



15% BENCHMARK TO HEALTH SECTOR IN NIGERIA -THE JOURNEY SO FAR-



APRIL 2021



Many Advocates, One Voice





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BACKGROUND

The Heads of State and Government of African Unity (OAU) met in Abuja, Nigeria from 26th-27th April 2001, at a Special Summit devoted specifically to address the exceptional challenges of HIV/AIDS, Tuberculosis and Other Related Infectious Diseases, at the invitation of the former Nigeria President Olusegun Obasanjo of the Federal Republic of Nigeria. Thus, on April 27th, they made several commitments on the health sector in an attempt to take necessary measures to ensure that the needed resources are made available

from all sources and that they are efficiently and effectively utilized. With this, they set a target of **allocating at least 15% of our annual budget** to the improvement of the health sector and also pledged to make available the necessary resources for the improvement of the comprehensive multi-sectoral response¹. 20 years after, the question that comes to mind is whether or not, Nigeria, the 2001 summit host has achieved this commitment? This question and others are some of the issues the paper explored.

HEALTH BUDGET TREND 2001-2021

Precisely, on April 27th 2021, it will be exactly 20 years since Nigeria pledged to ensure that its 15% annual budgetary allocation is dedicated to the sector. A cursory look at the Federal Ministry of Health (FMOH) and its Agencies' budgets between 2001 and 2021 shows otherwise. The highest the country has allocated to the Ministry is 6.08% in 2012. Thus, the average budgetary allocation to the FMOH in 20 years is 4.69%. This is far less than the 15% Abuja Declaration commitment. Indeed, it represent a 10.31% shortfall. It could also be observed that the capital allocation has been very slow over the years with recurrent received significant attention. In 20 years, total, the recurrent

represent 78% of the total health expenditure while the capital only represents 22%. Comparing the growth rate, the health recurrent has increased by 2822.34% between 2001 and 2021, the capital has only increased 437.07%. The significant difference favoring the recurrent expenditure clearly shows the government priority towards Human Resources for Health and the office running cost. Contrarily, the reality shows that the country is in dire need of health workers ranging from nurses, doctors, physicians, to mention but a few due to increase population growth and inability to bridge the funding gap yearly.

