

37th Board Meeting

Global Fund Ethics Office Annual Report and Opinion 2016

GF/B37/10

03-04 May 2017, Kigali, Rwanda

Board Information

Purpose of the paper: The Annual Report and Opinion presents the progress of the Ethics Office between May and December 2016 and includes the board mandated Ethics Officer's Annual Opinion of Ethics and Integrity at the Global Fund.

How to Contact the Global Fund Ethics Office:

**The Ethics Office is committed to the principles of
accessibility, impartiality and confidentiality**

Queries may be sent to the **confidential mailbox**: globalfundethics@theglobalfund.org

Visit us in our **offices at the Global Fund 9th floor (9A)**

Nick Jackson

Ethics Officer

nick.jackson@theglobalfund.org

Phone: +41-58-79 11 686

Petra F. de Leon

Specialist, Ethics and Integrity

petra.forsstromdeleon@theglobalfund.org

Phone: +41-58-79 11 409

Contents

Vision and Mission of the Ethics Office	2
Letter from the Ethics Officer	3
The Ethics and Integrity Framework of the Global Fund	5
Progress	6
I. Advice and Guidance	6
II. Training and Outreach	6
III. Standard Setting and Policy Support	6
IV. Monitoring compliance with Ethics Policies	7
V. Secretariat Culture	7
The Ethics Officer’s Opinion of Ethics and Integrity at the Global Fund	8
Self-Assessment of the Ethics Office	10
Looking Ahead	10
Annex A: Organizational Maturity Scale	12

Global Fund Ethics Vision

The Ethics Office operates under the authority of both the Ethics and Governance Committee (EGC) and the Executive Director. 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, and where **ethical decision making** is lived daily.

Our vision is a Global Fund 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.

“A Global Fund where our culture and governance accelerate achievement of our Mission”

Ethics Vision Statement

Ethics Office Mission

The Ethics Office is committed to the principles of accessibility, impartiality and confidentiality. 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, through:

- Advice, guidance and support
- Training, outreach and advocacy
- Standard setting and Policy Support
- Monitoring compliance with ethics policies
- Facilitating the response to ethical misconduct
- Conflict of Interest management

“Promoting excellence throughout the Global Fund by addressing ethical behaviour and values, leadership and organizational culture.”

Ethics Mission Statement



Letter from the Ethics Officer



I'm very pleased to present the first Annual Report of the newly established Global Fund Ethics Office. When I joined the Global Fund on May 1st 2016, a firm base had already been built, and the Legal Department had been managing ethics for the institution. I would like to thank Gülen Newton and her staff, who in particular have ensured a smooth transition.

The Global Fund's Mission to end the three epidemics is itself an ethical undertaking. Our donors and the beneficiaries we serve therefore place trust in us and rely on us to act in ways that best advance our mission, and to rigorously manage our funds, ensuring high quality, sustainable public health impact. Ethical conduct is therefore not just peripheral to our work—it is what we must all do every day.

There are two sides to ethics: one calls on us to act with integrity and humility, to hold ourselves accountable, and to set aside our personal interests for the best interest of the whole. A Global Fund with that culture is primed to enhance the impact it can deliver on the ground and to sustain the trust of its stakeholders. The other side of ethics is a refusal to accept unethical behaviour such as fraud and corruption, benefiting from conflicts of interest, chronic non-compliance with policies and controls, and abusive behaviour such as bullying and harassment. Such behaviour is wrong, weakens the Global Fund's ability to achieve its mission, and has a debilitating impact on stakeholder trust.

The Ethics Office is at the service of the Global Fund's mission, and the work it undertakes aims to advance the Global Fund's strategic objectives. It is in this light that part of my 2016 activity was to assess the state of the existing ethics framework, its alignment to our strategy and the extent to which it has been implemented, thus preparing a base for bringing ethics and integrity work to the next level. As of 2017, we are an Ethics Office of four staff working to embed an ethics-driven culture where how the Global Fund delivers its work enhances what it delivers.

The Ethics Office is guided by universal ethical principles, and by the Global Fund's values of integrity, duty of care, accountability, dignity and respect. In addition, our office is committed to accessibility, impartiality and confidentiality. We invite all those involved in the Global Fund partnership to approach us with ethics or integrity-related questions, comments or concerns they might have.

