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# Ethics Officer Recruitment Process 2021-2022 – Revisions to the Terms of Reference of the Ethics Officer

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GF/B45/ER02

Electronic Report to the Board

17 May 2021

## **Board Decision**

Purpose of the paper: The report is submitted upon recommendation of the Ethics and Governance Committee to the Board. The report lays out the high-level process and steps in preparation for the launch of the next Ethics Officer recruitment process and proposes revisions to the Terms of Reference of the Global Fund Ethics Officer, for Board Decision.

## Decision

**Decision Point: GF/B45/EDP02: Revisions to the Terms of Reference of the Ethics Officer**

- 1. The Board recalls its ultimate ownership over the Ethics and Integrity Framework and its authority to appoint the next Global Fund Ethics Officer.**
- 2. Based on the recommendation of the Ethics and Governance Committee, the Board approves revisions to the Terms of Reference of the Ethics Officer, as set forth in Annex 1 to document GF/B45/ER02.**
- 3. The Board acknowledges that this decision point and the revisions to the Terms of Reference of the Ethics Officer shall supersede the approval of the previous Terms of Reference of the Ethics Officer, as set forth in Annex 1 to GF/B33/ER08 and pursuant to decision point GF/B33/EDP14 (July 2015).**
- 4. Accordingly, the Board instructs the Secretariat to launch the recruitment process to engage the next Global Fund Ethics Officer for appointment by the Board on a no-objection basis, following the joint recommendation of the EGC and the Executive Director.**

***Budgetary implications (included in OPEX budget).***

A summary of relevant past decisions providing context to the proposed Electronic Decision Point can be found in Annex 3.

# Executive Summary

## Context

The term of the current Ethics Officer (“EO”) will expire in April 2022. This paper lays out the high-level process and steps in preparation for the launch of the recruitment process. It proposes, for Board decision, revisions to the Terms of Reference (“ToRs”) of the Global Fund Ethics Officer, as well as summarizing the recruitment process which will run in the second half of 2021.

## Input Sought

The Board is requested to approve the following Decision:

- GF/B45/EDP02: Revisions to Terms of Reference of the Ethics Officer

## Questions this paper addresses

- A. What is the recommendation?
- B. What is the recruitment process?
- C. What do we need to do next to progress?

## Conclusions

- A. Following relevant inputs from the Executive Director, Inspector General, and functions interacting with the Ethics Office (HR, Legal and Governance, Grant Management, Risk, Finance and the Chief of Staff), as well as the incumbent Ethics Officer, the EGC reviewed the revisions to the Terms of References of the Global Fund Ethics Officer at its 15<sup>th</sup> meeting in March 2021. The suggested edits include housekeeping edits and revisions aimed at ensuring clarity and alignment with current relevant policy.
- B. In line with the procedures outlined in the Terms of Reference of the Ethics Officer, the process to select the next Ethics Officer should be launched through standard Global Fund recruitment procedures, by July 2021. A selection panel composed of the Executive Director and EGC representatives is responsible for assessing candidates and presenting a final candidate to the Board for no-objection appointment.

Following EGC discussion at its March 2021 meeting, the EGC in executive session EGC delegated to Suomi Sakai (Vice-Chair) and Mohammad Kisubi (independent member of the EGC) (the “EGC Delegates”) the authority to act on behalf of the EGC in the Ethics Officer recruitment process.

- C. Following the Board’s adoption of the revisions to the Terms of Reference of the Ethics Officer, the launch of the recruitment process will commence in July 2021.

## Input Received

- Input from the Secretariat on the TOR, including consultation with the Executive Director, Inspector General, and functions interacting with the Ethics Office (HR, Legal and Governance, Grant Management, Risk, Finance and the Chief of Staff) as well as the incumbent Ethics Officer.
- Constituency input was sought via constituency statements submitted to the EGC ahead of their 15<sup>th</sup> meeting held in March 2021.
- Discussion at 15<sup>th</sup> EGC meeting.
- Input from the Head, Human Resources (“HR”) Department and Legal and Governance Department, to define the process in line with standard Global Fund recruitment procedures.

## What is the need or opportunity?

1. The Ethics Officer is appointed through standard Global Fund recruitment procedures for a three-year term that may be renewed no more than once. The term of the current Ethics Officer will conclude in April 2022.
2. In line with the Charter of the EGC and the Terms of Reference of the Global Fund Ethics Officer, and in consultation with the Executive Director, Inspector General and the Secretariat, as well as the incumbent Ethics Officer, the EGC deliberated on proposed revisions to the Terms of Reference of the Ethics Officer. The EGC makes the following recommendation for Board decision:
  - i. Proposed revisions to the Terms of the Reference of the Global Fund Ethics Officer
3. Following the Board's adoption of the Terms of Reference of the Global Fund Ethics Officer, the recruitment process would be launched through standard Global Fund recruitment procedures for a three-year term that may be renewed no more than once.
4. This paper presents three components as follows:
  - i. EGC recommendation to the Board - Revisions to the Terms of Reference of the Global Fund Ethics Officer for;
  - ii. Overview of the Ethics Officer recruitment process preparatory steps;
  - iii. Overview of the recruitment process, Selection Panel, due diligence and assessments.

