

CSBAG BUDGET NEWS



Global Funding Cuts Spark Call for Innovative Financing approaches for Uganda's Health care system



A doctor attending to patients in a health center in Kenya. Source (Commonwealth.org)

Uganda's health sector stands at a defining moment which was re-echoed during the National Dissemination Workshop on Health Financing at Protea Hotel and the 7th CSO Annual National Health Financing Forum at Four Points by Sheraton Hotel.

The government's allocation of **UGX 5.87 trillion** to health in the FY 2025/26 budget is almost double the previous year's funding is the largest in recent history, and a clear sign of renewed commitment to improving health outcomes. Yet behind this impressive figure lies a sobering reality: the health system remains fragile, overstretched, and underperforming. The real question is not just how much we spend, but how effectively we spend it – and whether those resources actually reach the ordinary Ugandan with urgent health care needs.

Despite the record funding, Uganda's health financing model continues to face deep structural weaknesses. The country spends just **USD 57** per person annually, far below the WHO's recommended **USD 86** for basic health services. Nearly **78%** of the Ministry of Health's budget still depends on donor contributions, leaving Uganda vulnerable to shifting global priorities. At the same time, the National Medical Stores continues to struggle with supply gaps worth **UGX 59 billion**, while essential medicines face a funding shortfall of **USD 478 million**. These challenges are worsened by inefficiency and waste – over **UGX 316 billion** worth of medicines expired last year alone, a staggering eightfold increase from the previous year.

The system also suffers from severe human resource gaps and non-functional equipment. Mulago National Referral Hospital operates with only **58%** of its approved staff, while most lower-level health centres run with less than one-third of the required workforce. The **UGX 20 billion** needed to maintain medical equipment remains largely unfunded, leaving hundreds of critical machines unrepaired and thousands missing from health facilities.

Meanwhile, families continue to bear the burden, with out-of-pocket spending rising from **UGX 2.21 trillion** to **UGX 2.30 trillion** in a single year. It is no surprise that many Ugandans bypass local clinics for distant, overcrowded hospitals, eroding public trust in the system.

Addressing these challenges requires more than increased funding – it calls for a complete rethink of how Uganda finances and manages health.

The government must lead this reform agenda by fast-tracking the National Health Insurance Scheme, whose delay has left millions without protection against medical costs which can be catered for.

Additionally, introducing sin taxes on alcohol, tobacco, and sugary drinks, as Kenya and Ghana have done, could generate new revenue for health while promoting healthier lifestyles. Strengthening domestic resource mobilization and committing to the Abuja Declaration target of allocating **15%** of the national budget to health should be non-negotiable priorities. Equally important is improving budget execution by ensuring timely disbursement and transparent tracking of funds.

Civil society also has a central role to play in this transformation. CSBAG has shown that citizen-led monitoring and evidence-based advocacy can influence real change – from exposing stockouts to prompting recruitment and infrastructure improvements.

CSOs must continue to organize community dialogues, budget tracking, and public accountability meetings to ensure citizens' voices shape the health priorities that affect their lives. A culture of transparency, preventive maintenance, and strong oversight from institutions such as the National Drug Authority will be key to ending leakages and restoring public confidence.

Uganda's record health budget is a welcome start – a down payment on the promise of better healthcare. But numbers alone will not save lives. What will truly make a difference is how wisely the funds are spent, how efficiently systems function, and how accountable every actor remains.

The gov't, civil society, and development partners work together to close financing gaps, curb waste, and strengthen accountability. Uganda can finally build a health system that is resilient, equitable, and capable of delivering quality care for every citizen.

CSBAG EVENTS

Event: Launch and Dissemination workshop of the 12th Annual Report on the State of Equal Opportunities in Uganda

Convener: Equal Opportunities Commission

Date: 4th November 2025

Venue: Hotel Africana



#PARTICIPATORYBUDGETING

CSBAG joined fellow civil society partners—including SEATINI Uganda, the Food Rights Alliance, the Center for Food and Adequate Living Rights and PELUM Uganda in a press conference. Under the theme, "We Need to Watch Out! CSOs Warn of a Looming Food Crisis as Uganda Enters Another Election Cycle,"

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SOURCE: Analysis of the Uganda National Budget FY2025/26: A Health Sector Perspective' (2025)