



APRIL 21, 2022

AN ANALYSIS OF THE NATIONAL  
BUDGET 2016-2022

TRENDS, COMMITMENTS AND GAPS

ALLIANCE FOR REPRODUCTIVE HEALTH RIGHTS  
(ARHR)



## Key Points

- ◇ *Resource allocations to Primary Healthcare:* Although allocations seem to have increased marginally over the last seven years, it still falls short of what is required to support healthcare programs and infrastructural developments for the country. The government must commit more to the development of the healthcare sector to ensure equity and financial risk protection, especially, for the most vulnerable
- ◇ *Agenda 111:* The COVID-19 pandemic highlighted the substantial deficit in healthcare infrastructure faced by the country. Agenda 111 seeks to address this issue when completed. Not only will it increase access to healthcare facilities for all citizens of the country, it will also improve financial access and ensure equity
  - Initial timelines provided for the completion of the project were over-ambitious
  - Clarity is needed on timelines and financing of the project
- ◇ *Health care infrastructural projects:* It has become the norm to start infrastructural projects but not complete them. The Community-based Health Planning and Services (CHPS) is the primary vehicle for delivering primary healthcare services across the country. Many of these CHPS facilities are either not completed or well equipped to provide the services they have been mandated to deliver. The Government and the Ministry must work to ensure that resources required to complete these projects, amongst others, are provided and projects are seen to completion
- ◇ *Human Resources:* The workforce is an important element of any healthcare system therefore, strategies to attract and retain a strong health workforce to deprived communities are needed. In trying to achieve UHC, it is necessary to ensure the equitable distribution of well-trained staff to enhance quality and access. Furthermore, an in-depth re-evaluation of the nursing training allowances is needed. These allowances take up a huge proportion of allocated resources which could be better invested into the provision of primary health services. Moreover, these allowances can be provided as an incentive to those willing to study and practice in fields that have significant shortfalls of staff like paediatrics
- ◇ *National Health Insurance Scheme:* The Ministry of Health is yet to review financing strategies for the NHIS. This, as well as, a possible upward review of tariffs is necessary to ensure the scheme serves the purpose for which it was instituted. In addition, a shift from curative care to primary healthcare should be a priority of the scheme. This shift will reduce the high expenditure associated with providing curative services. Improving systemic issues faced by the scheme and ensuring the provision of primary healthcare services through well-functioning facilities are enhanced is the only way universal health care can be realised.

## 1. Introduction

Ghana is currently in the recovery phase after dealing with the COVID-19 pandemic and its impact. With that in mind, the Minister for Finance presented the 2022 Budget with the theme, “Building a Sustainable Entrepreneurial Nation: Fiscal Consolidation and Job Creation”. The budget outlines Government’s plans to sustain the recovery efforts from the pandemic and the plans of the government to improve the quality of lives of its citizens.

The purpose of this report is to present an analysis of the 2022 budget read by the minister of finance and compare commitments made to previous commitments made in the 2016- 2021 budgetary statements. It explores the degree to which the budgetary allocations made to the healthcare system from 2016 to 2022 addresses the needs of the healthcare system to ensure that the country achieves the Sustainable Development Goals (SDGs) 3 and 5, and attains Universal Health Care (UHC), including financial risk protection, access to quality essential care and access to safe, effective, quality and affordable essential medicines and vaccines for all by the year 2030. Quality, equity, access and utilisation are fundamental principles required to achieve UHC. Does the Government of Ghana (GoG) consistently allocate enough resources to ensure that these principles are well implemented?

The report reviews important elements of the Ghanaian health care system that, if well implemented, resourced and managed will certainly ensure UHC is achieved. These elements include the National Health Insurance Scheme (NHIS), healthcare infrastructure, human resources and, service delivery.

