TRACKING OFF-BUDGET FINANCIAL RESOURCES IN THE HEALTH SECTOR
FY2018/19
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Acronyms

AICS Italian Agency for Development Cooperation
ARV Antiretroviral
DFID UK Department for International Development
DP Development Partner
ENABEL Belgian Development Agency
EPRC Economic Policy Research Centre
FFO Finance Focal Officer
JICA Japan International Cooperation Agency
JRM Joint Review Mission
KOFIH Korea Foundation for International Healthcare
MoFPED Ministry of Finance, Planning and Economic Development
MoH Ministry of Health
NCD Non-communicable disease
NHA National Health Assembly
PHC Primary Health Care
RMNCH Reproductive, Maternal, Neonatal and Child Health
SDG Sustainable Development Goal
SIDA Swedish International Development Cooperation Agency
SRH Sexual and Reproductive Health
TB Tuberculosis
UNFPA United Nations Population Fund
UNHCR United Nations High Commission for Refugees
USAID United States Agency for International Development
USG United States Government (Department of State)
VMMC Voluntary Medical Male Circumcision
WHO World Health Organization
The Ministry of Health (MoH) has embarked on a transformative initiative to track, report on and manage off-budget financing in the health sector. This exercise represents a bold effort to improve health sector planning and coordination, resulting in better budget formulation and execution. It is envisioned this exercise will be institutionalized to improve health service delivery in Uganda.

The research and drafting of this report was led by the MoH, in close collaboration with the Ministry of Finance, Planning and Economic Development, and UNICEF Uganda. The report would not have been possible without the input and support of development partners and individuals, who contributed to the quality of data collected: the Italian Agency for Development Cooperation (AICS), US Department of State, UK Department for International Development (DFID), the Embassies of Belgium, the Netherlands and Ireland, the Belgian Development Agency (ENABEL), Global Fund, Japan International Cooperation Agency (JICA), Korea Foundation for International Healthcare (KOFIH), Korea Organization International Cooperation Agency (KOICA), Swedish International Development Cooperation Agency (SIDA), United Nations Population Fund (UNFPA), United Nations High Commission for Refugees (UNHCR), United Nations Children’s Fund (UNICEF), World Health Organization (WHO) and World Bank group.

Frances Ellery provided editorial inputs and Rachel Kanyana designed this publication and its associated advocacy materials.
Foreword

The importance of the health sector to achieving a healthy, prosperous and vibrant Ugandan society is irrefutable. The Sector is critical in the attainment of Uganda’s Vision 2040, promoting sustainable economic growth and most importantly improving the wellbeing of our people. As such, the Ministry of Health (MoH) is now more firmly committed than ever to enhancing programme delivery and sector performance by accelerating progress towards our national targets and the post-2030 Sustainable Development Goal (SDG) agenda.

For the health sector to deliver against its mandate, the Government of Uganda (GoU) receives support from a number of international and domestic partners. However, many support activities are ‘off budget’ and therefore not integrated into the overall planning and budgeting process. This can lead to duplication of effort, and weak accountability and reporting, and limits the ability of the health sector to provide lifesaving services. In order to enhance the transparency and effectiveness of these resources, improved systems for tracking and managing off-budget support are needed, which will require strong collaboration with our funding partners.

That is why the MoH, in close collaboration with the Ministry of Finance, Planning and Economic Development (MoFPED) and development partners, has embarked on a transformative initiative to track, report and manage off-budget financing in the health sector. As part of this effort, a data collection exercise was conducted late in 2019 to gather detailed information on activities supported by Development Partners (DPs).

This report summarizing key development partner contributions is the result of this exercise. It provides critical insight into who is doing what, how and where, who the beneficiaries are, and the outputs from these interventions. This information can now begin to fill the critical information gaps that have existed for years, thereby improving the health sector’s budgeting and planning process.

While this report is important, it is only the first step towards improving health sector planning, budgeting and execution, and making it more transparent. The aim is to integrate all resources allocated to health care into the Aid Management Platform (AMP) and the Uganda Equity Atlas, which the public can access on the MoFPED, EPRC and national budget websites. On these platforms, data will be presented visually to deepen our understanding of how off-budget financing fits with the national health sector strategy.

The Ugandan health sector is at an important juncture. Without better stakeholder collaboration, resulting in a well-coordinated, comprehensive sector plan and budget, we will fail to deliver vital, lifesaving services to our sisters, brothers and children across the country. It is our hope, therefore, that the information we have gathered about off-budget financing will enable the health sector to improve both the efficiency and effectiveness of the health service.