## EGC Recommendation – Revisions to the Terms of Reference of the Global Fund Ethics Officer

5. The Board approved the EO ToRs in 2015, before the creation of the Ethics Office and appointment of the first dedicated Global Fund Ethics Officer. In line with good practice before a recruitment process, a light-touch review of the TOR was undertaken, supported by high-level benchmarking with respect to selected international organizations. Noting that the current ToRs preceded the appointment of the first dedicated Ethics Officer, the aim of the review of the ToRs was to ensure a clear depiction of the role of the Ethics Officer, following two terms of activity.
6. Initial revisions are proposed in Annex 1, following internal review with key stakeholders, including the Executive Director, the Ethics Officer, the OIG, HR Department, Risk Management Department, Grant Management Division, and Legal and Governance Department. Proposed edits may be summarized as follows, with key changes grouped by theme.

<b>Mandate</b>	Establishing that the Ethics Officer serves as a second line of defense in the management of ethics and integrity risks facing the Global Fund, in line with the Global Fund's risk management model.
<b>Engagement with stakeholders</b>	<p>Recognizing the Ethics Officer's advisory role with respect to ethics risks, in line with the Ethics and Integrity Framework and the Codes of Conduct;</p> <p>Referencing the revised Policy on Conflict of Interest and the Codes of Conduct, as well as the Policy to Combat Fraud and Corruption, in connection with the Ethics Officer's monitoring role; and</p> <p>Reflecting that the Ethics Officer leads an Ethics function, which is not part of the current ToRs.</p>

<b>Responsibilities</b>	<p>Reflecting the transition from building a new Ethics function and closing gaps, to a focus on monitoring and continuous improvement;</p> <p>Reflecting the Ethics Officer’s engagement with HR and other stakeholders with respect to staff training, awareness-raising and capacity-building;</p> <p>Clarifying the Ethics Officer’s responsibility to protect whistle-blowers, in line with Retaliation being a ‘Prohibited Practice’ under the Policy to Combat Fraud and Corruption, as well as practices among other international organizations;</p> <p>Codifying the Ethics Officer’s role in advising the EGC on investigations of Governance Officials, following referral to and as may be requested by them further to their Charter and the Code of Conduct for Governance Officials; and</p> <p>Acknowledging that investigations will be undertaken in accordance with the mandates of the OIG, HR policies and the Ethics and Integrity Framework. The ToRs will be complemented by a framework for misconduct investigations, which is under development. The framework for misconduct investigations will be presented for approval by the Committees having oversight of the OIG, HR policies and the Ethics and Integrity Framework and, if necessary, the Board (as required by Ethics AMA 3); and</p> <p>Housekeeping updates to administrative matters.</p>
<b>Required skills and experience; Competencies</b>	References to current frameworks applicable to senior management.

## Overview of the Ethics Officer recruitment process preparatory steps

### Key milestones and timeline for preparation, launch and delivery of the recruitment process

7. The table below outlines the high-level indicative timelines for the EO recruitment process. The objective is to enable the Board to make an appointment by December 2021.

Indicative Timeline	Activity	Lead
Q1-2 2021	Discussion at <b>March EGC meeting</b> on process. Review of <b>EO TOR</b> .	EGC (in consultation with LGD, HR and ED)
	Form <b>Selection Panel</b>	EGC and ED (HR and LGD)
	Define high-level <b>work plan</b> for the recruitment process; appoint search firm	HR & LGD
Q2 2021	EGC recommendation and <b>Board decision</b> on revisions to EO TOR.	EGC, Board
July 2021- December 2021	<b>Recruitment process</b>	Selection Panel HR Search Firm
By December 2021	<b>Board decision</b> to appoint next Ethics Officer.	Board
Q1 2022	<b>Transition and onboarding</b>	

## Key Principles

8. Principles. Overall guiding principles and key considerations for the recruitment process are as follows:
- i. A **merit-based, competitive, confidential and apolitical** selection process. A process aimed at meeting the candidate with the highest standards of **competence, efficiency and integrity**.
  - ii. Due attention to **equal opportunity for all, diversity** of candidate profiles, seeking diversity of gender and geographic background within the candidate pool, as well as diversity of professional experience, within the parameters of the specific technical requirements of the role. A process open to all **qualified** candidates regardless of their sex, gender identity, sexual orientation, HIV status, race, national origin, cultural or ethnic background, disability, marital status, religion, or age.
  - iii. **Broad global and open outreach** by an executive search firm through relevant networks, including professional bodies and through global online employment sites, supported by advertising in multiple languages.
  - iv. **Due diligence** conducted in line with best practice.

