UGANDA DEBT NETWORK

Review of Performance of Health Sector, FY 2020/21

CASE STUDY OF 4 DISTRICTS OF APAC, RUBIRIZI, KAPELEBYONG AND KANUNGU

November 2021

UGANDA DEBT NETWORK

Review of Performance of Health Sector, FY 2020/21

CASE STUDY OF 4 DISTRICTS OF APAC, RUBIRIZI, KAPELEBYONG AND KANUNGU

November 2021

Table of Contents

List of Acronyms

AHSPR	Annual Health Sector Performance Review
ANC	Antenatal Care
CAO	Chief Administrative Officer
CEmOC	Comprehensive Emergency Obstetric Care
CFO	Chief Finance Officer
DHO	District Health Officer
DHT	District Health Team
DLGs	District Local Governments
DLT	District League Table
DSCs	District Service Commissions
FY	Financial Year
GoU	Government of Uganda
HC	Health Centre
IFMS	Integrated Financial Management System
KACOERT	Kanungu Community Efforts for Rural Transformation
NMS	National Medical Stores
MoFPED	Ministry of Finance, Planning and Economic Development
MoH	Ministry of Health
PBS	Performance Based System
PHC	Primary Health Care
PIAP	Program Implementation Action Plan
PNFP	Private Not for Profirt
RBF	Result Based Financing
RHITES-N	Regional Health Integration to Enhance Services - North
THE	Total Health Expenditure
UHC	Universal Health Coverage
URMCHIP	Uganda Reproductive Maternal and Child Health Improvement Project
USD	United Stated Dollars
UGX	Uganda Shillings
USF	Uganda Sanitation Fund
UVRI	Uganda Virus Research Institute

List of tables

List of Figures

Executive Summary

In Uganda, the health sector has registered significant increase in its funding from UGX 1,301 Bn in FY 2015/16 to UGX 3,331 Bn in 2021/22. Despite this increase, public spending on health remains inadequate, with national health spending as a proportion of total government spending estimated at 7% in FY 2021/22. Uganda's Total Health Expenditure per capita is estimated at $36.9, which is much lower than that of $86 recommended by the World Health Organisation as a minimum per capita spending in low-income countries if quality of health is to improve in the country. In FY 2021/22, the largest portion of the health budget (i.e 45%) is to be retained at the centre under the Ministry of Health (MoH) vote while local governments, where the bulk of services are delivered constitutes only 22% (i.e 735 bn) of the health budget.

Key findings

- In terms of financing, domestic/GoU support to the health budget has decreased by 14% from 74% in FY 2011/12 to 60% in FY 2021/22. In FY 2021/22, a total of 93% of the GoU contribution to health is allocated to recurrent expenditure and 7% to development expenditure. This implies that the development component of the health budget is largely funded by Health Development Partners.
- Funding for the health sector is dominated by key projects such as Global Fund, GAVI and Uganda Reproductive Maternal Child Improvement Project (URMCHIP). Global Fund alone takes an entire 58.7% of the total on-budget project funding, making it the biggest project in the health sector.
- In 2016, the government of Uganda initiated a multi-year reform programme for intergovernmental fiscal transfers, aimed at increasing the adequacy, equity, and efficiency of transfers to local governments. However, the share of health grants as a percentage of the total health budget has decreased from 29% in 2014/15 to 22% in FY 2021/22.
- In all the 4 districts of Kanungu, Apac, Rubirizi and Kapelebyong, the contribution of local revenue towards the district health expenditure was less than 1% in FY 2020/21. In the same period, central government transfers constituted over 90% of health expenditure, with districts such as Rubirizi and Kanungu spending up to 98.3% and 98.5% respectively of their health expenditure from central government transfers.
- Overall, the health sector registered a budget performance of 92% in FY 2020/21, a reduction of 4% from 96% in FY 2019/20. The decline was mainly attributed to the poor performance of externally financed health projects in the country, which declined from 91% in FY 2019/20 to 73% in FY 2020/21.
- Generally, development health expenditure in the 4 districts of Apac, Kapelebyong, Rubirizi and Kanungu is very low. In FY 2020/21, Kapelebyong district registered the lowest proportion of health development expenditure with only 10.3% of health expenditure financing the development component.
- The proportion of health funds released at district level was relatively high in FY 2020/21. On average, 93% of the approved health budgets of the four districts of Rubirizi, Kapelebyong, Apac and Kanungu were released by the end of FY 2020/21. However, the budget absorption rates in these districts remained relatively low in the same period, performing at an average rate of 85%. None of the 4 districts under review absorbed all their health budget by end of FY 2020/21.

Key challenges in delivery of health service interventions in Apac, Kanungu, Kapelebyong, and Rubirizi districts

- In terms of staffing, out of the 4 districts reviewed, only Apac performed above the national average (of 74%) and target with staffing levels of 88%. Rubirizi district on the other hand has the lowest staffing levels at 59%. In Kanungu district, staffing levels in the two Health Centre IIs of Bishop Mazoldi and Kayonza Tea Factory (a PNFP) are both at 33%, with only 3 of the approved 9 positions filled in both facilities.
- All the 4 districts reviewed were unable to spend all their wage expenditure by end of FY 2020/21, due to delays in constituting a District Service Commission (DSC), hence the delays in recruitment of staff in the health department. Kapelebyong has not had a DSC for the last 3 years and is relying on the services of DSCs in neighbouring districts for support.
- Although MFPED conducted trainings on the use of IFMS and PBS systems, there are still challenges in most of the districts on how to effectively use these systems. For instance, the constant system upgrades by MoFPED have made it a bit hard for these districts to effectively use it. Moreso, Kapelebyong district is operating under a 2G network, yet the IFMS system requires a 4G network. In Kanungu district, the IFMS system was off for 2 weeks last financial year, which affected timely processing of payments and implementation of planned activities.
- In all the 4 districts reviewed, delayed procurement is reported as one of the challenges affecting absorption of health funds. In particular, limited knowledge on use of e-procurement by service providers and the implementation of centralised procurement has contributed to delays in the procurement processes.
- Limited financial management capacity: Since all health facilities below the level of Health Centre IV do not have accountants, the health facility in-charges, who are the accounting officers are required to take on this role. However, majority lack financial management skills, which has resulted into production of untimely and unsatisfactory accountability reports for the facilities.
- Although districts and health facilities are required to conduct monitoring and support supervision on a quarterly basis, there is no facilitation for medial officers and DHT to conduct this exercise. This has affected the delivery of quality health services in the districts.

Best practices and Opportunities in the delivery of health service interventions in Apac, Kanungu, Kapelebyong, and Rubirizi districts

- In Apac district, joint planning and monitoring meetings are organised with all health facility in-charges to discuss performance indicators, identify performance gaps and unveil the best and worst performing health facilities in the district. Fact finding missions are also organised by the political leaders to verify some of the information provided by the district health team.
- In Kanungu district, monthly and quarterly meetings are organised by members of the Health Unit Management Committee to generate feedback from the public on implementation of health projects. This also serves as one of the health accountability platforms in the district.
- In Apac district, DHT weekly co-ordination meetings are organised with partners (such as RHITES-N) to share and harmonise weekly plans. In these meetings, joint programming is done to avoid duplication of activities in the district.
- In Apac, low staffing levels in lower health facilities has forced the district to resort to borrowing staff from other facilities (with more staff) within the district to offload the burden from the existing staff.

- Use of data for decision making: In Apac district, data from the DHIS is used to inform decision making in the district.
- Display of funds: In all the districts reviewed, funds received by the health department are displayed on notice boards, clearly indicating the amount and how these funds will be utilised.
- In Rubirizi district, a maternal tool has been developed to track maternal health indicators, which has helped the district to closely monitor maternal deaths in various health facilities.

Key opportunities to promote transparency and accountability in the 4 districts

- Availability of weekly community programs and talk shows on various FM stations in all the 4 districts (i.e Radio Devine and Apac radio in Apac district; KBS, Kinkizi FM and Kanungu FM in Kanungu district; and Rubirizi FM in Rubirizi district). These are used to disseminate key information of government programs, discuss service delivery issues and generate feedback from communities.
- Availability of partners such as TAAC and Lira NGOForum in Apac and KACOET in Kanungu district to support anti-corruption issues in all the districts
- Availability of community structures such as Village Health Teams in all villages in districts such as Apac who play a vital role in promoting health programs, i.e vaccination, case management, etc
- Commitment of political leadership (in all the 4 districts) to working with the structures in the district to promote transparency and accountability for government programs.
- Availability of community/public accountability platforms (e.g "Ebimezas) in all the 4 districts. These are used by the public to discuss topical issues that affect the communities.

Key Recommendations

- GoU needs to step up its efforts of mobilising resources, particularly from domestic sources to bridge this funding gap in the health sector. For instance, the district will have to earmark particular revenue sources to finance particular health programs.
- To urgently address staffing gaps in the 4 districts, the DSC should be urgently constituted in districts where like Kapelebyong where they are non-existent. This will enable the district to urgently recruit health staff and to absorb all the health department wage. The staffing structure at district and facility level should be reviewed to cater for cater for changes in population.
- The Ministry of Finance should organise frequent trainings and orientations for staff on the use of the IFMS and PBS system, particularly, after system upgrades have been done. All internet systems for all districts should also be upgraded to 4G, particularly Kapelebyong district that is still using 2G network.
- The Ministry of Health should prioritise the procurement equipment such as ambulances for districts like Rubirizi that have no government ambulance.

1.0: Background and Introduction

Uganda has made significant progress towards achievement of Universal Health Coverage (UHC), evidenced by an improvement in key health indicators in the country. For instance data from the FY 2020/21 Annual Health Sector Performance Report reveals that deliveries in health facilities increased from 59% to 62.4%, the proportion of HCIVs offering Comprehensive Emergency Obstetric Care (CEmOC) services (Caesarean section) and blood transfusion increased by 8.5% to 51% (103/203) in 2019/20 from 47% (90/190) in 2018/19; approved posts filled increased from 68% to 74% in 2020/21 and ANC4 coverage increased from 42% to 48.2% in 2020/21. Furthermore, there has also been an increase in the functionality of HCIVs from 41% in 2015/16 to 51% in 2019/20. This progress has been achieved through investments by the Government of Uganda with significant contribution from development partners, whose contribution increased from 26% in 2011/12 to 40% in 2021/22[1].

Despite the above achievements, the performance of some health indicators is still poor. For instance, the Out-of-pocket health expenditure has increased from 38.6% in 2018/19 to 41% in 2020/21, postnatal care attendances have reduced by 30.5%, which is likely to negatively impact on the neonatal outcomes[2]. Likewise, maternal mortality ratio (MMR) in Uganda remains high at a ratio of 375 deaths per 100,000 live births, despite an increase in the proportion of births in facilities and antenatal (ANC) and postnatal (PNC) coverage nationwide[3], under five deaths among 1,000 under 5 admissions have increased from 19 in 2015/16 to 24 in 2019/20, villages /wards with a functional VHT have also declined from 75% in 2015/16 to 40% in 2019/20[4]. Also, the use of modern contraceptive methods currently stands at 37 % and lags behind the 2020 MoH goal of 50% (FP2020, 2019), which has led to high total fertility rates in the country. Currently, Uganda's total fertility rate stands at 4.78 in 2020[5], which remains slightly above the Sub-Saharan average of 4.6 births per woman. The poor performance of some of the above health indicators raises a lot of questions about the sustainability of the gains registered in the sector as well as the feasibility to meet Uganda's ambitious goal of achieving UHC.

1 Approved Estimates of Revenue and Expenditure, FY 2020/21 and 2021/22: Draft 1: Central Government Votes
2 Annual Heal Sector Performance Report, FY 2020/21
3 Strategic Purchasing for Primary Health Care: Country Fact sheet: Uganda 2020
4 Annual Heal Sector Performance Report, FY 2020/21
5 https://www.macrotrends.net/countries/UGA/uganda/fertility-rate#:~:text=The%20fertility%20rate%20for%20Uganda%20in%202019%20was%204.895%20births,a%202.3%25%20decline%20from%202018.

