

CONFLICT OF INTEREST POLICY



COPYRIGHT STATEMENT

© Action Against Hunger

Reproduction is permitted provided that the source is acknowledged, unless otherwise specified. If prior authorization is requested for the reproduction of textual and multimedia data (sound, images, software, etc.), such authorization will override the general authorization described above and will clearly indicate any restrictions on use.

DOCUMENT CONTROL

Date of edition/update:	Policy Owner:	Approved by: COMDIR	Next Review:
Created: 2022-07-30	Risk Management Department	COMDIR	12/2028
Revised: 2025-05-08		Date: 06/25	
Version number: 03			

TABLE OF CONTENTS

I. PURPOSE	4
II. SCOPE	5
III. DEFINITIONS.....	6
IV. POLICY STATEMENT	7
V. POLICY PRINCIPLES.....	8
To. DUTY OF DISCLOSURE	8
B. DUTY OF RECUSAL	8
C. DUTY OF INFORMATION.....	8
D. DUTY OF JOINT AND INDEPENDENT EVALUATION.....	9
VI. CREATING AN ENABLING ENVIRONMENT	10
A. ROLES AND RESPONSIBILITIES.....	10
B. TRAINING AND DEVELOPMENT	10
C. QUALITY, ACCOUNTABILITY AND LEARNING.....	11
VII. PROCEDURE FOR EVALUATING REPORTED CONFLICTS	12
VIII. ASSOCIATED POLICIES	14
IX. REFERENCE REGULATIONS	15
X. ANNEXES	16

I. PURPOSE

This policy is designed to protect the integrity of Action Against Hunger by ensuring that any current, potential, and/or perceived conflicts of interest, whether direct or indirect, is avoided or appropriately managed, promptly, and fully communicated and addressed properly.

In addition, this policy seeks to:

- Ensure that Action Against Hunger's deliberations and decisions are made in the interest of the organization, not for personal benefit, that of a family member, or any third party connected to any transaction, contract, or agreement.
- Guide the actions of employees and representatives of the organization who may receive reports of suspicion or identify actions that constitute a conflict of interest.
- Ensure compliance with our organization's Code of Conduct, Charter of Principles, commitments to established internal standards and regulations, and the requirements of our institutional donors, private sponsors, and national governments under whose authority our entities and programs operate.

II. SCOPE

This policy applies to Action Against Hunger Spain headquarters, delegations, regional offices and country offices, including members of Action Against Hunger's Boards of Directors, representatives and staff¹, interns and volunteers (collectively "team member(s)").

This policy also applies to third parties, including partners, consultants, individual and corporate contractors, or media representatives who establish any type of relationship with the organization. They will be required either to comply with this policy or to demonstrate that they have equivalent or more stringent policies and procedures.

¹ Part-time, temporary or full-time, including staff under contract with other Action Against Hunger headquarters that work in any programme of which Action Against Hunger Spain is the managing headquarters.

III. DEFINITIONS

For the purpose of this policy:

- **A conflict of interest** occurs when the personal, professional or business interests of a team member, or a linked party, may compromise – or appear to compromise – their independence, objectivity or impartiality when making decisions. This situation can negatively affect the fulfillment of duty towards the best interests of Action Against Hunger.
- **Family members or close relations** refer to the parents, children, siblings, spouse, civil union partner or common-law partner of the staff member. It may also include other relatives, individuals with whom the staff member has a romantic relationship, or close friends, whenever the relationship is such that it could provide a personal benefit to the staff member in the context of a transaction or decision related to Action Against Hunger.
- **"Related party"** includes any entity in which a staff member or a family member/close relation of a staff member has or may have an undue benefit, whether directly or indirectly.
- **"Undue Benefit"** means, but is not limited to, any advantage, financial or personal interest obtained by a team member or linked party, in connection with a transaction in which Action Against Hunger would not participate under normal market conditions or in the usual course of its activities.

IV. POLICY STATEMENT

Action Against Hunger expects all team members to adhere to the highest standards of accountability, which requires honest and ethical conduct. All actual or potential conflicts between the interests of a team member and the interests of Action Against Hunger and/or its participants (1) must be reported by completing *Annex 1 "Conflict of interest declaration form"* (2) If a new conflict subsequently arises, a new, updated form must be submitted. In both cases, conflicts must be independently assessed and approved according to the procedures set out in the policy, before the action giving rise to the potential conflict of interest goes forward. Examples of cases where conflicts of interest arise include:

- Engaging in any transaction or providing something of value to a party related to a team member.
- Making employment decisions that affect family members, including, but not limited to, hiring, promoting, or firing a family member.
- An entity in which a team member has an undue benefit in competing with the organization for donor funding or financial, programmatic, or other opportunities.
- International staff who are directly or indirectly engaged, either on their own behalf or on behalf of or through an agency of another person, in any business, profession or occupation in the countries to which they are assigned or who make loans or investments to/or in any business, profession or occupation in the foreign countries to which the international staff are assigned².