Dr. Diana Atwine
Permanent Secretary
Ministry of Health
Introduction

Over the past decade, the Ministry of Finance, Planning and Economic Development (MoFPED) has been gathering information on off-budget financial resources in priority sectors, including Health, Education, Nutrition, Water and Sanitation (WASH). In order to improve sector ownership and accuracy of the data collected, in close collaboration with MoFPED and UNICEF, the Ministry of Health (MoH) has embarked on a transformative initiative to track, report on and manage off-budget financing in the health sector.

The ultimate goal of this exercise is to improve health sector planning and coordination, resulting in better budget formulation and execution. This process is expected to be institutionalized and integrated into the MoFPED Uganda Equity ATLAS, as well as the Aid Management Platform. Results will be reported annually during the Joint Review Mission (JRM), National Health Assembly (NHA) and other key opportunities for health sector stakeholder engagement.

The results and lessons learned from this activity will be used to inform similar processes to track off-budget financial resources in other sectors, including Education, Nutrition and WASH.

Methodology

In consultation with the Development Partners (DPs) group, a standardized data collection tool was developed and validated to ensure adequate flexibility given the differing financial years and different accounting methods used by development partners. Data requirements included information on the types of project implemented, and their size, location and duration between FYs 2015/16 and 2019/20, as well as planned activities for the subsequent three financial years. To avoid double counting, data was gathered only in relation to each partner’s core financial resources.

Each of the DPs identified Finance Focal Officers (FFOs) who were then trained on how to use the data collection tool by the MoH and UNICEF. Individual meetings were also held with each organization to verify data accuracy and address donor-specific reporting issues.

Figures on budget financing were extracted from the survey compiled by the MoH whereas on-budget figures were extracted from the GoU Budget Website and used to analyse the overall health sector Financing envelope in FY 2018/19. Where donors indicated that funding was on budget but it wasn’t possible to triangulate the information on the GoU Budget website, this funding was re-classified as off budget. Data relative to on-budget financing collected through the survey was excluded from the report.

Data was analysed looking at the overall resource envelope in the health sector, the geographical distribution of donor-supported projects, and key programmatic areas and their interdependency.

From an initial pool of 23 DPs identified to participate in this exercise, 17 submitted the required information. Sincere gratitude is expressed to the Italian Agency for Development Cooperation (AICS), US Department of State, UK Department for International Development (DFID), the Embassy of Belgium, the Embassy of the Netherlands, the Embassy of Ireland, the Belgian Development Agency (ENABEL), Global Fund, Japan International Cooperation Agency (JICA), Korea Foundation for International Healthcare (KOFIH), Korea Organization International Cooperation Agency (KOICA), Swedish International Development Cooperation Agency (SIDA), United Nations Population Fund (UNFPA), United Nations High Commission for Refugees (UNHCR), United Nations Children’s Fund (UNICEF), World Health Organization (WHO) and World Bank group for supporting this important activity.

The analysis in this report focuses on FY 2018/19 and represents a true reflection of DP submissions.
Key Findings

The data collected show that major donors contributed UGX 3,966.1 billion to the health sector in FY 2018/19. Notably, only 21% of donor contributions were reported on-budget, creating challenges in relation to the harmonisation of the activities in the sector.

The major DPs’ contributions to the health sector relative to those of the Government of Uganda (GoU) have remained roughly constant over recent years. In FY 2018/19, donors’ contributions amounted to approximately 76% of the total health sector resource envelope, excluding private contributions.

The pie charts (right) show both DP and GoU contributions by activity area in FY 2018/19. Off-budget support from DPs is primarily concentrated in HIV/AIDS (66.7%), Malaria (8%) and Reproductive, Maternal, Neonatal and Child Health (RMNCH) (6%). Domestic resources are mainly allocated to Primary Health Care (PHC), pharmaceutical and other health supplies, and referral hospitals. PHC allocations (which are 100% decentralized) are heavily unbalanced and biased towards wages (79.2%), while non-wage recurrent costs account for only 7.4% of PHC allocations.
In FY 2018/19, UGX 2,127.6 billion was allocated to the overall HIV/AIDS budget, 99% of which was provided by DPs (both on and off budget).

This translates into UGX 1.5 million for each person living with HIV. The US Department of State and the Global Fund provide most support in this area, contributing to 88.6% and 10.7% of budget allocations respectively.

