



Community Working Group on Health (CWGH) POST BUDGET ANALYSIS FOR THE HEALTH SECTOR 2021



An improved budget Allocation to health, however, the proof of the pudding is in the eating!

The Community Working Group on Health (CWGH) is a network of community/civic based organisations whose aim is to collectively enhance community participation in health in Zimbabwe. The formulation of the National Budget is one area that the CWGH noted required the greater input of the community who happen to be the tax payers. Traditionally the National Health budget has been formulated by the technocrats at the ministerial level without the direct input from stakeholders' and affected communities. Community participation in health matters and budget formulation gives a greater depth to the discussion and understanding of the health issues in the country and facilitates achievement of the country's overall health goals.

Introduction

So much was expected of the 2021 National budget given the current COVID 19 pandemic. The year 2020 has been unusual with so many disruptions - some COVID 19 related and some as a result of our own policy inconsistencies, inefficiencies and corruption. COVID 19 negatively affected the running of almost all primary health care services – with a number of urban clinics closed or offering limited services. Rural health centres remained open, but with limited access by communities as a result of the restricted movements. Hospital care remained severely constrained as a result of the COVID 19 restricted access, but also largely as a result of the lack of medications, hospital sundries and Personal Protective Equipment (PPE), and labour withdrawals due to perpetual strikes by health personnel for improved wages and supply of PPEs.

The year 2020 also saw the restructuring of the Ministry of Health and Child Care (MOHCC) into 5 levels – primary, secondary, tertiary, quaternary and the quinary and higher research level – all anchored on a new hierarchy, organised strategic partnerships and a sustainable funding model with better health care and productive and well remunerated health workforce. The restructuring was informed by the need to improve effectiveness, efficiency and integration' of the ministry with other national institutions. The year 2021 will see the coming in of a New Health Strategy 2021-2025 that will prioritise 10 strategic areas – (i) access to medications and commodities, (ii) improved water and sanitation, (iii) improved health infrastructure and equipment, (iv) improved governance, (v) improved health sector personnel performance, (vi) improved domestic funding, (vii) reduced morbidity and mortality, (viii) improved reproductive, maternal and child health care and nutrition, (ix) improved public health surveillance and disaster response and preparedness, (x) and improved hospital care. The 2021 Ministry of Finance and Economic Development (MoFED) Health Budget was therefore supposed to reflect the urgency of tackling the COVID 19 pandemic and its debilitating effects, and also act as a springboard in operationalising the new structure and enhanced vision of the Ministry of Health and Child Care. Yet in its wisdom the Ministry of Finance and Economic Development, chose to focus on the old MoHCC structure, with a token allocation to the newly introduced programme of biomedical engineering, biomedical sciences and bio-pharmaceuticals.

Reflections on the 2021 budget

A total of ZWL\$54.7 billion (US\$668 million) was allocated to the MoHCC, representing a share of 12.74% of the total budget and 14.8% of the vote allocations (*the discretionary part of the national budget*). This represents a marked improvement towards the attainment of the Abuja Target of 15%, and also the first time in a number of years that the 10% mark has been surpassed. It also represents the first time in a number of years that the MoHCC has been allocated the second highest vote. The Allocation amounts to US\$45.9 per capita, a little over 50% of the US\$86 per capita recommended by the World Health Organisation, and a marked improvement from the previous allocations that averaged around US\$20 per capita. While this represents good news for a mildly COVID-19 stricken country, 42% of the vote will go towards employment costs (*this, however, excludes employments costs included in current transfers to grant institutions and other statutory institutions*) and 58% will be for non-wage expenditures. Capital expenditure represents 30% of the non-wage expenditures, and 17% of the total MoHCC budget.

Allocation by programme is still heavily tilted towards curative care, which attracted an allocation of ZWL\$38.1 billion, compared to Policy and Administration – ZWL\$10.1 billion, and Public Health – ZWL\$5.3 billion.

Curative care: Central and Provincial hospitals were allocated a total of ZWL\$16.9 billion, slightly less than 50% of the overall allocation to curative care. District hospitals and Rural Health Centres were allocated ZWL\$20.9 billion, with the remaining ZWL\$164 million allocated to the quinary research hospital and ZWL\$113 million for traditional medicine. However, 65.2% of the total allocation to curative will go towards employment costs and current transfers (*which are largely made up of employment costs*).

