MINISTRY OF HEALTH

UGANDA HEALTH ACCOUNTS

NATIONAL HEALTH EXPENDITURE

Financial Years 2012/13 and 2013/14

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FOREWORD

Evidence and information on the health sector is key to policy makers to make key decisions on health. The decisions made are important because they shape how the health sector promotes wellness and treats illness, which in turn influences the overall health and well-being of the population.

This National Health Accounts report describes the health care system from an expenditure perspective. The health expenditure data can be used to improve access, equity, efficiency, and financial risk protection as part of the national effort to bring services closer to the citizens and accelerate the country's progress towards Universal Health Coverage.

The NHA expenditure tracking study is an integral output of the Ministry of Health. The Creation of a vote function in the Output budgeting tool specifically for National Health Accounts is a great step towards NHA institutionalisation. I must congratulate the NHA technical team for preparation of the second NHA report for Uganda using the new System of Health Accounts (SHA) 2011.

Whilst there are limitations in terms of costing outpatient admissions associated to diseases, the limitations themselves provide the Ministry of Health with opportunities and direction to explore areas of improvement in information systems, reporting mechanisms and data collection, which are vital instruments for providing evidence.

I also take this opportunity to thank the NHA team from the Ministry of Health, Ministry of Finance, Planning and Economic Development, the Bureau of Statistics, WHO, Global Fund who have made significant contribution to the successful compilation of this report.

Prof. Anthony Mbonye

Ag.Director General of Health services

STATEMENT FROM THE MINISTER OF HEALTH

Resource tracking through institutionalization of NHA is a Global agenda in Health care financing. Prior to NHA surveys, there were a number of attempts by partners and key stakeholders to estimate health expenditure through studies, surveys and public expenditure reviews. However, these were generated without a standard approach. NHA constitutes a systematic, comprehensive, and consistent monitoring of and tracking of resource flows and amounts into a country's health system. It is, thus, a tool specifically designed to inform the health policy process, including policy design, implementation and policy dialogue.

In response to the growing need for information on health expenditure for evidence-based policy making, Government with support of partners have promoted the development and preparation of NHA reports on annual basis. The NHA captures the total health expenditure in the country from all financing sources. The NHA is designed to address a country's policy needs, and this objective is best realised when estimates of NHA are done on a regular basis as part of routine data collection systems. In addition, the NHA framework provides internationally comparable health expenditure data, which is a valuable commodity for multilateral and bilateral donors in determining how and where they do and/or should spend their funds. A multidimensional analysis of financing and consumption of health care services has been constructed from the study for disease specific areas (e.g. Malaria, HIV/AIDs) or intervention clusters (e.g. Reproductive Health, Nutrition, child health).

I would like to convey our sincere appreciation and gratitude to WHO, the Global Fund and other Health Development Partners for the continued support extended to the Health Sector in preparation of NHA reports annually and in our efforts to institutionalize NHA in Uganda.

It is my sincere hope that the health sector stakeholders will use the NHA findings to re-focus their resources to cost effective interventions that will accelerate our pace towards achieving the SDGs. All stakeholders should join hands in ensuring that the objectives of compiling the NHA for financial years 2012/13 and 2013/14 are fully realized.

Hon. Jane Ruth Aceng

Minister of Health

KEY MESSAGES FROM THE NHA REPORT 2016

1. The Country needs to address high levels of Out-of-Pocket expenditure (40%) in order to protect households from catastrophic spending by broadening pre-payment mechanisms such as Social Health Insurance. The maximum recommended level of household out of pocket spending on health is 15% according to WHO. This is in line with World Health Assembly resolution of 2005 on universal coverage and sustainable health financing and as well as revisiting the Paris Declaration that calls for greater Investments in the Health Sector. The five-year Health Sector Development Plan (HSDP) recommended a minimum of $73 per capita in the year 2015/16.

2. The Government and HDPs need to increase investment in health towards meeting recommended per capita health expenditure of minimum $84 per capita for low income countries, if the country is to increase access to health care and improve quality of services. With the current epidemiological profile, relative to our desired level of health status, the per capita expenditure of Shs 148,000 ($56) may not move the country towards achieving the sustainable development goals (SDGs). More resources could be leveraged from within if efficiency measures are out in place and available resources are managed efficiently.

3. Government Health financing accounted for 17% ($10 per capita) of the Current Health Expenditure against the recommended minimum public health financing target of $34 per capita for sub sahara African Countries by WHO commission of Macro Economics. However, note that Government spends other resources on social determinants of health which impact on health outcomes.

4. The CHE as a percentage of GDP was 1.3%, yet the minimum recommended level is 4% according to HSDP and 5% of GDP for Low income countries should be spent on Health.

5. The Ministry of Health needs to strengthen its stewardship role in coordinating donors and ensuring alignment to country strategies to the Paris Declaration principles for more aid effectiveness. In this regard, the development of strategic partnerships which allow for predictability of funds over a longer period will ensure sustainability of funding.

6. The country needs to explore alternative ways of mobilizing domestic resources to improve financial sustainability including the improvement of efficiency in resource use. Social Health Insurance and community based health insurance and medical savings would enhance domestic resource mobilisation efforts.

7. From the findings, there was low spending on reproductive health and Child health and that must have affected progress towards achieving the two related MDGs. There is, also, need for proper prioritization of interventions and continue the steady-shift of more financing towards preventive health care services rather than the curative care.

8. The non-public sector is a major player in provision of health services (60%) and Government needs to develop appropriate policies that build appropriate public-private partnerships with a view to increasing access to affordable health services for the entire population and especially the 20% below the poverty line population.

ACKNOWLEDGEMENT

The compilation of the fifth publication of Uganda National Health Accounts is based on the internationally recognized and revised 2011 version 3.34 of Systems of Health Accounts (SHA 2011). This was made possible through the collaboration and support of the World Health Organisation.

We express our sincere gratitude and recognise the support from the Uganda Bureau of Statistics for providing statistical data on households and national macro-economic statistics which were used to compile this report. They made significant contribution towards the compilation of this publication.

We also wish to thank the entire National Health Accounts (NHA) team members for their patience and support throughout the production and development of this publication. Special thanks to **Mr. Ezrah Rwakinanga Trevor** – Lead NHA partner, **Dr. Grace Kabaniha** of WHO-Country office Uganda and **Hapsa Toure** – Technical Advisor (TA) from WHO Headquarters in Geneva for their invaluable effort in guiding the NHA technical team led by **Mr. Tom Aliti** of the Planning Department, Ministry of Health.

It is important to note that this publication would not have been possible without the participation and support of many individuals and organisations in both the public and the private sector . We appreciate the support from the aid liaison section and the OBT Secretariat of Ministry of Finance, Planning and Economic Development for provision of raw government data, for distribution of public health programme funds into various NHA functional activities, insurance companies, private hospitals, private health clinics, private providers including doctors and pharmacists, health partners & development partners, non-governmental organisations, banks and other statutory bodies for provision of data through survey questionnaires.

Data analysis was done using a combination of software but the key too was the Health Accounts Analysis Tool (HAAT) and MS-Excel. Interpretation of the results and the drafting of the report were done by the entire NHA team. Finally, the efforts, contributions and the enormous support from the various divisions, programs and sections of Ministry of Health are greatly acknowledged. The Ministry would like to appreciate Global Fund for co-financing the publication of this report.

Ssegawa Ronald Gyagenda

For:Permanent Secretary, Ministry of Health

ABBREVIATIONS

AHC	Ambulatory Health Care
AIDS	Acquired Immune Deficiency Syndrome
ASMC	Ancillary Services to Medical Care
ATP	Alternative or Traditional Practitioners
CSOs	Civil Society Organizations
CWIQS	Core Welfare Indicator Questionnaire Survey
DFID	Department for International Development
ENSK	Expenditure Not Specified Kind
MOH	Ministry of Health
GDP	Gross Domestic Product
GGE	General Government Expenditure
GGHE	General Government Health Expenditure
GHS	General Household Survey
HAAT	Health Accounts Analysis Tool
HIV	Human Immunodeficiency Virus
HMBs	Health Management Boards
HMN	Health Metrics Network
HMOs	Health Maintenance Organizations
ICHA	International Classification for Health Accounts
IMNCH	Integrated, Maternal, Newborn and Child Health
IEC	Information, Education and Counselling
LG	Local Government
LGA	Local Government Act
LGHE	Local Government Health Expenditure
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
UAC	Uganda Aids Commission
NASA	National Aids Spending Assessment
UBOS	Uganda Bureau of Statistics
UDHS	Uganda Demographic and Health Survey
NGO	Non-Governmental Organisation
FB	Facility Based
NFB	Non Facility Based
CHE	Current Health Exp enditure
NHA	National Health Accounts
NHIS	National Health Insurance Scheme
OECD	Organization of Economic Corporation Development
OOP	Out-of-Pocket Expenditure
PATHS 2	Partnership For Transforming Health Systems 2
PHC	Primary Health Care
RH	Reproductive Health
SHA	System of Health Accounts
MOH	Ministry of Health
TB	Tuberculosis
THE	Total Health Expenditure
UNAIDS	United Nation Aids
UNFPA	United Nation Fund for Population Activities
USAID	United States Agency for International Development
WHO	World Health Organisation
CHE	Current health expenditure
GoU	Government of Uganda
MoLG	Ministry of Local Government
PHP	Private Health Providers
PNFP	Private Not for Profit
IGA	Income Generating Activities
UCMB	Uganda Catholic Medical Bureau
UPMB	Uganda Protestant Medical Bureau
UMMB	Uganda Muslim Medical Bureau
GHI	Global Health Initiatives
UGX	Uganda shillings
OOP	Out of pocket contributions
WHS	Work Health and Safety Information
US$:	United states dollars
PER	Public Expenditure review
AHSPR	Annual Health Sector Performance Report
UBOS	Uganda Bureau of Statistics
IFMS	Integrated Financial Management system
GF	Global Fund

FA	Financing Agents
FP	Factors of Health Care provision
FS	Revenues of health financing schemes
DBC	Disease based costing
DHO	District Health Officer
HDP	Health Development Partners
HPAC	Health Policy Advisory Committee
GCF	Gross Capital Formation
GDP	Gross Domestic product
GFCF	Gross Fixed Capital Formation
GGCHE	General Government CHE
HA	Health Accounts
HC	Health Care Functions
HF	Financing Schemes
HH	Households
HP	Health Care Providers
LTC	Long Term Care
	Ministry of Finance
NEC	Not Elsewhere Classified
NPISH	Not for Profit Institutions Servicing Households
OTC	Over the Counter Drugs
PHI	Private Health Insurance
PPP	Purchasing power parity
PVHI	Private Voluntary Health Insurance
SHA	Systems of Health Accounts
GHE	Government Health Expenditure (CHE plus capital spending)
HK	Capital Expenditure
ICD	International Coding of Diseases
IP	Inpatient
JICA	Japan International Cooperation Agency
NCD	Non Communicable diseases
OP	Out Patient
PCHE	Private Current Health Expenditure
DHIS2	District Health Information System
TGE	Total Government Expenditure
THE	Total Health Expenditure
UNAIDS	Joint United Nations Programme On HIV/AIDS
UNICEF	United Nations Children's Fund
NPISH	Not for Profit Institutions Servicing Households
OTC	Over the Counter Drugs
PHI	Private Health Insurance
PPP	Purchasing power parity
PVHI	Private Voluntary Health Insurance
SHA	Systems of Health Accounts
TCAM	Traditional, Complementary and Alternative Medicine
DFID	United Kingdom Fund for International Development

EXECUTIVE SUMMARY

The total Current Health Expenditure (CHE) in Uganda in 2012/13 was Shs. 4,866 billion that translates to a per capita spending of Shs. 144,374 ($55). This increased in nominal terms by 1.7% and in real terms by Shs. 86 billion to 4,952 billion in 2013/14 that translates to a per capita spending of 146,941 ($56). The CHE for both years in a row is much lower than the Minimum $84 per capita recommended by WHO(CME) if quality care is to be provided by any country in sub Sahara African Countries. Over the same period, PPP(GDP) grew in nominal terms by 4.7% on average and in real terms from Ushs.58,865 Billion in 2012/13 to Ushs 68,400 Billion after rebasing in 2013/14. Current health spending as a ratio of GDP was at 8.2% for 2012/13 and 7.2% (after rebasing) for 2013/14..

Government spending on health as a ratio of GDP was at 1.4% which is below the global recommended 5 % of GDP. Globally it has been noted that Universal Health coverage is difficult to achieve if public health financing is less that 5% of GDP. Higher government spending generally provides adequate public infrastructure and health service delivery at subsidised cost. Government spends a lot on social determinants of health which impact health outcomes and these expenditures are not captured in the National Health Accounts because the primary objectives are not for improving health.

The allocation between public, private and development partners for current health expenditure(CHE) from 2012/13 to 2013/14 is as follows: The contribution of public funds increased from 15.3% to 17.4%; private funds increased from 38.4% to 41.1%; Development partner funds decreased from 46.3% to 41.5%. The 2.7% increase in private sector contribution to current health expenditure in 2013/14 was attributed mainly to increase in household OOP expenditure from UShs. 1,775 billion in 2011/12 to Ushs 2,056 Billion in 2013/14 in absolute terms. The actual percentage of household out of pocket expenditure to the current health expenditure increased from 37% in 2011/12 to 41% in 2013/14 owing to the increase in population spending on health care outside the public facilities.

The increase in investments into health over the past two years are collectively attributed to expenditure by Health Development partners, households and Government as indicated in table 3-1. Monitoring these trends over the next years will inform policy decisions like equal access to health care and the ability of a citizen to guarantee and contribute towards their own health. There is need to mobilise alternative financing for health care of the indigents as the country steadily moves towards middle income country.

Health care providers that accounted for most of the health expenditure in 2012/13 and 2013/14 were hospitals and lower level health centres averaging 47.5% during the two years. This was closely followed by providers of health systems administration and ancillary services. A big percentage of the expenditures were financed by health development partners and private sector as indicated in table 3-1.

In terms of how the health budget was used – Health Functions, the largest share of health spending went to curative services forming an average of 72% of the current health expenditure during the two years. 39% of the curative care budget was spent on inpatient and 33% on outpatient care. The second largest expenditure

was on prevention (16%) followed by medical goods (7%). The expenditure on curative is so large because households spend almost 95% of their OOP health expenditure on Curative care and government considers curative services as an emergency on the already sick person and tends to provide for it more than providing for those who are yet to fall sick or prevent anticipated sickness from occurring.

The share of PCHE by Functions clearly indicates that Health goods and medicines holds the highest share of private health expenditure at 59% of the PCHE. Ancillary Services expenditure represented 2.2% of the PCHE. The expenditure on preventive care increased from 5.4% in 2012/13 to 7.0% in 2013/14 as a share of PCHE. This implies private providers and households spend less on preventive care than curative probably because it is not considered as an emergency on their side. But the trend indicates that preventive care are now being considered even by households because it is considered the root cause of the burden of diseases.

Health care expenditure in Uganda remains largely funded by health development partners channelled through government offices and the private sector. Hospitals and health centres have been the major recipient of the financing. Health administration remains a significant item of government spending on health over the period under review.

Table 0-1 National Health Accounts-summary of key indicators FY2012/13 and 2013/2014.

INDICATORS		UNITS	FY2012/13	FY2013/14
General	Population	Millions	32.704	33.709
	Gross Domestic Product (GDP)-current prices	UGX Billions	58,865[1]	68,400
	Total Government Expenditure (TGE)	UGX Millions	10,903	11,322
	Current Health Expenditure (CHE)	UGX Billions	4,866	4,952
	CHE plus Capital Spending	UGX Billions	4,994	5,056
	CHE Per Capita -	UGX	139,110	139,207
	Exchange rate UGX (NCU per US$)	UGX	2609	2,685
	CHE per Capita-	USD	55	56
	CHE as % of nominal GDP	nominal	1.5[2]	1.5%
	Household Expenditure on Health	UGX Billions	1,936	2,056
	Household Expenditure on Health as a % of CHE	Percentage	40%	41%
	Household expenditure as % of private CHE	%	95%	96%
	Household OOP expenditure on health per capita UGX	UGX	60,500	60,993
	Household OOP expenditure on health per capita US$	US$	23	23
	Bilateral donors contribution to CHE	UGX Millions	1,821,190	1,633,981

Table 0-2 Disease-based Cost for FY2012/13 to FY2013/14

Disease SHA-code	Disease Name /SHA-Category	FY2012/13		FY2013/14	
		Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
	Infectious and parasitic diseases	3,029,363		3,076,675	
DIS.1.1	HIV/AIDS and Other Sexually Transmitted Diseases (STDs)	1,590,638	32.68%	1,557,478	31.45%
DIS.1.2	Tuberculosis	41,507	0.85%	53,161	1.07%
DIS.1.3	Malaria	1,039,696	21.36%	1,086,612	21.94%
DIS.1.4	Respiratory infections	207,116	4.26%	215,814	4.36%
DIS.1.5	Diarrhoeal diseases	73,482	1.51%	84,060	1.70%
DIS.1.6	Neglected tropical diseases	210	0.00%	3	0.00%
DIS.1.7	Vaccine preventable diseases	50,113	1.03%	46,074	0.93%
DIS.1.nec	Other infectious and parasitic diseases (n.e.c.)	26,602	0.55%	33,474	0.68%
	Reproductive health	635,876		641,018	
DIS.2.1	Maternal conditions	337,028	6.93%	354,829	7.16%
DIS.2.2	Perinatal conditions	209,758	4.31%	199,923	4.04%
DIS.2.3	Contraceptive management (family planning)	51,566	1.06%	53,324	1.08%
DIS.2.nec	Other reproductive health conditions (n.e.c.)	37,524	0.77%	32,942	0.67%
	Nutritional deficiencies	145,321	2.99%	132,208	2.67%
	Non-Communicable diseases	235,025		234,972	
DIS.4.1	Neoplasms	36,793	0.76%	37,523	0.76%
DIS.4.2	Endocrine disorders	2,464	0.05%	2,371	0.05%
DIS.4.3	Cardiovascular diseases	11,424	0.23%	12,598	0.25%
DIS.4.4	Mental & behavioural disorders, and eurologicalitions	32,630	0.67%	29,086	0.59%
DIS.4.8	Sense organ disorders	4,318	0.09%	31	0.00%
DIS.4.9	Oral diseases	142,422	2.93%	150,548	3.04%
DIS.nec	Other and unspecified noncommunicable diseases(n.e.c.)	4,973	0.10%	2,816	0.06%
	Injuries	146,598	3.01%	154,825	3.13%
	Non-disease specific	185,636	3.81%	219,606	4.43%
	Other diseases / conditions (n.e.c.)	488,992	10.05%	493,210	9.96%
TOTAL		4,866,813	100.00%	4,952,514	100.00%

[1] See relevant chapters for breakdown of the global figures in this column

[2] For detailed explanation of this percentage and others in the table, see relevant chapters

1.0 Background

1.1. Background

The publication of the Sixth round of the National Health Accounts (2012/13-2013/14) report records health expenditure in Uganda using the System of Health Accounts (SHA) 2011 Edition. The changes to the SHA 2011 are a reflection on how the dynamics and environment surrounding health has transformed considerably on the global level since the release of the previous version of the SHA framework in the year 2000.

The increased complexities of the health sector that are strongly influenced by culture, environment, socio-economic and political factors further constrained by limited resources, challenges the Ministry of Health to provide greater in-depth information and analysis of health care expenditure over time to respond accordingly and plan for future health reforms.

