

# Vote:116 National Medical Stores

## VI: Vote Overview

### (i) Snapshot of Medium Term Budget Allocations

Table V1.1: Overview of Vote Expenditures

<i>Billion Uganda Shillings</i>	FY2016/17 Outturn	FY2017/18		FY2018/19 Proposed Budget	MTEF Budget Projections			
		Approved Budget	Spent by End Sep		2019/20	2020/21	2021/22	2022/23
Recurrent Wage	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Non Wage	264.964	237.964	120.219	278.964	340.337	391.387	469.665	563.597
Devt. GoU	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Ext. Fin.	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>GoU Total</b>	<b>264.964</b>	<b>237.964</b>	<b>120.219</b>	<b>278.964</b>	<b>340.337</b>	<b>391.387</b>	<b>469.665</b>	<b>563.597</b>
<b>Total GoU+Ext Fin (MTEF)</b>	<b>264.964</b>	<b>237.964</b>	<b>120.219</b>	<b>278.964</b>	<b>340.337</b>	<b>391.387</b>	<b>469.665</b>	<b>563.597</b>
<i>A.I.A Total</i>	0.000	0.000	0.000	20.000	23.000	25.000	32.000	40.000
<b>Grand Total</b>	<b>264.964</b>	<b>237.964</b>	<b>120.219</b>	<b>298.964</b>	<b>363.337</b>	<b>416.387</b>	<b>501.665</b>	<b>603.597</b>

### (ii) Vote Strategic Objective

- Procure, warehouse and distribute Essential medicines and health supplies to all public health facilities
- Maximise value offering to our customers.
- Strengthen management efficiency and effectiveness for improved service delivery.
- Enhance innovations for efficient service delivery.
- Broaden and sustain the resource base of corporation.
- Enhance organisational capacity for sustainable operations and growth of National Medical Stores.
- Strengthen partnerships and collaborations for improved stakeholder engagement.

## V2: Past Vote Performance and Medium Term Plans

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## Performance for Previous Year FY 2016/17

The Corporation received and spent the appropriated funds shs 237 billion for the FY 2016/17. The release was in accordance to levels of care from Health center 11(shs 11.6 billion); Health centers III(shs 18.36);Health Center IV(shs 7.99 billion); General hospitals(shs 14.45 billion); Regional Referral hospitals(shs 13.02 billion);National Referral Hospitals(shs 12.36 billion); ACTS, ARVS and Anti-TB drugs(shs 110 billion); Specialized units(UBTS,UHI,UCI)(shs 18.1 billion); Emergency and donated items(shs 2.5 billion);Reproductive health items(shs 8 billion);Immunization supplies including Hepatitis B Vaccine( shs 17 billion); Laboratory items(shs 5 billion.)

In addition a supplementary amount of shs.27 billion was received to facilitate the procurement of ACTs and blood supplies(shs 20 billion and shs 7 billion respectively).

The Corporation receive shs 4 billion from the Ministry of Health to procure Uniforms for medical workers (shs 3 billion) and Medical Stationery (shs 1 billion).The uniforms were procured and Regional Referral and National Referral Hospitals have been served.The distribution continues to General Hospitals and other Local Government units.

The supply of medicines and medical supplies to all health facilities spread throughout the country is for both general and specialized treatment of ailments that affect the Women, Men, Children, the Elderly and Disabled. The Essential Medicines and Health Supplies are accessible in all areas of Uganda including the hard to reach areas. The Basic Kits supplied to HC 2 and HC 3 as well as orders to higher levels of care are designed to ensure the health supplies covers the sensitivities of age, sex and location.

The budget allocation is according to the level of health care which ensure that similar levels of health centres or Hospitals receive the same amount of money(budget allocation) irrespective of their location in the country.

Specifically there are supplies designed for delivering mothers (maama kit) under reproductive health care.

Immunisation supplies are interventions to prevent child killer diseases especially children under the age of 5yrs.Young girls are vaccinated against cervical cancer. Supply of Hepatitis B Vaccines is an intervention to the spread out of the disease in the most affected regions of Northern and Eastern Uganda.

People affected with HIV/AIDS can access ARVs from accredited health facilities spread out across the country.

The medicines and health supplies are delivered to all health facilities in Uganda at the same cost charged to the facilities under the last mile arrangement to ensure equity in supply without disadvantaging the hard to reach or those in remote areas of the country.

The procurement, storage and distribution of medicines and health supplies was done in adherence to the objective of strengthening mechanism for quality effective and efficient service delivery.

