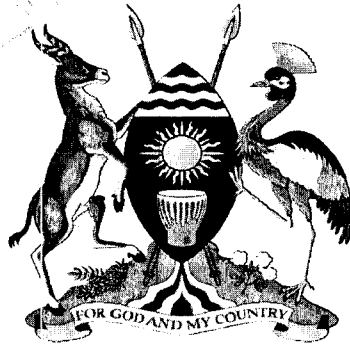
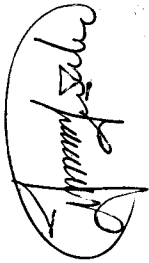


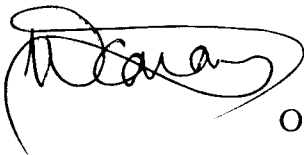
# PARLIAMENT OF UGANDA

20 APR 2022

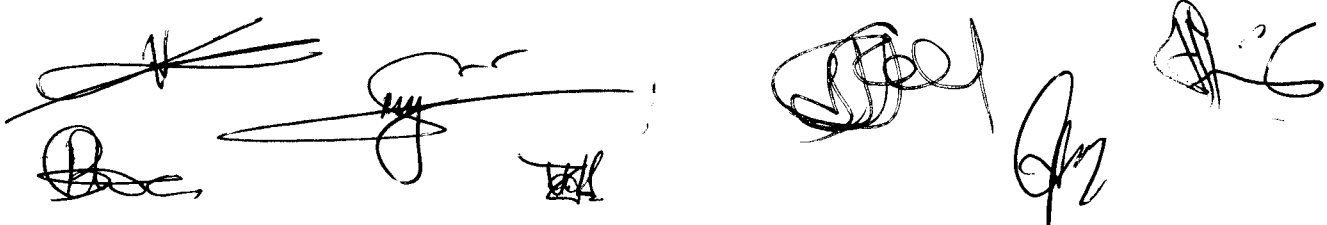


## REPORT OF THE PARLIAMENTARY COMMITTEE ON HEALTH ON THE HEALTH SECTOR MINISTERIAL POLICY STATEMENT AND BUDGET ESTIMATES FOR FY 2022/23

APRIL, 2022



OFFICE OF THE CLERK TO PARLIAMENT  
PARLIAMENT BUILDING  
KAMPALA-UGANDA



## 1. INTRODUCTION

Rt. Hon. Speaker and Honourable Members,

On 10<sup>th</sup> March, 2022, the Ministerial Policy Statement (MPS) and Budget Estimates (MPS) for the Health Component of the Human Capital Development Program for FY 2022/23 was laid before the House and referred to the Parliamentary Committee on Health for consideration in accordance with Section 13 (13) and Rule 146.

Consequently, the Committee considered and reviewed the policy statement in accordance with Rules; 149 and 189 of the Rules of Procedure and now reports.

### 1.1 Scope of the Health Sector

The Health Sub programme is among the components of the Human Capital Development Programme Cluster whose purview extends to all health related matters in the country.

The Health Sub programme Ministerial Policy Statement and Budget Estimates covers the 29 Votes/Ministries, Departments and Agencies under listed:-

Vote 014 Ministry of Health, Vote 114 Uganda Cancer Institute (UCI), Vote 115 Uganda Heart Institute (UHI), Vote 116 National Medical Stores (NMS), Vote 127, Uganda Virus Research Institute Vote 134 Health Service Commission (HSC), Vote 151 Uganda Blood Transfusion Services, Vote 401 Mulago National Referral Hospital, Vote 402 Butabika National Referral Hospital, Vote 403 Arua Regional Referral Hospital, Vote 404 Fort Portal Regional Referral Hospital, Vote 405 Gulu Regional Referral Hospital, Vote 406 Hoima Regional Referral Hospital, Vote 407 Jinja Regional Referral Hospital, Vote 408 Kabale Regional Referral Hospital, Vote 409 Masaka Regional Referral Hospital, Vote 410 Mbale Regional Referral Hospital, Vote 411 Soroti Regional Referral Hospital, Vote 412 Lira Regional Referral Hospital, Vote 413 Mbarara Regional Referral Hospital, Vote 414 Mubende Regional Referral Hospital, Vote 415 Moroto Regional Referral Hospital, Vote 416 Naguru National Referral Hospital, Vote 417 Kiruddu National Referral Hospital, Vote 418 Kawempe National Referral Hospital, Vote 419 Entebbe Regional Referral Hospital, Vote 420 Mulago

Specialized Women and Neonatal Hospital, 421 Kayunga Referral Hospital, 422 Yumbe Referral Hospital, and Vote 600-900 Local Governments.