## 2. Current Health Sector Policy Objectives

The current national medium-term objectives of the ministry of Health are to:

- Ensure universal access to better and efficiently managed quality healthcare services
- Reduce avoidable maternal, adolescent and child deaths and disabilities
- Increase access to responsive clinical and public health emergency services

To achieve these objectives, it is essential for the government to prioritise resource allocation to the health sector beyond the compensation of employees. The current trends in budgetary allocation to the Ministry of Health (MoH) may make it difficult to achieve these objectives.

## 3. Why is it important to focus on Primary Health Care?

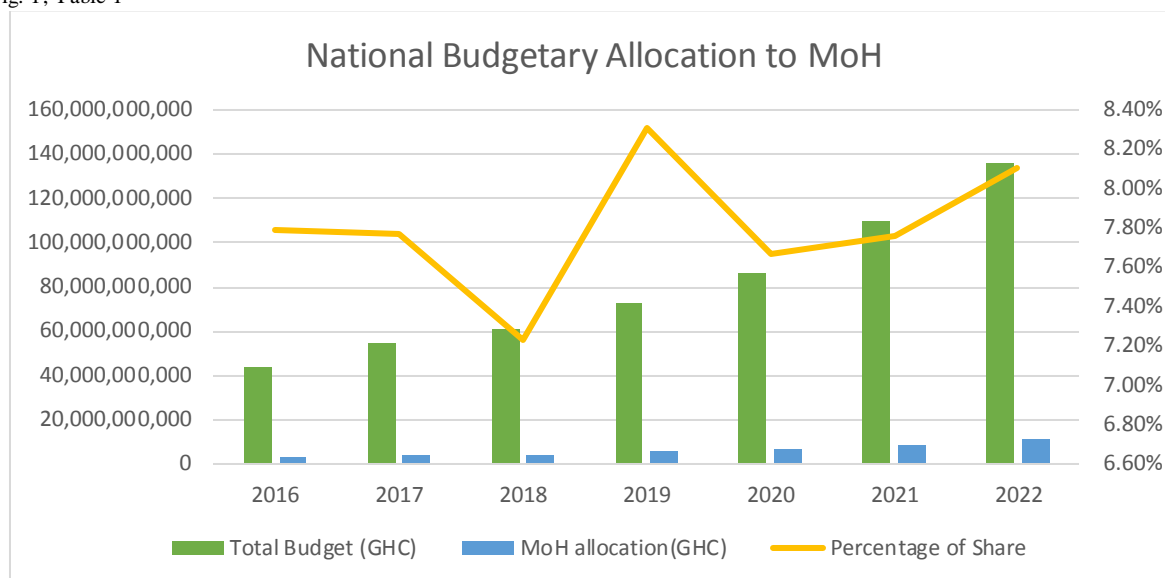
- A strong primary health care (PHC) system is a necessary vehicle for achieving UHC.
- The features of PHC helps health systems to quickly adapt and respond to a rapidly changing world
  - It places an emphasis on promotion and prevention, addresses the determinant of health, and uses a people-centered approach
  - PHC is highly effective in addressing the main causes of and risk factors of poor health

As the world rapidly changes with rapid economic, technological, environmental changes and increases in the population, PHC allows societies to handle and quickly respond to the challenges these changes may bring. When proper investments are made into PHC, household expenditure on health is reduced; the need for individual care is reduced and the escalation of health issues to more complex and costly conditions is reduced.

PHC has also been found to be a cost-effective way of delivering health services, making it the ‘best value for money’. In Ghana, like in many other countries, those without access to health care are the already disadvantaged. PHC places an emphasis on community-based services which helps to reach remote and disadvantaged populations.

