



**OFFICE OF THE
LEADER OF THE OPPOSITION**

RESPONSE TO THE PRIME MINISTER'S STATEMENT
ON COVID-19 RESPONSE

JULY 2021

On 14th July 2021, a Statement of the Prime Minister on government's response to COVID-19 was circulated. It should be noted from the onset that the statement is indicative of the appalling approach of government in the management of COVID. Its response is largely deficient of momentous strides that merit commendation. Rather it deserves condemnation. Every citizen is feeling the wrath of having a government that makes incomprehensible planning and decisions as highlighted below.

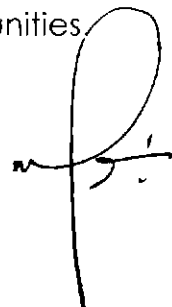
Overall Posture of Government Response

It is evident that Government's response focuses on ad hoc intervention in health and social protection neglecting dividends that would arise from comprehensive review of undertakings in education, infrastructure development, taxation, security, decentralization and agriculture among others.

Given that the country is operating under a pandemic cloud, it would be prudent to leverage opportunities arising from the new normal to enhance preventive and curative health interventions as well as social protection. These have for long been neglected and time has come to comprehend the consequences. While all other sectors are important, the first call for a competent government would be augment the health sector so as to preserve life and livelihoods. This should be visible in their responses.

A responsive and competent government would:

- a) Democratically engage Parliament in determining a logical, comprehensive and legitimate national response plan;
- b) Consolidate savings made across sectors during the lockdown periods such as workshops, travels, government sponsorships in tertiary institutions and capitation grants among others so as to channel them to critical response interventions in a national response plan,
- c) Target tax interventions such as waivers on PAYE (for essential workers such medical personnel and teachers so as to increase their disposable income), rental tax (to make accommodation affordable) and VAT (particularly on utilities) among others as a means of sustaining livelihoods;
- d) Halt implementation of new projects such as Parish Development Model and allocations geared towards implementation of national response plan;
- e) Negotiate with external partners to defer non critical projects and commitments so as to free Government of Uganda funding towards pandemic management; and
- f) Resuscitate decentralization through devolving of powers, authority and public funds from the central government to local governments so as to ensure effective pandemic management in communities



Funding for COVID Resurgence

The Prime Minister disclosed that by March 2021 government had developed a resurgence plan. Despite repeated calls for a costed plan, government was adamant in laying it in Parliament so as to inform budgeting. As a consequence, the national budget for FY2021/22 was passed on a presumption of normal times and is bound to underperform.

Parliament that holds powers of the purse is still unaware, on the extent of the plan save for disclosed component on health which is projected to cost UGX 1.32 trillion. The bulk of the allocations are towards the pillar of logistics which consist of laboratory supplies (61.2%), personal protective equipment, oxygen and patient care. The rest of the pillars include coordination (0.9%), surveillance (4.5%), laboratory (6.4%), case management (7.1%), risk communication (5.2%), community engagement (0.5%), Strategic Information, Research and Innovation - SIRI (5.3%), continuity of essential services (8.6%) and vaccination (0.2%).

It would have been helpful to disaggregate the allocations in each pillar so as to establish what has been prioritized. Aggregation raises risk of funding wasteful items as was the case during the consideration of supplementary expenditures for COVID in FY2019/20. Allocations were made for advertising on billboards during lockdown, arrears accrued to media houses and duplicated activities.

Nevertheless, it is generally observed that focus of the resurgence plan is on curative rather than preventive services. This is deduced from the minimal allocation towards surveillance and vaccination which are understood to be effective in deterring spread of COVID-19. For instance, out of the UGX 1.32 trillion, only UGX 2.62 billion is allocated towards vaccination. This is far short of the UGX 1.4 trillion that was indicated in the National Development Vaccination Plan (NDVP) as the estimated cost for national roll out of vaccines¹.

The statement further indicates that for the period July to December 2021, UGX 372.87 billion was required to fund activities of Ministry of Health. Unfortunately, this proposed allocation is not disaggregated. It is therefore difficult to appreciate what it is meant to do. Furthermore, the statement is silent on whether the funds were included in the approved budget of FY2021/22 or not. In the event that the funds were not included within the approved budget, it would be prudent for the Committee on Health to scrutinize the whole resurgence plan and guide the House on the next course of action.

