

Global Fund Ethics Office Annual Report and Opinion 2022

49th Board Meeting

GF/B49/09
10 – 11 May, Ha Noi, Viet Nam

Board Input

Purpose of the paper: the board is requested to provide input and comment on the Ethics Officer's Annual Report and Opinion for 2022.

Document Classification: Internal.

Document Circulation: Board Members, Alternate Board Members, Constituency Focal Points and Committee Members.

This document may be shared by the Focal Points within their respective Board constituency. The document must not however be subject to any further circulation or otherwise be made public.

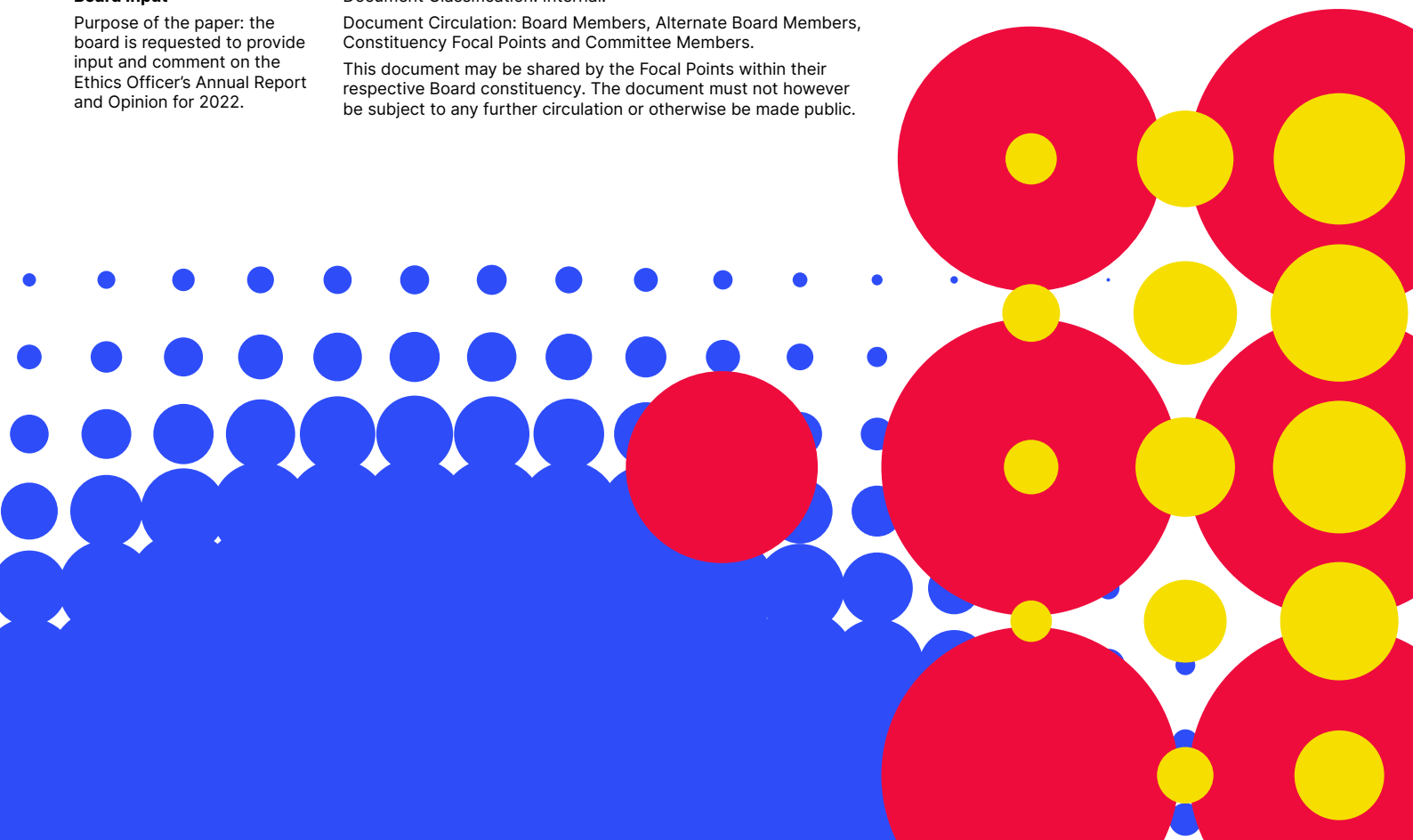


Table of Contents

I. Executive Summary	3
II. Ethics Office Profile	4
I. Foreword	5
II. Annual Opinion	6
III. 2022 in Review	10
ANNEX I Summary ECI Organizational Maturity Scale	18
ANNEX II Agreed Management Actions Resume	20

.....

I. Executive Summary

Context

This paper presents the Global Fund Chief Ethics Officer's (EO's) Annual Report and Opinion 2022¹. It should be considered and read in conjunction with other reports the Board may receive, particularly those from the Inspector General² and Chief Risk Officer³.

Input Sought⁴

The Board's input is sought on the opinion and progress report, with a view to improving the focus and effectiveness of the Global Fund's maturity in ethics and integrity.

Questions this paper addresses

- What is the Ethics Officer's Opinion on the state of ethics and integrity across the Global Fund?
- What progress has the Global Fund made in ethics in 2022?
- What are key areas of focus for 2023?

Conclusions

- The overall state of ethics risk is high given external factors, but mitigation measures are either in place or under development to manage the risk to an acceptable level.
- Despite multiple global crises the Global Fund did not backslide in terms of ethics maturity⁵. The overall maturity level of ethics at the Global Fund is assessed as 'Adapting', i.e., "a program that contains a number of elements reflecting some important attributes, but with room to further mature."
- With respect to compliance, the Ethics Officer is not aware of any allegations of ethical breaches that the organization has failed to address according to its currently approved policies and procedures.

- In 2022, the Global Fund put in place several measures, designed to further strengthen organizational ethics, most notably the expansion of a dedicated unit for the protection from sexual exploitation, abuse and harassment (PSEAH).
- In 2023, the focus should remain on conflict-of-interest management in the context of grant making; sexual exploitation, abuse and harassment in grant programs; non-financial sources of fraud and corruption risk which undermine program delivery and reliable data, and a renewed emphasis on strengthening a culture of ethics and integrity through awareness training, trainings and eLearning.

Input Received

This report has been shared with the Office of the Inspector General (OIG), the Management Executive Committee and submitted to the 21st Ethics and Governance Committee for inputs.



In 2022, the Global Fund put in place several measures, designed to further strengthen organizational ethics.

¹ This Opinion is delivered in accordance with article 2.a.i of the Terms of Reference of the Ethics Officer, as set forth in Annex 1 to GF/B45/ER02 and approved by the Board pursuant to decision point GF/B45/EDP02. The Ethics and Governance Committee, in accordance with its Charter, is responsible for oversight of the compliance, and the adequacy of the systems in place for confirming compliance, with applicable policies and codes for ensuring ethical behavior by the relevant Global Fund stakeholders, based on the reports and annual opinion of the Ethics Officer.

² The Office of the Inspector General Annual Report Managing Ethics and Integrity at the Global Fund 2019 https://www.theglobalfund.org/media/8769/oig_gf-oig-19-016_report_en.pdf.

³ Risk Management Report and the Chief Risk Officer's Annual Opinion.