#### 4. Trends in Budgetary Allocation (2016-2022)

Fig. 1; Table 1



Source: 2016, 2017, 2018, 2019, 2020, 2021 and 2022 National Budget Statements

#### ARHR Comments:

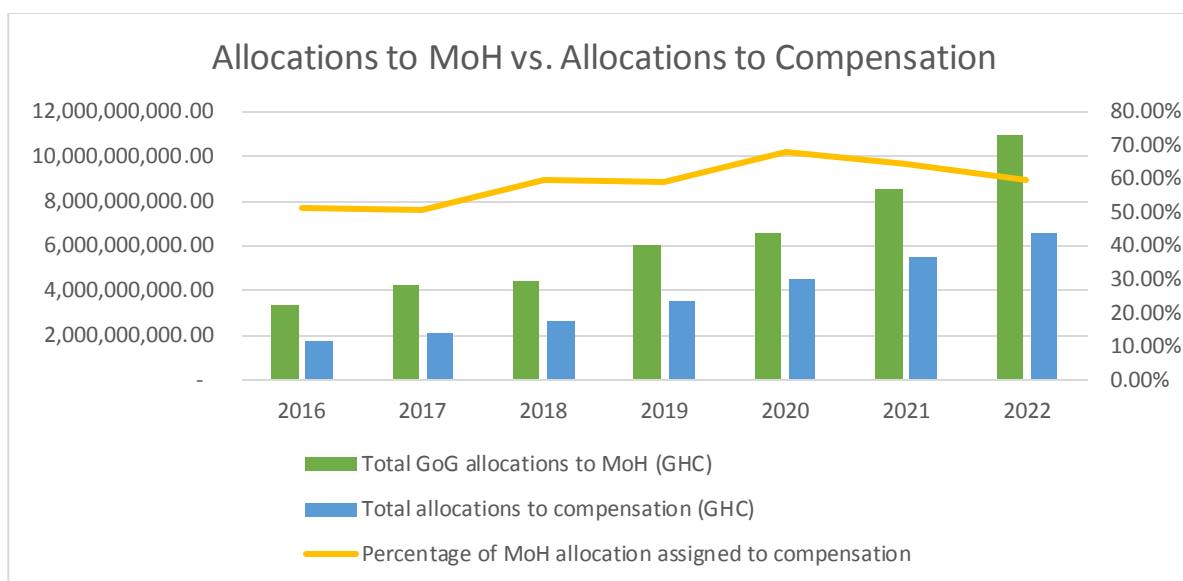
- The overall budget allocations to the health sector has been increasing slightly over the last few years
- The World Health Organisation (WHO) recommends developing countries allocate a minimum of 5% of their national budgets to healthcare in order to achieve UHC<sup>1</sup>; Ghana has allocated slightly above that over the years
- It is, however, important to note that a large proportion of GoGs allocation goes towards the compensation of employees (See figures 2&4 below)

Year	Total Budget (GHC)	MoH Allocation (GHC)	Percentage of Share
2016	43,505,103,547	3,386,762,864	7.78%
2017	54,394,794,955	4,226,152,354	7.77%
2018	61,151,810,604	4,422,348,244	7.23%
2019	72,710,768,495	6,037,506,718	8.30%
2020	85,952,090,339	6,587,092,478	7.66%
2021	110,050,226,597	8,533,590,223	7.75%
2022	135,629,030,822	10,996,595,000	8.11%

- The large allocations that go towards employee compensation significantly reduces the resources left for other healthcare initiatives
  - Figure 2 below shows that over 50% of allocations to the MoH have been used for the compensation of employees
  - Figure 4 shows that allocations to compensation significantly exceeds allocations to both goods & services and, capital expenditure
- Allocations by the GoG to the MoH continues to fall under the 15% commitment made during the still relevant Abuja Declaration.

Fig.2; Table 2

<sup>1</sup> <https://resyst.lshmt.ac.uk/resources/a-target-for-uhc-how-much-should-governments-spend-on-health>



	2016	2017	2018	2019	2020	2021	2022
<b>Total GoG allocations to MoH (GHC)</b>	3,386,762,864.00	4,226,152,354.00	4,422,348,244.00	6,037,506,718.00	6,587,092,478.00	8,533,590,223.00	10,996,595,000.00
<b>Total allocations to compensation (GHC)</b>	1,734,390,078.00	2,137,522,169.00	2,641,218,498.00	3,585,028,562.00	4,487,941,731.00	5,510,933,762.00	6,573,021,000.00
<b>Percentage of MoH allocation assigned to compensation</b>	51.21%	50.58%	59.72%	59.38%	68.13%	64.58%	59.77%

**Note:**

Over the last seven years, a large percentage (over 50%) of GoG’s allocations to MoH has gone towards the compensation of employees. This significantly reduces the resources that are left to carry out healthcare activities in PHC and other infrastructural projects. More investments in healthcare are urgently required in order to achieve UHC by 2030.