Action Against Hunger is committed to regularly updating this policy and its relevant procedures and processes to ensure that we integrate best practice at all times and to ensure that we take steps to put any organizational learning into practice.

² This is a mandatory requirement under USAID grants and cannot be waived or approved for international staff funded in whole or in part directly by USAID agreements.

V. PRINCIPLES OF POLICY

For a conflict of interest to be considered free of corruption, it must not involve undue personal gain. Otherwise, the potentially conflicting team member must do all of the following:

A. DUTY OF DISCLOSURE

If a team member or external stakeholder becomes aware of a potential conflict of interest, they must disclose the existence and nature of the conflict as soon as possible and before the conflict arises or before they participate in the transaction giving rise to the potential conflict of interest. The disclosure must be made in writing, including full details of the potential conflict of interest and, if possible, attaching all evidence or indicating where such evidence can be obtained (see *Annex 1 Conflict of interest declaration form*).

Team members are encouraged to comment and disclose any potential conflicts of interest. In line with our procedures, no retaliation will be taken against individuals who report in good faith. Disclosing it should be considered a matter of course and is simply a precaution to ensure that all our activities are carried out openly and fairly. Failure to disclose a potential conflict knowingly, or deliberately attempting to conceal it, constitutes a violation of this policy and may result in disciplinary measures, including termination of the employment contract, or legal action, in accordance with the applicable law.

B. DUTY OF RECUSAL

The team member must withdraw and not participate in any ongoing decisions, approvals, or management related to the transaction or conflict of interest.

The recusal must begin at the time when the team member is aware that a possible conflict of interest may arise and must last for the duration of the possible conflict of interest.

C. DUTY OF INFORMATION

All team members and external stakeholders must ensure that potential conflicts of interest are reported when they arise. Suspected violations of this policy should be reported through Action Against Hunger's *Feedback* and *Complaints Mechanism* channels, as secure and responsive mechanisms to which all team members have access, including anonymously if they so choose. All such

reports/incidents are independently and thoroughly investigated and fully monitored through the Ethical Incidents Management procedure.

We ensure that decisions to resolve incidents of conflicts of interest or to approve any transaction involving a potential conflict of interest are fully documented. When the results of an investigation report conclude that the allegations or suspicions of conflict of interest relating to one or more members of the team are well-founded, appropriate disciplinary measures and/or actions will be taken, which may include dismissal, termination of the contract/relationship, or the initiation of legal proceedings, in accordance with applicable law. Failure to disclose information during the investigation process and/or willful abuse of the reporting mechanisms set forth in this policy may be subject to sanctions.

D. DUTY OF JOINT AND INDEPENDENT EVALUATION

Any declared conflict of interest will be assessed in an objective and structured manner. Once the *Conflict of interest declaration form (Annex 1)* has been received through the Feedback and Complaints Mechanism channels, it will be forwarded to the corresponding responsible parties to begin its evaluation.

The evaluation will be carried out by the person responsible for the person reporting the case, together with the person responsible for the area where the conflict has an impact. Both will jointly assess the possible risks to the integrity, impartiality or reputation of the organization, as well as the feasibility of managing the situation appropriately.

In the event that both functions fall to the same person, i.e. the person with direct responsibility is also responsible for the affected area, the next higher hierarchical level will be used to ensure that the evaluation is composed of at least two independent people. In cases that affect the General Director, the evaluation will be the responsibility of the Board of Trustees.

VI. CREATING AN ENABLING ENVIRONMENT

A. ROLES AND RESPONSIBILITIES

All Action Against Hunger team members and stakeholders must comply with this conflict of interest policy. All team members are also responsible for promoting compliance with this policy among other team members who are subject to their supervision. We are committed to promoting this policy internally through appropriate communication channels. All team members are expected to disclose as soon as possible any actual or potential conflicts of interest affecting their responsibilities and to assist in any investigation by providing all relevant information and cooperating in interviews.

All personnel in the organization are responsible for creating and maintaining an environment and culture that ensures honest, ethical, and responsible conduct and avoids conflicts of interest. They ensure the full application of this policy in their area of operations and ensure that decisions involving potential conflicts of interest brought to their attention do not involve any undue benefit and are taken independently of the team members and stakeholders potentially involved in the conflict, with maximum respect for confidentiality and the absence of retaliation.

The People Area is responsible for ensuring that all team members receive the Conflict of Interest Policy, certify that they understand this policy, and agree to abide by it in the onboarding process.

B. TRAINING AND DEVELOPMENT

Action Against Hunger is responsible for implementing awareness and training of this policy through regular training opportunities (face-to-face or virtual, as appropriate) for all team members.

All team members should be aware of, kept informed of, and trained in the conduct required by this policy during their onboarding and on their responsibilities under it. Among them, what conflicts of interest are and how to disclose, recuse and notify them.

The content of the training should be tailored to the audience, their respective role, area of responsibility and level of exposure to conflict of interest and, as necessary, additional guidance and/or training should be provided for positions

where conflicts of interest are most likely to arise. This should be based on regular risk assessments and organizational learning.