## Performance as of BFP FY 2017/18 (Performance as of BFP)

The Corporation received and spent the appropriated funds shs 207 billion for the first two quarters of FY 2017/18. The release was in accordance to levels of health care from Health center 11(shs 8.9 billion); Health centers III(shs 16.4);Health Center IV(hs 5.9 billion); General hospitals(shs 13.9 billion); Regional referral hospitals(shs 11.5 billion);National Referral Hospitals(shs 11.5 billion); ARVs (shs,80 billion) ACTs(shs 8.1 billion) and Anti-TB drugs(shs 6.5 billion); Specialized units(UBTS,UHI,UCI) (shs16.5 billion); Emergency and donated items(shs 2.0 billion);Reproductive health items(shs 6.5 billion);Immunization supplies including Hepatitis B Vaccine( shs 15.5 billion); Laboratory items(shs 4.5 billion.) and domestic areas of shs 20 billion.

The supply of medicines and medical supplies to all spread throughout health facilities is for both general and specialized treatment of ailments that affect the Women, Men, Children,the Elderly and Disabled. These Essential Medicines and Health Supplies are accessible in all areas of Uganda including the hard to reach areas. The Basic Kits supplied to HC 2 and HC 3 as well as orders to higher levels of health care are designed to ensure the health supplies covers the sensitivities of age, sex and location. The medicines and health supplies are delivered to all health facilities in Uganda at the same cost charged to the facilities under the last mile arrangement.

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## FY 2018/19 Planned Outputs

The Corporation to receive shs 277 billion for the FY 2018/19. This will be in accordance to levels of care from Health center II (shs 11 billion); Health centers III(shs 18.36 billion);Health Center IV(shs 12.78 billion); General hospitals(shs 19.455 (billion); Regional referral hospitals (shs18.23 billion);National Referral Hospitals(shs 16.365 billion); ACTS(shs 8.1 billion), ARVS(shs 94 billion) and Anti-TB drugs(shs 7 billion); Specialized units(UBTS,UHI,UCI)(shs 23.1 billion); Emergency and donated items(shs 2.5 billion);Reproductive health items(shs 17 billion);Immunization supplies including Hepatitis B Vaccine( shs 19 billion); Laboratory items(shs 11 billion).

The supply of medicines and medical supplies will be made to health facilities for both general and specialized treatment of ailments that affect the Women, Men, Children, the elderly and disabled. These EMHS will be accessed in all areas of Uganda including the hard to reach areas. The Basic Kits supplied to HC 2 and HC3 as well as orders to higher levels of care are designed to ensure the health supplies covers the sensitivities of age, sex and location. The Corporation will continue to emboss all medicines and health supplies that are delivered to health facilities to ensure they secure accessibility by the patients. Continue with the advocacy of preventive health as an inroad to better health for all Ugandans. To strengthen the hub to spoke model from General hospitals to lower health facilities. The corporation will continue to provide medicines for the disadvantaged like people with HIV/AIDS and the mentally challenged to improve their quality of life. Reproductive supplies especially mama kits will continue to be delivered and advocate for more funding to foster the efforts of reducing deaths of delivering mothers. Immunisation supplies to cater for prevention of killer diseases will be delivered to all health facilities.

## Medium Term Plans

The Corporation will continue to procure, store and distribute Essential medicines and health supplies to all public health facilities in accordance with levels of health care taking into consideration sensitivities of age, sex and location. It will strengthen management efficiency and effectiveness for improved service delivery and enhance innovations for efficient service delivery.

It will enhance organizational capacity for sustainable operations and growth of National Medical Stores.

The Corporation will strengthen partnerships and collaborations for improved stakeholder engagement. Efforts to prepare and review procurement plans with the health facilities will be enhanced as this is a key factor in getting procurement plans rights and ensure they have taken care of needs for the distinct needs for regions, for the youth, women, men and elderly. Special attention to be paid to the marginalized groups like the mentally challenged and disabled.

There will be prominent consideration for people infected with HIV/AIDS to execute the test and treat policy to improve their quality of life.

The vote performance will be improved through better planning and execution with an ill-inclusive and seamless Enterprise Resource Planning (ERP) whose procurement is underway.NMS plans to complete the construction of an ultra modern ware house that will increase the storage capacity three times the current one.This will ensure sufficient storage of more stock to take care of buffer stock wherever there are challenges during transportation by the suppliers.

## Efficiency of Vote Budget Allocations

The corporation is mandated to procure, store and distribute essential medicines and health supplies. It aggregates a national procurement plan and sources for the supplies in big volumes from both manufacturers and local representatives where economies of scale are attained. The three year frame work contracts frees time for continuous supplies and acts as a hedge against continuously fluctuation of prices of medicines.

## Vote Investment Plans

Construction of the start of the art warehouse on the land bought at Kajjansi is work in progress.This will avail adequate capacity for storage of essential medicines and health supplies.This project is partly funded by Global fund .A new Enterprise Resource Planning (ERP)system to buttress in bound and outbound logistics will enhance the capacity and effectiveness of procurement,storage and distribution of essential medicines and health supplies.The ERP will enable online ordering by the health facilities that will ensure that time receipt of orders by NMS and further reduce order processing errors.

