



CSBAG Position paper on Health Sector BFP FY 2016/17

About CSBAG

Civil Society Budget Advocacy Group (CSBAG) is a coalition formed in 2004 to bring together civil society actors at national and district Levels to influence Government decisions on resources mobilization and utilization for equitable, gender responsive and sustainable development.

Since 2004, CSOs under the umbrella of CSBAG have engaged Government in influencing the budget process to ensure that both the local and national budgets address the needs and aspirations of the poor and marginalized groups of people in Uganda.

Introduction

The health sector is critical in that it supports Human Capital Development and thus economic growth and development. The sector objectives that guide resource allocation are to reduce morbidity and mortality from the major causes of ill health and premature death and reduce disparities therein.

The health sector budget in the FY 2016/17 is designed to help achieve the three sector outcomes of; i) Increased deliveries ii) Children under one year old protected against life threatening diseases and iii) Health facilities receive adequate stocks of essential medicines and health supplies.

Uganda's health sector has registered improvement in key health sector indicators. For instance, under five mortality rate has fallen from 169.5 per 1,000 live births to 54.5 in the last two decades. The contribution of the health services activities to the total GDP at current prices was estimated at 3.5 percent in FY 2014/15 compared to 3.3 percent in 2013/14.

The health sector is expected to receive 1.385¹ trillion in FY 2016/17(7% of the FY budget) from UGX 1270.8 trillion in FY 2015/16(7% of the FY budget) reflecting an 8.99% increase in budget allocation.

The FY 2016/17 budget will focus on improving Health Service delivery in the following key areas:

- i). Continue with the provision of adequate essential drugs in all health centers;
- ii). Health infrastructure development with specific attention on continued rehabilitation, equipping and functionalization of health facilities including district Hospitals and HCIIIs in all Sub counties;
- iii). Strengthening Human resources for Health, including community extension workers and development of specialized care in heart and cancer;

¹ Exclusive of Non Tax Revenue

- iv). Strengthening the national referral system, including establishment of regional offices and operational structures and a fleet of ambulance vehicles, equipment and supplies;
- v). Enhancing preventive health care, with particular focus on mass malaria screening, testing, treatment and larviciding as well as investing in sanitation at household, community and institutional levels;
- vi). Address the challenge of health financing, by fast tracking establishment of the National Health Insurance Scheme and provision of a Medical Credit Fund for private health sector players; and
- vii). Provision of family planning services to address the challenge of high fertility rates and its implications on other health indicators such as infant and maternal mortality rates.

Health sector Budget for FY 2016/17

Table 1: Health sector Total budget by revenue source (Bn UGX)

			2015/16	MTEF Projections
		2014/15 Outturn	Approved budget	2016/17
Recurrent	Wage	273.916	330.916	330.916
	Non-wage	328.409	396.838	388.552
Development	GOU	69.695	86.214	86.714
	Ext. Fin	52.687	451.940	580.552
GOU Total		672.020	813.969	806.182
Total GOU +Ext Fin(MTEF)		724.707	1,265.909	1,386.735
Non Tax Revenue		0.000	17.900	21.053
Grand Total		724.707	1,283.808	1,407.788

Source: National Budget Framework Paper FY 2016/17

In the figure above, the wage budget remained constant from FY 2015/16 at UGX 330.916bn and the non-wage budget reduced by 2.08% from UGX 396.838bn to UGX 388.552bn. The GOU financing to the sector reduced slightly from UGX 813.969bn to UGX 806.182bn by 0.95%. The overall budget to the sector (inclusive of NTR) increased by 9.66% from UGX 1,283.808 in FY 2015/16 to the projected budget for FY 2016/17 of UGX 1,407.788bn. Donor financing to the sector constitutes 72% of the sector's development budget and thus places Government at the hands of donor terms and conditions as well as availability of funds to execute this FY's budget.

