

# INVESTING IN THE HEALTH SECTOR IN FY 2020/2021

BY

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## Overview of the presentation

- Introduction
- Achievements in FY 2019/20
- Sector Budget allocations
- Health Programme Allocations FY 2020/21
- Health Development partners contributions in 2019
- Leveraging points for Government

# Introduction

- 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

## *Rationale for Health sector financing according to the NDP III*

- Provide 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

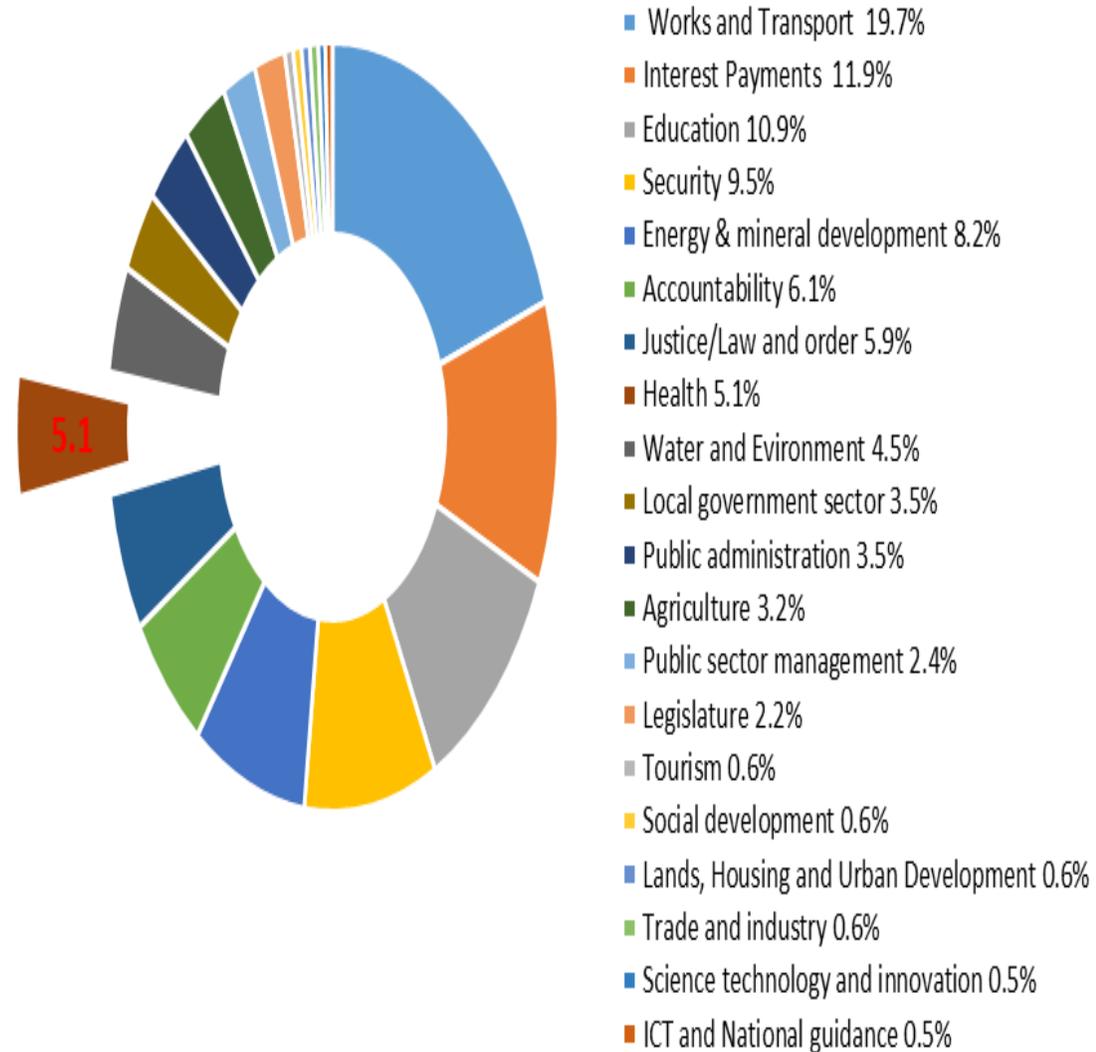
# What was achieved during FY 2019/20 Budget: Vaccines

