



# 2021 HEALTH BUDGET BRIEF



The COVID-19 pandemic presents a double shock to Ghana's health and economy with the potential for significant macro-fiscal constraints that may impact on the funding of health. If this is not adequately addressed, it can threaten efforts to control the virus and advance the country's health goals.

Monitoring Ghana's financial resource flows and available resources for maternal, new-born and child health is critical in determining funding gaps and key investments required to reach national and SDG targets. This will hold Government and Donors accountable for investing adequately in the health of women and children.

Health services in Ghana are funded from three main sources: The Government of Ghana (GoG) budget, internally generated funds (IGF) and funding from donors. A small amount of funding also comes from the Annual Budget Funding Amount (ABFA). The COVID-19 pandemic caused additional health spending that far exceeds the annual budget for health. To provide the requisite resources to sustain the implementation of COVID-19 response measures, GoG in 2021 introduced a COVID-19 Health Levy of one percentage point increase in the National Health Insurance Levy and a one percentage point increase in the VAT Flat Rate.

Interrogating the Ministry of Health's (MoH) budgets over the past five years provides evidence of a reduction in funding from development partners. As shown in the table below, while the total health budget grew by an average rate of 19% per annum between 2015 and 2021, annual development partner funding (DPF) for the Ministry of Health only increased by 4% per annum. Indeed, while DPF accounted for 23% of total health expenditure in 2015, it accounts for just 10% as of 2021. This has been more than offset by growth across other public sources, particularly GoG and IGF funding, which now account for 62% and 27% of health expenditure respectively.

	2015	2016	2017	2018	2019	2020	2021	Annual Growth Rate	2015	2021	Percentage point change
<b>Health Expenditure by Source (GHS millions)</b>									<b>Proportion of health expenditure</b>		
GoG	1 308	1 613	2 480	2 613	3 421	4 186	5 292	26%	43%	62%	19%
IGF	1 004	1 294	977	1 345	1 773	1 931	2 328	15%	33%	27%	-5%
ABFA	44	33	50	50	48	57	32	-5%	1%	0%	-1%
DPF	713	447	719	414	796	413	881	4%	23%	10%	-13%
<b>Total Health</b>	<b>3 068</b>	<b>3 387</b>	<b>4 226</b>	<b>4 422</b>	<b>6 038</b>	<b>6 587</b>	<b>8 534</b>	<b>19%</b>	<b>100%</b>	<b>100%</b>	
<b>Total Government Expenditure by Source (GHS millions)</b>									<b>Health as proportion of total expenditure</b>		
GoG	10 515	12 672	18 250	20 918	26 431	29 931	37 602	24%	12%	14%	2%
IGF	2 833	3 532	2 205	3 761	4 427	4 990	5 894	13%	35%	39%	4%
ABFA	1 623	832	796	1 546	1 988	4 336	2 094	4%	3%	2%	-1%
DPF	3 563	3 062	4 348	3 557	5 309	5 485	8 112	15%	20%	11%	-9%
<b>Total Expenditure</b>	<b>18 534</b>	<b>20 099</b>	<b>25 599</b>	<b>29 782</b>	<b>38 154</b>	<b>44 742</b>	<b>53 702</b>	<b>19%</b>	<b>17%</b>	<b>16%</b>	<b>-1%</b>

Whether this is a sustainable approach to replacing donor funding or not largely depends on the financial health of the National Health Insurance Scheme (NHIS), which is the biggest "purchaser" of health services and, therefore, the main contributor to IGF. However, the fact that compensation consumes almost 70-80% of GoG allocation to the health sector is a cause for concern. As a result, there is inadequate allocation for Goods and Services and CapEx. This is a challenge for the implementation of planned health activities and ultimately, the efficient delivery of health services, especially for non-IGF generating Budget Management Centres (BMCs).

