



# HEALTH BUDGET BRIEF 2023



## Introduction

**Ghana has shown consistent commitment and made significant progress in achieving universal health care and increasing access to essential health services.** The Government of Ghana’s (GoG) commitment is reflected in national policies, including the Health Sector Medium Term Development Plan 2022-2025<sup>1</sup>, Ghana’s Roadmap for Attaining Universal Health Coverage 2020-2030<sup>2</sup>, and international commitments, including the Abuja Declaration and UHC2030.

**It is essential that Ghana renews its dedication to adequate, sustainable, and efficient health financing, including financing for immunization.** In the context of its progression to middle-income status, in the years ahead Ghana must increasingly fund health services from domestic resources. The ongoing economic crisis has impacted budgetary allocations and expenditure within the health sector, and under current projections health financing is expected to decline in the years ahead. Despite the challenging circumstances, adequate funding is required to consolidate existing progress and achieve the health-related SDG targets.

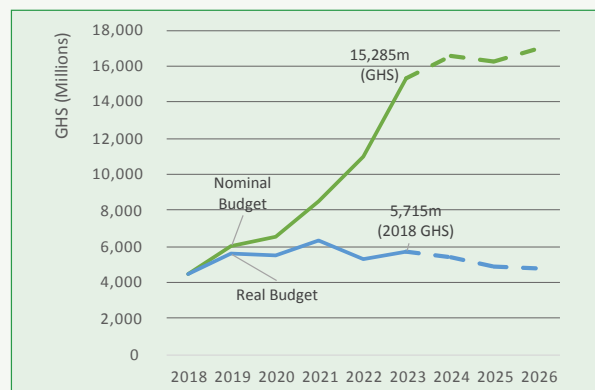
**Investments in health should prioritise the strengthening of primary health care and neonatal care, to address gaps and inequities in coverage.** By prioritizing primary healthcare, neonatal health care and sustainable vaccine financing, Ghana can make significant strides in improving the health and well-being of its citizens. These targeted investments will result in reduced mortality rates, enhanced

healthcare access, rectify setbacks on the road to achieving the SDGs for health, and help make the health system more resilient to threats, including future pandemics.

### Health Spending Trends

**The Ministry of Health’s (MOH) budget increased in both nominal and real terms<sup>3</sup> in 2023.** The MOH budget grew in nominal terms from GHS 11 billion in 2022 to GHS 15.3 billion in 2023, a rise of 39%. From 2018 to 2023, the MOH budget has grown by 246% in nominal terms. Over the same period, prices have increased by 167% due to inflation. **Adjusting for inflation, the MOH budget has increased by 29% in real terms since 2018 and increased by 7% in real terms from 2022 to 2023** shown in Fig. 1 below. However, under current spending plans the MOH budget is projected to decline in real terms by 17% from 2023 to 2026.

Fig. 1: MOH Nominal and Real Budget<sup>4</sup>



1 MOH (2021) ‘Health Sector Medium Term Development Plan 2022-2025’

2 MOH (2020) ‘Ghana’s Roadmap for Attaining Universal Health Coverage 2020-2030’

3 The nominal value is the current value, without taking inflation or other market factors into account. It is the face value of the budget items. The real value is determined after the nominal value has been adjusted for inflation.

4 MOF Annual Budget Statements 2018-2023; inflation data from IMF ‘World Economic Outlook April 2023’. Real budgets calculated by adjusting nominal budget for inflation.

**The MOH share of total government budget declined from 7.6% in 2022 to 6.7% in 2023.** This is less than half the Abuja Declaration target that requires governments to allocate at least 15% of their total expenditure to health in order to achieve UHC, which Ghana is a signatory to. The MOH budget increased as a proportion of GDP from 1.89% in 2022 to 2.02% in 2023, however MOH's budget as a share of government expenditure and GDP is projected to decline in the years ahead (Figs. 2 and 3 below).