The SHA 2011 framework was also intended to provide greater consistency and comparability in the measurement and reporting of health expenditures between developed and developing countries.

The reports makes an effort to track financial resources into the health system and provide evidence to guide development of health financing strategy, effective and efficient resource allocation and respond to health financing policy questions. Specifically this report addresses the following healthcare financing policy issues:

1. Where resources can be mobilised

2. How resources should be managed management

3. How efficiency and effectiveness can be enhanced

4. How resources and services can be distributed equitably

The report builds on the previous NHA report. The major areas of concern were in the following areas:

- The re-demarcation of revenue sources and financing schemes
- Costing of inputs through the factors of production
- More alignment to the current Government of Uganda budget reporting system
- Disease Expenditure based on the International Classification of Diseases (ICD -10).
- Treatment of capital investment separate from the total Current Health Expenditure.

1.3.1. Government Data Sources

The estimates of government expenditure presented in the 2012/13 - 2013/14 NHA report are based on statistics obtained from respondents including the Ministry of Finance, the government and private institutions and integrated Financial

Management System (IFMS) Unit and is a reflection of the actual expenditure captured in its final accounts for both years. The provided National and macro-economic data such as population and official Gross Domestic Product figures for 2012/13 and 2013/14 were obtained from the Uganda Bureau of Statistics (UBOS) and Bank of Uganda . Health expenditures from Ministries, Departments and agencies that provide health and health related services were captured and analysed.

Since the Ministry of Health expenditure data in the IFMS system is based on input based accounting system whereas NHA reporting focuses on expenditure leading to the delivery of outputs, the NHA Technical team used the IFMS chart of accounts and mapped the IFMS expenditures directly to the new SHA 2011 classification.

In ensuring continuity of comparison of results from all the past NHA reports, a major activity earmarked for 2017 is the re mapping of the Health expenditure trends for the past NHAs for the years 2008/09 and 2009/10.

1.3.2. Other Data Sources

Expenditure data from the private sector for 2012/13 and 2013/14 were obtained through the data collection tools. All survey questionnaires were vetted by the NHA Technical team to reflect the needs of SHA 2011 reporting. All data obtained from respondents were treated with the highest level of confidentiality.

2.0. Current Health Expenditure (CHE)

Current health expenditure (CHE) measures the economic resources spent by a country on healthcare services and goods, including administration and insurance. Current Health Expenditure includes, for example expenditure on; utilities in health facilities, medicines and health supplies, salaries of health workers, expenditure on vaccination and immunisation programme and payments for health facility operational and administrative costs.

According to System of Health Accounts (SHA) 2011 the aggregate CHE combines, in a single figure, the monetary value of the final consumption of all health care goods and services. CHE, thus, equals final consumption expenditure on health care goods and services by residents of a given country during a given period. Note that CHE excludes capital expenditure on health care.

2.1. Trends in Current Health Expenditure (CHE)

The Current Health Expenditure (CHE) in Uganda was Shs 4.956 trillion in 2013/14, with per capita spending of Shs. 147,049($55)[1] and Shs. 4.844 trillion in 2012/13 with per capita spending of Shs. 148,129 ($56).

From financial year 2012/13 to 2013/14, Current Health Expenditure increased in nominal terms by 2.3% and by Shs 112 billion. Over the same period, GDP grew in nominal terms by 4.7% and in real terms by Shs 9.535 trillion. Current health Expenditure as a ratio of GDP was at 8.2% for 2012/13 and 7.2% for 2013/14. Government health expenditure as a percentage of GDP was on average 1.3% of the GDP. According to WHO Commission on Macro Economics, low income

countries should spend at least 5% of their GDP on health.

The percentage contribution of public, private and development partners to the Current Health Expenditure is indicated in Table 3-1 below. In FY 2013/14, Government funds contributed 17.7%, private funds 41.1% and development partner funds 41.2% to the Current Health Expenditure. Development partner funds increased from 38.9% in 2012/13 to 41.2% in 2013/14 while Government contribution increased from 16.8% of CHE in FY 2012/13 to 17.7% in 2013/14.

2.2. Current Health Expenditure in Relation to GDP

The gross domestic product (GDP) is one of the primary indicators used to gauge the health of a country's economy. It represents the total dollar value of all goods and services produced over a specific time period.

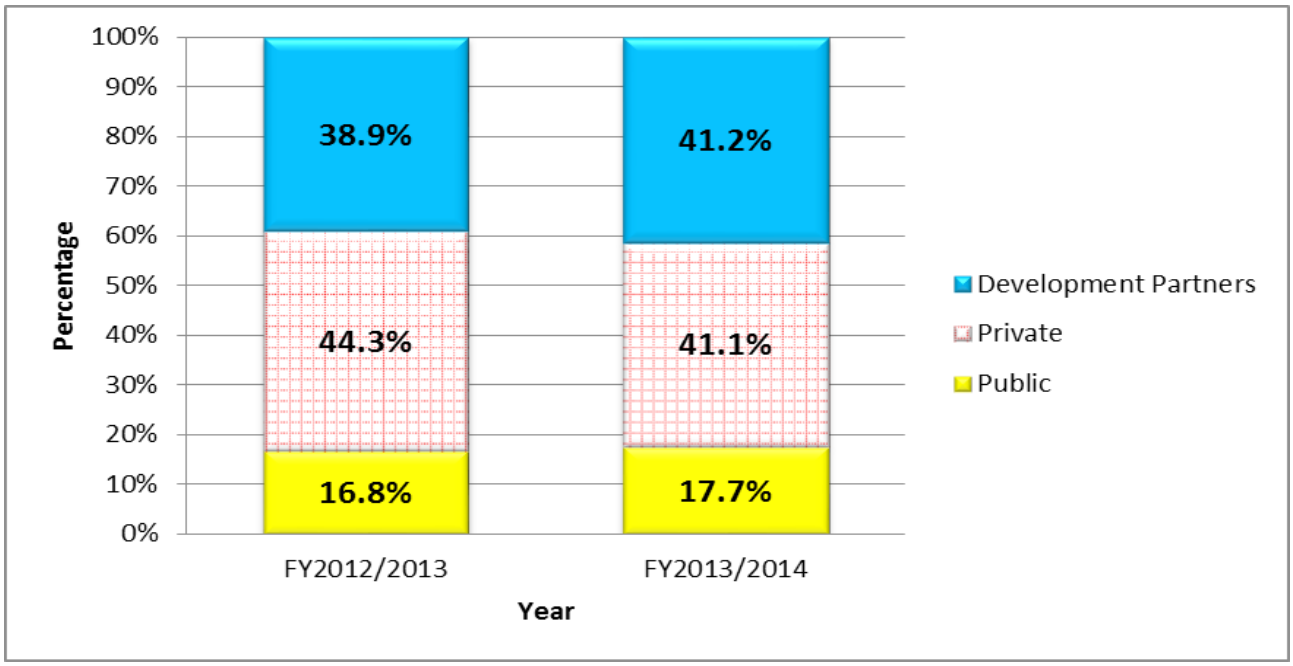
The ratio of UGANDA's CHE to its GDP (health to GDP ratio) provides an indication on the proportion of the health sector contribution to the overall economic activity. Between 2012/13 and 2013/14, health Expenditure from all sources as a ratio of GDP averaged 7.7%Table 3-1).

Table 3-1 CHE, GDP, Annual Growth Rates and Share of Health on GDP, 2012/13 to 2013/14

	Current Health Expenditure (UGX Millions)				Share of Current Health Expenditure (%)				Current Health Expenditure as a Share of GDP (%)			
YEAR	Public	Private	Dev't Partners	Total	Public	Private	Dev't Partners	Total	Public	Private	Dev't Partners	Total
FY2012/2013	814,893	2,144,742	1,884,795	4,844,431	16.8%	44.3%	38.9%	100.0%	1.38%	3.64%	3.20%	8.2%
FY2013/2014	878,766	2,035,298	2,042,822	4,956,886	17.7%	41.1%	41.2%	100.0%	1.28%	2.98%	2.99%	7.2%

NB: GDP figures were obtained from the UBOS annual statistical reports for the two financial years.

Figure 3-1 Contribution of current Health Expenditure by financing source



2.3. Current Health Expenditure per Capita

As the population grows, demand for improved healthcare also raises, health expenditure in most countries and most of the time increases correspondingly. It is useful to examine health expenditure on a per capita basis in order to remove the influence of changes in the overall size of the population. GDP per capita is often considered an indicator of a country's standard of living.

The estimated CHE per capita has decreased from UGX.148,129($56) in 2012/13 to UGX.147,049($55) in 2013/14 (Figure 3-1). In US dollar terms the per capita health expenditure decreased from US$ 56 in 2012/13 to US$ 55 in 2013/14. The per capita health expenditure is below the minimum recommended WHO per capita expenditure on health for low developing countries of US$ 84 per capita for health. The decrease in per capita expenditure in FY 2013/14 from FY 2012/13 may be explained by the increasing population with not commensurate increase in health spending.

[3] Currency exchange rate is based on Bank of Uganda annual financial report for that financial year

3.0. Financing of Current Health Expenditures

The revenues of health financing schemes (FS) describe;

i) The contribution mechanisms the particular financing schemes use to raise their revenues, and

ii) The institutional units of the economy from which the revenues are directly generated.

3.1. Revenue of Financing Schemes

The major source of revenue in FY 2012/13 and 2013/14 for the health sector in Uganda comes from the Private Sector (Table 3-1) and averages 42.7% of the Current Health Expenditure. Government contribution to health financing increased from 16.8% in 2012/13 to 17.7% in 2013/14 of the CHE but decreased from1.38% in 2012/13 to 1.28% in 2013/14 as a share of GDP.

The share of private financing has fluctuated between 2012/13 and 2013/14; the trend for the private sector shows a decrease from 44.3% in 2012/13 to 41.1% in 2013/14 of the Current Health Expenditure (CHE). The share of funding by development partners as a percentage of CHE has increased from 38.9.% in 2012/13 to 41.2% in 2013/14.

From the private sector, most of the funding comes from Households, which accounted for 96% of the Private Current Health Expenditure (PCHE) over the period 2012/13 to 2013/14. The Private Current Health Expenditure (PCHE) changed as a share of GDP from 3.64% in 2012/13 to 2.98% in 2013/14 though this did not have any significant impact on financing health services.

The share of development partners, expenditure as compared to the CHE increased from 38.9% in 2012/13 to 41.2.% in 2013/14. The share of expenditure by development partners however decreased from 3.2% in 2012/13 to 2.99% in 2013/14 as a share of GDP. Over the period 2012/13 to 2013/14 development partner's contribution towards health expenditure has increased from 1.88 trillion to 2.04 trillion by UGX 158 billion in real monetary Value.

3.2. Financing Schemes

SHA 2011 explains health care financing schemes as the main types of financing arrangements through which people obtain health services or can get access to health care. A financing scheme defines who is obliged to participate in the scheme, what the basis for entitlement to health care is and what benefits the scheme offers as well as the rules on raising and pooling the contributions2.

Health care financing schemes include direct payments by households for services and goods and third-party financing arrangements. Third party financing schemes are distinct bodies of rules that govern the mode of participation in the scheme, the basis for entitlement to health services and the rules on raising and then pooling the revenues of the given scheme.

[4] A System of Health Accounts 2011 (SHA 2011)

Table 3-2 shows that household out-of-pocket financing scheme was the major financing scheme accounting for 42.4% in 2012/13 and 39.1% in 2013/14 of the CHE. The health system is mostly financed by the private sector.

Table 3-2 Current Health Expenditure by Financing Schemes, 2012/13 to 2013/14

	FY2012/2013		FY2013/2014	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Government Schemes	1,261,532	26.0%	1,301,708	26.3%
Voluntary health care payment schemes				
- Employer-based insurance	77,993	1.6%	94,873	1.9%
- NPISH financing schemes (including development agencies)	1,226,975	25.3%	1,397,346	28.2%
- Enterprises (except health care providers) financing schemes	23,021	0.5%	17,949	0.4%
Household out-of-pocket payment	2,056,300	42.4%	1,935,725	39.1%
Rest of the world financing schemes (non-resident)	198,610	4.1%	209,284	4.2%
TOTAL	4,844,431	100.0%	4,956,886	100.0%

Household Out-of-pocket (OOP) is direct payments made by users of health at the point of demand. The OOP reflected in this table is presumed to be predominantly cash. Private firms (enterprises) account for on average 0.5% of the financing schemes and private insurance accounts for 1.8% of the financing schemes.

Partners and not for profit institutions serving households (NPISH) account for 25.3% of the financing schemes in 2012/13 and 28.2% in 2013/14. That was largely off budget financing some of which end up with government health providers. This excludes partner contributions under general budget support through loans and cash grants.

The Government provides funding for the healthcare system in Uganda through general tax- financing and general budget support. Overall there was no increase in government funding scheme in the two financial years under review. The Government scheme accounted for on average 26% of the financing scheme from 2012/13 to 2013/14 (Table 3-1). The Rest of the World financing scheme (non-resident units) those involved in health related activities and in both cases the provision is directed for final use to country residents. This scheme accounted for 4% of the financing schemes in both financial years.

The total government scheme as a percentage of the financing schemes was 26% (UGX 1.261 trillion) in 2012/13-and 26.3% (UGX.1.301 trillion) in 2013/14 and in both years on average account for 1.33% of the GDP. Table 3-2

GCHE as a percentage of the CHE was 16.8% (814 billion) in financial year 2012/13 and 17.7% (878 Billion) of the CHE. Table 3-1

The total development partner contribution as a percentage of CHE was 38.9% (UGX.1.88 trillion) in 2012/13 and 41.2% (UGX 2.04 trillion) in 2013/14 and on average in both years accounted for 3.1% of the current GDP.

4.0. Current Health Expenditure by Providers

Health Care Providers encompass all organizations and actors that deliver health care goods and services as their primary activity, as well as those for which health care provision is only one among a number of activities (SHA 2011).

4.1 Health care Providers

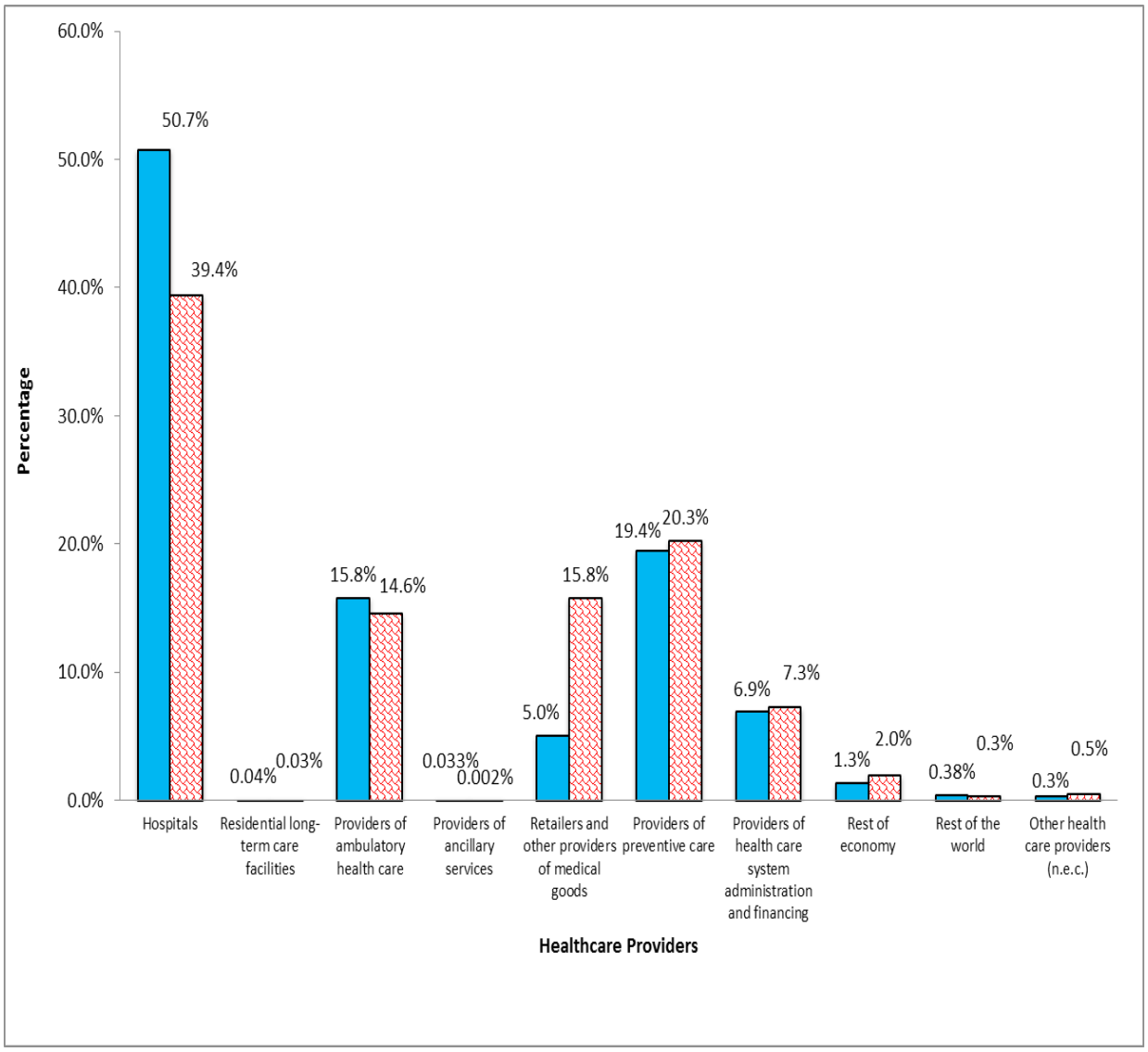
Hospitals, Health units, private clinics and other providers of health goods and providers of ambulatory health care remain the top providers in terms of accounting for health expenditures. This is apparent given the fact that the largest recipients of revenue and utilization of resources are mainly the health units, private clinics and hospitals.

A substantial increase is noted in expenditure by providers towards procuring and delivering preventive care. There is an additional UGX 62 billion increase from UGX 941 billion (2012/13) to 1,003 billion (2013/14). This may be attributed to the increased support from partners for preventive services in areas such as social mobilisation sanitation and community empowerment.

