and their family member owns a business that is supplying goods or services to HAI, there is a direct conflict of interest because the employee has a vested interest in the outcome of the procurement process.
- **Employment Conflict:** A staff member who is simultaneously working for another organisation that has business relations or competition with HAI, directly compromising their ability to act in HAI's best interest.

**2. Indirect:** Interests of close family members or personal relationships that could impact professional judgment. An indirect conflict of interest occurs when the decision-maker or employee at HAI does not have a direct personal interest in a matter, but someone with close personal or professional ties to them does. This can include family members, romantic partners,

close friends, or even past colleagues.

- **Family Interests:** If a senior staff member's spouse is employed by a supplier that is seeking to do business with HAI, this could create an indirect conflict. While the staff member does not personally benefit, their spouse does, and this could potentially influence their impartiality.
- **Close Personal Relationships:** A situation where a close friend or relative is bidding for a contract or applying for a position within HAI. Even if the decision-maker is not directly involved, the personal connection could impact their judgment or create an appearance of bias.
- **External Professional Relationships:** An individual previously worked with, or has close ties to, another organisation or stakeholder that now competes or collaborates with HAI. Their past relationships could unduly influence their decisions.

**3. Perceived:** Situations where a reasonable third party might believe a conflict exists, even if there is no actual conflict. A Perceived Conflict of Interest arises when an external party could reasonably believe that an individual's personal interests might improperly influence their professional actions, even if no actual conflict exists. This type of conflict relates to the appearance of bias or partiality, which can be just as damaging as an actual conflict, as it may undermine trust in the individual's decisions or the integrity of Humanitarian Aid International (HAI) as a whole

#### 1.4 Types of Conflicts

- **Financial Conflicts:** Where a staff member or their close relations stand to gain financial benefits from an HAI decision.
- **Personal Relationships:** Situations where an employee's decision may be influenced by family, romantic, or friendship relationships.
- **External Employment:** Engaging in employment or consulting work with organisations that conflict with the interests of HAI.
- **Gifts and Hospitality:** Accepting gifts, favours, or hospitality that could influence, or appear to influence, decision-making.

#### 1.5. Illustrations for conflict of interest in an organization

When the decision-making person of an organisation is involved in the following transactions, conflict of interest situations can arise:

- Appointing relatives in board or senior management;
- Selecting a vendor who is a relative;
- Deciding and paying fees/remuneration to self or relatives;
- Purchasing/Leasing a property for organisation from a relative or self;
- Selling/taking on lease a property for organisation from a relative or self;
- Having a Directorship or Managerial position in other competing organisation(s);
- Providing consultancies in personal capacities;
- Having a personal interest in any decision or resolution;
- Having relations/ownership or substantial interest in an organization giving or receiving donations

#### 1.6. Procedure to address the conflict:

a) *Identification and Disclosure of Conflicts*

- **Mandatory Disclosure:** All HAI staff, board members, and other associates are required to disclose any potential conflict of interest as soon as it arises. This includes financial interests, relationships, or external commitments that could conflict with their duties.
- **Annual Declarations:** In addition to immediate reporting, all relevant personnel must complete an annual conflict of interest declaration to ensure ongoing transparency.
- **Situational Reporting:** A process to report potential conflicts at the start of projects, meetings, or decision-making discussions where a conflict could arise.

b) *Disclosure*

Once the Conflict of Interest has been identified, the disclosure shall be made by all the interested parties. Disclosures should be made to the individual’s immediate supervisor or relevant committee. As a good practice, the disclosure shall be submitted as per the following:

| The person with Conflict-of-Interest | Disclosure to be submitted to |
|--------------------------------------|-------------------------------|
| Employees                            | Senior Management             |
| Senior Management                    | Board                         |
| Board Members                        | Chairman                      |
| Chairman                             | Board Members                 |

An organisation may, however, adopt a different system for the submission of disclosure. Such disclosures may be submitted either annually or upon the occurrence of a conflict of interest.

c) *Management of Conflicts*

Once the disclosure is made by all individuals, the decision regarding such transactions/events may be made by the Board or the concerned Department/Committee. Person(s) having a conflict of interest should refrain from being part of such processes. This would ensure transparency and fair decision-making in the process. It should be ensured that all such processes of decision-making are duly documented, i.e. the minutes of the proceedings should be duly recorded for future reference.

