

# Code of Ethical Conduct for Governance Officials<sup>1</sup>

## Principles

1. Ethical conduct is a hallmark of the Global Fund, and applies to all those involved in the operation and governance of the organization. Consequently, those involved in the governance of the Global Fund have a greater obligation to embody the organization's core ethical values; as primary representatives of the Global Fund, they set an example for the rest of the organization. This obligation applies even more strongly to Board and Committee Leadership, who are responsible for ensuring their respective bodies sustain high standards of ethical behaviour.
2. This Code of Ethical Conduct for Global Fund Governance Officials (the "Code") is applicable to Board and Committee Members, Board Alternates, Focal Points and delegation members at Board Meetings (together, "Governance Officials"). This Code describes the ethical obligations of Governance Officials, along with the process for administration and enforcement of this Code.

## Core Ethical Values and Expected Conduct

3. The Global Fund Board has four core ethical values:

- a. *Integrity*

Integrity applies to the Global Fund's decision-making processes. Working with integrity involves demonstrating transparency, impartiality, fairness and truthfulness. In order to demonstrate integrity, all individuals entrusted with Global Fund resources must act without bias. As part of this responsibility, all Governance Officials are required to demonstrate full transparency regarding interests that could give rise to actual, perceived or potential conflicts of interest.

A conflict of interest occurs when a Governance Official has a competing interest, such as a personal or financial interest, which could have a real, perceived or potential effect on his/her ability to act with the best interests of the Global Fund.

Determining whether a conflict of interest exists often depends on the context. However, conflicts of interest, particularly at the Board or Committee level, can create the perception that the Global Fund's decisions are biased or even corrupt.

Governance Officials are expected to demonstrate integrity. This requires Governance Officials to:

- Submit on an annual basis a completed Declaration of Interest Form to the Ethics Officer,<sup>2</sup> and also inform the Ethics Officer of any subsequent events that could possibly create a real, perceived or potential conflict of interest;

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<sup>1</sup> As adopted at the Thirty-Third Global Fund Board Meeting, 31 March-1 April 2015, Decision Point GF/B33/DP10

<sup>2</sup> In the case of Board delegation members, such individuals must submit a completed Declaration of Interest Form prior to attendance at a Board Meeting.

- Inform the Ethics Officer in situations where their professionally-affiliated organization could be affected financially by Global Fund governance deliberations or decision-making;
- Inform the Ethics Officer if Global Fund governance deliberations or decision-making could directly affect their own personal or financial interests;
- Inform the Ethics Officer if involved in a situation that might be adverse to the Global Fund, such as a legal action against the Global Fund or its grant recipients;
- Actively discourage giving or receiving of gifts or hospitality related to their position with the Global Fund, except for those of nominal value;
- Declare such gifts and/or hospitality in writing to the Ethics Officer immediately after their receipt if it cannot be avoided; and
- Comply with mitigating actions determined by the Ethics Officer and/or the Board Committee responsible for overseeing the ethical behavior of the Global Fund and its operations (the “Committee”)<sup>3</sup> in response to a real, perceived or potential conflict of interest.

#### *b. Duty of Care*

The duty of care represents the obligation for Governance Officials to operate in the best interests of the Global Fund. This requires Governance Officials to perform their responsibilities in a way that is aligned with and serves the Global Fund’s mission, objectives, priorities and values. However, a Governance Official’s advocacy for policy changes to benefit populations affected by any of the three diseases or to address health or human rights issues does not reflect a conflict of interest if done (i) without any personal or financial interests at stake for themselves or their organizations and (ii) in a way that is framed by the Global Fund’s best interests. For Board and Committee Members, acting in the Global Fund’s best interest is a critical part of their fiduciary responsibility as stewards of Global Fund resources, and their accountability over the use of those resources.

While Governance Officials’ responsibilities to constituencies are to be respected, they are ultimately obligated to work in the best interests of the Global Fund and to seek advice from the Ethics Officer where the constituency requirements are in real or perceived conflict with the interests of the Global Fund. Governance Officials are expected to act with an understanding that the Global Fund’s direction is shaped by incorporating and balancing varying constituency interests.

Governance Officials are expected to demonstrate duty of care. This requires Governance Officials to:

- Act in the best interests of the Global Fund when participating in decision-making;
- Not intimidate or exert undue pressure on Secretariat or Office of the Inspector General (OIG) staff, advisory body members, implementing partners or other Governance Officials to influence policy development, or financial, operational or administrative decisions;
- Not abuse one’s position with the Global Fund to advance personal interests, financial or otherwise; and

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<sup>3</sup> As of the date of this policy, the Audit and Ethics Committee is the relevant Board Committee for reviewing and addressing real, perceived or potential conflicts of interest.

- Neither support nor create bias in Global Fund procurement and employment processes so as to benefit particular suppliers or individuals.