## Major Expenditure Allocations in the Vote for FY 2018/19

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Major expenditure allocations are in accordance with levels of health care at the various health facilities. This stretches from Health center II and Health centre III where EMHS Basic Kits are served every two months in accordance with the published delivery schedules. From Health centre IV through to General Hospitals, Regional Referral Hospitals to National Referral Hospitals (Mulago and Butabika).EMHS orders are served in accordance with the need assessment summarised in a facility procurement plan and budget allocation. Other vote outputs are given prominence because of their significance. These include supply of ARVS to cater for the people infected with HIV/AIDS. ACTs are used for treatment of malaria as one of the killer diseases in the country. Anti TB drugs are for the treatment of people suffering from TB. Specialised items are served to specialized units (UCI, UHL, and UBTS to cover cancer patients, heart patients and blood supply respectively.

Provision of reproductive health supplies for better family planning and Maama kit supplies are given to every delivering mother in health facilities. Immunisation supplies including Hepatitis B Vaccine that help in the prevention of disease in children below the age of 5yrs, age bearing women and Hepatitis B Vaccine for people in the North and Eastern parts of Uganda.

Laboratory items used for diagnosis of diseases prior to appropriate prescription is very critical for effective service delivery.

### V3: PROGRAMME OUTCOMES, OUTCOME INDICATORS AND PROPOSED BUDGET ALLOCATION

**Table V3.1: Programme Outcome and Outcome Indicators**

<b>Vote Controller :</b>							
<b>Programme :</b>		<b>59 Pharmaceutical and Medical Supplies</b>					
<b>Programme Objective :</b>		To provide supplies of medicines and other pharmaceutical supplies to the Ugandan Population					
<b>Responsible Officer:</b>		Mr. Moses Kamabare					
<b>Programme Outcome:</b>		<b>Quality and accessible medicines, equipment and other health supplies</b>					
<i>Sector Outcomes contributed to by the Programme Outcome</i>							
<b>1. Improved quality of life at all levels</b>							
<b>Programme Performance Indicators (Output)</b>	<b>Performance Targets</b>						
	<b>2016/17 Actual</b>	<b>2017/18 Target</b>	<b>Base year</b>	<b>Baseline</b>	<b>2018/19 Target</b>	<b>2019/20 Target</b>	<b>2020/21 Target</b>
• Proportion of medicines and supplies procured and distributed against the consolidated procurement plan	0				85%	87%	90%
• Proportion of health facilities without drug stock out for 41 tracer medicines in previous 3 months	0	237.964			85%	87%	90%

**Table V3.2: Past Expenditure Outturns and Medium Term Projections by Programme**

<i>Billion Uganda shillings</i>	<b>2016/17</b>	<b>2017/18</b>		<b>2018-19</b>	<b>MTEF Budget Projections</b>			
	<b>Outturn</b>	<b>Approved Budget</b>	<b>Spent By End Q1</b>	<b>Proposed Budget</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
<b>Vote :116 National Medical Stores</b>								
59 Pharmaceutical and Medical Supplies	264.964	237.964	140.014	278.964	340.337	391.387	469.665	563.597
<b>Total for the Vote</b>	<b>264.964</b>	<b>237.964</b>	<b>140.014</b>	<b>278.964</b>	<b>340.337</b>	<b>391.387</b>	<b>469.665</b>	<b>563.597</b>

### V4: SUBPROGRAMME PAST EXPENDITURE OUTTURNS AND PROPOSED BUDGET ALLOCATIONS

**Table V4.1: Past Expenditure Outturns and Medium Term Projections by SubProgramme**

# Vote:116 National Medical Stores

Billion Uganda shillings	2016/17	FY 2017/18		2018-19	Medium Term Projections			
	Outturn	Approved Budget	Spent By End Sep	Proposed Budget	2019-20	2020-21	2021-22	2022-23
<i>Programme: 59 Pharmaceutical and Medical Supplies</i>								
01 Pharmaceuticals and Other Health Supplies	264.964	237.964	140.014	278.964	340.337	391.387	469.665	563.597
<b>Total For the Programme : 59</b>	<b>264.964</b>	<b>237.964</b>	<b>140.014</b>	<b>278.964</b>	<b>340.337</b>	<b>391.387</b>	<b>469.665</b>	<b>563.597</b>
<b>Total for the Vote :116</b>	<b>264.964</b>	<b>237.964</b>	<b>140.014</b>	<b>278.964</b>	<b>340.337</b>	<b>391.387</b>	<b>469.665</b>	<b>563.597</b>