Progress

In 2016, the Ethics Office's work has included responding to cases of ethical misconduct, providing advice, performing proactive assessments of the state of ethics culture and systems, and engaging with representatives of all stakeholders at the Global Fund. Much of my time has been spent on conflict of interest-related matters driven by existing policies and procedures. Advice from the Ethics Office has also been sought on areas as diverse as ethical risk assessments of new private donations, personal relationships in the work-place, misconduct, improvements to a responsible procurement framework, and ethical dilemmas relating to Governance Officials.

The Ethics Office has also been involved in standard setting and policy support through various forms of input to policies, codes of conduct, procedures, guidelines and other related processes. In close collaboration with the OIG and Legal, the Ethics Office has led the development of the proposed Global Fund Policy to Combat Fraud and Corruption. In addition, jointly with the CCM Hub, the Ethics Office has developed the Code of Ethical Conduct for Country Coordinating Mechanism Members. Both of the above are being brought to the Board for approval in Q1 2017.

Maturity of the Ethics and Integrity Framework at the Global Fund

It is part of my mandate to present the Board with an annual opinion on the implementation of the ethics and integrity framework in the Global Fund and the activities it finances. To formulate this opinion, I have applied the Maturity Scale defined by the OIG.

While the majority of ethics and integrity-related policies and procedures are in place, some gaps remain: risk-based integrity due diligence processes; full roll-out of the "I Speak Out Now!" initiative to promote the whistleblower hotline to all stakeholders; ethics-related training and communications at the Board, Secretariat, CCMs, and PRs; and ethics-related compliance monitoring and oversight. There is also currently a lack of an overarching policy to combat fraud and corruption and a Code of Conduct for CCM

members. This Board Cycle, my office has put forward proposed drafts of both: a Policy to Combat Fraud and Corruption is presently under review by the AFC and EGC, due to the Board in November, and a proposed Code of Conduct for CCM Members is presently being brought to the Board for approval.

Staff perceptions of ethics and integrity in the Secretariat have seen a steady improvement since 2012. The code of conduct for staff and the bullying and harassment policy are now in place. However, the organization remains below benchmarks for staff feedback on fear of speaking out and perception of fairness and ethical behavior internally. Creating a culture of mutual trust, integrity and transparency where our core values are lived daily by all stakeholders, where unethical conduct is not tolerated and is addressed when it occurs is crucial to the success of the Global Fund mission. Going forward, the Ethics Office plans to ensure greater use of data sources related to Global Fund culture.

The Ethics Office is structuring systematic training, communication, compliance monitoring and oversight over ethics and integrity. Furthermore, we will be leading the development of a comprehensive, risk-based approach to integrity due diligence, taking into account the findings and addressing recommendations of the OIG Advisory Report issued in January 2017.

As can be seen, the majority of ethics and integrity-related codes, policies and procedures are in place. However, a small number of topics are just starting to take shape. On that basis I have determined that the aggregate state of ethics- and integrity-related processes and controls at the Global Fund is presently “initiated”. This rating does not mean that the Global Fund is ‘unethical’, when in fact the Fund operates with integrity and ethics at its core. Rather, as the organization matures it is strengthening the processes, systems and frameworks that support all stakeholders in doing their work. I have structured the Ethics Office’s work plan to target key areas of improvement, such that the rating is likely to increase in aggregate towards “embedded” by the next Annual Report.

Executive Director Selection Process

It is also appropriate to reflect on the challenges arising from the Executive Director selection process. A comprehensive review is planned, not just to assess the leaks for potential misconduct, but to learn lessons that can inform the new selection process. Given our unique multi-stakeholder model, we need to balance the confidentiality required to attract a diverse pool of high-quality candidates with the transparency required to allow proper constituency consultation. The Board decided on a reduced timescale for the process, which also presented a challenge: Our Mission is urgent, but excessive time pressure creates ‘tunnel vision’ - preventing us from consulting broadly and from assessing risks thoroughly.

Looking Ahead

I am optimistic about ethical conduct and decision-making at the Global Fund. Ethics is ‘built in’ to our multi-stakeholder model; Board members and staff are largely competent at working respectfully and effectively with our diverse community; the newly established EGC is becoming part of the governance framework; and the 2017 Ethics work plan addresses a number of policy and procedure gaps. Most importantly, we will start the overdue work on ethics training and communication that will help enhance secretariat culture.