# HEALTH SECTOR BUDGET BRIEF



1

Allocate at least GHS 52 million (USG \$8.6 million), which is 10% of the goods and services budget to support service delivery at Community-Based Health Planning and Services (CHPS) to improve the quality of Primary Health Care services. In the 2021 budget for the Ministry of Health, goods and services amounted to 0.63% of the total MoH budget. This low allocation severely constrains the ability to deliver key services under the CHPS mandate which can adversely impact Ghana's drive to achieve universal health coverage (UHC).

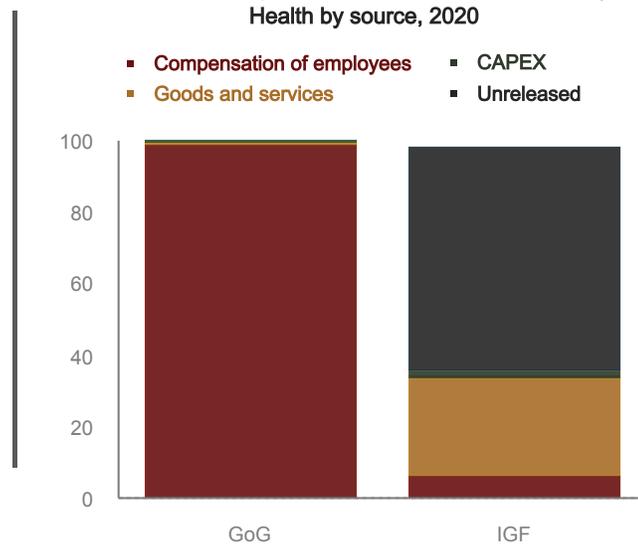


Improved coverage of primary and promotive healthcare is critical to achieving sustainable and affordable universal health care (UHC). As the backbone of primary healthcare service delivery in Ghana, Community-Based Health Planning and Services (CHPS) facilities are the main vehicle for achieving this. However, despite a large overall health sector budget, allocations – and to CHPS in particular – are not well balanced towards achieving this goal.

In 2020, compensation of employees as a share of the total amount of the released GoG budget was 98.8%, while the amount for goods and services was only 0.7 % of total health expenditure. The predominance of compensation of employees within health sector expenditures is of concern, as insufficient investment in goods and services and capital expenditures in the health sector reduces the accessibility of health services. On the other hand, 27% of the amount released in IGF was for goods & services. Further investigation is essential to clarify the gap between the amount released and actual expenditure, which was about GHS 1 billion in IGF.

The lack of priority given to the goods and services budget is most worrisome at the community health level. IGF are supposed to be used on clinical services only. So IGF do not fund goods and services at the promotive or primary level. This means there are little to no funds allocated for procuring basic equipment, medicines and infrastructure at the primary level of the health system. As a starting point it can be safely assumed that at least 10% of the cost of delivering these services is required for goods and services. This means that at least GHS 52 million should be budgeted for goods and services at the CHPS level in 2021.

Breakdown of expenditure allocations to the Ministry of Health by source, 2020



Source: MoH PBB, 2019

2

Ghana is currently in the GAVI “Preparatory transition phase”, meaning that the government’s contribution must increase by 15% per year. Ghana must continuously meet the increasing co-financing obligations to guarantee full self-financing of vaccines when the country exits the accelerated transition phase.



