

## Uganda; Global Fund Probe Reveals Massive Graft

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An ongoing probe into the misuse of money from the Global Fund on AIDS, Tuberculosis and Malaria in Uganda has unearthed a "pile of filth" in the running of affairs in the East African country, according to James Ogoola, head of the commission of inquiry. Following the suspension in August 2005 of five grants worth US \$367 million, questions had arisen regarding the fund managers' integrity. Although the Global Fund lifted its suspension in November 2005 - after agreeing with the government on ways to overhaul the management of the fund - President Yoweri Museveni ordered a judicial inquiry into the use of the money. Since the launch of the investigation, the commission has heard allegations of inflated expenses, false receipts and misallocation of money, leading Ogoola to dub the management of the funds "a pile of filth". Senior government officials - including **health** minister Jim Muhwezi and state ministers for **health** Mike Mukula and Alex Kamugisha - have denied any wrongdoing. Although the commission has yet to reach a final conclusion, the allegations have outraged the general public and civil society organisations. "Having keenly followed the mind-boggling revelations by the Justice Ogoola commission of inquiry into the mismanagement of the Global Fund, we hereby call for the resignation of Hon Jim Muhwezi, under whose leadership the said mismanagement took place," said a joint statement by HIV/AIDS organisations. Law professor Sylvia Tamale called for all the culprits to face both criminal and civil proceedings. Ogoola severely reprimanded Muhwezi following his testimony before the commission: "The affairs of the state have gone singularly wrong under your stewardship [ ] The body and essence of the Ministry of **Health** in general and the Global Fund in particular have been corrupted to the core under your political leadership," he said. The **health** minister rejected calls by the judge to apologise to the Ugandan public and has also refused to heed the public's demand that he resign. Last week, the government announced the establishment of a special account in the Central Bank, where people found guilty of misappropriating Global Fund grants would be ordered to refund the money. An uphill battle The probe has brought to the fore the level of graft in government departments. Museveni had been widely praised by the donor community for his economic reforms. However, in 1998, donors grew concerned, as the president's efforts to curb **corruption** were not as successful as had been anticipated. The World Bank sent a mission to Uganda to assess the situation, which pronounced the process flawed. Among other things, the largest state bank in Uganda had been sold to an Asian company owned by Museveni's younger brother. The World Bank found that the regulatory framework to oversee the reforms was not in place. The team also observed that government procurement, particularly in the military, "was riddled with sleaze and inefficiency, with purchases ranging from junk East European helicopters to undersize boots and uniforms, sub-standard rations and thousands of 'ghost soldiers' on the army payroll." The World Bank's report estimated the government was spending \$700 million on annual procurements, 10 percent to 15 percent of which was being skimmed off by corrupt officials in collusion with shady businessmen. It estimated losses between \$70 million and \$100 million per year. With donor support, the World Bank demanded that the biggest **corruption** cases be

prosecuted to recover looted cash and deter future theft.[ This report does not necessarily reflect the views of the United Nations ]