Though not comprehensively done, government is commended for the attempt at reviewing the approved budget for FY2021/22. It has earlier been reported to Parliament that well targeted budget suppressions can raise UGX

¹Ministry of Health, 2021 Press Release – Clarification on the Cost of COVID-19 Vaccine

2.55 trillion². This would have been more than sufficient in funding the National Development Vaccination Plan. Unfortunately, government suppression efforts only yielded UGX 600 billion³. The funds are targeted towards supplementary budgets for COVID emergency. A review of the proposed supplementary allocations indicated that the health sector was to receive only UGX 206.36 billion (34%) of the total UGX 600 billion. Majority of the funds are towards the presidency, defence, police and intelligence services among others. Going by the recent past supplementary requests, the funds are usually targeted towards routine activities that can be accommodated within the approved budgets.

In the interim before Parliament considers the resurgence plan, every additional penny mobilized should be geared towards vaccination and critical underfunded items in health sector. These are game changers in normalizing citizenry lives and the economy.

Vaccination

The Prime Minister is right to be concerned with the low vaccination rate of 4% of the initial target of 21.9 million eligible population. With this progress, vaccination of the eligible population would only be realized after 12 years in 2033. This is largely attributed to over relying on the donor driven COVAX facility and donations from countries such as Norway, India, China and United States of America. This miser approach of acquiring vaccines is alarming and shameful. It is an indictment on the ability of government to guarantee lives of Ugandans during the COVID pandemic.

Direct orders to manufacturers are almost negligible. Apart from an order placed to Serum Institute of India for Astrazeneca, there seems no other payment has been made. Only US\$ 5 million (UGX 18.5 billion) was paid to confirm an order out of total cost of US\$ 161.56 million⁴. Instead of owning up its failure in making quick full payment in time, Government instead is apportioning blame to Indian Government for restricting vaccine exports. How come countries that had paid up were able to access their vaccines? Nothing stopped government from making payments to other manufacturers as our neighbours Kenya did. They placed orders for Pfizer as well as Johnson and Johnson.

Instead, Government has just remitted funds through the cost sharing framework in the COVAX facility as well as initiated legal requirements to

²Parliament of Uganda, 2020. A Minority Report on the Annual Budget Estimates for FY2020/21

³Ministry of Finance, Planning and Economic Development, 2021. Supplementary Funding for COVID Emergency Requirements for FY2021/22

⁴Parliament of Uganda, 2021. Report of the Budget Committee on the Supplementary Expenditure Schedule 4 and Addendum 1 and 2 to Schedule 4 for FY2020/21

procure Johnson and Johnson vaccine through Afri-Exim Bank and African Union⁵. This is the signature tortoise emergency response of government.

During the recent reading of the Budget Speech 2021, it was highlighted that UGX 560 billion will be provided for purchase of COVID-19 vaccines⁶. Unfortunately, this allocation is not traceable in the approved budget for FY2021/22. What is traceable is the fact that the Ministry of Health had indicated that in FY2021/22, it had a funding gap of UGX 500 billion to purchase COVID vaccines⁷. With these contradictions, it is difficult to determine with certainty whether funds have been committed or set aside for vaccine purchase.

Based on the above, Government should present in Parliament forecast quantities and current cost implications of purchasing each of the 8 vaccines that have been put on priority list. This will enable Parliament appropriate sufficient funds for vaccine procurement. Prioritisation also ought to be placed on surveillance to ensure targeted response as well as vaccinating teachers and students to ensure continued development of human capital.

Critical Prevailing Deficiencies

For a while, the country has been gripped with deficiencies in beds, oxygen, cylinders, personal protective equipment and ambulances. To the contrary and void of reality, the Prime Minister reports that country has reasonable bed capacity to manage the pandemic. Had the country had sufficient bed capacity, home based care would not have been prioritised given the high-risk of transmitting COVID in families. It is vital to note that just a month ago, the President made an undertaking that government was to install 300 bed field hospital per regional referral hospital, we construed this to be a Government assurance⁸. No progress has been reported.