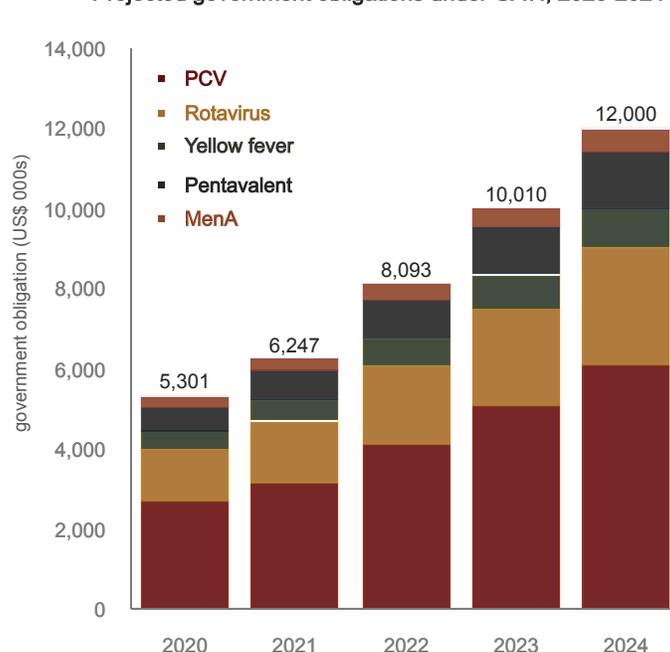
GAVI co-financing policy encourages governments in GAVI-supported countries to invest in new vaccines, enhancing country ownership of vaccine financing. It helps them plan for financially sustainable immunisation programmes in preparation for phasing out GAVI support. These objectives are fully aligned with the Government’s own stated objectives as set out in the Ghana Beyond Aid strategy document. This co-financing arrangement is a wakeup call for LMICs like Ghana to reduce dependence on GAVI’s support. This can be achieved by consistently meeting co-financing requirement of the routine immunization program and a commitment to transition to self-100% financing at the end of the transition period.

Ghana is currently in the GAVI “Preparatory transition phase”, meaning that the government’s contribution increases by 15% per year. In this phase, the co-financing requirement is a percentage of the price of the vaccines. When a country enters the “Accelerated transition phase”, the government’s share of vaccine costs increases from the level it had reached during the previous phase to 100% of the cost over a period of five years. Ghana is projected to enter the accelerated transition phase in 2021-22. From this point, Ghana will have 5 years to increase its financing commitments to meet the full price of the applicable vaccines.

Under GAVI, Ghana’s co-financing obligations for 2020 amounted to US\$5.3 million – covering the PCV, pentavalent, yellow fever, rotavirus and meningitis A vaccines. This is projected to grow to US\$12.0 million by 2024 as Ghana enters the accelerated transition phase in the move towards full self-financing of these vaccines.

However, in 2016 and 2018 the Government defaulted on its payments. Currently, Ghana has disbursed US\$ 4 622 820.74 in 2021 and have applied the funds with a total amount of US\$ 4 193 271.84 to cover Ghana’s GAVI co-financing obligation for 2021 vaccines: Penta PCV, Rota and Yellow fever. The remaining balance of the bank transfer of US\$ 429 548.90 is recorded as a deposit for GAVI in 2022.

Projected government obligations under GAVI, 2020-2024



Source: 2018 Ghana Co-Financing Info Sheet, GAVI

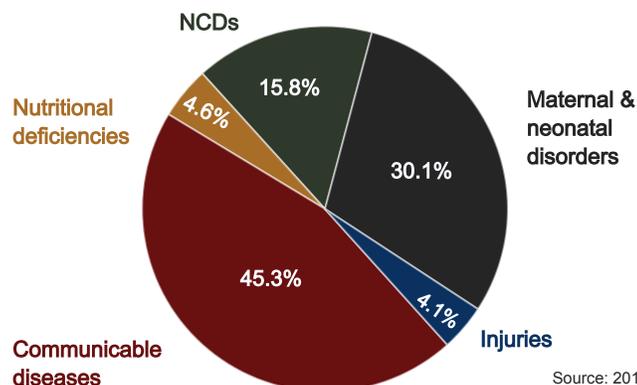


## 3

Provide adequate budgets for the prevention and control of communicable diseases, particularly the Prevention of Mother-to-Child Transmission (PMTCT) and paediatric HIV. Communicable diseases among children resulted in productivity losses of US\$ 2.9 billion in 2017, equivalent to 6.9% of GDP. Currently, interventions in these areas are funded primarily by the Global Fund with an amount of US\$ 238 million for the next 3 years (2021-2023). It would be appropriate for the Government to move towards providing adequate funding particularly for PMTCT and the treatment of neonatal respiratory and enteric infections.