**Table V4.2: Key Changes in Vote Resource Allocation**

Major changes in resource allocation over and above the previous financial year	Justification for proposed Changes in Expenditure and Outputs
<i>Vote :116 National Medical Stores</i>	
<i>Programme : 59 National Medical Stores</i>	
<b>Output: 08 Supply of EMHS to HC 1V</b>	
Change in Allocation (UShs Bn) : <b>4.790</b>	Health centre I've were grossly underfunded and required more resources for medicines and health supplies
<b>Output: 09 Supply of EMHS to General Hospitals</b>	
Change in Allocation (UShs Bn) : <b>5.001</b>	To cater for the distric tspecific requirements of essential medicines and health supplies
<b>Output: 10 Supply of EMHS to Regional Referral Hospitals</b>	
Change in Allocation (UShs Bn) : <b>5.209</b>	
<b>Output: 11 Supply of EMHS to National Referral Hospitals</b>	
Change in Allocation (UShs Bn) : <b>4.000</b>	
<b>Output: 13 Supply of EMHS to Specialised Units</b>	
Change in Allocation (UShs Bn) : <b>5.000</b>	
<b>Output: 15 Supply of Reproductive Health Items</b>	
Change in Allocation (UShs Bn) : <b>9.000</b>	To allow safe delivery to every delivering mother in health facilities.
<b>Output: 17 Supply of Lab Commodities to accredited Facilities</b>	
Change in Allocation (UShs Bn) : <b>6.000</b>	To facilitate proper diagnosis of diseases before prescription.

**Table V4.3: Major Capital Investment (Capital Purchases outputs over 0.5Billion)**

N / A

## **V5: VOTE CHALLENGES FOR 2018/19 AND ADDITIONAL FUNDING REQUESTS**

### **Vote Challenges for FY 2018/19**

## Vote:116 National Medical Stores

The sustained depreciation of the Uganda shilling against the USD dollar and other major currencies that causes inflationary pressures and ultimately rise in the cost of the medicines and medical supplies. The challenges of implementing the guideline to tender in Uganda shillings that has discouraged global manufacturers from participating in tenders leaving their agents/middlemen to quote very high prices.

The implementation of the Test and Treat policy for HIV infected people which is very well intended but has no significant additional funds to take care of the additional new patients.

The unfunded priorities which don't receive resource allocation and continue to affect service delivery include Laboratory items(shs 50 billion) to fill up gaps created by withdraw of funding by PEPFAR. Anti Malarials(shs 38 billion) Maama kits (shs 14 billion) this is essential for mother delivering in public health facilities. More funds( shs 60 billion) to be availed towards the procurement of ARVS to cater for the increase in patients to be put on ARTS in relation to the Test and Treat policy. There is a funding gap of shs 14billion for safe blood collection.The emergency vote for MOH and Immunisation supplies(Vaccines) require addition funding of shs 5 billion and 8 billion respectively Availability of funds for these items is a game changer in the health sector's service delivery and a step towards strengthening mechanism for quality effective and efficient service delivery.

**Table V5.1: Additional Funding Requests**

<b>Additional requirements for funding and outputs in 2018/19</b>	<b>Justification of requirement for additional outputs and funding</b>
<b>Vote : 116 National Medical Stores</b>	
<b>Programme : 59 Pharmaceutical and Medical Supplies</b>	
<b>OutPut : 12 Supply of ACTs and ARVs to accredited facilities</b>	
Funding requirement US\$ Bn : <b>118.000</b>	The test and treat policy will go a long way to improve the quality of life of the patients and improve their productivity and contribution to the economy. On the other hand the ACTS will prevent death arising from malaria.
<b>OutPut : 13 Supply of EMHS to Specialised Units</b>	
Funding requirement US\$ Bn : <b>14.000</b>	Improving on safe blood collection will improve service delivery to delivering mothers, elderly, children, accident victims and more lives will be saved by providing adequate safe blood wherever it is needed.
<b>OutPut : 14 Supply of Emergency and Donated Medicines</b>	
Funding requirement US\$ Bn : <b>5.000</b>	It helps to mitigate the impact of epidemics(cholera,e.t.c) which may not have been planned for adequately.
<b>OutPut : 15 Supply of Reproductive Health Items</b>	
Funding requirement US\$ Bn : <b>14.000</b>	The provision of maama kits and other post delivery supplies to every delivering mother will improve on service delivery and reduce on the number of mothers dying while in labour.The supplies also contribute on better conditions for child birth and mitigates on number of children under from infection at birth.
<b>OutPut : 17 Supply of Lab Commodities to accredited Facilities</b>	
Funding requirement US\$ Bn : <b>50.000</b>	Laboratory commodities are critical for diagnosis of ailments prior to appropriate prescription of medicines and medical supplies. They contribute to effective service delivery whereby the right drugs are prescribed to improve the quality of life of patients and reduce the consequences of multiple resistant drugs .