⁴ Note that a direct comparison of maturity ratings between previous years and 2022 is only possible to a limited extent, due to methodological constraints and a change of the Global Fund Ethics Officer. Ratings should hence not be understood as an assessment against indicators provided in the ECI framework.

⁵ Note that a direct comparison of maturity ratings between previous years and 2022 is only possible to a limited extent, due to methodological constraints and a change of the Global Fund Ethics Officer. Ratings should hence not be understood as an assessment against indicators provided in the ECI framework.

II. Ethics Office Profile

Mission

The Ethics Office strives to embed an ethical and integrity-driven culture where Global Fund Officials and all those involved in activities financed by the Global Fund apply and implement the core ethical values of the Global Fund: integrity, duty of care, accountability, dignity and respect and where ethical decision making is lived daily.

Ethics Vision

The Global Fund is where how we deliver our work enhances what we deliver; where a strong ethics and integrity program inspires stakeholder trust and an integrated compliance and anti-corruption program safeguards resources dedicated to health.

What we do

We promote ethics and integrity-related values, systems and practices, and facilitate the prevention, detection and response to unethical practices at all levels of the Global Fund.

There is potentially a very broad ethics “universe” for the Global Fund

To varying degrees we engage with these **stakeholders**...

...on these **topics and** to mitigate these risks...

...conducting the following **program activities** to address the topics and risks.

Operations

- Implementers serving those impacted by the diseases, Principal Recipients (PRs) & Sub-recipient (SR)
- Country Coordinating Mechanisms (CCMs)
- Direct suppliers, Pooled Procurement Mechanism (PPM & non-PPM)
- Assurance providers, including Local Fund Agents (LFAs)

Secretariat

- Leadership, staff, consultants
- Private sector partners
- Indirect suppliers
- Strategic initiatives

Office of the Inspector General (OIG)

- Leadership, staff, consultants
- Investigations unit
- Audit unit

Governance

- Board and leadership
- Committees
- Technical Review Panel (TRP) & Independent Evaluation Panel (IEP)
- Ad-hoc, e.g. Board Leadership Nomination Committee (BLNC), Executive Director Nomination Committee (EDNC), Inspector General Nomination Committee (IGNC)

Promoting ethics:

- An enabling culture (Including speaking up)
- “Ethics inside” our decision-making process (Considering values and moral principles)

Managing “core” ethics and integrity-related risks:

- Conflict of interest
- Corruption, including Policy to Combat Fraud and Corruption (PCFC) “prohibited practices”
- Sexual exploitation, abuse and harassment (SEAH) and related conducts
- Failure to protect assets
- Confidentiality/privacy breaches
- Research Ethics Issues

Supporting management of other risks with an ethical component:

- Environmental breaches
- Human Rights breaches
- Labor, health & safety issues

- Promoting and enabling tone at the top
- Performing & supporting risk assessment
- Applying and coordinating resources
- Supporting clear accountabilities & incentives
- Developing, supporting, operating, and advising on policies, procedures & controls (inter alia)
 - Contracts
 - Conflict of Interest and other policies
 - Code of Conduct
 - Due Diligence Processes
 - Risk Management Processes
 - Controls, Assurance & Oversight
 - Protection from Sexual exploitation and abuse (SEA), Sexual harassment (SH)
- Developing & delivering training and communications
- Supporting whistleblowing and investigations
- Supporting response: enforcement, sanctions and other remedies
- Monitoring and Testing
- Reporting to Management Executive Committee (MEC), Committees & Board

...playing our role in addressing misconduct and sustaining the integrity of decision-making to maintain stakeholder trust in the Global Fund.

I. Foreword

In 2022, the Global Fund launched its 7th replenishment against the backdrop of multiple global crises, including a persistent global pandemic since 2020, war, and an escalating climate crisis. This new global norm of uncertainty and turbulence generated multiple repercussive effects such as tightening fiscal space, inflation, and disrupted supply chains for life-saving health products all of which had a direct impact on the Global Fund's ability to deliver on its mission. Despite such odds, the Global Fund partnership—including its donors, partners, Board, and Secretariat—exhibited the dedication, teamwork, and tenacity to deliver a successful replenishment.

In such times of adversity, it becomes clear how mission-critical a fabric of trust, shared values, and ethical behavioral norms are to making the right decisions under pressure. Indeed, organizations like the Global Fund recognize that how they work directly impacts the speed, scale and ease of what they can accomplish. An ethically run organization is one where values, incentives, and behaviors are aligned with and advance the organization's mission.

The Global Fund enters into a year of funding request applications and grant making where the new strategy will be put into action. Against this backdrop, I see the following priorities to collectively strengthen accountability and ethics at the Global Fund:

- **Culture of Ethics and Integrity:** strengthened awareness, engagement and promoting a sense of ownership for ethics and integrity across the Global Fund Secretariat, at the country-level and across governance bodies will be critical to uphold the highest levels of ethics and integrity risks across the Global Fund.
- **Country-level grant-making:** providing guidance in terms of conflict-of-interest management and conducting ad hoc integrity due diligence checks at the country-level.
- **Reducing ethics and integrity risks:** embedding a systematic, risk-based approach to address ethics risks in the implementation structure, with a focus on protection from sexual exploitation and abuse and harassment and combatting fraud and corruption will remain a priority.

- **Global Fund governance:** continued advice to the Board, committees, Technical Review Panel and Independent Evaluation Panel on ethical and conflict of interest issues will help ensure adherence to standards of ethical conduct of Governance officials.

In 2023, the Ethics Office will also initiate the process of updating the Codes of Conduct and the Ethics and Integrity Framework, strengthen awareness raising and communications and training/ eLearning on ethics, clarifying the roles and responsibilities of investigations of staff misconduct. Finally, we will continue to serve as the organization's center of expertise for integrity, due diligence and supporting all Secretariat functions in managing counterparty integrity risk.

Susanne Kuehn,
Chief Ethics Officer,
04/14/2023



An ethically run organization is one where values, incentives, and behaviors are aligned with and advance the organization's mission.

II. Annual Opinion

In accordance with article 2.a.i of the Terms of Reference of the Ethics Officer, as set forth in Annex 1 to GF/B33/ER08 and approved by the Board pursuant to decision point GF/B33/EDP14, the Ethics Officer should:

“Provide an **annual written opinion** to the Board, through the relevant Board Committee (the “Committee”), on (i) the state of ethics and integrity across the entire Global Fund and the activities it finances, including anticorruption controls, based on available assessments of key risk areas; and (ii) the extent to which Global Fund activities have complied with ethics and integrity-related policies, codes and requirements;”

Key Risk Area Assessment

The global crises of 2022 have generated a material increase in the external ethical risks in the Global Fund’s grant portfolio:

- Exacerbated supply chain, fuel, and food shortages, along with inflation have generated uncertainty and tightened the fiscal space, thus increasing the inherent risk of fraud and corruption in grant programs.
- A rising number of incidents reported in the development sector and elsewhere⁶ - and increased level of attention towards sexual exploitation, abuse, and harassment have highlighted the need for significant efforts for protection from sexual exploitation, Abuse and harassment and response across the partnership.
- OIG confirms the risk of unreliable, manipulated programmatic data, as well as infiltration of counterfeit health products both remain serious risks in our grant programs.