- **Documentation:** All disclosures will be documented and reviewed by an ethics committee or relevant senior management.
- **Recusal:** Individuals with a conflict of interest will recuse themselves from discussions, decisions, or activities where the conflict may affect their impartiality.
- **Third-Party Review:** Where necessary, an external party may be consulted to evaluate the situation and ensure fairness. Once the disclosure is made by all individuals, the decision regarding such transactions/events may be made by the Board or the concerned Department/Committee. Person(s) having a conflict of interest should refrain from being part of such processes. This would ensure transparency and fair decision-making in the

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### 1.7. Resolution Procedures

- **Formal Review:** If a conflict arises, the ethics committee will review the situation and recommend actions, which may include recusal, reassignment, or termination of an external engagement.
- **Disciplinary Action:** Failure to disclose or manage conflicts of interest may result in disciplinary actions, including termination of employment or contract.

### 1.8. Applicability and Accountability

- **Who Fills Out Forms:** All board members and employees (including full time, part time and interns) must make declarations and sign the conflict-of-interest form annually, and immediately the management whenever a potential conflict of interest arises.
- **Training:** Regular training will be provided to ensure all staff understand the policy and its application.

### 1.9. Policy Integration

The COI policy will be embedded across all relevant operational documents, including the code of conduct, procurement policy, and staff handbook, to ensure alignment with all organisational processes.

### 2.0 Monitoring and Review

The Conflict-of-Interest policy will be reviewed annually by HAI's governance team to ensure it remains relevant and aligned with the organization's operational context and external regulations.

#### Policy Review and Finalization

- Date of Last Review: 26 December 2024
- Date of Finalization: 26 December 2024
- Reviewed and Approved By: Programme Committee – HAI Board
- Next Review Date: 01 April 2025

## Declaration

This Conflict-of-Interest Policy was adopted by the Humanitarian Aid International Board of Directors on [Date]. All board members, employees, and associates are required to review and sign the policy, indicating their acceptance and understanding.

**Signature:** Board Chairperson: \_\_\_\_\_

Date: \_\_\_\_\_

**Annexure A -**

**Conflict of Interest and Confidentiality Agreement**



|  |  |
|--|--|
| <b>Name:</b>                             |  |
| <b>Position:</b>                         |  |
| <b>Organisation:</b>                     |  |
| <b>Tender:</b>                           |  |
| <b>Role in the procurement activity:</b> |  |



*“In a small country like ours, conflicts of interest in our working lives are natural and unavoidable. The existence of a conflict of interest does not necessarily mean that someone has done something wrong, and it need not cause problems. It just needs to be identified and managed carefully.”*

