



CSO POSITION PAPER ON THE HEALTH SECTOR BUDGET FY2018/19

*The paper is based on the analysis of the FY 2018/19 Ministerial
Policy Statement for the Health Sector FY2018/19*



**Developed by the Civil Society Budget Advocacy Group and Submitted to the
Parliament Committee on Health sector.**

12th April 2018

Background

In line with Sect 9 (1), (5), (7) and (8) of the Public Finance Management (PFM) Act 2015 (as amended), we the CSOs under the CSBAG Health Thematic Working Group present the CSO perspectives on the Health Sector Ministerial Policy Statement for FY 2018/19. This is a joint CSO under the umbrella of the Civil Society Budget Advocacy Group (CSBAG). CSBAG would like to recognize the following CSOs for their explicit contribution towards the development of this Position Paper; Reproductive Health Uganda (RHU), World Vision, National Union of Disabled Persons of Uganda (NUDIPU), HEPS Uganda and GOAL.

1.0 Introduction

The health sector is critical in the attainment of the Uganda Vision 2040 through the production of a healthy and productive population. Health sector financing and performance are hinged on the strategic directives set out in the Health Sector Development Plan (HSDP) 2015/16 - 2019/20. We recognize that FY 2018/19 marks the midterm period for the HSDP which is a critical point of reflection of how the sector has performed since the Plan's commencement. The FY2018/19 also marks the second to last year of the NDPII.

The sector's strategic objectives for FY2018/19 will place emphasis on disease prevention measures at household and community level, recruitment and training of critical health staff, reduction in congestion in health facilities, and improvement in doctor-patient ratio, among others.

2.0 Health Sector Performance in FY 2016/17

There has been an improved output performance of the Sector from the previous FY from 25.5% in 2015/16 to 45% in 2016/17.¹ However, the performance remains on the lower end. Out of 27 output indicators, 30% were achieved, 19% were not achieved and 52% were not assessed due to insufficient data.²

A number of key NDPII outcome targets for FY2016/17 were achieved and/or surpassed. These include: maternal mortality rate per 100,000 live births was at 336 against a target of 394, and infant mortality per 1000 live births was at 43 against the target of 44. However, the overall health sector compliance to the NDPII declined from 52.9 in FY2015/16 to 51 in FY2016/17.

There has been a significant decline in the under-five mortality rate from 90 per 1,000 live births (2011) to 64 per 1,000 live births in 2016,³ an achievement of the NDPII target of 64 deaths per 1000 live births by 2020. The Infant Mortality Rate (IMR) stands at 43 per 1,000 (UDHS 2016), a significant improvement from IMR of 54 per 1,000 live births (UDHS 2011). Maternal Mortality Ratio reduced from 438 per 100,000 (UDHS 2011) to 336 per 100,000 (UDHS 2016) live births, although this is still far below the HSDP target of 121 per 100,000 live births by 2020. However, Neonatal Mortality Rate stagnated at 27 per 1,000 live births falling short of the HSDP target of 16 per 1,000 live births.⁴

3.0 Health Sector Financing FY 2018/19

We commend the increment in the total sector budget from **971.740** bn in FY2017/18 to **1,050.291** bn in FY2018/19 and also the increment in the Uganda Reproductive Maternal and Child Health

¹ Office of the Prime Minister (OPM), Financial Year 2016/17 Government Annual Performance Report (GAPR), p. x.

² Ibid.

³ Uganda Demographic Health Survey, 2016.

⁴ Ibid.

Services Improvement Project from 41.81m to 83.4m in the same period. This project intends to: (a) improve utilization of essential health services with a focus on reproductive, maternal, newborn, child, and adolescent health services in target districts; and (b) scale-up birth and death registration services. We anticipate that this increased financing will continue to reduce the maternal mortality rates.