Past Expenditure and Medium Term Projections by Vote Functions

	2014/15 Outturn	2015/16	2016/17
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Vote 014:Ministry of Health	39.591	539.563	647.272
Vote 107 :Uganda AIDS Commission	5.266	7.748	7.748
Vote 114:Uganda Cancer Institute	6.481	17.133	40.203
Vote: 115 Uganda Heart Institute	4.909	14.491	17.265
Vote: 116 National Medical Stores	219.374	218.614	218.614
Vote: 122 Kampala Capital City Authority	4.726	9.719	8.602
Vote: 134 Health Service Commission	3.44	4.271	4.271
Vote: 151 Uganda Blood Transfusion Service (UBTS)	3.234	8.703	8.703
Vote: 161 Mulago Hospital Complex	35.793	11.461	47.123
Vote: 162 Butabika Hospital Referral Hospitals	8.306	9.77	10.27
	64.258	85.875	81.412
Vote: 500 501-850 Local Governments-Primary Health care	276.643	319.155	316.303
Total Sector Budget	672.02	1,283.81	1,407.79

Source: National Budget Framework Paper FY 2016/17

From the table above, the Ministry of Health will receive a 20% increase in health budget from UGX 539.563bn to UGX 647.272bn in FY 2016/17. Uganda AIDS Commission and Health Service Commission budgets remain the same in FY 2016/17. Notably Uganda Cancer Institute will receive the greatest increase in the sector budget with a 135% increase in budget allocation in FY 2016/17 from UGX 17.133bn in FY 2015/16 to UGX 40.203bn in FY 2016/17.

The Ministry of Health will receive the highest funding at UGX 647.272 (45.98%) and Local Governments are proposed to receive the second largest share 22.26 % (UGX 316.303bn) funding in the sector.

Compliance to NDP and Gender:

The sector does not specifically detail its gender mainstreaming priorities for FY 2016/17 and performance for FY 2015/16. However in FY 2015/16, the sector immunized 102.4% of children under one year with the 3rd dose of Pentavalent vaccine while those immunized against measles was 90% contributes to reduced health care by parents majority of whom are women due to their unpaid care work role.

FY 2016/17 Performance Targets

- i. As part of its FY 2016/17 performance targets under Outcome 1, the sector intends to increase the proportion of deliveries in health facilities (including health centres and hospitals, public and private Not For Profit) from 33 in 2013 to 56 in 2016/17.
- ii. Number of family planning users attended to in all the referral hospitals² will increase from 98,176 users from 2015/16 to 122,615 users in FY 2016/17.

4.1 Alignment of BFP 2016/17 Financing to NDP II Public Costing

Bn shs	Wage	Non-wage	Devt	Total
NDP II	520	357	1,069	1,946
BFP 2016/17	330.916	388.552	667.266	1,407.788*

Source: National Budget Framework Paper FY 2016/17

*Inclusive of Non Tax Revenue

Considering the forecast spending for NDP II, the FY 2016/17 budget falls short of the NDP II public costing by UGX 401.734(26.64%).The major cause for discrepancy is financing for development that falls short by UGX 401.734bn (37.6%).CSBAG recommends that this funding for the sector be made commensurate to stipulated NDP II costing to achieve the medium term sector objectives.

Allocations to Class of Output over the Medium Term

Bn Uganda shillings	2015/16		2016/17	
	Allocation	Sector share	Allocation	Sector share
Consumption Expenditure(outputs provided)	662.4	68.7%	693.8	63.6%
Grants and Subsidies(outputs funded)	16.9	1.8%	16.2	1.5%
Investment(capital Purchases)	285.4	29.6%	381.5	34.9%
Total	964.7	100.0%	1,091.5	100.0%

In expenditure terms, in FY 2015/16, the sector plans to spend UGX 964.7bn in FY 2015/16 with 68.7% in consumption expenditure, 1.8% (UGX 16.9bn) for grants and subsidies; and UGX 285.4bn for investment (29.6%). In 2016/17, Government plans to utilize the bulk of its expenditure-UGX 693.8bn for consumption expenditure, translating into 63.6% of Government expenditure; UGX 16.2bn (1.5%) for grants and subsidies and UGX 381.5bn for capital purchases.

² Naguru, Arua, Fort Portal, Gulu, Hoima, Jinja, Kabale, Masaka, Mbale, Lira, Mbarara, Mubende, Moroto

Sector Issues:

1 Limited staffing in the sector

Low staffing remains a challenge in the sector. The current staffing needs in the sector amount to 60,384 personell for MoH headquarters, National Referral Hospitals, 3 central specialized institutions, 14 Regional Referral Hospitals (RRH), 47 General Hospitals (GH), 166 HC IVs, 962 HC IIIs and 1,321 HC IIs according to the Annual Health Sector Budget Performance Report FY 2014/15. The current staffing in the sector is 42,530 amounting to 17,854 staffing gap. In FY 2015/16, Government planned for recruitment of 800 health workers in Central Government Health Institutions to cope with the rising population, of which 55 health workers had been recruited by September 2015. In FY 2016/17, Government also plans to undertake recruitment of 850 health workers for Government health institutions that would only reduce the staffing gap to 16,734.