Causes of child mortality and morbidity in Ghana, 2019



Source: 2017 GBDS, IHME

Communicable diseases contribute more to productivity losses than any other health risk category, yet the current structure of budget/expenditure information does not show what the Government is spending on the prevention and control of these communicable diseases. The continued high costs associated with communicable diseases is a strong indication that funding for the prevention and control of these diseases is inadequate.

Specific health risks within communicable diseases include malaria (20.1% of total productivity losses), lower respiratory infections and tuberculosis (8.1%), diarrheal diseases (5.7%), and HIV/AIDS (2.5%).

Malaria is the second-largest single contributor to child mortality and morbidity in Ghana, and accounts for GHS 5.4 billion in productivity losses. In 2020, the prevalence rate of malaria in children aged 6–59 months was 36%, with only 49% of children under 5 sleeping under an insecticide-treated net at night. Of all pregnant women, only 52% receive the recommended minimum three doses of IPTp-SP for the treatment of malaria in pregnancy, while 18% of pregnant women receive no treatment at all. Increased coverage of both mosquito net usage and IPTp is necessary to reduce these rates of incidence and prevalence.

Lower respiratory tract infections and TB are the third-largest contributors to child mortality and morbidity in Ghana, and account for GHS 2.2 billion in productivity losses. The 2017 Ghana Demographic and Health Survey (GDHS) shows that 4% of children under age 5 had symptoms of acute respiratory infection in the two weeks before the survey alone. Despite such high incidence rates, correct advice or treatment was sought in only 56% of the cases. This proportion is even lower amongst rural households (51%) and households in the lowest income quintile (47%). Worryingly, data from the GDHS suggests that there is a stigma attached to TB infection, with 33% of women (who are more likely to seek treatment for a child) saying that they would want to keep a family member's TB status a secret. An increase in treatment-seeking behaviour, and availability of treatment, is important to providing timely treatment for TB and other respiratory infections.

Diarrhoeal diseases are the fifth-largest single contributor to child mortality and morbidity, causing GHS 1.5 billion in productivity losses. Only 21% of people in Ghana have access to basic sanitation services, while 22% practice open defecation. Similarly, only 48% have access to basic hygiene services, while 28% don't have access to any handwashing facilities whatsoever. Improved practices in handwashing and disposal of liquid waste is critical to reducing the incidence of diarrheal diseases and other enteric infections.

HIV/AIDS among neonates accounts for GHS 685 million in productivity losses. As of December 2020, the country stood at 63-95-73 with the global 90-90-90 targets. Contributing to this are the huge gaps in paediatric HIV. Testing and treatment coverage for pregnant women at ANC is sub-optimal. Of the estimated pregnant women from 2016 to 2020, the highest testing coverage was 76%, with a generally reducing coverage trend. Due to low paediatric case detection and treatment coverage, less than 40% of the children estimated to be living with HIV in the country are on treatment as of 2020. Increased coverage in HIV screening of pregnant and lactating women and of PMTCT can address these problems. Full support for the operationalization of the National HIV and AIDS Fund to improve domestic funding of the HIV response programme must remain a priority.

### NEGLECTED TROPICAL DISEASES

Neglected tropical diseases were the cause of **21.2%** of child mortality and morbidity in 2019. Production losses from these cases amounted to **¢5,714 million**.



### RESPIRATORY INFECTIONS & TB

Respiratory infections and TB were the cause of **8.1%** of child mortality and morbidity in 2019. Production losses from these cases amounted to **¢2,174 million**.



### ENTERIC INFECTIONS

Enteric infections were the cause of **8.0%** of child mortality and morbidity in 2019. Production losses from these cases amounted to **¢2,155 million**.



### NEONATAL HIV/AIDS

Neonatal HIV/AIDS was the cause of **2.5%** of child mortality and morbidity in 2019. Production losses from these cases amounted to **¢685 million**.