- *GoU remains fully committed to long-term financing for immunization*
- *Chronic underfunding of traditional vaccines has been a persistent challenge in Uganda.*
  - *60 per cent of the country's immunization supplies continue to be supported by Gavi.*
  - *Historically, GoU allocated a flat annual amount of UGX 9 Billion (US\$2.4m) for the procurement of traditional vaccines.*
  - *Based on 2018 annual vaccine forecasting exercise, this amount would only cover 60 per cent of the country's annual requirement*
  - *In January 2019 (six months before the end of the fiscal year), funds for vaccines had already been exhausted.*
- *This potential health emergency demonstrated the actual impact of underfunding, but also created an opportunity to raise awareness about the problem.*

## FY 2019/2020 Vaccines (contd)

- *Concerted advocacy and timely use of documented evidence to inform the formulation of the FY 2019/20 national budget resulted in the nearly **doubling** of the allocation to UGX 21 Billion (US\$5.5m)*
- *Key to this major success was the understanding of supply financing problems, and strong partnerships between UNICEF, EPRC, MoH, MoFPED, the IMF generated real-time opportunities to table the issues in relevant forums.*
- *February 2019 Public dialogue was used to showcase the vaccine financing problem as one that could be addressed through reprioritization within the health sector.*
- *Increased budget for traditional vaccines advances the likelihood of improved vaccine availability at all levels of the supply chain, potentially minimizing vaccine stock-outs and missed vaccination opportunities.*
  - *Enables fewer repeated visits required of caregivers to ensure that children are vaccinated,*
  - *enhanced trust in the health system,*
  - *Leads to fewer deaths caused by vaccine-preventable diseases and improvement in health outcomes*