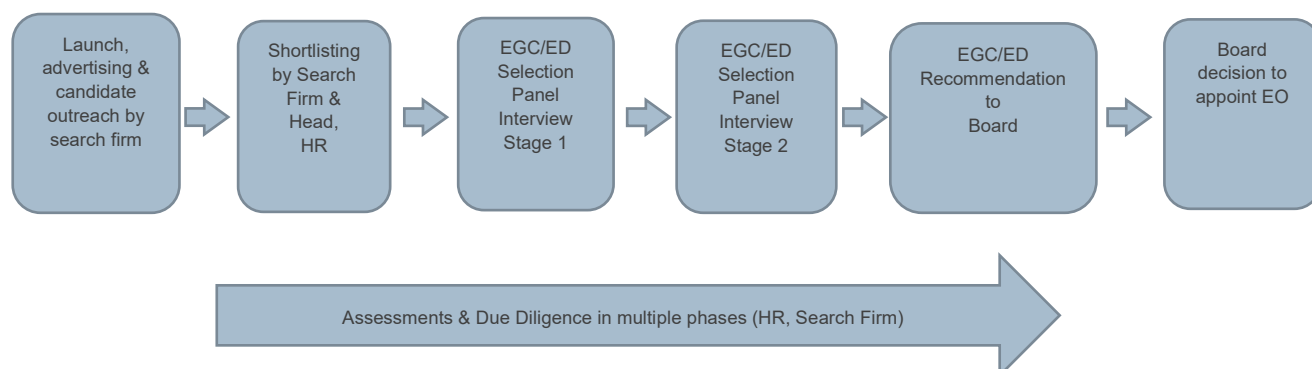
## Roles and Responsibilities

9. Roles and responsibilities as defined in the Charter of the Ethics and Governance Committee, and the Terms of Reference of the Ethics Officer are outlined as follows:

<b>Board</b>	Approves revisions to TOR of EO Appoints EO on joint recommendation by the EGC and ED
<b>EGC</b>	Appoint EGC representatives (2) to Selection Panel. Advise Board on revisions to the TOR of the EO. During recruitment process, advise on escalated ethics-related matters identified during due diligence process (as needed).
<b>Executive Director</b>	Is consulted for the TOR of EO. Member of Selection Panel.
<b>Selection Panel</b>	Assess and interview candidates. Select final candidate for Board appointment.
<b>Search Firm</b>	Broad candidate outreach; candidate management; assessments in line with standard Global Fund recruitment processes (psychometric testing; leadership assessment). Coordination of due diligence, including engagement of external service providers.
<b>Human Resources Department</b>	Advise on work plan for process in line with standard Global Fund recruitment processes. Process management in line with Global Fund recruitment procedures. Head, HR, shortlists candidates in collaboration with the Search Firm. Coordinate the engagement of search firm, including for due diligence steps.
<b>Legal and Governance Department</b>	Advisory support

# Overview of the recruitment process, Selection Panel, due diligence and assessments

## Overview of Recruitment Process



### 10. Key process steps:

- i. **Outreach by Search Firm:** broad global outreach in line with principles outlined in paragraph 1 above.
- ii. **Longlisting and shortlisting:** in line with Global Fund recruitment procedures, the Head, HR and the Search Firm will review all applications to reach a shortlist of candidates for Stage 1 interviews. The Head, HR, may engage with the Selection Panel during the shortlisting process.
- iii. **Interview Stage 1:** conducted by Selection Panel with Observers. Reach shortlist for Stage 2 interview.
- iv. **Interview Stage 2:** conducted by Selection Panel and leading to recommendation of final candidate to Board for appointment.
- v. Due diligence and assessments as outlined in Part 4 below.

## Selection Panel Composition

11. In line with the Charter of the EGC, the provisions of the EO TOR, the scope of the EO role, and the 2015 EO recruitment process, a Selection Panel is planned as follows:
- i. Decision-makers:
    - a. Executive Director; and
    - b. EGC representatives. During the EGC 15<sup>th</sup> meeting in March 2021, the EGC in executive session delegated authority to Suomi Sakai (Vice-Chair) and Mohammad Kisubi (independent member with ethics expertise), to serve together with the Executive Director on the Selection Panel for the recruitment of the next Ethics Officer.
  - ii. Observers: Inspector General; Head, HR Department and a Staff Council representative. (Observers invited to Interview Stage 1).

12. The Selection Panel will reach its recommendation by consensus among the ED and EGC representatives.

## Due diligence and Assessments

13. The EO position is a unique role at the Global Fund. Due diligence will be conducted in line with the Integrity Due Diligence Framework. In the interest of avoiding conflict of interest, the due diligence will be coordinated jointly by the HR Department and the search firm, using a specialist due diligence provider, with attention to effective coordination to avoid duplication of effort. Complex or novel issues will be referred to the EGC for advice or decision.