3.1 Alignment of financing to NDPII projections

The sector's proposed financing for FY2018/19 falls short of the NDPII public costing for the FY. The total sector budget falls below the NDPII GOU costing likewise falls short of the NDPII costing of UGX2,712.5 bn to UGX**2,277.87 bn** by UGX 434.63 bn

Intra-Sectoral Financing

Vote	2016/17 In billion	2017/18 In billion	2018/19 In billion	% of FY2018/19 sector budget	The change between 2017/18 and 2018/19 (Bn)	% Change
Vote:014 Ministry of Health	626.482	971.74	1,050.29	46	78.55	7
Vote:114 Uganda Cancer Institute	15.406	52.205	93.052	4	40.85	44
Vote:115 Uganda Heart Institute	15.347	18.012	19.497	1	1.49	8
Vote:116 National Medical Stores	264.964	237.964	300.094	13	62.13	21
Vote:134 Health Service Commission	5.11	5.421	5.204	0	-0.22	-4
Vote:151 Uganda Blood Transfusion Service (UBTS)	8.424	9.441	20.172	1	10.73	53
Vote:161 Mulago Hospital Complex	64.346	73.514	92.506	4	18.99	21
Vote:162 Butabika Hospital	11.541	12.52	14.752	1	2.23	15
Referral Hospitals	84.162	95.6	129.283	6	33.68	26
Vote:304 Uganda Virus Research Institute (UVRI)	1.519	1.833	7.377	0	5.54	75
Vote:500 501-850 Local Governments	340.46	343.233	545.639	25	202.41	37
Total Health Sector Budget (excluding KCCA vote)	1437.761	1821.483	2,277.87	103	456.38	20

Source: The Health sector Ministerial Policy Statement FY 2018/19

We commend the increment of budget allocation as shown in the table above:

- I. Uganda Heart Institute's budget is proposed to increase from 18.012bn in FY2017/18 to **19.497** bn in FY2018/19. In the year under review, 536,361,672 bn has been allocated to fill the 22 vacant posts that have been cleared
- II. Uganda Blood Transfusion Services (UBTS) will experience an increment in its budget from UGX 9.4bn in FY2017/18 to UGX**20.172** bn in FY 2018/19. The wages and salaries budget has been increased from UGX3.204 in FY2017/18 to UGX4.822 bn in 2018/19. In addition, Government has allocated 881,963,760 bn to fill the cleared vacant 75 positions in the FY2018/19.
- III. The funding for Uganda Cancer Institute has been increased from UGX2.2bn in FY2017/18 to UGX93.052 bn in FY2018/19. There is a proposed tremendous increment for supplies and services from UGX0.470 in FY2017/18 to UGX7.408 in FY18/19, and UGX194,295,744 has been allocated to fill the vacant 17 posts. This partly explains the increase in the wage bill from UGX5.038 in FY2017/18 to UGX6.494 in FY2018/19
- IV. We have also noted a 26% (UGX33.7bn) increment allocation to the 14 referral hospitals from UGX95.6 in FY2017/18 to UGX129.3 in FY 2018/19.
- V. However, we note with concern that though the wage budget for Mulago Hospital Complex has increased from UGX25.427 bn in FY2017/18 to UGX36.522bn in FY2018/19, only 28 positions have been cleared to be filled in FY2018/19 out of 202 vacant positions. And UGX294,022,800 bn have been allocated to fill the 28 positions

⁵ Office of the Prime Minister (OPM), FY 2016/17 Government Annual Performance Report (GAPR), p. 62.

CSO Concerns

Persistent Stock out of Essential Medicines and Health Supplies (EMHS) and other drugs at Health Facilities

The Annual Health Sector Performance Report 2016 highlights challenges including stocks outs of key commodities at the facility level and funding gaps for ARVs, antimalarial, chemistry and haematology laboratory reagents in the public sector.

