



Investing in our future

The Global Fund

To Fight AIDS, Tuberculosis and Malaria

**Sixteenth Board Meeting
Kunming, China, 12-13 November 2007**

**GF/B16/9
Revision 1**

REPORT OF THE ETHICS COMMITTEE

OUTLINE:

1. This report presents the activities of the Ethics Committee since the Fifteenth Board Meeting, held in April 2007.

PART 1: ANNUAL FILING OF DECLARATION OF INTEREST FORMS

Information

1. The purpose of the Policy on Ethics and Conflict of Interest for Global Fund Institutions (the “Ethics Policy”) is to protect the reputation and integrity of the Global Fund, and to ensure broad public trust and confidence in the Global Fund’s decision-making activities.¹ In order to achieve this purpose, the Ethics Policy requires that all Covered Individuals² disclose conflicts of interest. It also requires Covered Individuals to submit each year a Declaration of Interest form, and update the information provided on it whenever there is a material change.³

2. Consistent with the Ethics Policy, the Chair and Vice Chair of the Ethics Committee distributed a Declaration of Interest form and the Policy itself to each Covered Individual on Monday, 1 October 2007. Individuals were asked to complete the Declaration of Interest Form and submit it to the Ethics Official by no later than Friday, 12 October 2007.

3. Covered Individuals (other than Secretariat Staff)⁴ who had not submitted their Declaration of Interest forms by the due date are being asked to provide such forms as soon as possible. They also are being informed that their names will be disclosed to the Board at the Sixteenth Board Meeting if they have not submitted their forms prior to that meeting.

PART 2: ETHICS AND CONFLICT OF INTEREST CASES CONSIDERED BY THE COMMITTEE

Information

1. The Committee has not been referred any conflict of interest for consideration since its last report to the Board, submitted in April 2007.

2. After issuing this report, the Ethics Committee plans to consider a request for a waiver to the requirement, set forth in Paragraph 7 of the Ethics Policy, that a one-year cooling-off period apply before a person who has served as a “Board member, Alternate, a member of a Board Committee, or the Chair or Vice Chair of the TRP” becomes eligible for employment by the Secretariat.^{5 6}

3. In October 2007, Dr Nosa Orobato resigned from the position of Director of Operations of the Global Fund. Upon the request of the Executive Director of the Global Fund, Dr Debrework Zewdie of the World Bank has agreed to serve as Director of Operations *ad interim* for a period of six months, until a new Director of Operations has been recruited. The World Bank has agreed to release her to the Global Fund on a non-reimbursable loan basis.

4. Until her recent resignation from her Global Fund Board-related positions, Dr Zewdie represented the World Bank as Alternate Board Member and on the Policy and Strategy Committee. Dr Zewdie has accordingly indicated her intention to request a waiver of the cooling-off period that applies to her, as permitted by the Ethics Policy.

¹ Paragraph 1.3 of the Ethics Policy

² Covered Individuals include members of the Board and their alternates, the Technical Review Panel, subsidiary organs of the Global Fund and the Secretariat (Paragraph 2 of the Ethics Policy).

³ Paragraph 4.3 of the Ethics Policy.

⁴ Secretariat staff are not required to submit Declaration of Interest forms to the Ethics Official under the terms of their employment with the World Health Organization.

⁵ Paragraph 7 of the Ethics Policy provides that “[a]ny individual who has served as a Board member, Alternate, a member of a Board Committee, or as Chair or Vice Chair of the Technical Review Panel shall not be eligible for employment by the Global Fund Secretariat until one year following their last date of service in such a position. The Ethics Committee may waive this provision as appropriate.”

⁶ This information is now available as Part 6: Supplement to the Report of the Ethics Committee, to this report (GF/B16/9 Revision 1).

