

## **Norway: Letter to the editor of Dagsavisen from the Minister of Foreign Affairs Mr. Jonas Gahr Store**

*Dagsavisen* unclear on Norway and corruption

We appreciate that Hege Ulstein, in her article on 26 January, intended to praise Norway for not trying to score cheap points by freezing its payments to the Global Fund to Fight AIDS, Tuberculosis and Malaria in the wake of revealing media reports over the last few days on corruption in the Global Fund. Nevertheless, there were certain ambiguities in Ms Ulstein's article. I would therefore like to clarify what Norway and the other Nordic countries have done in connection with this matter.

Norway, like Sweden and Denmark, practises a policy of zero tolerance for corruption. We know that there is systematic corruption in many of the countries where the Global Fund finances programmes. For that reason, we have set clear requirements for the Global Fund's routines for prevention, detection and follow-up of cases of this kind. Norway considers the Global Fund to be one of the best performers in terms of discovering and following up cases of corruption. In our view, the Global Fund is also one of the most transparent actors with regard to cases where corruption has been exposed.

The cases that Ms Ulstein refers to were brought to the attention of the Global Fund's Board in October last year. Norway made it plain immediately that we take the findings very seriously, and we made sure that the cases were being followed up in accordance with the Global Fund's routines. The Global Fund has suspended grants and frozen cash disbursements to the projects in question, and has demanded a return of misused funds.

To date, the Global Fund's Office of the Inspector General has undertaken audits or investigations in 33 of the 145 countries where the Global Fund has grants. As a result of this, the total amount of misappropriated or unsubstantiated funds that the Global Fund is demanding to be returned at present is US\$34 million. While all fraud is unacceptable and the Global Fund is taking strong and firm action to recover such losses, it should keep in mind that this amount represents 0.3 per cent of the total amount of US\$13 billion disbursed to countries by the Global Fund so far.

These are the countries where the most serious cases have been revealed:

- Mauritania, unsupported expenditure amounted to to US\$ 6.7 million (out of a total disbursed amount of US\$ 16.5 million)
- Mali US\$ 4.3 million (out of US\$ 57.5 million disbursed) and
- Djibouti US\$ 5.2 million (out of total US\$ 18.4 million disbursed) were misappropriated.
- Zambia, material misuse has been identified in the Ministry of Health, the Principal Recipient of USD10.8 million (only a small part of which is determined as stolen) for overall disbursements totalling US\$ 280 million, with the Inspector General examining US\$ 112 million through its audit).

The cases revealed have had serious consequences for the persons responsible. The Ministers of Health in Mali and Zambia have resigned. In Mali, 15 people have so far been arrested in connection with the corruption allegations. In Mauretania, three people have been arrested so far and the whole unit that managed Global Fund grants have been reorganized. In Zambia, two people are dismissed, one minister is fired, and more people investigated.

The corruption cases and the Global Funds routines for prevention, detection and follow-up of cases will be discussed in a donor constituency meeting in Haag early next month, as part of a broader discussion on the Fund's reform agenda. In our view, the Global Fund has taken all necessary measures. Following the media coverage the last week, we have also urged the Fund to gather the

entire board to make it accountable to the agreed and adopted requirements and routines of the Fund.

We also believe that we should continue to stress the importance of holding the recipient countries responsible for managing international donor money responsibly and apply the same policy of zero tolerance of corruption as Norway, the Global Fund and other donors are practicing. There is broad consensus on this principle among its Board members. Norway has played a proactive role on this issue, and we are following it up through our participation in the Board and through direct contact with the Global Fund's leadership. Norway participates jointly and holds the same Board seat as Sweden and Denmark, among others, and we take common positions in Board meetings. Together with our Nordic partners, we seek to support the Global Fund's ongoing reform processes. Reducing the risk of corruption and increasing the efficiency of the Global Fund's activities are two aspects of these reform efforts. The Norwegian Ministry of Foreign Affairs has received confirmation that both Sweden and Denmark will continue to be key supporters of the Global Fund, both in terms of financial contributions and political engagement. As far as we know, this view is shared by United Kingdom and USA, both considerable contributors to the Global Fund.

The Global Fund has a strong record of success in saving lives and we must strengthen rather than abandon it.

Norway is neither smarter nor more naive than Sweden and Denmark in the context of this case. On the contrary, the Nordic countries take a common stance in the international fight against corruption, both in the Global Fund and in other multinational forums.