

A Rapid Analysis of the Uganda Primary Health Care Budget in the 2023/24 National Budget Call Circular 2

KEY MESSAGES



UGX991.7bn to UGX945.74bn

UGX45.96billion projected decline in Primary Health Care (PHC) 2022/23 abetween the approved and the BCC2 released on 15th February 2023. This is higher than the 2023/24 Budget Framework Paper (BFP) which had projected the budget to decline by -UGX24.9billion (UGX966.8billion).



-UGX81bn

projected decline (-56)% in the PHC Development Budget between the 2022/23 Approved Budget and the 2023/24 BCC2 (worse than the 2023/24 BFP). This is on account of a -50% decline in the PHC Development Conditional Grants and a -88% decline in the PHC Transitional Development Grant.



UGX948.8bn to UGX1.3tn

UGX351billion or 37% Projected increase in the non-wage recurrent budget, mainly on account of allocation towards the Results Based Financing (RBF) across all the districts, except 4 Municipalities which do not have a single Health Centre Level III (HCIII) or Health Center Level IV (HCIV).



26.8% to 28.7%

increase in the proportion of PHC to total Health Sector Budget in the 2022/23 between the approved and the BCC2 .This development is on account of the fact that though the total PHC is declining, over sector budget is declining at a much faster rate.



Financing for the health sector continues to be skewed against PHC, with PHC budget continuing to be less than half of health expenditures earmarked for higher levels of sector spending.



In light of the above, it will be critical for all stakeholders to channel efforts towards harnessing all available resources to support PHC at this is the mainstay of the health sector. Any opportunity to ensure resilience of the health systems needs deliberate policy and practice to pay adequate attention to the PHC sub-sector.

Introduction

This analysis focuses on Primary Health Care (PHC) using publicly available data from the 2nd National Budget Call Circular issued on 15 February 2023, and the subsequent issuance of Annex 10 of the Local Government BCC2 Ceilings issued on the 20th of February 2023. Primary Health Care is defined as all funds appropriated to Local Governments to support health service delivery, including funds earmarked for facilities and that earmarked for District Health Offices for supervision. This may not include other development partner budgets directly managed at central government level, and also excludes off-budget support.

Context of Local Government Budgets

As the bulk of social services are delivered at local government level, any change in the budgets has a direct implication on the ability of the government to deliver essential social services, especially health and education. Table 1 shows that the bulk of expenditures annually occur at national level, where most

of the resources are spent. On average, more than **90%** of all resources are spent above district levels, with all districts spending less than **10%**. The situation is projected to worsen in 2023/24 as only **8.1%** of the total budget is transferred to local governments.

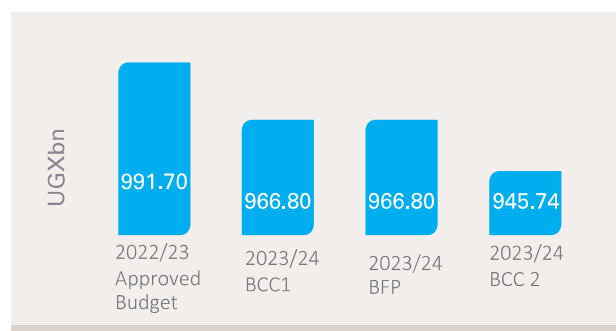
	2022/23 Approved Budget	2023/24 BFP	2023/24 BCC2
Local Government Total Grants (UGXbn)	4,769.04	4,505.30	4,136.14
Total National Budget (UGXbn)	48,130.70	49,987.70	50,871.10
Local Gvt as % of National Budget	9.9%	9.0%	8.1%

Primary Health Care Budget Developments

Total PHC Budget

Total PHC Budget is projected to decline by **UGX45.96billion** from **UGX991.7billion** in the 2022/23 Approved Budget to **UGX945.74billion** in the BCC2. This is a worse situation from the 2023/24 BFP which had projected the budget to decline to **UGX966.8billion** (by **-UGX24.9billion**) (see Figure 1 below). This decline in total PHC budget impacts districts differently and may have serious implications on PHC service delivery.