Fig. 2: MOH Share of GoG Budget<sup>5</sup>

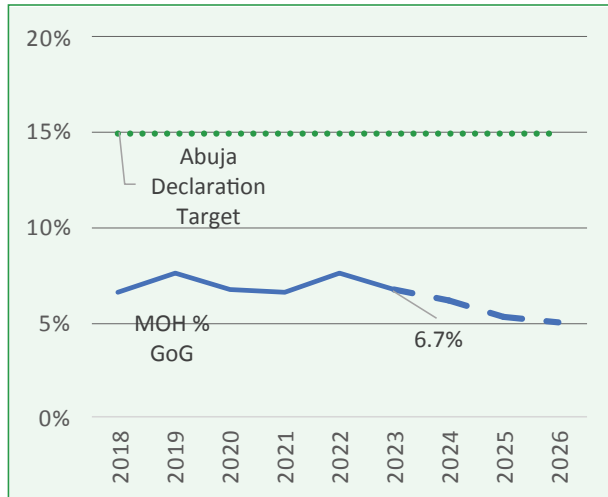
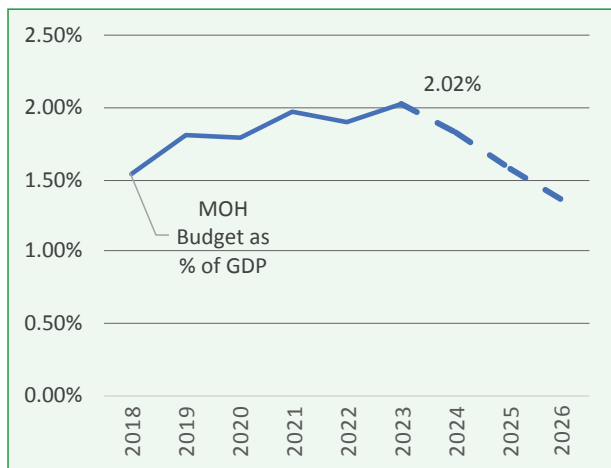


Fig. 3: MoH Budget as a % of GDP<sup>6</sup>



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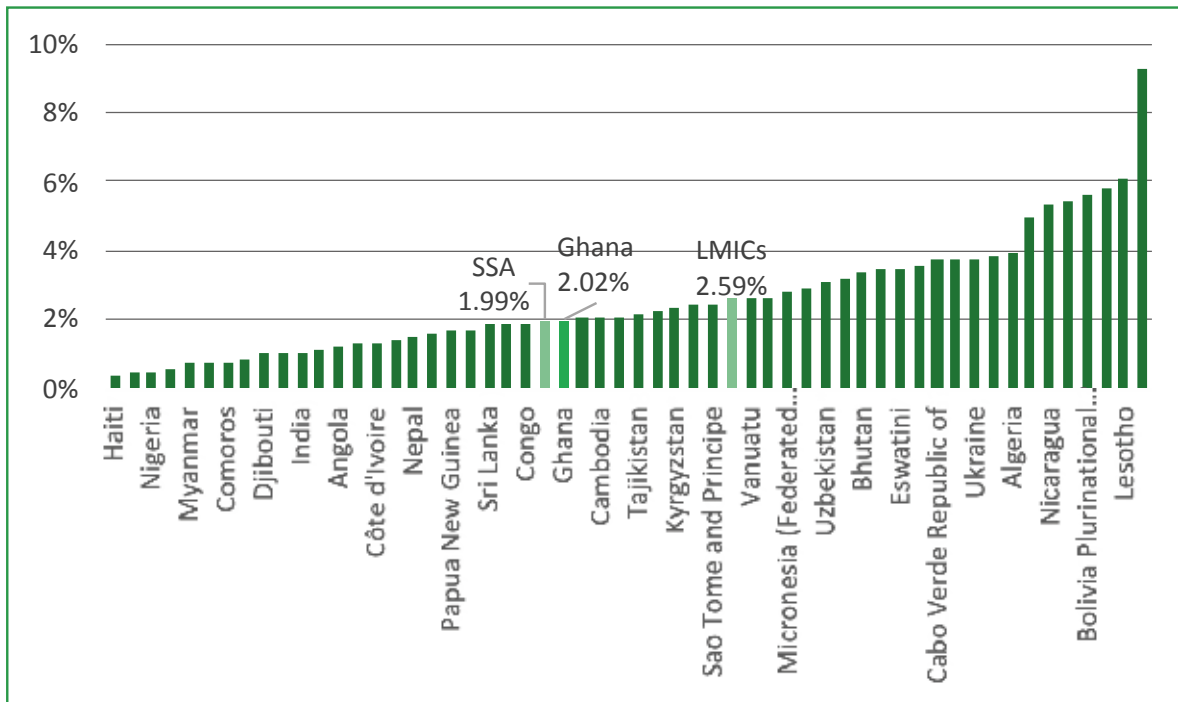
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<sup>5</sup> MOF Annual Budget Statements 2018-2023, Abuja Declaration 2001

<sup>6</sup> MOF Annual Budget Statements 2018-2023

Ghana's spending on health as a percentage of GDP is close to the average among sub-Saharan African (SSA) countries, but below the average for lower middle-income countries (LMICs) as in Fig. 4 below.