1.1: Purpose of the study

The overall purpose of the study was to review and assess the level of transparency and accountable management of public resources towards non Covid 19 health service delivery in Uganda.

Specific Objectives of the study

1. To review and document the various sources of funding (domestic and foreign) towards non Covid-19 health service delivery in Uganda
2. To review and analyse the level of transparency in distribution, expenditure and accountability to non Covid-19 health service delivery interventions
3. To identify best practices, opportunities and challenges in enhancing transparency and accountability in performance monitoring during pandemics.

1.2: Scope of Study

The study focused on both national and local levels. At national level, the study covered the entire health sector and focused on the period from FY 2011/12 to FY 2021/22. At local levels, the study covered a total of 4 districts namely Kanungu, Apac, Rubirizi and Kapelebyong. The selection of these districts was based on the areas/districts where UDN is a implementing a project on enhancing transparency and accountability in health sector service delivery with support from the National Democratic Institute (NDI).

1.3: Methodology

The study used both primary and secondary data sources. Both qualitative and quantitative methods were used to generate the required information for the study. As part of secondary data collection, key health documents were reviewed and analyzed to generate background information. Data gaps were identified and informed the key questions that were included in the questionnaire (which was used to collect primary data).

Some of the national health budget documents reviewed include: Health Sector budgets, Sector performance reports, Budget Framework papers, Ministerial Policy Statements, Semi and Annual Budget Performance Reports, Sector Investment Plans, National Development Plan III, Budget Monitoring and Accountability Reports among others.

Budget documents for sub-national health votes reviewed include Local Government Budget Estimates, District Work Plans, District Budget performance reports and various progress reports on selected health programs.

During the collection of primary data, an open-ended questionnaire was designed and used. Key Informant Interviews (KIIs) were organized, using structured guides. A number of district and national level stakeholders were targeted during these interviews. These included the following: officials from the Ministry of Health and Ministry of Finance, national and CSO partners working on Health Issues, members on the Parliamentary Health Committee, District Health Officers, District Planners, Chief Administrative Officers from each of the 4 districts and Health Centre IV in-charges

Data Analysis and quality control

In addition to the data collected from document reviews and from interviews with various national and district stakeholders, some data was extracted from relevant district databases. The data was then transferred into Excel and analyzed using Excel analysis tools.

2.0: Funding of the Health Sector in Uganda

Overtime, the health sector has registered significant increase in its funding, evidenced by the increased sector allocations from UGX 1,301 Bn in FY 2015/16 to UGX 3,331 Bn in 2021/22[6]. In spite of this increase, the growth in the health sector budget has not kept pace with the growth in the total population, which has rendered these funds inadequate to meet the growing health needs of the population in the country. Public spending on health remains inadequate, with national health spending as a proportion of total government spending estimated at 7% in FY 2021/22[7]. Currently, Uganda's Total Health Expenditure (THE) per capita is estimated at $36.9, which is much lower than that of $86 recommended by the World Health Organisation as a minimum per capita spending in low-income countries if quality of health is to improve in the country[8].

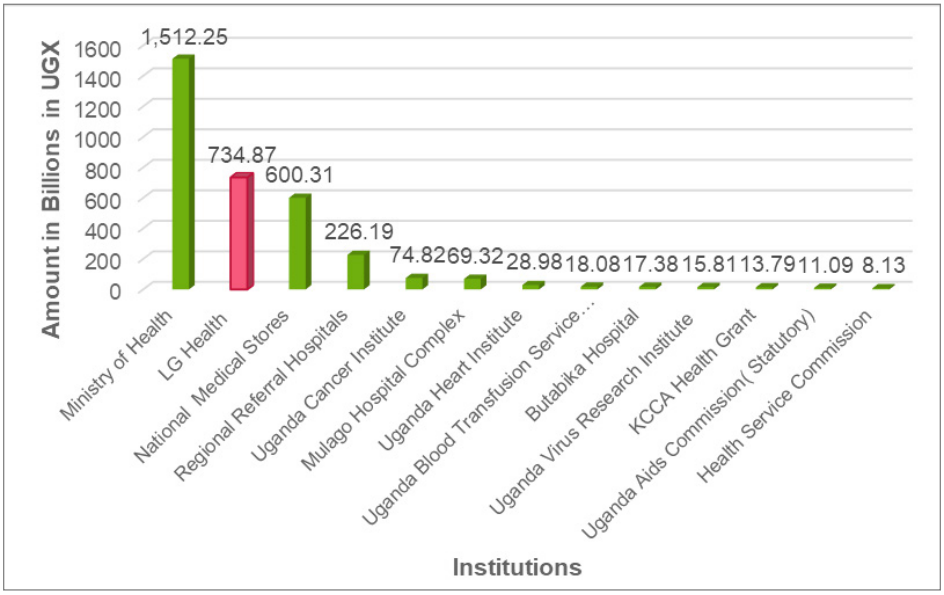
Although the national budget is projected to decline by 2% from UGX 45,493.7 billion in FY 2020/21 to UGX 44,782 billion in FY 2021/22[9], the health budget is projected to increase by 19.8% in the same period. The increase is mainly attributed to the COVID-19 pandemic. The biggest increment has been received by the Uganda Virus Research Institute (UVRI), whose budget increased by 76% from 8.971 billion in FY 2020/21 to 15.81 billion this FY. Likewise, National Medical Stores (NMS) received a 43% increment in its budget from 420.314 billion in 2020/21 to UGX 600.31 billion this FY. Local governments only received a mere increment of 18% during the same period from 625.18 billion in FY 2020/21 to 734.88 billion in FY 2021/22. On the other hand, the Uganda Cancer Institute (inspite of increasing cancer cases in the country) received a 29% reduction in its overall budget from 105.8 billion in 2020/21 to 74.82 billion in 2021/22[10].

2.1: Funding for Health by Institution, FY 2021/22

As indicated in figure 1 below, the largest portion of the health budget 1512.25 billion (i.e 45%) is retained at the centre under the Ministry of Health (MoH) vote. Health grants to local governments, where the bulk of services are delivered constitute only 22% (i.e 735 billion) of the health budget. Other institutions such as the National Medical Stores take 15% of the total budget (i.e 600.31 billion).

[6] Approved Estimates of Revenue and Expenditure FY 2015/16 and FY 2021/22
[7] Approved Estimates of Revenue and Expenditure FY 2021/22
[8] National Health Accounts 2016-2019
[9] Approved Estimates of Revenue and Expenditure FY 2021/22
[10] Approved Estimates of Revenue and Expenditure FY 2020/21 and FY 2021/22

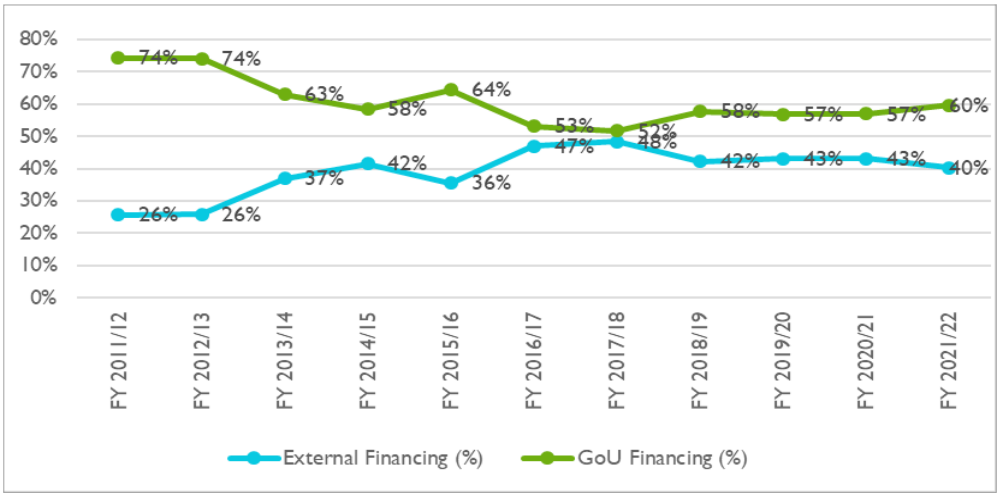
Figure 1: Health Sector Allocation by Institution FY 2021/22 (UGX Billions)



2.2: Funding for Health by source (National level)

Overall, the share of domestic/GoU financing to the total health budget has decreased by 14% from 74% in FY 2011/12 (i.e 593 Bn) to 60% in FY 2021/22 (i.e 1988 Bn). On the other hand, the share of external financing to the total health budget has increased by 14% in the last 10 years from 26% in FY 2011/12 (i.e 206 Bn) to 40% in 2021/22 (i.e 1343 Bn). In the last 4 years however, there has been an 8% decline in the share of external financing from 48% (944 Bn) in 2017/18 to 40% in 2021/22 (1343 Bn). In FY 2020/21,, Government of Uganda (GoU) contributed 57% of the health budget (1,583 Bn), of which 1,377.89 Bn is allocated to recurrent expenditure and 205.290 Bn to development expenditure. This implies that 87% of GoU contribution to the health budget of FY 2020/21 is allocated to recurrent expenditure and 13% to development expenditure implying the development component of the health budget is largely funded by Health Development Partners.

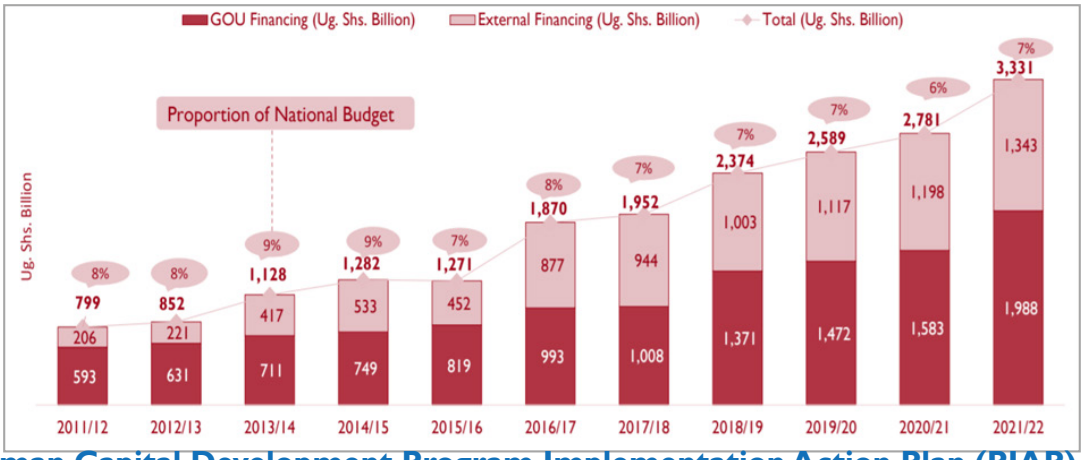
Figure 2: Trends in Financing the Health Budget (i.e % share by source), FY 2011/12-FY 2021/22



2.2.1: Trends in Health financing

Over the last 10 years, there has been a significant increase in the health sector budget by 317% from UGX 799 billion in FY 2011/12 to UGX 3,331 billion in FY 2021/22. Despite this increase, the health budget allocation as a proportion of the national budget has decreased from 8% in FY 2011/12 to 7 % in FY 2021/22. This implies low prioritisation of health by the government.