## 5. Key Commitments of the 2022 Budget

### 5.1 Infrastructure

*i. Agenda III:*

This is an initiative that was launched on Tuesday, 17<sup>th</sup> August, 2021 by the president to provide contemporary healthcare to all Ghanaians. The main objective is to ensure that all Ghanaians have access to high quality care. Upon completion, it will be the largest investment into healthcare infrastructure since independence and, advance financial access to healthcare for all. Further, it will significantly contribute to the achievement of Universal health Coverage by the year 2030.

- The project will comprise the building of 101 district hospitals, seven regional hospitals (Western North, Oti, Savannah, North East, Bono East, and three psychiatric hospitals (Accra, Kumasi and Tamale)
- This initiative is expected to be completed by the end of 2023
- Preparatory activities have been completed for all district hospitals except for eight sites in Accra
- Procurement processes are underway for the construction of regional hospitals

*ARHR Comments:*

- ⇒ The President previously stated that the project will be completed within 12 months<sup>2</sup> however, while reading the budget statement, the minister stated it will be completed at the end of 2023
- ⇒ Further, in the President's 28<sup>th</sup> address to the nation on 27<sup>th</sup> March, 2022, he stated the project will be completed by the end of his tenure in office – 7<sup>th</sup> January, 2025<sup>3</sup>
- ⇒ Timelines being provided are inconsistent, hence clarity is needed on specific plans and timelines
- ⇒ Project Cost
  - Each district hospital will cost approximately **US\$17 million**<sup>4</sup>
  - A total of 101 district hospitals will add up to about a total of over **US\$1.7billion** (approximately **GHC 13billion**)
  - This does not include to cost of the three psychiatric and seven regional hospitals
- ⇒ According to the ministry of finance, **GHC 600,000,000** was released to the to the Health Infrastructure Account at Bank of Ghana in 2020 but had not yet been disbursed<sup>5</sup>
- ⇒ In 2021 the allocation made for this project was **GHC 779,005,000** however, only **GHC 36,140,000** was released as part of a pre-construction mobilisation
- ⇒ **GHC 518,000,000** has been allocated to this project for 2022
- ⇒ Evidently, the amounts allocated and released to date fall significantly short of what the project is going to cost

Agenda 111 resource allocations:

Table 3

2021 (released)	2022	2023	2024	2025
36,140,000	518,000,000	616,420,000	647,241,000	899,665,000
<b>Total (GHC)</b>				<b>2,717,466,000</b>

Source: 2022 National Budget Statement

Note:

The total projected allocations from 2022-2025 sums up to **GHC 2,717,466,000** this is clearly insufficient to complete the project by 2023 or 2025

ii. *Other infrastructural projects to be undertaken in 2022*

- Construction of 11 No. 40-bed and 1 No. 30-bed hospitals in the Ashanti, Bono, Greater Accra and Eastern Regions will commence
- Reconstruction of the Tema General Hospital and the Central Medical stores
- Construction of a 400-bed obstetrics and Gynaecology Block and a Urology and Nephrology center at Korle Bu teaching hospital
- Construction of three new trauma, accident and emergency centers at Anyinam, Dormaa and Obuasi hospitals
- Construct maternity block at Enyiresi Hospital
- Complete COVID-19 treatment centers in Adaklu, Aflao; Asawinso; Cape Coast; Dodowa; Elubo, Goaso; Keta, Korle-Bu, Kumasi South, Nalerigu, Pantang, Sewua, Sunyani, Takoradi, and Zebilla.

