



Independent observer  
of the Global Fund

## UGANDA REVERSES ITS POSITION REGARDING GLOBAL FUND GRANT

[In Issue 2 of the GFO Newsletter ([www.aidspan.org/gfo/archives/newsletter/issue2.htm](http://www.aidspan.org/gfo/archives/newsletter/issue2.htm)), GFO reported that the Ugandan Ministry of Finance had ruled that an approved \$52 million Global Fund grant from Round 1 will not be allowed to lead to an increase in Uganda's health expenditure. GFO noted that this development may provide an early warning of problems that will also arise with other countries. As per the following posting by the Kaiser Daily HIV/AIDS Digest, Uganda has now reversed its position. This news was reported earlier in the GFO Discussion Forum.]

### Ugandan Government Agrees to Increase Health Spending Using Global Fund Grant

In a "dramatic policy U-turn," the Ugandan government has agreed to increase health sector spending with money from the Global Fund to Fight AIDS, Tuberculosis and Malaria, a move that will increase the country's resources devoted to health care, including HIV/AIDS, the Lancet reports. Initially, the Ugandan Ministry of Finance had decided to use the three-year, \$52 million grant from the fund toward public spending on health care, while reducing resources for health from other sources to maintain a predetermined expenditure ceiling. However, according to the Lancet, the Minister of Finance recently indicated to the Minister of Health that he had revised his position, so the Global Fund grant would supplement the predetermined health budget. The government's "change of heart appears to be the result of local and international pressure," after a Lancet story in October 2002 brought "wider attention" to the government's position, the Lancet reports. In addition, an article in the Global Fund Observer, a free, e-mail-based newsletter on the Global Fund, reported that the Ministry of Finance position was an "unanticipated headache" that might arise with other countries and quoted Richard Feachem, the fund's

executive director, as saying that “the use of our money to save somebody else’s (money) — tht’s completely not allowed.” Uganda was at risk of losing the fund’s grant altogether if it insisted on maintaining the health budget limits, the Lancet reports. Of the \$52 million, \$21 million will be used to fight HIV/AIDS by purchasing antiretroviral drugs and improving the country’s medical infrastructure. The medications will be distributed free of charge to approximately 2,000 HIV/AIDS patients, as well as to medical practitioners who have been accidentally infected with HIV during their work. Educational and research institutions, including a Kampala-based AIDS treatment and training center for Africa, will also receive drug donations purchased with the fund money. The \$21 million for HIV/AIDS is expected by July 2003, while another \$14.1 for malaria and tuberculosis may arrive in the next fiscal year (Wendo, Lancet, 1/24).

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