Table 4-1 Hospitals, Health units, private clinics and other providers of health goods

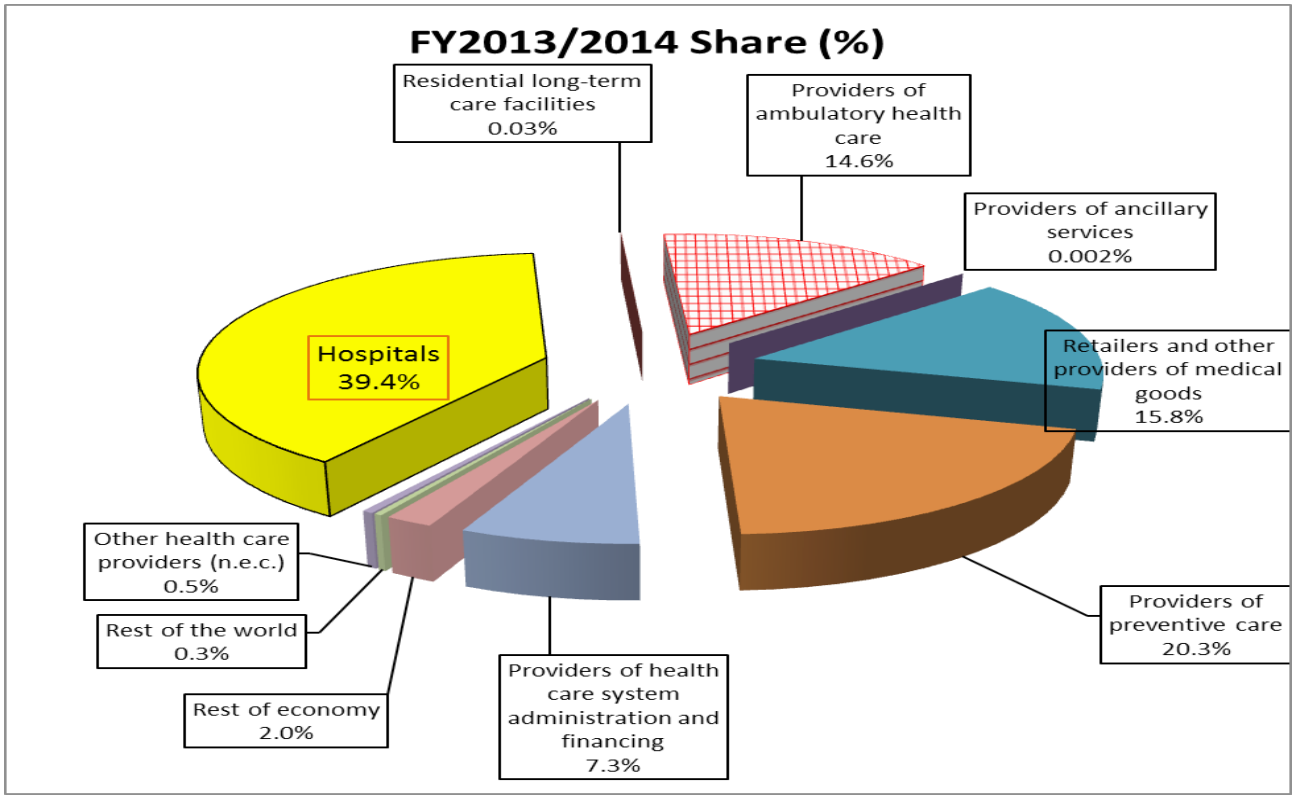
	FY2012/2013		FY2013/2014	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Hospitals	2,458,545	50.7%	1,952,307	39.4%
Residential long-term care facilities	2,109	0.04%	1,424	0.03%
Providers of ambulatory health care	764,582	15.8%	722,789	14.6%
Providers of ancillary services	1,596	0.033%	98	0.002%
Retailers and other providers of medical goods	244,635	5.0%	780,981	15.8%
Providers of preventive care	941,945	19.4%	1,003,798	20.3%
Providers of health care system administration and financing	334,124	6.9%	359,624	7.3%
Rest of economy	64,979	1.3%	96,942	2.0%
Rest of the world	18,600	0.38%	16,256	0.3%
Other health care providers (n.e.c.)	13,317	0.3%	22,665	0.5%
TOTAL	4,844,431	100.0%	4,956,886	100.0%

Figure 4-1 Share of Current Health Expenditures by Providers (%), 2012/13 to 2013/14



In 2012/13, hospitals expended an additional 506 billion in their current expenditure relative to 2013/14. Hospital spending decreased as a percentage share to CHE from 50.7% in 2012/13 to 39.4% in 2013/14 (refer Table 4-1). Expenses incurred by the retailers and other providers of medical goods recorded an increase in expenditure by 536 billion from Shs. 244 billion in 2012/13 to Shs. 780 billion in 2013/14. Ambulatory Health Care expenditure decreased from 764 billion 2012/13 to 722 billion in 2013/14 (refer Table4-1). Most health service delivery takes place at lower level facilities but still half of the health expenses take place at hospital level hence the inequity in resource allocation with potential for widening disparities for the rural poor in accessing health care services.

Figure 4-2 Share of Current Health Expenditures by Providers (%), 2013/14



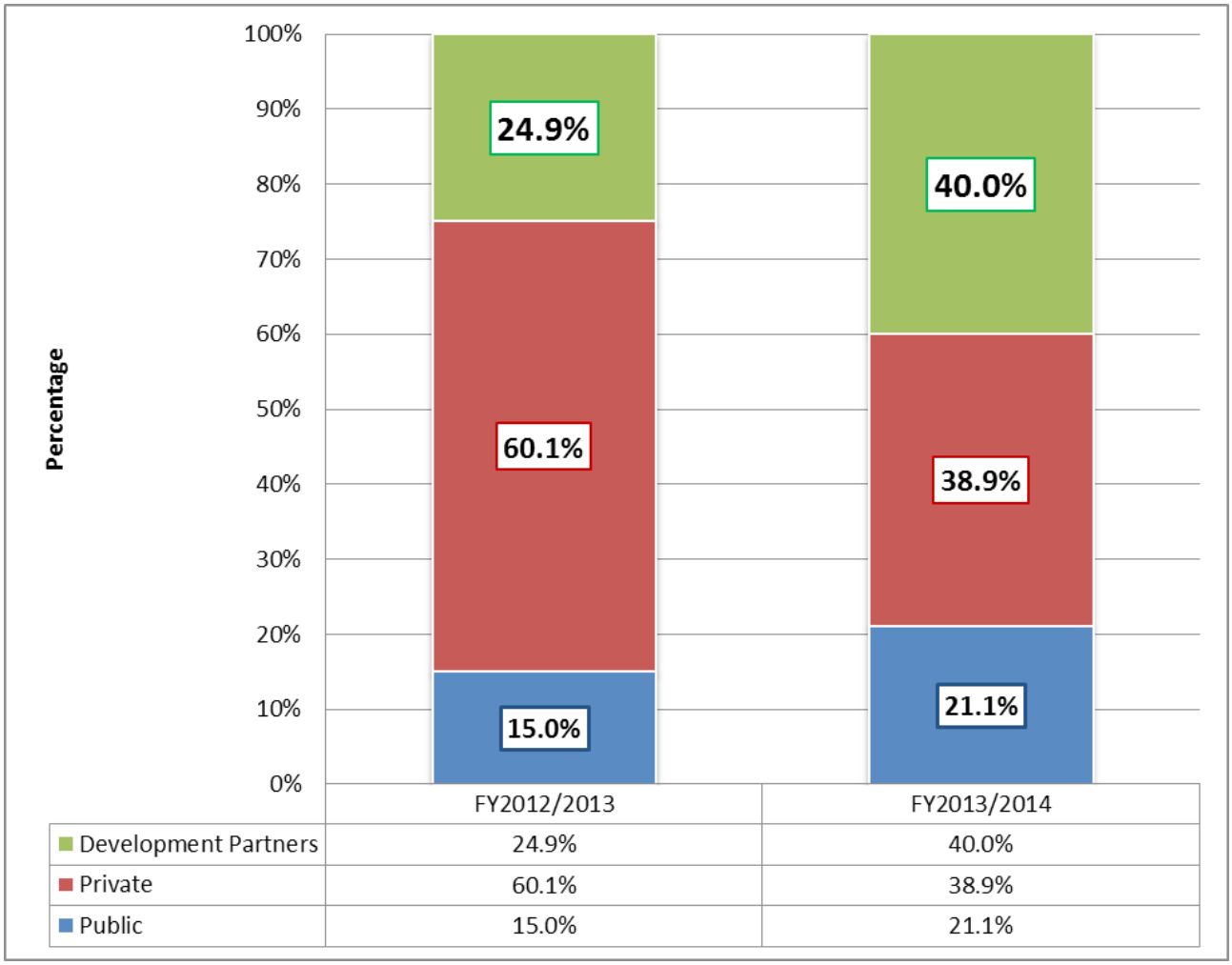
4.2 Hospital Expenditure

Hospital expenditure in Uganda is mainly funded by private sources. Figure 4-2 highlights that Hospitals are the major health care provider representing 39.4% of the health care provider's expenditure. This may be attributed to the increase in support to hospitals by health development partners and increase in utilisation of services in hospitals by households.

Table 4-2 Current Health Expenditure at Hospitals by financing source, 2012/13 and 2013/14

YEAR	Public		Private		Development Partners		TOTAL Amount (UGX Millions)
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)	
FY2012/2013	368,444	15.0%	1,477,070	60.1%	613,032	24.9%	2,458,545
FY2013/2014	411,565	21.1%	759,210	38.9%	781,532	40.0%	1,952,307

Figure 4-3 Share of Current Health Expenditure at Hospital by financing source 2012/13 and 2013/14



	FY2012/2013	FY2013/2014
Development Partners	24.9%	40.0%
Private	60.1%	38.9%
Public	15.0%	21.1%

The private health care providers account for about 50% of the providers in Uganda on average in the two years.

4.3 Non-Hospital Expenditure

Non-hospital expenditure refers to the expenditure of other health providers as categorized in the SHA 2011 health provider classification. Expenditure increases were recorded by providers of preventive care from 19.4% in (2012/13) to 20.3% (2013/14), providers of ambulatory care registered decrease in expenditure from 15.8% (2012/13) to 14.6% in (2013/14) and retailers and other providers of medical goods increased from 5.0% to 15.8% in (2013/14).

Retailers and other providers of medical goods are involved in providing pharmaceuticals and other durable health goods to outpatients and mainly households. The CHE for these providers increased by Shs. 536 billion over the two years of 2012/13 and 2013/14.

Providers of preventive care consist of various public health programs coordinated by the private and public sector. Providers of Ambulatory Health Care (not necessarily preventive) recorded a decrease from Shs. 764 billion in 2012/13 to Shs 722 billion in 2013/14. On average, providers of healthcare system administration and financing

recorded stagnating expenditure of Shs. 341 billion in the two years.

5.0. Current Health Expenditure by Function

Health expenditure by function simply means "the services and goods on which the health money has been spent". The international SHA methodology categorizes certain areas of use and functions, and codes them using the ICHA-HC classification (see also table 5-1). The analysis by function is important for any health system as it delivers information relevant for the policy level. For example, the balance between inpatient and outpatient care expenditure, or how much was spent on preventive care, curative care and on Health administration is vital for policy decision formulation. In this way, health expenditure by function provides a platform for policy makers to move from input based to output based health service delivery.

The National Health Accounts (NHA) systematically classifies the purposes or functional uses of health expenditures. Table 5-1 shows the distribution of CHE by function in 2012/13 and 2013/14. There was slight increase in the proportion of expenditure for outpatient care, inpatient curative and day curative care by retailers and private clinics. Governance, health systems & financing administration expenditure increased marginally. Rehabilitative, preventive care and palliative care expenditures decreased as a percentage of CHE. Ancillary services increased in the two financial years under review. In nominal terms, there was slight decrease in preventive care expenditure from Shs1.78 trillion to Shs. 1.74 trillion. This may be explained by the households mainly purchasing curative services more than preventive services. More emphasis is also put on the sick, which is an emergency and the services provided for the sick are majorly curative.

There is need for a policy shift to emphasize preventive care services. However, in spite of the nominal decrease in preventive, it is also still far below what was spent on curative care (see figure 5-1). There was also a slight decline in the proportion of expenditure for outpatient care, health goods dispensed to outpatients expenditure increased, and governance, health systems and financing administration expenditure slightly declined.

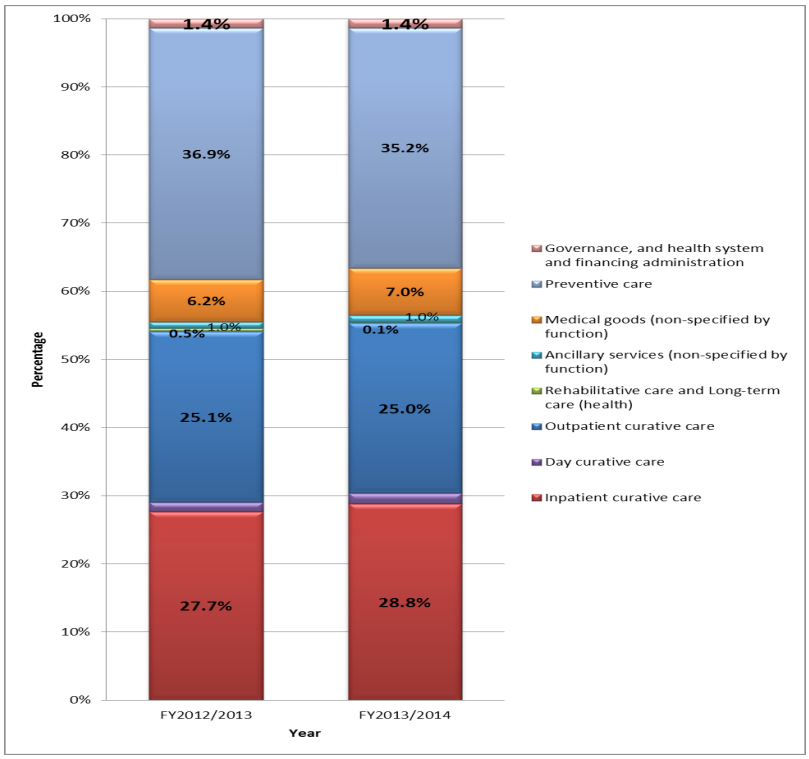
Table 5-1 Current Health Expenditure by Function, 2012/13 to 2013/14

	Amount (UGX Millions)	FY2012/2013	Amount (UGX Millions)	FY2013/2014
Inpatient curative care	1,339,903	27.7%	1,427,506	28.8%
Day curative care	65,963	1.4%	77,069	1.6%
Outpatient curative care	1,215,370	25.1%	1,237,379	25.0%
Rehabilitative care and Long-term care (health)	21,964	0.5%	6,530	0.1%
Ancillary services (non-specified by function)[1]	47,011	1.0%	50,962	1.0%
Medical goods (non-specified by function)	301,286	6.2%	344,791	7.0%
Preventive care	1,785,435	36.9%	1,743,585	35.2%
Governance, and health system and financing administration	67,499	1.4%	69,063	1.4%
TOTAL	4,844,431	100.0%	4,956,886	100.0%

[1]Ancillary services to health care include laboratory and imaging services

Figure 5-1 shows CHE by functions for the years 2012/13 to 2013/14. The Figure shows that expenditure on inpatient curative care is more than outpatient curative care. The increase in outpatient care expenditure compared to was largely due to the increase in private health expenditure in 2012/13 and 2013/14 from households.

Figure 5-1 Current Health Expenditure by function (%), FY2012/13 to 2013/14



There was increase in expenditure for health goods and a decrease in expenditure on rehabilitation and long term care, while governance, health systems & financing administration expenditure stagnated as a percentage of CHE for both years. Ancillary services had no change in expenditure for both years (1%).

Overall, Uganda spent 36.9% and 35.2% of CHE on preventive care in 2012/13 and 2013/14 respectively. The country spent more on governance, health systems & financing administration when compared to expenditure on rehabilitation in both years. This calls for reprioritisation of expenditures and policy shift in financing of rehabilitative health interventions.

5.1. Inpatient and Outpatient Care Services

The largest part of health spending by function is for curative care (inpatient and outpatient care services) as shown in Table 5-1.

Inpatient care is mainly financed by the private sector (includes funds from development partners, households, private firms and health insurance), which accounted for 84.8% in 2012/13 compared with 83.8 % in 2013/14 (Table 5-2). Outpatient care was also mainly financed by the private sector with private expenditure share of 92.5% in 2012/13 compared to 89.4 % in 2013/14. Note that Households spend almost 95% of their OOP health expenditure on outpatients' care that probably explains the high percentage.

Table 5-2 Share of current health expenditure functions by financing source;

Health Functions	FY2012/2013		FY2013/2014	
	Public	Private	Public	Private
Inpatient curative care	15.2%	84.8%	16.2%	83.8%
Day curative care	0.0%	100.0%	0.0%	100.0%
Outpatient curative care	7.5%	92.5%	10.6%	89.4%
Rehabilitative care and Long-term care (health)	40.8%	59.2%	60.1%	39.9%
Ancillary services (non-specified by function)	91.2%	8.8%	89.9%	10.1%
Medical goods (non-specified by function)	22.6%	77.4%	21.6%	78.4%
Preventive care	20.8%	79.2%	21.3%	78.7%
Governance, and health system and financing administration	42.5%	57.5%	29.1%	70.9%

Note: Private Expenditure also includes Development Partners and Households

5.2. Medical Goods

The third major component of health spending by function is on medical goods. This category includes only pharmaceutical and therapeutic appliances and comprises sales of medicines and other health goods from private pharmacies and other clinics. This is because under the SHA guidelines, expenditure on pharmaceuticals, during an inpatient episode of care is categorized as inpatient expenditure. Drug consumption under government facilities are coded to inpatient and outpatient care and not included under this category. Thus it is important to note that the expenditure on medicines included in this category accounts mainly for clinic sales by private pharmacies and drug shops.

Uganda spent UGX 344 billion or 7.0% of CHE in 2013/14 was spent on medical goods to outpatients (Table 5-1). This has increased in percentage terms since 2012/13 is Shs 301Billion (6.2%). The increase in Uganda is either an increase in drug prices or increased quantity of purchased drugs. Nevertheless this is an important indicator to monitor since in the private sector this is largely financed by households out of pocket expenses.

Table 5-3 Medical goods expenditure by sub-classes

	FY2012/2013		FY2013/2014	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Pharmaceuticals and other medical non-durable goods				
- Prescribed medicines	77,030	25.6%	88,611	25.7%
- Over-the-counter medicines	25,361	8.4%	27,391.71	7.9%
- Other medical non-durable goods	22,472	7.5%	24,014	7.0%
Therapeutic appliances and other medical goods	176,423	58.6%	204,774	59.4%
TOTAL	301,286	100.0%	344,791	100.0%

Table 5-3 shows expenditure on medical goods by subclasses in 2012/13 and 2013/14. It reflects that an average of 26% of the expenditure on health goods was spent on prescribed medicines while very little (8.2%) on average was spent on over the counter medicines.

