



Independent observer
of the Global Fund

Reaction to Findings of Corruption

“An overreaction to corruption can cost lives.”

“Reputation of the Global Fund has been unfairly tarnished.”

The following are excerpts from editorials and columns commenting on the corruption by some recipients of Global Fund grants, and the reaction to that corruption by some media and donors.

“Corruption occurs in all countries, rich and poor, but thrives in environments where checks on those entrusted with power are loose, civil society is poorly represented, poverty is entrenched, and inequalities are vast. Germany should engage in debates about how to tackle these problems rather than taking measures that seem tough on corruption but will ultimately cost lives.”

Source: The Lancet, 5 February 2011 (www.lancet.com/journals/lancet/article/PIIS0140-6736%2811%2960143-8/fulltext)

“The reputation of the fund – which by its own estimates saved more than 4.9 million lives by 2009 – has been unfairly tarnished, and its fund-raising efforts perhaps hampered at a time when the economic crisis is already making donors reconsider the size of their contributions. When it comes to being transparent over problems of corruption in recipient countries the Global Fund has been far better than most aid donors or agencies. It has openly tackled corruption – with a “zero tolerance” policy, suspending grants at the first whiff of wrong-doing, and working with recipient countries to bring fraudsters to justice and recover what misdirected money it can. Could it do more? Yes: for example, by strengthening oversight further. But it is already well down the road to effectively tackling corruption. The same cannot be said for many of the alphabet-soup of aid agencies, which choose not to publicise their own uncovered fraud cases, perhaps out of fear of damaging their image, and losing donors.”

Source: Nature, 2 February 2011 (www.nature.com/nature/journal/v470/n7332/full/470006a.html)

“The \$34 million in fraud that has been exposed represents about three-tenths of 1 percent of the money the fund has distributed. The targeting of these particular cases was not random; they were the most obviously problematic, not the most typical. One might as well judge every member of [the U.S.] Congress by the cases currently before the ethics committee. The irony here is thick. These cases of corruption were not exposed by an enterprising journalist. They were revealed by the fund itself. The inspector general’s office reviewed 59,000 documents in the case of Mali alone, then provided the findings to prosecutors in that country. Fifteen officials in Mali have been arrested and imprisoned. The outrage at corruption in foreign aid is justified. But this is what accountability and transparency in foreign aid look like. The true scandal is decades of assistance in which such corruption was assumed instead of investigated and exposed. In a scandal, the first response is anger. In global health, corruption kills. The most important response, however, is to make sure the right people get punished – not an African child who needs a bed net, or the victim of a cruel and wasting disease. They had no part in the controversies surrounding the Global Fund, but depend, unknowingly, on their outcome. An overreaction to corruption can also cost lives.”

Source: Michael Gerson, (President George W. Bush’s chief speechwriter from 2001-2006), Washington Post, 4 February 2011 (www.washingtonpost.com/wp-dyn/content/article/2011/02/03/AR2011020305176.html)

“The misuse of small fractions of Global Fund grants, while extremely serious, must be put into perspective and examined within the context of the complex challenges and emergencies that all international organizations face when dispersing large amounts of resources. Withdrawing donations and freezing funding to the Global Fund will not only condemn millions of people who are not involved in the corruption to terrible fates, but will also send the dangerous message that organizations aiming to achieve best practice in transparency and accountability will be punished. The Global Fund should be supported and empowered to continue its work, not condemned for its efforts to root out corruption and improve its results.”

Source: Elly Katabira, President, International AIDS Society, quoted in Medical News Today, 9 February 2011 (<http://www.medicalnewstoday.com/articles/215941.php>)

“With luck, the changes [announced by the Global Fund] will reassure the critics and start the money flowing again. The Global Fund sits on a big pile of credibility after more than meeting expectations in previous years. Sceptics may quibble with its claim to have saved at least 7m lives, and exactly how many more millions of lives it has improved, but mortality rates in the diseases it targets have dropped sharply. Until the latest storm broke, the aid world was abuzz with talk about expanding the fund’s remit to include maternal and child health. It would be odd if that plan stalls as a result of the corruption worries and if the money went instead to other international agencies. These tend to be less efficient and more prone to

fraud. Though they may also be less likely to claim corruption as a sign of probity.”

Source: The Economist, 17 February 2011 (www.economist.com/node/18176062?story_id=18176062)

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