Figure 3: Growth in health budget, in monetary terms and as a percentage of total government budget



2.2.2: Human Capital Development Program Implementation Action Plan (PIAP) (FY 2020/21-2024/25) Proposed Funding Vs Proposed Health Budget Funding

Table 1:PIAP Annualised Costs Vs Health Sector Budget (FY 2020/21-2024/25 - UGX Billions

Objectives	FY2020/21	FY2021/22	FY2022/23	FY2023/24	FY2024/25
Objective 4: Improve population health, safety and management	9,086.85	10,745.39	11,598.68	12,957.33	13,378.04
Actual Health Allocation	2,781.17	3,331.02	2,205.16	2,539.30	3,516.88
Funding Gap	6,305.68	7,414.37	9,393.52	10,418.03	9,861.16

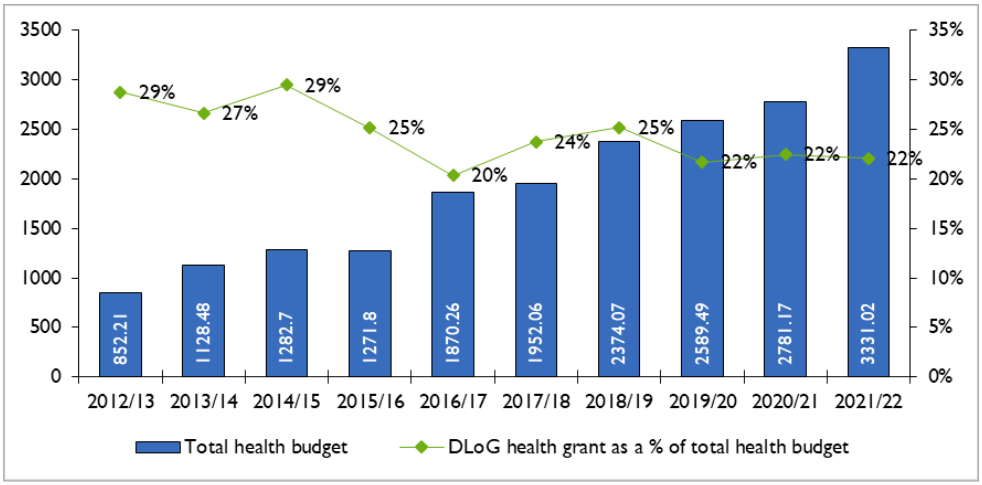
A review of the 5-year (2020/21-2024/25) Human Capital Program Implementation Action Plan reveals a big discrepancy between the proposed amounts in the PIAP and the actual health allocations in the national budget. For instance, while the PIAP estimates a total requirement of UGX 10,745 Billion for health in FY 2021/22, the national budget only allocated a total of UGX 3,331 Bn for the same period, which is only 31% of the resources projected in the PIAP.

2.3: Health Financing for Local Governments in Uganda

2.3.1: Health fiscal transfers to local governments

In 2016, the government of Uganda initiated a multi-year reform programme for intergovernmental fiscal transfers that aimed at increasing the adequacy, equity, and efficiency of transfers to local governments, including health transfers. Inspite of this reform, the share of health grants as a percentage of the total health budget has decreased from 29% in 2014/15 to 22% in FY 2021/22[11], implying that the government (Ministry of Health) is prioritizing less financing of district health budgets. For the period 2019/20 to 2021/22, the share of district health grants to the total health budget has stagnated at 22%, which is contrary to the intergovernmental fiscal transfers' objective of increasing adequacy of health transfers to districts.

Figure 4: DLGs health grants as a percentage of total health budget allocations, FY 2012/13-FY 2021/22



2.3.2: Financing health budgets in Apac, Rubirizi, Kanungu and Kapelebyong districts

Generally, as indicated in figure 5 and table 2 below, allocations towards health budgets in the four districts of

Apac, Kanungu, Rubirizi and Kapelebong have been steadily increasing over the last 4 years. Likewise, the share of the health budget to the total district budget has slightly increased in most of the districts under review. For instance, the share of Kanungu heath budget to the total district budget increased by 2% from 22.3% in FY 2019/20 to 24.3% in FY 2020/21. In Apac district, the share of the health budget increased by 0.7% in the same period. Kapelebyong district registered the largest increase in the share of the health budget, which increased by 5.5% from 9.3% in 2019/20 to 14.6% in 2020/21. While the share of the health budget increased slightly in all the 3 districts above, that of Rubirizi district declined by 0.10% in the same period. The recent increase in the health budget is mainly attributed to the outbreak of the Covid-19 pandemic.

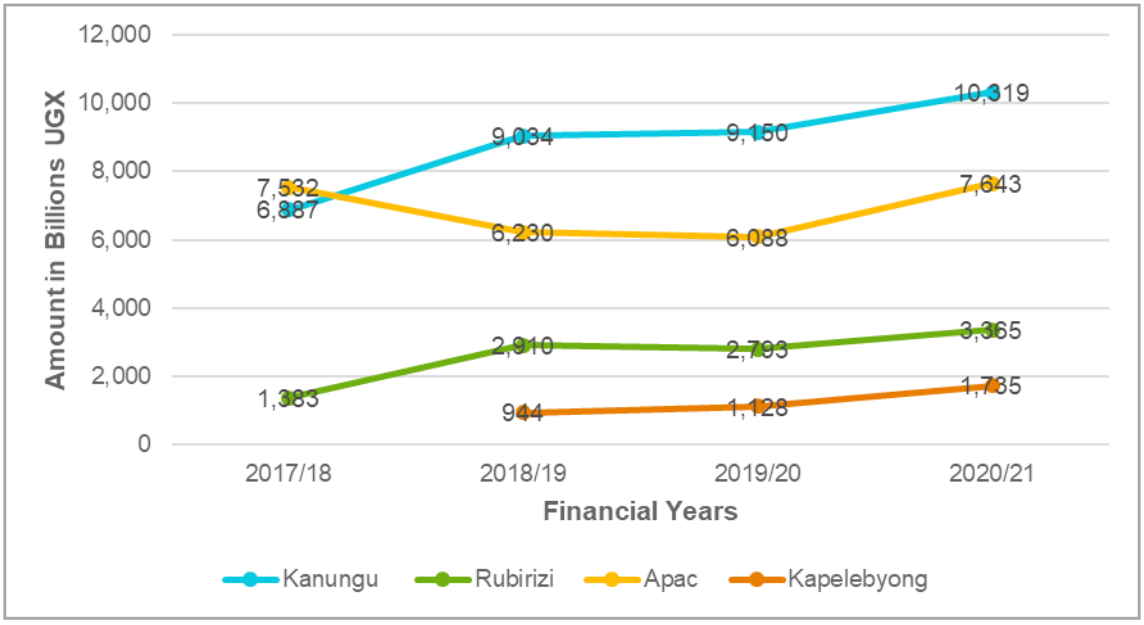
Table 2: Allocations to health budgets of 4 selected districts, FYs 2017/18-2020/21 (in 000s UGX)

District	Approved Budget FY 2017/18	Share of health budget 2017/18	Approved Budget FY 2018/19	share of health budget 2018/19	Approved Budget FY 2019/20	share of health budget 2019/20	Approved Budget FY 2020/21	share of health budget 2020/21
Kanungu	6,886,880	22%	9,033,657	24.4%	9,149,996	22.3%	10,319,126	24.3%
Rubirizi	1,382,630	12.3%	2,909,899	19.6%	2,793,310	16.8%	3,364,888	16.7%
Apac	7,532,214	19.5%	6,229,847	22.2%	6,088,315	21.7%	7,643,089	22.4%
Kapelebyong	N/A	N/A	944,361	9.6%	1,127,687	9.3%	1,735,049	14.6%

Source: Approved Budgets of various districts and author's computations

11 Approved Estimates of Revenue and Expenditure, Volume 1 &2, (FYs 2012/12-20

Figure 5:Trends in Financing of District health budgets (Kanungu,Apac, Rubirizi and Kapelebyong), FY 2017/18-2020/21, in UGX millions



2.3.3: Health Revenue performance (Outturns) for Apac, Kanungu, Rubirizi and Kapelebyong by source, FY 2017/18-2021/22

a). Kanungu District

Table 3:Kanungu District health expenditure (outturns) by Source, FY 2017/18-2020/21 (000s UGX)

Revenue Source	2017/18		2018/19		2019/20		2020/21	
	outturn	% share	outturn	% share	outturn	% share	outturn	% share
Recurrent	**5,519,605**	**84.4%**	**7,202,409**	**89%**	**7,636,015**	**82%**	**7,353,883**	**84.5%**
local revenue	8,996	0.14%	8,662	0.11%	8,525	0.09%	7,360	0.08%
Central Government transfers	5,510,609	84.2%	7,193,747	88.9%	7,627,490	81.4%	7,346,523	84.4%
Development	**1,023,204**	**15.6%**	**889,261**	**11%**	**1,730,233**	**18.5%**	**1,353,014**	**15.5%**
External financing	322,424	4.9%	268,667	3.3%	717,483	7.7%	127,125	1.5%
Central govt transfers	700780	10.7%	620,594	7.7%	1,012,750	10.8%	1,225,889	14.1%
Total	**6,542,809**	**100%**	**8,091,670**	**100%**	**9,366,248**	**100%**	**8,706,897**	**100%**

Source: Kanungu District Budget performance Reports, FYs 2017/18-2020/21

As indicated in table 3 above, Kanungu, development expenditure constitutes only 15.5% of the total health expenditure, while the larger portion (i.e 84.5%) goes towards recurrent costs. In the district a larger portion of Kanungu district health expenditure is from Central Government transfers. In FY 2020/21, 98.5% of health expenditure in the district was financed from central government transfers, of which 84.4% went to recurrent expenditure and only 14.1% to the development component. Health expenditure from Local revenue on the other hand has been steadily decreasing for the last 4 years from 8.996 million in FY 2017/18 to 7.360 million in FY 2020/21. This clearly indicates heavy reliance on the central government for implementation of health interventions, which has negative implications on the financial impendence of the district.

b). Kapelebyong District

Table 4: Kapelebyong District health expenditure (outturns) by Source, FY 2017/18-2020/21 (000s UGX)

Revenue Source	2018/19		2019/20		2020/21	
	outturn	% Share	outturn	% Share	outturn	% Share
Recurrent	**824,548**	**84%**	**1,410,594**	**90%**	**1,330,637**	**89.7%**
local revenue	4,729	0.48%	652	0.04%	1,622	0.11%
Central Govt transfers	819,819	83.8%	1,409,942	89.8%	1,329,015	89.6%
Development	**154,178**	**16%**	**159,056**	**10.1%**	**153,362**	**10.3%**
External financing	32,550	3.3%	126,739	8.1%	78,156	5.3%
Central govt transfers	121628	12.4%	32,317	2.1%	75,206	5.1%
Total	**978,726**	**100%**	**1,569,650**	**100%**	**1,483,999**	**100%**

Source: Kapelebyong District Budget performance Reports, FYs 2017/18-2020/21

As indicated in table 4 above, development expenditure constitutes a very small portion of the district health expenditure in Kapelebyong district (i.e 10.3%) while the recurrent component takes 89.7% of the district's health expenditure. Local revenue constitutes a very small portion of the district's health expenditure. In FY 2020/21, it contributed less than 1% (i.e 0.11%) of the total health revenue for the district. The largest portion of health expenditure was from central government transfers, which constituted 94.7% in FY 2020/21. Of this, 89.6% was spent towards recurrent expenditure, while only 5.1% was spent on the development component.

c). Rubirizi District

Table 5: Rubirizi District Health Expenditure (outturns) by Source, FY 2017/18-2020/21 (000s UGX)

Revenue source	2017/18		2018/19		2019/20		2020/21	
	outturn	% Share	outturn	% Share	outturn	% Share	outturn	% Share
Recurrent	**1,120,518**	**90.1%**	**1,661,991**	**59%**	**1,997,635**	**68%**	**1,965,187**	**54.3%**
local revenue	500	0.04%	1,500	0.05%	6,963	0.24%	3,402	0.09%
Central Govt transfers	1,120,018	90.1%	1,660,491	59.3%	1,990,672	68.2%	1,961,785	54.2%
Development	**122,578**	**9.9%**	**1,136,031**	**41%**	**922,180**	**31.6%**	**1,654,616**	**45.7%**
External financing	122,578	9.9%	85,014	3.0%	236,050	8.1%	56,518	1.6%
Central govt transfers	0	0.0%	1051017	37.6%	686130	23.5%	1,598,098	44.1%
Total	**1,243,096**	**100%**	**2,798,022**	**100%**	**2,919,815**	**100%**	**3,619,803**	**100%**