In order to strengthen primary health care and reduce unnecessary referrals to higher levels the primary care level needs to be funded fully in order to also address the non-referrals at the secondary and tertiary levels. The CWGH also supports the idea of having district hospitals in Harare and Bulawayo in order to alleviate the burden of patients at the central level. Health Grants to urban local authorities for supporting primary health care delivery need to be increased. This will enable the local authorities to lower their user fee charges to more affordable levels. With the exception of Parirenyatwa Hospital, central hospital vote allocations range from ZWL\$133 million to ZWL\$161 million for operational costs. Provincial hospitals were allocated funds ranging between ZWL\$110 million and ZWL\$ 129 million, ZWL\$ 71 million and ZWL\$ 100 million for district hospitals and ZWL\$ 21 million and ZWL\$31 million for rural health centres respectively. Parirenyatwa was allocated ZWL\$2.6 billion for employment costs and a mere ZWL\$ 322 million for operational costs. Mission hospitals were allocated ZWL\$ 4.3 billion, with the bulk of the allocation (96%) going towards employment costs. Local authorities were allocated ZWL\$2.4 billion for employment costs and a mere ZWL\$79 million operational costs. However, there is no clear basis for resource allocation to central, provincial, district and rural health centres. Allocation for provincial government hospitals and health centres does not seem to follow any systematic way of allocating resources, there is therefore a need to implement a ‘needs based resource allocation method that recognizes different needs by different districts.

Policy and Administration: Logistics and Asset Management attracted more than 50% of the Policy and Administration allocation. However, 58% of the total vote allocation will go towards meeting employment costs.

Public Health: this programme a modest amount of funds, yet it is a very important anchor programme for the MoHCC’s preventive services. In particular, NCDs and Environmental Health

were allocated ZWL\$145 million and ZWL\$1.47 billion respectively. Of the total amount allocated to Public Health, 60% will go towards employment costs and current transfers.

Biomedical engineering, biomedical science, Pharmaceutical and Pharmaceutical production: this is a new programme, reflecting the new thrust by the MoHCC to move towards effective import substitution. However, the vote allocation to the programme does not reflect the importance of this new initiative. A mere ZWL\$1.24 billion representing 2% of the overall MoHCC was allocated to the programme-with 42% going towards employment costs and current transfers.

Given this largely symbolic 2021 budget, the following observations remain critical;

- While there has been a significant nominal increase in the vote allocation to health, only improved budget execution will translate these votes into actual expenditures. Hence ‘front-loading’ of critical health expenditures should be encouraged.
- The 2021 budget reflects a mis-alignment with MoHCC’s current restructuring and focus on increased domestic funding. Implementation of the new structure remains painstakingly slow, while for domestic funding, the MoFED did not offer any clear revenue raising measures on how to argument domestic resources for health.
- There is mis-alignment of the budget with the MoHCC’s thrust on increased import substitution of health commodities and equipment. A mere 2% of the MoHCC budget was allocated to the new programme of biomedical engineering and pharmaceutical production.
- There is mis-alignment of the budget allocation with population growth and the growing disease burden as evidenced by almost similar allocations across provinces, district hospitals and rural health centres.
- Special programmes such as Maternal and Child Health, Results Based Financing, Contraceptives and Medical Gas were allocated a measly ZWL\$1.4 billion (2.5% of the total MoHCC budget). Hence the MoHCC will continue to rely on external partner funding for these critical programmes.
- Prioritisation of NCDs remains a pipe dream given the modest allocation (9.6%) towards public health programmes. Also, community health education and health promotion activities are likely to suffer as result of the little funding.
- The staff establishment will not likely be updated given the fiscal pressures that it will likely continue in 2021.
- There is little money for capital programmes, with a modest 17% of the total MoHCC allocated for capex.
- The budget is not very clear on how COVID 19 mitigatory measures and initiatives will be integrated into the broader health systems, and how the COVID 19 related assistance both domestic and external, both monetary and in-kind donations, and both government and non-government – will be integrated and reported within the budget.

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