Fig. 4: Government Health Expenditure as a share of GDP by country<sup>7</sup>



The MOH budget is relatively well balanced between Compensation, Goods and Services, and Capital expenditure. This indicates good allocative efficiency between these essential inputs. However actual expenditure shows weaker allocative efficiency, with a much higher share for compensation and minimal funding for capital. This is unlikely to be adequate to maintain existing facilities, let alone construct new ones. This also indicates weaker linkages between plans, budgets and budget execution, raising budget credibility challenges, hence undermining operational efficiency in spending.

Fig. 5: MOH Budget by Economic Classification

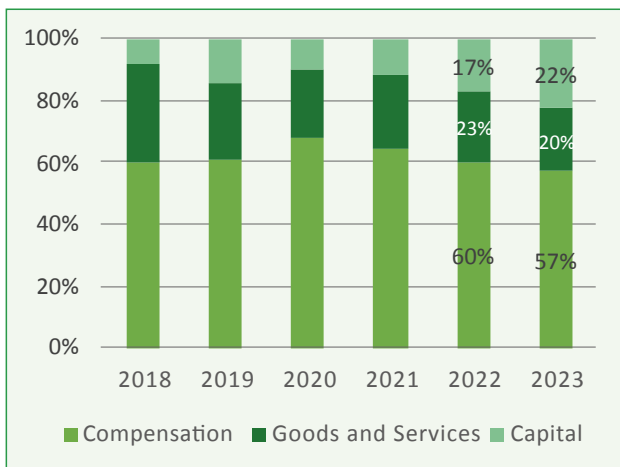
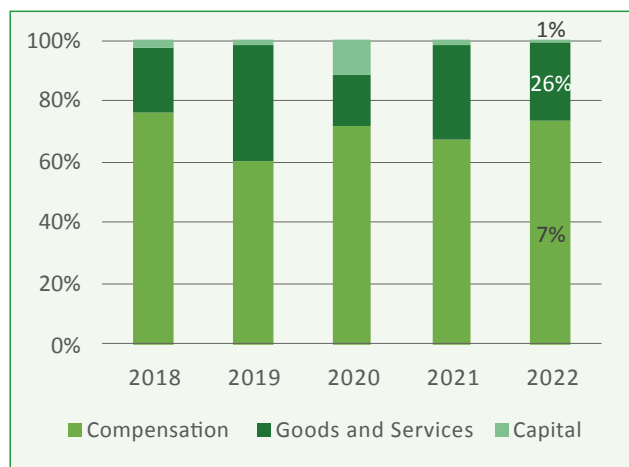


Fig. 6: MOH Expenditure by Economic Classification



<sup>7</sup> World Health Organization 'Global Health Expenditure Data' accessed 2023, Ghana updated using most recent data

The largest source of funding for the MOH budget is GoG, which comprised 54% in 2023, down from 61% in 2022. Internally generated funds did not change significantly and were 25% of the MOH budget in 2023. The share of development partner funding rose from 12% in 2022 to 20% in 2023. The increase in DP funding since 2020 may reflect additional assistance related to the COVID pandemic. While additional resources are welcome, overreliance on DP funding poses risks for the sustainability of health financing (fig. 7).

The MOH programme-based budgets show significant variation in allocations to different programmes from year to year, raising questions about long-term strategic planning. The proportion of the MOH budget allocated to Health Service Delivery declined from 55% in 2022 to 52% in 2023. Management and Administration comprises a large proportion of the total MOH budget at 28% in 2023 up from 21% in 2022.

The definition of programmes within the MOH Programme Based Budget makes it difficult to distinguish spending at different levels<sup>8</sup>. Clearer distinction between different levels of care across MOH programmes and publishing full-year programme expenditure data would improve transparency on how resources are used, support improve strategic planning and resource allocation, and help track how allocations are evolving over time.