Source: Rubirizi District Budget performance Reports, FYs 2017/18-2020/21

Just like the other districts, Rubirizi health expenditure is largely financed by central government transfers which constitute over 85% of total health expenditure in the district. In FY 2020/21, 98.3% of the district's health expenditure was financed from this revenue source, with local revenue contributing only 0.09% of the district health expenditure. In all the 4 districts reviewed, Rubirizi district has the highest health development expenditure, which constituted 45.7% in FY 2020/21, an increment from 9.9% in FY 2017/18. This confirms the district's commitment towards financing health care and in particular health infrastructure in the district.

d). Apac

Table 6: Apac District health expenditure (outturns) by Source, FY 2017/18-2020/21 (000s UGX)

Revenue Source	2017/18		2018/19		2019/20		2020/21	
	outturn	% Share	outturn	% Share	outturn	% Share	outturn	% Share
Recurrent	**5,338,193**	**78.2%**	**4,330,342**	**73%**	**4,647,126**	**81%**	**4,823,632**	**68.4%**
local revenue	14,278	0.21%	5,000	0.08%	10,000	0.17%	33,608	0.48%
Central Govt transfers	5,323,915	77.9%	4,325,342	73.1%	4,637,126	80.9%	4,790,024	68.0%
Development	**1,491,979**	**21.8%**	**1,587,266**	**27%**	**1,082,300**	**18.9%**	**2,223,780**	**31.6%**
External financing	221,713	3.2%	540,150	9.1%	642,914	11.2%	270,249	3.8%
Central govt transfers	1270266	18.6%	1047116	17.7%	439386	7.7%	1,953,531	27.7%
Total	**6,830,172**	**100%**	**5,917,608**	**100%**	**5,729,426**	**100%**	**7,047,412**	**100%**

Source: Apac District Budget performance Reports, FYs 2017/18-2020/21

In Apac district, the development component constitutes only 31.6% of the total district health expenditure while the recurrent component takes 68.4%. In terms of revenue sources, central government transfers finance a larger portion of the district health expenditure. In FY 2020/21, central government transfers financed 95.7% of the district health expenditure, an increase from 88.6% in FY 2019/20. Local revenue on the other hand only financed 0.48% of the district health expenditure, an increase from 0.21% in FY 2017/18. This implies increased reliance of the health sector on the central government.

Generally, the development health expenditure in the 4 districts of Apac, Kapelebyong, Rubirizi and Kanungu is very low (see table 7 below). In FY 2020/21, Kapelebyong district registered the lowest proportion of health development expenditure with only 10.3% of health expenditure going towards the development component. Rubirizi on the other hand registered the highest proportion, with its health development budget financed to the tune of 45.7% in the same period. In terms of revenue sources, in all the 4 districts reviewed, the contribution of local revenue towards the district health expenditure was less than 1% in FY 2020/21. In all the 4 districts, central government transfers constitute the largest portion of health expenditure, with all the districts depending on over 90% of their health expenditure from this revenue source, with districts such as Rubirizi and Kanungu spending up to 98.3% and 98.5% respectively of their health expenditure from central government transfers. This implies that all the 4 districts are implementing central government priorities in the health sector and may not be able to implement all their unique local health priorities given their low local revenue base.

Table 7: Financing of District health expenditure % (by source), FY 2020/21

District	Health Devt Expenditure %	Health recurrent Expenditure %	Local revenue	Central Govt transfers	External support
Apac	31.6%	68.4%	0.48%	95.7%	3.8%
Rubirizi	45.7%	54.3%	0.09%	98.3%	1.6%
Kapelebyong	10.3%	89.7%	0.11%	94.7%	5.3%
Kanungu	15.5%	84.5%	0.08%	98.5%	1.5%

3.0: Health Budget Expenditure Performance

3.1: National Health Budget Performance, FY 2020/21

Overall, the health sector registered a budget performance of 92% in FY 2020/21, a reduction of 4% from 96% in FY 2019/20. The decline was mainly attributed to the poor performance of externally financed health projects in the country. The budget performance for all externally funded projects in the sector declined from 91% in FY 2019/20 to 73% in FY 2020/21.

Table 8: Performance of key Externally Funded Health Projects- FY 2020/21 in UGX Bns

Project	Approved Budget	Total Releases	Total Payments	% Absorption	% Budget Released	% Budget Spent
Rehabilitation and Construction of General Hospitals	3.84	3.84	3.84	100%	100%	100%
Kayunga and Yumbe Project	30.83	27.46	27.46	100%	89%	89%
Karamoja Infrastructure Development Project Phase II	12.94	-	-	-	0%	0%
URMCHIP	332.42	243.71	176.16	72%	73%	53%
Global Fund	703.03	322.85	233.21	72%	46%	33%
GAVI	36.74	27.85	16.81	60%	76%	46%
USF/MoH	4.80	2.80	1.46	52%	58%	30%
USF/Sanitation Grant to LGs	2.59	2.59	2.59	100%	100%	100%
Sub-Total MOH	1,127.18	631.10	461.53	73%	56%	41%
UCI ADB Project	70.81	3.88	3.88	100%	5%	5%
Total	**1,197.99**	**634.98**	**465.41**	**73%**	**53%**	**39%**

Source: MOH AHSPR FY 2020/21

Generally, funding of the health sector is dominated by key projects such as Global Fund, GAVI and Uganda Reproductive Maternal Child Improvement Project (URMCHIP). Global Fund alone takes an entire 58.7% of the total on-budget project funding, making it the biggest project in the health sector. However, inspite of their large share, the financial performance of these projects is quite poor. For instance, in FY 2020/21, the Global Fund project inspite of receiving only 46% of its approved budget, managed to spend only 72% of these funds. Likewise, the URMCHIP (which is the second largest on-budget health project) despite receiving 73% of the approved budget, only managed to spend 72% of these resources.

3.1.1: Key health projects that are lagging behind in performance

By end of FY 2020/21, some vital health projects were reported to be lagging behind in terms of physical and financial performance. Some of these projects are highlighted below:

Project 1: Construction and Equipping of the International Specialised Hospital in Uganda.

Project Title:	**Construction and equipping of the International Specialized Hospital in Uganda**
Start Date:	2019/20
End Date:	30/06/2020
Forecast Disbursement FY 2020/21:	USD 249.9 million
Actual Disbursement FY 2020/21 :	USD 57.9 million
Progress / Remarks:	Construction work is at 23%. Work has stalled due to the request for redesigning and lack of finances by the contractor. So work is way behind schedule. The developer is responsible for 100% funding and will run the facility for 8 years before hand over to government.

This project was scheduled to start in FY 2019/20 and end by 30th June 2020. However, over 16 months after the project end date, this project is still lagging behind, with only 23% of the expected funds (i.e USD 57.9 million out of the projected USD 249.9 million) having been disbursed. The poor performance is largely attributed to lack of financial resources by the contractor, who is 100% responsible for funding of the facility.

Project 2: Construction of 138 Health Centre IIIs in sub counties without any health facility

Project Title:	**Construction of 138 Health Centre IIIs in subcounties without any health facility**
Start Date:	2020/21
End Date:	2024/25
Forecast Disbursement FY 2020/21:	UGX 276 Billion
Actual Disbursement FY 2020/21:	0
Progress / Remarks:	Funding goes directly to district LGs but in the FY2020/21, there was no construction made. 12 HC IIIs will be constructed in the FY 2021/22

This project was expected to have started in FY 2020/21. Although this project is expected to end at the end of FY 2024/25, no funds have been disbursed yet for this project hence no Health Centre IIIs were constructed last FY under this project despite the urgent need for HCIIIs.

3.2: Budget performance at District level

3.2.1: Performance on the District League Table (DLT)

In 2003 the Uganda Ministry of Health introduced the District League Table (DLT) to track district performance. Health score referred to as 'district league table overall score' is a composite index based on performance of all district health indicators. The higher the score the better the rated performance, with 0 the lowest score possible and 100 the highest.

Table 9: DLT Ranking for Apac, Kanungu, Kapelebying and Rubirizi districts, FY 2020/21

District	% Score	Rank
Apac	67.0	30
Kanungu	64.3	52
Kapelebyong	60.8	84
Rubirizi	59.6	95
National	**64.4**	

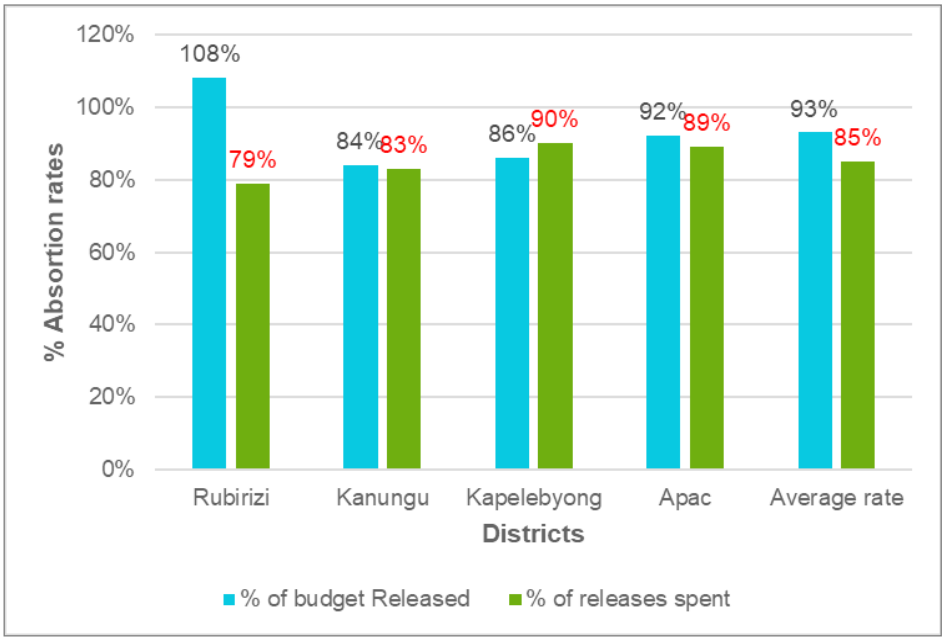
Source: AHSPR FY 2020/21

Table 9 above shows the District League Table (DLT) scores and ranking for the 4 districts under review. Overall results of the DLT for FY 2020/21 indicate that only 37% (i.e 50 out of the 136 districts) scored above the national average of 64.4%. Out of the 4 districts under review, only one district, (i.e Apac) performed above the national average score of 64.4% and was placed in the 30th position in the country. The worst performance was registered by Rubirizi district, with an overall score of 59.4% and was placed at the 95th position.

