
Global Fund Ethics Office Annual Report and Opinion 2019

43rd Board Meeting

GF/B43/06

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Board Information

Purpose of the paper: This paper covers the Ethics Office's Annual Report and Opinion for 2019.

Executive Summary

Context

The Global Fund partnership is trusted to deliver our mission: To attract, leverage and invest additional resources to end the epidemics of HIV, tuberculosis and malaria and to support attainment of the Sustainable Development Goals (SDGs). In 2019 stakeholders again very clearly placed their trust in us, providing the Global Fund's largest replenishment to date. That trust has been built up by the individual actions and decisions of many people, but it is inherently fragile. Maintaining it requires integrity, ethical conduct and sound decision-making every day from every person involved in the Global Fund partnership – in Governance, in the Secretariat and from those who implement and oversee activities in countries where we finance grant programs.

The ethical context for the Global Fund is clear across the partnership. Playing our part in achieving the SDGs, in particular SDG3, by 2030 requires us to take on challenging dilemmas, many of which have moral ethical considerations at their heart. Even with increased resources, tough decisions about allocating those resources remain. Examples include: How do we balance prevention with the need to save lives today through treatment? How do we balance providing equitable access for everyone affected by the three diseases today with investing in a way that save more lives over the longer term? How do we integrate high potential advances such as artificial intelligence and machine learning into our activities whilst mitigating ethical risks relating to data ownership, privacy and algorithmic bias? How do we balance building implementer capacity for the longer term with focusing on more immediate programmatic goals?

Within this broader context, the 2019 OIG audit of the Ethics and Integrity Framework provides some specifics for the ethics program. It showed that whilst we've made good progress, the Global Fund cannot be complacent where ethics is concerned. We need to ensure effective prioritization of our ethics activity: focusing on stakeholders and topics where there is the most impact, and focusing on the prevention of issues through ethical awareness and the integration of ethical analysis into decision-making, rather than containment or response after the event. As with other risks, our efforts and prioritization need to consider our degree of influence over others, our risk appetite, and the integration of ethics into core business processes alongside other priorities.

Whilst the majority of this report focuses on progress in 2019, the forward-looking section on actions to achieve increased maturity notes the expected impact of Covid-19 on the ethics program.

Questions this paper addresses

- A. What is the Ethics Officer's Opinion¹ on the state of ethics and integrity across the Global Fund and the extent to which Global Fund activities have complied with ethics and integrity-related policies, codes and requirements?
- B. What progress has the Global Fund made in ethics in 2019?
- C. What progress has been made with the Global Fund's ethics program during 2019?
- D. What impact has this progress had on our ability to deliver our mission?

Conclusions

- A. My opinion on the maturity of ethics and integrity across the Global Fund using the OIG's maturity scale for internal controls, governance and risk management (see Annex 4) is that although progress continues, it remains at "initiated". The 2019 Audit of Ethics and Integrity at the Global Fund highlighted other relevant scales to use that may be more suited to ethics, such as the ECI's High Quality Ethics Program benchmarks and Dubinsky & Richter's Global Ethics & Integrity Benchmarks. We will incorporate those going forward. The direction of travel remains positive and is consistent with that identified in 2017 and 2018. In my last report and opinion, I noted that the pace of reaching embedded would depend on three factors: (i) The rate at which the ethics program can impact grant operations, (ii) the outcome of the staff engagement survey, and (iii) actions arising from the OIG's audit of the Ethics and Integrity Framework. Considering each in turn: (i) Progress has been made with the CCM Code of Conduct roll-out, but there are some delays in relation to Implementers, (ii) whilst the staff engagement survey highlighted universally strong staff engagement and acceptable psychological safety within teams, the Global Fund still lags benchmarks for perceptions of safety to speak up, and (iii) the OIG audit highlighted areas where greater clarity of accountability is needed. In terms of getting to an embedded state, we have increased focus on the work relating to implementers and CCMs, staff engagement action plans are now in place and their effectiveness can be assessed in future surveys, Agreed Management Actions (AMAs) have been agreed that will clarify accountabilities for ethics risks and complete implementation of relevant ethics initiatives. Alongside the broader cultural work in Governance and the Secretariat, careful implementation of the six AMAs will contribute to strengthening the Framework through a mix of 'finishing what we started', further focusing ethics where it can have the highest impact, and clarifying accountabilities for 1st, 2nd and 3rd line roles in managing ethics-related risks. From a previous estimate of mid-2020, I now consider that completion and full roll-out of the AMAs, and consequent achievement of an embedded state, will run into late 2021 or early 2022, noting the impact of Covid-19.
- B. In 2019 the Global Fund continued to make progress integrating ethical considerations and values into our decision-making. Examples of this include; Considering **integrity** in the selection of new Board Leadership; the Secretariat delivering **dignity** in the workplace training; CCM

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/B33/ER08 and approved by the Board pursuant to decision point GF/B33/EDP14. The Ethics and Governance Committee, in accordance with its Charter, is responsible for advising the Board on the adequacy and effective implementation of the Global Fund's ethical policies and operation of related systems, based on the reports and annual opinion of the Ethics Officer.

Evolution working with CCMs to improve their ability to improve country ownership and hold themselves and implementers **accountable** for country level results, and core grant activities inherently focusing on our **duty of care** to those most impacted by the three diseases, including key populations. This is incremental to the baseline activities of protecting the integrity and independence of decision-making at the Board, TRP, TERG and Secretariat through active disclosure and management of conflicts of interest.

- C. Turning to the Ethics Office's work, we made progress with supporting the organization to place 'ethics inside' relevant decision-making processes. Examples include: Assisting with Board Leadership selection; Supporting more than 20 renewed and new private sector partnerships in the run-up to replenishment, as well as key tenders for Rapid Diagnostic Tests and Long-Lasting Insecticide Nets. Working hand in hand with CCM Evolution we made progress on rolling out the Code of Conduct for CCM Members. We co-hosted a conference on anti-corruption in health and supported Country Teams to successfully pilot new approaches to corruption prevention that will inform the Secretariat's continued roll-out of the Policy to Combat Fraud and Corruption. This was alongside day to day casework, where we handled a total of 299 cases in 2019, compared to 245 in 2018. The launch and embedding of new systems enabled us to improve the efficiency and effectiveness of our work, handling that caseload with the same resource levels as 2018. Although not immediately obvious in the statistics, we started a shift of effort to focus on CCMs, implementers, suppliers and other bodies outside Governance and the Secretariat, whilst at the same time achieving near-perfect compliance rates on core Governance and Secretariat disclosure processes.
- D. Impact: In my last report I mentioned a desire for 'silent running', i.e. advice and preventive measures that result in a low rate of publicly controversial decisions and a high rate of trusted decisions. Critical activities with potential ethical risks, such as Board Leadership appointment and the signing of partnerships to support replenishment, indeed went very smoothly. Achieving our part in the SDGs, in particular SDG3, by 2030 requires a forward and outward-looking culture that is able to maturely and carefully consider accountabilities across the partnership and make trade-offs even given our increased resources. It also needs to recognize and maturely address future risks that have an ethical dimension before they become issues. The application of 'big data' and AI in health, and our responsibilities in relation to climate change, are examples. There is clear evidence that this debate is happening across the Secretariat and Governance in a measured way.

Input Sought

The Board's input is sought on the opinion and progress report, with a view to improving the focus and effectiveness of the Ethics program going forward.

Input Received

Input has been received from the Management Executive Committee, Office of the Inspector General and the Ethics and Governance Committee. A number of Board Constituencies provided input in the earlier draft presented to EGC.

Opinion on the Maturity of Ethics and Integrity

Introduction and Ethics Risks

As in the last opinion, I note that there is no single established 'industry standard' for forming an ethics opinion. I have therefore used the bases as in 2019 for building up my opinion:

- The descriptions of each level of the OIG's maturity scale (outlined in Annex 4)
- Recognized external benchmarks, such as the Ethics & Compliance Initiative's High-quality Ethics & Compliance Program Measurement Framework (used by OIG to inform their audit), and Dubinsky and Richter's Global Ethics and Integrity Benchmarks, 2015. (Used when the Ethics and Integrity Framework was being developed.)

Ethics risks within the Organisational Risk Register (ORR) position ethics as an enabler to other key processes and decisions in Governance and the Secretariat, rather than an end in themselves. The 'In country conduct' risk on the ORR was introduced in Q3 2018 as a means of bringing together our approach to assessment and mitigation of ethics risks arising within CCMs and implementers. Notwithstanding the delays noted to achieving the embedded state, the projects described in the detailed update in this report are essentially the planned upcoming risk mitigations in the ORR. In all three areas of Governance, Secretariat and Operations, the residual risk is rated 'moderate' and on a steady direction of travel.

Opinion

My opinion on the maturity of ethics at the Global Fund is that whilst progress was made in 2019 it remains 'initiated' across Governance, Secretariat and Operations. In all three areas the foundations remained sound, and all areas made incremental progress compared to 2018. A full detailed progress update is contained in Annex 3, but the main highlights that inform the opinion are as follows:

Governance level

Ethics training continues to be a core part of onboarding for Governance Officials. TRP and TERG members also took part in face to face training. Protecting the integrity of decision-making through disclosure and management of personal conflicts of interest has become embedded in the Board, Committees, TRP and TERG. Governance Officials continue to be thoughtful, proactively making disclosures and seeking advice rather than waiting for a disclosure request to be issued to them. During 2019, proportionate integrity due diligence was introduced in the selection of all Governance Officials. The Board has recognized and is working on the importance of trust-building across its activities.

Secretariat level

Ethics continues to be a core part of onboarding training for new staff and consultants. Proportionate due diligence is applied routinely to new staff, consultants and corporate suppliers as part of their selection process. Disclosure and management of conflicts of interest was undertaken by all in-scope staff. Mandatory dignity in the workplace training was completed. A new investigations and disciplinary process was finalized, which enables fairer investigation and increased accountability for misconduct. The engagement survey showed strong engagement and acceptable psychological safety. Management action plans were initiated to address the engagement survey results, including the ongoing fear of speaking up. Whilst management of risks with an ethical component is in place, AMAs have been agreed to further clarify and document 1st, 2nd and 3rd line accountabilities for this.

Country Operations level

My assessment remains that operations in aggregate are at the initiated level of maturity. Whilst we are aware that many implementers already have their own established ethics and compliance programs, we cannot with confidence yet answer the question “To what extent can we rely on those programs?” Further, if we consider implementers to be ‘businesses’ we need to prioritize and fit improvements to ethics and compliance alongside other ongoing capacity building efforts such as strengthening their financial management, supply chains, risk management, human resources management, etc. Looking specifically at grants, there is clearly already extensive focus on risk management and assurance, with oversight by GMD, Risk and the OIG. However, Ethics engagement with grant operations is generally reactive in that we respond to requests for support. This is becoming more structured and proactive through the CCM Code of Conduct initiative, which is surfacing and systematically addressing issues collaboratively with Country Teams and the CCM Hub.

Abuses of power, including bullying and harassment, including sexual harassment and other forms of abuse

This ethics risk deserves specific comment. Governance Officials are already aware of the expectations on them and the organizations they oversee. The updated Code of Conduct for Governance Officials makes these expectations crystal clear along with the consequences for misconduct. The Chief of Staff has been appointed as champion to cover all activities on this topic in the Secretariat and Operations. In the Secretariat, dignity in the workplace training has raised expectations, and improved investigation and disciplinary processes have been implemented. A case review panel chaired by the Chief of Staff and including OIG, Ethics, Risk, GMD and CRG representatives is now in place to oversee an effective survivor-centered response to cases that occur in Operations, and to further strengthen prevention mechanisms where needed. The Board is exercising oversight – data and, where appropriate, case by case information is being reported confidentially to EGC in Executive Session to protect the dignity of complainants and survivors. Given the unfortunate reality that existing norms in many parts of society are contrary to our values, we must be prepared for cases in organizations that we fund as these norms evolve. However, we will confidently implement our values and uphold human rights, responding appropriately to protect survivors and continue services whilst holding abusers to account.

Achieving Embedded Maturity

Summary and Impact of Covid-19.

Good progress is being achieved across the Global Fund’s ethics landscape. However, the estimated date for achieving an “Embedded” level of maturity has progressively slipped. When I took up my role in May 2016 my first estimate was that the Global Fund could achieve ‘embedded’ by the end of 2019. I now believe it will be late 2021 or early 2022, especially given the impact of Covid-19. This revised estimate reflects the lessons we are learning about embedding ethics into a complex, diverse, multi-stakeholder landscape alongside multiple other competing priorities. Following the audit, there is now greater clarity and alignment on the actions required to achieve an embedded state for processes and systems. However, implementing the AMAs alone is not the only measure. Achieving an embedded state must also be measured by the results, decisions and behaviours that those processes produce, and this will remain a key factor in assessing maturity.

Whilst this report overall is an Opinion on 2019, this section covers the forward-looking steps to improving maturity. These will undoubtedly be affected by the Covid-19 pandemic in a variety of ways which have been described below. Overall, we aim to continue making progress, adjusting the plan based on internal and external constraints, and recognizing the potential need to divert resources to support the broader response. This will be guided by robust business continuity planning processes.

Governance

The updated Code of Conduct is presented for approval after which it will be rolled out, integrated with the ongoing activities to improve trust at the Board and incorporate ethical considerations into decision-making.

The current activities on training, due diligence and disclosure management should be maintained, but we may adapt the training plan to deliver sessions virtually and on-line rather than face to face in the various governance meetings. In terms of measurable results, the conduct of Governance Officials should be exemplary and not lead to reputational damage. Given our principles of partnership and country ownership, Governance Officials share accountability for results and conduct in programs in their constituencies. Officials engaged at country level through their roles in CCMs and implementers should measure themselves not only by their roles in Global Fund governance, but also by the performance and conduct of implementers they oversee in their countries. Also, AMA2, which concerns the respective accountabilities for oversight of Ethics-related risks, will need to be complete.

Secretariat

The AMAs from the audit provide clarity on the processes and accountabilities that need to be addressed to achieve an embedded state. Namely, documenting accountabilities for managing ethics and integrity risks, reviewing investigation mandates across OIG, Secretariat and Ethics, and defining a target maturity level for the Ethics Program. This needs to be integrated into the Secretariat's risk management framework so that ethics risks are appropriately considered alongside the broader set of risks that need to be managed. Improvements in psychological safety and confidence to speak up metrics will also be considered as engagement survey action plans are implemented. This work can continue as it is largely focused on clarifying accountabilities. However, the pace will be determined by the availability and priorities of stakeholders.

Operations

Again, the audit contributes to what is required to achieve an embedded state. As noted above, we need to be able to confidently answer the question "to what extent can we rely on the ethics and compliance programs of our suppliers and implementers?" From that, an appropriate risk-based approach for influencing suppliers and implementers that fits with priorities for managing other grant-facing risks should be developed and implemented, with updated codes of conduct as the expected standard. AMAs require the roll-out of the Policy to Combat Fraud and Corruption, including paying attention to all sources of fraud risk in grants. Proportionate, effective IDD will need to be agreed and implemented. As a result of Covid-19 we expect our suppliers, implementers and the corresponding Secretariat teams to be under significant operational pressure. We are adapting the timescales and approaches for moving ahead with this activity, without losing sight of the overall objective.

Nick Jackson

April 2020

Annex 1 – Ethics Office Mission, Vision and Contact Information

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

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

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Global Fund Ethics Vision

The Ethics Office operates under the authority of both the Ethics and Governance Committee 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: **integrity, duty of care, accountability, dignity and respect** and where **ethical decision making** is lived daily.

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

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

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

Ethics Vision Statement

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

Ethics Mission Statement

- Facilitating the response to ethical misconduct



- Conflict of interest management

Annex 2 – Detailed Statistics and Progress Update

2.1 Communications, training and awareness raising activities

The purpose of the Ethics related communications, training and awareness raising activities is to embed an ethics and integrity driven culture among Global Fund Officials and those involved in activities financed by the Global Fund, in order to enable the highest standards of ethical conduct and decision-making.

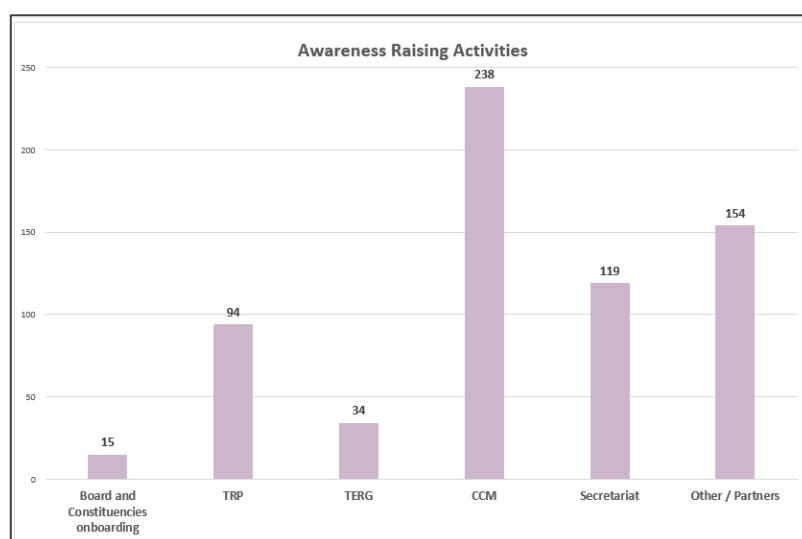
The Ethics Office has developed a training strategy and plan, currently including activities for Governance Officials (Board, TRP, TERG), the Secretariat and CCMs. The Ethics Office has been undertaking regular awareness raising and training activities since 2018 and lessons learned from these sessions are incorporated into future training and awareness materials and programs.

Governance: Ethics is incorporated into all Governance Officials' on-boarding sessions. In 2019, Ethics and conflict of interest training was provided to TERG members, consultants and TERG Secretariat staff as well as for TRP Leadership. In addition, conflict of interest guidance materials were shared as a compulsory read to all new TRP members to guide their disclosures and ongoing conflict of interest management.

Secretariat: In 2019 a total of 69 new staff members participated in interactive Code of Conduct and values sessions as part of onboarding. The focus was on maintaining the awareness achieved through the 2018 trainings on Code of Conduct and values that reached 652 staff (including some long-term consultants). Ten Private Sector Engagement team members were trained on integrity due diligence as relates to private sector entities. In addition, an Insider article raised staff awareness regarding our Code, in particular to receiving and giving gifts, which triggered several discussions with staff members and disclosures regarding gifts. In February, 40 staff members participated in the Anti-Corruption workshop alongside 154 attendees from partners, academia and country representatives.

Operations: In the context of CCMs, several in-country trainings took place in 2019. Six workshops were organized to deepen the adoption and embedding of the CCM Code of Conduct and exercises were also included to focus on Ethical decision-making and Conflict of Interest management. These interactive workshops took place in Tunisia, Malawi, Uganda, South Africa, Niger and DRC. In addition, two Ethics in Governance training sessions took place as part of CCM Evolution Pilot workshops in Malawi and Benin.

Graph 1 – People reached through Ethics training and awareness raising activities



2.2 Assignment Management

Integrity Due Diligence Assignments

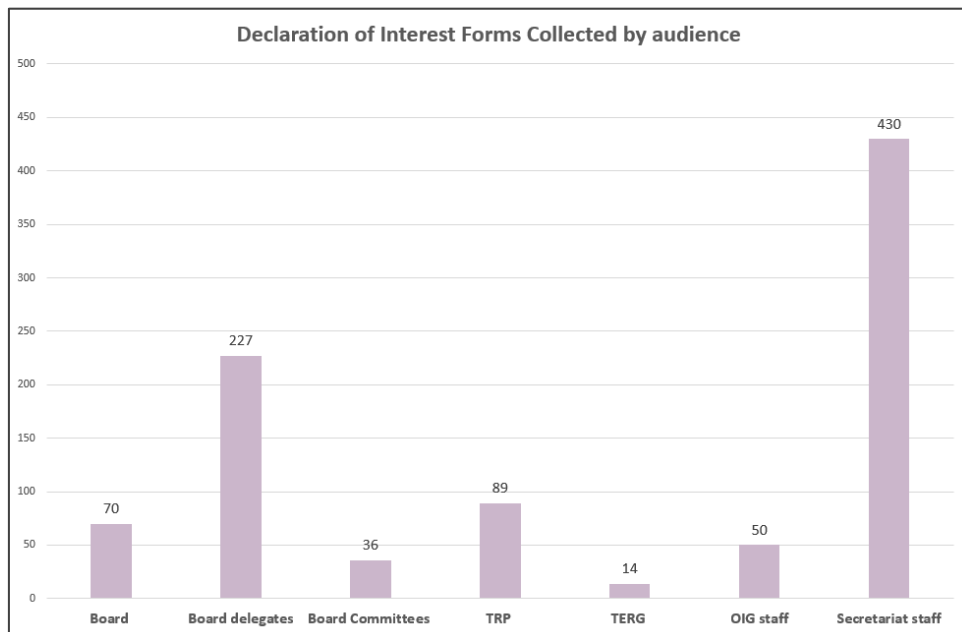
IDD strengthening as a result of the project (see below) led to expansion of IDD assignments from across the Secretariat, combined with a steady flow of Governance-based assignments. In support of the private donor onboarding drive up to replenishment, Ethics Office conducted due diligence for over 20 renewed and newly originated partnerships. In support of Direct Sourcing, our due diligence covered the RDT (18 suppliers) and LLIN (12 suppliers) tenders. We conducted enhanced due diligence into the 6 Board Leadership shortlisted candidates, using our newly onboarded panel of specialist providers. For the first time in the Global Fund, we conducted essential due diligence on all new candidates selected to serve on the Technical Review Panel (89 individuals). We also supported the Secretariat with other pieces of work, including several IDD consultations and pilots with Country Teams.

Declaration of interest collection and review assignments

In 2019 the Ethics Office managed 12 assignments to identify and mitigate actual, potential and perceived conflicts of interest. As part of these assignments, the Ethics Office collected 916 declarations of interest from Governance Officials, Board delegates, Advisory Bodies and Secretariat and OIG staff. The compliance rate for completion of Declarations of Interest ranged between 98% and 100%. This is a significant improvement compared to earlier years, where the compliance rate for the Board (including Board meetings) was 42% for the first Board Meeting of 2017, 85% in 2018 and finally reached 100% in 2019. This is a direct result of the Ethics Office's efforts to build automated reporting, tracking and case management systems, clear specifications for assignment management, and actively using lessons learned.

Disclosures made through Declarations of Interest are captured in the automated Ethics Case Management System, reviewed for actual, potential or perceived conflicts of interest and mitigated as appropriate. In 2019 the Ethics Office managed 212 conflict of interest cases, 126 of which came from assignments. These cases are reflected as conflict of interest cases reported in section 2.3 below.

Graph 2 – Declaration of Interest forms collected by audience



2.3 Cases and Advice

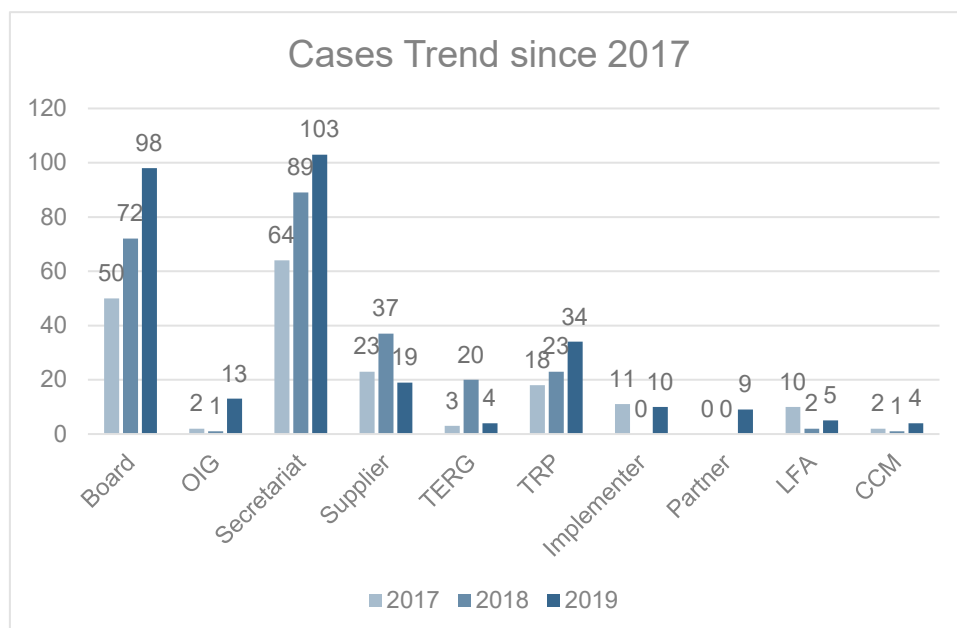
Between January and December 2019, the Ethics Office handled a total of 299 cases (including the 126 matters declared through Declarations of Interest as reported in section 2.2 above). While these were mostly conflict of interest related cases (71%), these numbers also include allegations of misconduct, cases involving inappropriate behaviours and much simpler situations such as disclosing the receipt of a gift. The Ethics Office coordinates closely with both HR and the OIG. While alleged staff misconduct is referred to Human Resources, any cases related to prohibited practices, misconduct and human rights violations in grants are referred to the OIG. In 2019 we also received eight (8) cases referred from the OIG relating to potential conflicts of interest, prohibited practices and sexual harassment in the implementer base. Cases are handled in accordance with the Ethics and Integrity Case Management Standard Operating Procedures finalized in August 2018. The automated Ethics Case Management System launched in January 2019 has facilitated the Ethics Office in managing cases in a more effective and efficient manner, including through flexible reporting on case status, etc.

The increase in cases over the years from 183 in 2017, 245 in 2018 to 299 in 2019, as detailed in Graph 3, indicates increasing awareness around both conflicts of interest and conduct related matters, but also the evolving maturity of the case management and data recording system.

Cases are classified as follows:

- *Conflicts of interest*: advice, assessment and mitigation of institutional and individual conflicts of interest, including staff external appointments/engagements, gifts, hospitality, awards and decorations;
- *Conduct*: all matters in relation to concerns about conduct including management style, lack of respect for colleagues, potential misconduct, etc. across all the codes of conduct for governance officials, employees, CCM, suppliers and recipients;
- *Integrity Due Diligence*: Using a variety of tools to proactively assess the integrity and reputation of individuals and organizations to inform decision-makers on the risks of engaging with these potential counterparties;
- *Policy, procedure and contract advice*: where it has an impact on our remit, and;
- *Other*: including advice on ethical dilemmas and matters such as procurement, partnerships and research.

Graph 3 – trend in total ethics cases (all types) since 2017

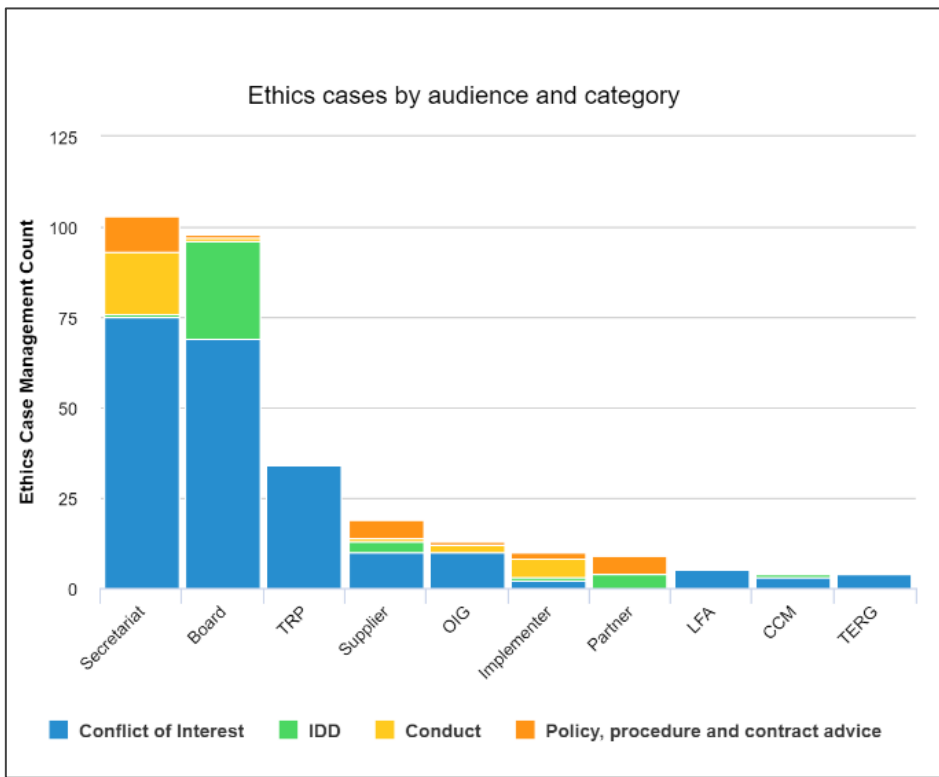


Cases by audience and Category

Graph 4 below shows the breakdown of cases by audience i.e. those affected by the case: Board, Secretariat, OIG, TRP, TERG, LFAs, other Suppliers and CCM. The distribution of cases is an indication of the Ethics Office role as 1st line of defense for Board and Secretariat and 2nd line of defense, i.e. an escalation point, for all others. For instance, the 5 LFA related cases the Ethics Office was involved in (see Graph 4) represent about 6% of the LFA related conflict of interest cases managed by the LFA Coordination Team in 2019. Going forward, further decentralization of Conflict of Interest management will be explored while, simultaneously, the CCM Evolution initiative gives the opportunity to increase our focus on operations in 2020 and beyond.

Conflict of interest continues being the largest category of cases managed by the Ethics Office with 212 cases in 2019, corresponding to 71% of all cases. This is followed by IDD cases (12%), Conduct related cases (9%) and Policy, procedure and contract advice (8%).

Graph 4 – Ethics cases by audience and category



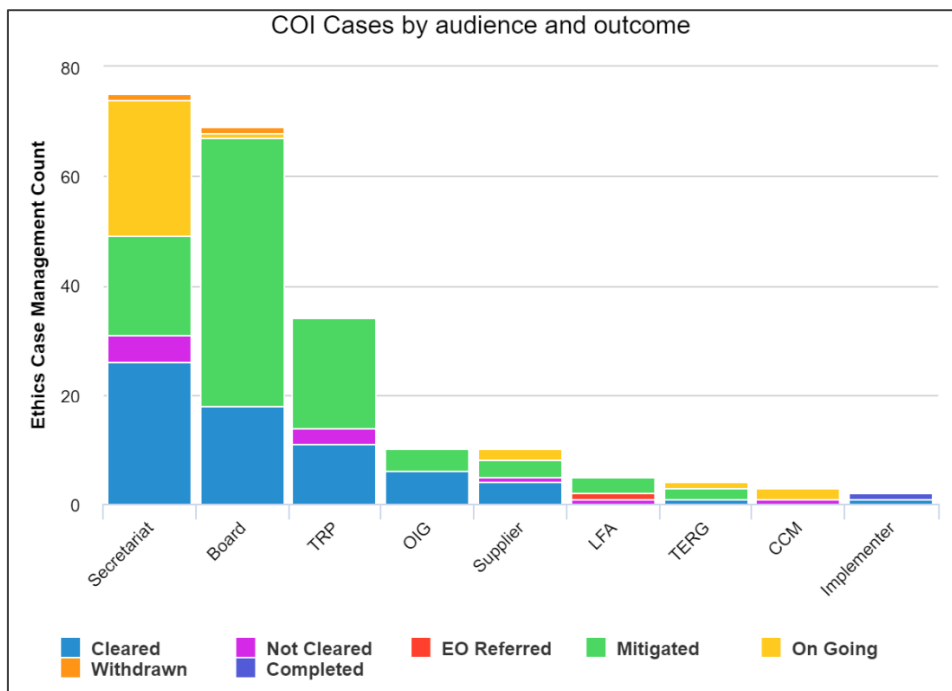
Conflict of Interest Cases by Outcome

Conflict of Interest includes institutional conflicts of interest, individual conflicts of interest, as well as gifts, awards, hospitality and decorations.

Of a total of 212 conflict of interest cases 32% were cleared (review found no conflict of interest and activity could go ahead), 47% of cases were cleared with mitigating measures (measures were put in place to mitigate the potential or perceived conflict and the activity went ahead), while 5% were not cleared (conflict of interest that could not be mitigated, therefore leading to an individual or an institution e.g. staff member or supplier, not being considered or able to take up an assignment or position, or having to step down from that position or assignment). Another 14% of conflict of interest cases, representing cases disclosed in the annual Declaration of Interest for Secretariat Staff and submitted in December 2019 are still on-going (as per mid-February 2020), while 2% of cases were either referred to appropriate entity or withdrawn. Graph 5 below shows the outcome of conflict of interest cases by audience for further details.

It is important to note, again, that as 1st line of defence, the Ethics Office directly handles conflict of interest cases from the Board and Secretariat, other stakeholders act as 1st line of defence and the Ethics Office handles cases escalated from these bodies while still remaining available for advice. Notably, in the case of the LFA, TRP, and the Private Sector Engagement Risk Committee, robust procedures already exist.

Graph 5 – CoI cases by audience and outcome



2.4 Project updates

- CCM Code of Conduct and enforcement:** The Strategic Initiative to strengthen CCM leadership and governance, through the introduction and embedding of the Code of Ethical Conduct for CCM members, started in 2019 and will continue to be a priority in 2020. Progress with this SI picked up in 2019, but we remain behind plan in terms of the numbers of training workshops held, and deployment of eLearning. We expect in 2020 to get back on track to deliver by June 2021 as originally scheduled. During 2019, several in-country interventions took place: six workshops (in Tunisia, Malawi, Uganda, South Africa, Niger and DRC) as well as two Ethics in Governance training sessions as part of CCM Evolution Pilot workshops. Indeed, there has been a close collaboration with the CCM Hub to ensure alignment with the CCM Evolution Project. The CCM Code of Conduct was also made available to all CCMs. 21 of 57 CCMs expected to submit their eligibility and performance assessments have done so. According to the 21 EPAs received, eight CCMs have declared that they have formally adopted the Code. We expect this number to climb as CCMs submit their EPAs. We also continued to lay the foundations for further roll-out, including starting to prepare eLearning modules for launch in April 2020.
- Integrity Due Diligence Project:** The IDD project timeline called for completion of IDD strengthening across the Secretariat by 1 Jan 2020. This has been completed on time for most departments, with the Private Sector Engagement Team and Direct Sourcing team in particular significantly improving their processes and integrating Ethics Office expertise into their work. The planned improvements in automation and infrastructure were introduced for casework handled by the Ethics Office for IDD in Governance, exemplified by the COIRiskmanager disclosure system. There were slight delays in the roll-out of the Ethics Database and the batch screening of counterparties reliant on it, but this was completed in February 2020. One significant area remains, namely to codify and implement IDD in grant implementation. Project activities also include seeking to further strengthen access to information through inter-agency collaboration and implementing a modern ongoing counterparty risk monitoring system.
- Anti-Corruption Framework:** The main initiatives to strengthen the anti-corruption framework have been the IDD and CCM projects outlined above. Nevertheless, to inform further implementation of the Policy to Combat Fraud and Corruption, we have responded to teams' requests to support alignment of the anti-corruption model with programmatic objectives in three countries to date: Liberia, Guinea-Bissau and Sierra Leone. We have facilitated programmatically-focused fraud risk assessments and provided advice on how to implement more effective and efficient control frameworks. Learnings from these Pilots are informing the development of the PCFC Implementation Plan.
- Monitoring and Oversight:** Following the launch of the online secure case management system in January 2019, we have continued to drive efficiency and effectiveness of case handling. This is evidenced by the increasing completion rates for assignments and meeting KPI targets for timeliness established under the Secretariat's Performance and Accountability Framework project.
- Policies, Procedures, & Codes:** In 2019, we prepared updated drafts of the Policy on Conflicts of Interest, the Code of Conduct for Governance Officials, the Code of Conduct for Suppliers and the Code of Conduct for Recipients. The first two are being presented to the Board for approval in May 2020, and the supplier and recipients codes will be presented following a more detailed period of implementation planning. The challenge with simply issuing supplier and recipient codes is that in both the supply base and in our implementer cohort we have widely varying levels of capacity and maturity in ethics and compliance. In many cases, we should place reliance on their code and associated compliance program. In others, we may choose to intervene to build capacity. However, this capacity building then needs to be prioritized alongside other investments such as financial systems strengthening, etc. Whilst we can finalize the codes themselves, the associated implementation planning will assess where we can focus our efforts for greatest return.

Annex 3 – Table of Agreed Management Actions² and current status

Agreed Management Action	Target date	Owner	Status
1. The Ethics Officer, in consultation with the Secretariat, will define the target maturity level for the Ethics Program using the ECI framework, and use this as input to work planning and the Ethics Officer’s annual opinion.	31 October 2020	Ethics Officer	Planned to start in May 2020
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.	31 July 2020	Chief of Staff	In progress with some delays
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.	31 December 2020	Chief of Staff	Planned to start in June 2020
4. The Ethics Office will complete the review of Codes of Conduct and Policies within the Ethics and Integrity Framework, considering and addressing inconsistencies and gaps to good practice.	30 June 2020	Ethics Officer	In progress Delays relating to supplier & recipient code implementation planning due to C-19.
5. The Secretariat will finalize a comprehensive risk-based implementation plan that will subsequently operationalize the PCFC. The plan will define the following: a) the scope and timeline for the implementation of the various components of the policy, including updating the corruption risk assessment and control design process; b) the specific accountabilities for the various components and activities, including the resource requirements if any; c) processes to monitor compliance with the policy.	30 June 2020	Chief of Staff	In progress Delays due to C-19, work plan being adjusted.
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.	30 June 2020	Ethics Officer	In progress Potential delays relating to the final area, IDD for implementers.

² From GF-OIG-19-016, Managing Ethics and Integrity at the Global Fund, 18 September 2019

Annex 4 - 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.