In this context, the Secretariat reports that several risk areas in the Organizational Risk Register, which pertain to ethics risk remain high with an upwards trajectory. The Chief Ethics Officer confirms this assessment overall. Regarding risks related to SEAH, the trajectory can be expected to be steady. The Global Fund has started putting in place preventive and mitigation measures for PSEAH. However, the reputational risk for the Global Fund is likely to rise, given that an increasing level of awareness can be expected to lead to a higher number of incidents reported.

Several AMAs critical to adequate mitigation of ethics risk and advancement on ethics risk maturity, related to PSEAH, IDD, and investigations mandates remain open at the time of writing of this report. However, progress towards the closure is made, which is an indication of progressing maturity in ethics and integrity (see Annex).

Despite the above, the Chief Ethics Officer deems the state of ethics and integrity systems at the Global Fund to remain at least at the level of maturity reported in 2021. There are no indications that the organization backtracked in its organizational maturity throughout the year, and despite the increase in risks mentioned above.

Maturity Level of Ethics and Integrity

Over the course of 2023, the Ethics Office is planning to explore a revision of the assessment methodology regarding the Global Fund’s level of maturity on ethics. As part of this process, the intention is to discuss the Global Fund’s objectives, and level of ambition around ethics and integrity, which may vary from one objective to the other, considering the Global Fund’s specific mandate, set-up, and programmatic areas, by creating a sense of shared ownership across the Global Fund regarding the level of ambition and assessment methodology engaging with key parts across the organizations. The EGC would be consulted in this process. In a second step, the Ethics Office will then assess the organization’s progress around ethics against these (jointly) agreed objectives and targets based on the assessment methodology developed.

For 2022, we continue using the Ethics & Compliance Initiative’s High Quality Program Measurement Framework to assess maturity (as in previous years). (“ECI HQP” – summarized in the Annex). This enables us to self-assess the program in five dimensions against five levels of maturity, in the basis of the (detailed) ECI HQP indicator framework⁷. By applying the detailed indicators provided in the ECI methodology, we sought to pursue an evidence-based approach towards the assessment of the maturity level of ethics at the Global Fund. However, it should be noted that the methodology entails a certain degree of opinion (or judgement), hence the comparability of ratings between years is limited.

⁶ Note that a rising number of incidents reported may not necessarily reflect a higher number of incidents. In fact, a higher level of awareness number may result in higher numbers of cases reported.










⁷ <https://www.ethics.org/wp-content/uploads/2018-ECI-HQP-Measurement-Framework.pdf>.

The assessment of maturity of organizational ethics at the Global Fund can be summarized as follows:

Global Fund Maturity According to the Ethics & Compliance Initiative's (ECI) five level High Quality Program Measurement Framework:

ECI PRINCIPLE	UNDER-DEVELOPED	DEFINING	ADAPTING	MANAGING	OPTIMIZING	RATING		
						EXPLANATION	● 2020 Ratings	● 2021 Ratings
PRINCIPLE 1		●	●					
STRATEGY			●					
Ethics & compliance is central to strategy								
						<p>Overall "adapting", i.e., "a program that contains a number of elements reflecting some important attributes, but with room to further mature"</p>		
						<p>'Adapting' transitioning to 'Managing'</p> <p>i.e., E&C is beginning to embed with accountability assigned to key ethics and compliance risks; consistency is lacking</p> <ul style="list-style-type: none"> ● Ethical values are clearly expressed in the Global Fund's strategy⁸, and the Ethics & Integrity program is aligned to enable this strategy. ● The Ethics Office has the required resources and access to ensure a certain level of independence. ● While the EO's resources are constrained by the Secretariat's overall restrictions of operational expenses p, meaning that not all areas are fully funded, the EO budget was increased by 55% for 2023, compared to 2022, indicating a strong organizational commitment towards ethics, and especially PSEAH. ● The Ethics & Integrity program is starting to integrate into core organizational processes and activities, e.g., the Global Fund Business Process Model and the priority setting. The Executive Director has incorporated targets on ethics and PSEAH in his individual priority setting. ● The Ethics Office participates in key strategic discussions, such as Management Executive Committee (MEC), Board, and Committee meetings (e.g., the Ethics and Governance Committee, three times a year), and chairs the Secretariat's Private Sector Engagement Committee. ● The Board has high-level knowledge about the ethics and integrity program. The board monitors its implementation periodically, notably through EGC meetings and the Annual Ethics and Opinion Report. ● The Ethics Office serves as a resource and advocate to help leaders across the organization understanding their critical role in setting the standard for integrity. ● The Ethics and Integrity program is continuously improved through leadership and feedback loops, such as guidance from the PSEAH high level Steering Committee. ● The organization shares its learning on ethics internally, but mostly on an ad hoc basis. 		

8 https://www.theglobalfund.org/media/11612/strategy_globalfund2023-2028_narrative_en.pdf.

ECI PRINCIPLE	UNDER-DEVELOPED	DEFINING	ADAPTING	MANAGING	OPTIMIZING	RATING
						EXPLANATION
						 2020 Ratings  2021 Ratings  2022 Ratings
PRINCIPLE 2 RISK MANAGEMENT Ethics risks are identified, owned, managed and mitigated			 			Overall "adapting", i.e., "a program that contains a number of elements reflecting some important attributes, but with room to further mature" Adapting i.e., a formal risk assessment program is in place with accountability assigned for ethics and compliance risk management but it is not consistently performed <ul style="list-style-type: none"> ● Risk assessment of key ethics and compliance risks are being conducted and accountabilities for most ethics and integrity risks are clearly assigned (at maturing level for fraud and corruption, evolving for PSEAH). ● Ethics risk management has matured in 2022: ethics risks continue to be listed in the Operational Risk Register, across multiple risk categories, with multiple risk owners accountable for their respective aspects of integrity risk. Updates to the Integrated Risk Management tool for managing grant portfolio risk integrated Ethics Office input on root causes, which may lead to fraud and corruption, were made in 2022. In 2021, the Secretariat's functions aligned on a collaborative framework moving forward, clearly defining the PCFC's⁹ monitoring and compliance role. ● Targeted risk management training is provided as part of the CCM ethics support and on PSEAH issues. ● The Global Fund conducts third-party due diligence at the Secretariat level, but it requires further embedding in grant-financed activities at country level.
PRINCIPLE 3 CULTURE Leaders at all levels build and sustain a culture of integrity			  			Adapting i.e., Leaders are beginning to embed E&C program with accountability assigned for key ethics and compliance risks. <ul style="list-style-type: none"> ● Leaders promote ethical conduct, e.g., through a concerted and jointly led initiative of MEC members around psychological safety. Sessions are organized across the Global Fund on these topics. ● Leaders support ethics and integrity training requirements. ● There are mandatory ethics training courses in place, e.g., training on ethics for new joiners, training on anti-corruption for the Secretariat staff, PSEAH training courses are delivered in pilot countries. At the governance level, the EGC has led efforts to create an inclusive governance culture, grounded in trust, collaboration and accountability, with the aim of increasing the effectiveness of the Global Fund Board decision-making. ● Codes of conduct¹⁰ exist for every relevant stakeholder at the Global Fund. The Ethics Officer plans to initiate the process of updating these in terms of clarity, consistency, and reader-friendliness in 2023. A review to update the Ethics Integrity Framework from 2014 will follow¹¹. ● The organization shares its learning on ethics internally, at the occasion of the Annual Opinion report and on an ad hoc basis.