## FY 2020/21 SECTOR BUDGET SHARES

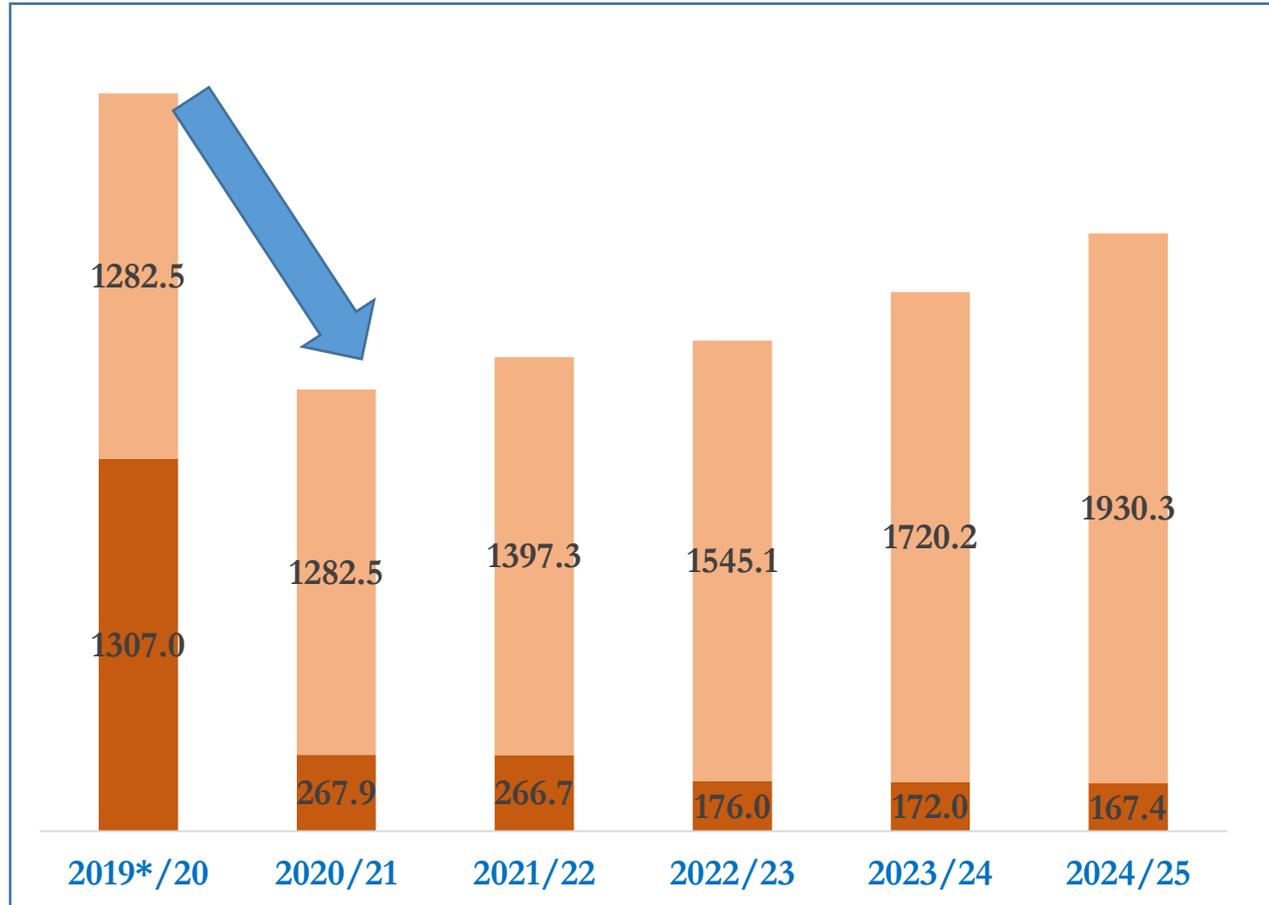


SOURCE: NBFP 2020/21

### KEY FACTS

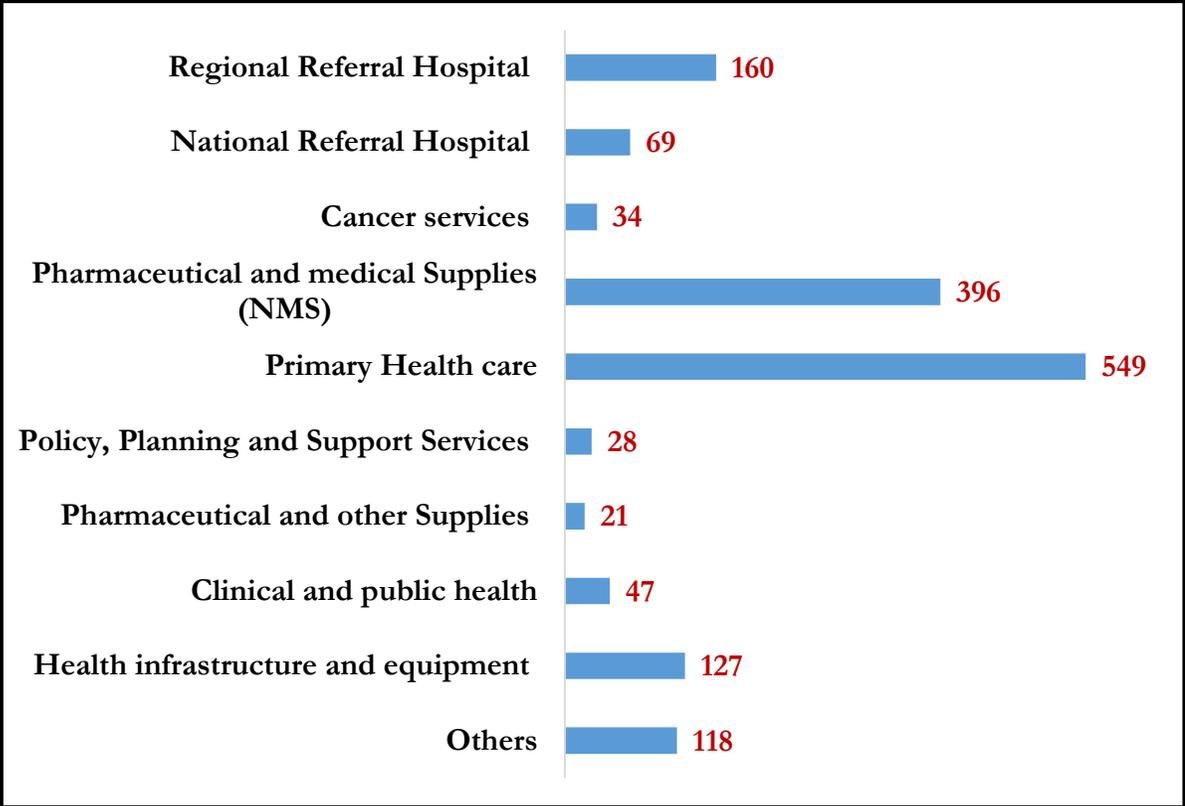
- The Health sector accounts for 5.1% of the National budget in FY 2020/21 down from 7.9% in FY 2019/2020.
- Total nominal allocation projected to decrease by 40% from UGX 2,589 Billion in FY 2019/20 to UGX 1,550 Billion in FY 2020/21.
- The large reduction is due to the projected 90% decline in the level of on budget external financing to the sector—from UGX 1,119 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 43% in FY19/20.