According to the FY 2016/17 Government Annual Performance Report (GAPR), there are continued stock-outs of drugs and supplies at different levels in the health system. This countrywide problem has raised by people and highlighted in Baraza reports, the main concern being deaths attributed to treatable diseases like malaria due to failure to access drugs in public health facilities although the NMS warehouse is fully stocked with drugs.⁵ The Report also notes that there have been persistent complaints from health facilities that they are supplied with drugs which they do not require even when specific requests are made in advance to NMS.⁶

We, therefore, commend the increment on output 224- Supplies and Services under Vote 116: National Medical Stores from UGX**237.964** bn in FY2017/18 to **255.239** bn in FY 2018/19.

However, we bring to your attention the MoH Pharmacy Division Overview of 2017 Reproductive Maternal New-Born Child and Adolescent Health (RMNCAH) Forecasting and Supply Planning Report indicates a gap of US\$8 million as a funding gap of reproductive health commodities in FY2017/218 after government allocations and donor funding.⁷ This is projected to increase to more than US\$31 million for

⁶ Ibid.

⁷ Ministry of Health, Pharmacy Division Overview of 2017 Reproductive Maternal New-Born Child and

FY2018/19 if external donors do not commit funds for the year. The biggest gap remains on the procurement of Mama Kits and family planning commodities including condoms.⁸

With regard to ARVs, while the global UNAIDS test and treat policy target of 90-90-90 towards HIV epidemic control is currently being implemented in Uganda for persons who test positive for HIV,⁹ inadequate HIV financing continues to hamper its achievement. This is due to continued limited funding to meet the continuum of care and support positive living among persons living with HIV/AIDS (PLHAs) which has led to stock out of ARVs. The MPS indicates that the funding gap for ARVs after discounting the funding from the Global Fund and current Government of Uganda funding stands at UGX116bn. The ministry calls for a holistic approach to ensure

sustainability of the Test and Treat Policy/strategy.

The government committed to allocating UGX 18 bn (US\$5 million) in the next FYs during the Family Planning 2020 London Summit that was renewed last year. However, according to the Ministry of Health Stock Status Report 1 February 2018, NMS experienced stock-outs of Reproductive Health Commodities since January and no commodities expected up to June 2018.

According to the Annual Health Sector Performance Report 2016, only 55% of the country's health facilities reported that they had over 95% availability of the basket of commodities of the 41 tracer medicines, with more than a quarter of health facilities experiencing a stock out.

TABLE 1: AVAILABILITY FOR THE 41 TRACER MEDICINES FY 2016/17

%ge of facilities with over 95% availability									
Basket	Jul- Sept 2016		Oct-Dec 2016		Jan-Mar 2017		Apr-Jun 2017		Overall average
	%	N	%	N	%	N	%	N	%
EMHS	51	3863	62	3988	49	3530	50	3590	53
ARV	55	1924	68	3059	49	1902	50	1951	55
LAB	52	1574	59	3916	51	3423	50	3486	53
RMNCAH	51	3627	57	3978	49	3527	47	3578	51
TB	60	3749	75	2857	55	1557	53	1623	61
Overall Average	54		64		50		50		55

Source: Annual Health Sector Performance Report FY 2016/17

The above table illustrates that 45% of the country's health facilities had less than 95% of ARVs as required.

Recommendations

1. We reiterate that NMS and MoH should ensure that drugs are supplied to all health facilities in accordance with the needs of the people.

2. We recommend part of the increment on out 224- Supplies and Services under Vote 116: National Medical Stores be allocated to cover the UGX18 bn to FP/RH commodities as committed in the FP2020 Government commitments

Adolescent Health (RMNCAH) Forecasting and Supply Planning Report, December 2017.

⁸ Ibid.

⁹ Ministry of Health, Annual Health Sector Performance Report FY 2016/17 at p. 56.

3. We also reiterate our call to Government to operationalize the HIV/AIDS Trust Fund that can help to bridge the funding gap of UGX116bn

Limited Financing for Disability and Rehabilitation Services

Article 25 of the Convention of the Rights of Persons with Disability (CRPD) requires States Parties to ensure access for Persons with Disabilities to health services that are gender-sensitive, affordable, and within proximity to their communities including health-related rehabilitation. However, critical medical equipment including adjustable beds, special creams for albinos,

assistive devices remains scarce thus denying PWDs access to effective health service delivery.