9 https://www.theglobalfund.org/media/6960/core_combatfraudcorruption_policy_en.pdf.

10 <https://www.theglobalfund.org/en/governance-policies/>.

11 https://www.theglobalfund.org/media/6817/core_ethicsintegrityframework_framework_en.pdf.

ECI PRINCIPLE	UNDER-DEVELOPED	DEFINING	ADAPTING	MANAGING	OPTIMIZING	RATING	EXPLANATION
						● 2020 Ratings ● 2021 Ratings ● 2022 Ratings	
PRINCIPLE 4 SPEAKING UP The organization encourages, protects and values the reporting of concerns and suspected wrongdoing			● ● ●				Overall "adapting", i.e., "a program that contains a number of elements reflecting some important attributes, but with room to further mature" Adapting A formal employee speaking-up/ reporting structure is partially embedded but more progress is needed <ul style="list-style-type: none"> ● The Global Fund's various codes of conduct¹² promote a speak-up culture and encourage employees, governance officials, beneficiaries, and contractors to raise concerns through various channels. ● A formal policy¹³ or process exists to raise and resolve concerns or suspected wrongdoing with communication around the speak-up program, which is run by the OIG. ● The internal justice mechanism is designed to ensure that employees who raise concerns are treated fairly and consistently across the organization. An OIG advisory has been commissioned by the Executive Director to review the Global Fund's internal justice mechanism. ● All staff are required to be trained in detection and reporting of fraud and corruption in procurement and financial management practices. ● A prohibition against retaliation exists as part of the Global Fund's Whistleblowing Policy and Procedures, the PCFC, and the codes of conduct for employees, governance officials and members of CCMs. However, not all codes provide for non-retaliation; gaps exist in the recipient and supplier codes.
PRINCIPLE 5 ACCOUNTABILITY The organization takes action and holds itself accountable when wrongdoing occurs			● ● ●				Adapting The organization communicates applicable standards and outcomes to employees and has established escalation, tracking, and investigative protocols exist, including consistent root cause analysis, follow-up action and trend reporting <ul style="list-style-type: none"> ● A policy on reporting and misconduct exists and is generally enforced; codes of conduct¹⁴ provides for how employee, governance officials, members of CCMs are to be held accountable for reporting and/or misconduct. ● Formal structures articulating accountability and secure case management systems for handling allegations of misconduct or prohibited practices exist. ● Hypothetical misconduct scenarios are contained in employee training (SEAH, Conflicts of Interest). ● Investigations are conducted/overseen by trained investigative staff (OIG, PSEAH). ● Investigation standards apply to all internal groups conducting investigations but may not be applied consistently across the OIG and Human Resources Department. For fraud and corruption in grants, the investigative function is at a managing level of maturity.

The Chief Ethics Officer's opinion is that, in aggregate, the program is at the **'Adapting' level** of maturity. This is defined as "a program that contains a number of elements reflecting some important attributes, but with room to further mature." This masks variation in program maturity for some principles, risks and stakeholder groups which are explained below, but nonetheless represents a solid commitment to ethics under challenging circumstances.

Compliance 2022

With respect to compliance, the Chief Ethics Officer is not aware of any allegations of ethical breaches that the organization has failed to address according to its currently approved policies and procedures. However, we can expect that, going forward, efforts to improve a culture of speaking up and to strengthen the ethics program more broadly across the extended partnership may bring to light matters that were previously unreported. If this proves to be the case, I am confident that the organization will address them robustly.

12 https://www.theglobalfund.org/media/6817/core_ethicsintegrityframework_framework_en.pdf
 13 https://www.theglobalfund.org/media/2942/core_whistleblowing_policy_en.pdf
 14 https://www.theglobalfund.org/media/10663/core_employeecodeofconduct_policy_en.pdf

III. 2022 in Review

The Ethics Office plays an active 2nd line and (in some cases) 1st line role to support the implementation of the framework and its underlying policies code of conducts¹⁵ in the following areas:

- Integrity Due Diligence
- Country Coordinating Mechanisms (CCMs) Ethics support
- Protection from sexual exploitation, abuse and harassment (PSEAH)
- Conflict of Interest Management
- Enforcement of the Policy to Combat Fraud and Corruption

The Ethics Office leads efforts to strengthening ethics and integrity at the Global Fund, working together with the Secretariat, the Board, Committees, advisory bodies, CCMs, and other stakeholders. Every stakeholder of the organization is responsible for putting these efforts into practice. Consequently, the progress and the remaining work to be achieved is everyone's responsibility.

Ethics in numbers for 2022



3,998

individuals &

1,225

organizations screened on Essential Due Diligence



250

CCM members attended a virtual ethics training session

1,310

staff completed the eLearning module on SEAH



242

candidates screened (IDD) as part of the nominations process of governance officials



22

SEAH¹⁶ cases monitored



4

Open Agreed Management Action (AMAs) at the end of 2022

¹⁵ https://www.theglobalfund.org/media/6817/core_ethicsintegrityframework_framework_en.pdf.

¹⁶ SEAH cases are cases related to sexual exploitation abuse and harassment that come up through Global Fund financed activities. They include both cases being investigated by the OIG but requiring victim support from the victim advocate as well as 3rd party led cases referred to the PCU for oversight.

Team members, roles, and skills

The Ethics Office is now a diverse team of 16 professionals. Each member has specific accountabilities and specialisms so that the Office as a whole is able to serve the range of stakeholders, cover the range of ethics risks, and implement the full suite of planned program interventions. During 2022, the Ethics Office expanded the Protection from Sexual Exploitation, Abuse and Harassment (PSEAH) Coordination Unit (PCU) and adjusted team roles to give better alignment to our stakeholder groups.

Financial Resources

The table below shows the evolution of Ethics Office financial resources from 2019 to 2022. The Global Fund has progressively increased investment in Ethics & Integrity consistent with the evolving maturity of the program, including the establishment of the PSEAH Coordination Unit in 2022.

Year	Operating Expenses (USD)	
	Budget	Actual
2019	1,522,000	1,521,000
2020	1,832,000	1,673,000
2021	2,126,026	2,056,403
2022	2,791,356	2,720,981

Systems

The Ethics Office with support of IT operates various digital systems to manage our cases, disclosure of interest and other supporting documents to support Integrity Due Diligence:

- A case management system as a secure portal for working with cases and storing related information and correspondence.
- A disclosures system, which is used for efficient design and collection of integrity-related forms, such as declarations of interest;
- An Ethics Database, which aggregates integrity-related information from across the Global Fund, incorporates external data sources and serves as the archiving and research tool;

PSEAH

PSEAH Operationalization and Integration

The Global Fund's goal of eliminating the three diseases depends on the delivery of people-centered services that are freely available to all, without fear or favor, and on maintaining safe and thriving workplaces across our extended partnership. Protection from SEAH is a priority in the new Global Fund Strategy and is linked to the overarching principle of "do no harm". The Global Fund partnership will continue to accelerate efforts to protect staff, stakeholders, and beneficiaries from SEAH. The Global Fund cannot entirely remove the risk of such abuses but can work together with partners both to mitigate the risk and to respond appropriately when SEAH is discovered.

