

*Analysis of the 2023/24 National Budget Framework Paper for Uganda: An issues paper and Implications for the health sector*

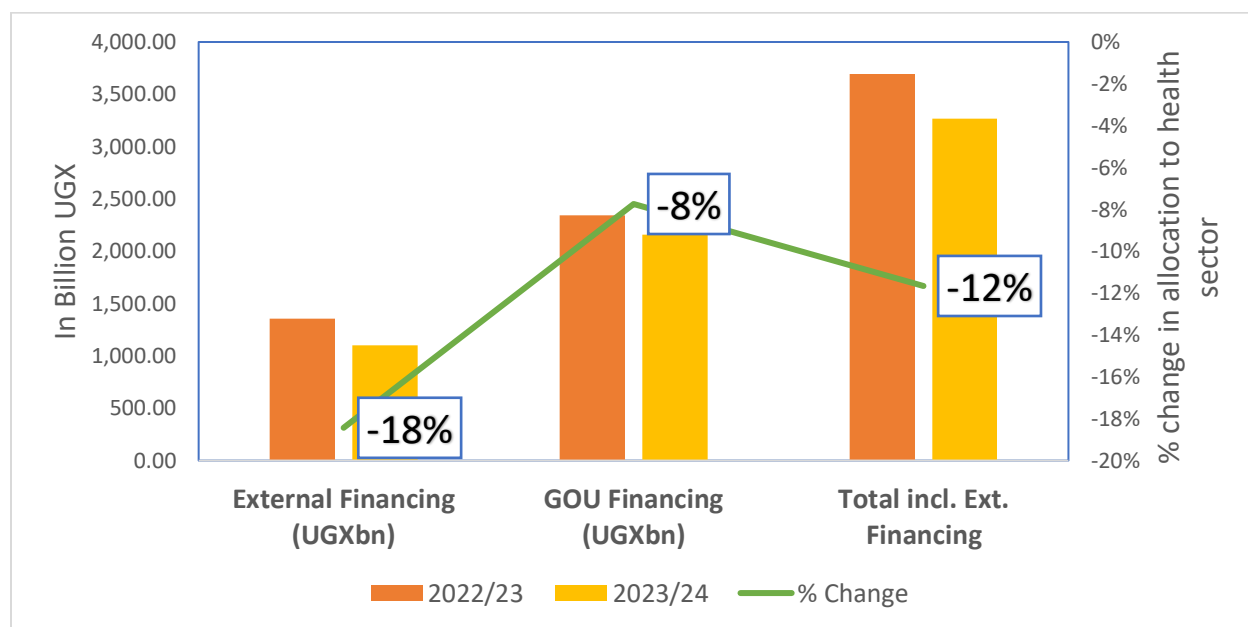
- In the 2023/24 NBFP, the health sector has been allocated UGX 3,265.9Bn and this accounts for 6.5% of the total national budget. For the current FY 2022/23, the approved health sector budget was UGX3,696.94Bn accounting for 7.7% of the national budget. This reflects a 12% reduction in the proposed budget for FY2023/24 (see Table 1).

**Table 1: National Budget Allocations to the Health Sector for FYs 2022/23 & 2023/24**

Financial Year	Total Inc. External Financing	Total National Budget	% Share of total national budget
<b>2022/23</b>	3,696.84	48,130.7	7.7%
<b>2023/24</b>	3,265.89	49,988.7	6.6%

- The decline in the allocation to the health sector is attributed to a notable decline in external financing of -18%, from 1,353.83billion to UGX1,104.25billion and a decline in GOU financing to the health sector of -8% from UGX2,343.01billion to UGX2,161.64billion. This contributes to an overall decline of 12% in the Total health budget for 2023/24.

