

Report of the Ethics Committee

Eighteenth Board Meeting, 7-8 November 2008



Eighteenth Board Meeting
New Delhi, India 7-8 November 2008



Waivers of the Cooling-Off Period

- The Ethics Committee considered two requests to waive the requirement that a one-year cooling-off period apply before employment by the Secretariat.
- The Ethics Committee was satisfied that both individuals had been selected following a competitive recruitment process that had not been inappropriately influenced by the individual's previous association with the Board.



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Waivers of the Cooling-Off Period

- The Ethics Committee recommends that the process for reviewing requests for waivers of the one-year cooling-off period be clarified.
- It proposes that the Ethics Policy be amended to specify that:
 - Any person who is subject to the one-year cooling-off period must request a waiver from the Ethics Committee before applying for a Secretariat position; and
 - The Secretariat cannot accept or take action on an application from such a person unless a waiver has been granted by the Ethics Committee by the application deadline.



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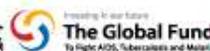
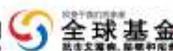


Conflict of Interest Safeguards

- The Ethics Committee considered whether existing Global Fund policies provide sufficient protection against conflicts of interest that may arise where a person occupying a prominent governance position is also associated with a potential supplier of goods/services to the Global Fund.
- The Ethics Committee concluded that Global Fund policies are sufficiently robust to protect against conflicts of interest that may rise in such situations, but the Ethics Policy could be strengthened further through certain amendments to it.



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Conflict of Interest Safeguards

- The Ethics Committee recommends amending the definition of “conflict of interest” so that it protects more clearly against circumstances in which a Covered Individual who is not involved in making a decision on a matter, but has a financial interest in it, might attempt to influence the decision “unofficially”



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Conflict of Interest Safeguards

- Accordingly, the Ethics Committee proposes to amend the definition of Conflict of Interest as follows:

“A conflict of interest arises when a Covered Individual participates personally or substantially ~~in an official capacity~~ in any particular Global Fund matter in which, to his or her knowledge, he or she or an Associated Person or Associated Institution has a financial interest, if the particular matter will may ~~have~~ have a direct and predictable effect of that interest.”



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Conflict of Interest Safeguards

- The Ethics Committee also recommends amending the definition of the terms “personally or substantially”, as used in the definition of “Conflict of Interest”, as follows:

“Personally and substantially. To participate personally means to participate directly or to attempt to influence the outcome of a decision-making process, including, for example, consideration of a matter at a Board meeting, or direct and active supervision of a subordinate in a matter. To participate substantially means that the Covered Individual’s involvement is of significance to the matter.”



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Conflict of Interest Safeguards

- The Ethics Committee also recommends that the Ethics Policy be amended by:
 - adding the terms “actual or potential” prior to the terms “conflict of interest”;
 - To avoid under-reporting, requiring disclosure of even an “appearance” of a conflict, so that the Ethics Committee can determine whether it is an actual or potential conflict of interest; and
 - Other minor editorial amendments, listed with all others in Annex 1 to the Ethics Committee’s Report.



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Outside Offices or Occupations of Secretariat Staff

- As a result of the termination of the ASA, it is necessary to develop a process to review requests from employees to accept offices or occupations outside of their Global Fund employment duties, and honors or decorations from outside parties.
- In view of the Ethics Committee's role in reviewing possible conflicts of interest, the Secretariat proposed that the process be set out in the Ethics Policy.



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Outside Offices or Occupations of Secretariat Staff

- The Ethics Committee proposes to amend the Ethics Policy to provide that an employee must request the Executive Director's approval to accept any outside office or honor, if accepting it could lead to an actual or potential conflict of interest, or the appearance of such a conflict.
- The Executive Director decides whether to approve the request after consulting with the Ethics Committee on whether it could lead to an actual or potential conflict of interest.



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Recommended Decision

- The recommended amendments to the Ethics Policy are listed in Annex 1 to the Ethics Committee's Report, as revised to reflect clarifications suggested by the United States
- Decision Point:

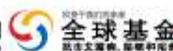
The Board approves the amendments to the Policy on Ethics and Conflict of Interest for Global Fund Institutions as set out in Annex 1 (Revision 1) to the Report of the Ethics Committee (GF/B18/8).



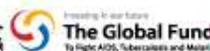
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Values and Integrity Initiative

- The Inspector General presented to the Ethics Committee the Ethics and Reputational Risk Assessment Report.
- The Ethics Committee encouraged the Inspector General to work with the Secretariat on developing an action plan for implementing the Values and Integrity Initiative based on the recommendations in that assessment report.
- The Ethics Committee also requested the Inspector General to report back on efforts made to promote awareness of the Whistle-Blower Policy among different stakeholders, particularly at the country level.



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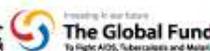
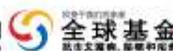


Annual Filing of DOI Forms

- Declaration of Interest (DOI) forms were distributed to Covered Individuals on 16 September 2008.
- They were asked to complete and submit their forms to the Ethics Official by 30 September 2008.



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Update on Staff Secondments

- There have been no staff secondments of note since the Ethics Committee's last update to the Board.



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