## 1.2 Methodology

### Meetings

The Committee held meetings with the entities listed above, apart from local governments.

### Document Review

The Committee reviewed and made reference to the following documents:

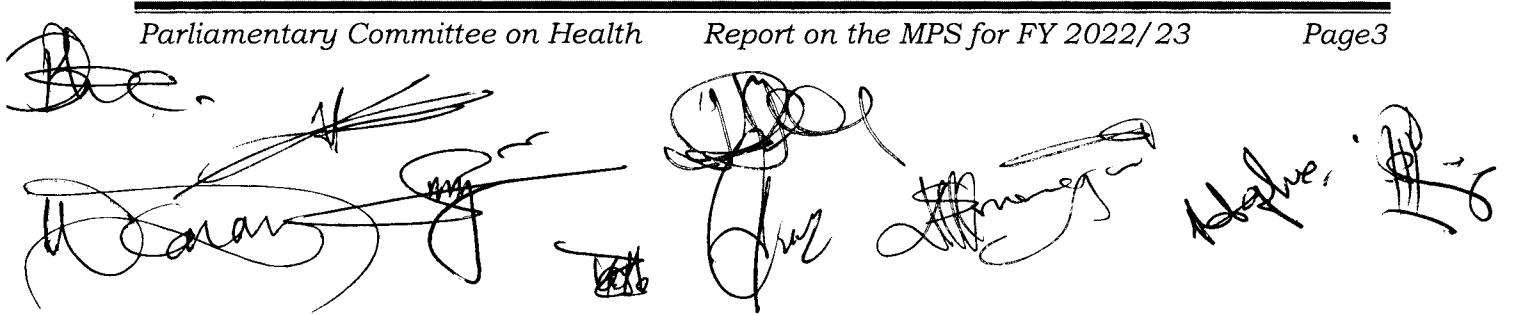
- Health Sub-programme Ministerial Policy Statement and Budget Estimates for FY 2022/23;
- National Development Plan III;
- The Programme Implementation Action Plan for the Human Capital Development Programme (HCDP)
- The report of the Budget Committee on the NBFP FY 2022/23 – 2026/27 and Annual Estimates FY 2022/23;
- The NBFP FY 2022/23 – 2026/27;
- The Health Committee Report on the Ministerial Budget Policy Statement FY 2021/22;
- The 2<sup>nd</sup> Budget Call Circular for preparation of BFP and Budget Strategy for FY 2022/23 and the medium term;
- The PFMA, 2015 (Amended);
- The Health Sector Annual Budget Performance Report FY 2020/21;
- The Half Year Macroeconomic & Fiscal Performance Report FY 2021/22; and  
Semi-Annual Budget Performance Report FY 2021/22.

### Field visits

The Committee undertook field visits to Lango, Teso, Greater Mubende, Rwenzori and Bunyoro to assess the state of health services. Findings from those visits informed scrutiny of the Ministerial Policy Statement.

## 1.3 Health Sub Programme Objectives

The following objectives have been outlined under Vote 014 Ministry of Health:



- Ensure effective health sector governance, management and coordination for Universal Health Coverage.
- Improve equitable access to nationally coordinated services for communicable and non-communicable disease/conditions prevention and control.
- To strengthen disease surveillance, disaster response and epidemic control and response at national and sub- national levels.
- To ensure availability of quality and safe medicines, vaccines and technologies.
- To improve functionality and adequacy of health infrastructure, medical equipment and logistics.
- Accelerate health research, innovation and technology development.

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**1.4 Linkage with National Development Plan III**

The FY 2022/23 is the third year in the implementation of the third National Development Plan (NDPIII). The goal of this Plan is to increase household incomes and improving the quality of life of Ugandans. As you are aware, NDPIII is premised on a programmatic approach to planning and budgeting aimed at fast tracking the realization of results as opposed to previous NDPs (I and II).

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Consequently, the Health Sector falls under the Human Capital Development Programme together with Education, Gender Labour and Social Development as well as Water and Sanitation.

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The Human Capital Development Program (HCDP) primarily contributes mainly to the NDPIII objective four which is to: *enhance the productivity and social wellbeing of the population*. It also contributes to other objectives including (1), which is to: *Enhance value addition in Key Growth Opportunities* and (2) which is to: *Strengthen private sector capacity to drive growth and create jobs* among others.