Fig. 7: MOH Budget by Source

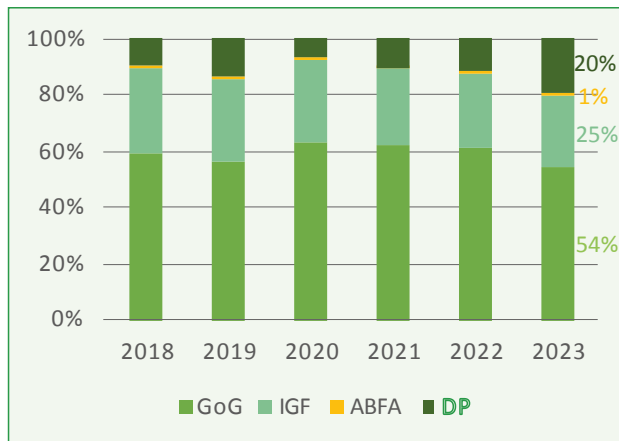
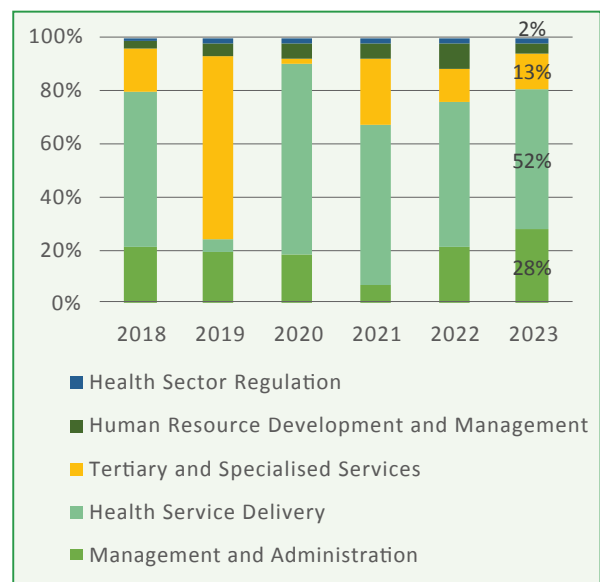


Fig. 8: MOH Budget by Programme



MOH budget execution is characterized by significant variation indicating that budget credibility is a challenge. In 2022, the MOH budget for compensation was overspent by 33%, goods and services was overspent by 20%, while capital expenditure was 93% lower than planned. Following the pattern since 2019, MOH expenditure exceeded its total budget, with an overall overspend of 9% in 2022. Additional overall resources are welcome, and suggest strong absorptive capacity, planning and budgeting ought to be strengthened. Unplanned expenditure reduces technical efficiency in the use of resources, and results in a sub-optimal mix of inputs, reducing allocative efficiency.

Table 1: MOH Budget Execution by Economic Classification<sup>9</sup>

	2018	2019	2020	2021	2022	Average Variance
Compensation	112%	105%	117%	118%	133%	+17%
Goods & Services	58%	158%	83%	147%	120%	+13%
Capital	24%	13%	131%	20%	7%	-61%
Total	88%	106%	111%	113%	109%	+5%

<sup>8</sup> For example, within the programmes, Health Service Delivery includes a component for primary and secondary services, and a component for tertiary and specialized health services, while the Tertiary and Specialised Services includes a component for primary and secondary health services. In 2019, fully 69% of the MOH budget was apparently allocated to Tertiary and Specialised Services.

<sup>9</sup> MOF Annual Budget Statements 2018-2023, Auditor General Reports 2018-2020, CAGD Report 2021, MOF ABPR 2022

## 2. Key Messages

**Ensure Sustainable Vaccine Financing:** Ghana has faced shortfalls and delays in payment for vaccines in recent years. The cost of these vaccines to government is going to increase steeply in the years ahead as Ghana transitions out of GAVI support towards fully financing routine childhood immunization from its own resources. Immunization is a cost-effective and proven strategy for preventing the spread of infectious diseases<sup>10</sup>, with a rate of return equivalent to 54 times the costs invested<sup>11</sup>. Adequate funding for vaccine procurement, distribution, and outreach programmes is crucial for ensuring that all Ghanaians, especially vulnerable populations, have access to life-saving vaccines.

**Strengthen Primary Healthcare:** A robust primary healthcare system is the cornerstone of a resilient

health system<sup>12</sup>. Allocating resources to primary healthcare facilities, including staffing, training, and infrastructure development, will ensure that communities across Ghana have access to basic healthcare services. This approach not only prevents the ensures early treatment, and thus better outcomes for patients, but also reduces the burden on secondary and tertiary healthcare facilities.

**Invest in Maternal and Neonatal Health:** Focusing on maternal and neonatal health interventions is pivotal for achieving better health outcomes<sup>13</sup>. Ghana's neonatal mortality rate remains a challenge, and investment in neonatal care is critical. Allocating resources to maternal and neonatal health programmes will contribute to reducing mortality rates and securing a healthier future for both mothers and new-borns.



### Ensure sustainable vaccine financing and timely execution

**Vaccines are one of the most cost-effective health interventions a country can make. Ghana's budget for vaccines has declined while its costs are set to steadily increase. Payments have taken many months to process, leading to stock outs in supply.**

A study by Johns Hopkins University<sup>14</sup> highlights the exceptional cost-effectiveness of vaccination. For every Cedi spent, the return on investment can be as high as 54 times, mainly due to reduced mortality and morbidity, increased labor market contribution, and higher productivity. Childhood vaccination, contributes to universal health coverage by preventing costly diseases and reducing long-term healthcare expenses.