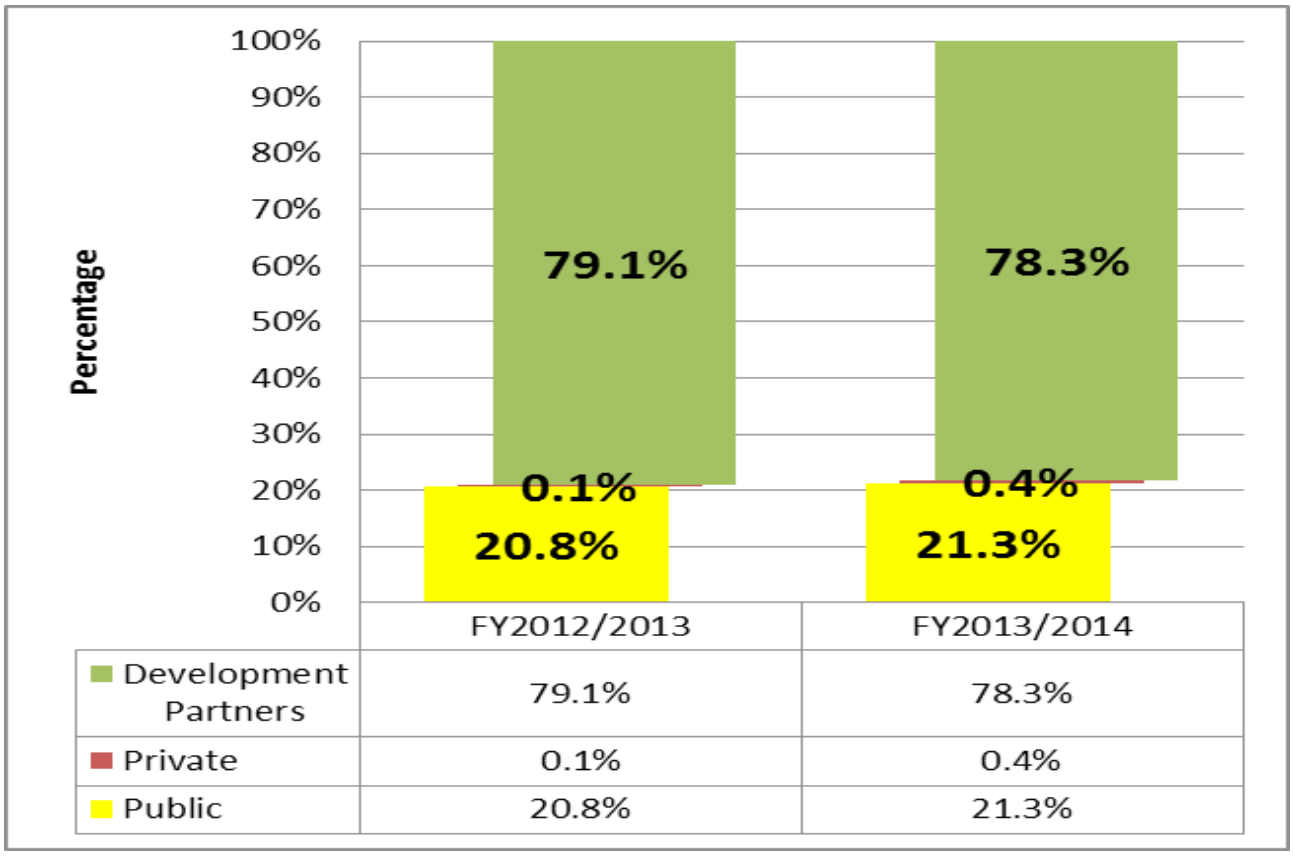
5.3. Preventive Care

SHA 2011 explains Preventive care as any measure that aims to avoid the occurrence or the severity of injuries and diseases and their complications. Prevention is based on a health promotion strategy that involves a process to enable people to improve their health through the control over some of its immediate determinants. This includes a wide range of expected outcomes, which are covered through a diversity of interventions, organized as primary, secondary and tertiary prevention levels. The expenditure mostly includes primary and secondary prevention programmes.

Preventive care expenditures accounted for UGX1.785 trillion or 36.9 % of CHE in 2012/13 and UGX 1.74 trillion in 2013/14 which represents 35.2% of the CHE. This signifies a slight decrease in comparison with the previous year (Table 5-1). This decrease in the share was due to a decrease in funding by development partners for public health preventive programs.

Figure 5-2 shows that approximately, 21.3% of the financing of these programs was through Government funding, 78.3% from development partners and 0.4% from the private sector in 2013/14. For 2012/13, 20.8% of the financing of these programs was through Government funding, 79.1% from development partners and 0.1% from the private sector.

Figure 5-2 Share of Preventive care by Source (%), 2012/13 to 2013/14



	FY2012/2013	FY2013/2014
Development Partners	79.1%	78.3%
Private	0.1%	0.4%
Public	20.8%	21.3%

Figure 5-3 Share of Preventive care by categories of service (%), 2012/13 to 2013/14

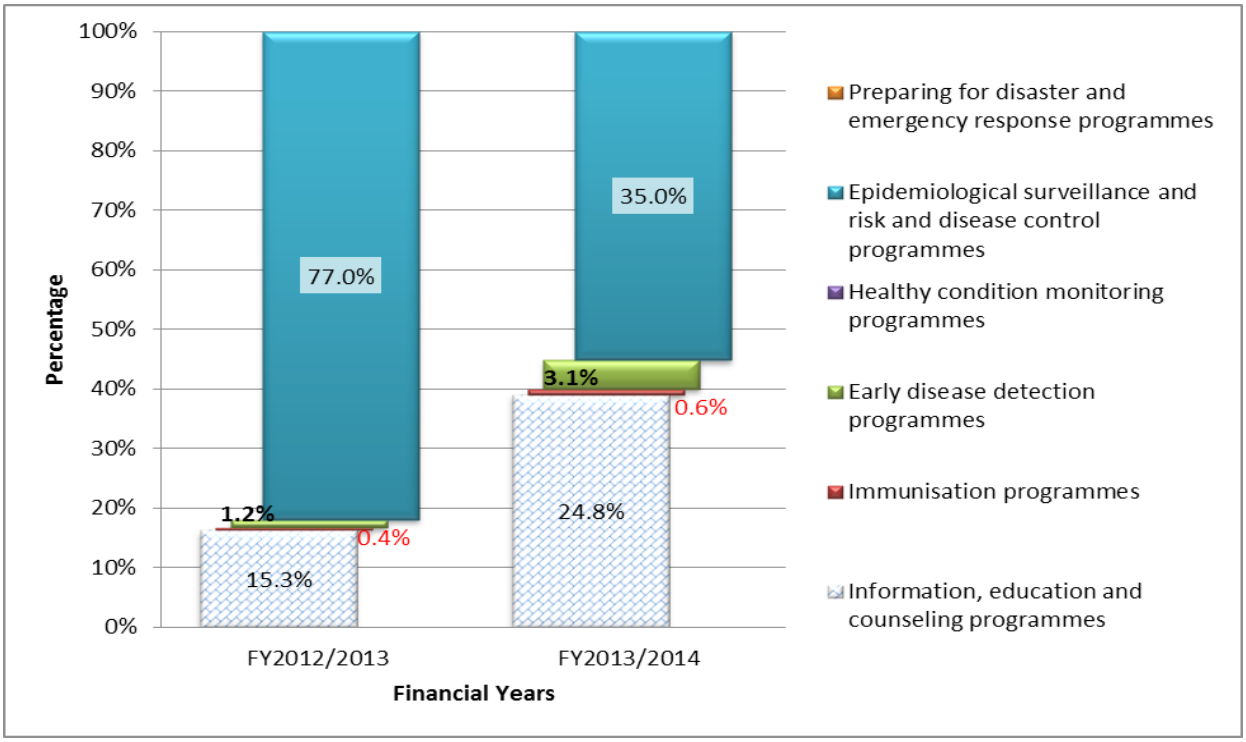


Figure 5-3 shows that information; education and counselling programmes accounted for on average 15.3% of total preventive care expenditure in 2012/13 and 24.8% in 2013/14. The other largest portion of preventive care was spent on risk, surveillance, behaviour change communication, advocacy and disease control programmes on average about 56%. There was an increase in expenditure for early disease detection programmes and immunisation and monitoring

Table 5-4 Preventive care by categories of service (Millions UGX), 2013/14

Expenditure on Prevention and Public Health programs	FY2013/2014			
	Public	Private	Development Partners	TOTAL
Information, education and counseling programmes	59,161	3,664	369,389	432,214
Immunisation programmes	3,155	-	7,433	10,588
Early disease detection programmes	75	4,055	50,295	54,425
Healthy condition monitoring programmes	-	-	289,072	289,072
Epidemiological surveillance and risk and disease control programmes	246,475	-	364,508	610,983
Preparing for disaster and emergency response programmes	62,380	-	283,922	346,302
Total	371,246	7,719	1,364,619	1,743,585

6.0. Government Current Health Expenditure

This chapter looks at Government Current Health Expenditure (GCHE) and provides details to show where and how the money was being spent.

6.1. Government Expenditure on Health

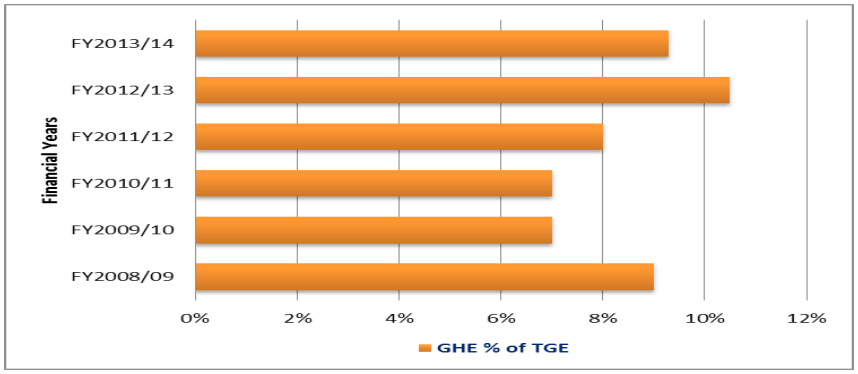
Analysis of Government spending as in Table 6-1 shows that over the four (4) year period, Government Health Expenditure (GHE) has increased in nominal value (current). In real terms this means that Government's expenditure on health in FY2013/14 increased from FY 2012/13.

Table 6-1 Government Health Expenditures (UGX), 2008/09 to 2013/14

Billions of UGX	Financial Year					
	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Nominal value (current) – UGX	450	473	633	724	814	879
Total Government expenditure (TGE) – UGX	4,949	6,318	8,972	9,273	8,149	8,788
TGCHE per capita $	12.4	11.2	9.1	9.0	9.3	9.7
% of TGE	9%	7%	7%	8%	7.5%	7.8%

GHE when reflected as a percentage of Total Government Expenditure (TGE) averaged to 7.7% and has remained relatively constant over the period from 2008/09 to 2013/14 (refer table 6-1). The trend indicates that the GHE per capita has been increasing in the 3 years of NHA study mainly due to additional financing from the Government national budget. The World Health Organization (WHO) in its study suggests that universal health coverage and equal access to health care maybe attained if Governments spend at least 15% of TGE on health (World Health Report 2010). The WHO Commission of Macro Economics on Health suggests that TGCHE per capita should be at least $34 per capita for Sub-Sahara African countries to steadily move towards UHC and Health Sector Development Plan (HSDP2015/16-2019/20) suggests a minimum of $17 per capita to attain high health status in Uganda.

Figure 6-1 GHE as a % of TGE from F2008/09 to 2013/14.



The increase and decrease in percentage spending by government is largely driven by fluctuations in Government revenues (thus affecting the Government fiscal position) over those years. The financing was less aligned with the health status of the population and the increasing (financial) needs for people with chronic diseases.

As a percentage of GDP, GHE averaged 1.3% over the study period. The percentage has remained relatively constant without any significant increase over the last 4 years (refer Figure 6-3).

6.2. Government Current Health Expenditure by Sources

Government had spent UGX 814 Billion in 2012/13 and UGX.879 billion in 2013/14, an increase of UGX.65 billion in the GCHE in 2013/14 over 2012/13 (refer Table 6-2). This reflects a nominal increase in government expenditure of about 7.8% from FY2012/13 to FY2013/14.

Table 6-2 Sources of Government Current Health Expenditures (UGX), 2012/13 to 2013/14

	FY2012/2013		FY2013/2014	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Transfers from government domestic revenue (allocated to health purposes)	814,893	64%	874,363	67%
Transfers from foreign origin	458,665	36%	435,640	33%
TOTAL	1,273,558	100%	1,310,003	100%

The GCHE also includes financing from external development partners through on budget cash grants which is channelled through the Government system (budget support) and reflected in the annual budget. Over the two year period, the GCHE averaged 66% funding directly from Government domestic revenues and 35% funding distributed by Government from foreign origin through project funding/ on budget support as shown in Table 6-2

6.3. Government Current Health Expenditure (GCHE) by Providers

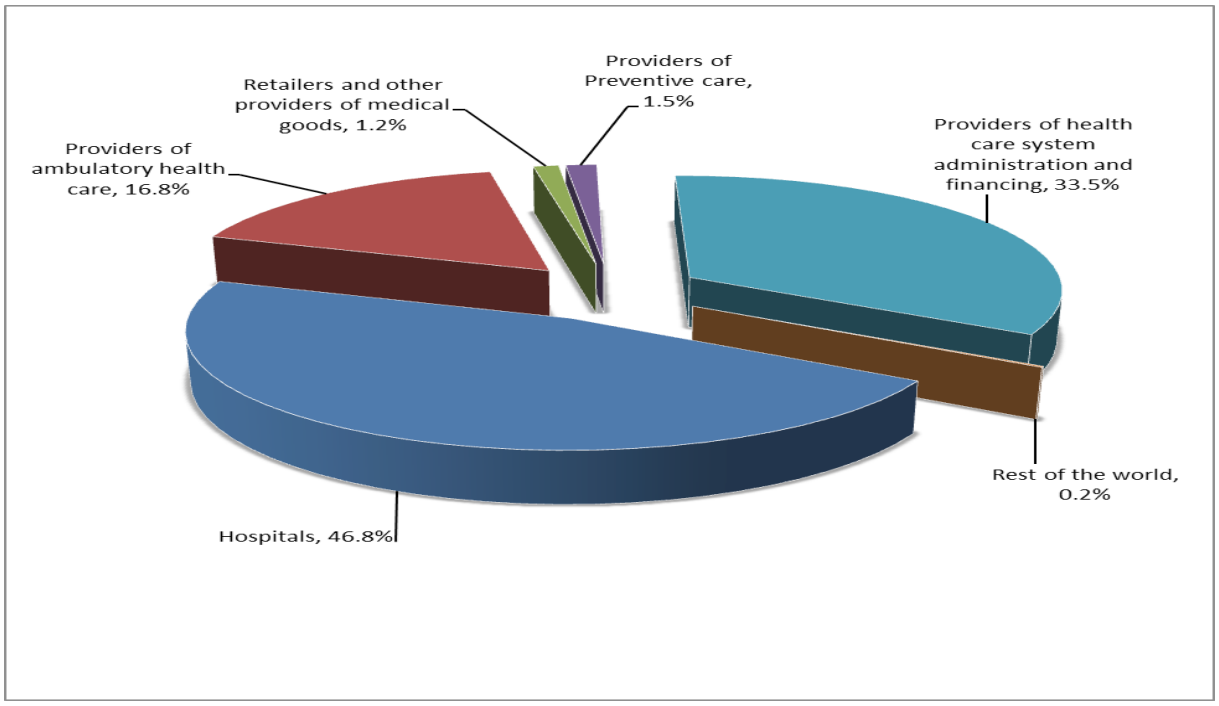
Government health providers exist at different levels within the healthcare system and they are described by the types of the health services they provide. As outlined in Table.6-3, we distinguish between hospitals, Long-term care facilities, Providers of Ambulatory health care, Providers of ancillary services, Providers of preventive care, Providers of health care system administration and financing, Rest of economy (which constitute other industries within the country as secondary providers of healthcare) and rest of the world (which constitute mostly expenditure by health development partners).

Table 6-3 Government Current Health Expenditures by Providers (UGX), 2012/13 & 2013/14

Providers of Healthcare	FY2012/2013		FY2013/2014	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Hospitals (Both private and public)	368,444	45.2%	411,565	46.8%
Providers of ambulatory health care	139,417	17.1%	147,416	16.8%
Retailers and other providers of medical goods	9,361	1.1%	10,694	1.2%
Providers of Preventive care	13,175	1.6%	13,031	1.5%
Providers of health care system admin and financing	283,147	34.7%	294,719	33.5%
Rest of the world	1,350	0.2%	1,341	0.2%
TOTAL	814,893	100.0%	878,766	100.0%

Figure 6-2 shows the distribution of Government current health expenditures among the health providers that constitute the major recipients of Government health funds in 2013/14.

Figure 6-2 Share of Government Current Health Expenditure by Provider, 2013/14



Hospitals which include regional referral hospitals, Health units, NGO hospitals, and General hospitals, mental and specialized hospitals/Institutions account for

the largest share of Government spending. This was also the case as reported in the Uganda Health Account reports for the financial years 2010/11 and 2011/12 and thus, for the last 3 years hospitals remain the major recipient of government health spending.

Hospital expenditure accounted for 46.8% of GCHE in 2013/14 (refer Figure 6-2). Of this value 38% was spent on General Hospitals, 18% in private hospitals , 6.4% in national and regional hospitals and the rest was spent by lower level primary health care facilities

From the year 2012/13 there was an increase in funding to primary health care facilities perhaps as **a result of additional human resource recruitment.** In 2013/14 there was an increase in ambulatory care expenditures arising from reforms to strengthen primary health care by increasing the effectiveness of the services provided at health centres through investigations.

Providers of ambulatory care refer to expenditures at health centres. In 2013/14 this accounted for 16.8% of GCHE and equates to UGX147 billion, decrease of expenditure by 0.2% from 2012/13 (refer Table 6-3). The ambulatory care expenditure consisted of both health centres managed by government and PNFP facilities. This expenditure includes spending on ancillary services. Ancillary services refer to expenditures for laboratory services, imaging services and patient transportation. The bulk of ancillary expenditure pertain to the cost of consumables and reagents for both imaging and laboratory services.

Providers of preventive care expenditures were included under health systems administration. There was a decrease in these expenses in 2013/14. The main reason may be due to increase in expenditures in the on-going curative programs such communicable and Non-Communicable Diseases (NCDs).

Other Health care system administration and financing expenditure includes activities in overall administration of the health care sector, including administration of health financing such as formulation, supervision, coordination, administration and monitoring of overall health policies and budgets which accounted for UGX 294 billion or 34% of GCHE in 2013/14 (refer Table 6-3).

Rest of the World refers to industries or organizations that offer health care as a secondary activity. Rest of the World accounted for UGX 1 billion or 0.2% of GCHE in 2012/13 (refer Table 6-3).

The staff costing spent on salary and wages is distributed across all providers and is incorporated into expenditures of health providers.

6.4. Current Health Expenditure by disease and conditions

Table 6-4 Current Health Expenditure by disease and conditions

Disease SHA-code	Disease Name /SHA-Category	FY2012/13		FY2013/14	
		Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
	Infectious and parasitic diseases	2,927,409		3,099,406	
DIS.1.1	HIV/AIDS and Other Sexually Transmitted Diseases (STDs)	1,504,342	31.05%	1,585,397	31.98%
DIS.1.2	Tuberculosis	44,551	0.92%	53,277	1.07%
DIS.1.3	Malaria	1,047,031	21.61%	1,102,959	22.25%
DIS.1.4	Respiratory infections	205,488	4.24%	198,802	4.01%
DIS.1.5	Diarrhoeal diseases	71,703	1.48%	70,529	1.42%
DIS.1.6	Neglected tropical diseases	210	0.00%	3	0.00%
DIS.1.7	Vaccine preventable diseases	28,405	0.59%	58,769	1.19%
DIS.1.nec	Other infectious and parasitic diseases (n.e.c.)	25,679	0.53%	29,670	0.60%
	Reproductive health	682,063		643,079	
DIS.2.1	Maternal conditions	345,472	7.13%	352,552	7.11%
DIS.2.2	Perinatal conditions	210,167	4.34%	199,884	4.03%
DIS.2.3	Contraceptive management (family planning)	103,417	2.13%	53,403	1.08%
DIS.2.nec	Other reproductive health conditions (n.e.c.)	23,008	0.47%	37,240	0.75%
	Nutritional deficiencies	188,261	3.89%	150,721	3.04%
	Non-Communicable diseases	220,165		233,484	
DIS.4.1	Neoplasms	36,315	0.75%	38,658	0.78%
DIS.4.2	Endocrine disorders	2,431	0.05%	2,367	0.05%
DIS.4.3	Cardiovascular diseases	11,280	0.23%	12,583	0.25%
DIS.4.4	Mental & behavioural disorders, and Neurological conditions	32,535	0.67%	29,222	0.59%
DIS.4.8	Sense organ disorders	4,318	0.09%	4,825	0.10%
DIS.4.9	Oral diseases	133,287	2.75%	143,214	2.89%
DIS. n.e.c	Other and unspecified non-communicable diseases (n.e.c.)		0.00%	2,616	0.05%
	Injuries	141,345	2.92%	138,718	2.80%
	Non-disease specific	210,714	4.35%	230,676	4.65%
	Other diseases / conditions (n.e.c.)	474,473	9.79%	460,801	9.30%
TOTAL		4,844,431	100.00%	4,956,886	100.00%

Analysis of the current health expenditure by disease and conditions indicate that HIV/AIDS takes the largest portion of expenditure at 31.05% amounting to Shs1.504 trillion of the CHE in 2012/13 and 31.98% (Shs1.585 trillion) in 2013/14, followed by expenditure on Malaria 21.61% (1.047 trillion) in 2012/13 and 22.25% (1.102 trillion) in 2013/14, Reproductive health conditions account for 14.07% (682 billion) of the CHE in 2012/13. Non-communicable disease expenditure accounts for 4.54% (220 billion) of the CHE in 2012/13 and4.71% (233 billion) in 2013/14, and the lowest expenditure is on injuries and nutrition at an average of 3.4% (154 billion) during the period under review. This calls for the need to increase funding for nutrition and NCDs.