Analysis of the 108 projects with an HIV/AIDS component (see pie chart below) reveals that the objective of half (54 projects) is to increase access to comprehensive health services, followed by commodities and supply chain strengthening (14 projects). Support was also provided at national and district level to implement the HIV/AIDS strategy through national authorities, civil society organizations, and national and international NGOs.

The map shows the distribution of donor-supported HIV/AIDS projects across the country. Kapelebyong, Nabilatuk, Kikubu, Butebo, Bugweri and Namisindwa are not benefiting from any direct donor support to provide HIV/AIDS-related services. There are, however, more than 98,840 people living with HIV in these districts.
More than UGX 326 billion was invested to support malaria-related activities in FY 2018/19 (GoU and DP support). The three biggest donors were the US Department of State, the Global Fund and DFID.

It is worth noting that between FY 2018/19 and FY 2019/20, there was a UGX 150 billion reduction in external support for malaria-related activities. Donor contributions are expected to decrease further as DFID is expected to transition its support on malaria.

The largest number of projects (5 projects) with a malaria component was aimed at strengthening the overall malaria response, at both national and district level. Synergies were found with the implementation of HIV/AIDS, TB, family planning and RMNCH services.

The map shows the districts where donors support malaria-related projects. The distribution does not match the endemicity of malaria across the country.
**MALARIA FINANCING FY2018/19 (UGX)**

- 206.0bn: Government of Uganda
- 72.8bn: DFID
- 35.9bn: Global Fund
- 11.4bn: US Dept of State

**NUMBER OF PROJECTS WITH A MALARIA COMPONENT**

- Support to the Malaria Response: 5
- Integration of Malaria, HIV/AIDS, TB and RMNCH: 2
- Health Communication: 2
- Quality Control and Improvement: 3
- Global Fund support: 2

**DISTRICTS WHERE DONOR PROJECTS HAVE A MALARIA COMPONENT**

- Dark purple districts: Districts with malaria component
- Light grey districts: Other Districts

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**TRACKING OFF-BUDGET FINANCIAL RESOURCES IN THE HEALTH SECTOR - FY2018/19**

326.2bn
A total of UGX 171.9 billion was allocated to the provision of RMNCH services. USAID, DFID and SIDA provide the largest amount of funding in this area.

The graph (top right) shows projects with an RMNCH component. The largest number of projects with an RMNCH component (24 projects, 28.9%) are Sexual and Reproductive Health (SRH) services.

Results Based Financing (RBF) was introduced to improve maternal and neonatal health outcomes. The graph (below right) shows the support provided by donors, the largest contribution (59.8 billion, or 84%) of which is provided by the World Bank in the form of a loan.

RMNCH services are implemented in most districts. However, it is worth noting that in Mbarara, Kiruhura, Apac, Kaberamaido, Amuria, Pallisa and Manafwa, there are no RMNCH projects supported by donors.
The bulk of support to the provision of pharmaceutical products and medical supplies, and the strengthening of supply chains comes from the US Department of State, which provided over UGX 506.3 billion for HIV/AIDS-related commodities, UGX 7.5 billion for the procurement of TB-related commodities and diagnostics, UGX 5.9 billion for Voluntary Medical Male Circumcision (VMMC) commodities, UGX 4.4 billion for ARVs and UGX 2.2 billion for family planning (FP).

Support for the procurement of these commodities is twice the size of the GoU’s budget for pharmaceutical supplies. This finding raises serious concerns over the sustainability of the procurement of drugs and other medical supplies in the health sector.

The pie chart shows all projects with a supply chain component, including the provision of pharmaceutical products. Most of the support in this area is channelled towards strengthening the supply chain system and the provision of HIV/AIDS-related commodities. These include the procurement of antiretrovirals (ARVs) and other HIV/AIDS commodities, including their storage and distribution.
HUMAN RESOURCES FOR HEALTH

Partners also contribute significantly to health care staff across the country, through both the direct support of health care workers and through capacity development activities.

The pie chart (above right) shows that the majority of projects (7 projects) with a human resources for health component were linked to staff capacity development in relation to HIV/AIDS care.

LABORATORY DIAGNOSIS AND EPIDEMIC SURVEILLANCE

The US Department of State, KOFIH and AICS provide laboratory support through their projects, linked primarily to vertical programmes, specifically HIV/AIDS and TB programmes. Only two projects have a direct focus on improving laboratory diagnosis and epidemiological surveillance.

The US Department of State supports eight projects focused on epidemic disease prevention and control. These are implemented through the Uganda Virus Research Institute (5), the African Field Epidemiology Network (2) and the Infectious Diseases Institute (1).
Several donors support activities in refugee-hosting districts, most of which benefit both refugees and host communities. This finding suggests a successful integration of health service provision, as directed by the health sector Integrated Refugees Response Plan and other key government policies.