Inadequate funding for rehabilitation programs especially for children with disabilities and eye health problems remains a challenge. Furthermore, these rehabilitation programs often times target adults and exclude children. The financing for Community Health which houses the Disability and Rehabilitation Division¹⁰ under the Ministry of Health has a budget cut from UGX 3.1bn in FY 2014/15 to UGX 2.094bn in FY 2017/18 as detailed below:

Table 2: Financing for Community Health Program under the Ministry of Health FY 2015/16-FY 2016/17

	Approved budget ('000) UGX	Released budget	% of Budget released	Budget spent
FY 2014/15	3,112,000	2,140,000	69%	2,090,000
FY 2015/16	3,198,324	3,198,324	100%	3,120,000
FY 2016/17	3,259,000	2,940,000	90%	2,720,000
FY 2017/18	2,094,000	-	-	-

Source: Ministerial Policy Statements FYs 2014/15 – FY 2016/17

The financing for FY 2018/19 is further anticipated to reduce to 1,129,698 from 2,094,000 in FY 2018/19.

Recommendation

1. CSOs recommend inclusion of a module highlighting care for Persons with Disability to cater for among others, sign language to provide them with equitable effective health care.
2. The need for increased financing to cater for the effective operationalization of the Disability and Rehabilitation Program including assistive device production, for example, hearing mould laboratories in Kyambogo University and Mulago hospitals and recruitment and retention

of orthopaedic technicians; namely physiotherapists, orthopaedics, technicians, optometrists and ophthalmologists.

Stagnant funding to Butabika Hospital despite increasing mental health cases

The total number of admission and outpatient numbers for the hospital increased from 57,338 patients in FY2015/16 to 78,803 patients in FY 2016/17¹¹. Despite this, the budget for the hospital has been increased by only 15% from UGX12.520bn in FY2017/18 to

¹⁰ This program caters for, among others provision of assistive devices such as wheelchairs, trainings for rehabilitative personnel namely physiotherapists, orthopedics, technicians, optometrists and ophthalmologists.

¹¹ The Annual Health Sector Performance Report FY 2016/17

UGX**14.752** bn in FY2018/19. Furthermore, the budget for supplies has reduced from UGX1.145bn in FY 2017/18 to UGX1.045bn in FY2018/19, yet there have been complaints of side effects of cheap drugs procured by the hospital in an effort to provide mental health services within the given budgetary constraints¹².

For example, the hospital is forced to procure Largactil, a cheap drug to treat mental illness but has known side effects including drowsiness and limited attention span. This ultimately affects people's ability to live productively. Additionally only 29 out of the 57 vacant positions have been cleared to be filled in FY2018/19.

Recommendations

1. **Increase financing for supplies including medicines, capital purchases such as X-ray services and beds to accommodate the increasing number of mental health cases, starting with at least doubling the budget for **224 Supplies and Services** from the proposed UGX1.045bn in FY2018/19 to at least UGX2bn.**

Limited financing for Research and Development

Health research has high value to society, it provides important information about disease trends and risk factors, outcomes of treatment or public health interventions, and health care costs and use. CSOs are concerned about the limited financing for research where we note that the financing for research is expected to increase marginally from UGX 1.04bn in 2017/18 to UGX **1.492** in FY 2018/19. This financing will support Uganda National Health Research Organization (UNHRO), Natural Chemotherapeutics Research Institute, and Malaria Research Centre (MRC) with wage and non-wage expenditures. This research is

likewise critical in facilitating the National Disease Control program.