Controller & Auditor-General

**Do you have any actual, potential or perceived conflicts of interest?**

|  |   |
|--|---|
| <p>Do you have any personal interest in the purchasing decision?<br/><i>(e.g. you own shares in a supplier or related company)</i></p>   | <p><input type="checkbox"/> <b>Yes</b>      <input type="checkbox"/> <b>No</b><br/> <input type="checkbox"/> <b>Potentially</b> (tick ‘potentially’ if others could perceive you have a conflict)</p> |
| <p>Are you a relative or close friend of someone with a personal interest in the goods or services being purchased or who could be personally affected by the purchasing decision?<br/><i>(e.g. a family member is an employee or shareholder of a supplier)</i></p>                   | <p><input type="checkbox"/> <b>Yes</b>      <input type="checkbox"/> <b>No</b><br/> <input type="checkbox"/> <b>Potentially</b> (tick ‘potentially’ if others could perceive you have a conflict)</p> |
| <p>Do you have any personal obligations, loyalties or bias that could influence the way you evaluate offers and recommend purchases?<br/><i>(e.g. a close friendship with an employee of a supplier)</i></p>   | <p><input type="checkbox"/> <b>Yes</b>      <input type="checkbox"/> <b>No</b><br/> <input type="checkbox"/> <b>Potentially</b> (tick ‘potentially’ if others could perceive you have a conflict)</p> |
| <p>Have you recently been offered any special discounts, gifts, trips, hospitality, rewards or favours by suppliers of the goods or services being purchased?<br/><i>(e.g. free travel; free samples for your own use)</i></p>   | <p><input type="checkbox"/> <b>Yes</b>      <input type="checkbox"/> <b>No</b><br/> <input type="checkbox"/> <b>Potentially</b> (tick ‘potentially’ if others could perceive you have a conflict)</p> |
| <p>Are you aware of anything that could give the appearance that you might be biased towards or against a particular supplier?<br/><i>(e.g. you have expressed strong views about a supplier; you worked for a supplier; you use a supplier’s corporate box at a sports event)</i></p> | <p><input type="checkbox"/> <b>Yes</b>      <input type="checkbox"/> <b>No</b><br/> <input type="checkbox"/> <b>Potentially</b> (tick ‘potentially’ if others could perceive you have a conflict)</p> |

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**Confidentiality responsibilities**

All of the procurement project's discussions, meetings and material (written and electronic) are confidential and I agree to keep this information safe. I will not give this information to anyone outside the immediate tender team without prior approval from the Project Manager.

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**Restrictions on contact with suppliers**

I agree that my contact with potential suppliers is restricted during the period of the tender. I understand that until the successful supplier has been announced I will not:

- pass information or make comments to them about the tender
- receive any gift, gratuity, hospitality or any inducement from them
- meet them or have any discussion about the tender.

I will pass any requests for information and meetings from potential suppliers to the Project Manager.

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**Declaration of conflict of interest**

|   |  |
|---|--|
| <p><b>Actual</b> conflict of interest is where you already have a conflict.</p> <p><b>Potential</b> conflict of interest is where the conflict is about to happen or could happen.</p> <p><b>Perceived</b> conflict of interest is where other people might reasonably think you are not being objective.</p> | <p>If you have answered 'Yes' or 'Potentially' to any of the above questions, please provide details here. Otherwise sign the declaration below.</p> |
|---|--|

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**Your declaration**

|   |
|---|
| <p>Declaration –</p> <p>I, _____, working</p> <p>as _____ in the project</p> <p>_____</p> <p>supported by _____, hereby declare to the best of my knowledge that I:</p> |
|---|

1. Do not have any apparent interest whether real or personal, in the selection or recommending of the procurement to any of the vendors under this programme
2. Do not have any family members up to a civil degree, who are applicants or its employees, with apparent interest whether real or personal
3. Do not have any personal business that may be in conflict of interest with the applicants, under this programme.
4. Do not have in any way personal or real interest that may affect my duties or responsibilities in the selection and recommendations of applicants/ vendors under this programme.

I hereby likewise declare that I fully understand that in case any information that may cause me to be in a position that shall be in conflict of interest with regard to my duties and responsibilities arises after this declaration, I shall thereafter inform the organization/Committee.

I shall abide by the rules and regulations set forth by the institution, including any relevant rules and regulations, concerning conflict(s) of interest.

I hereby declare under penalty of perjury that I make this conflict-of-interest declaration with the above details being true and correct to the best of my knowledge and in good faith.

I confirm that the above details are correct to the best of my knowledge, and I make this declaration in good faith.

|  |  |        |
|--|--|--------|
| Name:  |  | Place: |
| Signature:   |  | Date:  |
| <b>Review by Programme Manager</b> – I confirm that I have received this declaration and noted the contents. Where a conflict of interest is declared, complete the next part of the form. |  |        |
| Name:  |  |        |
| Signature:   |  | Date:  |