The UNHCR, the US Department of State (USG) and the Embassy of Belgium are the only organizations that reported financing projects specifically targeting refugees. Most of the support specifically targeting refugees is linked to the provision of HIV/AIDS care, nutrition and community health services. It appears that most projects supporting refugees are provided through regional and international financing mechanisms.

The pie chart (below right) shows the characteristics of the projects implemented in refugee-hosting districts. The map (right) shows that out of the 12 refugee-hosting districts, Arua, Adjumani, Koboko, Moyo and Yumbe have the highest donor presence.
TRACKING OFF-BUDGET FINANCIAL RESOURCES IN THE HEALTH SECTOR - FY2018/19

NUMBER OF DEVELOPMENT PARTNERS IN REFUGEE-HOSTING DISTRICTS

- YUMBE: DFID, ENABEL, SIDA, Netherlands, UNFPA, UNHCR, UNICEF, USG
- MOYO: DFID, ENABEL, SIDA, Netherlands, UNFPA, UNICEF, USG
- KOBOKO: DFID, SIDA, Netherlands, UNHCR, UNICEF, USG
- ARUA: DFID, ENABEL, KOICA HQ, SIDA, Netherlands, UNFPA, UNHCR, UNICEF, USG
- ADHUMANI: DFID, SIDA, Netherlands, UNFPA, UNHCR, UNICEF, USG
- LAMWO: SIDA, Netherlands, UNHCR, UNICEF, USG
- KIRYANDONGO: DFID, SIDA, Netherlands, UNHCR, UNICEF, USG
- HOIMA: DFID, UNICEF, USG
- KAMPALA: DFID, KPOF, SIDA, UNHCR, UNICEF, USG
- KAMPAL: DFID, KOICA, SIDA, UNHCR, UNICEF, USG
- K-EKUWA: DFID, ENABEL, SIDA, UNHCR, UNICEF, USG
- ISINGIRO: SIDA, UNHCR, UNICEF, USG

NUMBER OF HEALTH PROJECTS IMPLEMENTED IN REFUGEE-HOSTING DISTRICTS

- HIV/AIDS: 32
- Nutrition: 15
- Community Health: 12
- Health System Strengthening: 6
- RMNCH: 6
- Other: 5
- Capacity Building & Advocacy: 4
- Child Health: 4
- Gender & Health Rights: 4
- Malaria: 3
- Health Infrastructure: 3
- Family Planning: 2
- Environmental Health: 1
- Gender-based Violence: 1

PROJECTS TARGETING REFUGEES (UGX)

- Refugees Community Health: 60.5bn
- Refugees HIV/AIDS: 9.9bn
- Refugees Nutrition: 17.4bn
- Access to services: 3.0bn

Legend:
- Projects targeting Refugees: ~60.5bn
- Projects targeting Refugees (UGX): ~9.9bn
- Projects targeting Refugees (USG): ~17.4bn
- Projects targeting Refugees: ~3.0bn

Kenya

Tanzania

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OTHER PROGRAMMATIC ISSUES

The study revealed significant underfunding in two main areas:

1) NON-COMMUNICABLE DISEASES (NCDs)

Despite the ever-increasing prevalence of NCDs in Uganda in recent years, only WHO reported supporting projects in this area. It is worth noting that none of the HIV/AIDS-related projects reported addressing common co-morbidities affecting people living with HIV/AIDS.

2) MEN’S HEALTH

None of the projects reported addressing issues related to men’s health. Of the projects with a men’s health component, the majority (16 projects, or 84%) came under the provision of Sexual and Reproductive Health (SRH) services.

NUMBER OF PROJECTS WITH A MEN’S HEALTH COMPONENT

<table>
<thead>
<tr>
<th>Component</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIV/AIDS</td>
<td>2</td>
</tr>
<tr>
<td>WASH</td>
<td>1</td>
</tr>
<tr>
<td>SRH</td>
<td>16</td>
</tr>
</tbody>
</table>
PROJECT IMPLEMENTATION
Donor-supported projects are most concentrated in Karamoja and West-Nile regions. Despite their high population density, Teso and Buganda are only marginally supported by DPs.