Objective 4 of the NDP III emphasizes the role of the four thematic areas of health, education and Sports, Water and Gender towards increasing productivity, inclusiveness and wellbeing of population for wealth creation. The programme goal is to increase productivity of the population through strategic investment in the people to enable them work productively and competitively to achieve a rising quality of life for all, in line with the Vision 2040.

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**1.5 Linkage with the Sustainable Development Goals, (Goal 3.0)**

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All health sector interventions when adequately funded have potential to address United Nations Sustainable Development Goals (SDGs) - Goal No. 3 for Health. SDG No. 3 aims at ensuring *healthy lives and to promote well-being for all at all ages*.

**2. HEALTH SECTOR PERFORMANCE FOR FY 2021/22**

**2.1 Health Sector Half Year Financial Performance FY 2021/22**

Table 1: Health Sector Half-Year Budget Performance FY 2021/22 (UGX, BN)

Institution	Approved	Release	Spent	%	%	%
				Budget Released	Budget Spent	Release Spent
MoH	1,532.267	727.441	690.742	47.5%	45.1%	95.0%
UAC	11.092	4.050	3.549	36.5%	32.0%	87.6%
UCI	74.816	43.048	41.827	57.5%	55.9%	97.2%
UHI	28.984	14.720	10.518	50.8%	36.3%	71.5%
NMS	600.314	347.412	324.868	57.9%	54.1%	93.5%
HSC	8.128	3.832	2.895	47.1%	35.6%	75.5%
UBTS	18.398	10.694	8.641	58.1%	47.0%	88.9%
Mulago	69.316	39.640	35.238	57.2%	50.8%	88.9%
Butabika	17.376	9.709	7.414	55.9%	42.7%	76.4%
Naguru	9.173	5.929	4.323	64.6%	47.1%	72.9%
Kiruddu	19.859	11.540	8.331	58.1%	47.1%	72.2%
Kawempe	12.164	7.005	5.389	57.6%	44.3%	76.9%
Mulago SW & NH	25.88	15.974	9.326	61.7%	36.0%	58.4%
UVRI	15.939	8.095	3.839	50.8%	24.1%	47.4%
RRHs	163.537	96.481	71.405	59.0%	43.7%	74.0%
LG Health	734.872	445.659	445.659	60.6%	60.6%	100%
KCCA	13.786	6.326	3.931	45.9%	28.5%	62.1%
Total	3,335.901	1,797.555	1,677.895	53.6%	50.0%	93.3%

Source: Semi-Annual Budget Performance Report FY 2021/22 & PBO computations.

From the table above, of the total budget, a total of UGX 1,797.56bn was released representing 53.6 percent. Other than Vote 014 Ministry of health, Uganda Cancer Institute, National Medical Stores and the Local Governments that recorded absorption levels over 90 percent, other Agencies and RRHs absorption had levels below 90 percent.

Uganda Virus Research Institute and Mulago Specialized Women & Neonatal Hospital had the lowest absorption levels at 67.4% and 58.4 respectively.

## 2.2 Financial Performance of Externally Funded Projects FY 2021-22

Table 2: Performance of Externally Funded Projects (UGX, billions)

Project	Approved	Release	Spent	% Budget Released	% Release Spent
Rehabilitation & Construction of General Hospitals	9.88	-	-	0%	0%
Kayunga & Yumbe Project	9.1	4.94	4.94	54.3%	100%
Karamoja Infrastructure Development Project Phase II	5.19	-	-	0%	0%
URMCHIP	733.44	445.25	55.15	60.7%	12.4%
Global Fund	462.8	231.4	24.1	50%	10.4%
GAVI	88.78	42.72	15.59	48.1%	36.5%
Total MoH	1,309.19	724.31	99.78	55%	14%
Uganda Cancer Institute Project	0	15.07	15.07	1507.3%	100%
UCI ADB Project	24.67	-	-	0%	0%
Establishment of an Oncology Centre in Northern Uganda	9.00	-	-	0%	0%
Total UCI	33.67	15.07	15.07	45%	100%
Grand Total	1,342.86	739.38	114.85	55%	16%

Source: Semi-Annual Budget Performance Report FY 2021/22.

According to the table above, by the end of December 2021, 55 percent of the approved donor funded budget for FY 2021/22 was released. However, only 16% of the funds released was spent. The worst performers were Italian Support to Karamoja at 0 percent, Uganda Cancer Institute ADB Project at 0 percent, Establishment of an Oncology Centre in Northern Uganda at 0 percent, Rehabilitation & Construction of General Hospitals at 0 percent. As a result planned activities could not be undertaken.

