

# INVESTING IN HEALTH



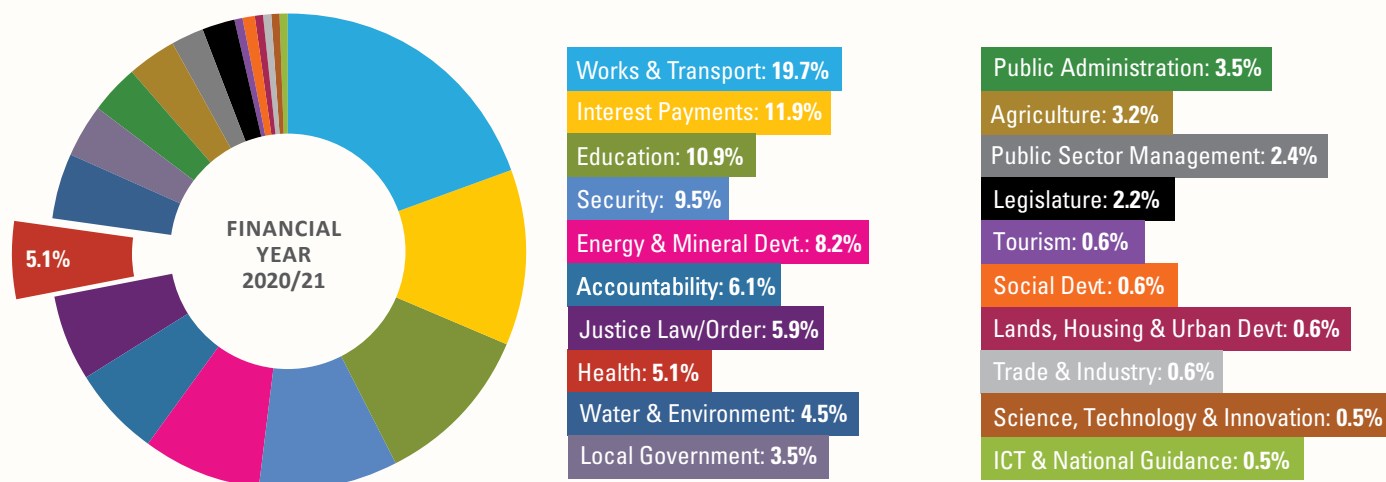
## SECTOR POLICY PRIORITIES

“ The health sector is critical in the attainment of Uganda’s Vision 2040 by producing a healthy and productive population that effectively contributes to socio-economic growth ”

### SECTOR POLICY PRIORITIES

- Providing inclusive and quality health care services through policy formulation and providing strategic direction, planning and coordination of health care provision in Uganda.
- Increasing financial risk protection of households against impoverishment due to health expenditures.
- Addressing the key determinants of health through strengthening of inter-sectoral collaborations and partnerships.
- Enhancing the health sector competitiveness in the region and globally

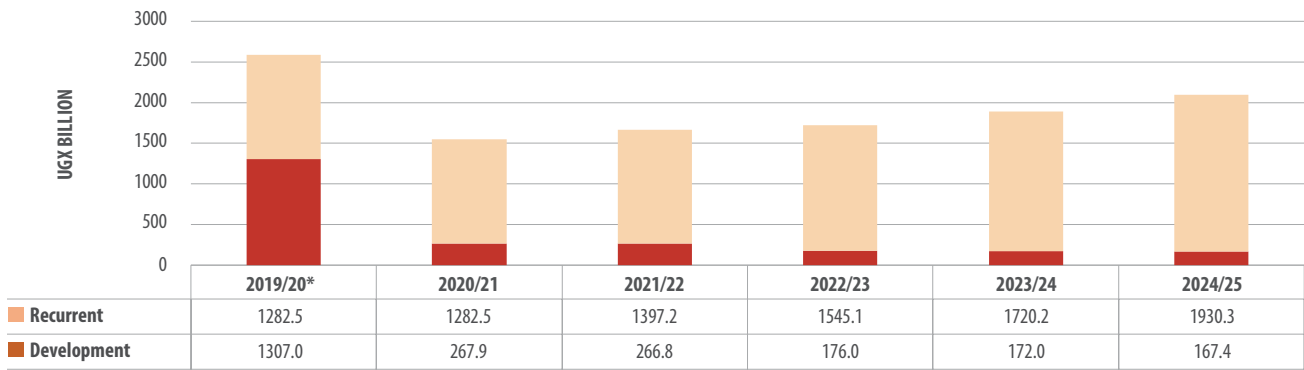
**FIGURE 1: FY 2020/21 SECTOR BUDGET SHARES**