3.2.2: District Budget Absorption (Kanungu, Apac, Rubirizi and Kapelebyong)

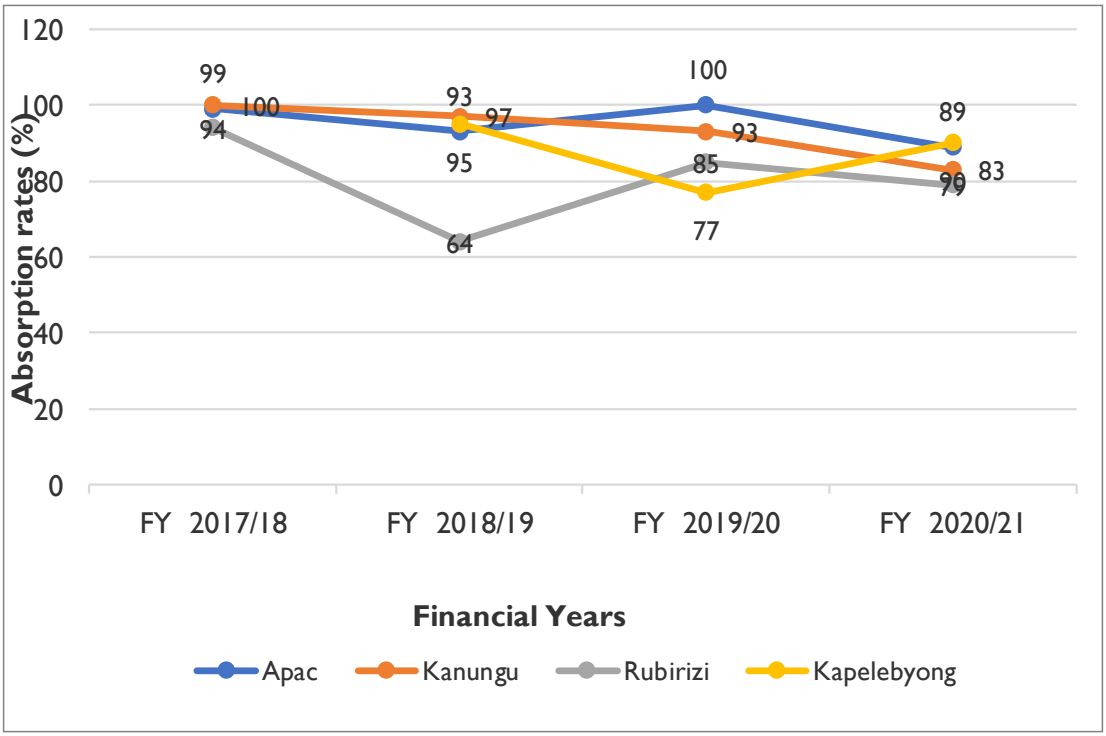
Generally, the proportion of health budgets released at district level was relatively high in FY 2020/21. On average, 93% of the approved FY 2020/21 health budgets of the four districts of Rubirizi, Kapelebyong, Apac and Kanungu were released (see figure 6 below) by the end of the FY. Inspite of this, the budget absorption rates (as a % of district health releases) in the 4 districts remained relatively low in the same period, performing at an average rate of 85%. For instance, in Rubirizi district, although 108% of the total approved health budget was released in FY 2020/21, only 79% of these releases were spent by the district by the end of the FY. Other districts of Kanungu, Apac and Kapelebyong absorbed 83%, 89% and 90% respectively of their total health releases in the FY. Therefore, none of the 4 districts under review absorbed all their health budget by end of FY 2020/21.

Figure 6: : Releases Vs Absorption of health budgets for Selected Districts (%), FY 2020/21



As indicated in figure 7 below, there has been a gradual decline in the absorption rates of health budgets for all the 4 districts of Apac, Kanungu, Rubirizi and Kapelebyong since FY 2017/18. The biggest decline was registered by Kanungu district, whose absorption reduced from 100% in FY 2017/18 to 83% in FY 2020/21.

Figure 7: Trends in Absorption Rates (%) for District Health Budgets of Apac, Kanungu, Rubirizi and Kapelebyong districts, FY 2017/18 - FY 2020/21

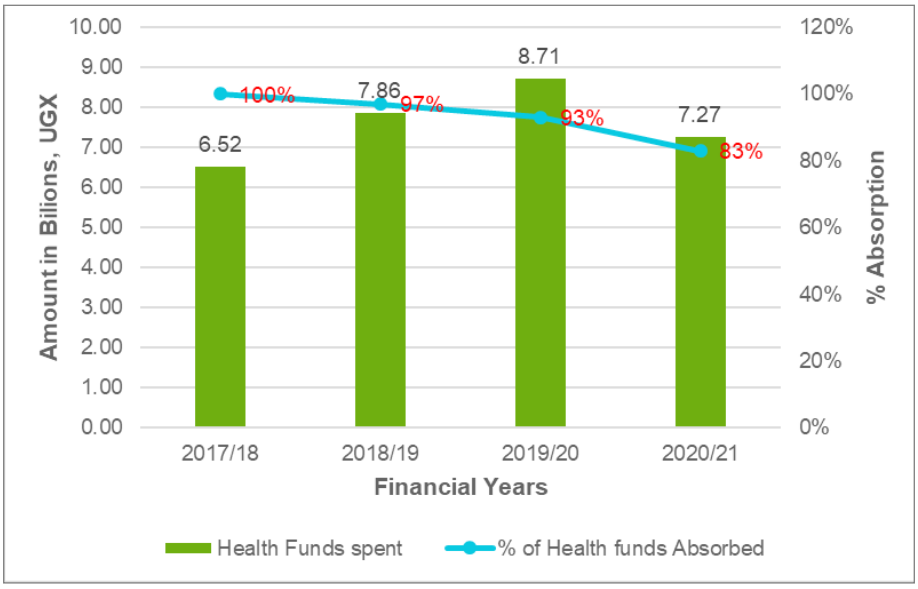


3.3: Bottlenecks of absorption of health resources at district level.

3.3.1: Performance of Kanungu District health budget FY 2020/21

In Kanungu district, the health budget has been increasing overtime from UGX 6.89 bn in FY 2017/18 to UGX 10.32 Bn in FY 2020/21. Within the health sector, the district has registered a growth in Primary Health Care (PHC) funds sent to the district. Interviews with one of the district officials in the health department revealed that in FY 2021/22, the quarterly release of PHC funds has increased from UGX 8.2million the previous year to UGX 19 million in the current FY. Also, the overall absorption of health funds in the district has been steadily decreasing from 100% in FY 2017/18 to 83% in FY 2020/21. However, though there has been a gradual increase in the health expenditure (in absolute terms) over the last three years (from 2017/18-2019/20), the district registered a 16% decline in its health expenditure from 8.7 billion in 2019/20 to 7.27 billion in FY 2020/21 (see figure 8 below).

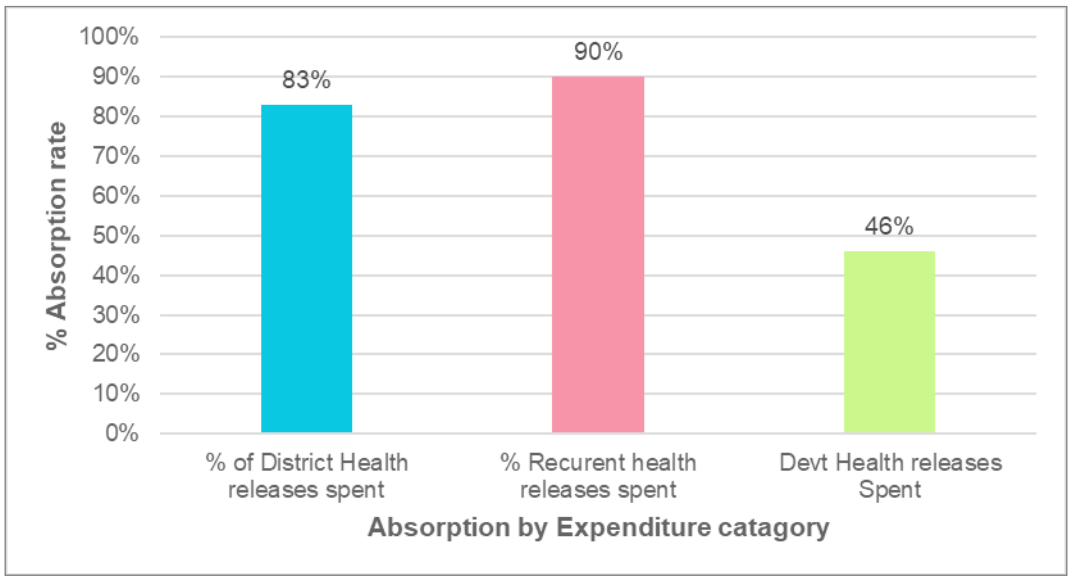
Figure 8: Performance of Kanungu Health Budgets (Actual Expenditure- in UGX Vs % Absorption), FY 2017/18-2020/21



3.3.1.1: Kanungu district Health Performance by Expenditure category, FY 2020/21

a). Recurrent Versus Development Expenditure

Figure 9: % Absorption of Kanungu District Health budget by expenditure catagory (i.e Recurrent Vs Development, FY 2020/21)



By the end of FY 2020/21, 83% of the Kanungu district health releases had been spent. In the same period, 90% of the recurrent health releases were spent and only 46% of the development health releases were spent. However, a total 1.437 billion UGX released to the health department in the district remained unabsorbed in the same period.

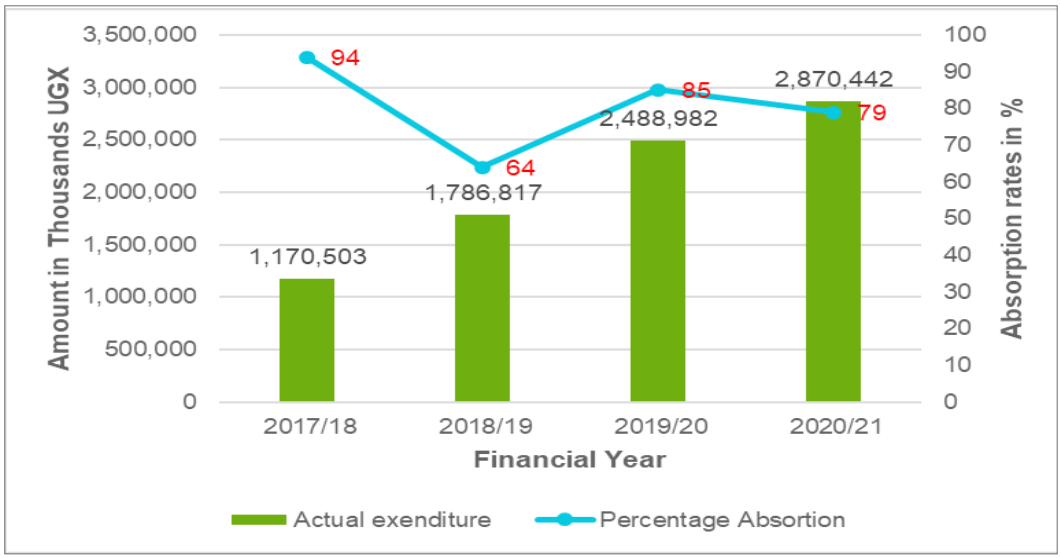
Reasons for Low Absorption of health funds in Kanungu district- FY 2020/21

- **Delayed Approval of a District Service Commission (DSC):** 46% of the unspent health funds (i.e UGX 659.9million) in the district were meant for wage. In FY 2020/21, there was a delay in recruitment of health workers , mainly attributed to the delayed approval of the District Service Commission (DSC) by the District Council.
- **Delays in procurement:** UGX 639.4 million for domestic development could not be spent due to delays in procurement for the upgrading Ntugamo health centre II to health centre III and for the supply of medical equipment
- **Delayed release of funds:** in Kanungu district, UGX 91.08million from external financing remained unspent at the end of FY 2020/21 since it was released late.
- Unspent balance of UGX 46.849 million for non-wage was meant for maintenance of vehicles in health facilities

3.3.2: Performance of Rubirizi District health budget FY 2020/21

In Rubiriz district, although the actual expenditure for the health component has been gradually increasing overtime, there has been a slight reduction in the absorption rates for the health budget from 94% in FY 2017/18 to 79% in FY 2020/21. In FY 2020/21, UGX 749,361,000 remained unspent in the health department.

