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To Fight AIDS, Tuberculosis and Malaria

Ethics Committee Annual Report

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Ethics Committee

*Fifteenth Board Meeting
Geneva, 25-27 April 2007*

Annual Report – 6 Topics

1. Secondment Arrangements
2. Post-Employment Policy for Global Fund Staff
3. Involvement of Family Members in Global Fund Business
4. Office of Inspector-General - Hotline Reporting Procedures
5. Declaration of Interest - Annual Distribution
6. Conflict of Interest - Determination

1. Secondment Arrangements

Background

At the 13th Board Meeting

- the Board noted with concern the questions raised by the Ethics Committee on existing Secretariat Secondment practice and requested the Committee to:
 - review the Secretariat Secondment policies and procedures
 - report back to the 14th Board Meeting
- the Secretariat reported to the Board that as required by ‘Management Action Plan’ in response to issues raised in the WHO Office of Oversight Services (IOS) Report it was:
 - reviewing the Secretariat Secondment Policies and Procedures
 - developing Global Fund Secondment Guidelines

Action

Secretariat and Ethics Committee - reviewed WHO policies and procedures secondment arrangements

1. Secondment Arrangements (cont.)

Outcome

The Secretariat and Ethics Committee determined that WHO policies and procedures for the secondment of individuals from organizations both within the UN Common System and private sector can be regarded as 'best practice' as they provide detailed guidelines for the identification and treatment of a conflict of interest both actual and potential

- One adaptation proposed - inclusion of an additional requirement that the Global Funds' Legal Unit review all secondment proposals and provide recommendations for action by the Executive Director.
- The Ethics Committee has requested the Secretariat to provide a bi-annual report of all secondment staff appointments, highlighting those which presented a potential conflict of interest and outlining the remedial action taken by the Secretariat - June 2007

2. Post-Employment Policy for Global Fund Staff



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Background

At the 12th Board Meeting the Board requested the Ethics Committee to develop a post-employment policy that covers conflict of interest issues that arise in relation to former staff members of the Global Fund

Action

- Reviewed WHO policies and procedures
- Reviewed post-employment regulation policies of various government and other publicly-funded institutions and UN Common System
- Researched the enforceability of post-employment restrictions in a variety of common law jurisdictions
- Held discussions with the Human Resources Department of the Secretariat

2. Post-Employment Policy for Global Fund (cont.)

Global Fund mechanisms that regulate the activities of former staff members both prior to and post-separation

- Pre-separation
 1. Embodied in the Global Fund COI Policy – prevents a staff member from using their position to take actions that may influence their prospects of future employment/business ventures or of a family member
 2. WHO Staff Regulation 1.6 – provides:
 - that Staff members shall exercise the utmost discretion with regard to all matters of official business
 - restricts a staff member from disclosing sensitive or confidential information obtained during employment with the Global Fund
- Post-Separation
 - WHO Staff Regulation 1.6 obligations do not cease with separation from service – restricts former staff members from disclosing sensitive or confidential information obtained during their employment with the Global Fund

3. Involvement of Family Members in Global Fund Business



Background

- WHO IOS Report identified inappropriate involvement of a family member in the business of the Global Fund
- At the 12th Board Meeting the Board asked the Ethics Committee to review the Secretariat Action Plan on the involvement of family members in Global Fund business and make recommendations to strengthen the Conflict of Interest Policy

Secretariat Action Plan covered 2 areas:

1. employment of family members
2. non-compensated involvement of family members

1. Employment of Family Members

The Ethics Committee reviewed the Secretariat Action Plan, which concludes that the employment of family members is adequately covered by provisions of the WHO Staff Rule and Regulations

3. Involvement of Family Members in Global Fund Business



2. Non-Compensated Involvement of Family Members

- **Secretariat determined that:**
 - WHO policies and procedures for family member ‘volunteers’ (not detailed in the IOS Report) prohibits this type of involvement
 - Ethics Committee should consider including a provision in the Global Fund’s Conflict of Interest Policy
- **Ethics Committee determined that:**
 - The involvement of family members in the business of the Global Fund should be guided by the highest standards of integrity and professional behavior to safeguard the reputation of the Global Fund
 - To effectively address the issue the Ethics Committee recommends that the Board amend the Global Fund’s Conflict of Interest Policy

Decision Point 1 – Amendment to Section 8 – Conflict of Interest Policy



The Board amends the Policy on Ethics and Conflict of Interest for Global Fund Institutions by inserting the following section 8, and re-numbering the policy accordingly:

8. Uncompensated Involvement of an Associated Person¹

An Associated Person of any employee of the Secretariat shall not be engaged to carry out work without compensation on or outside the Global Fund premises.

¹ Associated Person as defined in Section 2 of the Policy on Ethics and Conflict of Interest for Global Fund

4. Office of Inspector General Hotline Reporting Procedures

Background

- At the 13th Board Meeting, the Board approved 'Whistle-blowing Policies' for the Global Fund Secretariat, and In-Country Operations
- The Office of Inspector-General (OIG) is required to operationalize the policies, including the development of hotline reporting procedures for reporting allegations of misconduct in relation to the administration or operations of the Global Fund
- Reporting options – anonymous or confidential disclosure of the individuals name for the purpose of follow-up

4. Office of Inspector General Hotline Reporting Procedures (cont.)

Background

- October 2006 - Hotline reporting procedures to be piloted internally for a period of approximately 6-months in order to inform the development of the Request for Proposals for contracting an external service provider
- January 2007 - external service provider contracted
- April 2007- external service provider not providing services
OIG relying on internal procedure

4. Office of Inspector General Hotline Reporting Procedures



Ethics Committee Notes

- Issue of 'robustness' of the OIG internal hotline reporting procedures - may not appear to provide sufficient protection to anonymity
- Hotline reporting procedures of other international organizations with comparable funds under management use external service providers
- Question the capacity of the OIG internal service to adequately cover the Global Fund's operations in terms of language, multilingual reporting, coverage of call costs

Decision Point 2 – Reporting Hotline - OIG



The Board requests the Office of the Inspector-General to implement an independent, confidential and technically robust reporting hotline to support the Whistle-blowing Policy for Secretariat and Governance Bodies of the Global Fund; and In-Country Whistle-blowing Policy as a matter of urgency.

5. Declaration of Interest - Annual

Background

- COI Policy requires all 'covered individuals' – defined as Board members, alternates, members of any committee, task force, the TRP, or any subsidiary body of the Fund and employees to submit a Declaration of Interest annually
- Compulsory filing by Global Fund employees is unresolved with WHO
- DOI Form approved by the Board – user friendly in terms of asset ranges

Current Status

- Annual distribution commenced September 2006
- Compliance to date

6. Conflict of Interest - Determination



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The Ethics Committee considered one conflict of interest issue during the reporting period and this was referred to an Executive Session of the Board for determination.