### KEY FACTS

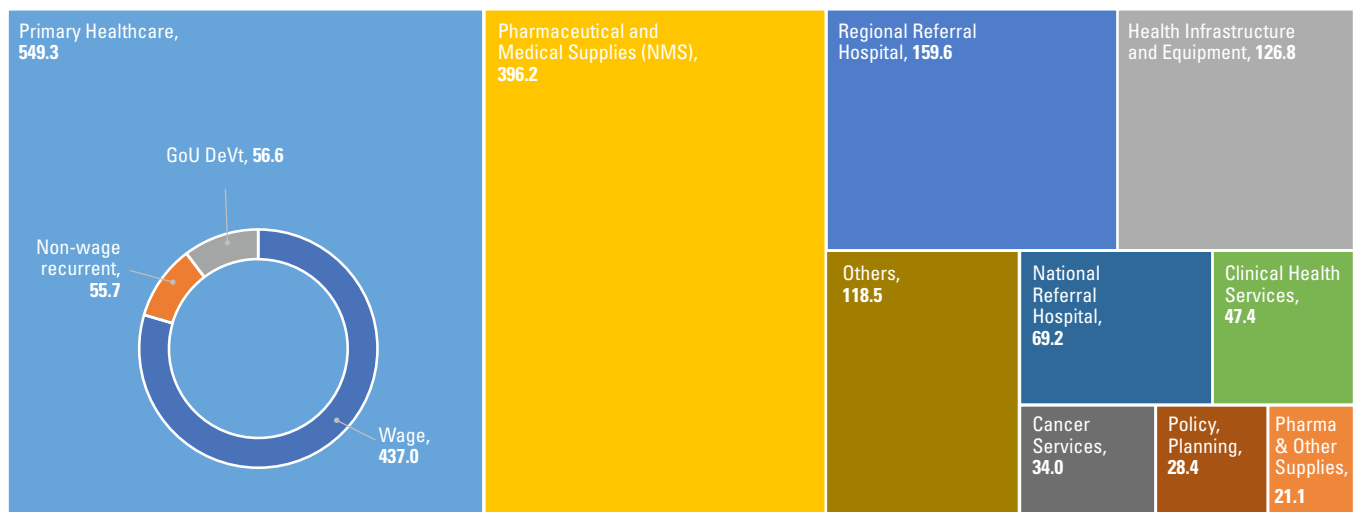
- The Health Sector accounts for 5.1% of the national budget in FY 2020/21 down from 7.9% in FY 2019/2020. Total nominal allocation is projected to decrease by 40% from UGX 2,589 Billion in FY 2019/20 to UGX 1,550 Billion in FY 2020/21.
- The large reduction is due to the projected 90% decline in the level of on budget external financing to the sector—from UGX 1119 Billion to UGX 100 Billion.
- External/ODA financing represents a significant proportion of sector resources. However, there has been a progressive reduction in external support.
- The development share of the sector budget will be 17.2% of total allocation, down from 50% in FY19/20

**FIGURE 2: SECTOR NOMINAL ALLOCATIONS (UGXBN) BASED ON NBFPs**

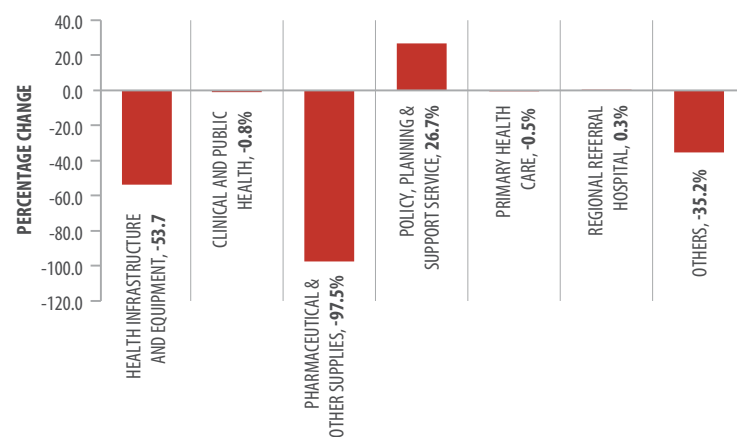


2019/20\* - Refers to Approved Budget for FY 2019/20

**FIGURE 3: PROGRAMME NOMINAL ALLOCATIONS FY 2020/21 (UGX BILLION)<sup>1</sup>**



**FIGURE 4: PERCENTAGE CHANGE IN NOMINAL ALLOCATION BETWEEN FY 2019/20 AND FY 2020/21<sup>2</sup>**



1 Others\* Health Monitoring and Quality Assurance; Health Research; HIV/AIDS Services Coordination; Heart Services; Community Health Management; Human Resource Management for Health; Safe Blood Provision; Provision of Specialized Mental Health Services - Butabika Hospital; UVRI - Virus Research

