

A dark gray world map is centered in the background of the slide, showing the outlines of continents.

Improving Health Financing through Stronger Budget Planning and Execution in Uganda

NATHAN

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Overview

- Context
- Approach
- Initial results
- Challenges and lessons learned

Context: Uganda Health Sector

- Challenges:
 - Dual burden of both communicable and non-communicable diseases
 - Young demographic profile

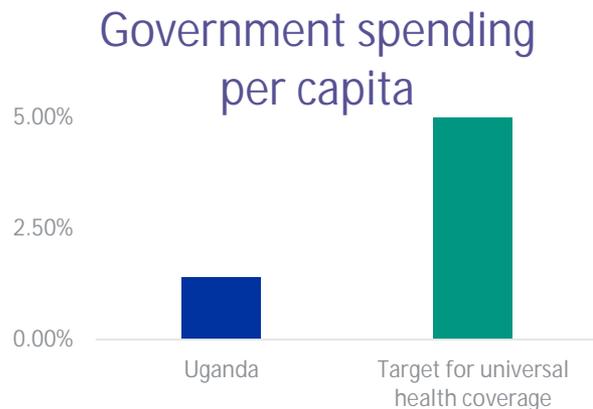
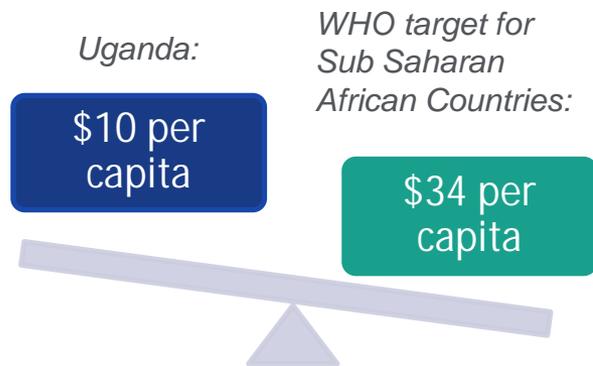
	Uganda	Low Income Countries	Sub-Saharan Africa
Mortality from CVD, cancer, diabetes or CRD between ages 30 and 70 (%)	22.0	21.6	21.4
Prevalence of HIV, total (% of population ages 15-49)	6.5	2.7	4.3
Population under 15	48.6	43.4	43.5

World Development Indicators (March 2018 update)

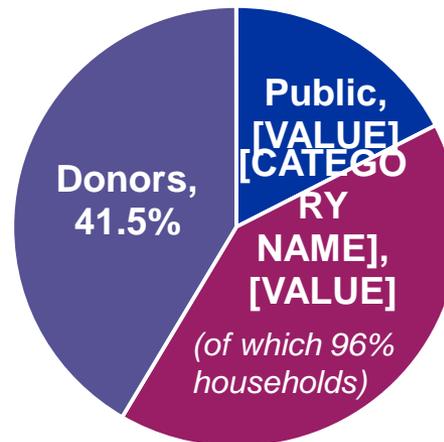
- Limited resource envelope with high cost of medicines and medical technologies

Context: Uganda Health Financing

- Government Health Spending =



- Sources of funds:



- About 1% population with voluntary insurance

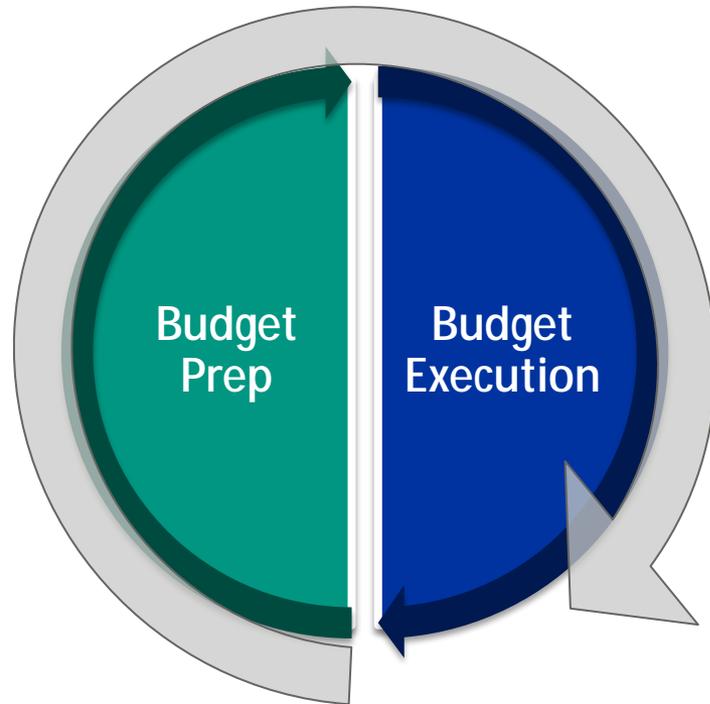
Sources: Ministry of Health data and Health Accounts 2013/14