The Committee expects to consider Dr Zewdie's request prior to the Sixteenth Board Meeting, and will then report to the Board on its determination.⁷

PART 3: OFFICE OF THE INSPECTOR GENERAL WHISTLE-BLOWING HOTLINE Information

1. At its Thirteenth Meeting, the Board approved the Whistle-blowing Policy for the Secretariat and Governance Bodies of the Global Fund and the In-Country Whistle-blowing Policy (the "Whistle-blowing Policies").⁸ The Whistle-blowing Policies cover the reporting of allegations of misconduct in relation to the operations of the Global Fund. Individuals may make such allegations anonymously or may choose to disclose their name confidentially for the purposes of follow-up. The Whistle-blowing Policies state that all reports should be provided to the Office of the Inspector General ("OIG") to allow independent treatment and follow-up.

2. At the Fifteenth Board Meeting, the Ethics Committee expressed concern that the OIG had made little progress towards the establishment of a whistle-blower hotline. Noting this, the Board requested the OIG "to implement an independent, confidential and technically robust reporting hotline to support the Whistle-blowing Policies, as a matter of urgency" (the "Whistle-blowing Hotline").⁹

3. In a letter dated 22 May 2007, the Inspector General *Ad Interim* of the Global Fund, Ken Langford, informed the Chair of the Global Fund Board that the former Inspector-General had negotiated a contract for the establishment of the Whistle-blowing Hotline, but the contract had not been signed by the Global Fund due to the "low capacity of the OIG to handle the reports of wrongdoing." Mr Langford therefore suggested to the Chair of the Board that "it would be more appropriate to defer specific action on this point until the new Inspector-General has arrived", with the assurance "that any reports received by the OIG through other channels" would be "followed up as best as possible".

4. The Ethics Committee is disappointed that the OIG has not established the Whistle-blowing Hotline in accordance with the urgent request made by the Board at its Fifteenth Meeting.¹⁰ However, the Ethics Committee expects that the Whistle-blowing Hotline will be implemented, as a matter of urgency, by the new Inspector General.

PART 4: PROPOSED GUIDELINES FOR STAFF SECONDMENTS Information

1. At its Thirteenth Meeting, the Board requested the Ethics Committee to undertake a review of the Secretariat's practices with respect to management of staff secondments and associated conflict of interest issues.¹¹ In parallel to this review, the Secretariat's Human Resources Team ("HR Team") also conducted a review of the Secretariat's secondment arrangements as a requirement of the "Management Action Plan".¹² In doing so, the HR Team assessed the World Health Organization's ("WHO") policies and procedures for staff secondments.¹³

⁷ This information is now available as Part 6: Supplement to the Report of the Ethics Committee, to this report (GF/B16/9 Revision 1).

⁸ GF/B13/6

⁹ GF/B15/DP54

¹⁰ GF/B15/DP54

¹¹ GF/B14/2

¹² The Management Action Plan (2005) was prepared by the Secretariat in response to the Report of the WHO Office of Internal Oversight Services (2005).

¹³ Section 4, WHO Staff Rules; Section 5, WHO Manual; Guidelines on Interaction with Commercial Enterprises to Achieve Health Outcomes, EB 107-20, 23 January 2001; and Inter-Agency Mobility Accord, United Nations System Chief Executives Board for Coordination, November 2005.

2. Based on the findings of these reviews, the Secretariat decided, in consultation with the Ethics Committee, to prepare guidelines for the management of ethical issues associated with the secondment of staff to and from the Global Fund Secretariat ("Secondment Guidelines"). The proposed Secondment Guidelines will be consistent with applicable WHO policies. They are intended to mandate the use of *ad hoc* panels to advise Secretariat management and WHO on whether proposed secondments give rise to conflict of interest issues. The panels will include professionals with human resources and legal expertise, and a representative of the Secretariat unit to which, or from which, the candidate under review would be seconded.

3. The proposed Secondment Guidelines have been the object of consultation within the Secretariat and with WHO and have not yet been finalized. However, the Ethics Committee is satisfied with the report it has received from the Secretariat on their intended content, and foresees that robust Secondment Guidelines will be brought into operation in due course.

4. In addition, the Ethics Committee received from the Secretariat a report on staff secondment appointments for the period of 1 January to 30 June 2007. It notes that, although the Secretariat only reviewed the secondments for conflicts of interest *ex post facto*, its reviews were otherwise adequately carried out, and that they revealed no ethical issues.