The President also informed the nation of a roaming shortage of 22,800 cylinders of oxygen per day⁹. While Global Fund intervened to install 7 oxygen plants in Kampala, Arua, Hoima, Fort portal, Mbarara, Lira and Mbale, most health facilities in Uganda continue to be constrained by insufficient oxygen supply. Unfortunately, the Prime Minister is silent on how many health facilities lack adequate oxygen supply and what interventions are to be taken to fill the gap. In the recent past when a funding gap of UGX 1.4 billion for procurement of oxygen cylinders in the 14 regional referral hospitals was presented,

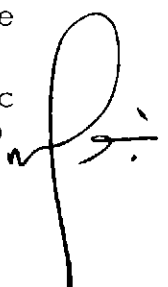
⁵Ministry of Health, 2021 Press Statement – Update on the Response to COVID-19 Resurgence

⁶ Hon Amos Lugolobi, 2021 Budget Speech Financial Year 2021/22

⁷Ministry of Health, 2021 Health Sector Ministerial Policy Statement Financial Year 2021/2022

⁸President of Uganda, 2021. Address by H.E Yoweri Kaguta Museveni, President of the Republic of Uganda to the Nation on COVID-19 Resurgence and Current Status of the Pandemic in the Country – 6th June 2021 Nakasero

⁹President of Uganda, 2021 Address by H E Yoweri Kaguta Museveni, President of the Republic of Uganda to the Nation on COVID-19 Pandemic Resurgence as of 18th June 2021, Nakasero



Parliament promptly appropriated funds¹⁰. This is an indication that critical affordable funding gaps can be addressed without necessarily relying on external financing.

Unfortunately, it has been observed that the health sector almost entirely relied on external funding for its development budget. In the just concluded FY2020/21, out of the approved total development budget of UGX 1.4 trillion, external financing amounted to UGX 1.19 trillion translating to 85%. Government of Uganda development funding was a parity UGX 205 billion¹¹.

The country has for years grappled with shortages of functional ambulances. This has been heightened during the second wave. It is worrying to note that only 45% of health facilities in Uganda have an ambulance¹². Majority of the ambulances are non-government ambulances¹³. In the first wave, the Ministry of Health extended a request to Members of Parliament to volunteer their constituency ambulances to complement those of government. The citizenry also donated towards purchase of ambulances. Instead of addressing ambulance shortage, cash donations from the populace were used to procure 282 pickups. This indeed is misguided judgement and ill-guided expediency on the political leadership of a suffering nation.

The deficiencies in public health facilities in terms of beds, oxygen and ambulances among others have been filled by private health facilities. This is attributed to the fact that government has been relegated to a regulator and fronting the private sector as the service provider. This has in effect escalated the cost of health care for the citizenry. In normal times, it had been realised that out-of-pocket per capita expenditure had risen from UGX 41,025 in FY2008/09 to UGX 62,031 in FY2019/20¹⁴. This is not affordable by majority of the citizens. To make matters once during this COVID pandemic, treatment costs have soared to over UGX 3 million per day. Sadly, the Prime Minister falls short of articulating which interventions have been undertaken by government in collaboration with private health facilities in making COVID treatment affordable. Government flimsy actions have condemned the citizens to death.

In a bid to save lives, it is our considered opinion that government extends support to private health facilities in form of incentives such as tax waivers on utilities, deployment of medical personnel, joint procurement of drugs and supply of oxygen. This would subsidise cost of medical care in private facilities.

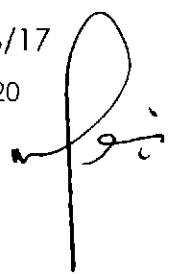
¹⁰ Parliament of Uganda, 2021. Report of the Budget Committee on the Annual Budget Estimates for FY2021/22

¹¹Ministry of Finance, Planning and Economic Development, 2020. Semi-Annual Budget Performance Report FY2020/21

¹²Albert Ningwa et al, 2020 The State of Emergency Medical Services and Acute Health Facility Care in Uganda. Findings from a National Cross-Sectional Survey. BMC Health Services Research

¹³ Ministry of Health, 2017 Annual Health Sector Performance Report for FY2016/17

¹⁴Ministry of Health, 2020 Annual Health Sector Performance Report Financial Year 2019/20



Recentralisation of Service Delivery

Article 176 of the Constitution of the Republic of Uganda provides for a decentralisation system of governance. It empowers local governments to plan, initiate and execute policies in respect of all matters affecting their jurisdictions.