Ghana for many years have had childhood vaccination coverage that surpasses several of its peer nations<sup>15</sup>. Over the last five years, the Government of Ghana has allocated an average of 0.8% of its healthcare budget towards vaccines. This allocation falls short in comparison to other countries supported by Gavi, who, on average, devote 2.8% of their overall healthcare budget to vaccines<sup>16</sup>.

Due to Ghana's middle-income status, it is in the process of transitioning away from Gavi support to fully self-finance vaccines. Ghana's vaccine expenses are projected to rise by an average of 10% annually until its complete departure from Gavi support in 2030<sup>17</sup> (Figure 11).

KEY FACT



50%

From 2022 to 2023 the budget for vaccines fell by 50% in USD terms

10 UNICEF (2023) 'Vaccine Financing in Ghana'

11 Ozawa et al. 2016 'Return on Investment from Childhood Immunization in Low- and Middle-Income Countries, 2011-2020' Johns Hopkins Bloomberg School of Public Health

12 WHO (2021) 'Fact sheet: Primary health care' <https://www.who.int/news-room/fact-sheets/detail/primary-health-care>

13 WHO (2022) 'Improving the quality of care for maternal, newborn and child health: implementation guide for national, district and facility levels'

14 Ozawa et al. 2016 'Return on Investment from Childhood Immunization in Low- and Middle-Income Countries, 2011-2020' Johns Hopkins Bloomberg School of Public Health

15 UNICEF (2023) 'Vaccine Financing in Ghana'

16 UNICEF 2023 'Vaccine Financing in Ghana'

17 UNICEF 2023 'Vaccine Financing in Ghana'

The government’s financial difficulties in 2022 led to a delay in payment of its vaccine procurement and co-financing obligations<sup>18</sup>. Co-financing payments took 6 months to execute, against a maximum of three months required for timely payment<sup>19</sup>. This delay led to stockouts in the availability of vaccines within Ghana and a decline in vaccine coverage rates. The government has continued to face challenges in meeting its co-financing obligation of US\$16.7 million for 2023<sup>20</sup>.

Fig. 9: Average Time to Execute Vaccine Payments 2017-2022<sup>21</sup>

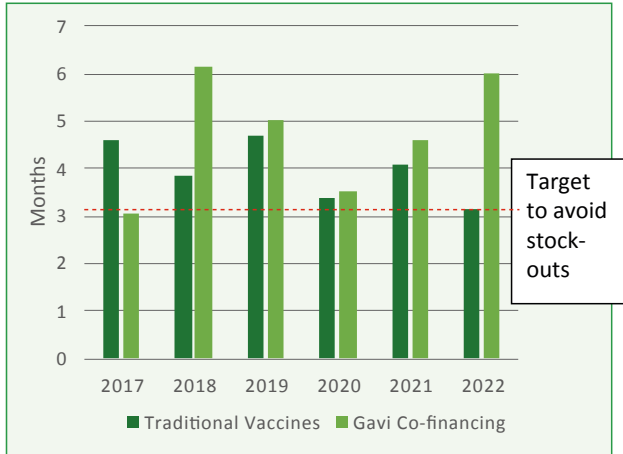


Fig 10: Allocated budget for vaccine purchases and projected vaccine costs, 2019-2028<sup>22</sup>