Non release of Uganda Cancer Institute (UCI) ADB Project funds was majorly attributed to failure of the contractor M/S ROKO under the guise of covid-19 restrictions.

The low absorption is attributed to lower than expected performance under Gavi at 39 percent, Global Fund at 12 percent and URMCHIP at 10 percent respectively. The poor performance of External Projects was due to failure to undertake Infrastructure works owing to the directive of President for the projects to be done by UPDF Engineering brigade.

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No disbursement was made under the Italian Support to Karamoja Infrastructure Development Project Phase II. This is attributed to funding challenges from the donor.

### 2.3 Physical Achievements FY 2021-22

As reported under the financial performance, the performance of the sector budget was lower than the expected half year pro-rata budget; this poor performance is also reflected in the physical performance outturn. Among the physical outturn performance the following have been reported:

- a) The MOH procured and distributed 5,000 patient beds, mattresses, blankets and pairs of bed sheets to functionalize and equip 250 upgraded HCIIIs. See attached *Annex 4*
- b) The Ministry procured 5,000 oxygen cylinders to be distributed to hospitals across the country and 2 liquid oxygen tanks (60,000ltrs-Kajjansi NMS& 16,000ltrs at Mulago).
- c) The following constructions are ongoing; the border post health units (Vurra and Cyanika) and Soroti Blood Bank. Eighty-one (81) maternity units under the Uganda Reproductive, Maternal and Child Health Improvement Project (URMCHIP) are on average at 50% level of completion.
- d) The following strategic plans were finalized and passed by Top Management: -Ministry of Health Strategic Plan, National TB & Leprosy strategic Plan, Comprehensive Health Sector Communication Strategy, Adolescent Health Policy, National Pharmaceutical Services, National Hand washing communication strategy and Essential Medicines Supply(EMS) Strategy
- e) Procured and distributed 282 pickups to all districts, cities, municipalities and hospitals
- f) Five Digital X-rays procured and distributed to 5 hospitals (Mityana, Kagadi, Rakai, Apac, Kyenjojo)
- g) Procured and distributed Eight Medical Waste Transportation Trucks
- h) Procured 2 TB Mobile Clinics
- i) Procured and distributed 50 Motor cycles to districts
- j) In addition, the following bills/policies have been approved by Cabinet: -Organ Transplant bill, Public Health Act Amendment Bill and Essential Medicines Supply (EMS) policy
- k) Operationalized Covid-19 testing units in all 16 RRHs and at Entebbe International Airport

### 2.4 Health Sub-programme budget implementation challenges

- i) Disruption of essential health services due to Covid 19 pandemic leading to low utilisation , stagnation and reversal in coverage of some indicators
- ii) Lack/non functional medical equipments
- iii) poor emergency medical and critical care services

- iv) non functional referral system leading to congestion of the referral hospitals with PHC outputs
- v) Incomplete/slow implementation of projects due to slow procurement processes, delays in payment of contractors and disbursing funds leading to low absorption /slow burn out rate , impacting overall implementation performance rating
- vi) Up to 50% of the HCIVs do not provide blood transfusion services to increase CeMNOC coverage
- vii) Inadequate funding of Ushs 13bn to pay salaries of Covid-19 contract staff and hardship allowances for health workers
- viii) Low uptake for some critical interventions e.g., Covid-19 Vaccination, Hepatitis B testing and vaccination due to misconceptions, misinformation, cultural differences, myths, and stigma.
- ix) Inadequate Human Resources for Health at all levels but especially at referral hospitals due to failure to attract specialists and recruitment delays leading to return of wage allocations.
- x) Inadequate funding and supply of EMHS including blood, and laboratory supplies for cancer screening, full blood count and liver enzymes and hemoglobin estimation.
- xi) Financing for health is largely external and off budget with high out pocket expenditure for health

*Shimwani*

*Adams*

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### 3. HEALTH SECTOR PROPOSED BUDGET OUTLOOK FY 2022/23

#### 3.1 Key Priorities FY 2022/23

The Committee noted that the Sector will prioritise the following interventions during the FY 2022/22:

- i) Country-wide vaccination against Covid-19 targeting 22 Million people.
- ii) Maintaining resources in the budget to fund Communicable and Non-Communicable Diseases.
- iii) Fast-tracking the National Health Insurance Scheme Bill.
- iv) Establishment of the Emergency Medical Services System.
- v) Scale up Community disease surveillance mechanisms through strengthening the Village Health Teams (VHTs).
- vi) Functionalization of existing public health facilities (National Referral Hospital, Regional Referral Hospital, General Hospitals, Health Centre IVs, and Health Centre IIIs) based on agreed service delivery standards.
- vii) Invest in efforts for eradication of Malaria (Indoor Residual Spraying, larviciding, Chemoprevention, Surveillance and Treatment of Malaria cases).