Whereas local governments exist, the Central Government has for long adopted a divergent recentralisation system in intent and stature. Local governments have been robbed of the constitutional devolved functions, powers and responsibilities. This has largely been actualised through budget allocations. For instance, in the supplementary funding for COVID for FY2021/22, local governments were allocated only UGX 52.82 billion out of a total of UGX 600 billion. This translates to only 8%.

Furthermore, Kampala City, the epicentre of the second wave was not allocated any supplementary allocation. For the local governments that were considered, each received less than UGX 800 million yet Office of the President was granted supplementary allocation of UGX 6 96 billion. Based on the supplementary allocations, the epicentre of COVID is in the Office of President and deserves better consideration than local governments

The relegation of local governments has been exemplified in the management of COVID pandemic. Local governments must plead and wait for supplies of vaccines, ambulances, drugs and personal protective equipment from the Central Government. Recentralisation of devolved functions is unconstitutional and the main cause of the lukewarm COVID response of local governments.

Of late, Resident District Commissioners (RDCs) with the support of security forces have in contravention of Article 183(1)(a) of the Constitution been positioned to be defacto political heads of local governments in the response to COVID. This has led to unlawful restriction of COVID response meetings, movements and intensification of COVID messaging by local leaders. No wonder local governments are ill prepared to manage the pandemic.

In a bid to facilitate local governments in managing the pandemic, Parliament should with immediate effect be informed of their COVID response funding gaps. They should expeditiously be scrutinised by the appropriate Parliamentary Committee and House guided on a recommended course of action.

Support to Indigents

It is quite unfortunate that focus on COVID response is being reduced to the UGX 100,000 cash transfer to vulnerable workers. The cash assistance has been derived from a proposed minimum expenditure food basket which includes posho, beans, soap and cooking oil. One wonders whether the food basket is

equivalent to the recommended balanced diet, nutrients or calories that a person requires to sustain life and boost immunity against COVID.

Whereas the cash relief gesture is welcome, its implementation is pretty much discriminative. Last year, the Uganda Bureau of Statistics established that Uganda has 5.11 million vulnerable workers¹⁵. Unfortunately, the same institution has been pressured to consent and facilitate registration of only 501,107 vulnerable workers. This means that 90% of vulnerable workers are excluded from the relief intervention.

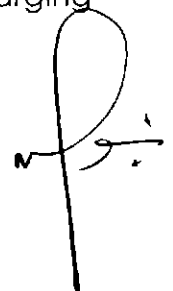
There are reservations regarding the criteria that the National COVID-19 Taskforce used to identify the 13 categories of beneficiaries. Irrespective of the criteria, most workers or individuals are not registered in centralised place nor regulated under associations that would act as centres of enrolment and verification of beneficiaries. Many are outside the realm of trade licences that would require them to be captured in the records of Town Clerks.

The categorisation is conveniently selective. For instance, the shop attendants in the closed arcades are not included. They earn a daily living. Of late market traders raised concern that even though they were allowed to operate, majority of the customers cannot reach their stalls due to traffic restrictions and lack of earnings. They are not different from categories that have been considered such as car washers (who wash few cars), bodaboda riders (whose returns from cargo transportation are far less than proceeds from passengers), musicians and comedians (who earn minimal commission from online platforms). Justification for inclusion of these was premised on their earnings being substantially reduced during the lockdown. This therefore raises issue of fairness in categorisation of beneficiaries.

Outcries have also been heard from university students who were unable to return to their homes due to the inflated transport costs and limited days of travel. These too are vulnerable but have been excluded from vulnerable persons. The Minister responsible for Gender indicated that such vulnerable persons who are not workers will be catered for later without any commitment to a given timeline. Therefore, the categorisation of vulnerable beneficiaries as agreed by Cabinet promotes exclusion and entrenches inequalities. It also exposes the vulnerable persons such as the terminally ill that depend on support from workers to risks of death.

Apart from food, the cash relief did not consider other costs of daily living such as rent, water, electricity and medical care. These costs ought to have been incorporated in the computation of the cash transfer amount. How will one cook the food without water and energy? Where will they cook and eat from when evicted due to rent arrears? There are COVID patients in some households, will they be treated on the UGX 100,000 yet hospitals are charging medical fees of over UGX 3,000,000 daily?