Context: USAID/SFI and LPFM II

- 2 year activity funded under USAID's Sustainable Financing Initiative (SFI)
 - Shared financial responsibility with host country governments for health financing, especially for HIV/AIDS
 - **Major tools:**
 - advocacy and analytics,
 - public financial management,
 - technical efficiency and
 - private sector
- Implemented under global Leadership in Public Financial Management II (LPFM II)

Approach

- Aims to increase sustainable domestic financing for health by:
 - Supporting transition to program-based budgeting
 - Improving health sector budget execution
- Work at both the central and the sub-national levels



Increasing domestic resources for health service delivery

Approach: Program Based Budgeting

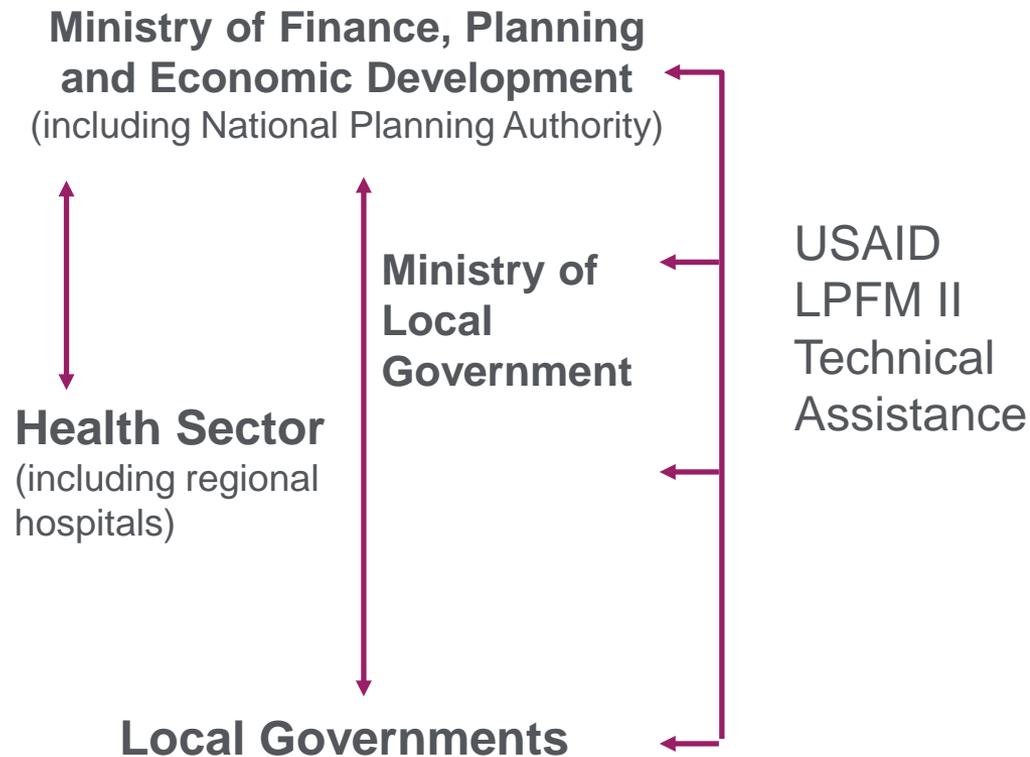
- What is program based budgeting (PBB)?
 - Links spending to programs and their activities allowing results to be measured
 - Aligns spending priorities with national and sectoral development plans
- Why PBB to “mobilize resources for health”?
 - Linkages between inputs, outputs and outcomes
 - Clearer trade-offs
 - Easier to advocate for resources