Figure 1: Total PHC Budget Trend

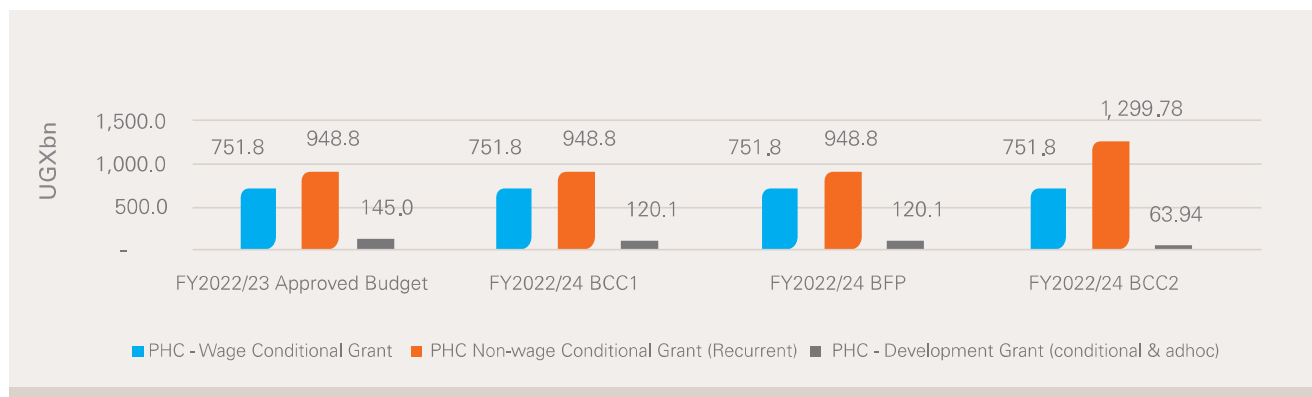


PHC Budget by Economic Classification

Majority of the funding for PHC is directed towards non-wage recurrent expenditures, a trend which has been maintained from the 2022/23 Approved budget. However, there is a projected increase in the non-wage recurrent budget from **UGX948.8billion** to **UGX1.3trillion (UGX351billion or 37%)**, mainly on account of allocation towards the Results Based Financing across all the districts, except 3 Municipalities which do not have a single HCIII or HCIV. This is a positive development as RBF was restricted to only 131 districts which had the required structures to qualify for RBF.

However, the increase in the non-wage recurrent budget has come at the expense of the development budget, which is projected to decline by **-56% (-UGX81billion)** from **UGX-145billion** to **UGX63.9billion** (see Figure 2). The wage budget is not expected to increase, which is a follow-up to government policy position not to recruit at any level of government until the 2024/25 fiscal year.

Figure 2: PHC By Economic Classification

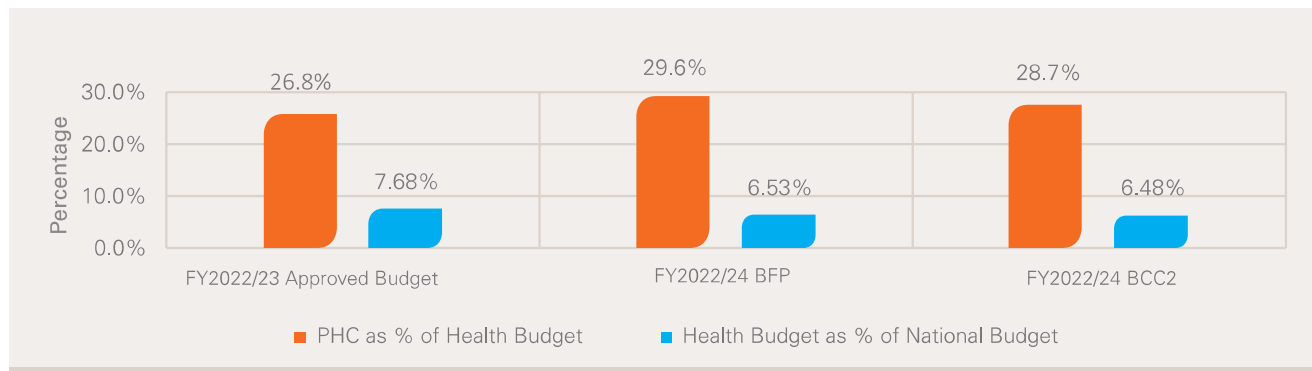


PHC Budget Total Health Budget

The budget for the health sector, including PHC and higher-level government health sector spending, is projected to decline from **7.68%** to **6.48%** of the total National Budget. However, as a proportion of Total Health Sector Budget, PHC budget is projected to increase slightly from **26.8%** in the 2022/23

Approved Budget to **28.7%** in the BCC2 (see Figure 3). This development is on account of the fact that though the total PHC is declining, over sector budget is declining at a much faster rate. The 2023/24 BCC2 level is a slight decline from **29.6%** projected in the 2023/24 BFP.