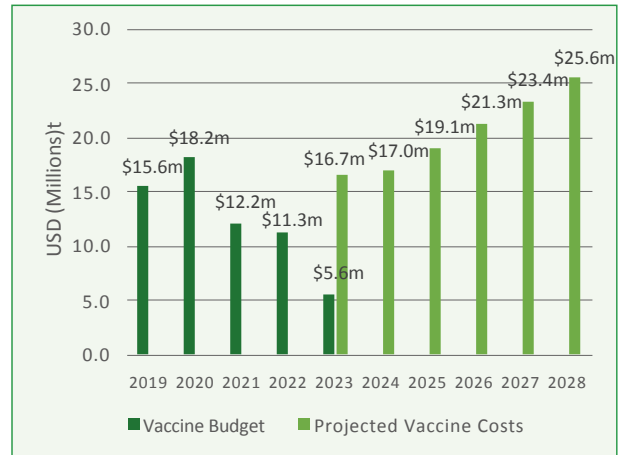
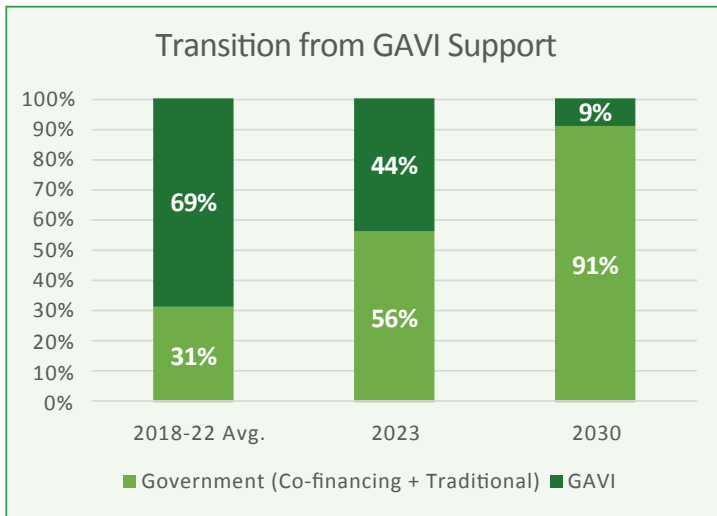


Fig. 11: Government of Ghana and GAVI Share of Childhood Vaccine Costs



Source: UNICEF 2023<sup>23</sup>

**Overall vaccine financing costs is affordable if adequately prioritized, equivalent to 1.7% of total health spending by 2026<sup>24</sup>.**

18 The Government of Ghana pays for some routine childhood vaccinations directly (these are referred to as ‘traditional vaccines’, and receives co-financing support through GAVI to fund and procure others. For 2023, the co-financing and traditional procurement were approximately equal in value terms.

19 Results for Development, 2017. ‘Immunization Financing’

20 These difficulties are driven by the deterioration in the exchange rate and the cuts to the funding of the National Health Insurance Fund, which provides financial support to the MOH used for vaccine procurement. The NHIF is funded from the NHI Levy, a value-added tax on goods and services. Its funding has been capped by parliament –only a proportion of the finances raised through the NHIL are remitted to the NHIF, with the remainder returning to MOF

21 UNICEF (2023) ‘Vaccine Financing in Ghana’

22 UNICEF (2023) ‘Vaccine Financing in Ghana’

23 UNICEF 2023 ‘Vaccine Financing in Ghana’

24 UNICEF 2023 ‘Vaccine Financing in Ghana’

# 2

## Strengthen Primary Health Care and ensure adequate budget allocation to support service delivery at Community-Based Health Planning (CHPS) to improve the quality of Primary Health Care services

The Community-based Health Planning and Services (CHPS) initiative, grounded in robust evidence, was embraced by Ghana as a cost-effective way to provide essential services to communities through the training and deployment of Community Health Officers (CHOs) to dedicated CHPS facilities. In the year 2022, CHPS contributed significantly to health service delivery, with 21.2% of Antenatal Care (ANC) services being provided through CHPS facilities, and 12.1% of deliveries taking place at CHPS centers. CHPS contributed to 56.5% of Penta 3 vaccinations and facilitated 42.7% of family planning services.

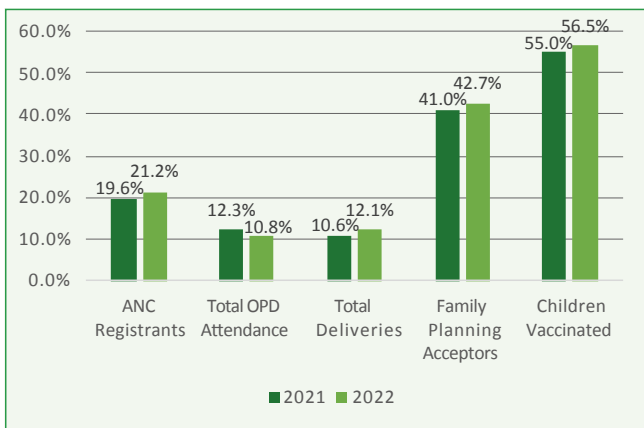
KEY FACT



# 77%

The share of the Ministry of Health's budget allocated to Goods and Services at regional and district level is set to fall by **77%** from **2023 to 2024**<sup>25</sup>

