

Billions of COVID-19 response money lost?

Health ministry, audits give conflicting figures

By Isaac Khisa

As Ugandans began contracting the novel coronavirus, President Yoweri Museveni on April 03, made an appeal for public solidarity in support of the health care system that was already in a crisis due to limited funding.

Dozens of companies and individuals heeded to his call and poured millions of shillings as well as vehicles into the hurriedly created National Response Fund to COVID-19 in the Office of the Prime Minister now under Dr. Ruhakana Rugunda.

However, the government's management of COVID-19 resources has remained shrouded in secrecy, raising questions on accountability and transparency as millions of shillings risk to be wasted or stolen.

Recent audit reports and experts in matters finance reveal that to support economic recovery and help detect and respond to COVID-19 pandemic, the government borrowed approximately US\$888 million (Approx. Shs3.3 trillion or the equivalent of 7 percent of the 2020/2021 national budget).

US\$491.5 million (Approx. Shs1.8trillion) came from the International Monetary Fund, US\$300million (Approx. Shs 1.1trillion) from the World Bank, and US\$31.6million (Approx. Shs 115.5billion) from the African Development Fund. The government also received grants from various international partners; including European Union, USAID, China, and the US worth millions of dollars.

Similarly, the Ministry of Health received Shs25 billion from the Emergency and Consolidated Fund, Shs94.1 billion in supplementary budget and US\$109.7 million in in-kind and cash contribution from the public, private and development partners. Overall, the budget for the multi-sectoral COVID-19 Response from March to June 2020 stood at Shs2.22 trillion.

However, it remains unclear how government has spent these funds and there is growing demand from the public for clarity to enable tracking of these public resources.

Corruption exposed

A recent COVID-19 Intervention Report authored by the Budget Monitoring and Accountability Unit (BMAU) in the Ministry of Finance, Planning and Economic Development



Some of the beds that the health ministry procured at Shs 890,000 each. Courtesy photo.

in October, which The Independent has seen, reveals a COVID-19 resource utilisation initiative marred in gross irregularities, no proper planning, hasty signing of contracts and flouting of procurement guidelines.

The document also shows a COVID-19 resource initiative characterised by delayed service delivery, procurement of substandard items, and inflating commodity prices.

Currently, four officials from the Office of the Prime Minister are facing a legal suit for allegedly inflating prices for COVID-19 relief food to 1.5million urban poor in Kampala and neighbouring central district of Wakiso and Mukono in April this year.

These include; Christine Gwatudde (former Permanent Secretary OPM), Martin Owor (former Commissioner Disaster Preparedness also the head of Covid-19 relief management), Joel Wanjala (former Assistant Commissioner Procurement) and Fred Lutimba (former Commissioner Disaster Management).

The report, for instance, reveals that M/s Silver Bucks Pharmacy Ltd was contracted to supply and install oxygen plants for Mulago and Entebbe Hospitals at a cost of Shs6.4 billion. It was to, among others, supply 450 cylinders including regulators, humidifier

bottles, and cannulas to help save lives of the COVID-19 patients with breathing difficulties. Though the contract was signed on May 06 and the money cleared in the sequent month, deliveries, and installations had not commenced by September 2020.

Surprisingly, the same supplier, M/s Silver Bucks Pharmacy Ltd, installed oxygen plants in 13 Regional Referral Hospitals in 2017 at the same amount that the government is spending now on only two oxygen plants.

Similarly, in May 2016, M/s Silver Bucks Pharmacy Ltd and Naguru Hospital entered into a contract to install 13 oxygen plants at a sum of US\$ 1,800,347 (this translated into approx.. Shs6 billion at a then going exchange rate of Shs3, 370).

The health ministry also signed three contracts with M/S Joint Medical Stores worth Shs1.3 billion to supply 1,000 beds and mattresses, 2,000 blankets and 2,000 bed sheets. Each bed was priced at Shs890, 000 and Shs119, 491 for a mattress covered with PVC.

Though all beds and mattresses were reportedly delivered, the monitoring team verified delivery of only 331 beds and mattresses.

"Although over 300 beds were moved from Namboole (Quarantine Centre then) to Mulago Hospital, the latter acknowledged

receipt of only 290 instead of the 300 beds communicated," the report says adding, "Mulago hospital also received 108 mattresses which were not commensurate to the beds provided. Three of beds were already broken and left at Namboole."

The government also signed a contract with un-identified firm to supply megaphones worth Shs2.9 billion in May this year to facilitate communication of COVID-19 messages in all parishes which currently stands at **10,595**.

The report notes that though 108,863 megaphones at Shs230,000 each and 43,450 pieces of dry cells at Shs10,000 each are said to have been delivered on June 22, 2020, the districts visited by the monitoring team in July, August and September had not received these items. These included; Oyam, Omoro, Apac, Agago, Gomba and Butambala among others.