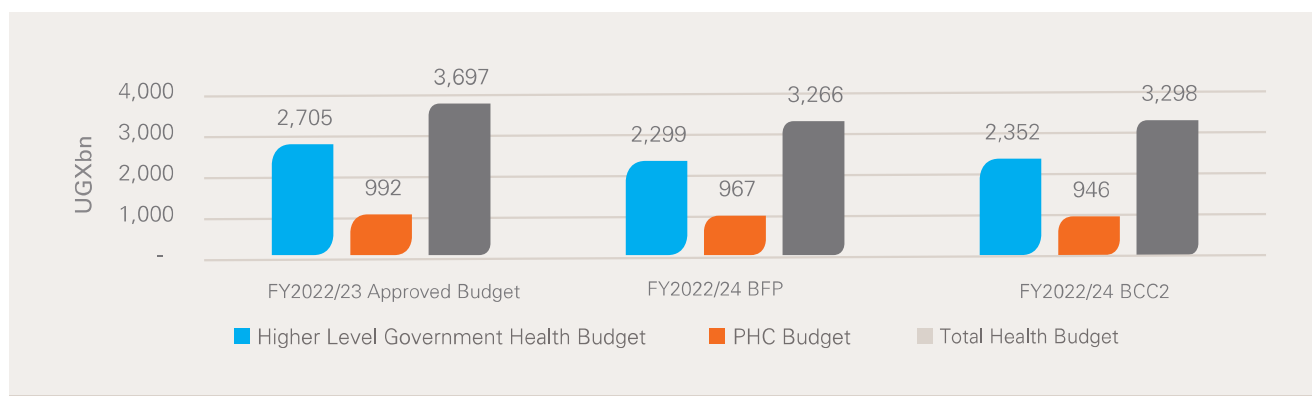
Figure 3: PHC Budget as Proportion of Health Budget



Financing for the health sector continues to be skewed against PHC, with PHC budget continuing to be less than half of health expenditures earmarked for higher levels of sector spending (see Figure 4 below). Though the PHC budget had been approved at **UGX992billion** against higher level government

expenditure of **UGX2.7trillion**, it is projected to remain lower at **UGX946billion** against higher level government budget of **UGX2.4trillion** and higher-level sector budgets of **UGX 3.2 trillion**. This level is a worse than what UGX967billion for PHC projected in the 2023/24 BFP.

Figure 4: PHC Vs Higher Level Government Budget Votes

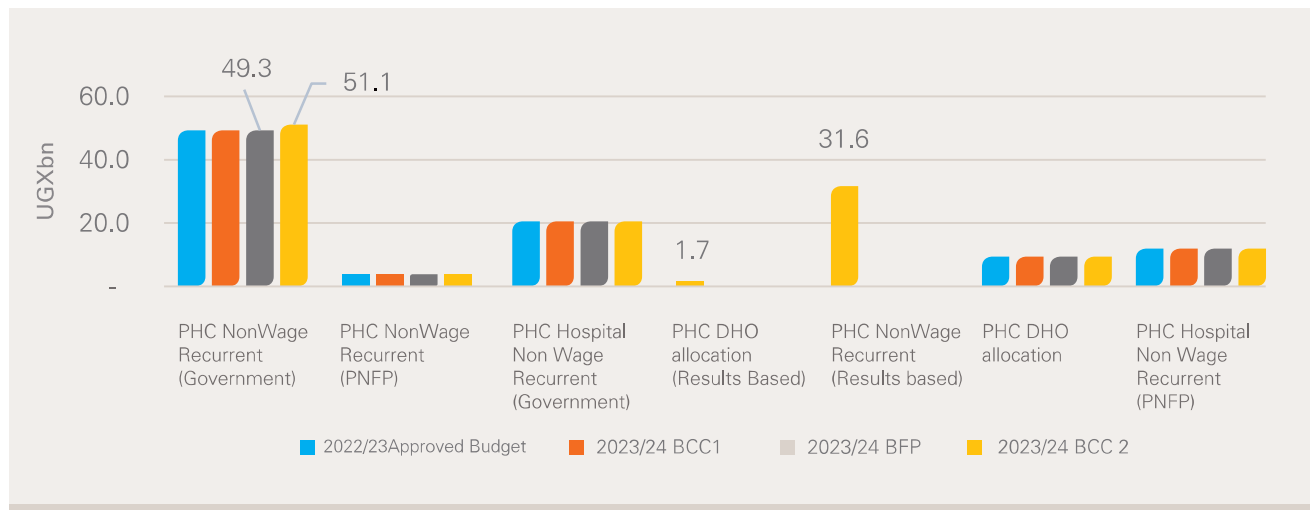


PHC Recurrent vs Development Budget by Facility Type

Figure 5 and 6 below provide a disaggregation of the PHC recurrent and development budgets. Though the PHC Non-Wage Recurrent Budget had been projected to remain at the same level of **UGX49.3billion**, it is projected to increase to **UGX51.1billion** for Government owned facilities (see Figure 5). Insignificant to no changes are projected for Private-Not-For-Profit (NPFP) facilities.

However, it is worth noting that the Results Based Financing, for both Facilities Level and District Health Officer (DHO) level, are major contributors to the overall increase in the recurrent budget. Overall, all but **3** Municipalities (Apac, Moroto and Nebbi) are now on RBF, up from **131** that had been under RBF to date.