¹⁵Uganda Bureau of Statistics, 2020 2020 Statistical Abstract



The beneficiaries of the households are expected to have MTN or Airtel mobile money lines as well as National Identification Number (NIN). It was indicated that one may access the cash relief with just a NIN at a mobile Post Bank van. This distribution mechanism raises a transparency concern for no competitive procurement process was undertaken to award contract to Post Bank and telecommunication companies.

More still, the registration process of beneficiaries was hijacked by regime apologetics particularly RDCs in disregard of local leaders. This affirms that Government only appreciates role of local leaders when they are involved in general election processes such as registration for national identity cards and voting. In such exercises they are deemed to be competent and among the lead stakeholders but not in identification of vulnerable persons.

Consequently, the beneficiary enrolment process has been flawed, exposed to manipulation for patronage and political gains. This is not news for it has been evident in relief enrolments of musicians, promoters, bouncers and ghetto youth during and after the election period.

It is our considered opinion that every vulnerable person is considered for the cash relief and its derivation widened to incorporate utilities, rent and minimum medical care package.

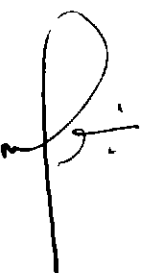
Irrespective of continuance of lockdown, community-based models that are hinged on the Local Council systems should be used to record, maintain and update registers of vulnerable within their respective communities. This would reduce response time in future lockdowns or if a disaster befalls any area.

Worth noting is the fact that there are some vulnerable persons who would not be categorised as so if they were able to access benefits that accrued to them. In this regard, the President is urged to assent to the NSSF bill so that savers access their midterm payments. This would lessen the economic impact of COVID in the eligible households of the 1.5 million members. There is no point for the contributors to die of hunger and stress, only for dependents to access and enjoy the savings. Otherwise, one wonders why NSSF would entirely transfer the burden of assisting its contributors to government that seeks to exploit their contributions.

Accountability of Past COVID Interventions

Since FY2019/20, several interventions have been funded in response to COVID pandemic in Uganda. Regrettably, a lot of it has been wolfed through the systematic corruption tendencies of government. Unfortunately, the Prime Minister was silent on the vice and the risk it poses in the second wave COVID response.

In October 2020, the Budget Monitoring and Accountability Unit (BMAU) reported that verified deliveries are fewer than what was paid for. For instance, Joint Medical Stores delivered 1,000 beds but monitoring team was only able

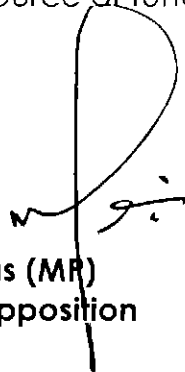


to verify delivery of 331 beds. In other instances, it was noted that M/S Silver Bucks Pharmacy Ltd was fully paid before making deliveries that were costed at inflated costs. The company was contracted to provide only 2 oxygen plants and 450 cylinders at UGX 6.4 billion yet earlier at the same cost it delivered oxygen plants in 13 regional referral hospitals.

Separately the Auditor General in his report of February 2021 noted that flouting of procurement regulations, mismanagement of quarantine centres, mismanagement of cash donations, ghost recipients of in-kind donations and mischarges among others¹⁶.

Based on the above, the public is generally concerned and suspicious that government will continue to prey on public funds. Borrowing a leaf from one of the recent transparency conditions to accessing International Monetary Fund (IMF) loans, all details of contracts of COVID procurements should be published on the website of Ministry of Finance, Planning and Economic Development. Published are lists of procurement detailing winning bidders of contracts of above UGX 500 million for works as well as above UGX 200million for goods and services¹⁷. The lists detail item procured, method of procurement, service provider, shareholding, contract value, status of procurement, source of funding and end user¹⁸.

I beg to submit.



Mpuuga Mathias (MP)
Leader of the Opposition

¹⁶Office of the Auditor General, 2021 Thematic Audit Report on COVID-19 Pandemic Government Interventions (sic)

¹⁷International Monetary Fund, 2021. Request for a Three Year Arrangement under the Extended Credit Facility – Press Release, Staff Report, and Statement by the Executive Director for Uganda IMF Country Report No 21/141

¹⁸Ministry of Finance, Planning and Economic Development, 2021 COVID-19 Procurements Contract Reports <https://finance.go.ug/publication/covid-19-procurements-contract-reports> Last accessed 16th July 2021