Looking further ahead, and following agreement of the new Global Fund Strategy, there is an opportunity for new Board Leadership and the incoming Executive Director to consider replacing the current diverse sets of values with a common set of values and behaviours that will underpin achievement of that strategy. There is also an appetite amongst Board Members for greater transparency. To underpin this, early work is underway to consider improving the disclosure of actual, potential and perceived conflicts of interest at the Board level.

Nick Jackson

Global Fund Ethics Officer

The Ethics and Integrity Framework of the Global Fund

The *Ethics and Integrity Framework of The Global Fund to Fight AIDS, Tuberculosis and Malaria* (“*The Ethics Framework*”) states: “*To reach and maintain high standards of ethical conduct, the Global Fund’s core ethical values must be fully integrated into its culture and activities, including its grant programs, and complied with by all entrusted with Global Fund resources and/or responsibilities.*” The Ethics Framework is made up of:

- The core ethical values of the Global Fund;
- Policies and procedures;
- Codes of Conduct;
- Roles and responsibilities; and,
- Reporting requirements.

Integrity
Duty of Care
Accountability
Dignity & Respect

The Global Fund’s core ethical values, as expressed in the ‘Ethics and Integrity Framework’

Implementing the Ethics Framework

The Ethics Officer has a dual reporting line to the Executive Director and to the Board via the EGC. The Ethics Office operationalizes the Ethics Officer’s Terms of Reference (TORs) across the Global Fund ecosystem by promoting ethical practices, and by deterring un-ethical practices through preventive, detective, and responsive action.

In fulfilling its second-line-of-defence function within the Global Fund, the Ethics Officer has the remit to evaluate the quality of existing ethics and integrity-related controls, set standards, provide advice, initiate improvements, monitor compliance, and report on progress.

What the Ethics Office Works On



Governance Officials
Secretariat
CCMs
Implementers
Suppliers



Encourage Highest Ethical Practices

- Decisions should be driven by organizational mission and considerations of fairness
- Good governance and transparency principles should be abided by
- Values of integrity, accountability, dignity & respect should be lived daily

Prevent, Detect, and Respond to Un-Ethical Practices

- Conflict of interest must be disclosed and managed
- Bullying, harassment, retaliation and other toxic behaviors are not permitted
- Fraud and corruption is systematically prevented, detected, and responded to

Progress

The Ethics Officer joined the Global Fund on 1 May 2016,¹ and an Ethics Office comprising four staff members is in place by Q1 2017. Between May and December 2016, the Ethics Office focused on providing immediate advisory support and evaluating areas for further strengthening of ethics and integrity. As per the ToRs and the approved 2016 Work Plan, the Ethics Office has engaged in:

I. Advice and Guidance

- **Conflicts of interest:** Conflict of interest related matters driven by existing policies, procedures and guidelines have consumed over half of the Ethics Office's time and numbered more than 60 individual cases. This has included working with Board members, SIID, External Relations, FISA, the OIG, the CCM hub and the LFA Coordination team, in reviewing conflicts of interest submissions and advising on conflicts of interest in relation to Board officials and committee members, TRP and TERG members, Secretariat employees, private donors, CCMs, LFAs, and Suppliers. The administrative role relating to conflict of interest management has now been entirely transferred from the Legal Department to the Ethics Office.
- **Advice relating to misconduct:** The Ethics Office has engaged with the EGC, the Executive Director and Human Resources to assess a small number of misconduct cases. The Ethics Office has also provided confidential advice to staff relating to their concerns of misconduct and working relationships.
- **New donors:** The Ethics Office has supported due diligence and facilitated an ethical risk assessment of several new private sector donors in support of replenishment.
- **Sourcing:** The Ethics Office has provided advice on the development of a responsible procurement framework and assessed a small number of cases of supplier misconduct and conflicts of interest.

II. Training and Outreach

Working closely with the Office of Board Affairs and Human Resources, the Ethics Office has delivered introductory presentations in on-boarding sessions to Board members and staff, and has developed modules on ethics training for new managers and senior leadership. Working with the Communications Department, the Ethics Office has leveraged the internal newsletter to communicate the ethics function role and the importance of ethics in the context of the Secretariat's culture.