Other disease conditions not elsewhere classified (n.e.c) accounted for 9.79% (474 billion) of the expenditure in 2012/13-and 9.30% (460 billion) in 2013/14. (table 6-5) Government contributes 15% of the finances to the disease-based costs and the development partners and the private sector contribute 85% of the funding. The major contributor to the disease based CHE was from the development partners especially USAID 60.79% (1.121 trillion), followed by Global fund (9.24%) 170 billion, United Kingdom 8.6%(158 billion) and other unspecified multilateral donors (5.91%) 108 billion in 2013/14.

Other partners' contribution, the bilateral and multilateral contributions has been highlighted in the table 6-5 below.

Table 6-5 Share of Individual Development Partners' Funding

F.S R.I	FY2012/13		FY2013/14	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Bilateral donors	1,362,785.4		1,421,136.17	
Belgium	6,150.2	0.34%	25,365.45	1.38%
Canada	28.3	0.00%	0.56	0.00%
Denmark	23,630.8	1.30%	23,731.97	1.29%
Germany	1,734.1	0.10%	972.96	0.05%
Ireland	24,731.9	1.36%	29,201.85	1.58%
Italy	257.4	0.01%	0.0	0.00%
Japan	61,259.3	3.37%	1.17	0.00%
Netherlands	315.9	0.02%	718.25	0.04%
Sweden	27,115.9	1.49%	17,775.66	0.96%
United Kingdom	109,246.8	6.01%	158,648.86	8.60%
United States (USAID)	1,106,206.6	60.87%	1,121,273.74	60.79%
Other and Unspecified bilateral donors (n.e.c.)	2,108.0	0.12%	43,445.69	2.36%
Multilateral donors	433,464.9		405,562.44	
GAVI	9,773.2	0.54%	10,878.70	0.59%
Global Fund	158,120.3	8.70%	170,400.88	9.24%
IDA + IBRD (World Bank)	32,266.2	1.78%	32,044.63	1.74%
UNAIDS	20.0	0.001%	20.00	0.001%
UNDP	828.0	0.05%	1,057.88	0.06%
UNFPA	29,767.1	1.64%	23,530.41	1.28%
UNICEF	61,902.9	3.41%	48,737.93	2.64%
WFP	19,609.7	1.08%	1,947.51	0.11%
WHO	11,115.8	0.61%	7,951.27	0.43%
Other and Unspecified multilateral donors (n.e.c.)	110,061.8	6.06%	108,993.25	5.91%
Private donors	6,385.5		3,734.00	
Gates Foundation (BMGF)	5,283.9	0.29%	1,422.77	0.08%
Other and Unspecified private donors (n.e.c.)	1,101.6	0.06%	2,311.23	0.13%
Unspecified rest of the world (n.e.c.)	14,752.14	0.81%	14,095.91	0.76%

TOTAL	1,817,388.0	100.00%	1,844,528.5	100.00%

Table 6.6 Reproductive Health Expenditure

Reproductive health		FY2012/2013		FY2013/2014	
		Amount (UGX Millions)	% of CHE	Amount (UGX Millions)	% of CHE
DIS.2.1	Maternal conditions	345,471.7	50.7%	352,552.38	54.8%
DIS.2.2	Perinatal conditions	210,166.5	30.8%	199,884.04	31.1%
DIS.2.3	Contraceptive management (family planning)	103,417.3	15.2%	53,402.54	8.3%
DIS.2.nec	Other reproductive health conditions	23,007.8	3.4%	37,239.92	5.8%
TOTAL		682,063.33	100%	643,078.87	100%

Reproductive Health expenditure accounted for 14.07% (UGX 682 Billion) of the CHE in 2012/13 and 12.97% (643 Billion) of the CHE in 2013/14. Much of the expenditure under reproductive health was for maternal conditions followed by perinatal conditions. Government finances about 14% of the reproductive health expenditure and the rest of the finances come from the private sector and rest of the world 86%.

6.5. Government Current Health Expenditure by Functions

This section focuses on Government current health expenditures (GCHE) by function and is reflected in Table 6.7.

Table 6-7 Government Current Health Expenditures by Functions, 2012/13 and 2013/14

Public Funds' HC	FY2012/2013		FY2013/2014	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Inpatient curative care	203,930	25.0%	231,861	26.4%
Day curative care	0	0.0%	0	0.0%
Outpatient curative care	90,975	11.2%	131,470	15.0%
Rehabilitative care and Long-term care (health)	8,972	1.1%	3,922	0.4%
Ancillary services (non-specified by function)	42,857	5.3%	45,834	5.2%
Medical goods (non-specified by function)	68,197	8.4%	74,362	8.5%
Preventive care	371,290	45.6%	371,246	42.2%
Governance, and health system and financing administration	28,673	3.5%	20,070	2.3%
TOTAL	814,893	100.0%	878,766	100.0%

Note: GCHE on health goods are incorporated into the above categories mainly in curative care (in-patient and outpatient care)

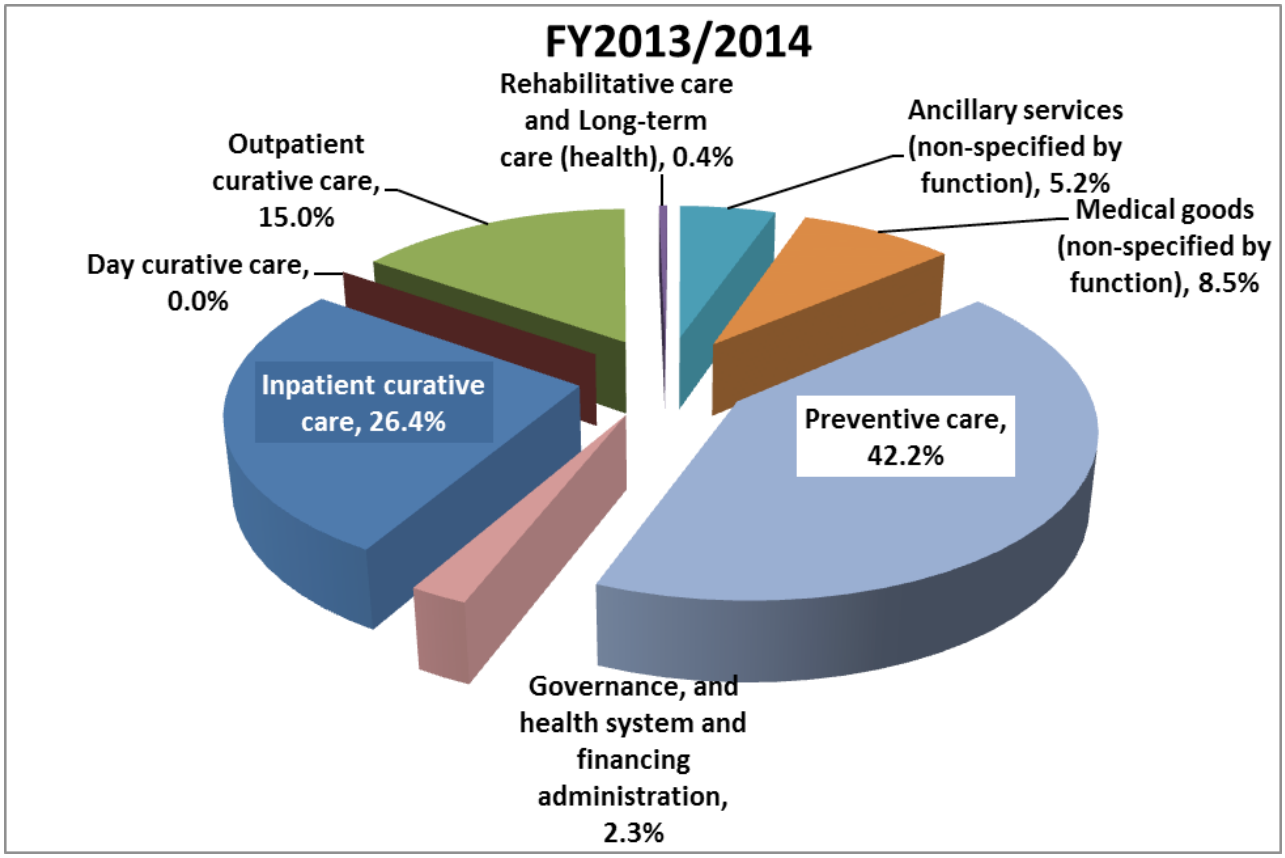
Preventive care services incur the largest expense, 45.6% in 2012/13 and 42.2% in 2013/14 (Table 6.7 of GCHE). The decrease in preventive care expenditure in 2013/14 is attributed to the increase in expenditure for curative care services.

In 2012/13 inpatient expenditure was 25.0% of GCHE whilst outpatient was 11.2% and in 2013/14 inpatient was 26.4% of GCHE whilst outpatient was 15.0%. Costs for services have increased over the two-year period.

In-patient services are mostly provided at hospitals and inpatient expenditure has increased in shillings value in 2013/14 although the percentage declined against the GCHE. The outpatient services which are provided at hospitals and ambulatory health centres and clinics and have also increased in Shillings value but in terms of percentage remained constant. The increase in outpatient expenditure in percentage terms may relate to the increase in the support to primary health care services.

The increase in expenditure do not necessarily indicate improved efficiency nor does it measure the quality of health care delivered; this will require more in-depth studies and analysis which can assist in developing some monitoring and evaluation system to monitor these two critical services in terms of both costs and quality.

Figure 6-3 Government Current Health Expenditure by Functions, 2013/14



Governance, and health system and financing administration (Excluding employee wages and salaries) accounted for 2.3% of the functional expenditure from the GCHE in 2013/14. These are expenditures which involve administration of management of funds, formulation and administration of Government policies and monitoring and evaluation of such resources.

Preventive care has the largest share of health expenditure which accounted for 45.6% (UGX 371 billion) in 2012/13 and 42.2% (UGX371 billion) in 2013/14. Preventive care programmes are further broken down into six (6) categories of services and the expenditures have been distributed accordingly by respective years as shown in Table 6.7 Health expenditures in both years have been mostly on Information, education and counselling (IEC)/BCC programmes.

Table 6-8 GHCE by Preventive care categories, FY 2012/13 and 2013/14

	FY2012/2013		FY2013/2014	
Preventive Care	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Information, education and counseling programmes	55,347	14.9%	59,161	15.9%
Immunisation programmes	3,650	1.0%	3,155	0.8%
Early disease detection programmes	1,746	0.47%	75	0.02%
Healthy condition monitoring programmes	0	0.00%	0	0.00%
Epidemiological surveillance and risk and disease control programmes	255,790	68.9%	246,475	66.4%
Preparing for disaster and emergency response programmes	54,757	14.7%	62,380	16.8%
TOTAL	371,290	100.0%	371,246	100.0%

Ancillary services which is related to diagnosis and monitoring services accounted for 5.2% (UGX42 billion) in 2012/13 and 5.3% (UGX.45 billion) in 2013/14 of GCHE. The expenditure has increased drastically over the period 2012/13 to 2013/14 probably because of the emphasis on investigations and expansion of the laboratory network.

Rehabilitative care has the lowest expenditure and accounted for only 1.1% (UGX8 billion) in 2012/13 and 0.4% (UGX 3 billion) in 2013/14 of Government Current Health Expenditure (GCHE). Rehabilitative services are treatments provided to improve or restore impaired body functions and structures (e.g. disease, disorder, orthopaedics and injury) to improve the quality of life.

The GCHE on health goods for both 2012/13 and 2013/14 are incorporated mostly into curative care (in-patient and outpatient care). Government spending on medical goods not specified by function (nsf) either to inpatient or outpatient is shown in figure 6-8 and that accounted for 8.4% of the GCHE on average for the two years.

7.0. Private Current Health Expenditure

Private Current Health Expenditure (PCHE) in this chapter represents all money spent on health either by households, private firms or private organizations and

excludes development partners and the government sector. This chapter explains where the money for private healthcare is coming from, who manages these funds, the service providers and the type of services provided.

7.1. Private Current Health Expenditure by Sources

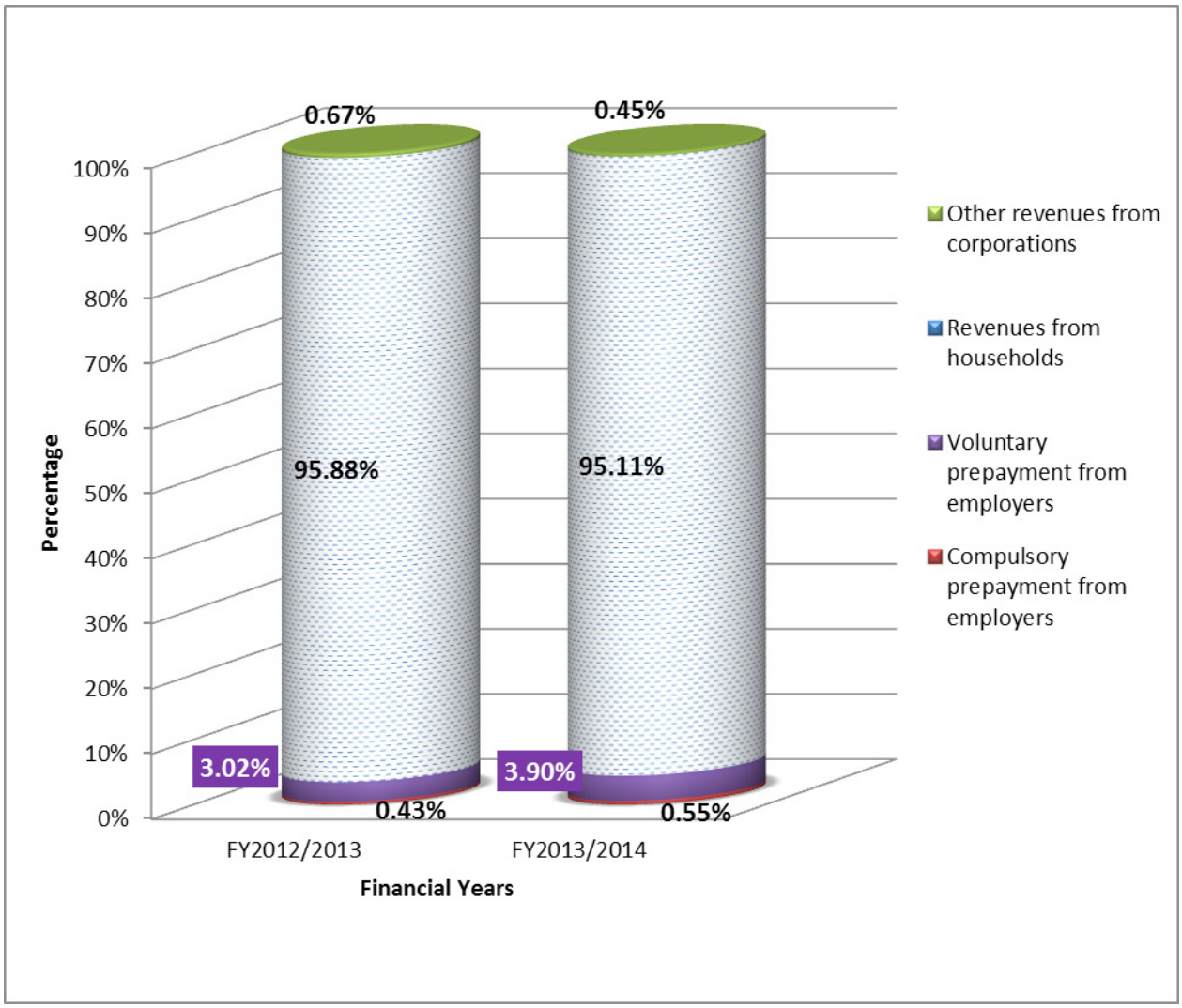
The Private sector contributes significantly to the health sector and an analysis of health expenditure over the period 2012/13 to 2013/14 shows that there is an overall decrease by UGX 109 billion in 2013/14. In 2012/13, PCHE was UGX 2.144 trillion and by 2013/14, it decreased to UGX 2.035 trillion (refer Table 7-1)

The source of expenditure for the private sector is mainly from other domestic revenues (households) and voluntary prepayments (individuals, employers and other). Household expenditure accounted for 95% and voluntary prepayments 4% of PCHE in 2013/14 (refer Table 7-1.).

Table 7-1 Private Current Health Expenditure by Sources, 2012/13 to 2013/14

	FY2012/2013		FY2013/2014	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Voluntary prepayment from individuals/ households	9,124	0.43%	11,194	0.55%
Voluntary prepayment from employers	64,848	3.0%	79,277	3.9%
Other revenues from households n.e.c.	2,056,300	95.9%	1,935,726	95.1%
Other revenues from corporations n.e.c.	14,470	0.67%	9,102	0.45%
TOTAL	2,144,742	100.0%	2,035,298	100.0%

Figure 7-1 Domestic revenues account and voluntary prepayments of PCHE in 2013/14



Household Out-of-Pocket (OOP) revenues decreased in shillings value by UGX 121 billion from UGX 2.056 trillion in 2012/13 to UGX 1.936 trillion in 2013/14 (refer Table 7-1). However, it increased as a share of the CHE from 37% in 2012/13 to about 40% in 2013/14 due to overall increase in CHE. OOP is the largest revenue source for PCHE.

Table 7-2 Private Current Health Expenditure by Schemes, FY2012/13 to FY2013/14

	FY2012/2013		FY2013/2014	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Employer-based insurance (Other than enterprises schemes)	56,982	2.66%	73,015	3.59%
Other primary coverage schemes	11,600	0.5%	12,609	0.6%
Community-based insurance	3,324	0.155%	2,789	0.137%
Unspecified voluntary health insurance schemes (n.e.c.)	2,067	0.1%	2,058	0.10%
Enterprise financing schemes	14,470	0.7%	9,102	0.45%
Other household out-of-pocket payment (n.e.c.)	2,056,300	95.88%	1,935,725	95.11%
TOTAL	2,144,742	100.0%	2,035,298	100.0%

7.2. Private Current Expenditure by Financing Schemes

Figure 7-2 shows the PCHE by schemes. Schemes relates to financing arrangements through which people pay for their health service. In Uganda the two most common options are voluntary insurance, or pay at the point of service from their primary income/savings (.i.e. out of pocket).