2 The programmes with no changes in budget allocations from the FY 2019/20 include; Cancer services, Pharmaceutical and medical Supplies (NMS) and National Referral Hospital

**WHAT GOVERNMENT CAN LEVERAGE ON**

Uganda faces increasing challenges in the health sector due to population growth and refugee influx. Spending in the health sector has been concentrated on medical products and infrastructure. To improve health and wellbeing:

- Address service delivery constraints at decentralized levels – particularly health worker’s knowledge, absenteeism, inspection and pharmaceutical supplies
- Strengthening the referral systems to ensure better health services delivery in the remote areas across the country
- Implementation of Universal Health Coverage through fast-tracking the National Health Insurance (NHIS) and provision of funding
- Strengthen the provision of basic health services like vaccines.
- Strengthen tracking of off budget external financing to improve health sector planning and coordination, resulting in better budget formulation and execution.



## HEALTH DEVELOPMENT PARTNER CONTRIBUTIONS

In FY 2018/19, donors' contributions amounted to approximately 76% of the total health sector resource envelope, excluding private contributions.

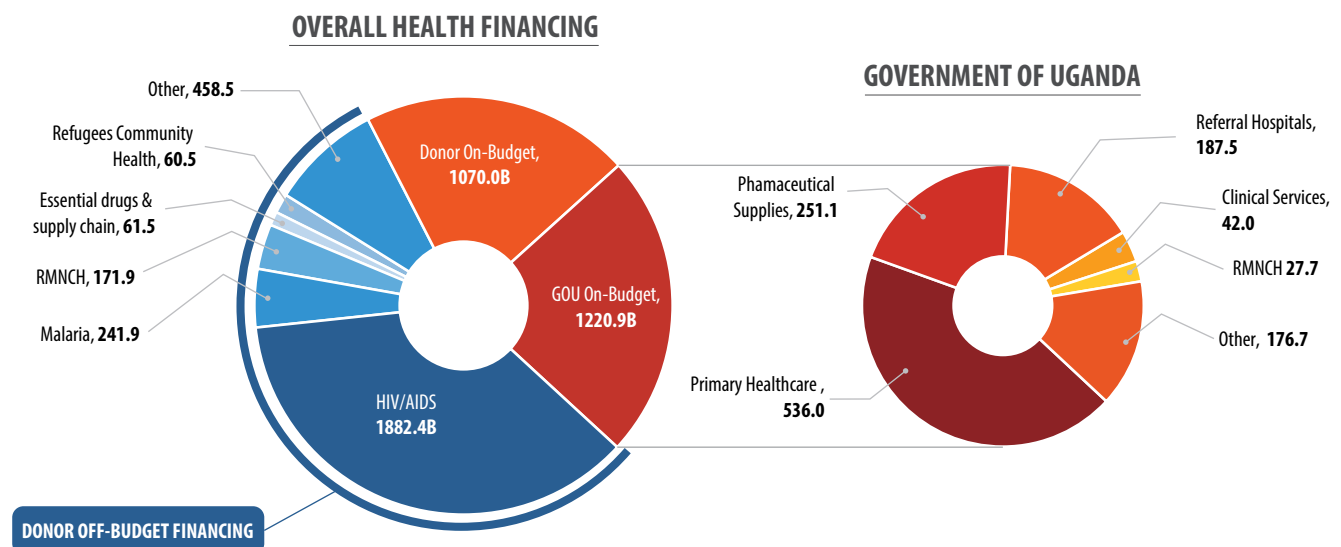
The data collected from Health Development Partners shows that major donors contributed to UGX 3945 Billion in FY 2018/19. Notably, only 27% of donor contributions was reported on-budget. This results in challenges related to the harmonization of the activities in the sector. The lack of a system for tracking off-budget commitments has been adversely impacting the delivery of health services. This results in poor coordination at project implementation level. Over the past couple of years, the Government of Uganda has been progressively putting in systems for a more systematic tracking of off-budget support.