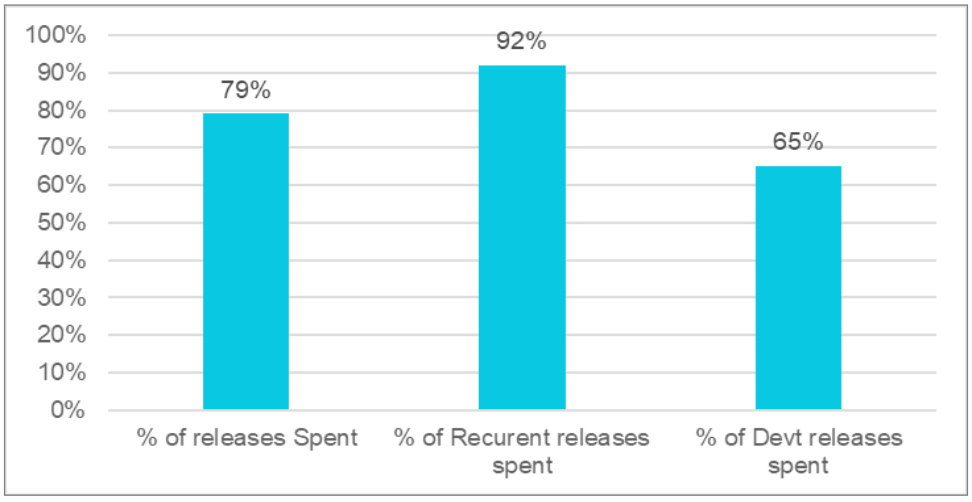
Figure 10: Absorption Rates for Rubirizi District health budgets (vs Actual amounts spent) FY 2017/18-FY 2020/21



3.3.2.1: Rubirizi District Health Performance by Expenditure category, FY 2020/21

Recurrent Vs Development Expenditure

Figure 11: % Absorption of Rubirizi District Health budget by expenditure category (i.e Recurrent Vs Development, FY (2020/21)



In Rubirizi district, the overall absorption rates for the health sector stood at 79% by end of FY 2020/21. The absorption of recurrent health funds released was 92% in the same period. However, in the same period, the absorption of the district's development budget was very low, performing at 65% of total releases.

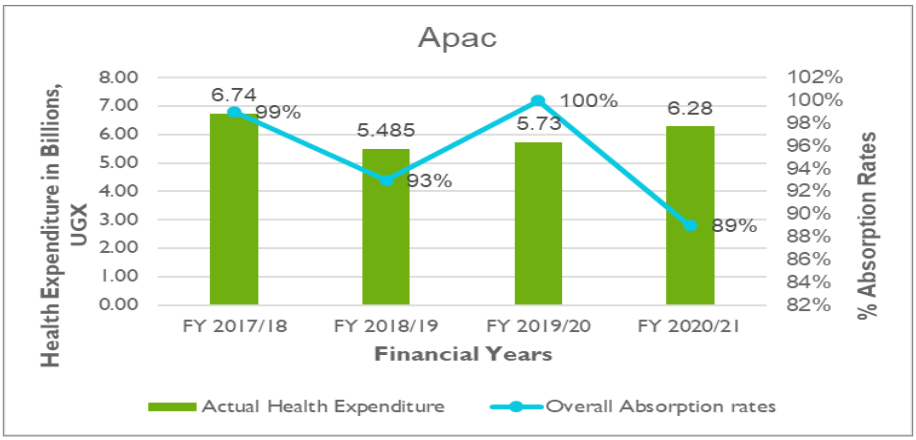
Reasons for Low Absorption of health funds in Rubirizi district- FY 2020/21

- **Procurement delays**: In Rubirizi district, under the domestic development component, a total of UGX 583,691,000 and 54,591,000 meant for RBF and other procurement commitments remained unspent due to delays in procurement processes. As a result, almost all development projects did not take off as expected.
- **Delays in recruitment**: In FY 2020/21, the wage component worth UGX 110,957,000 remained unspent due to delays in recruitment (which was done at the end of quarter 4).

3.3.3: Performance of Apac District health budget FY 2020/21

In Apac, while the district has registered an increase in its health expenditure (in absolute terms) there is a general decline in the absorption rates for the health budget. For instance, in FY 2020/21, though the district registered an increase in its health expenditure from 5.485 billion in FY 2019/20 to 6.28 billion in FY 2020/21, its overall absorption of health funds in the same period declined significantly from 100% in FY 2019/20 to 89% in FY 2020/21.

Figure 12: Absorption Rates for Apac District health budgets (vs Actual amounts spent) FY 2017/18-FY 2020/21

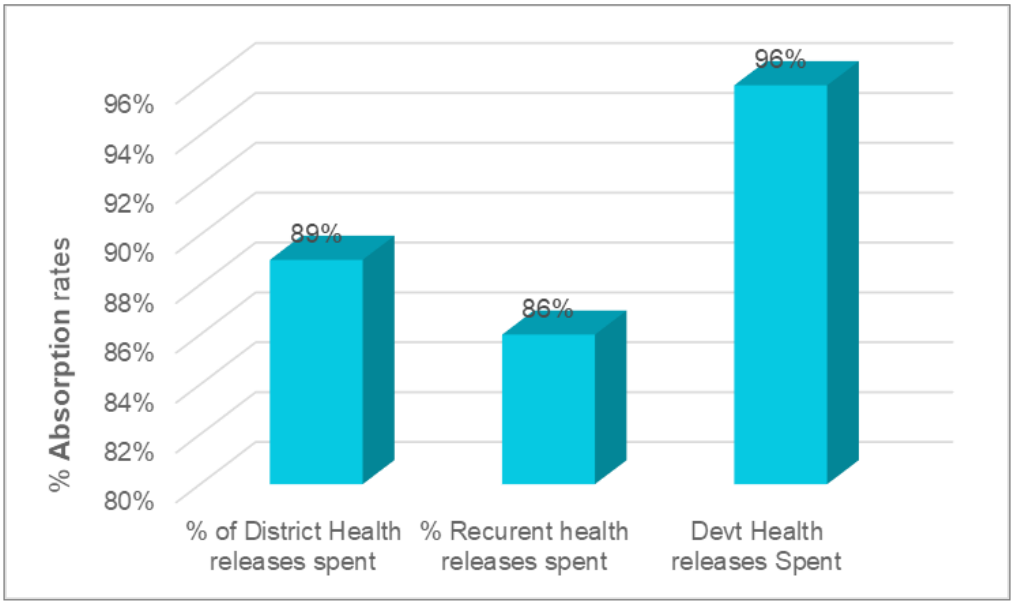


a. Recurrent Vs Development Expenditure

Reasons for Low Absorption of health funds in Apac district- FY 2020/21

- Overall, the health sector in Apac district was not able to spend a total of 770,197,853, representing 11% of the total health releases
- **Absence of the district service commission**: A total wage of 651,128,000 was not spent because the district failed to recruit health workers as planned due absence of a DSC.
- **Late release of funds:** A total of 27,993,000 (RBF funds) released as recurrent funds and 68,520,000 (external financing were not spent due to late disbursement of funds.
- A total of 22,557,000 (domestic development fund) was not spent because some projects were not completed and could not be paid

Figure 13: % Absorption of Apac District Health budget by expenditure category (i.e Recurrent Vs Development, FY 2020/21

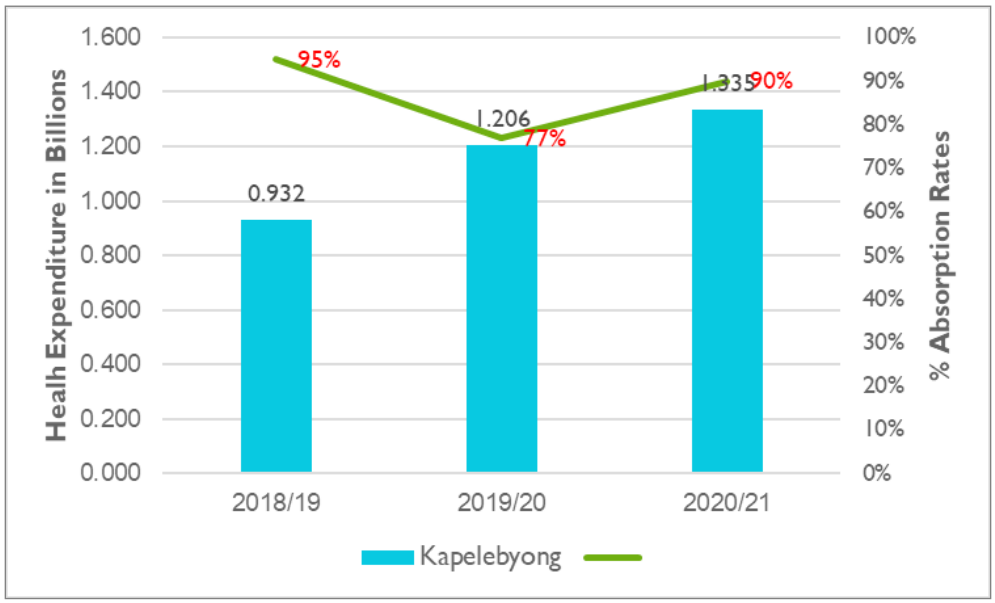


In Apac district, the overall absorption rate for the health budget in FY 2020/21 was 89%. The best performance was registered with development expenditure where 96% of the released funds were absorbed. Recurrent expenditure on the other hand registered an absorption rate of 86%. However, inspite of the high absorption of the health development budget, only 75% of the external funds (under the development component) were spent.

3.3.4: Performance of Kapelebyong District health budget FY 2020/21

As indicated in figure 14 below, the health expenditure in Kapyelebyong has been steadily increasing from 0.932 billion in FY 2017/18 to 1.335 billion in FY 2020/21. However, though the absorption rates for the health budget increased by 13% form 77% in FY 2019/20 to 90% in 2020/21 in the district, the overall absorption rates have declined since FV 2017/18 from 95% in this period to 90% in FY 2020/21.

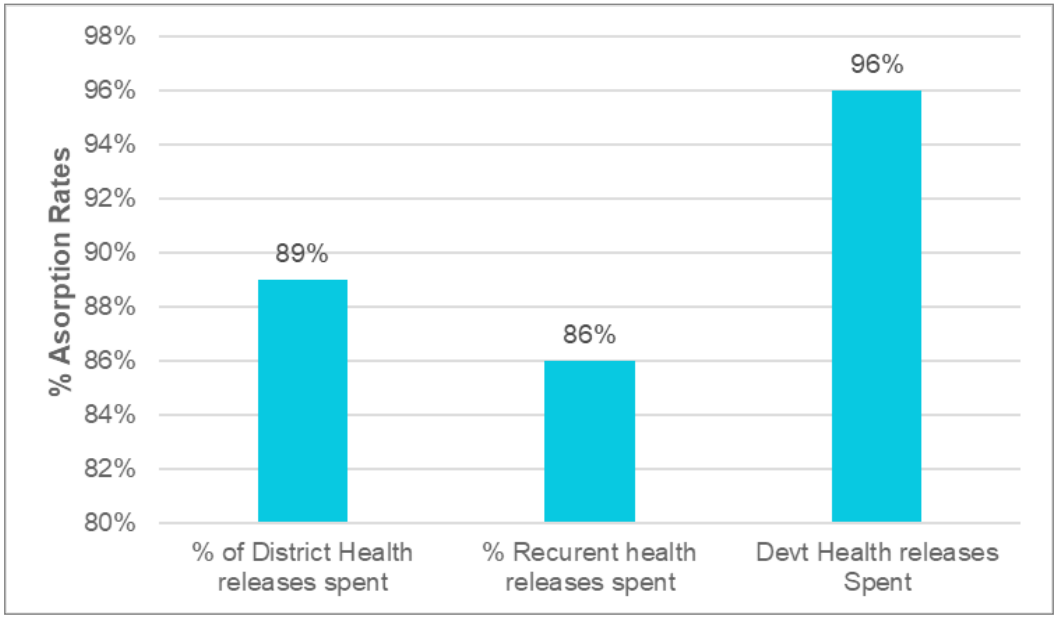
Figure 14: Absorption Rates for Kapelebyong District health budgets (vs Actual amounts spent) FY 2017/18-FY 2020/21



b. Recurrent Vs Development Expenditure

As indicated in figure 15 below, the absorption rate for the Kapelebyong district health budget was 89% in FY 2020/21. Within the health budget, the largest absorption rate was registered under the Development budget, with 96% of the total district health releases being spent. Under the recurrent health budget, 86% of the released funds were spent.