III. Standard Setting and Policy Support

An essential part of embedding a culture of ethics and integrity is to make sure that policies, codes of conduct, procedures and practices reflect the Global Fund's core ethical values and that these are complied with by all those entrusted with Global Fund resources and/or responsibilities. The Ethics Office has led the development of the following documents envisioned to be completed in Q1 2017:

Code of Ethical Conduct for Country Coordinating Mechanism Members ("CCM Code of Conduct"): To date, CCM members have not been subject to a formal code of conduct. The CCM Code of Conduct seeks to address this gap by bringing CCM members under the same foundational ethical obligations as the remaining entities and individuals in the Global Fund's ecosystem. The

¹ The period between January and April 2016 was covered in the "2015 Annual Report of the Ethics Official"

proposed CCM Code of Conduct is the collective work product of the Ethics Office and the CCM Hub, with extensive input from the Legal Department and the OIG. In addition, there have been consultations with several Fund Portfolio Managers, Grant Management Solutions, and 45 CCM Members.

Global Fund Policy to Combat Fraud & Corruption (“The Anti-Corruption Policy”): Despite having a clear zero tolerance for corruption and many elements of an Anti-Corruption program currently in place, the Global Fund is lacking a formal policy, an unambiguous statement of commitments, principles, and requirements that set the strategic direction for anti-corruption across the Global Fund institution. The Ethics Office has led the development of this Policy in close collaboration with the OIG and other teams across the Secretariat.

In addition, the Ethics Office recorded various forms of input to policies, codes of conduct, procedures, guidelines and other related processes, including the *Personal Data Protection Regulations*, the *Local Fund Agent Conflict of Interest Guidelines* and the *Conflict of Interest Guidelines for Service Providers*.

IV. Monitoring compliance with Ethics Policies

Assessment of the Ethics & Integrity Framework: The Ethics Office performed an assessment of the Ethics Framework and the state of its implementation across the Global Fund ecosystem in 2016. Through this exercise, the Ethics Office has identified areas of risk which require a strategic and holistic approach and committed resources. As a result, the Ethics Office initiated a series of initiatives and projects that comprise the bulk of the Ethics Office 2017 Work Plan and Budget. It also forms the basis for the Ethics Officer’s Opinion of Ethics and Integrity at the Global Fund in the following section of this report.

CCMs: The OIG CCM Audit and the Ethics Office’s own assessment have identified a number of ethics-related risks relating to promoting ethical conduct in CCMs, and sanctioning misconduct.

Integrity Due Diligence (IDD): The OIG has undertaken an advisory review of the IDD processes in place across the Global Fund, which the Ethics Office has been sponsoring. The Ethics Office has secured a project manager to lead the work on improving IDD across the Secretariat, Board, Implementers and CCMs.

Corruption Prevention: The Ethics Office has started to gain an understanding of existing anti-corruption policies and controls, reviewed internal risk and capacity assessment tools for fraud risk analysis, and has provided input to the OIG’s plan to fully roll-out the “I Speak Out Now!” campaign to encourage reporting of fraud and corruption.

V. Ethics and Integrity in the Secretariat

The Ethics Office has been working in collaboration with the Ombudsman, Staff Council, Staff Counsellor and Human Resources with a view to understanding the existing Secretariat culture and the challenges in terms of embedding an ethical culture within the Secretariat and the Global Fund at large. The Ethics Office has undertaken a detailed review of the 2016 Staff Engagement Survey results, the Ombudsman’s and the Staff Counsellor’s reports, Human Resources data on disputes, and other indicators of culture, including sickness absence, in order to evaluate the state of ethics in the Secretariat. Based on this and on staff requests for confidential advice, the Ethics Office initiated work with the Executive Director and the Head of Human Resources to strengthen messages on culture and accountability, and to strengthen the processes for investigating and addressing misconduct. The Ethics Office also participates in the Wellness Working Group.

The Ethics Officer's Opinion of the Maturity of Ethics and Integrity Processes, Controls and Culture at the Global Fund

The Ethics Officer's mandate includes providing "an annual written opinion to the Board *“on (1) the state of ethics and integrity across the entire Global Fund and the activities it finances, including anti-corruption 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.”* The mandate is thus twofold: on the one hand it considers our core values and culture, while on the other hand it relates to processes and controls.

