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Position Paper

Comparison between 2020 and 2021 Health Expenses During the Corona Virus Pandemic

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Undoubtedly, the Covid-19 Pandemic has greatly affected all aspects of life, and its impact continues to unfold as the pandemic continues to spread. Second in line among the most affected after the Health Sector, has been the Economic Sector, which comprises the Public Sector, where the general budget is concerned, and the profitable economic sector. Despite all the measures taken by the government, much of these measures did not serve as compensation and were not sufficient to repair the negative repercussions of the Pandemic on the national economy. Robust measures require the development of responsive budgets that are capable of mitigating the downfall and are presented as a package of preventive and remedial steps manifested in the general budget.

If we were to acknowledge the fact that the pandemic took the world by surprise in 2020, the slow and feeble response in developing economic measures to counter the pandemic in 2021 and its protracted impact on future years will no doubt present a huge challenge to all. This paper aims to make a comparison between 2020 and 2021 allocations geared towards the pandemic, as well as to provide an analysis of how far the general budget's measures have been responsive to the pandemic.

An analytical review approach has been used to make the comparison between the 2020 and 2021 budgets, as well as to examine the size of support channeled to "Himmat Watan" as one of the mechanisms adopted by the government to confront the pandemic, and how this continued and influenced 2021.

The endorsed General Budget Law¹ of 2021, Number 5 for 2021, has estimated the 2021 budget deficit at JD1.970 billion, grants included, compared with JD2.1 billion (in budget deficit) in 2020. The total 2021 expenditure (including current and capital expenditure) was estimated at JD9.845 billion, compared with JD9.600 billion in 2020, at an increase of 5%. General revenue in 2021 was estimated at JD7.875 billion; 90% of which is local revenue, valued at JD7.298 billion, with the remaining amount being external grants² at the value of JD577 million. Furthermore, there has been an increase of JD200 million in the public debt interest that will be paid in 2021, reaching JD1.5 billion, compared with JD1.278 of public debt in 2020. This is a considerably big amount, making up one seventh of public expenditure and one fifth of local revenue as estimated in the 2021 general budget draft law.³

The 2021 general budget has seen a decrease in capital investment, standing at JD170 million; which is considered a minute figure that is incapable of confronting the economic challenges resulting from the pandemic. Also, the current expenditure continues to reach unprecedented figures in the general budget, amounting to 88% of the total public expenditure in the 2021 general budget draft law. This is coupled with an increased dependence on internal loans, which reached a growth of JD836 in 2021 compared with 2020.⁴

An amount of JD165 has been allocated to the item (confronting the Corona Virus)⁵ and another JD60 million (in support of affected sectors), while JD85 million was geared to (support public - private sector projects).⁶

¹ The Law was published in the Official Gazette number 5705 on March 15th 2021.

² According to the General Budget Law for the years 2020-2021 published in the Official Gazette, which can be viewed on <http://pm.gov.jo/>.

One: Ministry of Health Expenditure

In the general budget law of 2020 and 2021, current and capital public expenditure for the Ministry of Health were as follows, as shown in the table below:

TABLE 01		
Type of expenditure	Re-estimated/ 2020	Re-estimated/ 2021
Current expenditure	55156800	54982800
Capital expenditure	54669531	53078000
Total	60464600	602187000

It is evident through the table above that the size of expenditure that has been allocated to the Ministry of Health in 2021 has decreased by JD2.277 million, at a drop of 1%. This indicates that there were no financial measures taken in relation to the health sector's expenditure that correspond with the gravity of the pandemic and its impact on public health rights as well as on the preparedness of health facilities, health professionals, and on securing vaccines in an open manner to control the adverse effects of the pandemic.

The job classification of the public expenditure on public health for 2021, compared with 2020, has dropped to JD23.918.000, re-estimated. Job classification includes: medical products, medical equipment and tools; external clinic services; hospital services; general health services; research and development in the public sector and unclassified health affairs.⁸ This affirms that the measures that were taken to control and confront the pandemic have been predominantly traditional in relation to the preparation of the general budget, and that estimated expenditure resulting from the pandemic did not rise up to the level that was required to control or to contribute to mitigating the impact of the pandemic on the health level.

The amounts of money allocated to health treatment in the 2021 budget reached JD75 million, compared with JD90 million in 2020; an indication that illogical estimates were made of the expenditure required in light of the continuing Pandemic as well as the related increase in the infection cases and hospital admissions.

Another sticking point in the 2021 general budget is that an amount of JD1.390 million was allocated to the item (updating and upgrading non-medical equipment and furnishings, whereas the same item had an allocation of JD70 million in 2020. This indicates that the mechanisms and actions taken in the preparation of the general budget do not correspond favorably with the general health situation and with the requirements of confronting the pandemic.⁹

³ An article by Adli Qandah, published in Al-Ghad Newspaper under the headline "Financing Budget 2021, where are the pressure tests!"