Throughout 2022, the Global Fund made significant progress in the operationalization of the 2021 [Operational Framework on the Protection from Sexual Exploitation and Abuse, Sexual Harassment, and the Related Abuse of Power](#). As the integration and embedding of PSEAH practices into the Global Fund's existing structures, practices, and methodologies is a series of complex tasks that require the collaboration and ownership of many different stakeholders, within the Global Fund and among the broader partnership, PSEAH operationalization may at times advance more slowly than hoped. Indeed, getting this critical work done 'right' is critical for embedded PSEAH integration and to do no harm. Within the Ethics Office, the PCU oversees PSEAH implementation and has made significant progress in 2022 including in the following areas:

Policy, partnership, management

PSEAH is guided internally through the senior management level PSEAH Steering Committee (a cross-functional advisory body), a Case Review Panel bringing together the OIG, Community, Rights and Gender (CRG) and PCU, and PSEAH cross-organizational Working Groups that are restructured annually as needed based on the evolving organizational needs. In 2022, there were four working groups focused on policy and partnerships, training and awareness, victim/survivor support, and SEAH risk management.

In 2022, PSEAH related work was further resourced to respond to the growing needs of the organization in the area of both prevention of, and response to, SEAH. Two case managers and a Victim advocate and in-country support coordinator were recruited to respond to SEAH cases and build response readiness and for SEAH prevention, a project manager was also recruited. To enable robust implementation of country facing PSEAH work and integrating PSEAH into the grant cycle, two Grant Management Division staff members joined on development assignments. A PSEAH Practitioners Wellness Group for PCU and OIG staff working on SEAH related matters was initiated in 2022.

Engaging with external partners is vital to a meaningful and effective PSEAH approach – to share information and best practices, to support our business model of country ownership, and to avoid the unnecessary duplication of efforts and resources. In 2022, the Ethics Office led a series of seminars on PSEAH to align with our partners in public health (Gavi, WHO, Unitaid, Global Fund). The PCU also participated in the UK led Cross-sector Safeguarding Steering Group (CSSG) and in the United Nations-created Inter-Agency Standing Committee's (IASC) Thematic Experts Group on PSEA.

In 2022, the Ethics Office worked closely with External Relations and Communications Division (ERCD) in relation to the MOPAN assessment which for the first time measured the Global Fund's progress in PSEAH. The Case Data Reporting Protocol and Victim/Survivor Support Services Protocol, operationalization of victim/survivor support, safer recruitment practices, and Framework implementation metrics are still currently in development.

Risk management

SEAH risk increases when power imbalances, vulnerabilities and external risk factors intersect. SEAH often occurs in the context of distribution of incentives, goods, and services. To mitigate risk of SEAH, a dedicated Risk Management approach was collaboratively developed through the PSEAH working group and endorsed by the PSEAH SteerCo in April 2022. It includes a country level SEAH risk assessment, PSEAH compliance verification, PR PSEAH capacity assessment and risk-based capacity building support and grant specific SEAH risk analysis and mitigation. In 2022, the following progress was made:

- A weighted SEAH Risk Index was developed collaboratively with the Risk Department, in consultation with the PSEAH working group, under the steer of the PSEAH Steering Committee. It analyses SEAH risk caused by the operating environment and includes analysis of Global Fund investment in high-risk activities targeted at at-risk populations, to a) adjust the risk index ranking, and to b) identify high-risk grants for specific mitigation activities.
- A data-driven, differentiated implementation plan for the SEAH Risk Management modules was approved by GMD in November 2022.
- A Code of Conduct PSEAH and child protection compliance self-assessment was rolled out in November 2022 to all non-UN PRs and the development of a PR PSEAH capacity assessment tool was also initiated.

- In December 2022, SEAH risk assessment and mitigation workshops were undertaken for three high-risk grants in South Africa including implementer staff and beneficiaries.
- For the 2023 – 2025 allocation cycle PSEAH was integrated into the modular framework and the grant application package, including a PSEAH guidance note, and TRP members with PSEAH expertise were recruited. Applicants can include a SEAH risk assessment and mitigation tool as an optional annex, while up to ten countries will pilot the tool with a view to informing the future institutional approach.

Training, education, awareness

Raising awareness about PSEAH among the different stakeholders and providing tailored training material and guidance is a core and crucial element of preventing SEAH. The Ethics Office launched a series of education, training and awareness raising sessions and initiatives including the development of PSEAH guidance materials in 2022 targeting Secretariat staff, governance officials, constituencies, regional groups at country levels. PSEAH was included in the Terms of Reference of the 15 pilot CCM Ethics Officers and 9 Ethics Officers attended the two PSEAH training sessions organized in English and French.

In 2022, a total of 67 managers (including all senior managers) and staff involved in the PSEAH working groups were trained on safeguarding and PSEAH. These sessions were designed to equip participants with skills and tools to support the development of the Global Fund PSEAH approach. Additionally, 1310 staff members and consultants completed the mandatory online "Awareness Training on Sexual Harassment" and 120 LFA team members participated in a PSEAH session as part of their annual LFA training. The planned PSEAH approach for GC7 was also presented at 2 CRG Regional Platform meetings in the Caribbean and Asia-Pacific.

It is now crucial to also reach the Global Fund's beneficiaries with SEAH education and awareness and to ensure their understanding and knowledge of SEAH, and in close collaboration with ERCD, a communications strategy reaching out to beneficiaries to inform them about what constitutes SEAH and how to report was developed. This initiative will be rolled out and implemented in 2023 in 2 pilot countries with a view to embedding SEAH communications on the ground.

SEAH RISK MANAGEMENT	PSEAH TRAINING, EDUCATION, & AWARENESS	PSEAH POLICY, LEADERSHIP, AND MANAGEMENT	SEAH VICTIM/SURVIVOR SUPPORT COORDINATION	SEAH INVESTIGATION & CASE MANAGEMENT
<ul style="list-style-type: none"> • PR compliance checks with Codes of Conduct • Implementer-level capacity assessment and building – phased plan • Grant-level risk mitigation integration into grant design and programming – pilot plan 	<ul style="list-style-type: none"> • Outreach to in-country partners, particularly beneficiaries, using existing CRG channels • Creation of training and guidance materials for necessary stakeholders 	<ul style="list-style-type: none"> • Internal governance and work towards fully embedded operations • PSEAH Framework implementation monitoring and evaluation, internal and external • Public health sector engagement and synergy leveraging 	<ul style="list-style-type: none"> • Support for in-country response readiness (structural), including integration with local networks/structures • Victim/survivor support fund operationalization • Victim/survivor support coordination (case-specific) 	<ul style="list-style-type: none"> • Support for in-country response readiness (structural), including capacity-building of implementers • SEAH investigation & case management (case-specific)
PREVENTION		RESPONSE		

Response readiness

In 2022, a practical framework, with tools and structures that support implementers to be ready to act appropriately when an incident of SEAH arises, was developed. This supports an in-country approach that mitigates any further harm being caused to victims/survivors and communities, supports recovery from violations, enhances confidentiality and taps into local specialized services.

In close collaboration with the OIG, the Multi-Disciplinary Team approach to SEAH case management was strengthened which involves activating a team of specialists from OIG, PCU, GMD and other technical areas as necessary, tailored to the specific needs of each case. Throughout 2022, case management and victim/survivor support facilitation approaches were established and implemented which included the introduction of three committed and specialized roles, drafting SOPs, and ensuring alignment with established functions (including OIG SEA investigations).