Note:

<sup>2</sup> <https://www.presidency.gov.gh/index.php/briefing-room/speeches/1576-president-a-kufo-addo-addresses-nation-on-update-taken-against-spread-of-coronavirus>

<sup>3</sup> <https://www.presidency.gov.gh/index.php/briefing-room/speeches/2165-update-no-28-measures-taken-against-spread-of-coronavirus>

<sup>4</sup> <https://www.moh.gov.gh/agenda-111-construction-of-largest-number-of-hospital-projects/>

<sup>5</sup> <https://mofep.gov.gh/press-release/2021-08-19/agenda-111-600-million-cedis-budget-allocation>

There was no update made on the completion of the numerous uncompleted CHPS facilities across the country. It is essential for these compounds to be completed in order to provide community-based care to populations in hard to reach areas. In addition, clear plans and timelines for the completion of the above projects should be provided and, the MoH should ensure resources are made available for the completion of all healthcare infrastructure.

## 5.2 National Health Insurance Scheme (NHIS)

The NHIS is the best way to ensure financial risk protection for all citizens through improving access to healthcare for all citizens, especially those who need it the most. Improvements to the structure and implementation of the NHIS has been slow and continues to face funding challenges. The following are some commitments made during the reading of the 2022 budget:

- The ministry of health will review the National Health Financing Strategy to guide the implementation of the UHC roadmap and the new Health Sector Medium-Term Development Plan
- NHIA will continue with the digitisation of claims and ensure that the remaining 40% of providers submit claims electronically
- Plans to increase membership enrollment coverage from 55% to 57% in 2022
- Tariffs will be revised to allow coverage of childhood cancers and long-term family planning services
- CHPS facilities working closely with health centers will be enrolled onto the scheme to increase access to affordable and quality care