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### 3.2 Overall Health Sector Budget FY 2022/23

**Table 3: Overall Health Sector Budget Proposals FY 2022/23 (UGX, BN)**

Category	2021/22	2022/23	Change	% change
Wage	685.71	1028.14	342.43	49.9%
Non-wage	974.71	927.03	-47.68	-4.9%
Dom. Dev't	175.12	120.22	-54.90	-31.4%
Ext Dev't	1,342.86	1353.82	10.96	0.8%
<b>Total</b>	<b>3,178.39</b>	<b>3,429.21</b>	<b>250.82</b>	<b>7.9%</b>

*Source: Draft Annual Budget Estimates/ Ministerial Policy Statement FY 2022-23*

**NB: Excludes KCCA Health Grants**

The total budget proposal for the health sector in FY 2022/23 is UGX 3,429.21bn (excl. KCCA). This is an increase of UGX 250.8bn from UGX 3,178.39bn approved in FY 2021/22.

Other than wage, which is projected to grow by UGX 342.4bn (49.9 percent) as a result of staff salary enhancement, all other budget categories are projected to reduce. The highest reduction is projected under the development budget category at UGX 54.9bn (31.4 percent).

### 3.3 Vote Specific budgetary projections FY 2021-22

**Table 4: Vote Specific Allocation (UGX, BN)**

#	Vote/MDA/Institution	2021-22	2022-23	Change		Share
				nominal	%	
1	014 Ministry of Health	1,512.25	1557.75	45.50	3.0%	45.4%
2	107 UAC	11.09	9.76	-1.33	-12.0%	0.3%
3	114 UCI	74.82	63.89	-10.89	-14.6%	1.9%
4	115 UHI	28.98	24.07	-4.91	-16.9%	0.7%
5	116 NMS	600.31	513.09	-87.22	-14.5%	15.0%
6	134 HSC	8.12	7.96	-0.16	-2.0%	0.2%
7	151 UBTS	18.08	23.68	5.60	31.0%	0.7%
8	401 Mulago Hosp. Complex	69.31	74.64	5.33	7.7%	2.2%
9	402 Butabika	17.37	18.49	1.12	6.4%	0.5%
10	416 Naguru NRH	9.17	11.26	2.09	22.8%	0.3%
11	417 Kiruddu NRH	19.86	23.71	3.85	19.4%	0.7%

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#	Vote/MDA/Institution	2021-22	2022-23	Change		Share
				nominal	%	
12	418 Kawempe NRH	12.03	14.40	2.37	19.7%	0.4%
13	420 Mulago SW & NH	24.69	25.36	0.67	2.7%	0.7%
14	403 – 419 RRHs	160.44	207.76	47.32	29.5%	6.1%
15	304 UVRI	15.81	10.13	-5.68	-35.9%	0.3%
16	500 LG Health	596.06	843.22	247.16	41.5%	24.6%
	<b>Total</b>	<b>3,178.39</b>	<b>3,429.21</b>	<b>250.82</b>	<b>7.9%</b>	<b>100%</b>

Source: Annual Budget estimates & MPS FY 2022/23

Other than NMS, UCI, UHI and UVRI, whose budgetary proposals are projected to decrease, all other Votes are projected to record budget increases in FY 2022-23. Vote 116 NMS is projected to record the highest reduction of UGX 87.22bn (14.5 percent) followed by UCI of UGX 10.98bn (14.5 percent), UVRI of UGX 5.68bn (35.9 percent). The increase in budget allocation arises from the projected growth in the wage budget category for the respective votes as shown in Table 5.

