



**THE REPUBLIC OF UGANDA**

**STATEMENT DURING THE HEALTH SECTOR FINANCING  
SEMINAR AT PROTEA HOTEL**

**Hon. Matia Kasaija**  
**Minister of Finance, Planning and Economic Development**

**Thursday, 19<sup>TH</sup> SEPTEMBER, 2019**

Your Excellence, The Ambassador of France,  
The Hon. Ministers present,  
The Hon. Members of Parliament,  
The Development Partners,  
Members of Civil Society present,  
Ladies and Gentlemen,

Let me take this opportunity to thank the organizers of this seminar for taking the initiative to convene this meeting and also for giving me an opportunity to deliver opening remarks.

I am aware that this seminar has been organized following a study undertaken on health sector financing, supported by the Global Fund, aimed at identifying prospects and advocate for opportunities for sustainable health financing. I would therefore like to commend the Global Fund for this effort.

The theme for this seminar "Towards Innovative Domestic Financing" is key towards sustainable financing of the health sector in Uganda. I am glad that one of the key deliverables of the seminar is identification of the role of the private sector and Development Partners towards sustainable health financing.

Planning and Budgeting in Uganda is guided in general by the Planning Framework for the Country under the National Development Plan (NDP). The overriding objective of the plan is to support the critical sectors which have the greatest multiplier effect for sustainable growth of the economy. These include;

- i Agriculture and agro-industrialization;
- ii Tourism;
- iii Minerals, oil and gas;
- iv Scientific Research and Innovation;
- v Infrastructure development; and
- vi Human capital development.

Therefore, the health sector as well as other sectors which contribute towards the improvement of human capital development like education and skills development, are critical Government priorities as spelt out in the NDP.

The NDP prioritized infrastructure development to address infrastructure challenges such as high electricity and transportation costs in order to ease the cost of doing business and ultimately support the growth of the economy. Unfortunately, in the short term, this has a crowding-out effect on the budget for social sectors due to the multi-year nature of infrastructure projects. However, The NDP II ends this FY 2019/20 and we are in the process of preparing NDP III. This therefore provides an excellent opportunity for the various sectors to effectively engage in the formulation process to ensure that their priorities are appropriately incorporated in the plan.

In terms of financing, I wish to inform you that the health sector budget has been increasing over the years, from **Ushs.1,270Bn** in FY 2015/16 to **Ushs.2,589.59Bn** in FY 2019/20 representing an increase of Ushs.1,319Bn which translates into a 104% increase. Out of the total health sector financing, the GoU contribution is **Ushs.1,470.55Bn** representing 57%.

Government has made efforts to address the challenges under the health sector in a bid to improve service delivery and the following interventions have been undertaken over time;

- i Provision of funds for recruitment of staff which has resulted into improved staffing levels in public facilities from **69%** in 2014 to **73%** in 2018;
- ii Increasing the budget for medicines and health supplies from **Ushs.218.6Bn** in FY 2015/16 to **Ushs.396Bn** in FY 2019/20 representing **81%** increase;
- iii Establishment of health facilities in administrative units previously without the required level of health facilities hence improving access to health care within 5-kilometre radius from **83%** in FY 2015/16 to **86%** in FY 2017/18;
- iv Construction of specialized hospitals such as the Specialized Women and Neonatal Hospital, and Regional Hospital for Paediatric Surgery to make services more affordable and accessible to the population; and
- v Enhancing salaries for medical personnel to improve their motivation and consequently their availability to offer the required services to the patients; and

As a result, Government has registered significant milestones such as;

- i Reduction in maternal mortality ratio from **438/100,000** live births in 2011 to **336/100,000** live births in 2016;
- ii Reduction in under five mortality from **90/1,000** live births in 2011 to **64/1,000** live births in 2016;
- iii Reduction in infant mortality rate from **54/1,000** live births in 2011 to **43/1,000** in 2016; and
- iv Improved life expectancy at birth from **58** in 2010 to **63** in 2016.

However, there are still challenges in the sector such as;

- i High malaria incidence;
- ii Malnutrition resulting into stuntedness among children below 5 years;
- iii Low latrine coverage;
- iv High adolescent pregnancy rates; and
- v Others include low staffing levels especially at the lower health facilities coupled with high levels of absenteeism, drug stockouts arising from poor planning and budget constraints, non-functionality of some facilities and in some cases lack of specialized personnel at hospitals.

These challenges must be decisively addressed in order to improve the sector outcomes.

Before I conclude, I wish to reaffirm the Government's position towards providing resources for sustainable funding of health sector priorities. To date, deliberate effort has been made to finance the health sector with additional funding provided in FY 2019/20 as follows;

- i **Ushs.89.7Bn** to cater for ARVs, immunization supplies as well as reproductive health supplies;
- ii **Ushs.26Bn** for adequate staffing and operational costs for the upgraded health facilities; and
- iii A total of **Ushs.56Bn** has been provided, as a GoU component, for infrastructure development under the health sector following a World Bank loan on Inter-Governmental Fiscal Transfer.

In addition, Government is committed to increase its current contribution of **USD1.5M** to **USD2M** towards Global Fund financing as part of the forthcoming replenishment exercise.

It is important to note that increased financing to the sector is not a panacea to challenges of service delivery. There is need to optimize the available resources by ensuring budget efficiency, technical and operational efficiency in order to reduce wastage. Resources should be allocated to high priority areas; productivity of staff should be improved by ensuring staff in post are available and the facility equipment is functional; and ensuring value for money for any procurement(s) undertaken and above all, focus on attainment of results and improved health outcomes.

I therefore, implore the sector to address the following;

- i. More emphasis should be put on disease prevention approaches, health promotion at household and community level since most causes of death in Uganda arise from preventable diseases;
- ii. Improve coordination with the Development Partners in planning and budgeting. Areas for improvement include aligning off budget support with sector priorities and improving absorption of external funding. There is need to ensure that external funds are disbursed as per the workplan and all planned activities fully undertaken;
- iii. There should be improved sector coordination at all levels for better planning, resource mobilization and implementation of programmes especially those relating to health promotion and education;
- iv. The implementation of the National Health Insurance Scheme should be fast tracked to mobilize additional financing for the delivery of health services and mitigate high out of pocket expenditure incurred by households to access health care;
- v. Strengthening of the Supply Chain mechanism through construction of medicine stores at district and streamlining the ordering and distribution of medicines; and
- vi. Private medical practitioners are implored to explore the financing options available at the Uganda Development Bank to establish facilities especially outside the City in order to improve access to health care.

In conclusion, I wish to extend my appreciation to our Development Partners for the generous contribution towards the development of the sector over the years which has enabled us to register significant milestones.

Lastly, Government will ensure that all stakeholders involved in the budgeting, planning and delivery of health services are coordinated so that the objectives for the Health Sector Strategic Plan and the National Development Plan are achieved within the available resources.

I thank you for your attention.

For God and My Country.