Approach: Budgeting Preparation

	Processes	<ul style="list-style-type: none">• Refocus organizational structures• Emphasis shifted from departments to programs• Enforcing accountability through strengthening key performance indicators
	Tools and systems	<ul style="list-style-type: none">• Performance Based System (PBS) to be linked to IFMS and Pensions system• Format and volume of budget documents changed• PBB Manual• Public Expenditure Review
	Skills sets	<ul style="list-style-type: none">• Training of Trainers• Coordinated PBB and PBS training• Coaching of staff
	Institutional commitment	<ul style="list-style-type: none">• Emphasis on outputs & outcomes to assess achievement of strategic objectives• Top Management fully involved in sector budget process

Approach: Budget preparation

Critical role of coordination



Initial Results: Budget Preparation

- Finalize PBB frameworks and Ministerial Policy Statements for
 - FY2017/18 (national only) and
 - FY2018/19 (national and local)
- Trained 15 MOH PBB trainers,
 - supported trainings funded by the government, USAID and other donors (UNICEF)
- Led 3 trainings for 300+ officials at the sub-national level (20 districts; 6 municipalities; 2 RRHs)
- Supported MOFPED to draft PBB Manual
- Hands on mentoring and coaching in 16 districts

Approach: Budget Execution

- Assessing expenditure bottlenecks
 - Initial: Assessment of bottlenecks to budgetary and procurement process in MOH (and select districts) and outline of strategy
 - Ongoing monitoring: prioritized list of recommendations and working with MOH on a coordinated approach to resolving the bottlenecks
- Addressing expenditure bottlenecks
 - Procurement tracking, reporting and capacity building
 - Budget execution monitoring, analysis and timely early warning reporting
 - Strengthening governance structures

Approach: Budget Execution

	Processes	<ul style="list-style-type: none">• Process mapping for procurement planning, contract management, pre-audit, and payments• SOP review and recommendations for improvement
	Tools and systems	<ul style="list-style-type: none">• Expenditure bottleneck analysis• Legal and regulatory analysis• Procurement tracker
	Skills sets	<ul style="list-style-type: none">• Coordinated procurement trainings• Focused PFM trainings especially for program and subprogram managers• Coaching and mentoring of staff
	Institutional commitment	<ul style="list-style-type: none">• Top Management ownership of bottleneck analysis and steps to address

Initial Results: Budget Execution

- Uganda Health Sector Budget Execution Bottlenecks Report
 - 26 expenditure bottlenecks and 51 recommendations
 - Embraced by MOH Top Management
 - MOFPED echoed recommendations in annual Budget Execution Circular (June 2017)
- Early warning reports for timely management action
- First time efforts towards consolidation of on and off budget figures

Initial Results: Budget Execution

- Progress on several of the recommendations:
 - Improved frequency and attendance for Health Sector Budget Technical Working Group meetings (rec 29-30)
 - Decreased time lapses in payment issuance due to streamlined pre-audit (rec 34)
 - Initiation of quarterly performance reviews by top management (rec 37)
 - Increased regularity and compulsory attendance for Finance Committee meetings (recs 19-21)
 - PS/MOH requested MOFPED for access to IFMS and training for Heads of Departments for better budget monitoring (rec 42)
 - Regular memos from PS on procurement issues affecting execution

Key lessons learned

- “Big Bang” approach to PBB implementation not practical
- With strong buy-in, a clear, action-oriented document can help catalyze reform (e.g., expenditure bottleneck report)
- Importance of coordinating sector (i.e., Health) PFM initiatives with those of the Ministry of Finance and other players
- Need to engage both leadership and transaction processors in trainings
- Support from both political and technical leadership is critical for success
- Concerted change management efforts very important
- Performance based culture needs to be reinforced

Questions?

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