



Mercy Corps Commitments to Action Progress Report

In October 2019 Mercy Corps and its Board of Directors requested that investigative firm Vestry Laight conduct an independent, external review into what steps were taken when reports of abuse by Mercy Corps' late co-founder Ellsworth Culver were brought to the organization's attention in 2018.

Mercy Corps also engaged law firm Nichols Liu to conduct a separate evaluation of the organization's policies and procedures on sexual exploitation and abuse. Both reports were published by Mercy Corps on February 5, 2020 and can be found in full on Mercy Corps' website [here](#).

Mercy Corps' Management and Board of Directors unanimously accepted the findings and recommendations contained in both reports, and Mercy Corps' Board of Directors and Executive Team – under the leadership of Interim CEO Beth deHamel – announced Mercy Corps' [commitments to action](#) to address the reports' recommendations.

The Mercy Corps Board of Directors and Executive Team pledged to review the commitments to action at each board meeting until all matters have been implemented and report on progress to the public twice a year during that time. The Board of Directors reviewed the agency's progress on the commitments to action at its June 25, 2020 board meeting. This is the first biannual report on Mercy Corps' implementation of its commitments to action.

Further Investigation

Commitment 1: Investigate Handling of Case in 1990s

Conduct an investigation of how this case was handled by Mercy Corps in the 1990s

Commitment 2: Investigate Extent of Sexual Abuse

Conduct an investigation to determine the extent of sexual abuse committed by Ellsworth Culver during his time at Mercy Corps.

Progress Update on Commitments 1 and 2

Mercy Corps has initiated investigations to determine the extent of sexual abuse and exploitation committed by Ellsworth Culver in connection with his role at Mercy Corps and to evaluate how Mercy Corps in the 1990s handled reports of sexual abuse perpetrated by Ellsworth Culver. After a thorough review, Mercy Corps selected Freeh Group International Solutions (FGIS) to conduct the investigation. The Freeh Group specializes in areas of integrity, compliance and investigations and is led by Louis Freeh, former director of the FBI and federal judge. The Freeh Group has begun the investigation, which will take as long as necessary to determine the extent of abuse perpetrated by Ellsworth Culver and evaluate how Mercy Corps handled reports of abuse in the 1990s. While there are many challenges to investigating conduct that occurred decades ago, we are committed to a timely investigation.

Commitment 3: Examine and Reassess Culver’s Role in Organization History

Develop an inclusive process to examine and reassess how we reflect the role of Ellsworth Culver and others in our organization’s history.

Progress Update on Commitment 3

Mercy Corps is researching best practices to develop a thoughtful approach for examining and reassessing the organization's history. This will be a priority for the CEO and the Board following the conclusion of the Freeh Group's investigation into how Mercy Corps handled reports of abuse in the 1990s and the extent of sexual abuse and exploitation committed by Ellsworth Culver in connection with his role at Mercy Corps.

Restructuring the Legal, Ethics and Safeguarding Functions

Commitment 4: Hire a Chief Ethics and Compliance Officer

Hire a Chief Ethics and Compliance Officer (CECO), independent of both the legal and human resource departments, reporting to the CEO and to the Board of Directors. Safeguarding intake and investigations will report to the CECO, not the General Counsel or Human Resources. All Human Resources investigations of sexual misconduct or harassment cases, whether between team members or others, will also be the responsibility of the safeguarding team and fall under the auspices of the CECO. In addition, the new department led by the CECO will be staffed and resourced appropriately and will implement survivor-centered and trauma-informed best practices, such as case management by a multidisciplinary team that includes a qualified mental health professional.

Progress Update on Commitment 4

Mercy Corps has established the position of Chief Ethics & Compliance Officer (CECO), who will be independent of both the legal and human resource departments and report to the CEO and Board of Directors. Mercy Corps is in an active recruitment process for the CECO and expects to announce an appointment by the end of August.

The CECO will be responsible for oversight of the newly formed Ethics and Compliance Department and program. In this capacity, the CECO will ensure implementation of an ethics and compliance program designed to prevent, detect, respond to and mitigate illegal, unethical, or improper conduct and promote a culture of integrity and compliance. The CECO will also lead the new Intake and Investigation (I&I) Department, reviewing and approving final determinations on reports of misconduct. The CECO will provide reports, guidance and recommendations to the Board of Directors, Executive team, and senior team members on ethics and compliance matters related to all aspects of Mercy Corps' operations. S/he will work collaboratively with relevant departments to ensure efficient and effective compliance measures and prompt and successful resolution of audits and investigations of alleged noncompliance and/or ethical issues and will foster a culture of trust and confidence in Mercy Corps' reporting, investigation, and follow up systems.