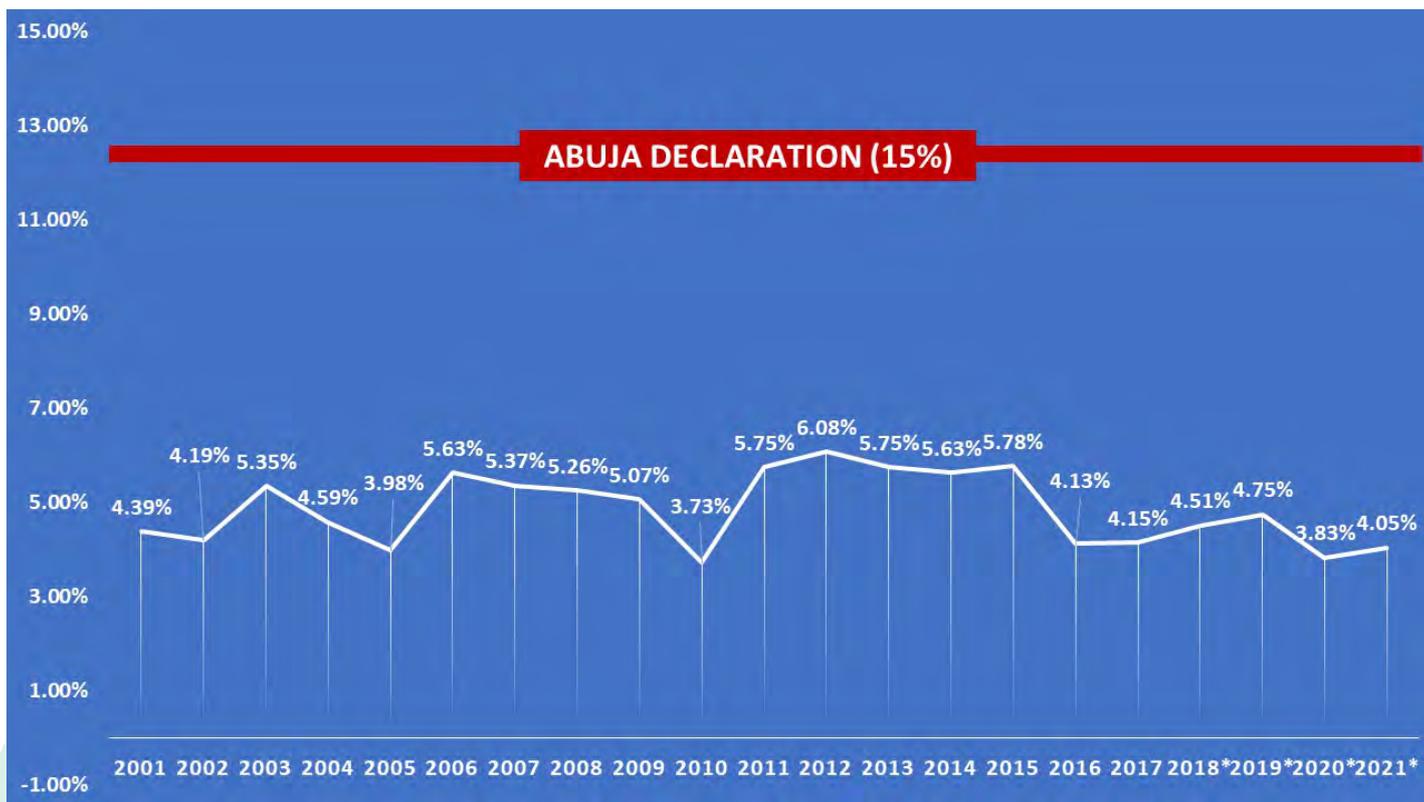
TABLE 1: FMOH BUDGETARY ALLOCATION, 2001-2021 IN BILLIONS OF NAIRA

YEAR	CAPITAL	RECURRENT	TOTAL HEALTH FMOH BUDGET	NOMINAL GROWTH	FG BUDGET SIZE	FMOH BUDGET AS % OF BUDGET SIZE
2001	25,060	14,209	39,269	-	894,214	4.39%
2002	19,774	24,878	44,652	13.70%	1,064,801	4.19%
2003	19,600	32,648	52,248	17.01%	976,654	5.35%
2004	26,410	33,377	59,787	14.42%	1,302,523	4.59%
2005	21,652	50,032	71,684	19.89%	1,799,938	3.98%
2006	39,162	67,761	106,923	49.15%	1,899,987	5.63%
2007	52,536	71,386	123,922	15.89%	2,309,223	5.37%
2008	55,204	89,455	144,659	16.73%	2,748,000	5.26%
2009	50,803	103,764	154,567	6.84%	3,049,000	5.07%
2010	53,007	111,908	164,915	6.69%	4,427,184	3.73%
2011	55,412	202,458	257,870	56.36%	4,484,738	5.75%
2012	57,010	225,760	282,770	9.65%	4,648,849	6.08%
2013	60,082	223,006	283,088	0.11%	4,924,604	5.75%
2014	49,536	214,946	264,482	-6.57%	4,695,190	5.63%
2015	22,676	237,076	259,752	-1.78%	4,493,363	5.78%
2016	28,650	221,412	250,062	-3.73%	6,060,677	4.13%
2017	55,610	252,854	308,464	23.35%	7,441,175	4.15%
*2018	86,490	325,120	411,610	33.43%	9,120,334	4.51%
*2019	57,085	366,836	423,921	2.99%	8,916,964	4.75%
*2020	51,402	363,054	414,456	-2.23%	10,810,800	3.83%
*2021	134,591	415,235	549,826	32.44%	13,588,027	4.05%
Total	1,021,752	3,647,175	4,668,927	271.90%	99,656,245	4.69%

*Note: 2018, 2019, 2020 and 2021 Recurrent Include BHCPF

¹ <https://au.int/sites/default/files/pages/32894-file-2001-abuja-declaration.pdf>