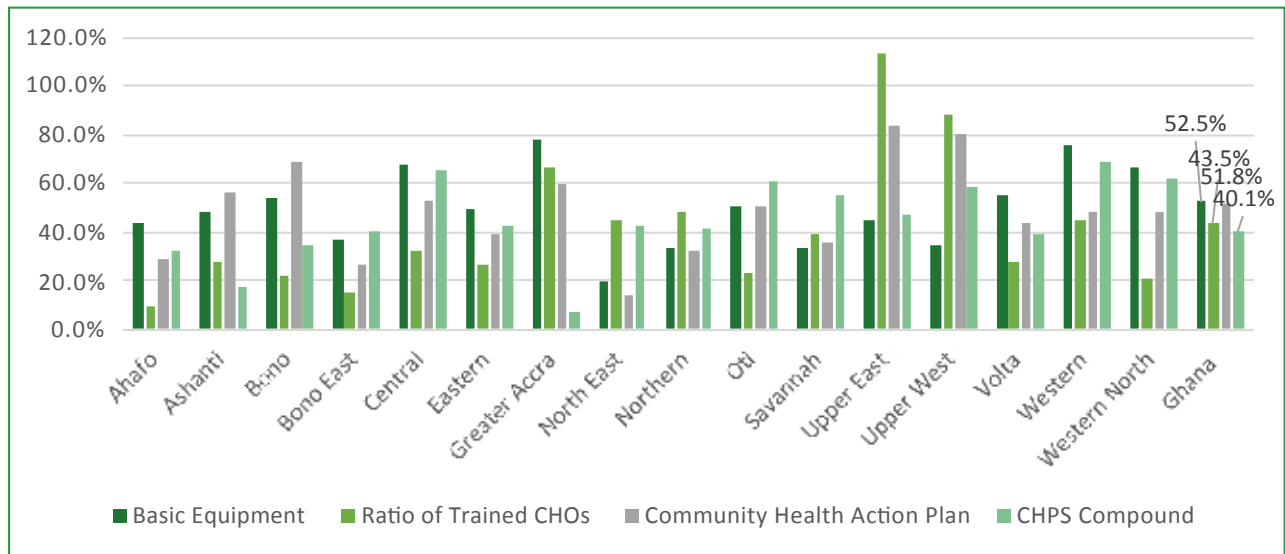
Figure 13: Percentage of Health Services utilisation located at CHPS<sup>26</sup>



**Despite the importance of CHPS in achieving UHC, significant gaps persist in implementation.** The Ghana Health Services 2022 CHPS Implementation Status Report indicates that all 261 districts in the 16 regions have started implementing CHPS at various levels. 76.9% of CHPS zones have some level of functionality,

covering 75.3% of the population. However, only 40% have a CHPS compound, 52% have basic equipment, and 52% have a Community Health Action Plan. The average ratio of trained CHOs per CHPS zone is 0.4, meaning the majority of CHPS zones do not have a trained CHO.

Figure 12: CHPS Zones with Key Inputs by Region<sup>27</sup>



25 MOH PBB 2023

26 DHIMS2 data accessed 08/05/2023

27 Ghana Health Services' 2022 CHPS Implementation Status Report

### Funding for preventive care should be increased.

The budget for health service delivery (excluding salaries and capital spending) provided from central GoG resources, which helps fund preventive care, is approximately 1% of the equivalent budget from internally generated funds, which overwhelmingly funds curative care. This is supplemented by support provided to MOH from the NHIF, equivalent to 10% of the NHIF's budget<sup>28</sup>.

### NHIF support to the MOH funds essential preventive services and should be reflected in the MOH's own budget.

As the primary source of non-salary spending for childhood vaccination, malaria control, and HIV and tuberculosis, this funding is an essential component of MOH activities. To improve transparency and coordination, and to help ensure adequate funding is allocated to these areas, it should be reflected in the MOH Programme Based Budget and the MOF Annual Budget Statement.

Fig. 13: MOH Funding from MOF and NHIF 2022<sup>29</sup>

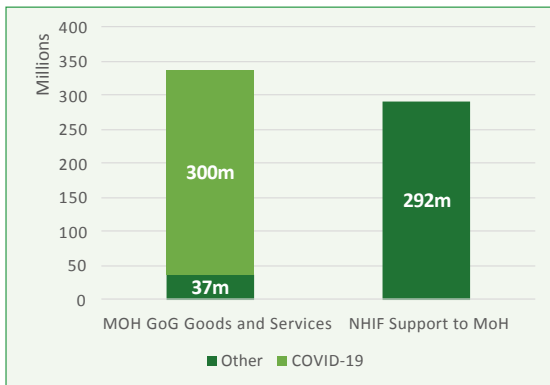
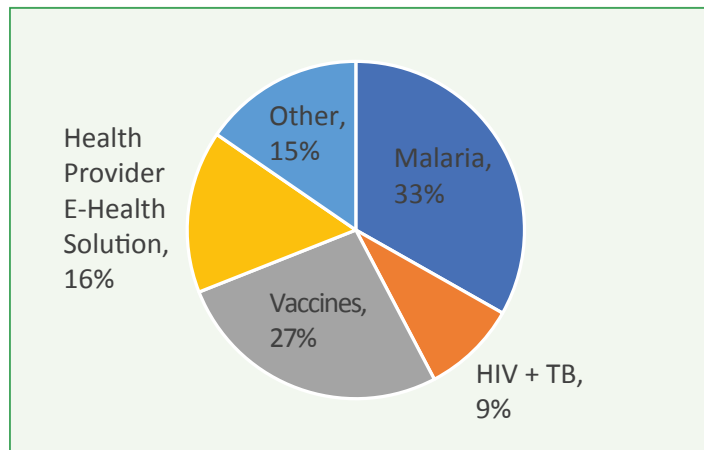