Households OOP is a direct payment made for services either from primary income or savings. The financing schemes for the private sector are mainly from OOP and voluntary health insurance. Voluntary health insurance schemes include employer based insurance, employee based voluntary insurance and other insurance coverage such as those from group or community based schemes.

Expenditures in these schemes have decreased in value except out of pocket expenditure on health which has decreased by 121 billion from financial year 2012/13 to financial year 2013/14. Figure 7-2 highlights that household out-of-pocket expenditure accounts for an average of 95%, followed by private health insurance (4%) and other sources accounted for 1% of the scheme financing.

Figure 7-2 Private Current Health Expenditure by Providers, 2012/13 to 2013/14

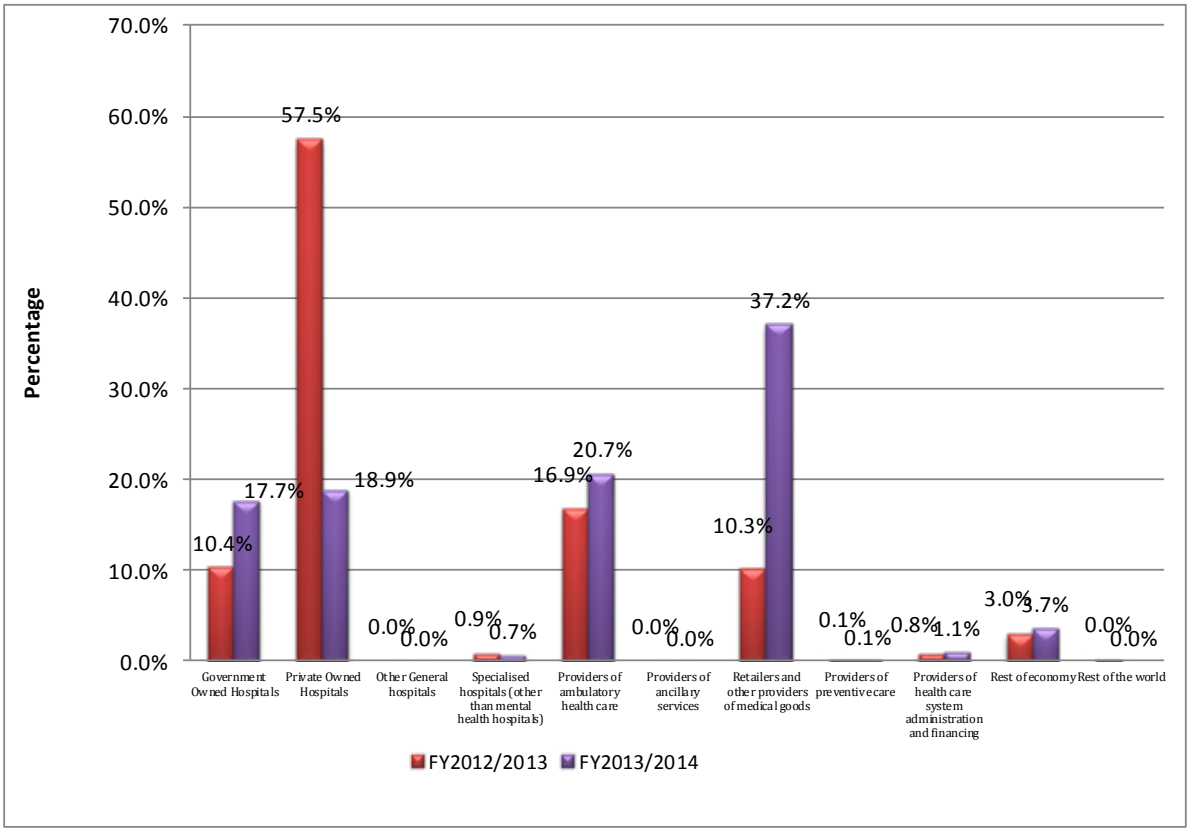


Table 7-3 shows the overall private health expenditure by all providers had decreased by about 5.1% in 2013/14 from 2012/13. Some notable expenditure that contributed towards this decrease was Private owned hospitals shares and Retailers and other providers of medical goods.

Table 7-3 Overall Private Health Expenditure by all providers

ALL Funds' Providers	FY2012/2013		FY2013/2014	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Government Owned Hospitals	224,103	10.4%	260,465	12.8%
Private Owned Hospitals/clinics	1,233,430	57.5%	1,102,533	54.17%
Other General hospitals	0	0.0%	0	0.0%
Specialized hospitals (other than mental health hospitals)	19,538	0.9%	14,213	0.7%
Providers of ambulatory health care	362,753	16.9%	321,292	16.73%
Providers of ancillary services	0	0.0%	0	0.0%
Retailers and other providers of medical goods	220,214	10.3%	238,387	11.7%
Providers of preventive care	1,767	0.1%	1,165	0.1%
Providers of health care system administration and financing	17,673	0.8%	21,988	1.1%
Rest of economy	64,979	3.0%	75,251	3.7%
Rest of the world	287	0.0%	0	0.0%
TOTAL	2,144,742	100.0%	2,035,298	100.0%

7.3. Private Current Health Expenditure by Functions

The PCHE by function shows that there were increases for all categories in Shillings value, but varied share wise. Health goods having the highest expenditure for both years also showed an increase from 2012/13 to financial year 2013/14 by UGX 151 billion.

Table 7-4: Private Current Health Expenditure by Functions, 2012/13 to 2013/14

Health Expenditure	FY2012/2013		FY2013/2014	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Inpatient curative care	907,794	42.3%	866,170	42.6%
Day curative care	65,510	3.1%	75,490	3.7%
Outpatient curative care	939,262	43.8%	820,430	40.3%
Rehabilitative care and Long-term care (health)	0	0.0%	0	0.0%
Ancillary services (non-specified by function)	0	0.0%	0	0.0%
Medical goods (non-specified by function)	219,087	10.2%	252,880	12.4%
Preventive care	1,489	0.1%	7,719	0.4%
Governance, and health system and financing administration	11,600	0.5%	12,609	0.6%
TOTAL	2,144,742	100.0%	2,035,298	100.0%

In 2013/14, the largest PCHE spending was on Outpatients curative and inpatient curative care averaging 42% (1,760 Billion) during the two years. Expenditure on Medical goods (non-specified by function) was the third largest expenditure function by the private sector.

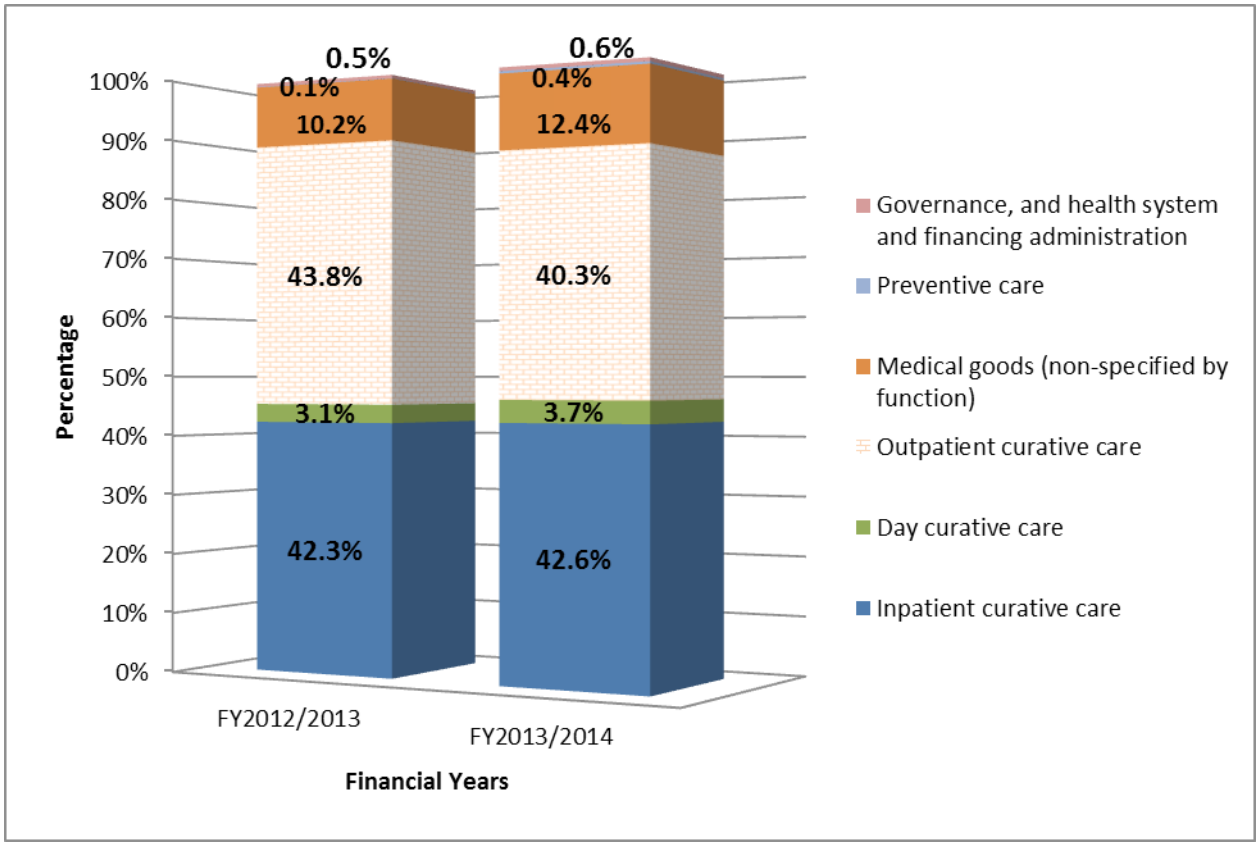
As evidently shown curative care continues to show a noticeable increase. Note that some aspects of curative care may be for preventive care too and it was very difficult to disaggregate the kind of expenses from the data collection tools returned by respondents.

In the private sector there are not many facilities for inpatient or rehabilitative care hence, health expenditure in these areas are very small. Alternatively the private sector could be selectively damping expensive inpatient and rehabilitative services to the public facilities or the beneficiaries find it more affordable to access such services away from the private sector.

Outpatients and purchase of health drugs and consumables are common services provided by the private sector hence, the high expenditures in these areas. In the private sector, a large part of health services was directly funded by households through out-of-pocket expenditure. With increase in fees for service by clinics due to an unregulated market, households and individuals who can afford the services are purchasing health care services either through their employer or insurance

purchases to avoid direct payments at the point of service.

Figure 7-3 Share of Private Current Health Expenditure by Functions, FY2012/13 to FY2013/14



The share of PCHE by Functions clearly indicates that medical goods, though it increased approximately by 2.2% in 2013/14, still holds the third highest share. Ancillary Services shares of the PCHE are far below 0.00%.

The healthcare expenditure on preventive care, as a share of PCHE, increased by 0.3% from 2012/13 to 2013/14 and this implies private providers and households spend have started spending on preventive care than curative probably because it was considered important.

8.0. Development Partners (Rest of the World)

Development partners in this section refer to Rest of the World as classified in the System of Health Accounts 2011 (SHA2011). It is noted, for clarity purposes, that the information presented hereunder only reflects development partners who responded to the NHA questionnaires distributed by the study team.

The Health sector in Uganda continues to get support from Health Development Partners (HDPs) and receives this support through direct in-kind contributions, financial contributions, technical expertise, medical and non-medical supplies and equipment. The Health sector's traditional bilateral partners include USAID, BTC, DFID, SIDA, JICA, and DANIDA while the multilateral agencies include WHO, UNAIDs, UNFPA, UNICEF, GAVI, ADB, The World Bank, Global Fund and others who responded to the study.

Table 8-1 reflects general development partner investment to the Health sector

which has seen on steady increase from UGX 1.884 trillion in 2012/13 to UGX 2.042 trillion in 2013/14.

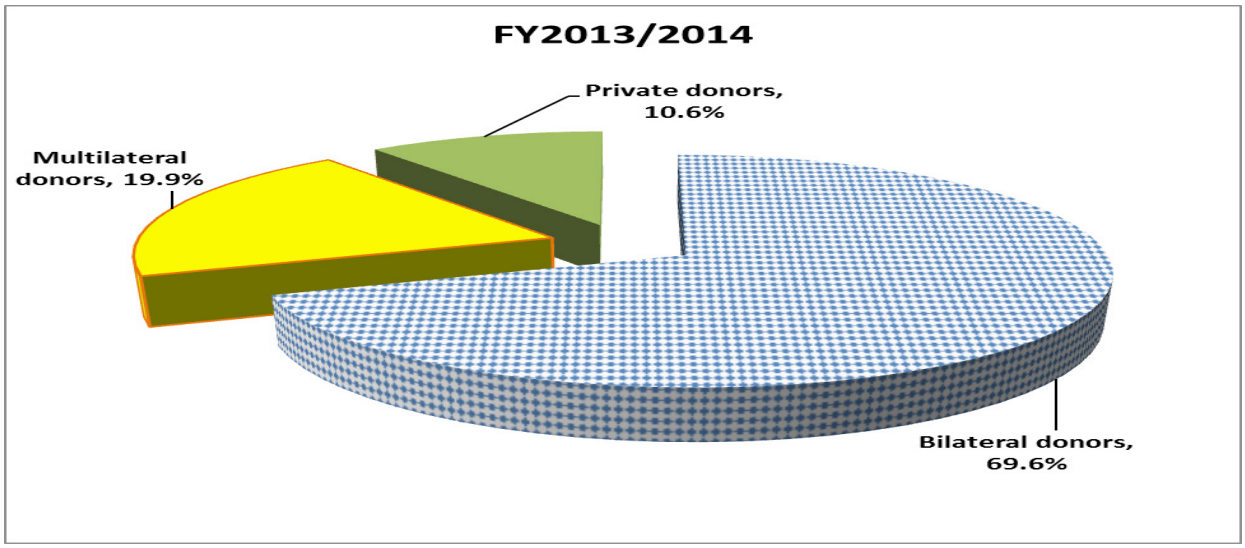
Table 8-1 Financing contributions by Development Partners, FY2012/13 to FY2013/14

HEALTH DEVELOPMENT PARTNERS	FY2012/2013		FY2013/2014	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Bilateral donors	1,362,785	72.3%	1,421,136	69.6%
Multilateral donors	433,465	23.0%	405,562	19.9%
Private donors	88,545	4.7%	216,124	10.6%
TOTAL	1,884,795	100.0%	2,042,822	100.0%

Figure 8-1 illustrates shares of the total expenditure on health and health-related activities by development partners where Bilateral HDPs/donors still account for the largest share of 69.6% of all the expenditure by HDPs.

These were followed by Multilateral HDPs at 19.9% and last but not least, the Private donors (10.6%) who include international pharmaceutical companies and foundations like Bill & Melinda Gates Foundation.

Figure 8-1 Share of funding by Development Partners (%), 2013/14



Critical analysis reveals that USAID, consistently, has remained the Health sector's largest financial contributor to Uganda's Health System .In 2012/13 the sector received UGX 1.106 trillion from USAID and in FY 2013/14 it received UGX 1.121 trillion representing 60.8% and 60.9% of the total development partner support respectively (Table 6-5). The 2009/10 NHA Report estimates USAID contribution to the Health sector in 2010 represented 49% of the total health development partner budget

excluding Global initiatives to which the US government contributes too. USAID level of support reduced proportionally in 2011/12(43%) but has now increaded to 60% of the partner support. however much of the funds were off budget financing to the health sector through NGOs and some Local Governments.

Table 8-2 Financing contributions of Development Partners as a share of CHE, 2012/13 and 2013/14

YEAR	CHE (UGX Millions)	Funding by External Partners (UGX Millions)	Ratio of External funding to CHE (%)
FY2012/2013	4,844,431	1,884,795	38.9%
FY2013/2014	4,956,886	2,042,822	41.2%

In 2012/13 the development partner health expenditure was UGX 1.884 trillion which represented 38.9% of CHE. The HDPs' expenditure increased both in nominal terms to UGX 2.042 trillion which represented 41.2% of CHE in 2013/13. The previous NHA report[3] asserts that in 2010/11, the development partner budget was UGX 2,278 billion and represented 49.7% of CHE while UGX 2,202 billion was spent in 2011/12 that represented 46% of CHE. The report also attributed this decrease to some HDPs who did not honour their planned investments in the same period of study.

8.1. Development Partners (Rest of the World) funding by Providers

In 2012/13 the provider receiving the largest share of the development partner funding was providers of preventive care (50%) followed by hospitals and lower level health facilities (32%). This trend remained the same in 2011/12 with providers of preventive care receiving 49% while hospitals' and lower level health units share even increased to 38% of HDPs total funding (Table 8-3). The general picture slightly tilted from the one depicted in the NHA Report of 2010/11 where the provider receiving the largest share of the development partner funding, by then, was health systems administration (43%) followed by hospitals (19%) which trend had remained the same in 2011/12.

Within the providers of preventive care, Epidemiological surveillance and risk and disease control programmes were allocated the largest stake, followed by Information, education and counselling programmes as seen in Table 6-7.

[5] National Health Expenditure FY2010/11 and FY2011/12

Table 8-3Allocation of Development Partners' funding by Providers, FY2012/13 to FY2013/14

PROVIDERS OF HEALTH CARE	FY2012/2013		FY2013/2014	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Hospitals	613,032	32.5%	781,532	38.3%
Residential long-term care facilities	2,109	0.1%	1,424	0.1%
Providers of ambulatory health care	262,412	13.9%	154,081	7.5%
Providers of ancillary services	1,596	0.1%	3,179	0.2%
Retailers and other providers of medical goods	15,060	0.8%	13,896	0.7%
Providers of preventive care	940,033	49.9%	1,002,632	49.1%
Providers of health care system administration and financing	33,304	1.8%	42,917	2.1%
Rest of economy	0	0.0%	21,690	1.1%
Rest of the world	17,250	0.9%	21,470	1.1%
TOTAL	1,884,795	100.0%	2,042,822	100.0%

Hospitals who are the second largest recipients of development partner funding cover training institutions in hospitals and reflects developments and investment support to the Ministry of Health in training health professionals to respond to Uganda's population health needs, accommodation, expansion of services, construction of new health facilities.