Recommendations

1. **We urge that research financing be increased to at least UGX 5bn to augment the sector's efforts to prevent and combat disease, among others. This financing can also cater for research on non-communicable diseases, Neuroscience and Mental Health, and Biomedical engineering, Biologics and technology-assisted innovations, among others.**

Delayed enactment of critical health bills

An enabling policy and legal environment support the smooth implementation of government programs. Whereas there are a number of existent health policies, plans and strategies, the health sector still has numerous legislations which require enactment. It is therefore of concern that under Policy, Planning and Support Services, the Ministry intends to focus its energies on annual plans, budgets, performance reports and monthly HMIS reporting. No clear performance indicator and budgetary allocation is made for the finalisation and presentation of critical legislation before the Parliament. These include:

National Health Insurance Bill 2014

- I. Mental Health Bill, 2014
- II. The Food and Drug Authority (FDA) Bill, 2010
- III. The Uganda National Health Laboratory Services Bill, 2016
- IV. The Indigenous and Complementary Medicines Bill, 2015

¹² <http://observer.ug/news/headlines/56465-mental-health-patients-battling-cheap-medication-side-effects.html>

Recommendations

1. We commend the Parliamentary Committee on Health for its keen interest in following up on these bills. We, however, call for fast-tracking of these consultations and debates before Parliament.

Critical Emerging Issues

There are other issues not highlighted in the MPS though they are critical in ensuring equitable and quality health care. These are detailed below:

The high cost of destruction of expired drugs

In February 2018, the Ministry of Health announced that over 1,200 tonnes of expired drugs and other health supplies will be destroyed from 6,619 health centres to create space for adequate storage of medicines and other health supplies. The cost implication in the destruction of these drugs is extremely high which funds could have been utilized to improve health care through increasing access to health care services. This high cost may in part be attributed to delays in distribution of drugs by NMS to 649 health centres amounting to UGX 3.590bn at the end of FY 2016/17.

Recommendations

1. CSOs recommend proper planning by the National Medical Stores through factoring in the time taken to procure and distribute these drugs. These drugs should have a minimum of years' shelf life to avoid expiring before their use
2. CSOs further recommend that electronic drug monitoring systems be established right from delivery to prescription and dispensing to patients. This will promote timely detection of the status of these drugs to enable reliable forecasts of the populations' drug requirements, level of drug stock-outs and expiry per facility.

3. There is a need for distribution of commodities on a demand basis to reduce wastage.
4. CSOs recommend increased fund allocation to the redistribution strategy of drugs within and between districts
5. NMS should ensure that the expired medicines are disposed of as soon as possible

High prevalence of fake drugs on the market

Access to the relevant and quality drugs is crucial for achieving a healthy and productive population. CSOs are concerned about the rising emergence of fake drugs on the market including the cancer drugs and the recent uncovering of fake Hepatitis B vaccines in 4 districts¹³. This is due to the numerous unlicensed suppliers that are allowed to operate in the country. To make matters worse, the public was only apprised of the situation after various vaccination camps were organized and vaccines sold. This undoubtedly puts the lives of Ugandan citizens in danger.

Recommendations

1. We recommend that NDA takes specific measures to penalize institutions and people that are discovered to be selling and distributing these fake vaccines
2. Appropriate funding be allocated for agencies mandated to conduct monitoring and review of drugs produced and imported into the country including NDA, Uganda National Bureau of Standards and Kampala City Council Authority
3. Massive public sensitization campaigns should be conducted by NDA on how to spot fake drugs particularly those that may be easily duplicated should be prioritized to protect the lives of Ugandan consumer