### 3.4 Vote Specific Wage Proposals FY 2022-23

Table 5: Vote Specific Wage Allocation (UGX, billion)

#	Vote/MDA/Institution	2021-22	2022-23	Change	
				nominal	%
1	014 Ministry of Health	14.75	31.33	16.58	112.4%
2	107 UAC	1.32	2.26	0.94	71.1%
3	114 UCI	7.20	9.29	2.09	29.0%
4	115 UHI	4.66	6.27	1.61	34.5%
5	116 NMS	15.27	17.40	2.13	13.9%
6	134 HSC	2.40	2.43	0.03	1.2%
7	151 UBTS	3.92	6.09	2.17	55.4%
8	401 Mulago Hospital Complex	29.58	42.12	12.54	42.4%
9	402 Butabika	5.76	8.72	2.96	51.3%
10	416 Naguru NRH	6.80	9.71	2.91	42.8%
11	417 Kiruddu NRH	5.85	9.53	3.68	62.9%
12	418 Kawempe NFH	6.09	9.18	3.09	50.7%
13	420 Mulago SW & NH	7.46	10.10	2.64	35.4%
14	403 – 419 RRHs	72.94	113.13	40.23	55.9%
15	127 UVRI	1.57	2.22	0.65	41.9%
16	500 LG Health	500.14	748.34	248.20	49.6%
	<b>Total</b>	<b>685.71</b>	<b>1,028.12</b>	<b>342.41</b>	<b>49.9%</b>

Source: Annual Budget estimates & MPS FY 2022/23

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Wages for all Votes under the Health sub programme are projected to increase on average by 49.9% from UGX 685.7bn in FY 2021/22 to UGX 1,028.1bn in FY 2022/23.

However, clarification is required as to whether the observed increase is attributed to only salary enhancement of the existing staff or it is will as well cater for recruitment of additional human resources for health.

### 3.5 Changes between NBFP and MPS FY 2022-23

**Table 6: Comparison of MPS with NBFP proposals (in UGX, Bn)**

Vote No.	Vote/MDA	MPS Proposals	NBFP Proposals	Variance	Reasons for the variation
014	Health	1,557.73	331.74	1,225.97	The Ministry got additional wage of UGX 16.58bn of which 5.14bn is for wage enhancement and 11.44bn for wage shortfalls. Additional external financing of UGX 1,191.39bn was confirmed for the Vote.
107	Uganda Aids Commission (Statutory)	11.09	10.68	0.41	The change is a result of additional wage allocation.
114	Uganda Cancer Institute	63.88	66.11	-2.23	External financing reduction as the ADB project winds up.
115	Uganda Heart Institute	22.99	28.87	5.88	Reduction in the NWR allocation.
116	National Medical Stores	513.09	597.12	-84.03	The one-off allocation for vaccines was removed.
134	Health Service Commission	7.96	8.04	-0.08	Reduction in capital development allocation.
151	Uganda Blood Transfusion Service (UBTS)	23.66	18.08	5.58	Additional allocation to cater for blood mobilization operations under NWR.
401	Mulago Hospital Complex	74.64	69.28	5.36	Additional wage allocation
402	Butabika Hospital	18.49	17.37	1.12	Additional NWR for operations.
127	Uganda Virus Research Institute	10.13	15.42	5.29	Reduction in Dev't budget as works wind up.

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Vote No.	Vote/MDA	MPS Proposals	NBFP Proposals	Variance	Reasons for the variation
403-422	Regional Referral Hospitals	280.20	225.88	24.32	Increase in wage and NWR incl. External – G2G.
600-122	LG Health	990.72	729.76	260.96	Increase in PHC grants under wage and Dev't.
	KCCA Health	13.79	13.79	0	
	<b>TOTAL</b>	<b>3,588.37</b>	<b>2,132.14</b>	<b>1,456.23</b>	

Source: Minister of Health submission to the Committee of Health  
 NB: Excl. Arrears.

### 3.6 Health Sector Priorities FY 2022-23 & Linkage with NDP III

**Table 7: Health Sector Priorities & Linkage with NDPIII**

Sub Programme Priorities FY2022/23	NDP III Programme Intervention aligned to	Resources Earmarked (UGX, billions)
Enhancement of salaries for health workers	Improve the functionality of the health system to deliver quality and affordable preventive, promotive, curative and palliative health care services.	280.00
Country-wide vaccination against <b>Covid-19 targeting 22 million</b> people.	Increase access to immunization against childhood diseases.	73.11
Maintaining resources in the budget to fund <b>Communicable and No communicable Diseases.</b>	Prevent and control Non-Communicable Diseases with specific focus on cancer, cardiovascular diseases and trauma.	1,104.06
Fast-tracking the National Health <b>Insurance Scheme Bill.</b>	Increase financial risk protection for health with emphasis on implementing the national health insurance scheme.	0.33

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