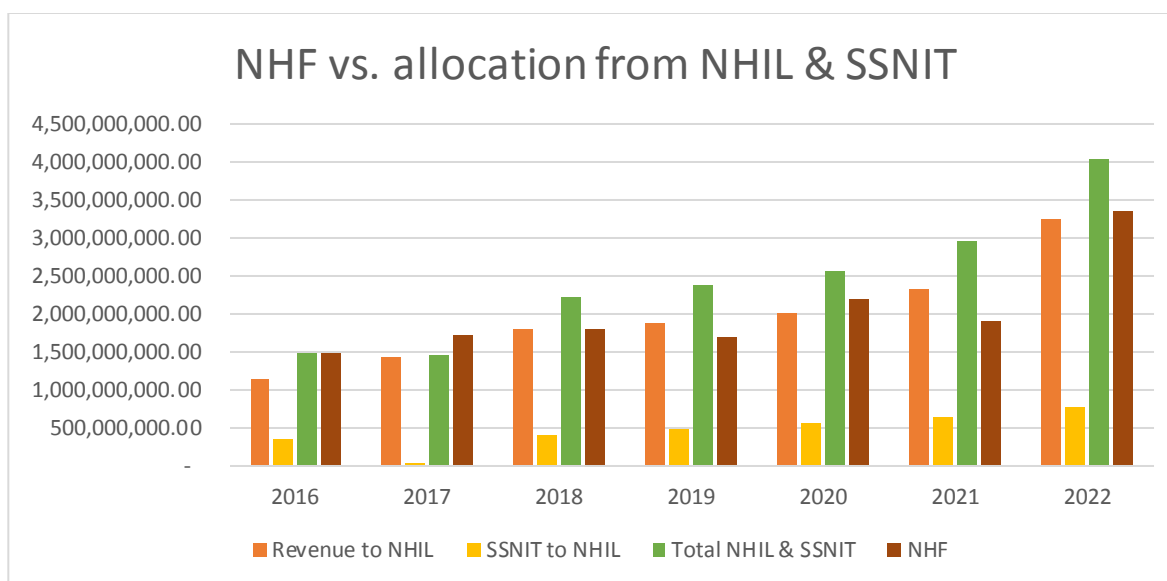
### *ARHR Comments:*

- ⇒ In 2019 the GoG stated a goal of restructuring the NHIS funding system, this is still yet to be done
- ⇒ The GoG did not provide any plans on issues related to the delay of reimbursements. This has been a major issue over the last several years and a segment of healthcare providers have threatened to return to a 'cash-and-carry' model<sup>6</sup>
- ⇒ Inclusion of family planning methods, which was piloted in select districts in 2019, is still yet to be fully implemented as part of the NHIS benefit package
- ⇒ Focus of NHIS still remains on provision of curative services, health promotion and preventive services offered at community-based facilities (CHPS) are not adequately covered.

Fig. 3; Table 4

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<sup>6</sup> <https://citinewsroom.com/2022/03/private-health-facilities-threaten-to-return-to-cash-carry-over-nhis-arrears/#:~:text=over%20NHIS%20arrears-,Private%20Health%20Facilities%20threaten%20to%20return,cash%20%26%20carry'%20over%20NHIS%20arrears&text=Health%20Service%20Providers%20on%20the,have%20rendered%20under%20the%20scheme.>



	2016	2017	2018	2019	2020	2021	2022
Revenue to NHIL	1,145,250,000.00	1,438,120,000.00	1,814,854,736.00	1,895,100,000.00	2,009,316,200.00	2,342,992,741.00	3,269,958,252.00
SSNIT to NHIL	352,025,000.00	29,633,342.00	419,057,447.00	485,914,749.00	572,938,602.00	636,516,672.00	772,423,715.00
Total NHIL & SSNIT	1,497,275,000.00	1,467,753,342.00	2,233,912,183.00	2,381,014,749.00	2,582,254,802.00	2,979,509,413.00	4,042,381,967.00
NHF	1,497,275,000.00	1,734,453,342.00	1,814,537,436.00	1,692,678,294.00	2,191,615,926.00	1,903,907,554.00	3,367,610,481.00

Source: 2016, 2017, 2018, 2019, 2020, 2021 and 2022 National Budget Statements

**Note:**

Over the last few years, beginning in 2018, the total allocation to the National Health Fund (NHF) has fallen short of the total revenues derived from the National Health Insurance Levy (NHIL) and the Social Security and National Insurance Trust (SSNIT). These inconsistencies raise some concern and should be addressed by the GoG.

The recent 2021 holistic assessment reported that the NHIA received a total approved budget of 1.903 billion from the ministry of finance. The total approved budget reduced by 13.1% from the previous year (2.19 billion in 2020 to 1.903 billion in 2021). Funds received by NHIA also reduced by 84% (790.29 million to 127.47 million).

In absolute terms, the Authority received GHC127.47 million (6.7%) of its total approved budget of for the year 2021. It also received additional fund of GHC1.265 billion, which relates to funds receivable for 2020 (arears). This brings the total funds received in 2021 to GHC1.393 billion. (Holistic Assessment, 2021)

