



Independent observer
of the Global Fund

Spotlight on the fight against corruption in the Global Fund ecosystem

Context

In the wake of International Anti-Corruption Day on December 9, the Global Fund's Inspector General has published an [important op-ed](#) reminding us of the urgent need to work collectively to ensure that hard-won investments reach vulnerable communities, and that donors and patients get value for money. This forum is a welcome opportunity to take stock of the Global Fund's fight against corruption.

Global Fund programs, designed to fight HIV, tuberculosis, and malaria, operate in diverse and often challenging environments. The very nature of their extensive operations, which often cover countries with diverse socio-economic and political landscapes, makes them susceptible to corruption at various stages. What's more, the complexity of some health crises, combined with the urgency to act, creates fertile ground for corruption to take root. Corruption within Global Fund initiatives is not just a financial problem; its repercussions extend to compromised health outcomes.

Delayed or substandard interventions, siphoning off resources and detour of aid can hamper progress in the fight against these diseases, endangering the lives of the very people the programs are designed to protect. Despite the Global Fund's noble mission, the spectre of corruption looms large, threatening the very foundations of these crucial programs. This article examines the complex web of risks associated with corruption in Global Fund initiatives and highlights, not uncritically, the essential role played by the

Office of the Inspector General (OIG) in mitigating these threats.

Corruption: a silent scourge

Corruption, a “[silent scourge](#)” to borrow a phrase used by Inspector General Tracy Staines, represents a serious threat to the Global Fund’s core mission. From financial mismanagement to strategic decision-making, its insidious influence can infiltrate every aspect of program implementation. The potential consequences are disastrous, with impacts on governance, public health systems, program quality and reporting. The weakening of grant implementation, from the receipt of funds to the delivery of healthcare, directly affects vulnerable communities and compromises the provision of essential services.

Distortion of resource allocation is a key consequence of corruption, leading to less efficient use of funds and reduced impact on targeted diseases. The misallocation and misuse of funds, resulting from corrupt practices, hampers the fight against HIV, tuberculosis, and malaria, with a consequent impact on public health. In essence, corruption undermines the effectiveness of Global Fund programs by compromising resource allocation, distorting public spending, and eroding public confidence.

Here are just a few of the ways in which corruption can affect Global Fund programs:

1. Misappropriation of funds by recipient countries: [The OIG has uncovered cases of corruption, such as the misuse of US\\$34 million by several recipient countries in 2011](#). Revealed cases of misappropriation of funds by recipient countries highlight the difficulties of ensuring that resources reach their intended recipients.
2. Problems of corruption and fraud in fund disbursements: Public exposure of problems of corruption and fraud in fund disbursements has led to [a loss of donor confidence](#), highlighting the tangible repercussions of corruption on supportive relationships.
3. Procurement fraud: The reports highlighted concerns about the growing number of cases of fraud in the procurement of medicines. As the Inspector General points out in her [aforementioned op-ed](#), acts of corruption can compromise every stage of grant implementation, from the receipt of funds to the provision of healthcare, ultimately impacting the delivery of essential services to vulnerable communities.

These examples underline the importance of the OIG’s ongoing efforts to implement and strengthen anti-corruption measures, to ensure the judicious use of resources in the fight against HIV, tuberculosis, and malaria.

The Global Fund’s anti-corruption arsenal

Aware of the seriousness of the threat, the Global Fund has reinforced its defences with an arsenal of anti-corruption measures orchestrated by the Office of the Inspector General, its watchdog:

1. [Ethics and integrity framework](#): The Global Fund has put in place an ethics and integrity framework to build stakeholder trust and safeguard health resources. This framework includes provisions for reporting violations, [protecting whistleblowers](#) and overseeing compliance and anti-corruption systems.
2. [Risk management methodology](#): Since 2011, the Global Fund has been actively developing a risk management methodology to assess the potential impact of corruption and fraud. This proactive approach involves continually reworking and strengthening risk management processes.
3. [Anti-fraud and anti-corruption policy](#): A specific policy is in place to combat fraud and corruption, in line with international standards. This policy includes processes for preventing, detecting, and responding to prohibited practices. This policy is aligned with international anti-fraud and anti-corruption standards.
4. [“I Speak Out Now!” Campaign](#): One of the OIG’s essential functions is to empower people in the Global Fund ecosystem to report corruption without fear of reprisal. With this mission in mind, it has set up a campaign to encourage individuals to report misconduct, including corruption, by providing them with the tools and knowledge they need to identify and prevent fraudulent activities. GFO reported on this back in 2017 in an article you can find [here](#). The campaign includes a (recently updated) platform where individuals can report suspected wrongdoing and access resources to better understand anti-corruption measures and create a culture where corruption is not tolerated.

Working with local organizations

The Global Fund recognizes the need to work with local organizations to strengthen its anti-corruption efforts. The main approaches are as follows:

1. [Country ownership and accountability](#): In line with the principle of country ownership, the Global Fund emphasizes that national stakeholders are the ultimate owners of the fight against HIV, tuberculosis, and malaria. This means combating prohibited practices in Global Fund-supported activities. By emphasizing country ownership, the Global Fund places the responsibility for preventing, detecting, and responding to prohibited practices with national stakeholders, thus ensuring a local and participatory approach.
2. [Technical assistance and capacity building](#): The Global Fund focuses on providing technical assistance and capacity building to local organizations and governments to strengthen their health, procurement and financial management systems. By providing technical assistance and building the capacity of local organizations, the Global Fund aims to strengthen health, procurement and financial management systems, thereby reducing the risk of corruption and improving the use of resources.
3. [Transparency and accountability](#): The Global Fund consistently emphasizes the importance of transparency and accountability in the fight against corruption. It intends to operate with a high degree of transparency in all areas, conducting robust audits and investigations and publishing all findings. The aim of such an approach is to foster an environment of openness and accountability in collaboration with local partners.
4. [Commitment to international standards](#): The Global Fund aligns its anti-corruption measures with international best practices, conventions and compliance systems. By involving local organizations in these standards, the Global Fund seeks to establish a common framework for preventing and

combating corruption.

Fighting corruption within the Global Fund requires a collective effort. Governments, implementing partners, beneficiaries and donors must actively collaborate to create a strong anti-corruption front. This collective vigilance is essential to preserve the integrity of Global Fund investments.

Improving transparency within Global Fund programs is also a powerful weapon against corruption. The OIG's role in disseminating the results of investigations and promoting open communication ensures that stakeholders are well informed. This transparency is essential to building and maintaining trust in the organization.

Finally, Global Fund programs must see challenges as opportunities for growth. When a case of corruption is detected, it should not be seen as a failure, but as an opportunity to strengthen anti-corruption measures. The OIG's role in conducting post-investigation analysis contributes to a cycle of continuous improvement.

Risk management: some critical considerations

There is no doubt that the Global Fund is committed to protecting the integrity of its programs and ensuring that resources are used effectively to save lives. However, risk management, which is intimately linked to this, is not without its critics. Indeed, it should be emphasized that the Global Fund is a financing mechanism that is particularly risk-averse, especially in financial and fiduciary terms. The risk policy has been reviewed but remains fundamentally focused on investment protection and financial risk management. The risk department has developed an arsenal of tools to mitigate risk, placing the most at-risk countries under additional safeguards, led by a fiduciary agency charged with verifying planned expenditure and enforcing procedures. Although the results of grants to countries considered high-risk are disappointing overall, and the current architecture of the fiduciary agency and Local Fund Agent does not appear to be satisfactory, there is a failure to rethink implementation to safeguard investments while avoiding blockages.

The working groups set up internally by the Global Fund have not been conclusive, and the lack of a forum for countries to learn from those who have tested innovative approaches is preventing the evolution of practices. Today, it is clear that innovative solutions and approaches will not be provided by the Secretariat, which fears the reputational risk of losing the confidence of donors. And yet, many players are thinking about the issue of risk and corruption management, whether they be bilateral donors themselves facing the same difficulties, or in-country players, many of whom, within ministries and NGOs, wish to change the current dynamics and are looking for inspiration and support.

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