Commitment 5: Strengthen Safeguarding Systems including by Hiring Staff

Make a significant additional investment over the next 18 months to strengthen our systems that support the intake, case management and investigative oversight for alleged ethics violations, including safeguarding. This includes adding additional staff to handle the caseload.

Progress Update on Commitment 5

Mercy Corps has dedicated resources to strengthen our safeguarding system. The agency's prevention efforts are led by a global safeguarding team comprising multiple permanent staff now overseen by the Director of Safeguarding, reporting through the Vice President of People. Additional Safeguarding Manager positions have been added in several of our largest country programs and a full time Safeguarding Advisor is being recruited for Mercy Corps Europe. The functions of the Safeguarding Team are regularly monitored through quarterly reporting structures to various oversight groups.

Safeguarding 'Focal Points' and co-investigators - team members selected to act as an extension of the global safeguarding and investigative teams - have been identified and are active in 30 countries. These team members attend an internationally accredited training course co-designed and delivered by Mercy Corps and Global Child Protection Services (GCPS), an international consultancy focused on safeguarding and prevention of sexual exploitation and abuse. Training is ongoing and we expect to have local safeguarding support established in all Mercy Corps countries by the end of 2020 (training completion is dependent upon travel restrictions related to COVID-19).

Mercy Corps is also making significant additional investments in handling safeguarding reports and investigations. Previously, incoming reports and investigative responses were handled by the Ethics Team with oversight by the Legal Department. In order to strengthen oversight and ensure independent reporting to the Board and CEO, Mercy Corps is completely restructuring this process and governance structure, replacing it with the new Intake and Investigation (I&I) Department. The I&I Department will be led by a Chief Ethics & Compliance Officer (CECO), independent of both the legal and human resource departments. In addition to the CECO, the I&I Department will include at least six dedicated full time case managers and investigators. This department formation consolidates all report response and investigative responsibilities into a single, independent unit covering all

internal investigations relating to Fraud and Corruption, Sexual Exploitation and Abuse, Sexual Misconduct, and HR issues.

The I&I Department, while independent, will work closely with the prevention-focused Safeguarding Team to increase awareness of and access to reporting mechanisms and to ensure effective gathering and analysis of data to inform program and country teams' safeguarding efforts. This restructure will officially take place upon hiring of the CECO, which is in active recruitment. We expect to have the CECO and supporting team in place by early fall 2020. In the interim, all Safeguarding and HR investigations are managed by trained SEA investigators on the HR team with support from external independent investigators.

Commitment 6: Identify a Third-Party Investigation and Safeguarding Firm

Identify a third-party investigation and safeguarding firm to be put on retainer to support Mercy Corps in responding to safeguarding events, to be used as needed on a case-by-case basis.

Progress Update on Commitment 6

After a thorough review, Mercy Corps retained OSACO Group, an investigative consultancy with expertise in compliance, governance, safeguarding, and anti-corruption, as well as the law firm Stoel Rives, to support Mercy Corps in responding to particularly complex safeguarding events that require independent review, including cases involving senior management or Board members.

Commitment 7: Create PSEA Capacity-Building Plan

Create a comprehensive safeguarding and Protection from Sexual Exploitation and Abuse (PSEA) capacity-building plan for field-based and headquarters-based senior management members and board members in addition to ongoing onboarding and safeguarding focal point trainings. The capacity building plan would include: knowledge and practice around Mercy Corps' safeguarding policies and process; best practices and procedures for working with gender-based violence survivors; psychosocial first aid; investigations of sexual exploitation and abuse; and referral/reporting cases to local services, authorities and donors.

Progress Update on Commitment 7

Please see progress update on Commitment 5 above.

Commitment 8: Implement CARM

Accelerate implementation of Community Accountability Reporting Mechanisms and training of local investigators.

Progress Update on Commitment 8

In June 2020, Mercy Corps' Executive Team approved the new Community Accountability Reporting Mechanisms (CARM) Policy, which outlines nine new minimum standards for community accountability and requirements for Partners. CARM is a channel for any and all community members to provide feedback, suggestions, complaints, and concerns, in a manner that is safe, confidential, transparent, and accessible, enabling Mercy Corps to respond and make any necessary programmatic or safeguarding adaptations and to ensure the safety, security, and empowerment of program participants. All Mercy Corps country programs and entities are required to meet the standards within this global policy. Mercy Corps will roll out this policy in the coming months to ensure CARM is in place in all Mercy Corps countries and a standardized approach to community accountability is taken globally. The CARM Policy is available on the Mercy Corps website [here](#). Mercy Corps' training for local safeguarding focal points and co-investigators is outlined in the progress update on commitment 5.