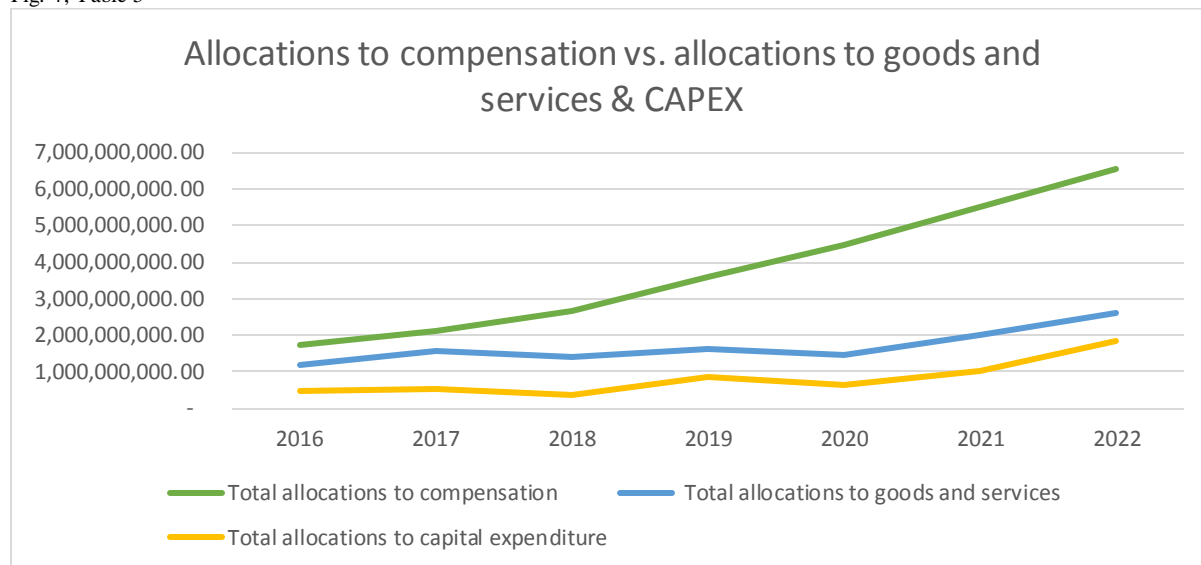
### 5.3 Human Resources

Human resources (HR) are an important element of any sector. A health systems performance can be directly linked to the dedication and skill of the workers the system is able to attract and retain. It is imperative for a health system to have trained professionals in the right numbers and at the right place to deliver quality health services to the population. The following are plans the GoG has in place with respect to HR in the health sector:

- The National Human Resource Policy and health strategy for health has been launched
- Strategic documents to attract and retain health workers in deprived areas will be completed in 2022
- A new curriculum for the College of Pharmacy will be rolled out in 2022
- Draft guidelines for College of Physicians and Surgeons will be implemented
- Nursing and Midwifery schools will be upgraded to offer specialised training
- Restored nursing training allowances



Fig. 4; Table 5



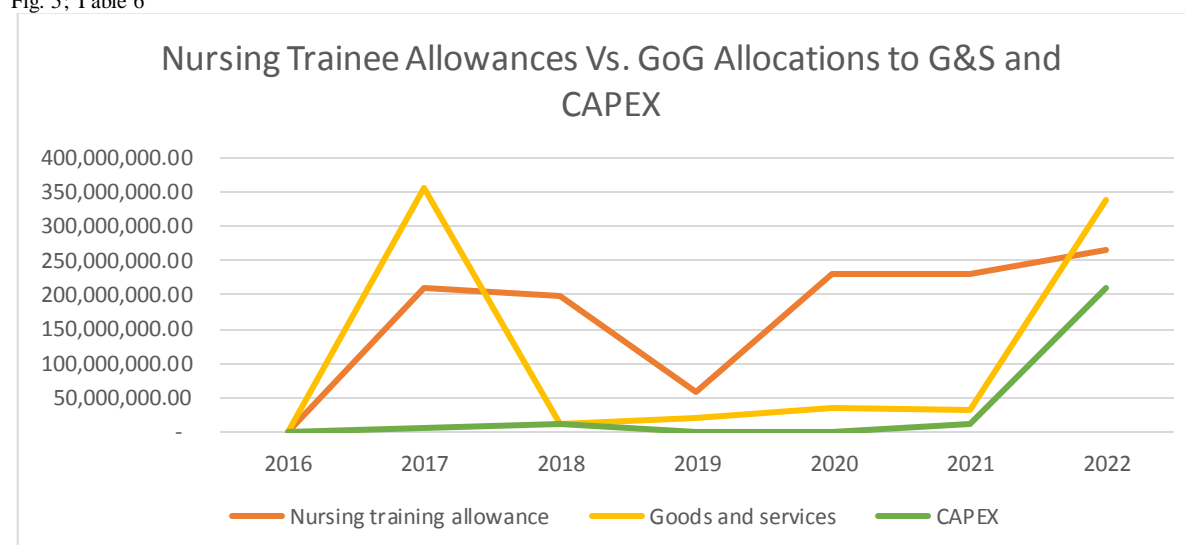
	2016	2017	2018	2019	2020	2021	2022
Total allocations to compensation	1,734,390,078.00	2,137,522,169.00	2,641,218,498.00	3,585,028,562.00	4,487,941,731.00	5,510,933,762.00	6,573,021,000.00
Total allocations to goods and services	1,184,353,023.00	1,566,715,711.00	1,418,750,189.00	1,606,730,684.00	1,441,450,268.00	2,009,524,553.00	2,578,238,000.00
Total allocations to capital expenditure	464,737,763.00	521,914,474.00	362,379,557.00	845,747,472.00	657,700,479.00	1,013,131,908.00	1,845,336,000.00

