

# What COVID-19 tells us about prioritisation of health sector financing

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If the coronavirus pandemic has demonstrated one thing, it is that countries should neglect the health sector at their own peril. The pandemic has not only affected the health sector but has had catastrophic consequences on security, education, social welfare and has brought global economies to their knees.

Although it is now reported that former Presidents of the United States and the philanthropist Bill Gates gave prior warnings of flu epidemics and the need for appropriate health investments, who could have predicted that a pandemic of this magnitude (that knows no borders, with effects as adverse as we have witnessed) could hit the world in 2020. The coronavirus disease 2019 (COVID-19) caught the world off-guard and could create a new way of life for all going forward. Countries closed borders, schools, businesses, restaurants, markets and offices. Every formal and informal establishment has hit an indefinite 'pause' button and the only certainty we know now is uncertainty. Who knew that in this day and era, a disease in one small part of the world would lead to a shutdown of all sectors causing serious global social, economic and security ramifications?

By mid-April 2020, the International Monetary Fund had predicted that the global economy would shrink by 3% in 2020; pushing the world into a recession last seen in The Great Depression of 1930. But the signs of the recession came as early as 12<sup>th</sup> March 2020, when the Dow Jones stock exchange experienced its biggest drop since the 1987 *Black Monday*. By this time many airlines across the world had cancelled travel and grounded their planes; global supply chains were beginning to close down; commodity prices were on the rise; populations were under stress about the looming uncertainty and many were forced into panic stocking of toilet paper, food and other household necessities. By the end of March lockdowns were biting and jobs were not spared. Up to 16 million Americans were reported out of a job and at the mercy of government pay outs to survive. It has not been estimated how the lay Ugandan will impacted but the situation in the capital city, Kampala-the backbone of the country's economy- is gloomy. Majority of the population who 'live from hand to mouth' are locked out of work but even many with formal jobs have been sent on unpaid indefinite leave or had their contracts terminated. Poverty and inequality are bound to skyrocket.

The coronavirus pandemic has been described by some as an apocalyptic event that many have invoked God to prevail upon. In his public addresses, President

Yoweri Museveni likened the circumstances to the five year bush war that brought him into power in 1986. COVID-19 has clearly demonstrated that health has far reaching consequences and should be accorded first priority ahead of other sectors such as finance, infrastructure and security, that are routinely considered by governments as the main drivers of development.

Amidst this, Parliament is making final considerations of the national budget 2020/21 in which the Ministry of Finance, Planning and Economic Development has proposed a small increment of the health sector allocation from UGX 2,589 billion (7.9% of national budget) in 2019/20 to UGX 2,823 billion (6.9% of national budget) in 2020/21. This budget allocation translates to about UGX 63,000 per person per year but if one considers the non-wage expenditure which goes to actual healthcare costs, it would reduce to UGX 15,000 per person per year. This amount of money cannot even guarantee that one receives adequate treatment for one episode of malaria. It is important to note that close to 50% of the above budget is expected to come from donors. This therefore implies that Ugandan households will continue to pay for most of their health costs amidst hardened economic times.

At the backdrop of this was a directive by the President to the Ministry of Health to withdraw the National Health Insurance Scheme (NHIS) bill from Parliament in February. The NHIS has for many years been the main hope of many policymakers and scholars alike to deliver Uganda to Universal Health Coverage. With 2030 already in sight the dream to 'leave no one behind' may remain just that.

There is a lesson in every tragedy. The COVID-19 pandemic has shown us how unprepared even health systems in the Global north were. These countries will be expected to focus on the health and economy of their populations and spend less on donations. The grim reality is that development aid will reduce, medical tourism for the well to do will reduce and the focus has will be on national health system. On the other hand, most of our population is going to slip into poverty and may not be able to afford their health needs. But not all hope is lost. Policymakers can and should make bold decisions to increase investments that strengthen the health sector as a prerequisite to fulfil the aspirations of our National Development Plan III to 'increase household income and improve the quality of life of Ugandans.'