Figure 15: % Absorption of Kapelebyong District Health budget by expenditure category (i.e Recurrent Vs Development, FY 2020/21



Reasons for Low Absorption of health funds in Kapelebyong district- FY 2020/21

- The planned recruitment of critical staff in the department which attracted a huge increment in wages was yet to be implemented. A total UGX 149,411,000 /= was largely unspent balance in staff wages.

4.0: Challenges in the delivery of health service interventions in Apac, Kanungu, Kapelebyong, and Rubirizi districts

Understaffing:

According to the HRH Audit Report FY 2019/20, the average staffing for the health sector for all local governments in Uganda stands at 74%, while the national target is at 85%. Out of the 4 districts reviewed, only Apac district performs above the national average and target with staffing levels of 88%. Kanungu district staffing levels stand at 74%, which is the same as the national average but below the national target. Rubirizi district on the other hand has the lowest staffing levels at 59%.

- In Kanungu district, the District Health Officer (DHO) is in acting position, while the position of Assistant DHO- environment is still vacant, while in Kapelebyong district, all Heads of departments are in acting positions.

Table 10: HRH Staffing Analysis for selected District Local Governments

District	Approved positions	Filled	Vacant	% Filled	% Vacant
Kanungu	644	479	165	74%	26%
Kapelebyong	207	137	70	66%	34%
Rubirizi	225	133	92	59%	41%
Apac	424	374	50	88%	12%

Source: HRH Audit Report, FY 2019/20

At lower-level health facilities, staffing levels are very low in some districts. For instance, in Kanungu district, staffing levels in Bishop Mazoldi and Kayonza Tea Factory Health Centre II (a PNFP) are both at 33%, with only 3 of the approved 9 positions filled in both facilities. In Kanungu HCIV, there is only one doctor (who also works as the facility in-charge), while in all the 4 districts reviewed, there is only one records officer/information assistant, yet a lot of data has to be input in the system. This has partly contributed to the delays in implementation and reporting. Therefore, districts have to rely on the support of volunteers and staff recruited by partners such as RHITES, TASO, PEPFAR and JCRC which has partly reduced on the workload.

Furthermore, the staff structure for health centres has remained the same for a long time, inspite of the change in several parameters (i.e increasing population). Health centers are still using the old structure which has now become absolute since these facilities have expanded and are serving more people. For instance, the outpatient facility in Kanungu district used to receive about 20 people in the past but the numbers have now skyrocketed to over 100 yet the staff levels have not changed, which has increased the workload on the existing staff.

- **Delays in constituting and approving District Service Commissions (DSCs):** All the districts reviewed were unable to spend all their wage expenditure by end of FY 2020/21, due to delays in constituting a DSC, hence the delay in recruitment of staff in the health department. Districts such as Kapelebyong have not had a DSC for the last 3 years and are relying on the services of DSCs in neighbouring districts for support. As a result, it has been returning a huge amount of money meant for recruitment of staff for the last 3 years.
- **Inadequate Heath Facilities:** According to the HRH Audit report for FY 2019/20, all the 4 districts under review did not have adequate health facilities. In particular, Kapelebyong district has a total of 12 health facilities, with only one health centre IV, 2 Health centre IIIs and no general hospital. Inspite of the government policy of ensuring that every sub-county has a health centre III, some sub-counties in Kapelebyong district (e.g. Akoromit) do not have health facilities.

Table 12: Status of Health Facilities in Kapelebyong, Apac, Kanungu and Rubirizi Districts, FY 2019/20

District	Level of Facility				Total
	HCII	HC III	HC IV	General Hospital	
Kapelebyong District	9	2	1	0	12
Apac	9	5	0	1	15
Rubirizi	10	5	1	0	16
Kanungu	13	10	2	1	26

Source: HRH Audit Report, FY 2019/20

- In Kapelebyong district, the road network is in a very poor state, making some health centers in sub counties such as Acinga inaccessible (i.e one needs to use a boat to access facilities in this sub-county). For most of the facilities in the district, the community has to walk a distance of more than 7 kilometers to access services. This has affected access to health services by the poor communities. The district also has a power problem in the absence of national grid connection, even the batteries of the recently procured a solar system got spoilt and solar power keeps on and off.
- Rubirizi district has no general hospital and has only one Health Centre IV which is serving at a capacity of a hospital. This has continued to put strain on this facility. Furthermore, the district has no government ambulance. The only ambulance that is available in the district was donated by a Member of Parliament but is inadequate to serve the entire district population and unsustainable given that most vehicles are withdrawn from service when politicians lose elections.
- In Apac district, most maternity wards have very old maternity beds with no suction machines. In Apoi health centre III, the maternity ward is so small with outdated beds for delivery. More still, the procurement of most of the equipment required in most of the facilities in the district is centralised, with no consultation with the relevant facilities. Moreover, some of the equipment procured by the centre are not being used in the district. For instance, recently, the government procured a laundry machine which has never been used since the power requirements for this equipment are beyond what the district power system can supply. Currently, mostlower health facilities have not received any equipment from government, yet most of them are old and need to be replaced. What has been received is only under the UGIFT project.

- **Inadequate knowledge on the use of IFMS and PBS.** Although all districts and high-volume health facilities are required to use the Integrated Financial Management Systems (IFMS) and Program Budgeting System (PBS) for their financial transactions, some of the officers in the district lack adequate knowledge and skills to effectively use these systems. Though a number of staff have been trained by the Ministry of Finance, some of them have left the district and the new people recruited have never been

trained or oriented on the use of the system. This is further compounded by the fact that MoFPED, upgrades the system without orienting district staff on the new changes, making it hard for some of them to effectively use it.

- In Kapelebyong district, network challenges make it hard for the district carry out some transactions in time. The district has put up a new administration structure which currently has no power and is operating on a generator. As a result, staff are unable to access the system in the new building and, have to move to the old building (which is very small) when using IFMS and PBS. Moreso, the district is operating under a 2G network yet the IFMS system requires a 4G network.
- In Kanungu district, last FY, the IFMS system was off for 2 weeks, which affected timely processing of payments for implementation of ongoing activities in the system.
- In Apac district, during the IFMS training by the MoFPED, staff were told they would do warrants. However, these are only done by the super-users, (i.e the accountants in the finance department). This has given the super-users ultimate control over allocation of local revenues in the district which has disadvantaged departments such as health that are assumed to be attracting a number of donor projects.

- **Delayed procurement:** In all the districts reviewed, delayed procurement is reported as one of the challenges affecting timely absorption of health funds. While all the districts are required to undertake e-procurement, districts such as Kanungu have reported a number of challenges using this system. For instance, service providers are required to use this system yet most of them are ignorant about the system. The new system has also made the procurement of small items in the district lengthy. In addition, some procurements have been centralised, making it difficult for the district staff to effectively supervise the contractors.
  - In Rubirizi district, the procurement of key health projects such as the upgrading of health centers has been centralised, which has contributed to delays in procurement processes. For instance, B& B contractors currently has about 8 government contracts in other districts but was given all the contracts in Rubirizi district to upgrade health facilities in FY 2020/21. This has caused delays in executing construction works in the district.
  - In Kapelebyong district, the new directive of using the army brigade to undertake public construction projects is contributing to delays in the procurement process. Moreso, there are no guidelines on how to implement this directive since the districts are still using the old procurement law.
- **Limited participation of key district stakeholders in Procurement processes:** During procurement processes, there is limited involvement of key members of the district team in the entire procurement process. For instance, key members of the district team such as the district planner are not part of the procurement contracts committee, yet they play a vital role in the planning and budgeting process in the district. Also, information on various contracts issued by the districts is never displayed on public places such as notice boards, which deprives communities and key stakeholders of this vital information.
- **Long turn-around period for processing funds requests in health facilities:** An in-charge of a Health Centre IV is required to make funds requests through the Chief Administrative Officer (CAO), who is a signatory to the facility account. In addition, the Chief Finance Officer (CFO) has to endorse these requisitions. These requests are done manually, and vouchers carried to the CAO's office for approval, the absence of the CAO and the CFO makes the turnaround time for making requisitions very long. This impacts on timely implementation of activities and service.
- **Limited financial management capacity:** For all health facilities below the level of Health Centre IV, the staff structure does not provide for accountants, yet some of them receive huge amounts of money from projects such as Result Based Financing (RBF). The health facility in-charges, who are

the accounting officers for these facilities are therefore required to take on this role with the help of sub-accountants at the sub-county, who are in most cases very busy since they have to attend to both schools and health facilities in the sub-county. However, majority of health facility in-charges lack financial management skills since they are recruited as professional doctors and no such skills are provided to them during the in-service training. When recruited, they are neither trained nor oriented on financial management and are expected to learn on the job. As a result, most of them have failed to provide timely and satisfactory accountability reports (with adequate supporting documents) for the facilities.

- **Lack of facilitation during monitoring and support supervision:** Although the various districts and health facilities are required to conduct monitoring and support supervision on a quarterly basis, there is no facilitation for medial officers and the District Health Team (DHT) during monitoring and verification of facilities, which is a requirement before disbursement of funds to health facilities. This has affected the delivery of quality health services in the districts.

    - While all districts are required to conduct performance review meetings on a quarterly basis, not all these meetings are held due to inadequate funds. For instance, in Rubirizi district, no expenditure review meetings have been conducted for the last 6 years. In these meetings, only members of the DHT and a few partners from organizations such as RHITES-N and GAVI are invited to be part of this process with no representation from stakeholders such as Civil Society and the community. Also, the performance review meetings only focus on the physical performance and not the financial performance/expenditure, yet most of the districts have failed to absorb all the funds in the health department.

5.0: Best practices and Opportunities in the delivery of health service interventions in Apac, Kanungu, Kapelebyong, and Rubirizi districts

5.1: Best Practices in the promotion of transparency and accountability of health interventions

a. **Joint planning and monitoring:** In FY 2020/21, Apac District Health Team (DHT) initiated joint planning meetings with all health facility in-charges for all health programs in the district. In these meetings, the district shares performance indicators, identifies performance gaps and unveils the best and worst performing health facilities in the district. The best performers are rewarded while the worst performers are encouraged and supported to perform better. The district also organises joint Monitoring and Evaluation exercises with the political leadership, i.e the Health Committee (particularly the Chairperson and the Secretary for Health). During this engagement, they monitor the progress of some indictors (e,g absenteeism of staff). Fact finding missions are also organised in the district by the political leaders to verify some of the information provided by the district health team. The close collaboration between the district leadership and the technocrats has enabled the two parties to work closely to promote transparency and accountability in the use of district health resources.

b. **Monthly and quarterly meetings by HUMC members:** In districts such as Kanungu, monthly and quarterly meetings are organised by members of the Health Unit Management Committee (HUMC) to generate feedback from the communities on implementation of various health projects. These meetings serve as health accountability platforms in the district.

c. In Apac, the district meets with members of the Health Unit Management Committee (HUMC) every 6 months to update them on their roles and responsibilities. In these meetings HUMCs are able to identify challenges. As a result, they have been able to influence the renovation of the OPD block at Ayago Health Centre II.

d. **Weekly co-ordination meetings with partners:** In Apac district, DHT weekly co-ordination meetings are organised with partners such as RHITES-N to share and harmonise weekly plans. In these meetings, joint programming is done to avoid duplication of activities in the district.

e. **Regular review meetings with senior management team:** In all the districts, regular meetings are organised with senior management to review the progress of implementing health interventions. In Kapelebyong district, senior management meetings are organised every Monday to discuss performance of various projects in the district and all Heads of Departments are required to provide updates on the progress of activities they are implementing.

f. **Display of funds:** In all the districts reviewed, funds received by the health department are displayed on notice boards, clearly indicating the amount and how these funds will be utilised. However, no information on actual utilization of funds is displayed in the 4 districts. In Kanungu district, monthly meetings are organised in which funds received are declared to all staff in the health department. In Kanungu district, notification emails are sent to all respective officers in the district once funds are received by the district. However, this information does not reach all the officers in time.

g. ***Use of data for decision making:*** In Apac district, data from the DHIS is used to inform decision making in the district. Quarterly review meetings are also organized, where other stakeholders in the district are invited. However, these meetings only focus on the physical performance (particularly performance of key indicators) and not on the financial performance. In Rubirizi district, data reviews

are done which inform the reporting process. In this case, the health information assistants are required to present on the progress of various health indicators during staff meetings. This exercise helps the district track the performance of each of the health indicators in the district.

h. In Rubirizi district, a maternal tool has been developed to track maternal health indicators. This has helped the district to closely monitor maternal deaths in various health facilities. In Kapelebyong district, representatives from communities, religious and cultural leaders are invited to participate in maternal and prenatal death committee meetings.

i. **Dealing with inadequate staffing problem:** In Apac, low staffing levels in lower health facilities has forced the district to resort to borrowing staff from other facilities (with more staff) to offload the burden from the existing staff.