As the Global Fund's Chief Risk Officer has noted in his 2016 annual report to the Board, *“The risk of ethical misconduct is inherently high given the potential conflicts of interest in our complex governance mechanisms; the challenging operating environments we operate in, often with elevated corruption levels; and the multi-layered implementation structure of grants of involving principal and sub-recipients.”* The Global Fund is facing an environment in which stakeholder expectations relating to transparency, program effectiveness, and corruption prevention are increasing. In the case of a publically financed, global financing institution such as the Global Fund, stakeholder trust is imperative to maintain financing sources and to engage meaningfully with partners on the ground. Sustained Board focus on ethics and integrity will be critical to drive Global Fund advancement in this area.

In November 2016, the Ethics Officer provided the Board with an initial evaluation of the Ethics and Integrity Framework as approved by the Board in 2015. The evaluation was undertaken according to international best practice to achieve a robust integration into Global Fund culture and processes. The conclusions of the evaluation still stand, and they are presented according to the OIG's scoring methodology of the Organizational Maturity Scale which evaluates the presence of relevant policies, the existence and consistent application of relevant internal controls, and the level of oversight over them. The Organizational Maturity Scale uses a rating scale along the following continuum: 1) Optimized; 2) Actively managed and formalized; 3) Embedded; 4) Initiated; 5) Ad-hoc; and 6) Non-existent (Annex A).

Using these criteria, and focusing on ten areas listed below, the Ethics Officer has determined that the state of the ethics and integrity framework, including processes, controls and culture at the Global Fund varies between ad hoc and embedded, giving an aggregate rating of "initiated". The Ethics Office has structured its 2017 work plan to target key areas for improvement.

- **Values in Policies and Codes:** The Global Fund has a firm base in terms of ethics and integrity-related policies and codes of conduct, making this one of the strongest areas on the maturity scale. While the vast majority of ethics and integrity-related processes have been defined through institutional policies, gaps remain, which can be addressed by the Board through the approval of the Code of Ethical Conduct for CCM Members, and, eventually, the Policy to Combat Fraud and Corruption.
- **Recoveries and Sanctions:** The Global Fund's largely effective response to fraud and corruption, and its institutionalized and functional recoveries process make this another area of strength. There are policies and processes in place that enable the Global Fund to sanction suppliers and it has taken action as appropriate. However, as a matter of course, opportunities to further expand and strengthen sanctions processes should be kept under review.
- **Ethics at the Board:** Relevant policies (e.g., the Code of Ethical Conduct for Governance Officials and the Policy on Ethics and Conflict of Interest) are in place and conflict of interest disclosures are occurring regularly. To achieve progress towards an embedded state of ethics, training and outreach regarding the Code of Ethical Conduct for Governance Officials is still required. Further focus on ethics in decision making, and on embedding the EGC's role in promoting ethical conduct at the Board level would be particularly helpful for strengthening ethics at the Board.