To enhance the accountability and duty of care of Global Fund in SEAH cases, the operationalization of the victim/survivor support was advanced in 2022 and resourced for 2023. In addition, a roadmap was developed to strengthen engagement and coordination of Recipients and CCMs with local PSEA networks in-country. Indeed, by linking Global Fund Recipients and CCMs to PSEA expertise at the national level, SEAH incidents will be more swiftly, safely, and appropriately responded to.

Actual response

In 2022, the OIG and the Ethics Office were involved in the investigation, case management, and oversight and victim/survivor support of 22 SEAH investigations. Where cases fall under the mandate of the OIG, the Ethics Office provides Victim/Survivor support and advocacy. For cases that fall outside of the OIG's mandate, the Ethics Office provided case management and remote investigatory oversight of investigations conducted by implementers, as well as Victim/Survivor support and advocacy which involved two coordinated investigative field missions with the OIG.

Looking to 2023

Much of the work launched in 2022 will continue and be further developed in 2023. The holistic approach to PSEAH is depicted in the below table and demonstrates the inter-linked efforts comprising prevention, response, and response readiness.

In 2023, SEAH risk management will focus on verifying PR PSEAH compliance, commencing PSEAH capacity assessments and targeted, risk-based capacity building support. Completing the pilot for the grant-level SEAH risk assessment and mitigation tool will define the next steps for safer programming. PSEAH training, education and awareness will focus on beneficiaries and other in-country stakeholders as a priority, and training for Secretariat staff and governance officials will continue. Victim/survivor support and assistance will include operationalizing the VSSF and ensuring the support and assistance are consistent with the principle of 'do no harm'. While SEAH case management and investigations will further focus on supervising third-party led investigation ensuring highest standards, initiating support for in-country readiness including referral mapping and integration with local networks will also be an objective for 2023.

Enforcement of the Policy to Combat Fraud And Corruption

In July 2022, the OIG issued a Fraud Risk Maturity Assessment (FRMA) which assessed the maturity of the Global Fund's fraud risk management framework, including the PCFC, against the five core components of the ACFE/COSO guide on fraud risk management. The findings of the FRMA generated four AMAs which required the Secretariat to:

- Define the level of maturity on fraud risk management
- Assign overall responsibility to drive execution of the PCFC implementation plan
- Enhance assurance arrangement related to programmatic activities and associated fraud risks
- Establish a fraud risk monitoring arrangement.

The Ethics Office is part of the cross-departmental working group charged with operationalizing the AMAs and the progress made to date includes: MEC level agreement on maturity levels and the Ethics Office and the Risk Department agreeing to fraud risk monitoring arrangement with the Risk Department overseeing overall operationalization of fraud risk management through risk management systems, and the Ethics Office playing a 2nd line of defense and technical advisory role, as well as monitors level of compliance and reports to the Board.

It is worth noting that compliance with the PCFC will be considered as achieved once the FRMA AMAs are closed. Indeed, the OIG Annual Report confirmed that fraud associated with programmatic processes and supply chains required further attention and implementing the PCFC will enable the Global Fund to proactively prevent, detect, and mitigate such risks.


As part of its technical advisory role, in 2022, the Ethics Office provided support to the Secretariat on key aspects of the PCFC Implementation Plan. Indeed, as part of the Integrated Risk Management Framework & Tool update, the Ethics Office provided expert input for root causes of fraud and corruption risk in relation to programmatic, data, grant governance, and sourcing and supply chain risk areas.

The Ethics Office developed, tested, and offered for institutional adoption a programmatically focused method of executing proactive fraud risk assessments which (1) prioritizes fraud and corruption that undermines quality delivery of programmatic activities and reliable M&E data and (2) leans out inefficient and ineffective business processes, thus increasing the value for money of fraud-related controls.

The Ethics Office provides advisory support to Programmatic Business Risk Owners and Grant Management Division in designing programmatically focused contracting and programmatic assurance models that mitigate highest severity fraud risks. This support has been provided to nine countries¹⁷ via Private Sector Engagement Strategic Initiative support, and learnings are being embedded into updates to Global Fund operational policies in preparation for the 7th Grant Cycle (GC7).

Looking to 2023

In 2023, regarding Fraud Risk Monitoring, the Ethics Office will focus on solidifying the collaboration with the Risk Department and the 2nd line of defense and technical advisory role, monitoring level of compliance and reporting to the Board. In regard to the technical advisory role, the Ethics Office will focus on capacitating Programmatic Business Risk Owners and GMD to leverage the programmatic fraud risk assessment methodology, to proactively respond to fraud and corruption risks, and optimize value for money, allowing the Ethics Office to return to a monitoring role, and harvesting lessons learned from the advisory support for the Private Sector Engagement Strategic Initiative, enabling improved institutional adoption where appropriate.



The Ethics Office developed a method for fraud risk assessments with focus on fraud and corruption that undermine quality delivery of programs and reliable M&E data and simultaneously increases value for money for fraud-related controls.

17 Botswana, CAR, DR Congo, Ecuador, Honduras, Nigeria, Pakistan, Philippines, South Sudan

Ethics in Country Coordinating Mechanisms (CCMs)

Country Coordinating Mechanisms are a key element of the Global Fund partnership since they submit funding applications and oversee grants on behalf of their countries. Therefore, ethical conduct and decision-making in all CCMs activities are crucial for the success of programs in countries and to reach our common goal by 2030.

There was a transition from the Strategic Initiative on the Code of Conduct for CCM members, which ended in December 2021, to business-as-usual support for Ethics in CCMs in 2022. Building on the achievements of the Strategic Initiative, the Ethics Office maintained its close collaboration with Country Teams and the CCM Hub to ensure alignment with the CCM Evolution Project.

The Ethics Office continued to invest in CCMs as they are strengthening their ethics and governance, providing guidance and support with a specific focus on improving accountability, transparency, and inclusivity, in line with the objective of ensuring that the most affected communities are represented and engaged in Global Fund processes. CCMs have also been increasingly and proactively reaching out for advice, and several received tailored ethics sessions to address key governance and ethics related issues focusing on their needs, such as conflict of interest management, ethical decision-making, ethical values and principles of the Code of Conduct, and Speaking Out.

Additionally, to further support CCMs, Ethics Officer part-time positions were created within 15 CCM Secretariats as a pilot and dedicated support was provided to CCM Ethics functions to help them strengthen their ethics and governance. A specific PSEAH training was also delivered to CCM Ethics Officers and a first hybrid Integrity Due Diligence exercise involving the CCM itself was conducted.

The Ethics Office also continued to maintain the increased engagement from CCMs, built during the Strategic Initiative, which can be illustrated through the following numbers for 2022.



250

CCM members have been trained during a virtual ethics training session



2,500

members have accessed at least one of the eLearning modules on the Code of Conduct for CCM members since their launch

Ethics training for CCMs

The Ethics Office conducted eleven virtual CCM Ethics sessions in 2022 (with over 250 participants), these sessions were focusing on the values and principles of the Code of Conduct and what they meant for the CCM members in their role, and included a refresher on Ethical Governance, ethical decision-making, and conflict of interest management. In addition to this, the e-learning Code of Conduct for CCM members modules have been accessed by almost 1,200 people in 2022. Two sessions of PSEAH training for CCM Ethics Officers (one in English and one in French) have been conducted this year.