The health ministry was also allocated a supplementary budget of Shs42.3 billion for procurement and installation of emergency Intensive Care Unit (ICU) equipment that included defibrillators, suction and infusion pumps, nebulizers, mobile x-rays, oxygen concentrators, weighing scales, portable ultrasounds, patient trolleys, ventilators, ICU beds among others, in the Regional Referral Hospitals.

In this, the government signed contracts with JMS to procure ICU equipment worth Shs10.5 billion within six weeks in May this year. JMS was expected to deliver 388 pieces of ICU equipment comprised of 28% ventilators, 25% patient monitors, 24% oxygen therapy apparatus, while the rest (22%) were ICU beds. However, JMS failed to achieve the set deadline; and instead delivered equipment to only six hospitals: Naguru, Entebbe, Jinja, Mbale, Lacor and Lira.

Similarly, M/S Elmsmed EA Ltd was contracted to supply equipment worth Shs26 billion to supply 1,553 units of equipment to the 17 Regional Referral Hospital by August but the deadlines was extended to December citing high demand for the machines.

Meanwhile, some hospitals such as Gulu and Arua are said not to have had adequate space for the ICU equipment. The planned procurement of 38 ambulances worth Shs11 billion was still under procurement by September yet initial delivery date was July 30.

In relation to the famous COVID-19 tents at Namboole Stadium, the government procured 20 sleeper tents worth Shs3.8 billion from M/s Luminous Uganda Ltd. Though the contract stipulated 20 tents with a capacity of 100 people, only 13 were signed and installed at Namboole by time of monitoring in September 2020.

COVID-19 budget support to ministry of health

Funds received Shs

Government	119.1bn
World Bank	55.5bn
Islamic Dev't Bank	51bn
Gavi	10.4bn
Global Fund	28bn

Total 264

Funds in the pipeline

Government	89bn
Global Fund	69.6bn
World Bank	56.5bn

Total 215.1bn
Grand Total 479.1bn

How government spent part of COVID-19 cash

Oxygen plants

M/S Silver Bucks Pharmacy signed contract to install oxygen plants in Mulago and Entebbe hospitals for **Shs 6.4bn**. However in 2017 same company installed oxygen plants in 17 Regional Referral Hospitals at the same cost

Sleeper tents

M/S Luminous Uganda Ltd signed contract to supply 20 sleeper tents worth **Shs 3.8bn**. However, only 13 were installed at Namboole Stadium. In addition, all tents procured failed and could not be used for the intended purpose

Beds

M/S JMS signed contract to supply 1,000 beds and mattresses, 2,000 blankets and 2,000 bed sheets worth **Shs 1.3bn**. However, the monitoring team verified only 300 beds and the number kept on reducing as they were transferred from one point to the other. The unit cost of each bed was Shs 890,000 which experts claim is very high

Education materials to learn

The education ministry has a debt of Shs 1.3bn to 38 radio stations and teachers who taught the lessons. Most lessons concentrated only on candidate classes. The New Vision was not paid for the printing and distribution of the study materials with **Shs 6bn**

Megaphones

Government moved to procure 108,863 megaphones at Shs 230,000 each and 43,450 pieces of dry cells at Shs 10,000 each. However, the districts visited by the monitoring team in July, August and September including Oyam, Apac and Butambala had not received these items

To make the situation worse, all the procured tents failed and could not be used to accommodate patients as earlier anticipated due to their weak specifications and capacity.

Mobile health facilities at the border points of Elegu, Malaba, Mirama Hills, Mutukula, Katuna and Mpondwe could also not be traced as at mid-September this year as the confirmation of land availability was not done

prior to contract signature leading to resource overruns.

The facilities which were to cost Shs7.5 billion, with M/s Modula House Engineering and Construction Company Limited as the contractor, were supposed to house laboratories and staff houses.

The Health ministry also signed a contract with M/s N2M Company Limited in June this

year to supply 80 mist sprayers, 99 power sprayers and 19 transport jet pump to aid in disinfection of places, materials of COVID-19 confined places, treatment centers, homes, ambulances among others. But none of the treatment centers visited had received the spray pumps by September except Entebbe Regional Hospital.

The audits also reveal that the Health ministry also implemented a number of activities outside the budget line on equipment including procurement of emergency tools for the Ministry of Health Service Bay, printing of pull up banners and tear drops for the National Fitness Day and purchase of a flag and a bull bar for the Minister of General Duties.

Education ministry

The COVID-19 response plan did not work well for the education sector either. The education ministry, through the National Curriculum Development Centre (NCDC), and Uganda National Examinations Board (UNEB) developed home study materials – via print, radio, TV and online – to facilitate continuity of learning during the lockdown period.