- Ethics and Integrity in the Secretariat:** Overall, the culture in the Secretariat has been steadily improving since 2012 and can be considered as “fully initiated.” A Code of Conduct for employees has been in place since 2009. It was revised in 2013 and in 2016. The bullying and harassment policy is also now in place. However, given the diversity of nationality, gender and professional background in the Global Fund, it is critical to keep ‘working at making it work’. The organization remains below benchmarks for Staff engagement survey feedback on fear of speaking out and perceptions of fairness in internal processes. This is balanced by staff perceptions that the Global Fund acts highly ethically externally. The Ethics Officer is working with the Head of Human Resources, the Chief of Staff, the Staff Council, Staff Counsellor and Ombudsman to provide staff with a safe environment and the comfort to speak up, through driving accountability and meaningfully protecting those who speak out from retaliation.
- Speaking Up and Response:** This area can be considered fully initiated. The Global Fund has the policy, obligations, and mechanisms in place for governance officials, employees, implementers, and suppliers to report past or present misconduct occurring in relation to any of the Global Fund’s activities. Through the OIG, the Global Fund has a whistle-blowing mechanism that includes various channels including a free hotline and website. In 2016, the OIG promoted this mechanism through an initiative called ‘I Speak Out Now!’ both at the Secretariat and in pilot countries. To achieve broader coverage, the OIG will be extending the initiative to more implementers in 2017. Response through investigation is well-established in the OIG, and the Ethics Officer and Human Resources are also undertaking reviews and investigations in relation to internal cases that fall under their respective mandates. Nevertheless, encouraging all those involved in Global Fund activities to speak up requires further awareness raising.
- Roles, Responsibilities, Incentives, and Resources:** Documentation, such as Board policies and accountability frameworks, is in place to outline roles and responsibilities across the Global Fund, including in relation to ethics. Ethics-related initiatives are also resourced, as evidenced by the creation of the Ethics Office. To bring this area to an “embedded” rating, additional analysis and work is required to align incentives with ethical behavior and proactivity on anti-corruption, and this will evolve through the secretariat initiative and the analysis of corruption risk in Global Fund internal controls and implementer processes.
- Ethics Risk Assessment:** Ethics is monitored as an enterprise-level risk through the Corporate Risk Register and fraud and corruption risk is assessed at grant level, through a standardized risk tool. However, the area remains ‘initiated’ given that some processes in the Global Fund’s business cycle have not been subject to a comprehensive fraud risk analysis, which should, according to international best practice, be the foundation of a comprehensive anti-corruption program.
- Ethics-Related Procedures and Internal Controls:** Many of the required conflict of interest and anti-corruption commitments, policies, and mechanisms already exist. To become fully “initiated” these controls need to be evaluated for consistent application and effectiveness to determine (1) whether the entirety of the mechanisms adequately mitigates the scale, scope, and nature of conflict of interest, fraud and corruption risks, and (2) whether the mechanisms in place are the most effective and efficient means by which to mitigate these risk.
- Training and Communication:** Training and communication on ethics and integrity has been “ad hoc” at the Global Fund. In 2016, the OIG initiated the “I Speak Out Now” campaign with on-line training modules and training sessions for staff on identifying red flags of fraud and corruption and reporting. The ToRs of the Ethics Officer place responsibility for ethics and integrity training and communication with him. The Ethics Office has performed initial trainings of on-boarded Board officials, TERG, TRP members, and Global Fund staff.

- **Compliance Monitoring and Oversight:** Both the Secretariat and the OIG recognize that, as the Inspector General has stated in his 2016 Annual Report, *“there is a need to strengthen the culture of accountability and sound controls [in the Secretariat] in which compliance with key institutional policies and procedures becomes standard and where it is seen as an enabler of excellence in day-to-day operational delivery.”* A culture of compliance and accountability with internal policies is a critical component of an ethical culture that serves the Global Fund’s mission and further work will be necessary to move this area beyond “initiated”. The Ethics Office is responsible for monitoring and oversight of compliance with ethics and integrity-related matters. It will also advocate for a consistent approach to monitoring compliance with policies in general and will, increasingly, track the overall culture of compliance over time. The Ethics Officer will be using the vehicle of this Annual Report to report on compliance with ethics and integrity matters. Future compliance and monitoring will seek to be anchored in data to track progress on ethics and integrity.

Self-Assessment of the Ethics Office

Before looking ahead it is important to consider the performance of the Ethics Office in 2016. Although the Ethics Office has made reasonable progress on policy development and the provision of advice and guidance to a variety of audiences, going forward the Ethics Office will focus on the roll-out of a more systematic communications and training programme. Monitoring compliance with ethics policies and advocating for a consistent approach to monitoring compliance with other key policies is another area that the Ethics Office will emphasize in 2017. Closer alignment with the EGC is needed to direct Board-level ethics challenges to the EGC and thus embed the committee’s role in governance. Indeed, more needs to be done to assess and achieve the right balance of Ethics Office’s focus and intervention across Governance, Secretariat and Operations.

Looking Ahead

The Ethics Office has initiated a series of activities that will comprise the bulk of the Ethics Office Work Plan and Budget going forward:

- **Communications and Training:** A strategic and systematic approach to communications and training around ethics and integrity is necessary in order to bring these topics to the very core of the Global Fund. For this purpose a long term Ethics and Integrity Communications and training plan covering the entire Global Fund ecosystem will be developed in close collaboration with the Communications Department, Human Resources Department, other supporting departments and affected stakeholders.
- **Enhancing ethical conduct in Country Coordinating Mechanisms (CCMs):** An initiative is planned to undertake the production of a CCM Code of Conduct, training, certification of compliance by CCM members, monitoring, re-emphasis of speak-up mechanisms, and the use of performance based funding as a mechanism to incentivize compliance.
- **Implementing Integrity Due Diligence (IDD):** The Secretariat has mobilised a project to review Integrity Due Diligence processes across the organisation, analyse them, and ensure alignment on a risk basis under an institutional framework. The project will implement the recommendations from the OIG Advisory Review of IDD. The Ethics Office is sponsoring and, with senior management, steering the project implementation on behalf of the Executive Director.
- **Strengthening Conflict of Interest Management:** The existing Global Fund policies, procedures and guidelines related to conflicts of interest at Board, TRP, Secretariat and Operations levels will be evaluated for consistency, scope and application and amended as needed to ensure the most effective and efficient means to mitigate risk and monitor compliance.

- **Aligning Policies & Procedures:** The Ethics Office will develop a plan to ensure that existing ethics related policies, codes of conduct, procedures and guidelines are amended over time, as needed, to ensure internal consistency and alignment. This includes the Anti-Corruption and the Conflict of Interest frameworks and procedures.
- **Integrating the Anti-Corruption Framework:** The Ethics Office is undertaking a corruption risk assessment, has documented the Anti-Corruption Framework, and will roll out an enhanced anti-corruption 'toolkit' to enable Country Teams to assess corruption risk and deploy an effective mix of controls. In particular, this will address the varying levels of maturity amongst the implementer population.
- **Strengthening Ethics and Integrity in the Secretariat:** The Ethics Office plans to ensure greater use of data sources related to Global Fund culture including those of the Ombudsman, the Staff Counsellor, the Staff Council and Human Resources in order to embed a culture of common ethical norms and behavioural integrity standards that facilitate competent ethical decision-making. Involving staff views through surveys, focus groups, one-to-one meetings with a sample of staff and interventions with selected teams will be a central part of this work. In close collaboration with internal communications, the Ethics Office will formulate a communications strategy to support embedding a culture of ethics and integrity in the Secretariat. The Ethics Office will work with Human Resources to address the need to (i) set behavioural expectations through training, (ii) support teams and managers when necessary, (iii) encourage earlier reporting of staff concerns and issues and 'triage' better between disputes to be mediated and misconduct to be investigated, (iv) establish mechanisms to protect those who speak up from retaliation, and (v) where necessary to more effectively investigate misconduct and hold people to account.
- **Compliance Monitoring & Oversight:** The Ethics Office will consolidate a system of reporting, testing, and tracking ethics-related activities across the Global Fund to enable ongoing monitoring and dashboard-like reporting to the Executive Director and EGC. Further, with the arrival of the Ethics Officer function, departments across the Secretariat will require clarification as to where their roles end and where the Ethics Officer's role begins.

This set of planned activities, taken alongside the day-to-day provision of advice and response to issues, should enable the Global Fund to reach a target level of 'fully initiated' by the end of 2017.

I ask all stakeholders to engage, challenge, and hold the Ethics Office and Ethics Officer accountable to the same high standards of conduct and delivery that we ask of others across the Global Fund ecosystem.

Annex A: OIG’s Organizational Maturity Scale

Rating	Definition
Optimized	Internal controls, governance and risk management processes are optimized to ensure that the organization’s operational and strategic objectives are met.
Actively managed and formalized	Internal controls, governance and risk management processes are actively managed and overseen with clear lines of accountability. Decision making is based on reliable data sets with sufficient due diligence, leading to assurance mechanisms that are robust and fit for purpose to enable the organization’s operational and strategic objectives to be met.
Embedded	Internal controls, governance and risk management processes have been defined and are embedded in everyday management practice. However, there is insufficient close supervision or active management of these processes and/or they are not consistently measurable. It is likely but uncertain that they will allow the organization’s operational and strategic objectives will be fully met.
Initiated	Internal controls, governance and risk management processes have been defined through institutional policies approved by executive management and/or the Board. However, they are not applied consistently and are not fully embedded in everyday management practice. They are unlikely to ensure that the organization’s operational and strategic objectives will be fully met.
Ad hoc	Internal controls, governance and risk management processes are inchoate or ad hoc. They have not been fully defined and/or not approved by executive management or the Board. Processes are insufficient to ensure that the organization’s operational or strategic objectives will be met.
Nonexistent	Internal controls, governance and risk management processes are absent.