C. QUALITY, ACCOUNTABILITY AND LEARNING

In order to ensure the correct application of this policy and to condemn any form of conflict of interest, the organization undertakes to remain vigilant about this policy. We are committed to establishing relevant internal procedures and controls, including clear roles and responsibilities, segregation of duties and other internal controls at each level of the organization, in order to prevent and/or detect incidents of conflict of interest. The processes and procedures for the implementation of this policy will be constantly monitored and reviewed to ensure their effectiveness and identify areas for improvement.

A consistent and systematic review of lessons learned is conducted in relation to all incidents, suspicions and allegations reported in accordance with this policy, including a thorough analysis of the reports received, the timeframes taken to address and resolve the report, emerging thematic trends and rates of successful closure. This analysis will contribute to improved programming and strengthened accountability mechanisms in Action Against Hunger.

Notification mechanisms are in place and adopted to ensure that donors, regulators, partner organizations, consortium coordination bodies, grantors/principal awardees or other third parties are notified and informed of any suspicion, allegation or actual case of conflict of interest that may affect them, in accordance with applicable legal, regulatory and contractual obligations (such notification must comply with applicable laws and regulations relevant ones, including those relating to employment and data protection). If necessary, incidents will be reported to the police or other local authorities in accordance with applicable law.

VII. PROCEDURE FOR EVALUATING REPORTED CONFLICTS

To ensure the proper management of declared conflicts of interest, the organization will establish a formal procedure for the evaluation, validation and resolution of the reports submitted.

1. **Receipt of the report:** Any conflict of interest must be declared using the Conflict of interest declaration form (Annex 1) and submitted through the channels of the organization's Feedback and Complaints Mechanism, either at the time of recruitment if a conflict has already been identified, or at any time during employment or contractual relationship should a new conflict situation arise.
2. **Preliminary assessment:** Once the Conflict of interest declaration form (Annex 1) has been received it will be forwarded to the relevant persons responsible to begin its assessment.

The assessment will be carried out jointly by the direct line manager of the person declaring the conflict and by the manager of the unit in which the conflict arises or has an impact. Both must objectively assess the potential risks to the integrity, impartiality, and reputation of the organization, as well as the feasibility of managing the situation appropriately and in compliance with this policy.

3. **Management decision:** Based on the analysis carried out, one of the following resolutions will be determined:
 - **No conflict:** No additional action is required.
 - **Manageable conflict:** Specific mitigation measures will be implemented, such as recusing certain activities or additional monitoring of decisions.
 - **Prohibited conflict:** The reported situation will be prohibited, and corrective actions will be proposed, which may include the reassignment of tasks, contractual modifications, or the initiation of legal actions in serious cases, the termination of employment or contractual relationship.

If the two evaluators cannot reach an agreement on the existence or management of the conflict of interest, the decision shall be referred to the next higher common hierarchical level. If no such common hierarchical level exists, or if no agreement is reached, the decision will rest with the Geographical Desk at Country Offices, ensuring independence and traceability in the process.

Once the assessment has been completed, the resolution adopted will be documented and shared with the Human Resources Department, in order to ensure proper recording and follow-up.

4. **Documentation and archiving:** All evaluations, resolutions and measures adopted must be recorded in the personal file of the team member and, where appropriate in the event of a complaint, in Action Against Hunger's internal ethical incident management systems.
5. **Confidentiality and protection:** The information contained in the reports and in the evaluation process will be treated under strict principles of confidentiality. We will ensure that there is no retaliation against anyone who has declared a potential conflict of interest in good faith.
6. **Independence of the process:** All individuals involved in the reception, analysis, and resolution of reports must be free of any personal or professional interest related to the case being evaluated. If, at any stage of the procedure, a person identifies a possible conflict of self-interest, he or she must report it immediately and refrain from continuing to participate in the process.

VIII. ASSOCIATED POLICIES

- Code of Conduct
- Charter of Principles
- Anti-fraud policy
- Policy and protocol of the internal information system.
- Data Protection Policy
- People Management Framework

IX. REFERENCE REGULATIONS

Action Against Hunger is committed to complying with the following laws and standards, as applicable, in relation to conflicts of interest:

- Humanitarian and Development Sector Standards:
 - IASC Commitment
 - The Core Humanitarian Standard (CHS)
 - ICVA commitments, etc.
- EU:
 - Regulation (EU, Euratom) No 2018/1046
 - Financial Regulation ('FR 2018')
- USA:
 - U.S. Foreign Corrupt Practices Act
 - 2 CFR 200.113
 - USAID Standards & OIG Mandatory Reporting Requirements
 - U.S. Department of State, PRM Requirements
- CANADA
 - Conflict of Interest Act (S.C. 2006, c. 9, s. 2)
- UNITED KINGDOM:
 - Bribery Act 2010
 - FCDO Supply Partner Code of Conduct

X. ANNEXES

Annex 1 – CONFLICT OF INTEREST DECLARATION FORM