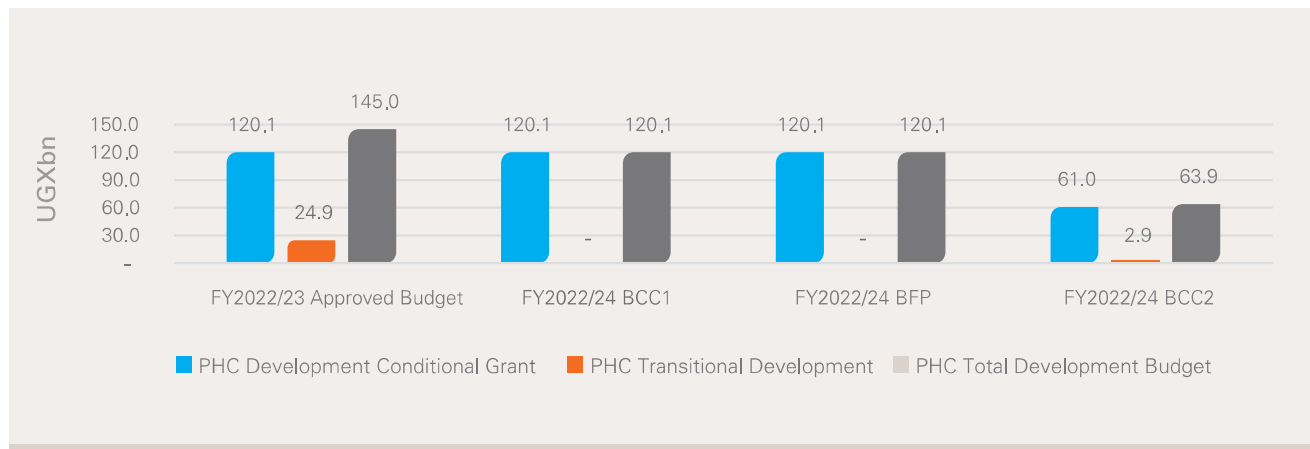
Figure 5: PHC Recurrent Budget Disaggregation



The PHC Development Budget is projected to decline from the 2022/23 Approved Budget of UGX145billion to **UGX63.9billion** in the 2023/24 BCC2. An initial projected of **UGX120.1billion** had been projected in the 2023/24 BFP (same level as in 2023/24

BCC1). This decline in the Total Development is on account of a **-50%** decline in the PHC Development Conditional Grants and a **-88%** decline in the PHC Transitional Development Grant

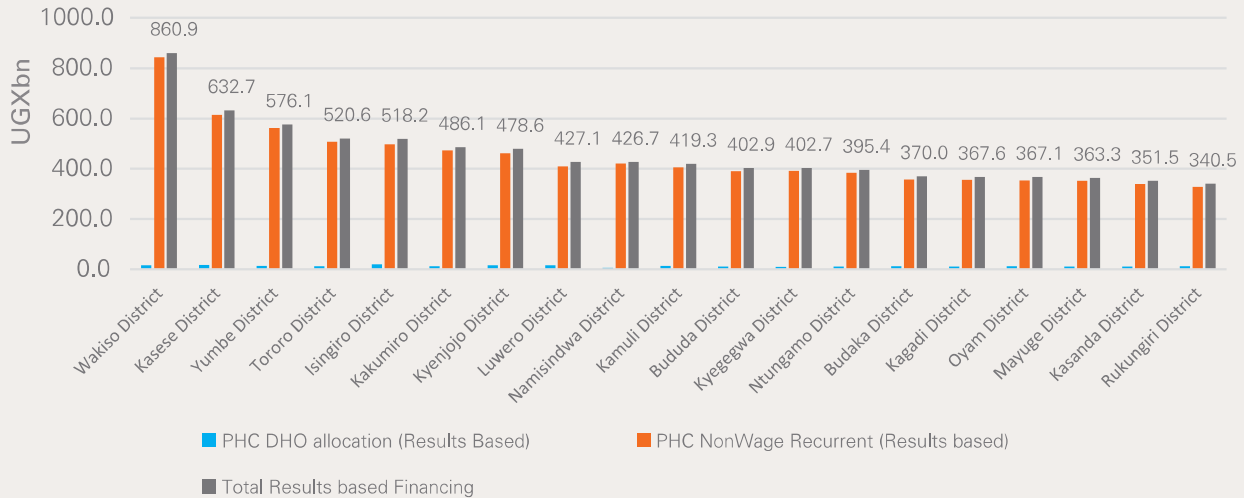
Figure 6: PHC Development Budget Disaggregation



Annex 1:

Results Based Financing Allocations by District

Top RBF Districts



Bottom RBF Districts