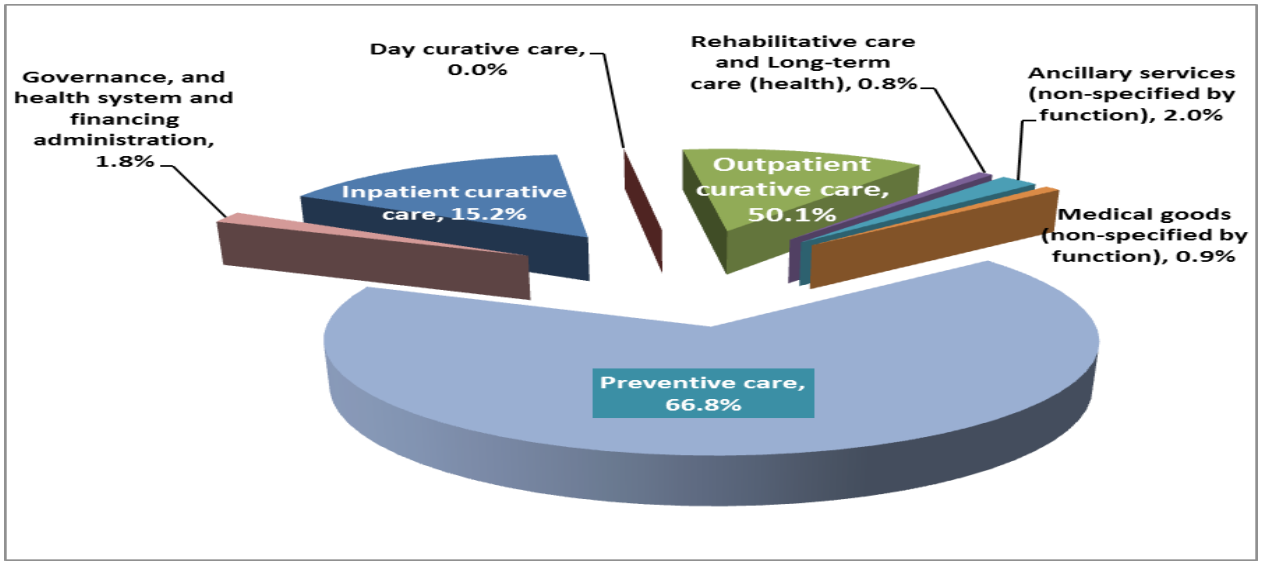
8.2. Development Partners (Rest of the World) funding by Functions

Table 8-4 shows that in 2012/13, Health development partner funds were allocated by functions mainly to preventive services (75%), 21% was assigned to curative and 4% for the rest of the services including health system, financing and administration. This allocation was reflected in 2013/14 where prevention accumulated 67%, curative got 28% and other services shared 5% which was quite different from the historical universal practices whereby curative services, civil and capital works are funded by Health development partners.

Table 8-4 Allocation of Development Partners' funding by Functions, FY2012/13 to FY2013/14

HEALTHCARE SERVICES	FY2012/2013		FY2013/2014	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Inpatient curative care	222,463	11.8%	309,888	15.2%
Day curative care	0	0.0%	0	0.0%
Outpatient curative care	177,010	9.4%	257,677	12.6%
Rehabilitative care and Long-term care (health)	12,992	0.7%	15,854	0.8%
Ancillary services (non-specified by function)	18,445	1.0%	40,851	2.0%
Medical goods (non-specified by function)	14,002	0.7%	17,548	0.9%
Preventive care	1,412,656	75.0%	1,364,619	66.8%
Governance, and health system and financing administration	27,227	1.4%	36,384	1.8%
TOTAL	1,884,795	100.0%	2,042,822	100.0%

Figure 8-2 Allocation of Development Partners' funding by Functions, FY2013/14



A breakdown of the 2013/14 allocation indicates the function receiving the largest provision of development partner funding was Information, education and counselling programmes followed by Epidemiological surveillance and risk and disease control programmes (Table 8-5).

Governance, and health system financing and administration accounted for 1.8% of the development partner budget and attempts to breakdown these costs proved. To make this information more meaningful in the future , the MOH will require the development of standard transaction definitions to enable standardized coding and subsequent analysis and reporting of health functions in future NHA reports.

Table 8-5 Preventive Care Funding by Development Partners, FY2012/13 to FY2013/14

PREVENTIVE CARE	FY2012/2013		FY2013/2014	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Information, education and counseling programmes	217,027	15.4%	369,389	27.1%
Immunisation programmes	3,754	0.3%	7,433	0.5%
Early disease detection programmes	19,947	1.4%	50,295	3.7%
Healthy condition monitoring programmes	10,075	0.7%	289,072	21.2%
Epidemiological surveillance and risk and disease control programmes	1,118,300	79.2%	364,508	26.7%
Preparing for disaster and emergency response programmes	43,553	3.1%	283,922	20.8%
TOTAL	1,412,656	100.0%	1,364,619	100.0%

Analysis of Table 8.7 indicates disease based expenditures; data shows that HIV/AIDs programmes' expenditure represents 31% (1.504 trillion) in 2012/13 of the current Health Expenditure this is followed by Malaria control program 22% (1.045 trillion) and reproductive health in the third with UGX.682 billion representing 14%. This picture, in general, does not change for 2013/14 as HIV/AIDs programmes still lead (31%) followed by Malaria programmes at 22%.

Table 8-6 indicates the financing sources for all disease expenditures; the data indicates health development partners contribute substantially to prevention of HIV/AIDs 61% (UGX 1.137 Trillion) while they spend 14% (UGX 268 billions) on malaria control programs. Government expenditure on HIV/AIDS was UGX.215 billion and the private sector UGX 151 billion in 2012/13. These expenditure patterns on HIV/AIDS and Malaria did not show any structural change in the following year 2013/14 as shown in Table 8-6.

Table 8-6 Disease based costs by financing source for FY 2012/13 and FY 2013/14

		FY 2012 / 2013						FY 2013 / 2014					
		GOVERNMENT		PRIVATE		DEVELOPMENT PARTNERS		GOVERNMENT		PRIVATE		DEVELOPMENT PARTNERS	
Disease SHA Code	Disease SHA Category	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
DIS.1	Infectious and parasitic diseases	373,009		1,079,553		1,474,846		401,623		1,025,284		1,672,499	
DIS.1.1	HIV/AIDS and Other Sexually Transmitted Diseases (STDs)	215,213	26.4%	151,561	7.1%	1,137,568	60.4%	217,177	24.7%	151,967	7.5%	1,216,253	59.5%
DIS.1.2	Tuberculosis (TB)	32,055	3.9%	0	0.0%	12,496	0.7%	41,855	4.8%	0	0.0%	11,422	0.6%
DIS.1.3	Malaria	92,482	11.3%	685,631	32.0%	268,918	14.3%	94,466	10.7%	644,007	31.6%	364,487	17.8%
DIS.1.4	Respiratory infections	7,161	0.9%	187,763	8.8%	10,564	0.6%	7,642	0.9%	177,156	8.7%	14,004	0.7%
DIS.1.5	Diarrheal diseases	3,396	0.4%	54,184	2.5%	14,123	0.7%	3,594	0.4%	50,335	2.5%	16,599	0.8%
DIS.1.6	Neglected tropical diseases	3	0.0%	0	0.0%	206	0.0%	3	0.0%	0	0.0%	0	0.0%
DIS.1.7	Vaccine preventable diseases	3,640	0.4%	316	0.0%	24,449	1.3%	11,760	1.3%	503	0.0%	46,506	2.3%
DIS.1.nec	Other and unspecified infectious and parasitic diseases (n.e.c.)	19,058	2.3%	99	0.0%	6,522	0.3%	25,125	2.9%	1,317	0.1%	3,228	0.2%
DIS.2	Reproductive health	120,893		443,219		117,951		129,770		417,953		95,357	
DIS.2.1	Maternal conditions	64,507	7.9%	258,145	12.0%	22,820	1.2%	70,621	8.0%	243,727	12.0%	38,204	1.9%
DIS.2.2	Perinatal conditions	23,946	2.9%	185,067	8.6%	1,153	0.1%	25,406	2.9%	174,215	8.6%	263	0.0%
DIS.2.3	Contraceptive management (family planning)	15,667	1.9%	6	0.0%	87,744	4.7%	16,072	1.8%	8	0.0%	37,322	1.8%
DIS.2.nec	Unspecified reproductive health conditions (n.e.c.)	16,773	2.1%	1	0.0%	6,234	0.3%	17,671	2.0%	2	0.0%	19,568	1.0%
DIS.3	Nutritional deficiencies	1,611	0.2%	133,660	6.2%	52,990	2.8%	21,176	2.4%	125,822	6.2%	3,723	0.2%
DIS.4	Noncommunicable diseases	189,771		22,389		8,005		198,783		22,817		11,885	
DIS.4.1	Neoplasms	33,924	4.2%	0	0.0%	2,391	0.1%	35,984	4.1%	0	0.0%	2,674	0.1%
DIS.4.2	Endocrine and metabolic disorders	2,208	0.3%	0	0.0%	223	0.0%	2,343	0.3%	0	0.0%	24	0.0%
DIS.4.3	Cardiovascular diseases	10,995	1.3%	8	0.0%	277	0.0%	12,478	1.4%	0	0.0%	105	0.0%
DIS.4.4	Mental & behavioural disorders, and Neurological conditions	11,926	1.5%	20,563	1.0%	46	0.0%	9,650	1.1%	19,357	1.0%	245	0.0%
DIS.4.8	Sense organ disorders	75	0.0%	343	0.0%	3,900	0.2%	0	0.0%	0	0.0%	7,441	0.4%
DIS.4.9	Oral diseases	130,644	16.0%	1,475	0.1%	1,168	0.1%	138,328	15.7%	3,459	0.2%	1,426	0.1%
DIS.5	Injuries	22,526	2.8%	113,512	5.3%	5,307	0.3%	25,541	2.9%	104,960	5.2%	8,218	0.4%
DIS.6	Non-disease specific	53,990	6.6%	13,533	0.6%	143,191	7.6%	54,523	6.2%	21,905	1.1%	154,247	7.6%
DIS.nec	Other and unspecified diseases/ conditions (n.e.c.)	53,092	6.5%	338,876	15.8%	82,505	4.4%	47,350	5.4%	316,557	15.6%	96,894	4.7%
TOTAL		814,893	100.0%	2,144,742	100.0%	1,884,795	100.0%	878,766	100.0%	2,035,298	100.0%	2,042,822	100.0%

Table 8-7 Disease based costs summary FY 2012/13 and 2013/14

Disease	ase Name /SHA-Category	FY2012/13		FY2013/14	
		Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
	Infectious and parasitic diseases	2,927,409		3,099,406	
DIS.1.1	HIV/AIDS and Other Sexually Transmitted Diseases (STDs)	1,504,342	31.05%	1,585,397	31.98%
DIS.1.2	Tuberculosis	44,551	0.92%	53,277	1.07%
DIS.1.3	Malaria	1,047,031	21.61%	1,102,959	22.25%
DIS.1.4	Respiratory infections	205,488	4.24%	198,802	4.01%
DIS.1.5	Diarrhoeal diseases	71,703	1.48%	70,529	1.42%
DIS.1.6	Neglected tropical diseases	210	0.00%	3	0.00%
DIS.1.7	Vaccine preventable diseases	28,405	0.59%	58,769	1.19%
DIS.1.nec	Other infectious and parasitic diseases (n.e.c.)	25,679	0.53%	29,670	0.60%
	Reproductive health	682,063		643,079	
DIS.2.1	Maternal conditions	345,472	7.13%	352,552	7.11%
DIS.2.2	Perinatal conditions	210,167	4.34%	199,884	4.03%
DIS.2.3	Contraceptive management (family planning)	103,417	2.13%	53,403	1.08%
DIS.2.nec	Other reproductive health conditions (n.e.c.)	23,008	0.47%	37,240	0.75%
	Nutritional deficiencies	188,261	3.89%	150,721	3.04%
	Non-Communicable diseases	220,165		233,484	
DIS.4.1	Neoplasms	36,315	0.75%	38,658	0.78%
DIS.4.2	Endocrine disorders	2,431	0.05%	2,367	0.05%
DIS.4.3	Cardiovascular diseases	11,280	0.23%	12,583	0.25%
DIS.4.4	Mental & behavioural disorders, and Neurological conditions	32,535	0.67%	29,222	0.59%
DIS.4.8	Sense organ disorders	4,318	0.09%	4,825	0.10%
DIS.4.9	Oral diseases	133,287	2.75%	143,214	2.89%
DIS.nec	Other and unspecified noncommunicable diseases (n.e.c.)		0.00%	2,616	0.05%
	Injuries	141,345	2.92%	138,718	2.80%
	Non-disease specific	210,714	4.35%	230,676	4.65%
	Other diseases / conditions (n.e.c.)	474,473	9.79%	460,801	9.30%
	TOTAL	4,844,431	100.00%	4,956,886	100.00%

9.0. Household Expenditure on Healthcare

The demand for and use of statistical information for evidence-based health policy and decision making in the health sector has, without doubt, transcended the margins of traditional administrative boundaries to cover household activities and behaviour regarding the household expenditure patterns on healthcare services. Monitoring changes at household level through household surveys has, therefore, become more important now than ever before and is currently being undertaken by the Uganda Bureau of Statistics (UBOS).

A Household in this section, like the UBOS standard definition, is defined as a person or group of people who normally cook, eat and live together (for at least 6 of the 12 months preceding the interview) irrespective of whether they are related or unrelated.

The health care boundary drawn in SHA 2011 includes personal home health services provided within households by family members, in cases where they correspond to social transfer payments granted for this purpose. Therefore, it should be noted that under this section, information hereunder comprises private households as providers of home health care and unpaid care by household members is not included in the core health accounts of SHA.

Problems of data comparability across countries and over time may arise when households have the choice between benefits in cash or benefits in-kind, in which case both kinds of care (by laypersons within the family and by specially trained nurses) are considered to be close substitutes, but are treated differently in common national accounting practice (as health care benefit in kind or social transfer in cash). However, in SHA, those parts of the cash transfers to private households for care givers of home care for the sick and disabled are treated as paid household production of health care.

9.1. Total Household expenditure on health

The annual household expenditure on health (out of pocket expenditure on health) was estimated at UGX 2,056 billion in financial year 2012/13. The composite consumer price index (CPI) was used to scale the 2012/13 estimate to 2013/14.

Uganda Bureau of Statistics indicates the CPI for 2013/14 was 207.42 with base period 2005/06=100. Therefore making the base 2012/13, the CPI for 2013/14 becomes (207.42/220.18=0.942). Then the annual total national household expenditure on health in financial year 2013/14 is estimated at UGX 2,056 x 0.942 = 1,936 billion. Refer to table 8.8.

9.2. Per capita expenditure on health

Per capita expenditure on health is the total Health expenditure divided by the total population is estimated as shown below (Table 9-1).

Table 9-1 OOP per capita expenditure on health

Year	Population Estimate	Out of Pocket Expenditure (Billion)	Per Capita OOP Expenditure (UgSh)	Per Capita OOP Expenditure (US$)	Health-CPI	Exchange rate
A	B	C	D=C/B	E=D/G	F	G
2008/09	29,592,600	1,214.06	41,026	21	114.75	1930
2009/10	30,661,300	1,371.81	44,741	22	129.61	2028.
2010/11	31,755,550	1,533.50	48,292	19	142.17	2557
2011/12	32,939,800	1,775.60	53,904	21	164.61	2609
2012/13	34,131,400	2,059.62	60,385	23.	190.60	2669
2013/14	34,856,813	1,936.52	55,556	21	207.42	2706

9.3. Equity analysis

Per capita household out-of-pocket expenditure by quintiles

Looking at average expenditure by quintiles and in absolute amounts, Figure 8-9 shows that the richest quintile spent more than other quintile as the expected pattern. Table 8.9 further shows that all income groups registered increases in expenditure between the observed periods.

The drivers of the increase of household expenditure include; inflation, population growth, accessibility of private health services, sickness treated as an emergency in households, private wing establishments in government public facilities. Government may need to improve the quality of services in public facilities through increasing health financing to the health sector and mobilisation of alternative financing through national health insurance scheme if the country is to reduce Household OOP to a maximum of 15% of the CHE which is the maximum house hold health expenditure % acceptable according to WHO to mitigate catastrophic impoverishment by households.

The ongoing development of the health financing strategy for the country may enhance mobilisation of additional resources to enable the country embrace universal Health Coverage.

Table 9-2 Total OOP and per capita out of pocket expenditure by regions

	2012/13	
	Amount billions	US$ Per capita
Central	906.2	37.4
Eastern	420.4	18.3
Northern	261.9	14.3
Western	467.7	20.7
TOTAL	2,056	22.7

9.4. Provider analysis

Household out-of-pocket expenditure on health in private for profit facilities constitutes more than half of the total expenditures. Even with free services at public facilities, the share of Household expenditure spent in public health facilities was about 24.5% percent, which was significant. Evidence indicates that inadequate resources to deliver health services in public facilities to some extent indirectly impacts on the amount of household expenditure on health.

Table 9-3 Total household expenditure by service provider (billion shs.)

Provider	2010/11	2011/12	2012/13	2013/14	percentage
Government Hospital	165.58	191.72	222	206	10.80%
Government Health Centres	191.69	221.95	257	242	12.50%
Outreach Service	2.98	3.45	4	4	0.19%
Fieldworker/VHT	0.75	0.86	1	1	0.05%
Other Public Sector (specify)	15.66	18.14	21	20	1.02%
Private Hospital/Clinic	891.31	1032.02	1,195	1127	58.12%
Pharmacy	55.94	64.77	75	71	3.65%
Private Doctor	29.09	33.68	39	37	1.90%
Outreach Service	5.22	6.05	7	7	0.34%
Community Health Worker	1.49	1.73	2	2	0.10%
Other private medical sector (specify)	19.39	22.45	26	24	1.26%
Shop	47.74	55.27	64	60	3.11%
Traditional practitioner	40.28	46.64	54	51	2.63%
Market	0.75	0.86	1	1	0.05%
Others (specify)	65.64	76.00	88	83	4.28%
TOTAL	1,533.5	1,775.6	2,056	1,936	100%

Source: UBOS-Household survey 2012/13

Table 9-4 Total household expenditure by service provider (billion UGX)

Base	Percentage (%)	FY- 2010/11	FY-2011/12	FY-2012/13
Public	25	377.4	437.0	506
Private	68	1049.4	1215.1	1407
Traditional	3	40.3	46.6	54
Others	4	66.4	76.9	89
TOTAL		1,533.5	1,775.6	2,056

Figure 9-1 Total household expenditure by service provider (billion shs.)

