

STRENGTHENING PUBLIC FINANCIAL MANAGEMENT (PFM) SYSTEM IN LOCAL GOVERNMENT - UGANDA'S WAKISO DISTRICT

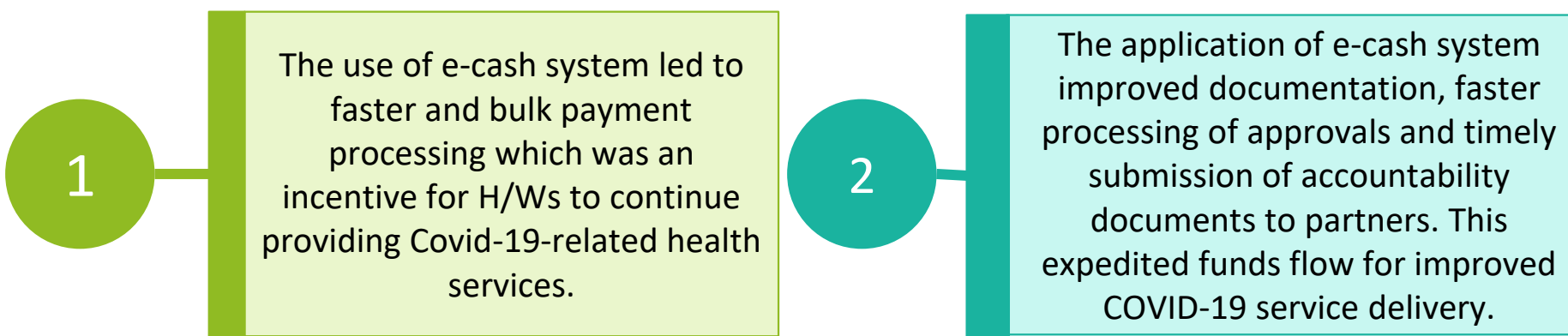


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Context

- ❑ In Uganda, nearly 6 out of 10 people who contracted COVID-19 in May to October 2021 were from Kampala City, and its neighboring district, Wakiso, which together constitute the country's largest metropolis.
- ❑ To effectively respond to the COVID-19 surge in Wakiso District, Ministry of Health (MoH) and partners including USAID, UNICEF, WHO among others mobilized and disbursed UGX 1.9 billion (US \$510,266) to the district to pay health workers (H/Ws).
- ❑ Public Financial Management (PFM) related bottlenecks affected the flow of funds to the districts and delays in processing payments to H/Ws. Thus, Wakiso district was unable to attract additional funding from partners to continue implementing critical COVID-19 interventions such as awareness campaigns, among others.
- ❑ The use of cash payment system and the Government of Uganda's cash limit of UGX 40 million per month for each Ministry, Department and Agency and district caused delays in processing payments to H/Ws.
- ❑ Delay and incomplete payments was affecting the morale of frontline health workers and undermining delivery of Covid-19 health services.

Activity Impact



- ❑ The success of the e-cash system in Wakiso district triggered the roll-out of the platform in all the 135 districts by the government supported by MoH, USAID and other partners. The use of e-cash system in processing payments was recently included in the guidelines for utilizing and accounting for Polio round II Immunization Funds in FY 2022/23 in Uganda.

Quote I: "The roll-out of the e-Cash System by the team from UHSS has facilitated the timely submission of accurate accountabilities, and this has enabled us to have enough time to budget and implement other health activities but also reduce the possibility of audit queries", commented Dr. Mathias Lugolobi from the Wakiso District Health Office

Quote II: "Agatha, a Nurse at Nsanhi Health Center III expressed her appreciation by saying, "We are so grateful to UHSS and the team. We have received our money on time without challenges for the first time. As a result, we are motivated to work more."

Facilitators

Collaborations and engagement with stakeholders:

- Ministry of Finance, Planning and Economic Development - Accountant General's Office
- Stanbic Bank
- District Leadership
- The immunization programme team

Training of e-cash system users including data collection on all HWs to ensure everyone is registered on the system

Challenges

Data challenges e.g., some of the users didn't have mobile numbers registered in their names

Delay to approve e-cash system transactions by Ministry of Finance (AGO)

Attitude of some of the users who prefer cash to the electronic platform

The system requires beneficiaries to have **mobile phones**

Activity Description

- ❑ To address the challenges that affected flow of Covid-19 funds, the UHSS team in collaboration with the Ministry of Finance, Wakiso District leadership and other partners rolled out an electronic cash system to enable timely processing of payments of allowances to health workers (H/W)s hence reducing the backlog of accounted funds.
- ❑ UHSS in collaboration with the Accountant General's Office (AGO) trained records officers, facility In-charges, and data entry clerks in 30 Health Centers(HC) IIIs on collecting frontline H/Ws data, data cleaning and validation for E-cash registration of the workers.
- ❑ UHSS also supported district finance officers get user credentials through AGO and Stanbic Bank. These included e-cash system transaction initiators, reviewers, approvers and monitors.

Evidence

- ❑ Within a week of implementation of the e-cash platform in June 2022, Wakiso district was able to process payment worth UGX 600 million (US\$ 160,000) to 800 H/Ws.
- ❑ Between March and September 2022, 89 percent of previously unaccounted for funds that translate to about UGX 1.7 billion (US\$450,000) out of a total of UGX 1.9 billion (US\$ 510,266) that remained unaccounted was accounted for and submitted to the MoH and partners.
- ❑ With support from partners including USAID, the country embarked on a country-wide roll out of e-cash system reaching a coverage of 80 percent in January 2023.
- ❑ Between January and May 2023, UGX 36 billion (US\$9.6million) was paid to H/Ws using the e-cash system out of a total payment of UGX 39 billion (US\$10.4 million) in all 135 districts, Kampala City Council A (KCCA), and 10 cities.

Lessons Learned

- ❑ Ability to demonstrate successful implementation is key to convincing stakeholders to embrace change.
- ❑ The improvement in financial management motivated health worker performance and improved their ability to deliver much needed health services.