Looking to 2023

In 2023, the Ethics Office will continue to support CCMs and their ethics functions to help them strengthen their ethics and governance, also considering several challenges such as the difference of maturity and capacity levels, various in-country issues, and local contexts (such as social or political instability) as well as complex power dynamics which need to be taken into account for example when it comes to improving representation and inclusivity within CCMs. The Ethics Office will also keep collaborating internally with Country Teams and the CCM Hub while being mindful of the competing priorities this year due to NFM4 with the country dialogue and grant making phases. In order to overcome the challenges CCMs are facing, the Ethics Office will be providing even more tailored support to best address their needs.

Conflict of Interest Management

Governance Officials

In 2022, the Ethics Office contributed to protect the integrity of decision-making through disclosure of interest assignments and the management of conflicts of interest for the Board, the Committees, the Technical Review Panel (TRP), the Independent Evaluation Panel (IEP), the Grant Approval Committee (GAC) and the Board Leadership Nomination Committee (BLNC). The Ethics Office also onboarded the new members of these bodies (BLNC and IEP) on Ethics & Integrity matters and facilitated sessions on topics such as the Code of Conduct for Governance Officials, Conflict of Interest Management and PSEAH.

Integrity due diligence assignments and conflict of interest assessments were deployed in several contexts, including the selection of Committee members and Committee Leadership, the selection of BLNC members, the selection of IEP members and the selection of TRP members. The Ethics Office also provided guidance and supported the TRP in the revisions to its Terms of Reference as well as its procedures to manage conflicts of interest. Additionally, a conversation was initiated by the Ethics Office with the Independent Evaluation Panel and the Chief Evaluation and Learning Officer on the management of conflicts of interest with the aim of preserving the independence of the IEP and the integrity of its work.

The Ethics Office maintained its efforts to create an inclusive governance culture, grounded in trust, collaboration, and accountability through the ongoing implementation of the Governance Action Plan 2.0. Actions to nurture a culture of trust, collaboration, and accountability in 2022 included:

- the clarification of roles through the review of Committee mandates;
- the revision to the Onboarding for Governance Officials, including an emphasis on the Global Fund mission and values, and on the Code of Conduct and expected behaviors in the onboarding of Governance Officials;
- sessions on trust-building organized for Board and Committee members to build collective awareness and identify strategies to further build trust and enhance governance culture in the Global Fund context.

The Ethics Office collaborated closely with the Secretariat and played a significant role in the Governance Officials selection processes by leading the due diligence and assessment of risks of conflicts of interest for:

80

Committee Membership candidates

24

Committee Leadership candidates

13

candidates for the Board Leadership Nomination Committee

9

candidates for the Independent Evaluation Panel

116

candidates for the Technical Review Panel

The Ethics Offices provided Integrity Due Diligence (IDD) guidance material to Constituencies to guide them in the screening of their candidates for the selection process for Committee Membership, Committee Leadership and the Board Leadership Nomination Committee, to ensure that their nominees are not only suitably qualified and experienced for the position but can also act as role models of the Code of Conduct for Governance Officials and enhance the reputation of the Global Fund.

Since 2022, Governance Officials are required to submit their Declaration of Interest along with their Code of Conduct Certification. In addition to the proactive campaigns (462 submissions including 89 disclosures), the Ethics Office reviewed spontaneous conflict of interest cases from Board, Committees and TRP members. These cases range from simple cases to complex ones and the Ethics Office works in collaboration with the Secretariat on the mitigation measures.

Secretariat

The Secretariat and OIG employees have a duty to disclose their Private Interests, as well as actual, potential or perceived conflicts of interest in accordance with the Policy on Conflict of Interest. In 2022, the Ethics Office started an update of the Declaration of Interest (DoI) form in order to assure

a better coverage of the conflict-of-interest risks. It is also worth mentioning that every new employee is required to complete a Dol form on joining and the Human Resources department regularly shares these forms with the Ethics Office for assessment.

Looking to 2023

It was decided by the Ethics Office to have a Code of Conduct for Employee certification exercise every two years, meaning that the next campaign will be launched in 2023 for all staff members. Every new employee will be required to complete a Code of Conduct Certification on joining and this process will be led by the Human Resources Department.

Integrity Due Diligence

Since 2018, the Ethics Office has led the creation and implementation of the Integrity Due Diligence Framework to embed robust due diligence as a tool for counterparty integrity risk management across all functions. Integrity risk is defined with respect to counterparties – entities and individuals the Global Fund relies on to fulfil its mission – as a probability that the counterparty: is engaged in Prohibited Practices defined in the Section 4 of the GF PCFC; is exposed to a conflict of interest that increases the counterparty's likelihood of engaging in Prohibited Practices or skews the counterparty's decision-making against the best interests of the Global Fund's Mission of eliminating the three diseases; espouses views or engage in practices counter to the Global Fund's Values and Mission ("incompatible partnerships") including human rights, environmental, and labor violations or unacceptable practices; otherwise expose the Global Fund to reputational risk.

Integrity due diligence is therefore crucial since it is the process of gathering and analyzing information to evaluate the extent to which a counterparty might expose the Global Fund to integrity risk. Through 2022, the Ethics Office acted as the organization's center of expertise for integrity due diligence, helping all functions to define, develop and embed due diligence procedures into their work and supporting specific due diligence assignments. This has led to progressive strengthening of the Secretariat's risk management and has by now expanded due diligence coverage to all critical risk areas internally managed by the Secretariat.

A major milestone for the Ethics Office was the joint pharmaceuticals tender for the Pooled Procurement Mechanism (PPM), which was run under the IDD Framework for the first time in 2022, covering the largest product category with annual procurements of

~\$500m. The 24 bidders reviewed under the tender are also significant suppliers to grant recipients outside of the PPM, further leveraging the effect of this risk management effort. Another major milestone was the completion of a full replenishment cycle under the IDD Framework – 2019 and 2022 replenishments were both run under the IDD Framework and the updated Framework of Private Sector Engagement, which incorporates integrity due diligence. Overall, 22 private sector partners were reviewed, with total contributions exceeding \$100m, and none of the partners over the completed cycle adversely affected the Global Fund's reputation.

The Ethics Office provided a centralized bulk screening service to the Secretariat – Essential Due Diligence – covering all Global Fund counterparties, which in total in 2022 covered 3998 individuals & 1225 organizations. This provided assurance that our counterparties are not sanctioned by international or international authorities, not debarred by multilateral financing institutions and have not been subjects of adverse findings by the OIG.

Looking to 2023

In 2023, the Ethics Office will continue to support the Secretariat in completing the roll-out of the IDD Framework to develop and embed robust due diligence procedures with respect to the overall implementation structure. Significant progress has already been made in strengthening and expanding Essential Due Diligence – comprised of watchlist and OIG database screening – to grant signatories, banks, LFA specialists. The Secretariat has been making increasing use of Enhanced Due Diligence in implementation contexts, the Ethics Office conducted in 2022 an influence and integrity mapping of the public health sector in Nigeria. However, it remains and is the object of the ongoing Agreed Management Action to define the extent to which the Global Fund relies on the implementers' own due diligence programs and to strengthen due diligence at subrecipient level in the highest risk contexts. Additionally, the Ethics Office will continue to conduct Integrity Due Diligence to support the Board Leadership selection process, which was launched in 2022 and will be completed in the first half of 2023.