**Figure 1: National Budget Allocations to the Health Sector for FYs 2022/23 & 2023/24**

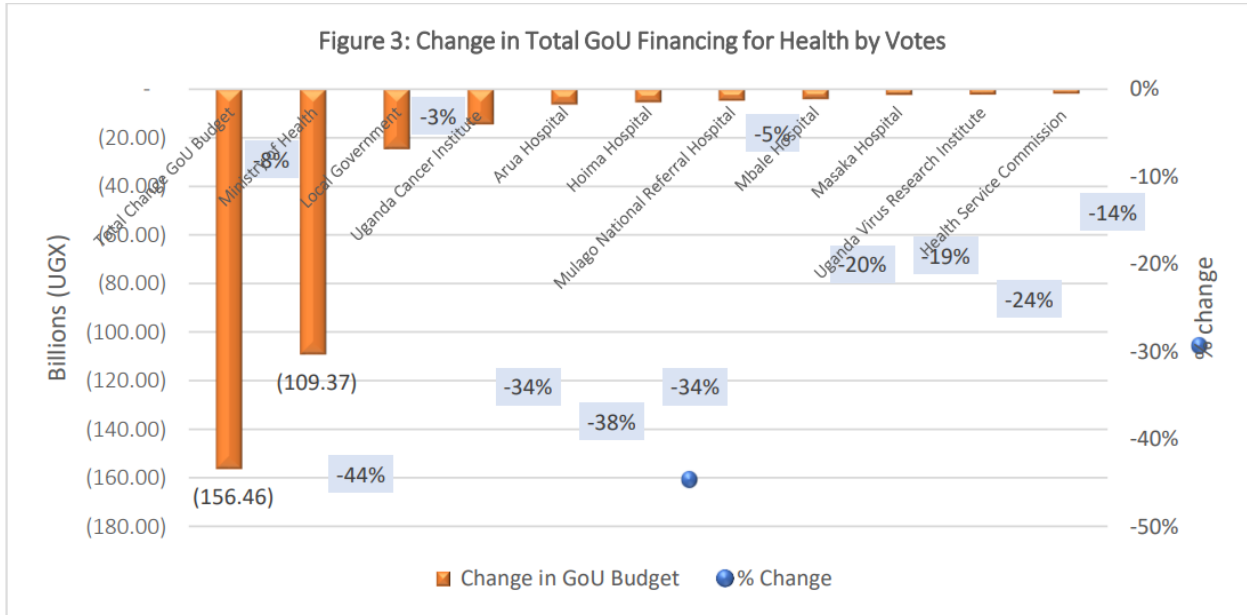


- The projected decline in the 2023/24 allocation to the health sector raises serious concerns considering the recent shocks caused by the COVID-19 pandemic and EVD outbreak which put significant pressure on the health care systems and needs rebuilding. While the decline in the GOU financing warrants legitimate concerns, the decline in external financing is potentially a

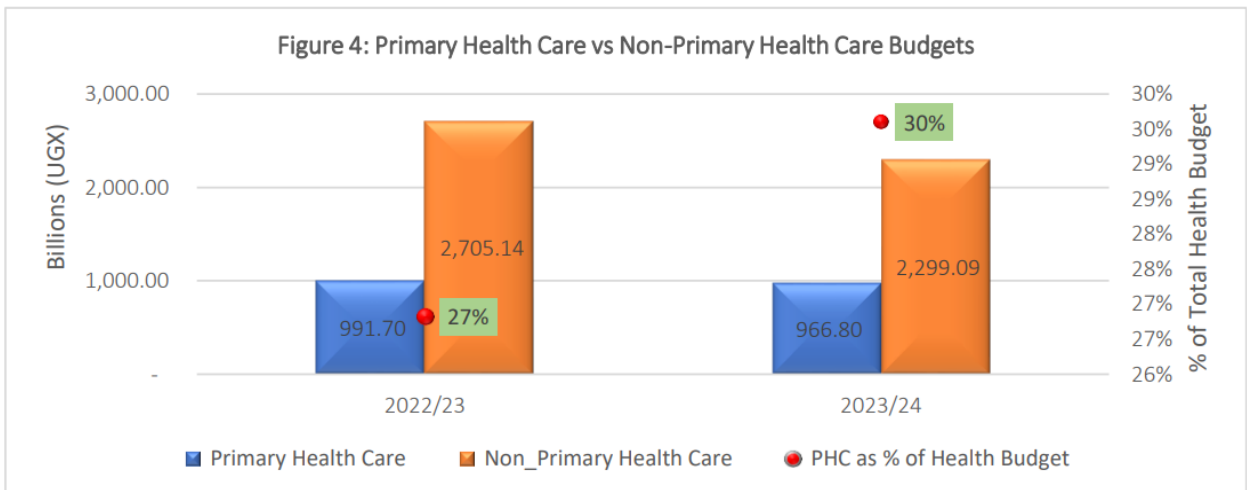
“pseudo” decline resulting from a lack of information on the envisaged support (provided off-budget) from the development partners in the FY 2023/24.

**Decline in allocation of GOU financing to the health sector**

- GoU Financing for Health is projected to decline by a total of UGX156.46billion, with UGX109.37billion being a decline to the Ministry of Health alone. This reflects a -44% allocation to the MOH resulting from a UGX70.52billion reduction in GoU Curative Services Budget (-68%) and a -47% in the budget for GoU Strategy, Policy and Development.



- For PHC, the total amount of PHC budget is projected to decline from UGX991.7billion to UGX966.8billion (-3%). Though relatively small, the decline in the PHC budget is regressive in nature. However, Primary Health Care proportion to the Total Health Budget is projected for a slight increase, from 27% in 2022/23 to 30% in 2023/24. This is mainly on account of a reduction in the total budget, and a largely constant budget for primary health care.



- The budget allocation for wages budget is not projected to change, indicating no plan for increased staffing levels nor increments in the salaries for health workers.
- Non-wage recurrent budget is projected to decline for all sub-programmes, mostly for Curative Services (- 71%) and Health Governance (-50%) sub-programmes. The development budget, managed under the Strategy, Policy and Development sub-programme is projected for a -51% decline.

***Implications of budget cut to the health sector***

- The national budget framework paper for FY 2023/24 reflects a -12% reduction in the resources allocated to the health sector. Considering that Uganda is outbreak prone and in light of other global health security concerns, there is need to lobby government and especially the Uganda parliamentarians to appropriate additional domestic resources to the health sector.
- Advocacy efforts for domestic resources should be aimed at increasing the budget allocation to the health sector from the present 6.5% to at a minimum 7.7%, to match the previous budget share allocation. Specifically, there is need to advocate for additional resource allocation to the PHC budget.
- The budget allocation for wages is not projected to increase in the next financial year, this implies that staffing levels will remain unchanged.
- The notable 18% decline in the external financing is very concerning and points to two key aspects:
  - I. There is need to advocate to the development partners for additional support to the health sector for FY 2023/24 to avoid a reversal of the registered gains especially in the area of emergency preparedness and response.
  - II. Development partners should consider to diligently report their planned financial contributions to the GOU well in advance of the budgeting cycle period to enable the government to estimate the true funding gap faced by the health sector.