Fig. 14: Allocation of NHIF Support to MOH 2022<sup>30</sup>



## 3

### Invest in maternal and neonatal health programmes to reduce mortality rates and secure a healthier future for both mothers and newborns

Neonatal care is a public health priority<sup>31</sup>. Despite notable strides made in recent years, Ghana continues to struggle with high rates of under-five mortality. The 2022 Ghana Demographic and Health Survey shows a neonatal mortality rate of 17 deaths per 1,000 live births, as against the SDG Target of 12 deaths per 1,000 live births<sup>32</sup>.

The economic implications of neonatal mortality weigh heavily on both families and the broader economy. Direct expenses, while tangible, represent only part of the burden. These costs, which can be substantial, are borne by families and can lead to severe financial strain. Equally significant are the indirect costs, which are more challenging to quantify but profoundly impactful. These encompass the loss of future productivity and contributions to the national economy.

A comprehensive national assessment conducted in 2022 focused on newborn care units, revealing that the coverage of care services remains low, at 59% of districts overall (Table 4). This inadequacy is compounded in the northern regions of the country, where only 56% of districts have such units, and which also grapple with the highest poverty rates.

Proper care during pregnancy and delivery is important for the health of both the mother and child. The percentage of live births assisted by a skilled provider has increased markedly over the past 3 decades, from 41% in 1988 to 88% in 2022 (GDHS, 2022). There is the need to leverage on this high institutional delivery to reduce the high maternal and infant mortality rates.

#### KEY FACT



**59%**

Only 59% of districts have a functional newborn care unit.

27 Population and Housing Census, 2021, GSS

28 Population and Housing Census, 2010, GSS

29 MOF Annual Budget Statement 2022, NHIF Allocation Formula 2022

30 National Health Insurance Fund Allocation Formula 2022

31 MOH 2019 'Newborn Care Policy 2019-2023'

32 UN Ghana SDGs <https://ghana.un.org/en/sdgs/3>



Fig. 15: Percentage of Districts with Newborn Care Units

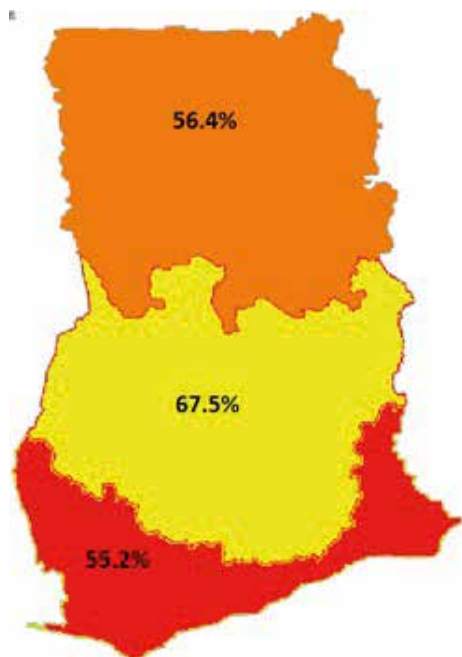


Table 4: Assessment of newborn care in health facilities across geographic zones<sup>33</sup>

Zone	Number of districts in zone	Number of Districts with NBCUs	Number/ Percentage of districts with NBCUs	Poverty Incidence
Northern	55	31	56.4%	44.4% - 70.7%
Middle	80	54	67.5%	14.8% - 33.8%
Southern	125	69	55.2%	5.6% - 33.8%
<b>Total</b>	<b>260</b>	<b>154</b>	<b>59.2%</b>	

Source: UNICEF Ghana, 2023; UNICEF Ghana, 2016



33 UNICEF 2023 'Ghana National Newborn Care Facility Assessment'