ANNEX I

Summary ECI Organizational Maturity Scale

The following table depicts a summary of ECI ratings indicators. Note that the assessment of the Global Fund's maturity regarding ethics and compliance was made on the basis of the detailed indicator framework, which can be found here: <https://www.ethics.org/wp-content/uploads/2018-ECI-HQP-Measurement-Framework.pdf>.

ECI PRINCIPLES	LEVELS	PROGRAM ELEMENTS
PRINCIPLE 1 STRATEGY Ethics and compliance is central to business strategy	UNDERDEVELOPED	E&C program activities do not exist, or they are not foundational to the organization; where e&c program activities do exist, they are decentralized.
	DEFINING	E&C is established but is not embraced by the organization and operates tactically.
	ADAPTING	E&C is beginning to embed with accountability assigned for key ethics and compliance risks; consistency is lacking.
	MANAGING	E&C is embedded with E&C program controls and procedures operating as an integral part of business processes.
	OPTIMIZING (HQP)	The organization follows best practice in E&C program management and leads the field externally.
PRINCIPLE 2 RISK MANAGEMENT Ethics and compliance risks are owned, managed and mitigated	UNDERDEVELOPED	A formal risk assessment program is not fully established or does not yet exist.
	DEFINING	A formal risk assessment structure is established and operating in a few departments or functions but operates tactically.
	ADAPTING	A formal risk assessment process is in place with accountability assigned for ethics and compliance risk management but is not consistently performed.
	MANAGING	A formal risk assessment process is developed and embedded as an integral part of business processes.
	OPTIMIZING (HQP)	Risk assessment follows best practices and includes all aspects of a leading risk management program.
PRINCIPLE 3 CULTURE Leaders at all levels across the organization build and sustain a culture of integrity	UNDERDEVELOPED	Leadership does not promote ethics and compliance, or does so on an individual, ad hoc, basis.
	DEFINING	The organization has in place a code of conduct and related policies, but only senior leadership makes the effort to promote ethics and compliance.
	ADAPTING	Leaders are beginning to embed E&C program with accountability assigned for key ethics and compliance risks.
	MANAGING	Leaders are engaged in promoting ethics and compliance, with E&C program controls and procedures operating as an integral part of business processes.
	OPTIMIZING (HQP)	Organizational leadership is committed to best practice in E&C program management and leading the field externally.

ECI PRINCIPLES	LEVELS	PROGRAM ELEMENTS
<p data-bbox="161 443 316 472">PRINCIPLE 4</p> <p data-bbox="150 495 316 524">SPEAKING UP</p> <p data-bbox="150 533 368 683">The organization encourages, protects and values the reporting of concerns and suspected wrongdoing</p>	UNDERDEVELOPED	A formal employee speaking- up/reporting structure is not established; employee reporting occurs on an infrequent, ad hoc, basis.
	DEFINING	A formal employee speaking- up/reporting structure is established and operating in a few departments but operates tactically and inconsistently.
	ADAPTING	A formal employee speaking- up/reporting structure is partially embedded but more progress is needed.
	MANAGING	A formal employee speaking- up/reporting structure is established and operates as an integral part of business processes.
	OPTIMIZING (HQP)	A best-practice, formal employee speaking-up/ reporting structure is used by employees to report concerns and used by management to identify systemic issues.
<p data-bbox="161 925 316 954">PRINCIPLE 5</p> <p data-bbox="150 976 368 1005">ACCOUNTABILITY</p> <p data-bbox="150 1014 357 1111">The organization acts and holds itself accountable when wrongdoing occurs</p>	UNDERDEVELOPED	The organization has not established formal structures or communicated regarding consequences for violations or for escalation, tracking, investigation and accountability for misconduct.
	DEFINING	The organization has policies addressing standards and consequences; escalation, tracking and investigative protocols apply but lack consistency and with little root cause assessment or trend reporting to business.
	ADAPTING	The organization communicates applicable standards and out- comes to employees and has established escalation, tracking and investigative protocols, including measures to ensure consistency of consequences and basic root cause analysis.
	MANAGING	The organization maintains communication of standards and outcomes via various media to employees to reinforce value placed on reporting; embedded escalation, tracking and investigative protocols exist, including consistent root cause analysis, follow-up action and trend reporting.
	OPTIMIZING (HQP)	The organization is a leader in internal and external communications by demonstrating the value placed on reporting and accountability when wrongdoing occurs; it employs best practices in escalation, tracking, investigation, and root cause analysis and risk mitigation; and it uses well-developed systems of response and upholds a principle of transparency in disclosures where possible.

ANNEX II

Agreed Management Actions Resume*

	AGREED ACTION	STATUS OF AMA AS AT END OF 2022
AMA 2	The Chief of Staff, in collaboration with the Ethics Officer and Secretariat stakeholders, will review and, where necessary, clarify the accountabilities for managing, monitoring and overseeing a defined set of Ethics and Integrity risks. This will be integrated into existing mechanisms and will include a proposal for Committee oversight responsibility for specific risks, for decision by the appropriate body.	Ethics Risk Mapping and accountabilities designed and documented, OIG consulted, consensus with MEC for finalization ongoing. Due date: 07/31/2020 Status: Ongoing
AMA 3	The Ethics Officer and Head of Human Resource Department will prepare a paper reviewing misconduct investigation mandates and required resources across the Global Fund, and proposing options for decision by the relevant Committees, and if necessary, the Board. This will incorporate input from the Office of the Inspector General. The terms of reference of the various functions will be updated, as needed, based on the decisions by the relevant Committees.	Ethics, HR, and OIG evaluating overlap between closed HR investigation AMA, this AMA, and PSEAH AMA to identify remaining steps needed to reach closure. Due date: 12/31/2020 Status: Ongoing
AMA 4	The Secretariat will assess risk and commence prioritized interventions required for a robust PSEAH operational plan across the portfolio. The Secretariat will develop a costed action plan to scale up interventions, to be included as part of the 2022 OPEX submission to the AFC and the Board	The Secretariat will assess risk and commence prioritized interventions required for a robust PSEAH operational plan across the portfolio. The Secretariat will develop a costed action plan to scale up interventions, to be included as part of the 2022 OPEX submission to the AFC and the Board. The initial risk assessment and costed action plan for 2022-23 are complete, and prioritized interventions are underway in pilot portfolios. Anticipated holistic PSEAH AMAs have been agreed to monitor implementation of further risk-based, impact-driven risk management activities. Due date: 21/10/2021 Status: obsolete
AMA 6	The Ethics Office will complete the rollout of the ongoing IDD project, such that a risk-based approach is applied to all categories of Global Fund counterparties including implementers and suppliers. The accountabilities for triggering and performing due diligence and subsequent decisions based on the results will be developed.	Draft guidance on IDD in PRs developed by Ethics and submitted to GMD for review. Plan to submit materials for AMA closure 1 June. Due date: 06/30/2020 Status: Ongoing

* This table summarizes the opinion of the Ethics Officer on open AMAs. Besides, AMAs are reported in the OIG Agreed Management Actions Progress Report.

**The Global Fund to Fight
AIDS, Tuberculosis and Malaria**

Global Health Campus
Chemin du Pommier 40
1218 Grand-Saconnex
Geneva, Switzerland

theglobalfund.org

T +41 58 791 1700