## SECTOR NOMINAL ALLOCATIONS BASED ON NBFPs (UGX Billion)

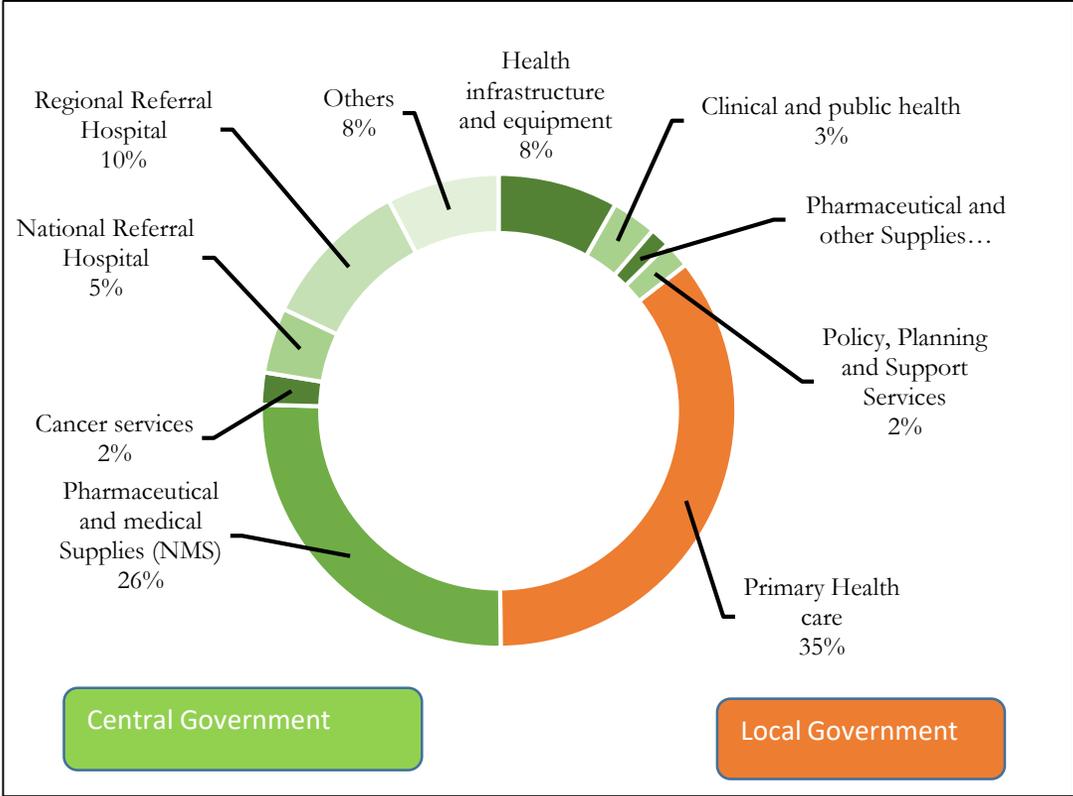


- The graph shows a decrease in **development budget in 2020/21**, primarily a result of a decline in external financing hence the need for sustainable financing within the sector.
- Particularly given that external/ODA financing represents a significant proportion of sector resources (on and off budget resources). Off-budget financing is likely also to face a reduction over the coming years.
