TECHNICAL ISSUE BRIEF

PHCDA Overhead Budget Execution Rate in Kaduna State 2016-2019

Executive Summary

Budget remains a fundamental policy instrument used by the government to translate policy into action. Through budget, government makes commitments to deliver basic health care services. However, the sincerity of the government has been tested with its poor releases of funds and inadequate Primary Health Care budget implementation. A scenario that has weakened its health policy objectives.

To regain its health policy trust, government must not only increase PHC budget allocation but timely fund releases is also critical for effective project implementation to meet the health need of the people.

Background

This technical issue brief aims to ascertain a 5% increase overhead PHC budget execution rate in Kaduna state. The issue brief will be used as advocacy tools to policymakers. It is expected to stimulate policy improvement and possibility of addressing issues of PHC budget implementation issues in Kaduna state. It assesses % budget allocation, releases, and utilization to determining the government level of commitment towards improving the health care delivery in the state.

Series of efforts have been made over the years in tracking health budget and level of implementation but little or no attention is paid to the level at which the PHC budget overhead increase over the years and how the increase translate to effective health care delivery. A lot of attention are also paid to the capital budget (the budget aspect that provides building facilities), but the overhead aspect of recurrent expenditure has not received proper scrutinization even though, it is a critical aspect of health budget without which the day to day running and operation PHCs will not be realized.

Context and Challenges
Recurrent expenditure is divided into two, the overhead and personnel. While personnel comprise emolument due to the employees, the overhead includes running and operational costs such as Public Health Emergencies, payment to PHC, maintenance of health facilities, supplies, telephone bills, travel expenditures, audits, utilities, etc.

With over 965 primary health care spread across 23 LGAs, these facilities could not deliver health care to people because they are far below minimum standards. One of the factors weakening the effective operation of these facilities includes but not limited to the poor releases associated with overhead. Like capital and Personnel recurrent, overhead expenditure is a critical building block that ensures the smooth running of the day to day operation of the PHCs across the state. The cumulative % of the PHCD Overhead releases to total PHCD recurrent budget releases between 2016 and 2019, was 41.3% which is far below average. The 2019 releases to Overhead recurrent shows some level of improvement as seen below.

**Fig 1: PHCD Overhead Recurrent Performance 2016-2019**

<table>
<thead>
<tr>
<th>Year</th>
<th>PHCD Overhead Recurrent %</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>61.6</td>
</tr>
<tr>
<td>2017</td>
<td>18.6</td>
</tr>
<tr>
<td>2018</td>
<td>7.3</td>
</tr>
<tr>
<td>2019</td>
<td>77.7</td>
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</tbody>
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**Overhead Budget Execution Rate**

Using as a baseline, a cumulative average of 2016, 2017 and 2018 for PHCD Overhead recurrent budget allocation, when compared with 2019 shows an increase of 159.6%. In the same vein, PHCD Overhead recurrent releases average for the year 2016, 2017 and 2018 compare with PHCD Overheard for the year 2019 also shows an increase of 1214.9%.
Therefore, 2018 and 2019 PHCDA Overhead recurrent allocation shows an increase of 22%. On the same note, the 2018 and 2019 overhead releases also indicate an increase of 1198.4%. These are increased in which the state government should be applauded. They are far more than the 5% expected to increase with or without baseline.

% PHCDA Increase in Overhead Recurrent Allocation and Releases

| % Increase PHCDA Overhead Recurrent releases | 0.22 |
| % Increase in PHCDA Overhead Recurrent Allocation | 1.6 |

Policy Implications

However, the cumulative average budget released and utilized for the PHCD overhead recurrent execution between 2016 and 2019 shows 41.3%. Based on this sum, the amounts utilized seems to have unfair performance, because about 58.7% are not released between this period to carry out various activities relating to the running of PHCs.

Giving the above sum, quite a number of people would have been saved from deadly diseases through prompt intervention and access to health workers. Evidently, Kaduna State Development Plan 2016-2020 shows that a large number of available healthcare workers in the state have inadequate capacity and competency to deliver effective health care. If the health workers cannot deliver health care, despite huge amounts been budgeted annually there is a risk of untimely death especially among the individuals and marginalized communities who have little or no access to health care.
Key Issue
Thus, budget allocation, release, % increase is not enough, the government must ensure that releases are made for the budget execution for all items, overhead, recurrent and capital expenditure because, the three works in circle to ensure effective health care delivery especially at the primary health care centers across the state.

Between 2016 and 2019 about 84% of PHCD capital allocation was released and utilized. This has not translated into proper health care delivery. For instance, the 2019 spot-check report on the state of 255 PHC across Kaduna, revealed a lack of a minimum number of health workers and dilapidated health infrastructure, despite the increase in Capital PHCD expenditure in the past years. In essence, the overhead, personnel, and capital expenditures may increase to expectation, health service delivery goes beyond % increase in allocation and releases, but how the utilized addresses health needs of the people.

Key Findings
I. Untimely releases of funds for budget implementation/execution.
II. Poor prioritisation of the budget releases hinder effective budget execution.
III. The budget execution rate either with baseline or not is beyond a 5% increase.
IV. Annual % increase of Overhead budget execution alone does not translate into effective health service delivery. What is most important is the government setting priorities right and ensure that all allocated funds are released for budget execution.

Policy Recommendations
I. The baseline should be set to 2018 and not cumulative average of 2016, 2017 and 2018. Setting a baseline as cumulative of three average against a single year is not justifiable.
II. The gap between the allocation and releases are enormous and it seems government does not care about the releases by simply putting figures in the allocation. More attention is needed on releases.
III. There is a need to increase allocation funds to PHCs
IV. Government needs to prioritize new resources to fund PHCs to ensure more service delivery.
List of Reference

- Kaduna State Appropriation Law, 2016
- Kaduna State Appropriation Law, 2017
- Kaduna State Appropriation Law, 2018
- Kaduna State Appropriation Law, 2019
- Kaduna State Development Plan (KSDP): 2016-2020
- Kaduna State Medium Term Expenditure Framework (KSMTEF): 2018-2020
- KSPHCDA Budget Allocation Actual Releases for the 2016, 2017, 2018 and 2019, Retreived from the State Primary Health Care Development Agency (KSPHCDA), Kaduna State
- 2019, 255 PHCs Spot-Check Assessment and Health Sector Budget Analyzes Conducted by IIGES-PAS Kaduna.