Commitment 9: Increase Transparency of Safeguarding Program

Improve transparency generally by communicating changes to the safeguarding program, including information about additional resources, clearly to all employees and specifically by informing those who have come forward about the status of their investigations.

Progress Update on Commitment 9

Mercy Corps leadership provides regular updates to the organization around our GDI and Safeguarding work, communicates any changes to our safeguarding program, provides information about additional resources, and seeks feedback from team members. During investigations, Mercy Corps provides updates and information to

those who have come forward about the status of investigations without compromising confidentiality.

Commitment 10: Produce annual public safeguarding report

Publish an annual public report on safeguarding that provides sufficient detail to identify the type of case and status of investigation while also maintaining confidentiality. Mercy Corps has previously committed to publishing an annual safeguarding report.

Progress Update on Commitment 10

In November 2019, Mercy Corps issued Part I of our Fiscal Year 2019 Safeguarding Report, including safeguarding investigations data, the agency’s commitment to safeguarding, and an overview of various steps that had been taken up to that point, including policy improvements, response mechanisms, and awareness raising efforts. Part I of the report is available on the Mercy Corps website [here](#).

In July 2020, Mercy Corps issued Part II of our Fiscal Year 2019 Safeguarding Report upon completion of the external review, analysis of findings, recommendations from those independent firms involved and concrete commitments to action made by Mercy Corps based on these findings and recommendations. The Part II report focuses on the agency’s safeguarding commitments and measures we are taking to improve safeguarding practices consistent with the recommendations of the above mentioned external independent review. Part II of the report is available on the Mercy Corps website [here](#).

Updates to Policies

Commitment 11: Assess Efficacy of Safeguarding Policies

Conduct an investigation into how Mercy Corps’ safeguarding policies are working in practice to ensure that policies are implemented effectively and sufficiently resourced.

Progress Update on Commitment 11

[Part II](#) of the Fiscal Year 2019 Safeguarding Report outlines the measures Mercy Corps is taking to improve its safeguarding processes and practices. Mercy Corps has added significantly to our in-country safeguarding resources and is in the process of making important structural changes to our legal, ethics and investigative functions. Key aspects include: the implementation of trained in-country Safeguarding Focal

Points and Co-investigators and increased capacity of the global Safeguarding Team; strengthened governance, and the resourcing and recruitment for a stand-alone Intake and Investigations and Ethics Unit. During Fiscal Year 2021, we will engage a third party to review the effectiveness of this new structure and the implementation of our safeguarding policies.

Commitment 12: Review and Revise Mercy Corps' Policies and Procedures

Review and revise Mercy Corps' policies and procedures with appropriate expertise to address gaps and strengthen their application, especially to include policies to address past sexual misconduct, abuse and gender-based violence perpetrated by former employees or current employees that happened at prior institutions or outside of the workplace. As part of the review, conduct an audit of past investigations.

Progress Update on Commitment 12

In February 2020, Mercy Corps' Board of Directors approved updates to the agency's safeguarding policies, including the Ethics Complaint and Whistleblower, Child Safeguarding, and Prevention of Sexual Exploitation and Abuse policies. These policy changes reflect the recommendations of the Nichols Liu report (available [here](#)), and they clarify applicability of Mercy Corps' policies to former team members and past activities, as well as requiring the referral of cases involving senior management or board members to an external investigator. Additional updates are planned for review in February 2021, and annually thereafter, to allow for deeper, comprehensive modifications and additions to our policies, and inclusion of clear safeguarding definitions. In this annual review process Mercy Corps will continue to draw on best global practice, align with major donors and ensure ongoing clarity. The current policies can be found on the Mercy Corps website [here](#).

In addition to updating safeguarding policies, Mercy Corps developed corresponding policy guidance documents for use by teams and individuals as quick guides, conversation starters, and references for policy adherence or as training supplements. The policy guidance documents are available on the Mercy Corps website [here](#).

In June 2020, Mercy Corps' Executive Team approved the new Community Accountability Reporting Mechanisms (CARM) Policy as outlined in the progress update on commitment 8. The CARM Policy is available on the Mercy Corps website [here](#).