PART 5: ESTABLISHMENT OF A WORKING GROUP TO ASSESS THE ADEQUACY OF THE GLOBAL FUND'S CONFLICT OF INTEREST SAFEGUARDS Information

1. In line with its mandate to preserve the reputation and integrity of the Global Fund, the Ethics Committee plans to consider whether the Ethics Policy and the Global Fund's Procurement Policy provide sufficient protection against conflicts of interest where a person occupying a prominent position in the governance structure of the Global Fund is also associated with a potential provider of goods and services to the organization.

2. For that purpose, the Ethics Committee will establish a working group to assess the adequacy of existing policies. Should it find the policies not to be sufficiently comprehensive, the working group will propose measures to strengthen them. The working group will be composed of the Vice Chair of the Ethics Committee, its Ethics Advisor, an additional external consultant with experience in procurement and ethical issues, and additional committee members as necessary.

3. After receiving the conclusions of the working group, the Ethics Committee will report its findings and any recommendations to the Board.

PART 6: SUPPLEMENT TO THE REPORT OF THE ETHICS COMMITTEE Information

1. As stated in Part 2 of the Ethics Committee's Report to the Board (GF/B16/9), Dr Nosa Orobato resigned from the position of Director of Operations of the Global Fund effective 5 October 2007. Following Dr. Orobato's resignation, the Executive Director of the Global Fund requested Dr Debrework Zewdie to serve as Director of Operations *ad interim* until a new Director of Operations is recruited. Dr Zewdie is the Head of the Global HIV/AIDS Office at the World Bank and the World Bank has agreed to release her to the Global Fund for six months.

2. Dr Zewdie represented the World Bank as an Alternate Member of the Global Fund Board, and as a Member of the Policy and Strategy Committee until she recently resigned from those positions.

3. Paragraph 7 of the Ethics Policy provides that

“[a]ny individual who has served as a Board member, Alternate, a member of a Board Committee, or as Chair or Vice Chair of the Technical Review Panel shall not be eligible for employment by the Global Fund Secretariat until one year following their last date of service in such a position. The Ethics Committee may waive this provision as appropriate.”

Therefore Dr Zewdie would not, without a waiver by the Ethics Committee, be eligible for employment by the Secretariat until one year after her last date of service in her Global Fund Board-related positions.

4. Because Dr Zewdie was scheduled to begin work as Director of Operations *ad interim* before the end of the one-year cooling-off period, she submitted a request for a waiver of the cooling-off requirement to the Ethics Committee on 23 October 2007.

5. The Ethics Committee met by teleconference on 30 October 2007 to consider Dr Zewdie’s request. In doing so, it reviewed correspondence between the Secretariat and the World Bank on her assignment to the Global Fund. The Ethics Committee also considered a report of a Secretariat panel that had been convened – under the process described in Part 4 of the Ethics Committee’s Report to the Board (GF/B16/9) – to consider whether Dr Zewdie’s assignment might give rise to conflicts of interest.

6. The Committee noted that Dr Zewdie’s appointment had been based on her qualifications and experience, and on her availability to commence work on short notice to address an urgent need of the Secretariat. The Ethics Committee also noted that Dr Zewdie will remain a staff member of the World Bank during her assignment, and that she has indicated that she intends to return there following her service at the Global Fund. In light of this, the Ethics Committee was satisfied that Dr Zewdie’s appointment had not been inappropriately influenced by her previous association with the Board or by other circumstances that might give rise to ethical issues. The Ethics Committee also noted that the review conducted by the Secretariat had not revealed ethical concerns, and expressed its satisfaction with the quality of the documentation received.

7. The Ethics Committee accordingly concluded that there are no issues that would make it inappropriate not to apply the cooling-off period that is set forth in Paragraph 7 of the Ethics Policy, and approved Dr Zewdie’s request for a waiver – thereby permitting her to assume the position of Director of Operations *ad interim* as of 1 November 2007.