Financial years under 2013/14 -Service analysis

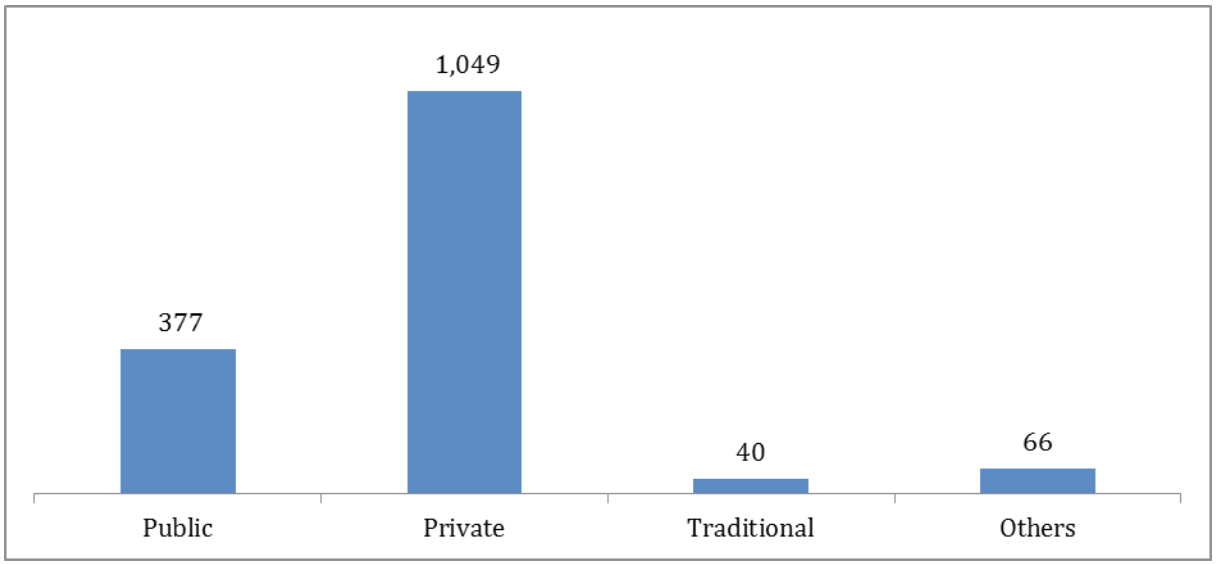
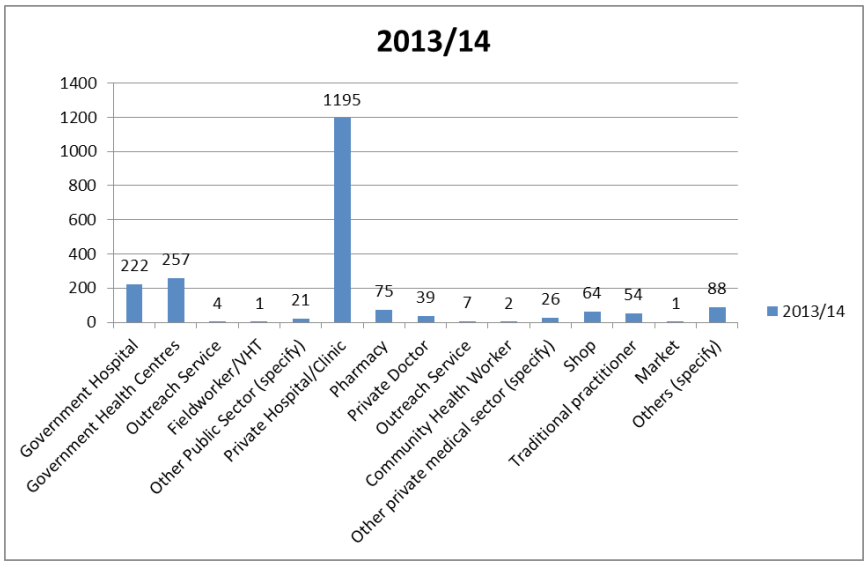


Table 9-5 Total out of pocket expenditure by service paid for-Billions

Services	2010/11	2011/12	2012/13	Percent for the 3 years
	Amount	Amount	Amount	
Consultation fees	35.3	40.8	47.3	2.3
Medicines	904.8	1047.6	1,212.50	59
Hospital/clinic charges	173.3	200.6	233	11.3
Traditional doctors' fees/medicines	47.5	55.0	63.3	3.1
Other expenses/transport	372.6	431.5	500.1	24.3
TOTAL	1,533.50	1,775.60	2,056.30	100

Figure 9-2 Total out of pocket expenditure by service paid for FY 2013/14-Billions



In the functional analysis of household OOP expenditure on health, no differentiation was made between the insurance co-financing premium component of the OOP and direct payments. The value analysis of the services purchased by households was not technically done due to lack of data. Policy analysts should note that some of the direct payments by households may be used to purchase unwarranted self-medication that may have little or even indeed harmful effects to health.

9.5. Health Condition analysis

Household out-of-pocket health expenditure on malaria constitutes 31 percent of the total. Child birth related was only 9 percent, however this may be an under estimation.

Table 9-6 Total household expenditure by health condition-Billions

Diseases	FY 2010/11		FY 2011/12		FY 2012/13	
	Amount-Billion (s)		Amount-Billion (s)		Amount-Billion (s)	Percent for the three years
Diarrhoea (acute)	30.7		35.5		40.9	2
Diarrhoea (chronic, 1 month or more)	4.6		5.3		6.9	0.3
Weight loss (major)	1.5		1.8		1.8	0.1
Fever (acute)	104.3		120.7		135.9	6.8
Fever (recurring)	79.7		92.3		103.8	5.2
Malaria	489.2		566.4		641	31.9
Skin rash	26.1		30.2		33.9	1.7
Weakness	64.4		74.6		84.6	4.2
Severe headache	99.7		115.4		131.6	6.5
Fainting	9.2		10.7		11.6	0.6
Chills (feeling hot and cold)	39.9		46.2		52.3	2.6
Vomiting	10.7		12.4		15.1	0.7
Cough	111.9		129.6		147.7	7.3

Coughing blood	4.6		5.3		5.8	0.3
Pain on passing urine	7.7		8.9		10.5	0.5
Genital sores	3.1		3.6		3.9	0.2
Mental disorder	15.3		17.8		19.6	1
Abdominal pain	127.3		147.4		166.3	8.3
Sore throat	4.6		5.3		6.2	0.3
Difficulty breathing	23		26.6		29.4	1.5
Burn	3.1		3.6		3.2	0.2
Fracture	35.3		40.8		46.1	2.3
Wound	33.7		39.1		45.1	2.2
Child birth related	139.6		161.5		228.3	9
Other(specify	64.3		74.6		84.5	4.3
Total	1533.5		1775.6		2,056.00	100

9.6. Age analysis

Household out-of-pocket health expenditure varies with age. For example, while the 65+ year olds constituted 3.0 percent of the total population, their spending accounted for 9 percent. On the other hand, while the 5-14 year olds constituted 33 percent of the household expenditure, their expenditure was only 16 percent. Perhaps this was because the bulk of illnesses in the younger age group were communicable and relatively less expensive to treat whereas the older age category has NCDs which are comparatively more expensive to treat.

Total household expenditure by age-Billions and per capita

Table 9-7 Total household Health expenditure by age-Billions and per capita expenditure by age

Age groups	2010/11		2011/12		2012/13	
	Amount		Amount		Amount	Average Percent for the 2 years
0-4	295.97		342.69		397.2	19.3
5-14	243.83		282.32		326	15.9
15-64	857.23		992.56		1,148.80	55.9
65+	138.02		159.80		184.2	9
TOTAL	1,533.50		1775.6		2,056.30	100

Table 9-8 Total household Health expenditure by conditions-Billions

Age groups	2010/11		2012-2014	
	Amount	Percent for the 2 years	Amount 2012/13	Amount 2013/14
Child Health 0-4	295.97	19.3	342.69	396.8
Child Health 4-15	243.83	15.9	282.32	320.74
Reproductive Health 15-49	506.05	33	585.95	678.5
Sub total	1,045.85		1,210.96	1,396.04
Others +49	487.65		564.64	659.96
TOTAL	1,533.50	100	1775.6	2,056

10.0. Capital Expenditure (HK)

The System of Health Accounts 2011 (SHA 2011) describes Capital Expenditure (HK) as a very integral component in health expenditure and it's an important factor due to its contribution in production of health services. For example construction of new health facilities or expansion/upgrading of existing ones, training, investment into new health equipment or upgrading or enhancements in computer or information systems e.g DHIS2 and IFMS. The HK information helps in analyzing the health systems production capability, whether it's appropriate, deficient or excessive.

This chapter provides how much HK was spent on the production of services and which Government, Private and Development Partners have contributed towards the formation of this HK and what types of services have been provided. The information presented on private and development partners have been consolidated from the survey responses.

10.1. Types of Assets in production of health services

Capital Expenditure (HK) is classified under two major categories namely;

1) Gross capital formation which comprises of three sub- categories which are infrastructure, machinery and equipment and ICT related equipment and other machinery & equipment not specified elsewhere;

2) Non-produced non-financial assets which comprises of land and others.

Figure 9-1 provides the amount spent on various types of assets for the period between 2012/13 and 2013/14.

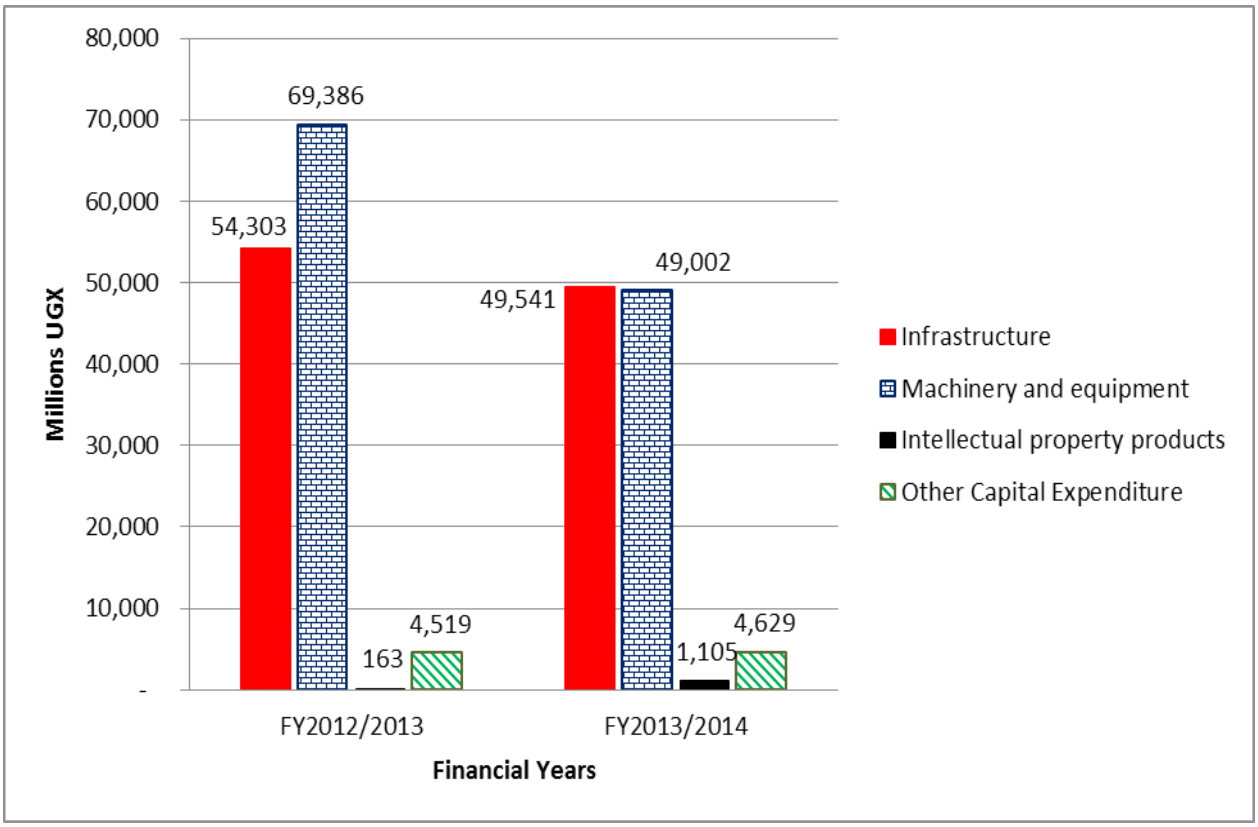
Table 10-1 Capital Expenditure by Type of asset, FY2012/13 to FY2013/14

CAPITAL EXPENDITURE	FY2012/2013		FY2013/2014	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Infrastructure	54,790	42.68%	49,541	47.51%
- Residential and non-residential buildings	53,505		49,150	
- Other structures	1,285		391	
Machinery and equipment	68,899	53.67%	49,002	46.99%
- Medical equipment	29,096		12,337	
- Transport equipment	23,678		26,193	
- ICT equipment	2,831		6,643	
- Machinery and equipment n.e.c.	13,294		3,829	
Intellectual property products	163	0.13%	1,105	1.06%
- Computer software and databases	7		1,015	
- Intellectual property products n.e.c.	157		90	
Other Capital Expenditure	4,519	3.52%	4,629	4.44%
TOTAL	**128,372**	**100.00%**	**104,277**	**100.00%**

The total capital expenditure which contributed towards the production of health services in 2012/13 was UGX128.4 billion compared to UGX104.3 billion in 2013/14 which represents an 18.8% reduction in capital investment. The major expenditure in 2012/13 was on Machinery and Equipment which relates to medical equipment, transport equipment, ICT equipment among others that is equal to UGX 68.9 billion (53.7%) compared to UGX 49.0 billion (47.0%) which was spent on the same category in 2013/14 as seen in Table 10-1.

Figure 10-1 shows that the second largest HK category in 2013/14 was on Infrastructure which relates to civil works in general that is equal to UGX 49.5 billion (47.5%) compared to UGX 54.8 billion (42.7%) which was spent on the same category in 2012/13.

Figure 10-1 Capital Expenditure by Type of asset, FY2012/13 to FY2013/14 (Millions UGX)



Other HK including intellectual property products accounted for UGX 4.7 billion (3.7%) in 2012/13 while in 2013/14 it accounted for UGX 5.7 billion (5.5%) which represents an increase of 22.5% in expenditure on the same category (Table 10-1).

This picture is not so different from the past since according to the Uganda NHA Report 2011, the total capital expenditure towards the production of health services in 2010/11 was UGX125 billion compared to UGX147 billion in 2011/12. The major expenditure was from infrastructure which relates to civil works, health equipment, transport, ICT and others equates to UGX 61 billion (49%) in 2010/11 and UGX.39 billion (27%) in 2011/12 of the HK. The second largest HK category was research and development in health accounts for 39 billion (31%) in 2010/11 and UGX 52 billion (35%) in 2011/12 of the HK. Non-produced non-financial assets which relates to land purchase and development was the lowest and accounted for UGX 141 million (0.1%) in 2010/11 of the HK.

10.2. Capital Expenditure by Sectors

Health Development Partners (HDPs) were the largest (49.9%) contributor in HK followed by the GoU (48.8%) and lastly the Private sector at 1.4% of all expenditure on Capital expenditure on health.

The picture, as seen in Table 10-2, changes in 2013/14 where the GoU was the largest (70.2%) contributor in HK followed by Health Development Partners (HDPs) (27.5%) and lastly, again, the Private sector at 2.3% of all expenditure on Capital expenditure on health.

Table 10-2 Capital Expenditure by Sectors, FY2012/13 to FY2013/14

	FY2012/2013		FY2013/2014	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Government	62,593	48.76%	73,242	70.24%
Private	1,769	1.38%	2,386	2.29%
Development Partners	64,010	49.86%	28,649	27.47%
TOTAL	128,372	100.00%	104,277	100.00%

Both Government and private sector healthcare capital expenditure includes the construction or upgrading of infrastructures like hospitals, purchase of equipment like medical equipment, vessels, vehicles such as ambulances and ICT equipment & software in their respective sectors. The HK by development partners is mostly investments made in the form of new infrastructure, maintenance of existing health facilities and equipment purchase.

10.3. Government Capital Expenditure

Government capital expenditure mostly includes the construction or maintenance/ upgrading of infrastructures and purchase of equipment. Table 10-3 shows that, overall, Government capital expenditure (HK) has increased by 17% between 2012/13 (UGX 62.6 billion) and 2013/14 (UGX 73.2 billion).

Table 10-3 Capital Expenditure by Public Sector (Government), FY2012/13 to FY2013/14

PUBLIC CAPITAL EXPENDITURE	FY2012/2013		FY2013/2014	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Infrastructure	31,555	50.41%	48,048	65.60%
- Residential and non-residential buildings	30,582		47,793	
- Other structures	974		255	
Machinery and equipment	29,994	47.92%	24,119	32.93%
- Medical equipment	488		6,227	
- Transport equipment	16,376		16,573	
- ICT equipment	434		493	
- Machinery and equipment n.e.c.	12,696		826	
Intellectual property products	88	0.14%	90	0.12%
- Computer software and databases	-		-	
- Intellectual property products n.e.c.	88		90	
Other Capital Expenditure	956	1.53%	984	1.34%
TOTAL	62,593	100.00%	73,242	100.00%

Much (50.4%) of the government capital expenditure in the health sector for the year 2012/13 was spent on infrastructure followed by expenditure on Machinery and Equipment at 47.9%. This pattern was also repeated in the following year 2013/14 where infrastructure accounted for 65.6% followed by machinery and equipment that shared 32.9% of all the GoU capital expenditure (Table 10-3).

10.4. Private Capital Expenditure

Private capital expenditure mostly includes the machinery and equipment and not on construction or maintenance/ upgrading of infrastructures and purchase of equipment like government does. Table 10-4 shows that, overall, Private capital expenditure (HK) has increased by 35% between 2012/13 (UGX 1.8 billion) and 2013/14 (UGX 2.4 billion).

Table 10-4 Capital Expenditure by Private Sector, FY2012/13 to FY2013/14

PRIVATE CAPITAL EXPENDITURE	FY2012/2013		FY2013/2014	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Infrastructure	-	0.00%	71	2.98%
- Residential and non-residential buildings	-		-	
- Other structures	-		71	
Machinery and equipment	882	49.87%	1,219	51.11%
- Medical equipment			71	
- Transport equipment	794		848	
- ICT equipment	88		253	
- Machinery and equipment n.e.c.			47	
Intellectual property products	69	3.91%	196	8.23%
- Computer software and databases			196	
- Intellectual property products n.e.c.	69			
Other Capital Expenditure	817	46.21%	899	37.68%
TOTAL	1,769	100.00%	2,386	100.00%

Much (49.9%) of the private capital expenditure in the health sector for the year 2012/13 was spent on Machinery and equipment followed by expenditure on other capital expenditure not classified elsewhere at 46.2%. This pattern was also repeated in the following year 2013/14 where Machinery and equipment accounted for 51.1% followed by other capital expenditure not classified elsewhere at 37.7% of all the Private sector capital expenditure (Table 10-4).

10.5. Rest of the World Capital Expenditure

HDPs capital expenditure usually includes a great mixture of the construction or maintenance/ upgrading of infrastructures as well as machinery equipment. Table 10-5 shows that, overall, HDPs capital expenditure decreased a great deal by 55% between 2012/13 (UGX 64 billion) and 2013/14 (UGX 28.6 billion).

Table 10-5 Capital Expenditure by Development Partners, FY2012/13 to FY2013/14

CAPITAL EPENDITURE	FY2012/2013		FY2013/2014	
	Amount (UGX Millions)	Share (%)	Amount (UGX Millions)	Share (%)
Infrastructure	23,235	36.30%	1,422	4.96%
- Residential and non-residential buildings	22,923		1,357	
- Other structures	312		65	
Machinery and equipment	38,023	59.40%	23,663	82.60%
- Medical equipment	28,608		6,040	
- Transport equipment	6,508		8,771	
- ICT equipment	2,309		5,897	
- Machinery and equipment n.e.c.	598		2,955	
Intellectual property products	7	0.01%	818	2.86%
- Computer software and databases	7		818	
- Intellectual property products n.e.c.				
Other Capital Expenditure	2,746	4.29%	2,746	9.58%
TOTAL	**64,010**	**100.00%**	**28,649**	**100.00%**

Much (59.4%) of the HDPs capital expenditure in the health sector for the year 2012/13 was spent on Machinery and equipment especially the medical equipment while expenditure on infrastructure at 36.3%.

This pattern was also repeated in the following year 2013/14 though with big margins where Machinery and equipment accounted for 82.6% followed by other capital expenditure including computer software and databases at 12.4% of all the HDPs sector capital expenditure in that year (Table 10-5).

More analysis is required to reveal why the expenditure pattern of HDPs in regard to capital investments changed radically from 2012/13 to 2013/14.

THE REPUBLIC OF UGANDA