Source: 2016, 2017, 2018, 2019, 2020, 2021 and 2022 National Budget Statements

**ARHR Comments:**

- ⇒ Allocations to compensation take up the large proportion of the GoGs allocation to MoH (see fig. 2 above) and, are consistently far above those allocated to goods and services and capital expenditure (CAPEX) (see fig. 4 above)
- ⇒ Nursing training allowances remains a significant proportion of the budgetary allocation to MoH (see fig.5)

Fig. 5; Table 6



	2016	2017	2018	2019	2020	2021	2022
Nursing training allowance	-	210,840,800.00	198,200,000.00	57,800,000.00	231,200,000.00	231,200,000.00	265,200,000.00
Goods and services	364,660.00	356,519,625.00	11,888,550.00	21,276,474.00	36,346,443.00	33,295,151.00	336,932,000.00

CAPEX	-	6,000,000.00	13,000,000.00	-	-	13,075,000.00	209,695,000.00
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Source: 2016, 2017, 2018, 2019, 2020, 2021 and 2022 National Budget Statements

#### *ARHR Comments:*

- ⇒ The nursing trainee allowances takes up a large portion of the budgetary allocations to MoH
- ⇒ Allocations to allowances have been more than those made to CAPEX over the last few years
- ⇒ This initiative requires a re-evaluation to understand if the resources being invested into it is beneficial to the healthcare system
- ⇒ There are several public health interventions that require urgent investments in order to achieve UHC – CHPS, supply of essential medicines and basic equipment, vaccination programs, family planning services, etc.
- ⇒ Trainee allowances can be provided to those willing to practice in underserved communities or for those willing to train and practice in areas that have significant gaps like midwifery or paediatric nursing.

### **5.4 Other Commitments made during the 2022 budget reading**

- A strategy and action plan for local vaccine production has been developed but yet to be implemented
- A secretariat has been set up to establish a Ghana Center for Disease Control (CDC)
- Electronic Health Medical Records System (LIGHTWAVE) will be deployed to all district hospitals and other targeted health facilities
- The ministry will procure 100 more ambulances to augment the existing fleet
- Two new distribution centers for Zipline have been constructed in Anum and Abujuro in the Eastern and Oti Regions respectively.

## **6. Conclusion**

Greater investments into healthcare for PHC are an absolute necessity. At the moment, it is clear that the healthcare sector is significantly under-funded, specifically, prevention and promotive services. Government cannot continue to neglect the proper financing of Ghana's Primary Healthcare system. Although significant strides have been made and allocations of resources have increased slightly over the years, a lot more is required to see significant changes. People-centered, well-planned and delivered population-based measures protects people from adverse health outcomes. PHC addresses several social determinants of health and multisectoral polices are a key component of PHC, this means that PHC can contribute to the attainments of other SDG goals related to education, poverty, hunger, gender, clean water and sanitation, etc. It is, therefore, imperative that Government prioritises investments into PHC. As discussed, if the focus of curative care is not shifted to preventative care, progress will be hindered. To achieve the ambitious plan of UHC by 2030, transformational action is required.