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Message from the Executive Director - Integrity Due Diligence

30 January 2017

The Global Fund prioritizes integrity, which is one of its core values. Integrity is the essential factor in all decision-making, governance, management of grants, hiring, procurement, auditing and other work at the Global Fund.

One critically important aspect of integrity is how the Global Fund safeguards investments with the goal of making every dollar count. We have zero tolerance for corruption or fraud and have many anti-corruption measures in place to prevent, detect and respond to it.

We conduct due diligence to assure ourselves of the capabilities of the organizations and people we work with. Within that, and as part of our anti-corruption efforts, we perform integrity due diligence (IDD) to enable us to know more about who we are dealing with. For example, we check implementer and supplier details against sanctions ‘watch-lists’, we identify potential conflicts of interest, and we also perform thorough assessment of new private sector donors. The business case for IDD is therefore clear – it helps us to prevent corruption by avoiding those with a reputation for corrupt or unethical practices.

On the rare occasions that misspent funds are identified, the Global Fund pursues recoveries, so that no donor money is lost to fraud or ineligible expenses. In the most recent period for which accounting is available, the Global Fund had resolved more than 80 percent of the aggregate recoverable amount. Additionally, swift action is taken to address underlying weaknesses so that countries can prevent future risks.

The Office of the Inspector General (OIG) is a central and important part of preserving integrity, and the OIG conducts independent audits and investigations to complement the active risk management and controls put in place by the Secretariat with oversight by the Board of the Global Fund.

The Office of the Inspector General’s Advisory Report on Integrity Due Diligence recognizes the Secretariat’s commitment to ethics and integrity, recognizes the substantial steps that have already been taken, and makes recommendations on further

improvements. The OIG's primary suggestions relate to coordinating and systematizing IDD across the Global Fund Secretariat, and taking a more risk based approach so that we improve where we focus our efforts.

A full time project manager began work on IDD in January 2017 to address the findings quickly. We are now preparing a specific anti-corruption Policy, for Board approval. The aim is to re-enforce the Board's zero tolerance for corruption, bringing all existing anti-corruption controls into one overarching framework document, strengthening accountabilities for compliance, assessing the corruption risk of all the Global Fund's third party relationships, and systematically documenting IDD procedures across all Departments.

The Global Fund operates with a high degree of transparency, and has been a consistent leader on transparency in global health. The 2016 AID Transparency Index ranked the Global Fund among the top five organizations and nations that are major donors of global aid for its transparency and accountability.

Integrity is a core value of the Global Fund, and IDD is an important part of making it real. We are grateful for the suggestions for improvements and will pursue them.