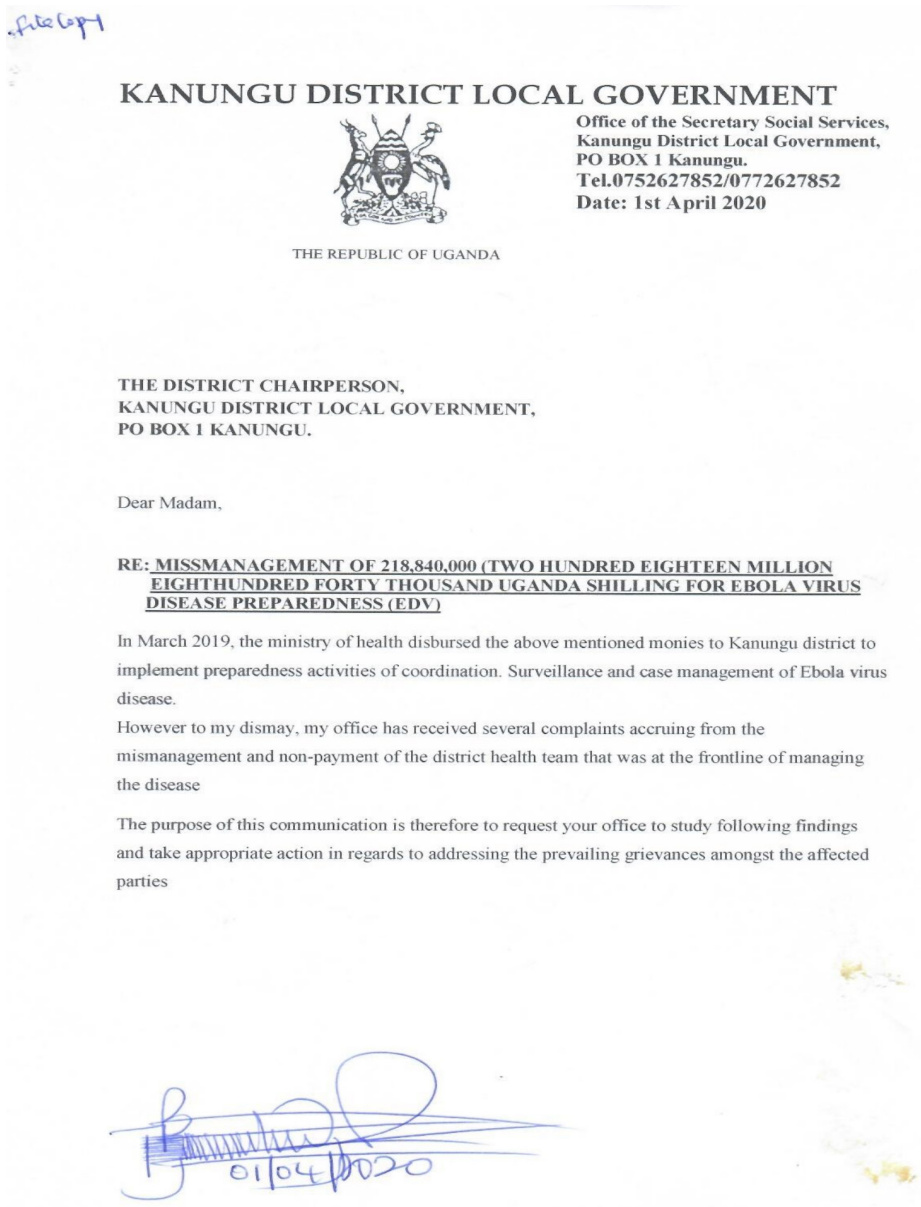
j. In all the districts reviewed, budget conferences are organised, where several stakeholders are invited. In these meetings, a review of past budget performance is conducted, and comments generated from other stakeholders including members of Civil Society.

k. **Accountability/Transparency Platforms:** In order to promote transparency and accountability in the delivery of various health interventions in the district, several platforms have been established. For instance, in Kanungu district, Integrity forums have been formed and are supported by partners such as GIZ. Through these forums, the district is able to interact with various stakeholders such as members of civil society to discuss key service delivery concerns in the district. These forums are currently being chaired by the Resident District Commissioner (RDC). In Rubirizi district, a WhatsApp group (named Kyoto) has been established and is used to update the public on key service delivery issues, including health.

5.2: Available Opportunities to promote transparency and accountability of health service delivery interventions

a. Availability of weekly community programs and talk shows on various FM stations, i.e Radio Devine and Apac radio in Apac district; KBS, Kinkizi FM and Kanungu FM in Kanungu district; and Rubirizi FM in Rubirizi district. In all the districts under review, District authorities are invited to various talk shows to discuss service delivery issues and generate feedback from community members. Communities use this platform to call in and engage duty bearers on service delivery concerns in the health sector. This platform is also used to disseminate vital information and updates on key government programs in the district. In Apac district, community radio programs are used to mobilise communities to participate in various government programs

b. Availability of partners to support anti-corruption issues, i.e TACC and Lira NGO Forum in Apac district, KACOET in Kanungu, among others who are playing a vital role in holding leaders accountable through their monitoring and advocacy activities. For instance, in 2020, KACOERT, one of the NGOs operating in Kanungu district, interacted with the Ebola taskforce members during one of its regular monitoring exercises. In their interaction, they established that funds meant for Ebola Virus Disease (EVD) preparedness activities (of coordination, surveillance and case management) had been mismanaged by the district. This matter was brought to the attention of the Anti-coruption Unit in the Office of the President, Directorate of Ethics and Integrity and the Inspectorate of Government. These funds were later recovered and refunded by the district in 2021..



File Copy

KANUNGU DISTRICT LOCAL GOVERNMENT

Office of the Secretary Social Services,
Kanungu District Local Government,
PO BOX 1 Kanungu.
Tel.0752627852/0772627852
Date: 1st April 2020

THE REPUBLIC OF UGANDA

THE DISTRICT CHAIRPERSON,
KANUNGU DISTRICT LOCAL GOVERNMENT,
PO BOX 1 KANUNGU.

Dear Madam,

RE: MISSMANAGEMENT OF 218,840,000 (TWO HUNDRED EIGHTEEN MILLION EIGHTHUNDRED FORTY THOUSAND UGANDA SHILLING FOR EBOLA VIRUS DISEASE PREPAREDNESS (EDV)

In March 2019, the ministry of health disbursed the above mentioned monies to Kanungu district to implement preparedness activities of coordination. Surveillance and case management of Ebola virus disease.

However to my dismay, my office has received several complaints accruing from the mismanagement and non-payment of the district health team that was at the frontline of managing the disease

The purpose of this communication is therefore to request your office to study following findings and take appropriate action in regards to addressing the prevailing grievances amongst the affected parties

01/04/2020

A copy of the letter written to the Kanungu district Chairperson

c. Availability of community structures in the districts. For instance, in Apac district, community structures such as Village Health Teams (VHTs) exist in all villages and play a vital role in promoting health programs, i.e vaccination, case management, etc

d. In all the 4 districts under review, the political leadership are committed to working with the various structures in the district to promote transparency and accountability for government programs.

e. Availability of community accountability platforms: In all the 4 districts, there are several accountability platforms used by the public to discuss topical issues that affect the communities. For instance, in Kanungu and Rubirizi districts, forums such as "community dialogues" are organized at district and sub-county levels to discuss key service delivery concerns in various sectors including health. These dialogues are supported by CSOs (such as UDN) and are attended by community members, CSOs, service providers and duty bearers.

6.0: Key policy Recommendations

- GoU needs to step up its efforts of mobilising resources, particularly from domestic sources to bridge this funding gap in the health sector if the aspirations stated in the National Development Plan III are to be realised. For instance, the district will have to earmark particular revenue sources to finance particular health programs. For instance, the government should enforce compliance to the implementation of the 1% HIV/AIDS mainstreaming (by all MDALGs) to generate funds to finance HIV/AIDS activities.
- To urgently address staffing gaps in the 4 districts, the process of constituting a District Service Commissions should be expedited in all districts to enable them recruit staff in the health department. This will also improve the overall district absorption since the biggest portion of unspent funds is for wage. In addition, the staffing structure at district and facility level should be reviewed and revised to cater for cater for changes in population. For instance, all districts should have at least 2 records officers/assistants, all health centre IVs should have an accountant to help in the financial management process. In the absence of accountant in Health facilities, all Accounting Officers including health centre in-charges should be trained in financial management skills to enable them effectively manage finances of various facilities.
- The Ministry of Finance should organise frequent trainings and orientations for staff on the use of the IFMS and PBS system, particularly, after system upgrades have been done. All internet systems for all districts should also be upgraded to 4G, particularly Kapelebyong district that is still using 2G network.
- To address the health infrastructure gaps at sub-national level, the Ministry of Health in collaboration with the Ministry of Finance should avail resources to expedite the process of upgrading health facilities and ensure that at least each sub-county has a health facility. In particular, health Centre IIIs in districts like Apac that do not have a Health Centre IV should be upgraded to the level of Health Centre IV.
- The Ministry of Health should prioritise the procurement equipment such as ambulances for districts like Rubirizi that have no government ambulance to supplement on the fleet donated by the current MP. In Apac district (in particular Apoi health centre III), new maternity beds and suction machines should be procured to replace the obsolete beds.
- On procurement processes, when conducting centralized procurement, the Ministry of Health should work closely with relevant local governments to conduct due deligence on the selected companies to ensure that they have adequate capacity to undertake timely and quality works in the districts. This will avoid the use of companies such that already have multiple contracts in other districts to avoid excessive delays. For instance, they should be consulted to provide details of the equipment needed as well as the actual specifications. For the procurement of equipment in lower facilities, the government should ensure consult the facilities to obtain details of the equipment needed as well as the actual specifications. This will ensure that the needs of these facilities are catered for

7.0: References

- Apac district: Annual Budget Performance Reports, FYs 2017/18 – 2020/21
- Apac district: Approved Budget Estimates, FYs 2017/18-2020/21
- Ministry of Health 2021: Annual Health Sector Performance Report, FY 2020/21
- Ministry of Health 2021: Human Resources for Health Audit Report, FY 2019/20
- Kanungu district: Annual Budget Performance Reports, FYs 2017/18 – 2020/2
- Kanungu district: Approved Budget Estimates, FYs 2017/18-2020/21
- Kapelebyong district: Annual Budget Performance Reports, FYs 2017/18 – 2020/21
- Kapelebyong district: Approved Budget Estimates, FYs 2017/18-2020/21
- Rubirizi district: Annual Budget Performance Reports, FYs 2017/18 – 2020/21
- Rubirizi district: Approved Budget Estimates, FYs 2017/18-2020/21

UGANDA DEBT NETWORK

Tel: +256-414-533-840 / 543-974 / 698-998 / +256-700-431-573
Plot 153/155 | Ntinda Rd, Ntinda
P. O. Box 21509, Kampala | Fax: 256 414 534856
Email: info@udn.or.ug | Website: www.udn.or.ug

With support from

NATIONAL DEMOCRATIC INSTITUTE