## 4

**Ensure adequate budgets for services aimed at reducing neonatal deaths.** The neonatal mortality rate in Ghana is 24.1 per 1 000 live births, double the SDG target of 12 per 1 000 live births. Studies show that investment in proven interventions which prevent neonatal deaths results in a triple return by reducing new-born deaths, stillbirths, and maternal mortality and morbidity.

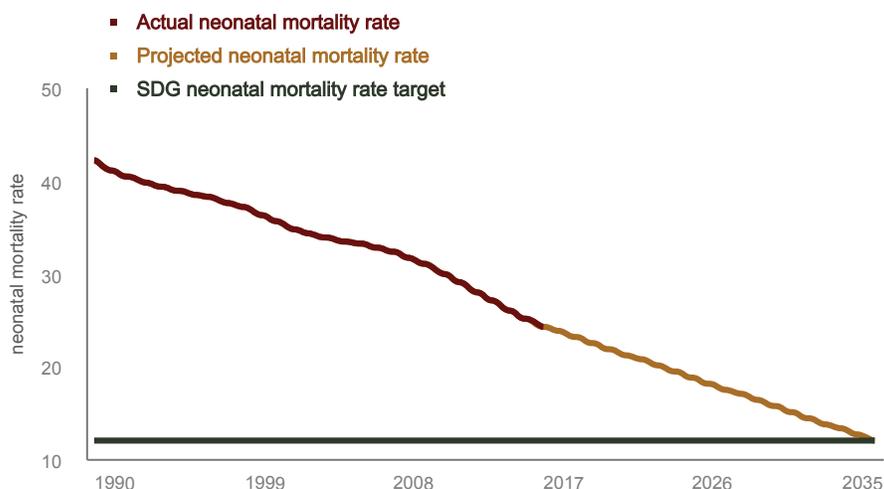


There has been steady improvement in reducing neonatal mortality rates since 1990, but at the current rate of improvement, it is forecast that, at best, Ghana will only reach the SDG goal of 12 neonatal deaths per 1,000 live births by 2036 missing the SDG target of 2030.

Maternal and neonatal disorders are the single largest cause of child mortality and morbidity in Ghana, with associated productivity losses amounting to GHS 8.1 billion, or 4.89% of GDP in 2019. Ghana has made significant progress in realising key antenatal and neonatal healthcare provision targets.

Improving budget allocations to antenatal and neonatal health care service provision will help to ensure that these targets are met.

Actual and projected neonatal mortality rate, 1990-2037



Source: own calculations based on 2019 neonatal mortality data, UNICEF

GHS  
**8.1**  
billion

Maternal and neonatal disorders are the single largest contributor to childhood mortality and morbidity in Ghana, with associated productivity losses amounting to GHS 8.13 billion in 2019

## 5

**Ensure adequate resource allocation and explore avenues to secure and deploy adequate doses of COVID-19 vaccines to bring the spread of the pandemic under control in combination with other safety protocols.** As at Q3 of 2021, only 758 160 (3.8%) of the total targeted population of 20 million Ghanaians are to be fully vaccinated by the end of December 2021.



As at the end of August 2021, Ghana had cumulative cases of 121,737 and a total of 1,079 fatalities. With less than 5% of the population vaccinated, Ghana has a long way to achieving its target of 20 million or an estimated 66% of the target population. As a major public health crisis, the pandemic if not controlled is likely to affect the overall health systems and its consequent health outcomes through reduced health-seeking behaviour, pressure on health resources, reallocation of health expenditures to combatting COVID-19 and logistical interruptions to existing health services such as immunization programmes. Vaccines for COVID-19 are critical to bringing the pandemic under control when combined with other safety protocols. Ghana must continue to prioritize securing and deployment of COVID-19 vaccines.

**4.1**  
million

More than 4.1 million of children under 5 face increased risks of mortality considering the incidence of tuberculosis, malaria and diarrhoea, and the predicted decline in the already limited utilization of professional treatment for these ailments due to COVID-19