FIGURE 1: FMOH BUDGET-SHORTFALL IN THE 15% BENCHMARK TO HEALTH SECTOR BUDGET, 2001-2021



FMOH AND OTHER BUDGETARY ALLOCATIONS TO HEALTH SECTOR 2001-2021

It is important to note that on different occasions, the Nigeria government has claimed that there are other several health-related budget lines especially under the service-wide votes (SWV) meant for health sector. The table below shows some of the related budget lines. These include counterpart funding for health, Gavi/immunization, Zonal Intervention projects (ZIP) for Health and others. Despite all these alternative

funding, the highest budgetary allocation to the sector was 6.23% in the year 2012. Thus, the average allocation to the sector given all the alternative funding in the 20 years is 5.05%. This is far less than the 15% Abuja Declaration commitment. Indeed, it also represent 9.95% shortfall. However, in the 2021 fiscal year, the health allocated fund is 4.45% to budget size. This is far below expectation.



Women and children accessing Family Planning & Routine Immunization services in Kebbi state

TABLE 2: OVERALL BUDGET HEALTH ALLOCATION TREND INCLUDING FMoH AND SWV, 2001-2021 IN BILLIONS OF NAIRA

YEARS	SERVICE-WIDE VOTE					BHCPF	CAPITAL	RECURRENT	TOTAL HEALTH BUDGET	OVERALL HEALTH BUDGET TO BUDGET SIZE
	Counterpart Funds	Gavi/ Immunization	ZIP	Covid19 Intervention Fund	Others ²					
2001	2,000	-	-	-	-	-	25,060	14,209	41,269	4.62%
2002	1,000	-	-	-	-	-	19,774	24,878	45,652	4.29%
2003	2,000	-	-	-	-	-	19,600	32,648	54,248	5.55%
2004	1,328	-	-	-	-	-	26,410	33,377	61,115	4.69%
2005	3,000	-	-	-	-	-	21,652	50,032	74,684	4.15%
2006	2,000	-	-	-	-	-	39,162	67,761	108,923	5.73%
2007	5,000	-	-	-	-	-	52,536	71,386	128,922	5.58%
2008	6,000	-	-	-	-	-	55,204	89,455	150,659	5.48%
2009	3,400	-	-	-	-	-	50,803	103,764	157,967	5.18%
2010	5,850	-	-	-	15,000	-	53,007	111,908	185,765	4.20%
2011	4,140	-	-	-	-	-	55,412	202,458	262,010	5.84%
2012	7,000	-	n.a	-	-	-	57,010	225,760	289,770	6.23%
2013	4,800	-	n.a	-	11,000	-	60,082	223,006	298,888	6.07%
2014	4,800	-	3,118	-	3,544	-	49,536	214,946	275,944	5.88%
2015	2,000	-	1,911	-	14,644	-	22,676	237,076	278,307	6.19%
2016	3,500	-	n.a	-	5,544	-	28,650	221,412	259,106	4.23%
2017	3,500	-	3,688	-	-	-	55,610	252,854	315,652	4.24%
2018	3,500	-	3,173	-	-	55,150	86,490	269,970	418,283	4.59%
2019	3,500	21,250	3,062	-	-	51,219	57,085	315,617	451,733	5.07%
2020	5,500	26,834	2,438	126,000	-	26,457	51,402	336,597	575,228	5.32%
2021	5,500	45,192	3,673	-	-	35,026	134,591	380,209	604,191	4.45%
Total	79,318	93,276	21,063	126,000	35,026	167,852	1,021,751	3,479,323	5,038,316	5.05%

Figure 2 below shows the various percentage of health sector allocation to the budget size, taking into consideration all other funding in the service-wide vote.

FIGURE 2: OVERALL HEALTH BUDGET-SHORTFALL IN THE 15% BENCHMARK TO HEALTH SECTOR, 2001-2021



² N11 billion was allocated as the arrear's of 2014 salary increase for medical doctors and other health professional. in the same year, N3.5 billion for NHIS (military; N3 billion for outstanding payments to health professionals and N2.5 Billion for NHIS (MILITARY RETIREES) in 2016; N5 billion for the additional provision on personnel cost for other professional in the health sector and N10 billion for the Implementation of medical salary structures (CONMESS) in 2010.

