

New US-Uganda health deal redefines aid flow

The United States (US) government, under the America First Health Strategy (AFHS), ended its long-standing partnership with Non-Governmental Organisations (NGOs) for health service delivery, reverting instead to direct engagement with the Government of Uganda.

The US cited persistent concerns that the NGO-led delivery model fostered abuse of American funds, including theft, waste, and limited accountability. According to the AFHS report, partnerships with NGOs frequently resulted in duplication of roles, fragmented implementation, and significant inefficiencies.

It is against this background that, on December 10 2025, the governments of Uganda and US signed a five-year co-operation agreement to finance Uganda's health sector to the tune of \$2.3 billion (Shs 8.1 trillion), effective from 2026. Under the agreement, the US will contribute \$1.7 billion (Shs 6 trillion), while Uganda will provide \$600 million (Shs 2.1 trillion).

The deal was explicitly designed to plug in the financing vacuum left by the abrupt suspension of more than \$350 million (Shs 1.2 trillion) in USAID support, a gap that threatened

da relationship from traditional aid to a sovereign-driven partnership that accelerates Uganda's Health Sector Development Plan.

The agreement empowers the Ugandan government to recruit and retain health workers, upgrade and maintain infrastructure, and undertake long-term sector planning. By transitioning the procurement of essential health commodities to national systems and integrating frontline health workers into Uganda's payroll, the agreement strengthens local capacity and builds systemic resilience.

At the same time, the agreement recognises the indispensable role of faith-based organisations and NGOs in delivering healthcare, particularly to hard-to-reach and vulnerable populations. Rather than excluding these actors, the framework provides targeted support through performance-based service agreements, enhanced primary healthcare grants, and investments in digitisation and community health insurance.

This approach uses existing infrastructure while minimising waste, improving efficiency, and reinforcing accountability in service delivery.

Concerns have been raised regarding data protection and security, particularly in relation to the sharing of specimen-related data with the US. The Ministry of Health has clarified that all data sharing will be conducted strictly in accordance with Uganda's national laws and regulations. Only aggregated data will be shared, solely for planning, oversight, and assessment of the impact of US investments in Uganda's health sector.

Looking ahead, the long-term implications of this financing overhaul are profound. First, the emphasis on primary health care and modern infrastructure—highlighted as the unequivocal priority for 2026 and beyond—will likely catalyse a wave of facility upgrades, digital health platforms, and supply-chain reforms that can serve as a backbone for future health emergencies.

Second, the envisaged launch of a national health insurance scheme, funded in part by the new resources, promises to expand access and affordability, moving Uganda closer to universal health coverage and reducing out-of-pocket expenditures that currently push many families into poverty.

Third, by embedding financing within the national budget, Uganda will gain greater bargaining power in negotiating prices for medicines and vaccines, potentially lowering costs through pooled procurement and partly fostering domestic pharmaceutical capacity.

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to cripple HIV/Aids programmes and other priority interventions. By channelling funds directly through the Ugandan government rather than through off-budget projects, the agreement promises to embed health spending within the National Budget. This is likely to improve oversight, improve coordination and bolster transparency.

The previous model entrenched parallel systems and long-term dependence on external actors. In contrast, the new framework marks a shift towards national ownership, self-reliance, and the development of durable public health systems. It elevates the US-Ugan-

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