

## QUESTIONS ON THE SUSPENSION OF GRANTS IN MAURITANIA

***Why is the Global Fund suspending its grant to Mauritania's Executive Secretariat of the National AIDS Committee (Secrétariat Exécutif, Comité National de Lutte Contre le SIDA)?***

The suspension came after an investigation that confirmed fraudulent practices related to grant money. Reviews by the Local Fund Agent (LFA), Price Waterhouse Coopers, and the Global Fund's Office of the Inspector General (OIG) revealed inappropriate and potentially fraudulent expenditures amounted to approximately US\$ 1.7 million under the Round 5 HIV/AIDS Grant. Full justification was requested in relation to additional questioned expenditure.

***Background on Local Fund Agents:*** Every country receiving Global Fund money has a Local Fund Agent (LFA), which provides an initial assessment of financial and management capacity of the Principal Recipient, and then provides ongoing verification of programme results during the grant lifespan. The LFA is an in-country accountability mechanism providing oversight of grant performance.

***Is there evidence of corruption or fraud?***

Yes. Solid evidence of fraudulent practices has been found related to the expenditure of at least US \$ 1.7 million. There are irregularities in quotations - including forgery of proposals - for products and services, overpricing of goods and unjustified consultancy fees.

The OIG and the General Inspector of the Government of Mauritania are currently reviewing the supporting documents for another USD 2.7 millions yet to be justified.

***Will people receiving treatment for AIDS face an interruption because of these actions?***

No. Since the freeze of disbursements, an interim plan has been put in place to ensure the continuity of services to 1,010 patients currently estimated to be receiving ARV treatment in Mauritania. The Global Fund will provide for ARVs through alternative procurement and distribution channels during the grant suspension period.

The "Centre de Traitement Ambulatoire" (CTA) is the governmental organization in charge of coordinating and delivering the treatments to the patients, either directly or through the centers within the country. "CTA" has been technically and financially supported by the Croix Rouge Française during the last years. The Global Fund agreed to use the Croix Rouge Française as procurement agent. Following this arrangement, the Global Fund is making direct payments to this organization for the purchase of drugs.

The Global Fund is committed to ensuring that funds for treatment continue to benefit the people of Mauritania as they did not contribute to this unfortunate situation.

***Is this suspension affecting Global Fund-supported programs to the United Nations Development Program (UNDP)?***

This was not the case at the time of suspension of the Executive Secretariat of the National AIDS Committee last September 2009. However, during October, UNDP's own investigation office started assessing documentation from its sub-Sub-Recipients and has frozen its activities as irregularities were also found. The Office of Audits and Investigation (OAI) of UNDP is working in close collaboration with the Office of the Inspector General of the Global Fund in order to investigate matters further.

***When did the Global Fund first get to know about the problems that led to the current suspension?***

On 4 January 2009, the LFA found financial irregularities while conducting a routine verification. The OIG was alerted, and started a forensic investigation into the financial records in February.

On 13 February 2009, the Executive Secretariat of the National AIDS Committee was informed that financial irregularities had been detected and that grant disbursements would be frozen. Accordingly, the Executive Secretariat of the National AIDS Committee was urged to provide justification and take necessary remedial action.

Officials from the Global Fund and the OIG undertook a mission to Mauritania on 8 April 2009 to confirm the freeze on payments and to set up a mechanism to continue provision of services to HIV-positive patients on treatment.

The OIG collected over 25,000 pages of documents related to the grant in Mauritania and in May 2009 put in place a Financial Review Team composed of forensic auditors and investigators. The investigation was completed in August 2009 and its findings prompted the immediate suspension of the grant.

The Executive Secretariat of the National AIDS Committee has been informed of the suspension on September 5<sup>th</sup> 2009.

The Global Fund's Director of Country Programs led a high level delegation to Mauritania from 8 to 10 September 2009 to meet with senior government officials and explain the steps ahead.

To lift the suspension, the Global Fund required the Mauritania authorities to:

- Reimburse US\$ 1.7 million subject to fraud, by November 30<sup>th</sup> 2009;
- Provide acceptable justification for the use of 2,7 million USD by September 16<sup>th</sup> the latest. The Global Fund reserves its rights to demand reimbursement of this amount in its entirety if such justification is not provided
- Commence a full criminal investigation with a view to holding the responsible persons accountable the fraud at the expense of Global Fund-financed programs, to be initiated no later than September 30<sup>th</sup>.
- Put in place a fully functional CCM, in accordance with The Global Fund's CCM eligibility criteria and by no later than March 30<sup>th</sup>, 2010.

***What has been the Mauritania government response?***

- The Prime Minister of the Government of Mauritania provided assurance that all possible efforts are being undertaken to fight against corruption. An investigation, led by the General Inspector of Mauritania, has commenced and arrangements are currently being made for the transfer of the \$1.7 million to the Global Fund.
- The OIG and the General Inspector of Mauritania are currently reviewing the support documents provided by the PR, to determine whether there is satisfactory justification of 2.7 million USD. The conclusions of this review will determine the total value of the fraud, and the amount to be reimbursed.

***What are the next steps?***

- The Global Fund Office of the Inspector General will work closely with the UNDP Office of Audit and Investigation to coordinate further investigations as appropriate.
- A Multi-agency mission led by UNAIDS expected in country from 22 to 29 October 2009. The objectives are to support the government in assessing needs and solutions for a better management and coordination of response to HIV/AIDS.

*How many Global Fund grants has Mauritania received, how large are they and for which diseases?*

Disease	Start Date	Total lifespan amount	Disbursed
HIV/AIDS (Round 5)	September 01, 2006	US\$ 15.1 M	US\$ 6.5 M
Malaria (Round 2)	April 1, 2004	US\$ 2.8 M	US\$ 2 M
Malaria (Round 6)	December 1, 2007	US\$ 4.3 M	US\$ 2.4 M
TB (Round 2)	May 1, 2004	US\$ 2.7 M	US\$ 2.4 M
TB (Round 6)	December 1, 2007	US\$ 4.4 M	US\$ 3 M