- Moreover in FY 2020/21, Non-wage recurrent is roughly 42.6% of the budget, while wage recurrent will be equivalent to 40% of the budget given that Government recently enhanced health worker salaries and wages
- Health Non-wage Recurrent Transfers declined significantly, by 75%, in real per capita terms from their peak levels in the early 2000s. As of FY 18/19, nominal NWR transfers to Local Governments (LGs) average UGX1,187 per person (\$0.32)

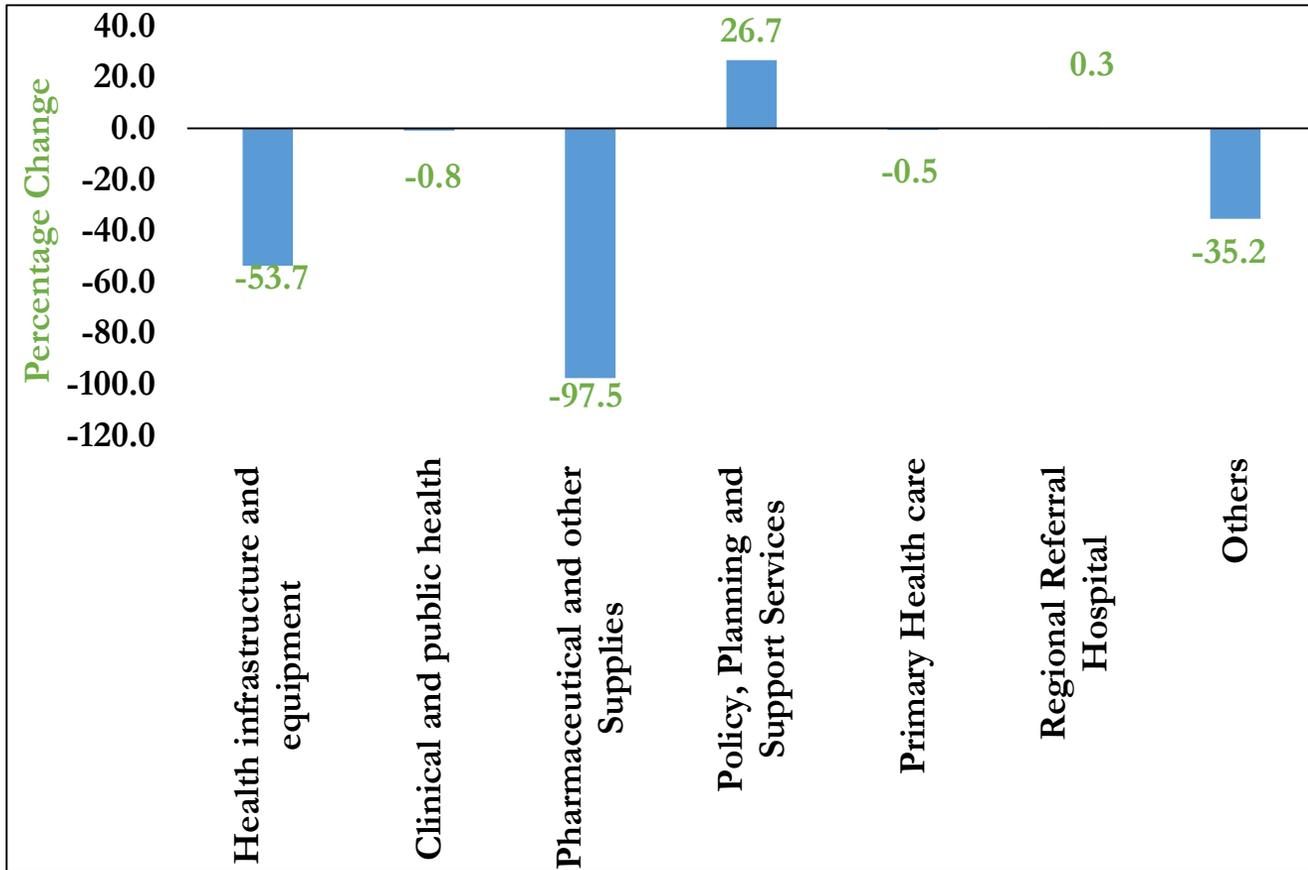
### Programme Nominal Allocations FY 2020/21 (UGX Billion)