Of the 23 districts included in the study, 12 implement projects through local government authorities. However, the support of only five DPs – the AICS, Global Fund, UNFPA, some US State Department projects and the World Bank Group – is reported in the Ministry of Health's budget.
Donor Profiles

In FY 2018/19, the Italian Development Agency (AICS) provided a total of UGX 8.75bn to support three activity areas within the health sector. While information on the overall resources provided was reported on budget, AICS also provided a breakdown of their activities by project.

The projects aimed at constructing staff houses, improving screening, treatment and follow up of TB patients, and increasing access to health services. See pie chart below.
The pie chart below shows that the greatest support provided by DFID relates to the prevention and control of malaria. The withdrawal of DFID funding from this programme area is of particular concern.

DFID support is concentrated in Karamoja region.

In FY 2018/19, the Embassy of Belgium supported Médecins du Monde to provide health services to South Sudanese refugees in Bidibidi settlement for UGX 3.0bn.

In FY 2018/19, the Embassy of the Netherlands supported two projects within the health sector for a total of UGX 2.1bn. Most of this support was directed towards refugee health.
In FY 2018/19, the Belgian Development Agency (ENABEL) supported the establishment of strategic purchasing of health services for a total of UGX 9.4bn. A total of 14 Districts received result-based financing funding under this initiative.

In FY 2018/19, KOFIH supported two projects in the health sector for a total of UGX 1.8bn. This funding was to support health system strengthening and TB prevention and control.
In FY 2018/19, KOICA supported 26 projects in the health sector for a total of UGX 18.7bn, nearly half of which was to support RMNCH activities.

In FY 2018/19, the Global Fund supported Malaria, HIV/AIDS, and TB prevention and control activities. While information on the overall resources provided was reported on budget, the Global Fund also provided a breakdown of support by activity area.¹

In FY 2018/19, SIDA supported three projects for a total of UGX 41.7bn. RMNCH support was in the form of a grant under the World Bank-funded URMCHIP project.

¹ To provide more detail on activity areas, data for the above Global Fund chart is derived from the survey and therefore differ from on budget figures for Global Fund.
The bar chart below shows projects supported by UNFPA, UNHCR, UNICEF and WHO through their core funds for a total of UGX 92.2bn. The majority of UN agencies’ core funding is used to support refugee health activities.

The map below shows the distribution of projects supported by UN agencies across the country. Isingiro, Arua, Yumbe, Adjumani and Kiryandongo are the districts with the highest UN donor presence.
The US Department of State is the largest donor in the health sector, supporting 138 projects for a total of UGX 2603.8bn. The greatest proportion of support is for HIV/AIDS-related activities (1,881bn, 72%), followed by Malaria (206bn, 8%) and RMNCH (127.9bn, 5%).
In FY 2018/19 the World Bank Group supported the health sector through three projects amounting to a total of UGX 99.9bn. Two of the projects were aimed at improving RMNCH and one was focused on epidemic preparedness and response by strengthening the laboratory system.

The limited information provided does not allow for analysis of the specific characteristics of the support provided.
Limitations

The analysis presented herein represents an accurate reflection of core resources as reported by the development partners that participated in this exercise. However, there were some limitations to the exercise. These included:

- Only a few DPs provided data disaggregated by recipient district and implementing partner. It is therefore difficult to conduct an in-depth analysis of the geographical allocation of off-budget financial resources in the health sector.
- None of the submissions provided information disaggregated between overhead and service delivery funding. As a result, the figures reported do not reflect the budget allocated to service delivery.
- Given that most DPs provided information based on their own financial year and in their own currency, conversions and arbitrary budget redistribution had to be performed to align the financial information provided with the GoU financial year.
- Information on funding received through regional and international financial mechanisms was not gathered.

Key messages

- Health sector development partners concentrate their support around HIV/AIDS, while other areas of health, in particular non-communicable diseases and men’s health, receive very little funding.
- The high dependency on donor funding for the provision of pharmaceutical supplies is concerning in terms of the sustainability of health service provision.
- A very limited number of donor-supported projects are reported on budget, even those implemented through government authorities.
- It is critical to better understand how much funding is used for direct service delivery and how much for overhead costs.

The Way Forward

Information collected and analysed in the partners mapping exercise will be integrated with and made publicly available through the Uganda Equity ATLAS. Follow-up activities include:

- Presenting the data in the form of per capita allocations and drawing comparisons with other countries in the region
- Gathering data from international and regional financing mechanisms
- Institutionalizing this process and presenting the findings at the Joint Review Mission (JRM) and National Health Assembly (NHA)
- Collecting more accurate data on:
  - service delivery vis à vis overhead costs
  - district-level allocations
  - allocations for essential medicines and other health supplies
  - in-kind contributions.