The high donor dependency in the health sector, alongside minimal information regarding off budget financing, is concerning for the sustainability of health services provision in the country; particularly as donor's transition. In fact, it is expected that donor contributions will further decrease, for example DFID is expected to transition its support on malaria. This runs a basic risk in that when a donor leaves the country, the government does not sufficiently compensate the services that have been hitherto provided and/or leaves a gap, for example for the provision of life-saving commodities. Therefore, the Government and health development partners need to develop a financial transition and harmonization plan to ensure predictability of health financing.

The figure below displays the analysis of the contributions by activity area in FY18/19. It shows that off budget support from health development partners is primarily concentrated in HIV/AIDS (65%), Malaria (8.4%) and Reproductive, Maternal, Neonatal and Child Health (6%). Whereas, the bulk of domestic resource is allocated to Primary Health Care (PHC), Pharmaceutical and other health supplies, and referral hospitals. Primary Health Care (PHC) allocations (which is 100% decentralized) are primarily allocated towards wages (79.2%), while non-wage recurrent (NWR) accounts for 7.4% of the PHC allocations in FY18/19.

The health sector development partners concentrate their support around HIV/AIDS, whereas other areas of health, namely non-communicable diseases and men's health, are only marginally funded.

**FIGURE 5: HEALTH DEVELOPMENT PARTNER CONTRIBUTIONS IN 2019**



# CENTRAL GOVERNMENT VS LOCAL GOVERNMENT ALLOCATIONS BY ADMINISTRATION AND PROGRAMME FY 2020/21

FIGURE 6A

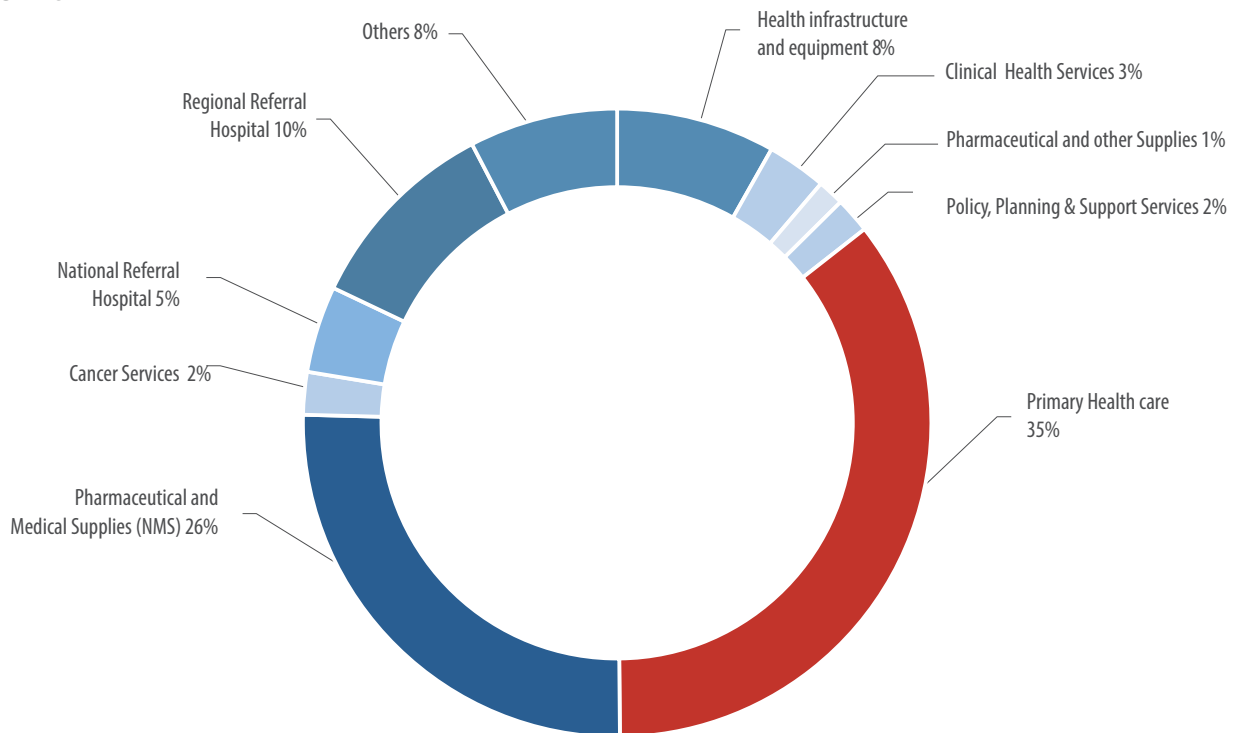


FIGURE 6B