HEALTH SECTOR EXPENDITURE PERFORMANCE, 2009-2019

Between 2009 and 2020, a total of N627,763 billion was allocated as capital expenditure for health. Out of this sum, N457,899 billion was released, N341,840 was spent and N90,147 billion was returned to the treasury. The return of the released fund meant to carry out various health projects back to the treasury might not be unconnected to the fact that such fund was not spent at the end of the designated fiscal year. Internal

rivalry, delay in the bidding process, conflict of interest is some of the issues that could delay the release of the fund to the assigned project/activities.

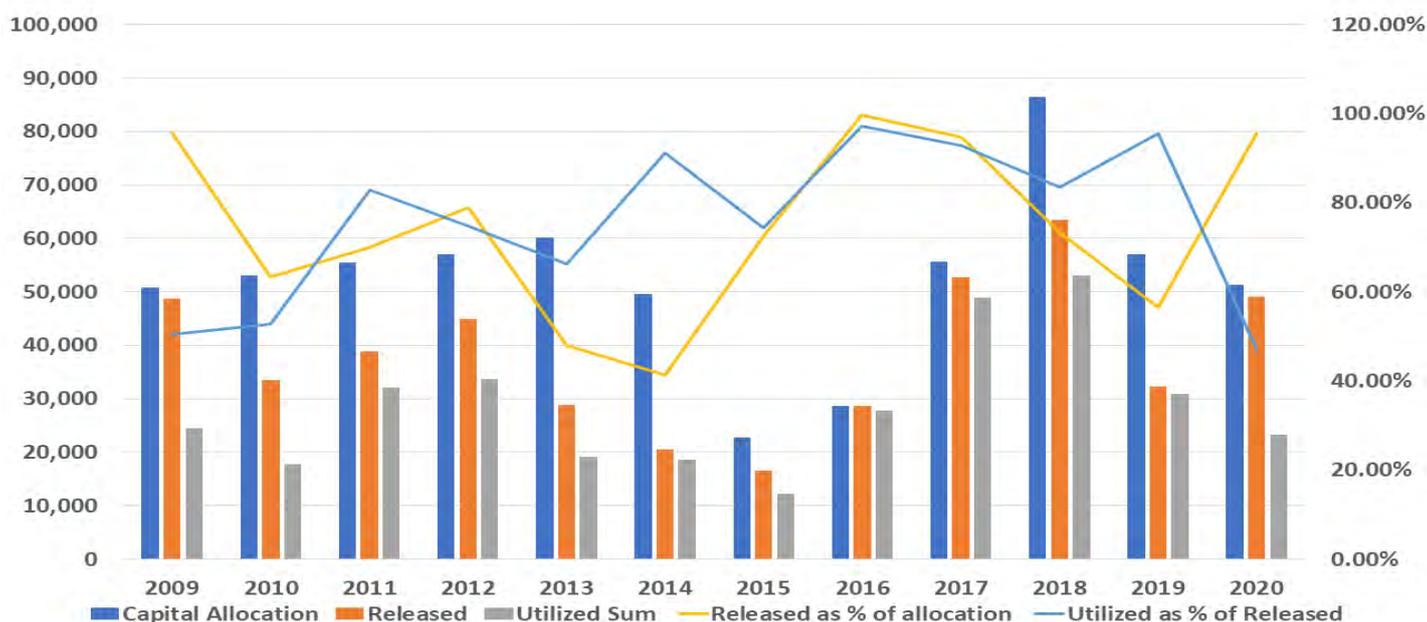
It could also be observed that the amount released between 2009 and 2020 represents 72.94% of the total cumulative allocation of the period. Also, the total utilized sum constitutes 74.65% of the released fund and 54.45% of the total allocation.