Once operational, the Intake and Investigations Unit under the leadership of the new CECO will work with one of our external partners to begin the evaluation of allegations that meet one or more of the following definitions: serious allegation (sexual exploitation, sexual assault, & severe sexual harassment); subject of complaint is senior team member (CD, RD, COP, HoO, Senior Leadership at HQ); and allegations that present serious organizational or program impact.

Commitment 13: Adopt a Clear and Robust Definition of Safeguarding

Adopt and incorporate into our policies a clear and robust definition of safeguarding, drawing on best global practice and in alignment with Mercy Corps' major donors. Clarify within Mercy Corps' policies their applicability to former team members, activities in the distant past and if policies are applicable anywhere.

Progress Update on Commitment 13

Mercy Corps defines Safeguarding as the responsibility to ensure that our team members, operations and programs do no harm to those with whom we work, and do not put vulnerable populations at risk of abuse or exploitation. As outlined in the progress update on commitment 12, Mercy Corps' Board of Directors approved updates to the agency's safeguarding policies in February 2020. These updates clarify applicability of policies to former team members and past activities, and will be reviewed annually.

Commitment 14: Adopt Policy to Refer Cases Involving Senior Staff and Board

Put in place a policy requiring referral of cases involving senior management or board members to an external, outside investigator.

Progress Update on Commitment 14

In February 2020, Mercy Corps' Board of Directors approved updates to the agency's safeguarding policies, including the Ethics Complaint and Whistleblower policy, which requires allegations against senior leadership to be investigated by external expert investigators. After a thorough review, Mercy Corps retained OSACO Group, an investigative consultancy with expertise in compliance, governance, safeguarding, and anti-corruption, as well as the law firm Stoel Rives, to support Mercy Corps in responding to particularly complex safeguarding events that require independent

review, including cases involving senior management or Board members. The Ethics Complaint and Whistleblower policy can be found on the Mercy Corps website [here](#).

Commitment 15: Communicate to Staff on Safeguarding Policies

Provide clear, effective and regular communication of Mercy Corps policies regarding sexual abuse and exploitation to employees. Ensure that anyone approaching the organization with allegations regarding sexual exploitation and abuse is treated in accordance with the values inherent in these policies, even if the policies do not apply to the organization's engagement with them.

Progress Update on Commitment 15

Mercy Corps leadership provides regular updates to the organization around our GDI and Safeguarding work, including policies regarding sexual abuse and exploitation, communicates any changes to our safeguarding program, provides information about additional resources, and seeks feedback from team members. During investigations Mercy Corps provides updates and information to those who have come forward about the status of investigations without compromising confidentiality.

Strengthen the Board's Governance

Commitment 16: Create Culture & Ethics Oversight Committee; Appoint Safeguarding Director on Board

Review board governance and committee structures to ensure best safeguarding practices with external expert advisers. Create a board committee charged with oversight of ethics and culture, including safeguarding efforts. This board committee will have appropriate skills tasked at reviewing all safeguarding cases and overseeing ethical culture. Appoint a lead safeguarding director on the Mercy Corps Board.

Progress Update on Commitment 16

At its June 2020 meeting, the Mercy Corps Board approved the creation of the Joint Ethics and Safeguarding Committee, which has responsibility for overseeing management and advising the board on all ethics matters. The Committee will oversee ethics-related policies, including safeguarding, and management's implementation of ethics systems (reporting, investigation, training, accountability, case resolution and annual ethics reporting to the board). The Committee will also consider specific topic areas that may arise, such as: safeguarding; diversity and

inclusion; philanthropy ethics; ethics of technology; ethics in human resources; and ethical challenges in crisis management. The Committee will be mindful of international best practices. The Board appointed five members to the Committee: Ryan Crocker, Iman Dakhil, Lucy Helm, Gayle Tzemach Lemmon, and Tom Murray. Mercy Corps Board Director Tom Murray is serving in an acting capacity as the Safeguarding Director.

Commitment 17: Strengthen Board Members Skills on Safeguarding

Provide training to the board on safeguarding as well as ensure that new board member onboarding and ongoing training reinforce directors’ understanding of governance.

Progress Update on Commitment 17

In collaboration with the consulting firm Global Child Protection Services (GCPS), Mercy Corps created a safeguarding training tailored specifically for our Board of Directors. This training focuses on safeguarding in the sector as a whole, how we approach safeguarding at Mercy Corps, expectations for board members on safeguarding oversight, and assessment of safeguarding risks. The Board of Directors completed this safeguarding and protection from sexual exploitation and abuse (PSEA) training in June 2020.