### *c. Accountability*

Accountability is taking responsibility for one's conduct and decisions. All Governance Officials are accountable to the Global Fund. In addition; they share accountability to all Global Fund constituencies, including those affected by the diseases, for the achievement of the organization's vision, which is a world free of the burden of HIV/AIDS, tuberculosis and malaria.

Governance Officials are expected to demonstrate accountability. This requires Governance Officials to:

- Inform the Ethics Officer if they are/were personally subject to an investigation by the OIG or other authority;
- Inform the Ethics Officer if their professionally-affiliated organization is/was subject to an investigation by the OIG or other authority;
- Practice and promote full compliance with restrictions around confidential or sensitive documents or deliberations, as established by Board or Committee Leadership;
- Share documents within one's constituency and/or delegation in order to achieve better-informed decision-making, with the exception of documents identified by Board or Committee Leadership as confidential; and
- Embody the Global Fund's values in all Global Fund-related settings, including field visits, advocacy events and governance meetings.

### *d. Dignity and Respect*

The Global Fund upholds the dignity of those affected by the diseases and uses its best efforts to ensure its funding does not contribute to discriminatory treatment or violation of human rights. Governance Officials must therefore always consider the dignity and respect of those affected by the diseases. In interactions with fellow Governance Officials and Global Fund staff, Governance Officials also have a responsibility to maintain an enabling environment guided by mutual respect.

Governance Officials are expected to demonstrate dignity and respect. This requires Governance Officials to:

- Seek to ensure that programs financed by the Global Fund are designed to promote dignity, self-respect and self-reliance by people affected by HIV/AIDS, tuberculosis and malaria;
- Act on the basis of equity and non-discrimination when engaging with organizations and individuals across Global Fund operations, without any form of harassment;
- Practice and promote respectful deliberations, decision-making and social interaction in all Global Fund settings; and
- Treat fellow Governance Officials and Global Fund staff with courtesy and respect, without harassment, or physical or verbal abuse, and not exert undue influence on their activities.

## **Administration and Enforcement**

### *4. Authority and Responsibilities*

The Committee has the authority to oversee implementation and enforcement of this Code, with the support of the Ethics Officer. Such authority includes modification to procedures or forms for declaring real, perceived or potential conflicts of interest.

### *5. Process for Addressing Conflicts of Interest*

Should a Governance Official require guidance regarding ethics matters, s/he should raise the matter with the Ethics Officer. The Ethics Officer is empowered to address general conflict of interest issues. However, for conflict of interest issues determined by the Ethics Officer to be of a complex or highly visible nature, including those relating to Board/Committee Leadership, the Ethics Officer will refer the matter to the Committee. The Committee will then decide on the matter. The decision will be communicated to the concerned Governance Official and any other Global Fund official(s) whose involvement is necessary to implement the decision.

Should the conflict issue relate to a member of the Committee, including Committee Leadership, the concerned individual will recuse him/herself from the Committee deliberations and decision on the matter.

Experiencing a real, perceived or potential conflict of interest does not constitute ethical misconduct, provided it is disclosed preemptively. However, if on inquiry, the Committee determines that a Governance Official has not followed the procedures for disclosing and managing a real conflict of interest, it may determine that the Governance Official has committed ethical misconduct.

### *6. Process for Addressing Ethical Misconduct*

For instances involving alleged ethical misconduct by Governance Officials, including Board/Committee Leadership, the matter will be reviewed and addressed by the Committee, with the support of the Ethics Officer. Should the misconduct concern a member of the Committee, including Committee Leadership, the concerned individual will recuse him/herself from the Committee's deliberations and decision on the matter.

The assessment of potential ethical misconduct will reflect due process and will be conducted on a strictly confidential basis.

### *7. Reporting Potential Ethical Misconduct*

Individuals who suspect, or may be aware of, violations of this Code of Ethical Conduct have a responsibility to immediately bring them to the attention of the Global Fund, through the OIG Whistleblowing Line. The Global Fund will not tolerate retaliation against anyone who in good faith raises a concern or reports misconduct. However, knowingly reporting false information is contrary to this Code, and individuals who do so may be sanctioned accordingly.

### *8. Potential Consequences of Ethical Misconduct*

If a Governance Official, including a member of Board or its Committees, takes any action that is not consistent with the principles or the standards of behavior reflected by this Code, the Global Fund has the responsibility to act to address the matter. Remedial actions will be determined on a case-by-case basis, but may include the following:

- **Formal Reprimand.** A reprimand in the form of an official letter to the concerned Governance Official and his/her constituency.

- **Conditional Removal.** Removal from Global Fund governance operations, at both the Board and Committee level, until certain conditions are satisfied, which may include addressing the concerned ethical issue.
- **Indefinite Removal.** Permanent removal from Global Fund governance operations, at the Board and Committee level.

The remedial action imposed by the Global Fund is established by the Committee, in consultation with the Ethics Officer.

#### *9. Accountability to the Board*

The Board will receive, as part of the annual opinion provided by the Ethics Officer, a regular update on the implementation of this Code and key lessons learned.