### Programme Share allocation FY 2020/21



## Percentage Change in allocations between FY 2019/20 and FY 2020/21

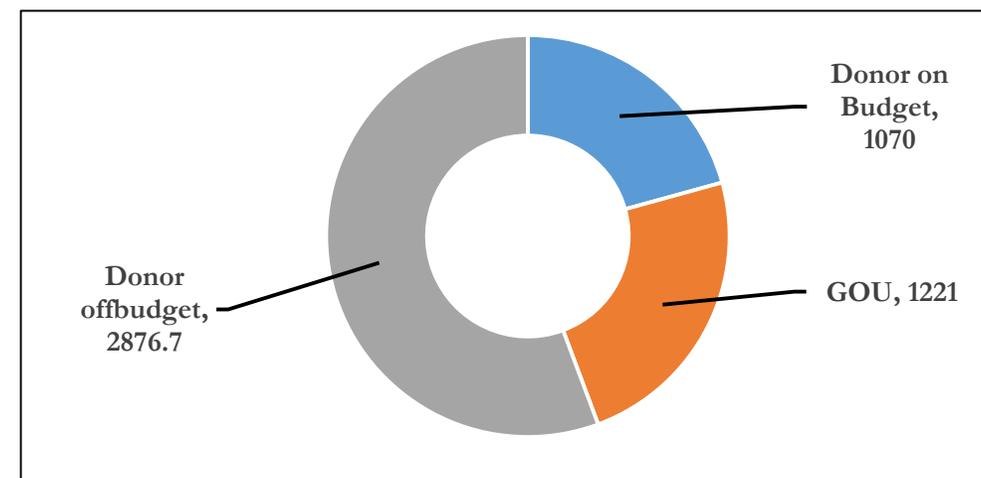


- Significant cuts in pharmaceutical supplies(97.5%),Health infrastructure(53.7%), equipment, Policy, planning and services(26.7%) and others(35%)
- Only allocation to Regional Referral Hospitals marginally increased by 0.3%

**SOURCE: NBFP 2020/21**

# Health Development partners' contributions in 2019

Government	Donor funding
Primary Health Care (PHC); Wages(43.7%) of which (79.2%) for wage expenditure, Non wages (7.4%), Dev'pt 13.4%	HIV/AIDS (65%)
Pharmaceutical and other health supplies (20.5%)	Malaria (8.4%)
Referral hospitals(15%)	Reproductive, Maternal, Neonatal and Child Health (6%)
Others (20.8%) Clinical services,RMNCH,Others)	Others (20.6%) Refugee community health,Essential drugs and supply chain and others



- In the FY 2018/19, donors' contributions accounted for 76% of the total health sector resource envelope, excluding private contributions.
- Out of 3,945 billion, only 27% was on budget support while 73% of the donor was off budget support
- Hence there is lack of a system for tracking off-budget commitments has been adversely impacting the delivery of health services through poor project implementation in the Health sector

- 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 for example Cancer services account for 2% of the Budget allocation

### **Leveraging points for the Government**

- 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

THANK YOU