However, our investigation reveals that the printed learning materials only covered a quarter of the targeted group (Pre-primary

This development comes at the country's COVID-19 cases stands at 28, 186, with 10,005 recoveries and 225 deaths including at least 15 medics as of Dec.16, 2020, according to the Ministry of Health.

This also coincides with a section of health workers claim they are yet to receive their salaries and allowances since July 2020 even as COVID-19 cases continue to swell in health facilities occasioned by the ongoing election campaigns.

CSO voices

Executives in civil society organisations – Uganda Debt Network, Anti-Corruption Coalition Uganda, Transparency International Uganda, SEATINI and Action Aid International Uganda – that spoke to The Independent said the government should provide adequate accountability of the COVID-19 funds to the citizens by way of continuous updates on progress on implementation akin to updates of COVID-19 infections and deaths.

"We also call upon government to institute investigations into misuse of COVID-19 resources and prosecute those found culpable," said Patrick Tumwebaze, the executive director at the Uganda Debt Network on Dec.15.

"Specifically, the Public Procurement and

the image of the government, creating an impression that the government has failed to combat COVID-19 pandemic, and misused resources meant for this purposes.

She said the total resources disbursed to Ministry of Health ministry is only Shs174 billion (Shs119 billion from government and Shs55 billion from World Bank) while the rest of the funding stated in the report did not go to the ministry.

"It is also worth noting that the other monies cited are either off-budget expenditure or future commitments. It should not be portrayed that all the entire money was disbursed by the Ministry of Health," she said.

Dr. Atwine said 10,863 megaphones, 43,450 rechargeable and dry cell batteries were procured and not 108,863 as indicated in audit, and that the monitoring exercise took place when the distribution of the megaphones was ongoing.

She said all districts except 10 districts including Amudat, Bushenyi, Butaleja, Kaabong, Kamwenge, Kalangala, Karamoja, Lwengo, Mitooma and Napak, have received megaphones.

"The Ministry of Health did not have funds to distribute the megaphones country wide. Therefore, it relied on using every opportunity that was available; either for the districts to pick them or to take advantage of any available means to deliver them to the respective districts, she said.

In relation to beds, Dr. Atwine said all the 1,000 beds were procured, out of which, 700 beds were fixed in Nambole while 300 re-located to Mulago National Referral Hospital.

She, however, said the 33 type B ambulances have since been received and another 5 ambulances (3 water boat intensive care ambulances and two type C road intensive care ambulances) are going through the Customs clearing at the Kenya Port of Mombasa.

Overall, the Budget Monitoring and Accountability Unit said the Health ministry has achieved most of the planned interventions in line with the COVID-19 Response Plan.

However, challenges in relation to adequacy, availability and timely deliveries, high and varying unit costs, lack of accountabilities, duplication of efforts, laxity in wearing masks, planning and equitability emerged are already affecting some the gains registered by the sector.

"The need to review the emergency plan in relation to challenges identified and resources available is paramount in consolidating the gains achieved by the health sector," the report says adding that cabinet, ministries of Finance and health, private sector and other stakeholders reviews the need for additional masks in relation to the population segments, social classes and use of the already distributed masks. **IPL**



Non-medical masks ready for distribution at the Uganda Virus Research Institute. Prices of masks were increased from Shs 1,000 to Shs 2400 each. COURTESY PHOTO.

to Senior 6), with over 50% of the sub-counties receiving as few as three copies for all their schools. Similarly, learners in private schools and learners with special needs were not taken care of in Phase One of the distribution.

Similarly, there were no written agreements between the Education ministry, local governments and the service providers in the provision of the education materials to learners and the ministry is now in debt of Shs1.3 billion to about 38 radio stations and the teachers who taught the lessons. *The New Vision* newspaper, too, has not been paid for the printing and distribution of the study materials worth Shs6 billion.

"The ministry still intends to rely on these service providers as the pandemic continues, and as other classes remain closed, but there is a fear that they might refuse due to prolonged non-payment," the report notes.

Disposal of Public Assets Authority (PPDA) should undertake a procurement audit on all direct procurement undertaken by the Ministry of Health; and the Auditor General should undertake a forensic audit in relation to all expenditures in response to the pandemic. This will guide entities on utilisation of funds for future emergencies."

Cissy Kagaba, the executive director at the Anti-Corruption Coalition Uganda said the citizen are interested in accountability on how COVID-19 funds were spend. "We are also interested in knowing the firms that sold substandard food to government during the lockdown," she said.

But Dr. Diana Atwine, the permanent secretary in the Ministry of Health said in a 14-page response to the Finance ministry and copied to the Office of the President on Dec.15, that the information provided in the report is inaccurate and that it tarnishes