In addition, all Mercy Corps Board members completed online training courses in fiscal year 2019 on subject areas including Reporting Ethics Violations, Sexual Misconduct, Child Safeguarding, Sexual Exploitation and Abuse and Anti-Trafficking, and Fraud and Corruption.

Mercy Corps will provide training to all future Board members.

Commitment 18: Honor Board Term Limits

Put in place and honor term limits, both for board and committee tenures, while allowing the flexibility to make exceptions when important for the organization’s strategy. This will provide an opportunity to add new skills and perspectives to the board.

Progress Update on Commitment 18

At its February 2020 meeting, the Mercy Corps Board established the Joint Nominating and Governance Committee (JNGC) and set the goal of establishing

criteria for Board membership on each of the respective Boards (Mercy Corps Global, Mercy Corps Europe and Mercy Corps Netherlands Boards of Directors) with a view towards maximizing effectiveness and diversity. At its June 2020 meeting, the Mercy Corps Board ratified approval of the Recruiting and Nominating Task Force for the purpose of moving with urgency to recruit candidates for Mercy Corps Boards. The Board approved the appointment of Nicola Cobbold, Iman Dakhil, and Gisela Kordestani to the Task Force. The JNGC is conducting a thorough review of all governance matters (see progress update on commitment 19) and will address and adopt board term limits in the coming fiscal year.

Commitment 19: Define Board Accountability and Communication

Clearly define accountability and communication so directors understand how decisions are made and who has responsibility.

Progress Update on Commitment 19

At its June 2020 meeting, the Mercy Corps Board approved hiring Crowe, a leading firm offering audit, tax, advisory, and risk services, to conduct Phase 1 of a Governance Review. Mercy Corps is undertaking a comprehensive review of global governance practices, entity structuring, and joint global operating model. The purpose of this review is to determine how well all Mercy Corps entities are abiding by global and local legal requirements and best practice regarding governance, and how well participants in governance (Board members, Committee members and Executives) understand the structural, legal, donor, financial and operational constraints facing Mercy Corps and each of our various entities. The review will ensure that Mercy Corps' Boards of Directors are equipped to make key decisions regarding Mercy Corps' existing entity, governance, operational and financial structures, and determine if changes could better achieve Mercy Corps' mission.

Additional Commitments

Commitment 20: Drive Leadership Accountability

Review and update relevant policies and position descriptions of Executive Team members to ensure that, when applicable, responsibilities around safeguarding, ethics, diversity, inclusion and culture are included when the Board Compensation Committee performs their annual review.

Progress Update on Commitment 20

Mercy Corps' Chief People Officer is reviewing all senior management position descriptions to ensure that upholding and advancing the agency's safeguarding, ethics, diversity and inclusion, and culture objectives are part of senior leaders' core work responsibilities on which they will be evaluated during their annual performance reviews.

Commitment 21: Ensure Accountability for 2018 Mishandling

Hold accountable those who were involved in the 2018 case mishandling through appropriate disciplinary actions.

Progress Update on Commitment 21

Those individuals identified by Vestry Laight's independent, external review as having full information and responsibility for Mercy Corps' handling of this case in 2018 have all resigned and left Mercy Corps.

Where processes and systems failed, we are committed to addressing these and making improvements. This includes creating a new board committee on safeguarding and ethics, separate from the Joint Audit Risk Committee, which will oversee safeguarding issues. We are in the process of hiring a Chief Ethics and Compliance Officer, independent of both the legal and human resource departments, reporting directly to the CEO and the Board of Directors and overseeing intake and investigation of safeguarding allegations.

Commitment 22: Review Mercy Corps Culture

Conduct a review of Mercy Corps culture and address issues and cultural norms that contributed to the failures identified in Vestry Laight's investigation.

Progress Update on Commitment 22

Mercy Corps' CEO and Executive Team, with support from the Board of Directors,, will oversee a review of Mercy Corps culture in FY21.

Commitment 23: Review Progress at Every Board Meeting

Review the above commitments to action at each board meeting until all matters have been implemented and report on progress to the public twice a year during that time.

Progress Update on Commitment 23

Mercy Corps' Board reviewed the organization's commitments to action and the agency's progress in implementing them at both the February and June 2020 Board meetings, and in June approved the agency's Fiscal Year 2021 budget to allocate resources to meeting these objectives.

Mercy Corps will review its commitments to action and progress against them at each board meeting, including the next in October 2020, until all matters have been implemented. This progress update is the first biannual public progress report.