14. **Due diligence** will be conducted in multiple stages. Overall, roles are anticipated as follows:

- i. **Search firm:** conducts competency and personality enquiries, as well as broad reputational questions to sources and references including former colleagues and peers; administers enhanced disclosures, provides the Selection Panel with a summary of the findings on each candidate.
- ii. **Specialist due diligence provider:** engaged by the Search Firm conducts enquiries focusing on integrity matters, with a broader range of sources able to comment specifically on issues of potential concern (for example, sources close to regulatory, public and political bodies).
- iii. **Human Resources Department:** supports the overall coordination of due diligence in coordination with the Search Firm. Supports liaison with Legal and Governance Department on due diligence matters which may merit review or referral to the EGC.

15. **Review of due diligence reports and disclosures, and advice to the Selection Panel on any due diligence-related matters,** will be provided by the Search Firm, ensuring necessary expertise within the firm, or engaging such expertise within the scope of the contract. The Legal and Governance Department remains available to liaise on matters meriting review or referral to the EGC.

16. **Assessments.** The search firm and HR Department will coordinate to ensure the Selection Panel's deliberations are supported by robust assessments, including the Global Fund Organizational Fit Assessment, Global Fund Leadership Assessment, psychometric testing, and additional assessments as relevant.

## What do we need to do next to progress?

17. Next steps are as follows:

- i. Board decision to adopt revisions to the Ethics Officer ToRs.
- ii. Internal preparations for the launch of the selection process.

### What would be the impact of delaying or rejecting the decision to progress?

18. Delay to approval of the ToRs may result in a delayed recruitment process launch, and thus impact on timely recruitment, and on an effective transition between Ethics Officer terms.

## What is the EGC's recommendation?

19. The EGC is grateful to the Constituencies that submitted statements ahead of its 15<sup>th</sup> meeting, the Executive Director, Inspector General, and functions interacting with the Ethics Office (HR, Legal and Governance, Grant Management, Risk, Finance and the Chief of Staff) as well as the incumbent Ethics Officer.

20. The Board is requested to approve the Decision Point presented on page 2.



## **Annexes**

The following items can be found in Annex:

- Annex 1: Terms of Reference of the Global Fund Ethics Officer
- Annex 3: Relevant Past Decisions

### **Annex 1 – Terms of Reference of the Global Fund Ethics Officer (attached)**

## Annex 3 – Relevant Past Decisions

Relevant past Decision Point	Summary and Impact
<b>GF/EGC15/ER01: Committee Recommendation to the Board (May 2021)</b>	The EGC approved the revisions to the Terms of Reference of the Global Fund Ethics Officer and made a recommendation to the Board for approval.
<b>GF/B42/DP06: Revision to the Charter of the Ethics and Governance Committee (November 2019)<sup>1</sup></b>	The Board approved revisions to the selection process of the members of the Board Standing Committees and to the Charters of the Board Standing Committees.
<b>GF/B34/EDP08: Appointment of the Ethics Officer (January 2016)<sup>2</sup></b>	The Board approved the appointment of Nick Jackson to the position of Global Fund Ethics Officer for a three-year term, which could be renewed no more than once.
<b>GF/AEC12/EDP02: Appointments to the Selection Panel for the recruitment of the Global Fund Ethics Officer (September 2015)</b>	The Audit and Ethics Committee (AEC) appointed Claude Rubinowicz and Wendy Harrison to the Selection Panel to serve as AEC representatives and act with the delegated authority of the AEC to jointly select, with the Executive Director, the Ethics Officer for appointment by the Board.
<b>GF/B33/EDP14: Terms of Reference of the Ethics Officer (July 2015)<sup>3</sup></b>	The Board approved the Terms of Reference of the Ethics Officer, superseding GF/B33/DP09. The appointment process as defined in the Terms of Reference required the committee responsible for ethics matters (formerly AEC) to jointly select the Ethics Officer with the Executive Director for appointment to the Board on a no-objection basis.
<b>GF/B32/DP09: Ethics and Integrity Initiative: First Stage Proposals (November 2014)<sup>4</sup></b>	The Board approved the Ethics and Integrity Framework, which provides that the Ethics Officer is approved by the Committee with delegated responsibility to oversee the framework's implementation (formerly AEC).

<sup>1</sup> <https://www.theglobalfund.org/board-decisions/b42-dp06/>

<sup>2</sup> <https://www.theglobalfund.org/board-decisions/b34-edp08/>

<sup>3</sup> <https://www.theglobalfund.org/board-decisions/b33-edp14/>

<sup>4</sup> <https://www.theglobalfund.org/board-decisions/b32-dp09/>