Recommendation

CSOS urge Government to prioritize recruitment of more staff in the health sector particularly qualified health workers to enhance sectoral performance.

2 Delays in Institutionalizing the National Health Insurance Scheme

A National Insurance Scheme is necessary for providing much needed affordable access to health care particularly by poor persons in Uganda; diversification of health care financing and bridging the financing gap for health care in the sector. Despite Government plans to institute a compulsory public Social Health Insurance (SHI) scheme ,the National Health Insurance Bill 2007,still awaits issuance of a certificate of financial implication by the Ministry of Finance as of 2015.

Recommendation

Urge Government to fast track the institutionalizing of the National Insurance Scheme to provide affordable health care to all Ugandans.

3 Failure to prioritize Hospital Rehabilitation and Machinery Repair

Rehabilitation and maintenance of equipment is critical in ensuring sustainability of machinery to prevent unnecessary stalling of provision of health care to citizens. In FY 2016/17, UGX 33.18 bn is required as additional funding for counterpart funding and VAT obligations for Government arising out of MOU agreements between Government and development partners. These include:

- UGX 2.6bn for VAT incurred on rehabilitation of hospitals and supply of medical equipment in the Western region of Uganda
- UGX 15.9bn arising out of the change in VAT policy and Ushs 4.8 bn counterpart funding obligations for Support to Mulago rehabilitation (kawempe, kirudu) which is scheduled to end in December 2016.
- Ushs 9.88bn is for Counterpart funding on civil works during construction of Maternal and Neonatal health care unit at Mulago.

In addition, delays in the recruitment process of the necessary staff by the Health Service Commission has resulted in failure to fully operationalize and maintain the specialized equipment.

Recommendation

- Government should impose a VAT exemption in on hospital rehabilitation and equipment maintenance in the new Government policy on payment of VAT on Government projects
- We recommend that Government prioritizes allocation to footing counterpart funding in accordance with MOU agreements signed with development partners.

4 Limited Transfers to Local Governments for Provision of Primary Health Care Services

Only Ushs 44.99bn has been allocated as recurrent budget to run Health service delivery through provision of Primary Health care services in 137 LGs with 56 General Hospitals, 61 PNFP Hospitals and 4,205 Lower Level Health Units. Despite rising inflation resulting in increased cost of utilities; PHC funding has not been matched by commensurate increases in the budgets of the health institutions. This is further compounded by the fact that a number of health facilities have a budget of less than Ushs 90,000 per month (excluding medicines) to deliver all the required services including utility payment, community outreaches, and health centre maintenance and support staff salaries. A short study undertaken by the Ministry indicates that to enhance health service delivery in the Local Governments, an additional Ushs 39.5 bn is required to make the current facilities to operate at a reasonable level. While Government provided an additional Ushs 4.7bn in FY 2015/16, LGs need another Ushs 35bn to be provided.

Recommendations

- CSOs urge Government to allocate UGX 35bn to Local Governments to cater for provision of adequate Primary Health Care Services

6 Limited financing to curb HIV/AIDS prevalence

The World bank estimates the HIV/AIDS prevalence rate for people aged 15–49 years in Uganda as slowly rising from 6.5% in 2009 to 7.3% in 2014. Despite the growing HIV/AIDS prevalence, the sector in FY 2016/17 has grossly under prioritized financing for HIV/AIDS alleviation. It has a funding gap of 350 m for research on HIV Therapy resistance, UGX 600 m for the Population HIV Impact assessment Survey and a funding gap for Anti- Retroviral (ARVs) amounting to UGX 151bn to roll out 2013 treatment guidelines that shifted the treatment starting point from 350 to 500 CD4 cells starting point from 350 to 500 CD4 cells.

Under Ministry of Health, in FY 2016/17 plans to institute an AIDS Trust Fund based on the Regulations as passed by Parliament are underway.

Recommendations

- Government should allocate more funding for curbing the HIV prevalence rate in the country.
- Government should fast track efforts to operationalize the AIDS Trust Fund by FY 2016/17 whose regulations were being discussed by MoH as of September 2015.

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