⁴ Increased dependence on internal loans may result in large draining of liquidity from the Jordanian market.

⁵ No specific amount was stated as an allocation in 2020 to confront the Corona Virus Pandemic as has been the case in 2021.

⁶ According to the 2021 General Budget Law, published on the Ministry of Finance website, allocations for the public-private partnership for 2020 has amounted to JD108 million. 22 PPP projects were disclosed, but there has not been any information available on the execution of projects, or if there were pending projects, and if allocations for 2021 were aimed to complete those projects or to establish new ones.

⁷ Those are the allocations assigned to the Ministry of Health in the General Budget Law for the stated years.

Himmet Watan Fund was set up as one of the tools aimed at responding to the repercussions of the pandemic. This Fund continues to face numerous challenges and problems that could be detrimental to transparency, financial disclosure and public information.¹⁰ The advancement made on the Fund's functions, compared with 2020, is evident in the disclosure of the size of donations, which reached JD93 million, whereas the disclosed amount in 2020 was JD29 million¹¹. However, there are several challenges that continue to face the Fund, and can be summed up as follows:

- There have been no changes in the procedures that are related to committee formation, in the selection and appointment criteria of those committee members, nor in the dismissal and termination processes (of members of those committees).
- There has not been any dissemination of public audits by an external auditor, as stated in the Fund's establishment bylaws.
- The minutes of meeting of those committees have not been published or made public.
- There has not been any disclosure of the donations that were received by the Fund in 2021, or if there were any donations received this year.
- Himmet Watan Fund's sources of support and revenue as well as donations to this Fund were not listed in the 2021 budget.

The same, as mentioned above, applies to the Health "Sihha" Account, where no information on the amounts or mechanisms related to this account has been disclosed. Sihha Account did not mention the mechanism of donations received during 2021 and no related reports were published. As for donations spent from Himmet Watan, the table below (Table 2)¹² shows the details of expenditure.

TABLE 02	
Entity receiving the donation	Amount
National Aid Fund	73 million
The University of Jordan Hospital - Field hospital and treatment of patients at private hospitals	10.433 million
Ministry of Health	4.22 million
Tikkiyet Um Ali	2 million
Ministry of Foreign and Expatriate Affairs	2 million
The Jordan Hashemite Charity Organization	1.5 million
Total	93.133 million

⁸ According to the General Budget Law for 2021, Table number 13.

⁹ Please refer to the reference paper titled "A reading of the main characteristics of the 2020 General Budget Law and the Role of Civil Society", prepared by Rashid- Transparency International. This paper was prepared prior to the pandemic, in which all the sectors, including the health sector were analyzed. Highlights include the reduction in estimated allocations to the Health Sector in 2020, at a rate of 11%, compared with the previous year of 2019.

¹⁰ To learn more, please refer to a Policy Paper titled "How far is public expenditure sensitive to the standards of transparency and integrity", prepared by Rashid- Transparency International, 2020.

¹¹ The website was updated in 2021, whereby the disclosed figure until 31/12/2020 stood at JD29 million.

The financial data related to expenditure was listed as a general item. The data did not mention any detailed breakdown that explains the amount of spending that was made based on specific needs or data related to the beneficiaries, nor did it show clear and accurate mechanisms of channeling health support, assistance, and relief aid that was directed towards affected parties.

Three: Spending the Corona Virus financial support

A report was issued on the Ministry of Finance¹³ (website) under the title "The Main Advances From Corona Fund to Finance Covid-19 Expenses, comprising the volume of spending during 2020 that was allocated to numerous entities and components, as shown in the table below:

TABLE 03		
Entity	The amount of donation	Notes
The Jordan Armed Forces /Arab Army	37.299 million	Quarantine, setting up of field hospitals, medical equipment and purchase of caravans
Public Security Directorate	24.299 million	Expenses for the Corona Control
Royal Medical Services	8.360 million	Purchase of medical equipment and other requirements
Ministry of Health	33.793 million	Purchase of equipment and tools, setting up field hospitals, rental of private hospitals, and cost of insurance of patients at private hospitals
Ministry of Public Works and Housing	4.6 million	Back to back expenses
Civil Defense Directorate	2.5 million	Ambulances and medical equipment
Total	100.020.000 million	

Based on the table above:

- The sources of donations spent have not been stated; it is not known whether the amounts spent came from loans, or from the treasury or from Himmet Watan.
- There is no streamlining of references and financial data that are presented in a cohesive manner of all the spending and revenues pertaining to the Corona Virus Pandemic.
- There is no streamlined flow of data and information on the spending, revenue and donations during the pandemic.
- The report did not state the amount of spending or the contracts made with relation to the Corona vaccines.

¹³ The report was published in English only on the Ministry of Finance website on https://www.mof.gov.jo/EN/Pages/PRIME_MINISTRY_ANNOUNCEMENTS_AND_CIRCULARS. Information in the report relates to the 2020 expenditure, and no detailed information were published on the 2021 expenditure.