¹³ Mbarara, Mbale, Wakiso and Kampala centres

Summary of Issues and CSO Recommendations		
SN	Issues	Recommendations
1	Persistent Stock out of Essential Medicines and Health Supplies (EMHS) and other drugs at Health Facilities	<p>I. We reiterate that NMS and MoH should ensure that drugs are supplied to all health facilities in accordance to the needs of the people.</p> <p>II. We recommend part of the increment on out 224- Supplies and Services under Vote 116: National Medical Stores be allocated to cover the UGX18 bn to FP/RH commodities as committed in the FP2020 Government commitments</p> <p>II. We also reiterate our call to Government to operationalise the HIV/AIDS Trust Fund that can help to bridge the funding gap of UGX116bn</p>
2	Limited Financing for Disability and Rehabilitation Services	<p>I. CSOs recommend inclusion of a module highlighting care for Persons with Disability to cater for among others, sign language to provide them with equitable effective healthcare</p> <p>II. Increase financing to cater for the effective operationalization of the Disability and Rehabilitation Program including assistive device production, for example, hearing mould laboratories in Kyambogo University and Mulago hospitals and recruitment and retention of orthopaedic technicians; namely physiotherapists, orthopaedics, technicians, optometrists and ophthalmologists</p>
3	Stagnant funding to Butabika Hospital despite increasing mental health cases	<p>I. Increase financing for supplies including medicines, capital purchases such as X-ray services and beds to accommodate the increasing number of mental health cases, starting with at least doubling the budget for 224 Supplies and Services from the proposed UGX1.045bn in FY2018/19 to at least UGX2bn</p>
4	Limited financing for Research and Development	<p>II. We urge that research financing be increased to at least UGX 5bn to augment the sector's efforts to prevent and combat disease, among others. This financing can also cater for research on non-communicable diseases, Neuroscience and Mental Health, and Biomedical engineering, Biologics and technology-assisted innovations, among others.</p>
5	Delayed enactment of critical health bills	<p>II. We commend the Parliamentary Committee on Health for its keen interest in following up on these bills. We, however, call for fast-tracking of these consultations and debates before Parliament</p>

6	The high cost of destruction of expired drugs	<ul style="list-style-type: none"> I. CSOs recommend proper planning by the National Medical Stores through factoring in the time taken to procure and distribute these drugs. These drugs should have a minimum of years' shelf life to avoid expiring before their use II. CSOs further recommend that electronic drug monitoring systems be established right from delivery to prescription and dispensing to patients. This will promote timely detection of the status of these drugs to enable reliable forecasts of the populations' drug requirements, level of drug stock-outs and expiry per facility. III. There is a need for distribution of commodities on a demand basis to reduce wastage. IV. CSOs recommend increased fund allocation to the redistribution strategy of drugs within and between districts V. NMS should ensure that the expired medicines are disposed of as soon as possible
7	High prevalence of fake drugs on the market	<ul style="list-style-type: none"> I. We recommend that NDA takes specific measures to penalize institutions and people that are discovered to be selling and distributing these fake vaccines II. Appropriate funding be allocated for agencies mandated to conduct monitoring and review of drugs produced and imported into the country including NDA, Uganda National Bureau of Standards and Kampala City Council Authority III. Massive public sensitization campaigns should be conducted by NDA on how to spot fake drugs particularly those may be easily duplicated should be prioritized to protect the lives of Ugandan consumers

CONCLUSION

We note that the Health Sector is very important in our country. Though there are a number of issues which have been ignored and yet affect the livelihoods of the people. For instance, the persistent stock out of drugs, disposal of drugs due to expiry. However, one wonders, why there is poor planning, Is there need to increase financing in acquiring these drugs and many others? As the Civil Society Organizations recognize the government effort to increase financing to the sector for the last five years, however,

there is still more to be done in terms of Planning, accountability and transparency.

REFERENCES

1. Ministry of Health, Pharmacy Division Overview of 2017 Reproductive Maternal New-Born Child and Adolescent Health (RMNCAH) Forecasting and Supply Planning Report, December 2017.
2. Ministry of Health, Annual Health Sector Performance Report FY 2016/17 at p. 56.

3. Health Sector Ministerial Policy Statements FYs 2014/15 – FY 2018/19
4. <http://observer.ug/news/headlines/56465-mental-health-patients-battling-cheap-medication-side-effects.html>
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**For more information contact:
Civil Society Budget Advocacy Group
P.O. BOX 660, Ntinda
Plot 15, Vubya Close Ntinda Nakawa Stretcher Road
Tel: + 256755202154
E-mail: csbag@csbag.org**
