



The Global Fund's Commitment to Transparency and Risk Management

Transparency

As the world's largest public health financier, the Global Fund to Fight AIDS, Tuberculosis and Malaria (Global Fund) has zero tolerance for corruption or fraud. Any type of fraudulent activity detracts from the Global Fund's mission to end the three epidemics. To ensure that lifesaving investments are going to the right places, the Board of the Global Fund established the Office of the Inspector General (OIG) in 2005.

The OIG operates independently from the Global Fund Secretariat, and reports directly to the Board. Since 2012, the OIG has been strengthened and expanded, and its staff has grown from 27 to 47 experienced professionals. The OIG conducts its work through robust audits and investigations. The scope of work for the OIG includes all systems, processes, operations, functions and activities of the Global Fund and supported programs. The Inspector General has the authority to:

- Access all books and records maintained by the Global Fund, including grants funded by the Global Fund, whether maintained by grant recipients or Local Fund Agents
- Seek any information required from any personnel involved in the Global Fund's projects and require personnel to cooperate with any reasonable request made by the OIG

Striving for full transparency and ethical accountability, the OIG makes reports and findings publicly accessible [online](#), and [tweets about audits](#) and investigation plans. The OIG also launched the [I Speak Out Now! campaign](#), which encourages Global Fund staff and grant implementers to denounce fraud, abuse and human rights violations in Global Fund-supported programs. Additionally, the campaign aims to prevent minor infractions from escalating.

OIG efforts have been extremely effective: In 2016, the Global Fund achieved the highest possible transparency category in the annual [Publish What You Fund Aid Transparency Index](#), ranking fifth among 45 international development donor institutions. Also in 2016, the United Kingdom's Department for International Development released a new [Multilateral Development Review](#), awarding the Global Fund the highest possible rating for results, value for money, transparency and accountability, and overall organizational strength. In March 2017, the Multilateral Organization Performance Assessment Network (MOPAN), which monitors the performance of multilateral organizations, gave the Global Fund top ratings in organizational architecture, operating model, and financial transparency and accountability.

Risk management

The Global Fund actively manages risk and risk management is incorporated into Global Fund operations by embedding it in the core practice of grant-making, broad oversight practiced by the organization's Risk team, and through investigations made by the OIG. When a problem is identified, it is referred to the OIG, which then independently evaluates the evidence and decides what actions to take. Since 2012, 130 referrals have been made, leading to 59 investigations.

When an investigation identifies misspent funds, the Global Fund pursues recovery so no donor money is wasted or lost to fraud. As of March 31, 2016, the Global Fund had recovered 65 percent of funds



identified, and continues to pursue the remaining amounts. In addition, the Global Fund applies a 2:1 penalty on unfilled recoveries, and in some cases, withholds new grants until receiving full repayment.

Procurement as a piece of the puzzle

The Global Fund also manages risk through its procurement practices, and establishes greater transparency through new procurement innovations. In 2013, the Global Fund overhauled its procurement practices through the Pooled Procurement Mechanism (PPM), which has given implementing countries access to lower-priced products that meet quality standards.

In 2016, the Global Fund launched its innovative new e-marketplace initiative, Wambo.org. The Global Fund designed Wambo.org to increase the organization's value for money by streamlining procurement processes and optimizing costs. This procurement innovation also supports greater country ownership by providing countries that are transitioning out of Global Fund financing with access to affordable commodities to prevent and treat HIV/AIDS, tuberculosis and malaria.

Wambo.org promotes transparency by providing Global Fund-supported programs and implementers instantaneous access to comparisons on price, lead time and quantity across suppliers for the health commodities they need to fight against the three diseases. Additionally, data on procurement transactions are available to implementers immediately.

These procurement practices mitigate risk by ensuring that grant money is funding procurement of quality-assured products. When the World Health Organization (WHO) issues new guidance on improved diagnostics or treatments, Wambo.org is able to respond nimbly and continue providing access to quality commodities.

The Wambo.org platform has the potential to expand financial and time-saving benefits beyond Global Fund programs to a broader range of procurement and supply chain systems across public health, further empowering countries to own their health systems.

For more information about the Global Fund's commitment to transparency and risk management, please visit www.theglobalfight.org.