

Rural Education and Environment Development Center (REED- Nepal)

CONFLICT OF INTEREST POLICY

Policy Owner:	Chief Executive Officer
Approved by:	Executive Committee of REED Nepal
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1. PURPOSE

Actions and decisions taken at all levels within Rural Education and Environment Development Center (REED Nepal) and its work need to be informed, objective and fair. The purpose of this Policy is to provide Board members, staff and volunteers access to information and a mechanism to disclose potential conflicts. It aims to ensure the highest level of ethical conduct of persons employed by or involved in REED Nepal; and avoid perceptions and consequences detrimental to REED Nepal that could arise from the real or perceived misuse of an individual's position or influence.

2. DEFINITIONS

Conflict of interest

Where there is a conflict between the individual interests of a Board member, staff member or volunteer, and their professional obligation to REED Nepal such that it may provide, or be perceived to provide, advantage to the individual or to others who are associated with them, or such that an observer might reasonably question whether the professional actions or decisions were influenced by their own interests or are for their own benefit;

Or where an individual's position within REED Nepal provides either personal benefit beyond the declared benefits arising from that position or an opportunity for undue influence in a decision relating to another person's benefit;

Or where there is conflict of interest arising within projects that has potential impact on the development principles of REED Nepal.

Conflict of Duties

Where an individual, while occupying more than one position that involves the exercise of power or influence, affects outcomes in one position that are of direct and personal benefit to him/her as an occupant of another position.

Benefit

Means anything that provides a Board member, staff member or volunteer with a direct or indirect personal gain or the potential for personal gain or gain to a third party. Such a gain need not be financial, but could include provision of material or facilities, or provision of benefits.

3. POLICY PROCEDURES

3.1 Board Members

Its board members need to notify in board on personal interest when conflict arises. Board member with a potential conflict of interest must make full disclosure of:

- (i) the nature and extent of the interest; and
- (ii) the relation of the interest to the affairs of the REED Nepal

This disclosure must be recorded in the Minutes of a Board meeting and recorded in the *Conflicts of Interest Register*. Any disclosure of potential conflict must be made before any decision is made or expected regarding the particular situation that raises concerns.

A board member who has an interest in a matter may give the other board members standing notice of the nature and extent of the interest in the matter. This disclosure must be recorded in the Minutes of the Board meeting and recorded in the *Conflicts of Interest Register*. Any disclosure of potential conflict must be made before any decision is made or expected regarding the particular situation that raises concerns.

A board member may not be present during the deliberations of the Board in regard to any matter touching upon the subject matter of the conflict. Failure to comply with the provisions of the Corporations Act is an offence.

3.2 REED Nepal Staff and Volunteers

Staff and volunteers with a conflict of interest must make disclosure of the situation and all relevant facts known to the CEO at the earliest possible opportunity. Staff needing to disclose conflict of interest should complete the *Conflict-of-Interest Disclosure Form (Annex B)* on employments. Any conflict will be recorded in the *Conflicts of Interest Register*. Breach of this Policy may result in disciplinary action and may ultimately jeopardize the staff member's employment or the volunteer's engagement with REED Nepal.

3.3 REED Nepal Projects

Within the project context, conflict of interest needs to be discussed and relevant measures taken to: reduce the incidence of pecuniary advantage to individuals or groups; increase transparency in procurement arrangements; and to prevent project benefits being unfairly apportioned.

Board members, staffs, volunteers, consultants and visitors to REED Nepal projects will record any gifts or benefits given by project partners, individual donor, private company, vendor. It is encouraged to decline gifts of any value given in anticipation of preferable treatment in the future, taking care to consider the cultural context in which the gift is offered and to avoid giving offence.

3.4 Confidentiality

Board members, staff and volunteers are bound by rules of discretion in regard to all matters of REED Nepal business externally or internally. Further details are included in the REED Nepal *Communications Policy*.

4. ROLES AND RESPONSIBILITIES

4.1 REED Nepal Board

All board members are responsible for ensuring their own compliance with the Nepal government/SWC policy and guideline.

4.2 REED Nepal Board and CEO

The Board and CEO will provide information and awareness of this Policy and associated Policies to staff and volunteers. The GM will be alert to the possibility that the situations of

staff members and volunteers may change and may require disclosure of a potential conflict of interest.

4.3 REED Nepal Staffs and Volunteers

Individuals are responsible for their own compliance with this Policy. If the situation of a staff member or volunteer changes during their employment and they need to disclose a conflict of interest, they must complete the *Conflict of Interest Disclosure Form*.

CONFLICT OF INTEREST PROCEDURES FOR REED Nepal Board Members

Material personal interest – Board Members duty to disclose

Board member's *duty to notify other members of material personal interest when conflict arises.*

(1) A board member who has a material personal interest in a matter that relates to the affairs must give the other member notice of the interest unless subsection (2) says otherwise.

(1A) For an offence based on subsection (1), strict liability applies to the circumstance, that the board member has a material personal interest in a matter that relates to the affairs of the company. Note: For *strict liability*, see section 6.1 of the *Criminal Code*.

(2) The notice required by subsection (1) must: (a) give details of:

- (i) the nature and extent of the interest; and
- (ii) the relation of the interest to the affairs

The details must be recorded in the minutes of the meeting.

Chairperson may give other Board member standing notice about an interest

(1) Board chair may give the other members standing notice of the nature and extent of the interest in the matter in accordance with subsection (2). The notice may be given at any time and whether or not the matter relates to the affairs of the company at the time the notice is given. Note: The standing notice may be given to the other Directors before the interest becomes a material personal interest.

(2) The notice under subsection (1) must:

- (a) give details of the nature and extent of the interest; and
- (b) be given:
 - (i) at a board meeting (either orally or in writing); or
 - (ii) to the other members individually in writing.

The standing notice is given under subparagraph (b)(ii) when it has been given to every board members.

Standing notice must be tabled at meeting if given to board member individually

(3) If the standing notice is given to the other board members individually in writing, it must be tabled at the next Board meeting after it is given.

Nature and extent of interest must be recorded in minutes

(4) The board chair must ensure that the nature and extent of the interest disclosed in the standing notice is recorded in the minutes of the meeting at which the standing notice is given or tabled.

Dates of effect and expiry of standing notice

(5) The standing notice:

- (a) takes effect as soon as it is given; and
- (b) board chair ceases board member at the time if seen any conflict of interest.

A standing notice that ceases to have effect under paragraph (b) commences to have effect again if it is given to the person referred to in that paragraph. Note: The notice may be given to the person referred to in paragraph (b) by someone other than the board chair to whose interests it relates (for example, by the secretary).

Effect of material increase in nature or extent of interest

(6) The standing notice ceases to have effect in relation to a particular interest if the nature or extent of the interest materially increases above that disclosed in the notice.

(7) A contravention of this section by a board chair does not affect the validity of any act, transaction, agreement, instrument, resolution or other thing.

**REED Nepal CONFLICT OF INTEREST DISCLOSURE
FORM
FOR REED Nepal STAFF AND
VOLUNTEERS**

I have read and agree to abide by the above *Conflict of Interest Policy*. To the best of my knowledge, I have no conflicts as described in this Policy, except those noted below or on the attached document. I also acknowledge my continuing obligation to notify the REED Nepal of any conflict that may arise during my time as a staff member or volunteer.

Signature:

Date:

Please Print Name: