

Global Fund Ethics Office Annual Report and Opinion 2021

47th Board Meeting

GF/B47/14

10-11-12 May 2022, Geneva / Virtual

Board Information

Purpose of the paper: This document presents the Ethics Office Annual Report and Opinion for 2021 to the 47th Board Meeting, held in Geneva and virtually on 10-11-12 May 2022.

Executive Summary

Context

This paper presents the Global Fund Ethics Officer's Annual Report and Opinion 2021. It should be considered and read in conjunction with other reports they may receive, including for example those from the Inspector General and Chief Risk Officer.

Questions this paper addresses

- A. What progress has the Global Fund made in ethics in 2021?
- B. What progress has been made with the Global Fund's ethics program during 2021?
- C. What is the Ethics Officer's Opinion¹ on the state of ethics and integrity across the Global Fund?

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

This report has been shared with the Ethics and Governance Committee (EGC), Office of the Inspector General (OIG) and the Management Executive Committee for their input. A number of Board constituencies commented on the earlier draft presented to the EGC.

At the 18th Committee meeting in March 2022, the EGC considered the Ethics Office assessment on the maturity of the ethics and integrity framework and function, as well as the operational updates on Ethics Office projects and activities. The EGC acknowledged the progress made in the Global Fund's Ethics and Integrity program in 2021, in particular the work on PSEAH, CCM Members' Code of Conduct Strategic Initiative and PCFC Implementation, , and emphasized the need for continued focus on implementer level initiatives. The EGC also recognized the shift towards a proactive approach of the program, integrated into the Global Fund's overall risk management, and highlighted the importance of ethics as an overarching theme impacting all stakeholders.

Introduction

The purpose of the Global Fund's Ethics and Integrity Framework is to maintain trust in the Global Fund. In 2021 that trust was sustained, despite massive ongoing challenges in global health and beyond. People across our extended partnership demonstrated extraordinary commitment, agility and resilience in the face of the ongoing pandemic. We continued to deliver on the COVID-19 Response Mechanism (C19RM); adjusted and implemented core HIV, TB and Malaria programs; and agreed a bold 2023-2028 Strategy. However, trust is fragile and damage can arise from

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.

anywhere in our extended partnership – in our Governance, Secretariat or in the programs we fund. We are all individually accountable - through our actions, words, and interactions – for maintaining that trust.

The Global Fund's Ethics progress in 2021

Our actions throughout 2021 were clearly underpinned by core values: People in all parts of our partnership sustained high levels of service, courage, passion, and commitment, demonstrating our **duty of care** for those most affected by the three diseases. Along with others we advocated for **equity** in the Covid-19 response. The new strategy was agreed, recognizing that programs to address AIDS, TB and Malaria must be designed as people-centered integrated services, operating within a broader health, economic, governance and environmental ecosystem. **Accountability**, in the form of mutually accountable partnerships supporting country ownership, is a core enabler underpinning the strategy. Through concerted collaborative effort we accelerated our work on PSEAH, allowing **dignity and respect** for those we serve.

However, progress is fragile. The pandemic reminded us that unless backed by action and resources our values remain just words on a page. Worldwide, resource shortfalls, failure to prepare and failures of integrity such as corruption incidents and breaches of Covid rules, undermined the response. These did not arise in one specific group, but in developed and developing countries, in governments, in international organizations and in civil society. The pandemic also brought existing internal challenges into sharper focus - despite being a great team delivering great work, psychological safety remains low in the Secretariat. To achieve success with our ambitious strategy we need to tap into the talent and capacity of *all* our committed people. We are all accountable and must all 'aim higher'.

Ethics & Integrity Program Progress

Consistent with the Global Fund's broader progress, the Ethics & Integrity program has made great strides in some areas and slow progress in others. Headlines include:

- Accelerating the Global Fund's PSEAH capability. We updated our Codes of Conduct and communicated our expectations throughout the partnership; approved our Operational Framework on the Protection from Sexual Exploitation and Abuse, Sexual Harassment, and Related Abuse of Power (PSEAH Framework); established the PSEAH coordination unit; and began to address the core processes and systems needed to embed safe programming across our partnership. We established the multi-disciplinary team approach in collaboration with the OIG's investigations unit. Whilst the extended partnership is early in its journey to truly address SEAH, when a case comes to the attention of the Global Fund we take appropriate action, prioritizing the safety, rights, needs, and wishes of survivors / victims whilst working with partners to ensure perpetrators are held to account.
- Completion of the CCM Code of Conduct Strategic Initiative and transition to business as usual. CCMs remain a core element of the extended Global Fund partnership, and the embodiment of inclusive country ownership. Codes of conduct and ethics committees are now in place in most CCMs, and CCM Members have access to training and support. We will continue to invest in CCMs to assist them as they strengthen their ethics and governance

activities, in support of the strategic objective to ensure that the most affected communities are represented and fully engaged in Global Fund processes.

- We made steady progress with the anti-corruption agenda, closing the related Agreed Management Action (AMA) in June. Implementation has been mixed as we evolve our anti-corruption framework to improve programmatic assurance. We have continued to focus on supporting country-facing work, with valuable lessons being learned and applied.
- Three long overdue AMAs remain open, having been deprioritized in favor of PSEAH and country-facing work as well as respecting the limited capacity of relevant stakeholders to engage. Nevertheless, we made progress on all fronts and are now near to bringing these to a close.

Opinion on the maturity of Ethics & Integrity at the Global Fund

The progress outlined above has enabled the Global Fund to continue to increase the maturity of Ethics & Integrity. My opinion is that the Global Fund is currently at the low end of the ‘Adapting’ level in the Ethics & Compliance Initiative’s (ECI) five level High Quality Program Measurement Framework². Variations in the maturity of the program applied to specific principles, risks and stakeholder groups are explained more fully in the report.

Underdeveloped	Defining	Adapting	Managing	Optimizing
	◆ 2020	◆ 2021		

With respect to compliance, I am not aware of any allegations of ethical breaches that the organization has failed to address according to its currently approved policies and procedures.

Looking forward - a maturing ethics and integrity program that enables delivery of our strategy

The new strategy is underpinned by clear ethical commitments: We exist to *serve* the health needs of people and communities and uphold their *dignity*. We enable *equity* by being truly *inclusive* of those most affected – giving voice to them, listening, and responding to their needs. We do this through mutually *accountable* partnerships that support country ownership. With this as context, I see the following ongoing priorities to collectively strengthen accountability and the ethics and integrity program more broadly:

- At the Governance level, constituencies recognize that they are accountable for the conduct of governance officials they nominate to the Global Fund. We should support them as they continue to strengthen their own ethics and integrity processes.
- The Secretariat should build on the progress of the Elevate leadership development program and fully deliver all workstreams of the Culture Project, with a clear focus on improving inclusion and psychological safety. The recent engagement survey provides disaggregated data to help prioritize those areas that need support to reach their full potential.

² <https://www.ethics.org/knowledge-center/hqp-measurement-framework/>

- At the country level many constituency members and governance officials also play key CCM roles - we should support them in their accountability to ensure that CCMs represent and serve all people impacted by the three diseases, and through their oversight actively drive equity and the highest standards of conduct in Global Fund funded programs.
- In implementers, we should deliver and learn from the planned PSEAH risk and capacity assessments, alongside the ongoing due diligence and anti-corruption work. These will provide a means to help implementers strengthen their own ethics and integrity programs and in turn embed prevention, detection & response to all forms of misconduct. In our supply base we should seize the opportunity presented by the planned implementation of the Responsible Procurement Framework to drive forward with clear accountability for environmentally and socially sustainable health procurement.

The strategy recognizes that we must also be agile and innovative to meet evolving needs such as those on pandemic preparedness and response, and on environmental sustainability. The values of humility, service and collaboration will serve us well as we adapt ourselves and remain trusted to deliver our mission.

Nick Jackson

February 2022

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The Ethics Office

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

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.

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 <ul style="list-style-type: none"> ▶ Implementers serving those impacted by the diseases (PRs, SRs) ▶ CCMs ▶ Direct suppliers (PPM & non-PPM) ▶ Assurance providers (including LFAs) 	Promoting ethics: <ul style="list-style-type: none"> ▶ An enabling culture (Including speaking up) ▶ 'Ethics inside' our decision-making process (Considering values and moral principles) 	<ul style="list-style-type: none"> ▶ Promoting and enabling tone at the top ▶ Performing & supporting risk assessment ▶ Applying and coordinating resources
Secretariat <ul style="list-style-type: none"> ▶ Leadership, staff, consultants ▶ Private sector partners ▶ Indirect suppliers ▶ Strategic initiatives 	Managing 'core' ethics and integrity-related risks: <ul style="list-style-type: none"> ▶ Conflict of interest ▶ Corruption ('prohibited practices') ▶ Abuses of power / interpersonal misconduct ▶ Sexual exploitation and sexual abuse ▶ Sexual harassment ▶ Failure to protect assets ▶ Confidentiality / privacy breaches 	<ul style="list-style-type: none"> ▶ Supporting clear accountabilities & incentives ▶ Developing, supporting, operating and advising on policies, procedures, & controls (inter alia): <ul style="list-style-type: none"> - Contracts - Conflict of Interest and other policies - Codes of Conduct - Due Diligence Processes - Risk Management Processes - Controls, Assurance & Oversight
OIG <ul style="list-style-type: none"> ▶ Leadership, staff, consultants ▶ Investigations unit 	Supporting management of other risks with an ethical component: <ul style="list-style-type: none"> ▶ Environmental breaches ▶ Human rights breaches ▶ Labor, health & safety issues ▶ Actions undermining achievement of other SDGs 	<ul style="list-style-type: none"> ▶ Developing & delivering training and communications ▶ Supporting whistleblowing and investigations ▶ Supporting response: enforcement, sanctions and other remedies ▶ Monitoring and Testing Reporting to MEC, Committees & Board
Governance <ul style="list-style-type: none"> ▶ Board and leadership ▶ Committees ▶ TRP & TERG ▶ Ad-hoc (e.g. BLNC, EDNC, IGNC) 		

The Protection from Sexual Exploitation, Abuse, and Harassment Coordination Unit (“PCU”)

During 2021 the Global Fund established the PCU within the Ethics Office, to coordinate PSEAH activities across the organization. This has synergy both with the broader Ethics Office work of supporting the Global Fund to maintain the highest levels of stakeholder trust and with the values underpinning our work in ethics – integrity, duty of care, accountability, dignity and respect. We recognize that delivery of funding, however well-intentioned, can exacerbate imbalances of power and enable acts of sexual exploitation, abuse, or harassment in connection with Global Fund activities. We embrace our duty of care to act preventively and responsively to mitigate the risk of harm to people and communities we serve, and to respond robustly, empathetically and supportively when such serious breaches of a person’s human rights and our Codes of Conduct occur.

Contact us

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 Health Campus 4th Floor

Authority

The Ethics Office operates under the leadership of the Ethics Officer, who has the authority to advise both the Board via the Ethics and Governance Committee and the Executive Director.

2021 Headlines

The PSEAH Framework and associated Annual Implementation Plan were approved, backed with resources to deliver on our commitments. Key staff and governance officials were trained. Case management began to transform, placing survivors and victims at the center of our approach whilst increasing accountability.

The CCM Code of Conduct Strategic Initiative was completed as planned and led to an increased engagement from CCMs following the launch of a CCM Ethics webpage, several communications campaigns, delivery of five eLearning modules and appointment of focal points or CCM ethics committees.

The plan to implement the Policy to Combat Fraud and Corruption was approved. We moved beyond theory into prioritized pragmatic implementation steps.

2021 in numbers

- 7: New positions created in Ethics with the establishment of the PSEAH Coordination Unit
- >97%: Completion rate for scheduled assignments across all audiences, up from 43% in 2018
- 115: New staff members who participated in interactive, virtual 'Values and Code of Conduct' sessions as part of onboarding
- 149: Cases received in the year, covering conflict of interest matters, integrity due diligence, misconduct concerns, and other advice
- 255: TRP members who completed conflict of interest assessments, resulting in 56 disclosures that were assessed and mitigated prior to grant reviews
- >800: Downloads of the Code of Conduct for CCM Members in 5 different languages
- >1,300: People who have accessed at least one of the five Code of Conduct for CCM Members eLearning modules
- >2,100: Counterparties automatically bulk screened through due diligence database checks, returning 174 database 'hits', resulting in 5 cases supporting further action by risk owners.

Progress against the 2021 workplan projects

Alongside 'business as usual' cases, assignments, advice and training we made mixed progress on the ongoing projects to strengthen the Ethics and Integrity Framework. Note that the significant incremental work on PSEAH was not included in the original 2021 workplan when it was approved in October 2020. This highlights an ongoing need for agile in-year adaptation.

Project	In originally approved plan?	Progress on 2021 deliverables	Status
PSEAH Framework & 2021 Operationalization	No	75%	Completed: <ul style="list-style-type: none"> Framework agreed and operationalized Annual implementation plan agreed Resources agreed and 4 of 7 appointed 2021 deliverables delayed or deferred: <ul style="list-style-type: none"> Appoint remaining resources Prioritized capacity and risk assessment of the implementer base.
Code of Conduct for CCM Members	Yes	100%	All SI deliverables completed. We have now transitioned to business-as-usual support integrating with CCM Hub and CCM Evolution
Integrity Due Diligence Framework	Yes	90%	Completed: <ul style="list-style-type: none"> Framework operational for all counterparties 2021 deliverables delayed or deferred: <ul style="list-style-type: none"> Capture current practice in relation to implementers and agree on the approach for recipients below PR level.
Policies, Procedures and Codes of Conduct	Yes	80%	Completed: <ul style="list-style-type: none"> Codes of Conduct updated for PSEAH requirements, and implementation accountabilities in place 2021 deliverables delayed or deferred: <ul style="list-style-type: none"> Corresponding updates to the Ethics & Integrity Framework to reflect current practice, following review of ethics risk accountabilities and investigation mandates, which are now scheduled for Q3-4 2022.
Strengthening the anti-corruption framework	Yes	75%	Completed: <ul style="list-style-type: none"> Implementation plan agreed & country-facing activities commenced 2021 deliverables delayed or deferred: <ul style="list-style-type: none"> Codifying lessons learned into institutional level guidance and terms of reference

Opinion

We use the Ethics & Compliance Initiative’s High Quality Program Measurement Framework to assess maturity. (“ECI HQP” – summarized in the Annex) This enables us to self-assess the program in five dimensions against five levels of maturity.

My opinion is that in aggregate the program is at the lower end of 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 solid progress under challenging circumstances.

Legend:

- 2020: ◆
- 2021: ◆

		Under-developed	Defining	Adapting	Managing	Optimizing	Rating Explanation
Overall			◆	◆			
Per ECI principle							
	<i>Strategy</i> Ethics & compliance is central to strategy		◆	◆			<ul style="list-style-type: none"> • Ethical values are clearly expressed in the new strategy, and the Ethics & Integrity program is aligned to enable the strategy. • The Ethics and Integrity program is starting to integrate into core organizational processes and activities. • To mature we must further define and fully embed the program into grant-facing activities, especially in relation to PSEAH and related misconduct. • Ethics learning and good practice is starting to be codified and shared but needs to become more consistent.
	<i>Risk Management</i> E&C risks are identified, owned,		◆	◆			<ul style="list-style-type: none"> • Accountabilities for most ethics and integrity risks are clearly assigned, with material progress on integrating SEAH and related misconduct into our risk management framework.

managed and mitigated						<ul style="list-style-type: none"> Integrity due diligence is in place across all counterparties, but needs further embedding in relation to grant-facing activity
<i>Culture</i> Leaders at all levels build and sustain a culture of integrity			◆ ◆			<ul style="list-style-type: none"> Leaders support ethics & integrity activities, but we must improve the enabling environment of psychological safety.
<i>Speaking Up</i> The organization encourages, protects and values the reporting of concerns and suspected wrongdoing			◆ ◆			<ul style="list-style-type: none"> Speak-up systems, processes and roles are in place Psychological safety needs to improve before we can be confident that people will routinely report their concerns. This applies across Secretariat and in our grants.
<i>Accountability</i> The organization takes action and holds itself accountable when wrongdoing occurs			◆ ◆			<ul style="list-style-type: none"> There is clear evidence that the Global Fund does hold itself accountable when wrongdoing occurs. This transparency must be maintained and protected.

Compliance

Beyond the ‘state of ethics and integrity’, the Ethics Officer ToR also refer to a second part of the Opinion; “The extent to which Global Fund activities have complied with ethics and integrity-related policies, codes and requirements.” It is clearly challenging to form such a compliance opinion, as ‘extent’ implies a level or score. Given the current maturity of the program, it is more appropriate to state that I am 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 speaking up and to strengthen the 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.

Annex – The ECI Organizational Maturity Scale

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.
Principle 4: Speaking up – The organization encourages, protects and values the reporting of concerns and suspected wrongdoing	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.
Principle 5: Accountability – The organization acts and holds itself accountable when wrongdoing occurs.	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.

Detailed Ethics Office Update

Introduction

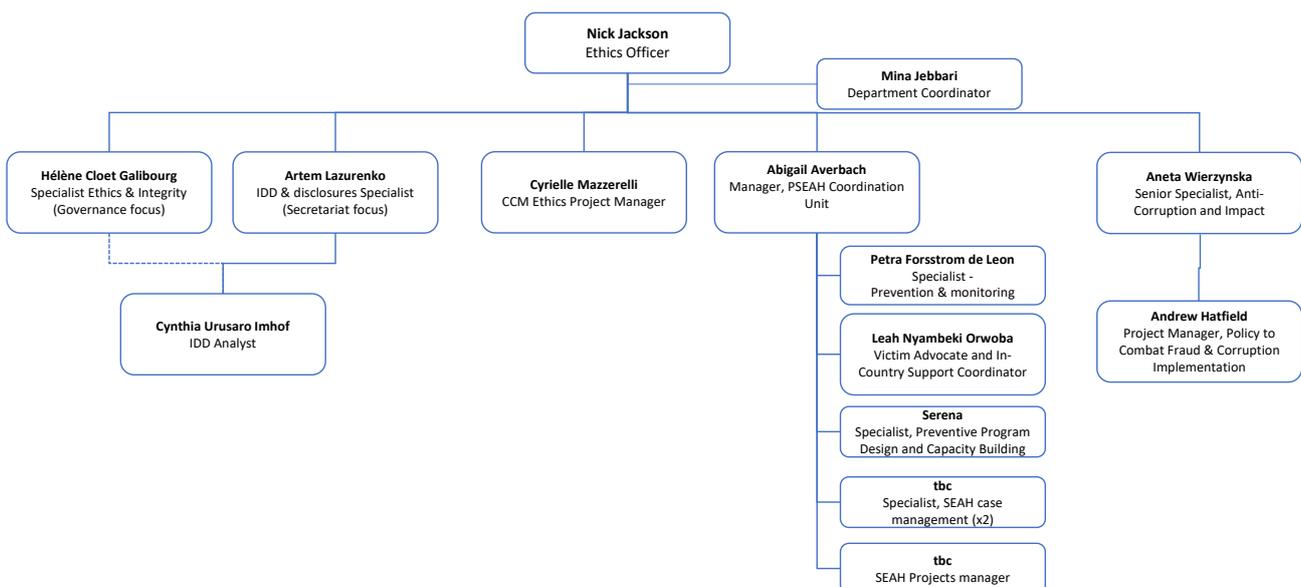
This document should be read in conjunction with the Ethics Office Annual Report and Opinion. It provides additional detail for those that would like further information on the various areas of the Ethics Office work and the Ethics & Integrity Program. It covers:

- The Ethics Office Profile: Team members, financial resources, systems and quality assurance / feedback mechanisms
- Updates on our initiatives to strengthen the Ethics & Integrity Framework: PSEAH, CCM Ethics, and anti-corruption
- Progress on AMAs under the coordination of the Ethics Office
- Summaries of our ongoing business as usual activity: Assignments, case management and training

Ethics Office Profile

Team members, roles, and skills

The Ethics Office is now a diverse team of ten professionals. Each have 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 2021 we established the 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 2018 to 2021. The Global Fund has progressively increased investment in Ethics & Integrity consistent with the evolving maturity of the program. In particular, in 2021 we established the PSEAH Coordination Unit and completed the CCM Code of Conduct Strategic Initiative.

Year	Operating Expenses (USD)		Code Of Conduct for CCM Members Strategic Initiative (Cumulative actual VS. a 3 year budget of USD1,219,000 to end 2021)
	Budget	Actual	
2019	1,522,000	1,521,000	21,000
2020	1,832,000	1,673,000	800,000
2021	2,126,026	2,056,403	1,095,189

Systems

The Ethics Office with support of IT operates three digital systems and one 'product' to support its work:

- “CMS” – The case management system is the secure portal for working with cases, and storing related information and correspondence;
- “Osprey” - The disclosures system, which is used for efficient design and collection of integrity-related forms, such as declarations of interest;
- “Ed” - The Ethics Database, which aggregates integrity- related information from across the Global Fund, incorporates external data sources and serves as the archiving and research tool;
- “IA Mapping” - The Global Fund has developed a free software 'add-in' solution for Microsoft Visio, which allows Country Teams and In Country Implementers to quickly, consistently and easily draw an organogram of all the key organizations and processes involved in grant implementation in their countries. This aids transparency, grant negotiation and oversight.

External Engagement

The Ethics Office continues to engage with external bodies in formal and informal meetings and working groups, with the aim of keeping up to date with best practice and contributing to our various issues. Beyond the usual networking with ethics peers in the international, corporate, and charitable sectors. PSEAH has been a particular focus in 2021. Throughout the year the PSEAH Coordination Unit continued its participation in the Inter-Agency Standing Committee's Thematic Expert Group on Protection Against Sexual Exploitation and Abuse. In the fall of 2021, the Global Fund contributed to the UK-sponsored Cross-Sector Safeguarding Group's December publication of its Progress Report on Safeguarding Against Sexual Exploitation, Abuse, and Harassment, a summary of the year's work by the groups and organizations that made commitments at the October 2018 London Safeguarding Summit. In addition, throughout the latter half of 2021, the PSEAH Coordination Unit sought to reinforce and forge new alliances and partnerships with PSEAH practitioners in partner agencies in public health, specifically at WHO, Gavi, and Unitaid.

Quality Assurance and Stakeholder Feedback

We have not progressed this in 2021 and it would now benefit from further consideration. The Ethics Office does report and actively manage KPIs under the Secretariat's Performance and Accountability Framework. Quality assurance and feedback mechanisms currently operate through established risk reporting, OIG AMA reporting and our reporting to EGC and AFC. It would be appropriate to consider an external review or similar on completion of the current work-plan projects and AMAs.

Actions to strengthen the Ethics & Integrity Framework

This section summarizes progress against each of the projects in the approved 2021 workplan, and against relevant AMAs. It highlights the prioritization decisions taken to drive substantive country-facing progress.

Protection from Sexual Exploitation, Abuse, and Harassment

Progress

Protection from sexual exploitation, abuse, and harassment (PSEAH) did not feature specifically in the 2021 Work Plan except in the planned Code of Conduct updates. Early in the year the Global Fund recognized the need to increase the overall pace of PSEAH activities to operationalize the requirements articulated in the updated Codes. This is set in the context of the Global Fund's unique position in global health as a funder with significant influence over program implementation and health system strengthening. In July 2021, the Global Fund established the PSEAH Coordination Unit and tasked it with an initial set of deliverables. Progress against these is described below:

Table: progress vs. initial PSEAH deliverables:

Desired outcomes	By	Current Status
Develop and approve a PSEAH Operational Framework	July 30, 2021	Complete
Conduct risk and capacity assessment to inform interventions in 2022	October 30, 2021	In progress, target Q3 2022
Complete a first cycle of training across the organization	October 30, 2021	Complete
Create a specific role to oversee survivor/victim support throughout a SEAH case lifecycle	October 30, 2021	Complete
Agree an organization-wide action plan for 2022 (The Annual Implementation Plan – "AIP") to evolve and strengthen the PSEAH Framework, recognizing the Global Fund's unique role as a funder with significant influence over program implementation and health system strengthening	November 30, 2021	Complete
Successful assessment of the MOPAN PSEAH KPI and hence Governance and donor confidence in the Global Fund's ability and visible commitment to address the topic	November 30, 2021	Process completed; awaiting MOPAN assessment
Capacity and expertise to provide and oversee a survivor and victim centered response in conjunction with any investigations	November 30, 2021	Additional resources secured, recruitment in process

Capacity and expertise to advise and support Country Teams to assess risk, strengthen implementer capability and respond to cases in their portfolios	November 30, 2021	Additional resources secured, recruitment in process
Proactive roll-out of advice, guidance, engagement and training to targeted PRs and CCMs, in conjunction with in-country and international sector partners	June 30, 2022	Resources secured, recruitment in process
Robust ongoing partnership and engagement with sector peers to drive collective influence over PR conduct and capacity on PSEAH	December 30, 2022	Ongoing

After approval of the Framework, the following additional tasks were undertaken to operationalize it during the 2nd half of 2021:

- Revised internal PSEAH governance, launching the PSEAH Steering Committee and SEAH Case Review Panel, and reworking the PSEAH Working Groups into new workstreams
- Incorporated and implemented a multi-disciplinary team approach to OIG SEA investigations designed to ensure a holistic, victim/survivor centered and trauma-informed approach in every SEA investigation impacting beneficiaries
- Established and provided victim/survivor-centered, trauma-informed investigative oversight and compliance monitoring to the increasing number of SEAH cases falling under the Ethics Office mandate
- Secured approval for an interim resourcing model and created seven new roles within the PCU to provide the capacity and expertise described above. We prioritized the immediate need to strengthen case management – four of the seven roles are now in place with the remaining roles in the final stages of recruitment.

Code of Conduct for CCM Members (Strategic Initiative)

Progress

The Code of Ethical Conduct for CCM members SI started in 2019 and was completed on schedule at the end of 2021. The project ran in close collaboration with the CCM Hub to ensure alignment with the CCM Evolution Project. Due to the COVID-19 situation, our approach was adjusted with a “shift to virtual” in 2020 and 2021. Over the course of the project, we secured increased engagement from CCMs, which can be illustrated through the following outcomes:

- The CCM Ethics webpage has been accessed more than 2,000 times since its launch
- The Code of Conduct has been downloaded more than 800 times, and in 5 different languages
- Almost 1,300 people have accessed at least one of the eLearning modules

This increased awareness and engagement translated into cases and direct requests for advice being raised to the Ethics Office. In 2021, CCMs have been setting up their Ethics Committees and Ethics Focal Points. The requests for advice and cases we see arising from CCMs are clear evidence that accountability continues to improve. In 2021, we successfully completed the planned

deliverables, monitored impact and adjusted as necessary. We also transitioned at the end of 2021 to 'business as usual' support for Ethics in CCMs.

Strategic objectives	initiative	Status
Code publication, translation, distribution		Complete: <ul style="list-style-type: none"> ○ Code published and translated in 5 languages ○ Distributed and made available online via a dedicated CCM Ethics webpage ○ Communication campaign in Q1 2021 following the revision of the Code
CCM Operationalization (incl. Ethics Focal Point/Committee)		Complete: <ul style="list-style-type: none"> ○ Ethics Focal Point/Committee Guidelines been translated in 5 languages and available online (accessed more than 130 times)
Tracking CCM roll-out (Code adoption, e-learning completion, Ethics Focal Point/Committee appointment, Conflict of Interest Policy in place)		Complete (Direct tracking of roll-out since Q1 2021): <ul style="list-style-type: none"> ○ 98 CCMs certified they have adopted the Code ○ 5 modules of the dedicated e-learning series launched on the e-learning platform (iLearn) ○ >860 people completed a module of the e-learning series to date ○ 89 CCMs confirmed appointment of an CCM Ethics Focal Point or Ethics Committee ○ 95 CCMs confirmed they have Conflict of Interest Policy in place, in line with Eligibility Requirement 6
Integrity Due Diligence exercises		Complete: <ul style="list-style-type: none"> ○ 4 enhanced Due Diligence exercises conducted in 2021 and 7 in total during the Strategic Initiative ○ Software tool and guidelines for implementation arrangement / affiliation mapping developed and launched ○ Implementation and affiliation mapping pilot completed for 5 countries
Executive coaching pilot for selected CCM leaders		Complete (extension to original scope): <ul style="list-style-type: none"> ○ After an offer from Ethical Coach of pro bono executive coaching support, we launched a pilot exercise with four CCM members. The pilot was successful, and we are currently reviewing lessons learned and considering next steps.

Anti-corruption

Progress

The organization has a mature counter fraud model. The goal of fully implementing the Policy to Combat Fraud and Corruption (“PCFC”) is to raise the maturity level even further, align it more closely with programmatic objectives and optimize the ‘cost of control’. Our greatest evidence of success is the strong pull from Country Teams for our services which, along with a shift in support from non-high impact to high-impact regions, demonstrates that the approach is fit for purpose. We are learning important lessons from working at the country level. However, the approach is still in ‘beta-testing’ stage, with the opportunity to have several more data points in 2022. What we are applying is industry standard, thus there is low risk and high incentive to move forward. The next step is to implement the revised control designs into country programs and assess whether the actual benefits align to the intended benefits.

2021 results:

- The closure of the PCFC Implementation Plan AMA and move into practical implementation
- A pilot program in malaria mass campaign in one of our high impact countries, applying the Fraud Risk Assessment methodology to an Activity Based Contract (ABC) to improve programmatic performance and reduce the ‘cost of compliance’ without weakening financial control
- Three new country workstreams initiating evaluation phases in partnership with the Private Sector Engagement Strategic Initiative (PSE SI)

However, other line items on the PCFC Implementation Plan are delayed. Internal policies, procedures, and documentation (such as the Fraud Risk Assessment guidelines) were deprioritized to focus on country-facing work as we overcome resource constraints both within Ethics and among our collaborating colleagues. The closure of the AMA should be considered only a partial success, since one of the key risks identified at the time, loss of momentum, has materialized. We are re-baselining delayed workstreams and revisiting project governance arrangements to get back on track. We will also integrate the findings of the ongoing OIG fraud risk maturity assessment into our workplan.

Lessons learned:

The overarching theme from country-facing work to date is that this is a cross-functional learning effort that requires active coordination across the Global Fund and collaboration with multiple tiers of implementers. Key lessons include:

- Our starting point is less about fraud as a problem, and more about setting up incentives and controls that drive performance. With programmatic assurance as the entry point, we are applying Fraud Risk Assessment (FRA) methodology to deliver results. Thus, we are creating a more mature fraud and corruption awareness and FRA mentality among our partners within the context of driving performance and aligning implementer controls to the combined assurance model of the Global Fund. This is in line with industry standard (COSO) guidance as well as programmatic audit provisions of the Global Fund guidelines.
- There are established programmatic assurance methodologies (DQA, LQAS, surveys, etc.). However, they are sometimes not fully utilized in grants. When used, FRA can strengthen them to a level of independence and probity that meets IAS500 audit evidence standards of relevance, reliability, and sufficiency. Coupled with this, we have seen an over-reliance on

self-reporting of deliverables in many implementation arrangements. This is observed regardless of the contracting modality – either input based, or output based. Proper triangulation of roles within the Implementation Arrangement allows us to pinpoint where the separation of duties can mitigate inherent conflicts of interest.

- The devil really is in the detail. We have seen a pattern across the sample of PRs, SRs and SSRs we have worked with that they respond to Global Fund rules and assurance by over-complicating their financial processes to a degree that generates less transparency, leaves open opportunities for fraud and coercion, slows absorption and increases the ‘cost of control’. We are supporting implementing partners through running lean process improvement analyses of their financial processes.

Progress vs. AMAs under the coordination of the Ethics Office

In 2021 we made progress on all AMAs under the remit of the Ethics Office, all of which require coordination and alignment with multiple Secretariat and OIG teams. We actively prioritized and rapidly addressed new AMAs arising in 2021 relating to SEAH. This has resulted in some long overdue AMAs remaining open, but nevertheless we also made steady progress with those as outlined in the tables below.

Open at the start of 2021	7 (Six from the OIG Audit Report GF-OIG-19-016: Managing Ethics and Integrity at the Global Fund and one from OIG Audit Report GF-OIG-19-007: Global Fund Human Resource Management Processes)
New AMAs opened during 2021	4 (All from the OIG Investigation Report GF-OIG-21-005: Misconduct affecting Global Fund grants - Corrupt and coercive practices, including sexual exploitation and abuse, by a recipient of grant funds in Ghana)
Closed during 2021	7 (Three from the 2019 Ethics audit, one from the 2019 HR audit and three from the 2021 Investigation)
Open at the end of 2021	4 (Three from the 2019 Ethics Audit and One from the 2021 Investigation)

Agreed Management Action	Date Opened	Original Target Date	Actual / Planned Completion	Status
<i>From the OIG Audit Report GF-OIG-19-016: Managing Ethics and Integrity at the Global Fund</i>				
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.	18/09/2019	31/10/2020	18/04/2021	Implemented
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.	18/09/2019	31/07/2020	30/04/2022	<i>Long overdue</i> Progress during 2021: <ul style="list-style-type: none"> SEAH & related misconduct was added to the Organizational Risk Register (ORR) in 2021 The ORR risk summary captures the lead committee for key risks Actions to close <ul style="list-style-type: none"> Sign-off of the full Ethics risks and accountabilities matrix. This was deprioritized in 2021 but is now being actively addressed.
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.	18/09/2019	31/12/2020	30/04/2022	<i>Long overdue</i> Progress during 2021: <ul style="list-style-type: none"> Investigation mandates for SEAH described in the July 2021 PSEAH Framework. Ethics Officer ToR updated in June 2021 to include potential to conduct governance level investigations Actions to close <ul style="list-style-type: none"> Paper addressing remaining scenarios and options is now being drafted for Secretariat and OIG input.
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.	18/09/2019	30/06/2020	12/03/2021	Implemented. <ul style="list-style-type: none"> All Codes strengthened to include provisions on Protection from Sexual Exploitation and Abuse and Sexual Harassment, as well as Child Protection. Further updates will be based on a periodic review cycle.

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.	18/09/2019	30/06/2020	18/06/2021	Implemented
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.	18/09/2019	30/06/2020	30/04/2022	<i>Long overdue</i> Progress during 2021: <ul style="list-style-type: none"> • IDD Framework operationalized across all counterparties • Current practice for implementers strengthened with ongoing screening and checks against a wider set of information sources Actions to close: <ul style="list-style-type: none"> • Finalize and sign off IDD specification for implementers, capturing current practice and planned continuous improvement actions.
<i>From the OIG Investigation Report GF-OIG-21-005: Misconduct affecting Global Fund grants - Corrupt and coercive practices, including sexual exploitation and abuse, by a recipient of grant funds in Ghana</i>				
1. PSEAH Communication – AMA 1 The Secretariat will communicate to all principal recipients and CCMs the updated prohibitions against sexual exploitation, sexual abuse and sexual harassment in funding agreements and codes of conduct, as well as the actions to be taken as part of their Prevention of Sexual Exploitation and Abuse and Sexual Harassment (PSEAH) obligations	19/03/2021	31/03/2021	01/07/2021	Implemented (See the PSEAH initiative update for details on these AMAs)
2. PSEAH Training – AMA 2 The Secretariat will complete the first annual cycle of trainings for relevant Global Fund staff, tailored to their specific roles.	19/03/2021	31/10/2021	04/06/2021	Implemented
3. Global Fund PSEAH Framework – AMA 3 The Secretariat will develop an operational framework to clarify accountability and expectations around the prevention, detection and response to sexual exploitation and abuse and sexual harassment within the activities supported by the Global Fund. This PSEAH framework will be consistent with international best practices as they may be relevant to the Global Fund's operating model, notably the MOPAN Good Practice Note on PSEAH and the OECD DAC Recommendation on PSEAH. The framework will also integrate the outcome of AMA3 of the OIG Audit of Global Fund Human Resources.	19/03/2021	30/07/2021	03/09/2021	Implemented

<p>4. PSEAH Risk Assessment and Response – AMA 4</p> <p>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</p>	19/03/2021	31/10/2021	31/10/2022	<p><i>Overdue</i></p> <p>Progress in 2021:</p> <ul style="list-style-type: none"> • Concept note developed and resources secured • Review of peer group SEAH risk assessment methodologies and assessments already performed on our implementers <p>Actions to close:</p> <ul style="list-style-type: none"> • This significant activity covering our entire implementer base is being addressed sequentially and in a prioritized risk-based manner throughout 2022 • Outputs will inform our approach to implementer PSEAH development and monitoring, as well as their Ethics & Compliance programs more broadly.
<p><i>From the OIG Report Audit GF-OIG-19-007: Global Fund Human Resource Management Processes</i></p>				
<p>6. 15 March 2019 Audit Report: Global Fund Human Resources Management Processes, GF-OIG-19-007</p> <p>The Secretariat will develop a framework related to harassment, including sexual harassment, bullying and abuse of power in the context of Global Fund programs; this framework will cover the wider stakeholder environment of the Global Fund (including CCMs, implementers, suppliers and others) and define and clarify the roles and responsibilities across different functions within the Global Fund including GMD department, Ethics Officer and OIG.</p>	15/03/2019	31/12/2019	03/09/2021	Implemented

Ongoing business as usual activity: Assignments, case management and training

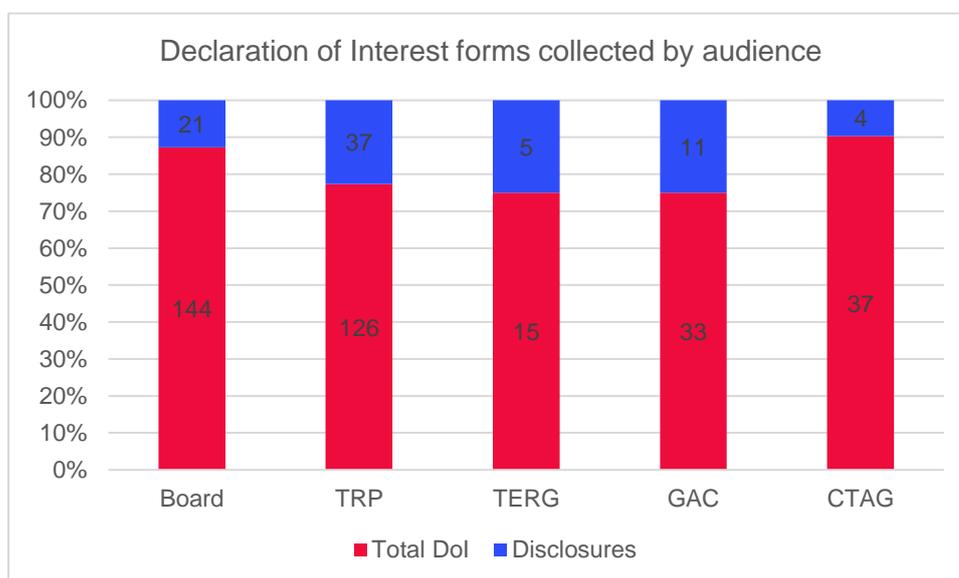
Assignments

Integrity Due Diligence

The Ethics Office managed seven Enhanced Due Diligence assignments with the services of the established panel of vendors, supporting most parts of the Secretariat and with an even split between country-facing and other activities such as procurement. Four were country-facing assignments and one assignment was managed on behalf of each of Private Sector Engagement, Finance and SIID Strategic Initiatives. The Finance assignment was an important step in implementation of the IDD Framework, as it covered all firms that provide fiscal agent services to the Global Fund, supporting a critical assurance mechanism. Several 2021 assignments, notably planned support to the Executive Director and Board Leadership appointment processes, were deferred to 2022 in line with changes in broader organizational scheduling.

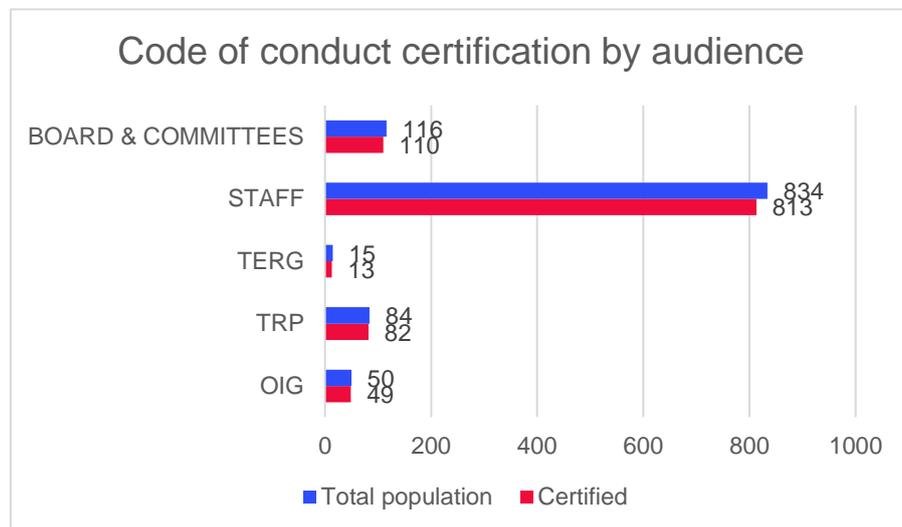
Declaration of interest collection and review

We ran proactive 'DoI' assignments for each Board, Committee, TRP, TERG, GAC and CTAG meeting. The resulting 355 submissions contained 78 disclosures. These were reviewed and assessed for conflicts of interest and mitigation measures put in place in advance of each meeting where necessary. Every new employee is required to complete a declaration of interest on joining.



Code of Conduct Certification

Following updates to the Codes of Conduct in early 2021 to incorporate PSEAH and child protection matters, we completed an exercise where relevant staff and governance officials were required to certify their acceptance and compliance with their applicable Code of Conduct. We achieved 97% completion rate, with the remaining 3% being due to a range of factors such as long-term sickness, leaving their role during the period, etc.



Case Management

Cases range from simple conflict of interest matters to highly complex and sensitive conduct cases. They are managed in collaboration with HR and OIG, referring cases in accordance with the respective mandates. Cases are classified as follows:

- Conduct: all matters in relation to concerns about actual or potential breaches of the various Codes of Conduct across all audiences (governance officials, employees, CCM, suppliers and recipients);
- Conflicts of interest: advice, assessment and mitigation of institutional and individual conflicts of interest, including staff external appointments/engagements, gifts, hospitality, awards and decorations;
- 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 this is within our remit;
- Other: including advice on ethical dilemmas and matters such as procurement, partnerships and research.

SEAH cases

In 2021, the Ethics Office received and worked on 16 SEAH allegations as follows:

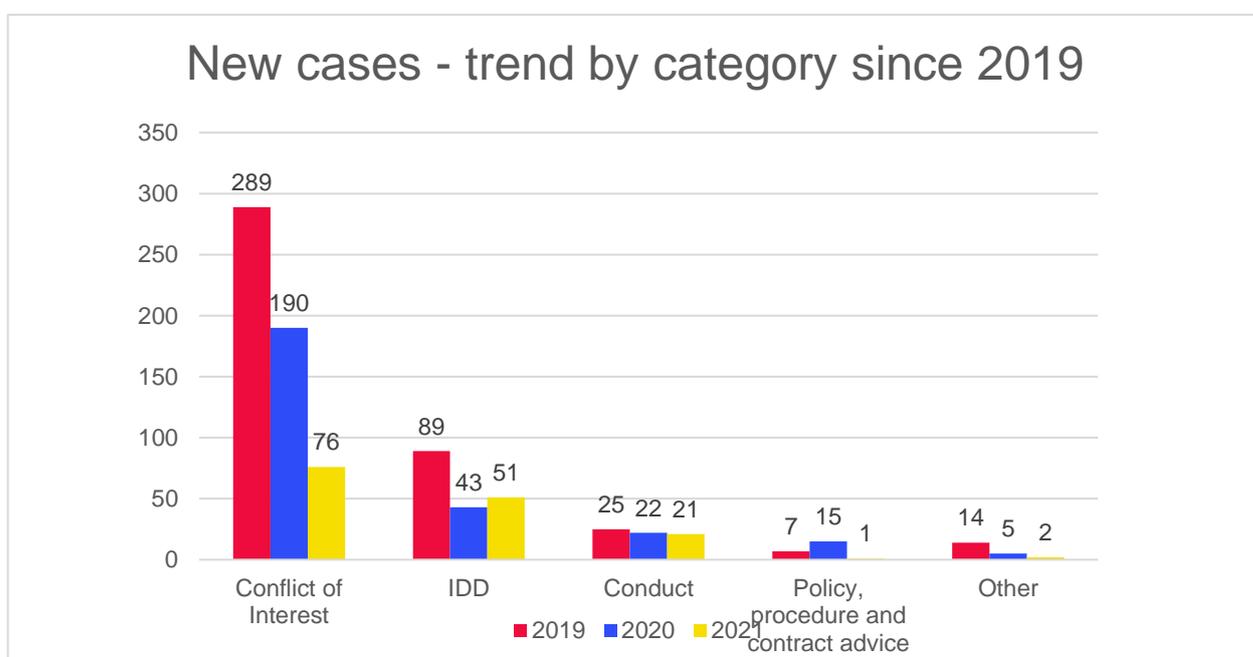
- 14 referred from OIG relating to alleged SEAH in implementers. Of these,
 - Eight are open and the Ethics Office is acting as survivor / victim advocate within a multi-disciplinary team where OIG lead the investigation

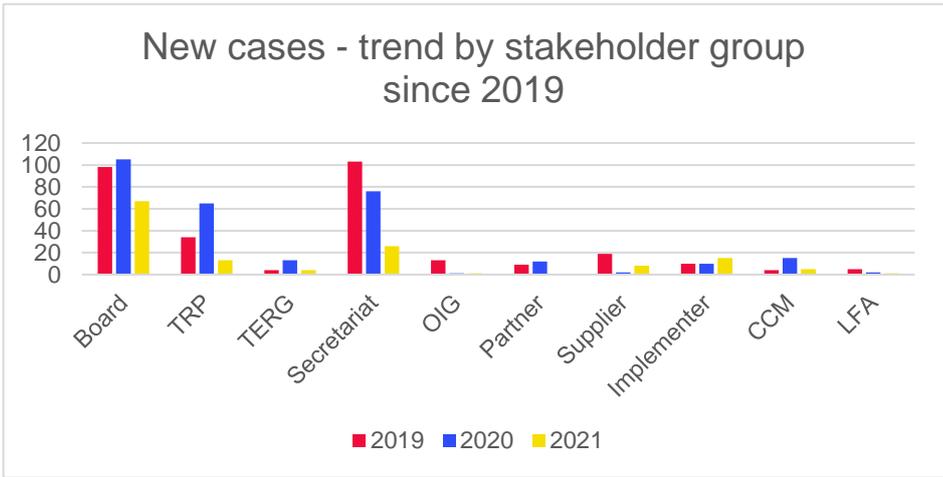
- Four are open but OIG have determined them to be outside their mandate. The Ethics Office is overseeing implementers' investigation and remediation activities
- Two were for already screened and closed by OIG, then provided for information
- 2 from other channels. Of these,
 - One related to due diligence in a hiring process and was closed following screening
 - One related to allegations of sexual harassment in an implementer and is currently being assessed in collaboration with OIG

Other cases

In total, including the PSEAH cases mentioned above, we received 149 cases in 2021, compared to 274 received in 2020. The graphs below show the breakdown by audience and by category, as well as the three-year trend. The main observations are as follows:

- The overall reduction in cases is driven largely by a reduction in conflict of interest cases. This in turn is driven by two factors: Firstly, 2021 was an 'off year' in the two-year cycle for refreshing Secretariat and OIG declarations (note that in any case we require all new joiners to disclose and it is a duty of all employees to proactively disclose changes). Secondly, at the Governance level we are now seeing a high proportion of 'repeat disclosures' where we do not need to open a new case as previously agreed mitigations continue to apply.
- Overall, the number of conduct cases has not significantly reduced during the pandemic. Conduct cases generally take much greater management than other case types due to their complexity and sensitivity. Also, the 'mix' within conduct cases has shifted, with a greater proportion now arising from Implementers. This is most likely related to increased awareness arising from ongoing communications and training as well as the significant efforts on PSEAH.





Training

Summary

Training is a core function of the Ethics Office and central to the Ethics & Integrity Program. We continue to participate in on-boarding activities and ‘general’ code of conduct training to address the natural turnover in staff, governance officials and CCMs. We also run targeted training, reviewing and adjusting topics and target audiences each year, depending on the identified needs. This section brings together all training delivered in 2021, consolidating what has been described in earlier sections on each initiative. Overall, we saw a recovery of the number of people ‘reached’ with training following a dip at the start of the pandemic. No training occurred ‘face to face’. Rather, the mix of virtual live sessions and on-demand eLearning continued:



Onboarding

In coordination with HR 140 new staff were able to benefit from Values and Code of Conduct trainings to maintain and strengthen the ethics integrity and driven culture of The Global Fund.

PSEAH and Safeguarding

In 2021, the first cycle of PSEAH training for governance officials and key staff members was completed as planned, following updates to the Codes of Conduct early in the year:

- In March 2021, 24 PSEAH Working Group members and other key Global Fund staff members (from GMD, CRG and Legal Team) attended a 3-day safeguarding training designed to equip the participants with skills and tools to support the development of the Global Fund PSEAH approach.
- At the May and July Board and Committee meetings the Ethics Office provided interactive sessions to sensitize and inform Governance Officials of PSEAH. The objective was to understand what SEAH is, why PSEAH is important, what the consequences of SEAH may be, what the Codes require from Governance Officials, and how SEAH concerns and allegations should be reported. The session was mandatory for all Board Members, Alternate Board Members, Constituency Focal Points, Committee Members and optional for all other Delegation Members.
- Between February and October, 86 new staff members attended Code of Conduct training including introductory information about PSEAH. In September 2021, 44 Global Fund senior managers (including MEC members, GMD Department Heads and Senior FPMs) and PSEAH Steering Committee members attended a half day safeguarding management training.
- In December 2021 a sexual harassment training module was launched. The training module which is mandatory for all employees, consultants and interns is to be completed by February 2022, while all new staff members going forward will complete the module within the first three weeks.

CCM training

Seven virtual CCM Ethics sessions were conducted (with 233 participants), these sessions were focusing on the values and principles of the CCM 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 e-modules have accessed by almost 1,300 people in 2021.

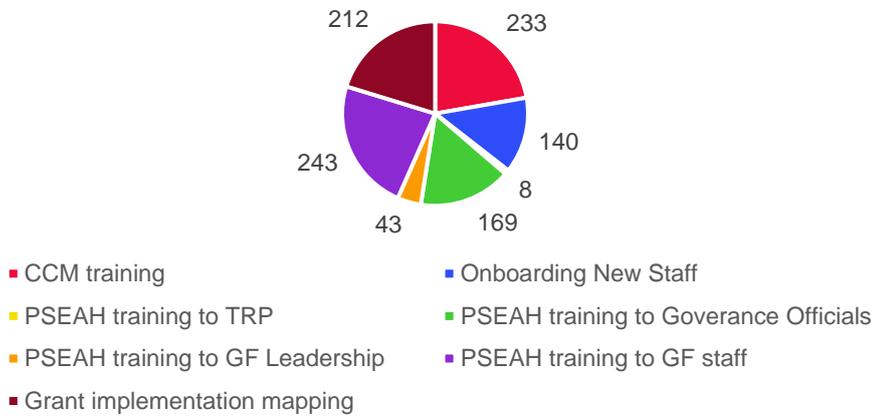
Grant implementation arrangement mapping

Further to the implementation of the grant implementation arrangement (IA) maps in 10 countries, a series of Visio IA mapping tool training sessions was delivered to 212 staff, partners, and implementers. These maps are also used in CCM training on conflict-of-interest to strengthen mutual accountability.

Mix of topics and audiences

In 2021, PSEAH specific training represented nearly 45% of all training delivered by Ethics:

2021 Ethics trainings by audience



PSEAH vs all trainings