TABLE 3: HEALTH CAPITAL BUDGET ALLOCATION, RELEASES AND UTILIZATION IN BILLIONS OF NAIRA

YEAR	CAPITAL ALLOCATION	RELEASED	RELEASED AS % OF ALLOCATION	UTILIZED SUM	UTILIZED AS % OF RELEASED	UTILIZED AS % OF ALLOCATION	RETURNED
2009	50,803	48,643	95.75%	24,509	50.38%	48.24%	24,134
2010	53,007	33,570	63.33%	17,745	52.85%	33.47%	15,825
2011	55,412	38,785	69.99%	32,165	82.93%	58.04%	6,620
2012	57,010	45,001	78.93%	33,682	74.84%	59.08%	11,319
2013	60,082	28,838	47.99%	19,108	66.25%	31.80%	9,730
2014	49,536	20,472	41.32%	18,688	91.28%	37.72%	1,784
2015	22,676	16,445	72.52%	12,214	74.27%	53.86%	4,231
2016	28,650	28,592	99.79%	27,809	97.26%	97.06%	783
2017	55,610	52,656	94.68%	48,849	92.77%	87.84%	3,807
2018	86,490	63,481	73.39%	52,987	83.46%	61.26%	10,494
2019	57,085	32,310	56.59%	30,890	95.61%	54.11%	1,420
2020	51,402	49,106	95.53%	23,194	47.23%	45.12%	-
Total	627,763	457,899	72.94%	341,840	74.65%	54.45%	90,147

**Note 2020 Releases is for Q1-Q3 2020*

FIGURE 3: ACTUAL HEALTH SECTOR EXPENDITURE PERFORMANCE, 2009-2020



SUMMARY AND RECOMMENDATION

After 20 years of pledging for a 15% benchmark for the health sector, the Federal government has not achieved this commitment. The highest budgetary allocation to the sector is 6.23% in 2012 despite all the accrued funding under the service-wide vote and the Basic Health Care Provision Fund. Also, the health sector implementation level was not encouraging. This is because not all the dedicated funding is released, and not all released are utilized, leading to significant returned of funding back to treasury yearly. This will not have affected the health spending; it's deterring to

any meaningful development in the sector. However, there is a need for the government to consider other sources of funding the sector such as surcharges or import levies on commodities like telephones, air tickets, SIN taxes on tobacco and alcohol, etc. as well as donations from the corporate bodies. With the above revenue generation efforts in mind, PACFaH@Scale recommends the federal government should provide adequate funding for health sector and in doing so should be guided by commitments in the Abuja Declaration

TABLE 4: SCORECARD-15% BENCHMARK TO HEALTH SECTOR IN NIGERIA

YEAR	15% ABUJA DECLARATION TARGET NOT ACHIEVED		15% ABUJA DECLARATION TARGET ACHIEVED		
	OVERALL HEALTH BUDGET (BILLION)	FG BUDGET SIZE (BILLION)	OVERALL HEALTH BUDGET TO BUDGET SIZE	15% TARGETS ACHIEVED	15% TARGETS NOT ACHIEVED
2001	41,269	894,214	4.62%		●
2002	45,652	1,064,801	4.29%		●
2003	54,248	976,654	5.55%		●
2004	61,115	1,302,523	4.69%		●
2005	74,684	1,799,938	4.15%		●
2006	108,923	1,899,987	5.73%		●
2007	128,922	2,309,223	5.58%		●
2008	150,659	2,748,000	5.48%		●
2009	157,967	3,049,000	5.18%		●
2010	185,765	4,427,184	4.20%		●
2011	262,010	4,484,738	5.84%		●
2012	289,770	4,648,849	6.23%		●
2013	298,888	4,924,604	6.07%		●
2014	275,944	4,695,190	5.88%		●
2015	278,307	4,493,363	6.19%		●
2016	259,106	6,060,677	4.23%		●
2017	315,652	7,441,175	4.24%		●
2018	418,283	9,120,334	4.59%		●
2019	451,733	8,916,964	5.07%		●
2020	575,228	10,810,800	5.32%		●
2021	604,191	13,588,027	4.45%		●



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