

BY ANDREW BAGALA

KAMPALA. The United States government has reverted to working with Uganda's central government after ending its partnership with non-governmental organisations (NGOs) in delivering health services.

The US accuses NGOs of perpetuating abuse of American funds, theft, wastage, and dependency in health service delivery.

On behalf of his government, US Ambassador William Popp signed a memorandum of understanding on health financing with Uganda's Minister of Finance, Planning and Economic Development, Mr Matia Kasaija.

Under the new strategy, the US will invest \$1.7 billion (over Shs6 trillion) over five years, while Uganda will be required to contribute \$500 million (Shs1.7 trillion) in the same period.

Ugandan NGOs in the health sector are among those affected by the new US health policy, dubbed the America First Health Strategy (AFHS).

Released by the US State Department in September, the AFHS stated that partnerships with NGOs had led to duplication and inefficiencies.

"As a result, the United States contract-

ed with organisations (which became known as 'implementing partners') to help build this capacity on the ground. While initially necessary, today the US-created structure of implementing partners is often duplicative and highly inefficient," the AFHS noted.

The report cites Uganda as one of the countries where NGOs were assigned overlapping tasks, leading to duplication and multiple layers of overhead costs.

"For example, in financial year 2024, Uganda alone had 57 implementing partners and more than 300 sub-recipients, and Tanzania had 38 implementing partners and more than 350 sub-recipients. Implementing partners spent \$678 million (Shs2.3 trillion) on programme management in financial year 2024, including one implementing partner who spent \$61.3 million (Shs215.6 billion) just on programme management that year," the AFHS report indicates.

It further states: "This cost is exacerbated by many implementing partners who have significant overhead

\$1.7 billion

The amount the US will invest in the health sector over five years. Uganda will be required to contribute \$500 million (Shs1.7 trillion) in the same period.

costs, with many implementing partners having executives making over \$500,000 (Shs1.7 billion) (Figure 3) and several having executives whose salary is over \$1m (Shs3.5 billion)."

Initially the US partnered with central governments but later accused them of inefficiencies and corruption.

Investigations into Uganda's mismanagement of Global Fund and Gavi shocked donors, prompting a shift to NGOs for health service delivery.

When the President's Emergency Plan for Aids Relief (PEPFAR) was launched in 2003, many Ugandan govern-

ment health workers resigned to join US-funded projects and NGOs, which offered better pay. This drained the central government of skilled health experts.

However, NGOs and their leaders were also accused of corruption. In 2018, the US terminated funding to the Uganda Health Marketing Group (UHMG) over allegations of misuse of funds in a four-year programme. UHMG subsequently laid off workers and closed more than 60 clinics across the country.

Although the US's earlier plan was to use NGOs to strengthen local government health structures and eventually create sustainability, the AFHS report says the opposite occurred.

"The problem is further exacerbated by NGOs who are the recipient of much of this funding (especially for technical assistance and program management) who have perverse incentives to self-perpetuate rather than work towards turning functions over to local governments," the report stated.

The US government now expects the new health strategy—channeling

funds through central governments—to reduce costs and facilitate the transition of health structures to national systems.

"Today, there is substantial opportunity to materially reduce these technical assistance, program management, and overhead costs without materially impacting outcomes and, in fact, reducing these costs is critical if the programs are ever to move to local country ownership, as local governments will never support the current amount of overhead costs. For example, for programs to be sustainable long-term, much of the training, quality, and program management work ultimately needs to be led by local ministries of health," the report states.

It adds: "Other investments, such as those in data systems, need to be made in such a way as to integrate with the country's own health data systems. A recent analysis by the Kaiser Family Foundation and Boston University found that these technical assistance, program management, and overhead costs are negatively correlated with improvements in health outcomes, highlighting the imperative to critically reduce and transform these investments."