

A REPORT ON THE PROPOSED 2020 REVISED HEALTH BUDGET IN NIGERIA

Synopsis

The recent effect of the covid-19 pandemic has forced the Nigeria government to looking alternative ways of sustaining its socio-economy and political activities. The president has approved the review of the 2020 approved budget and this has been communicated to the National Assembly for consideration. The approved budget sent to the National Assembly suggests that the health budget was one of the critical sector affected by the review. This report therefore examines some of the critical health subsectors affected by reviews with particular consideration to the PAS-issue areas namely Primary Health Care Under One Roof, Family Planning, Routine Immunization and CKD.

Proposed 2020 Revised National Budget

With the presentation of the 2020 approved budget to the National Assembly for review to meet the current economic reality, the federal government proposed a debt services of N2.9 trillion, an increase of 8.2% from the approved budget as well as the recurrent expenditure of N4.9 trillion which also indicate increase of 1.8% from the approved 2020 budget. The statutory transfer is to be reduced by 28.8% and capital budget by 9.5%. Thus, the overall budget is to be reduced by 0.7%.

Table 1: 2020 Approved and revised National budget

Budget components	Approved 2020 budget	Proposed Revised 2020 budget	Variance	% Increase/decrease
Statutory transfer	560,470,827,235	398,505,979,362	-161,964,847,873	-28.8%
Debt services	2,725,498,930,000	2,951,710,000,000	+226,211,070,000	8.2%
Recurrent expenditure	4,840,674,600,640	4,928,525,467,849	+87,850,867,241	1.8%
Capital expenditure	2,465,418,006,955	2,230,912,585,842	-234,505,421,113	-9.5%
Total	10,592,062,364,830	10,509,654,033,053	-82,408,331,777	-0.7%

Source: Budget Office of the Federation

The above shows that Nigeria is to spend more money in debt servicing and paying workers' salaries than spending on development project such as health infrastructure and human capital development. This is because while the recurrent expenditure represents 46.8% compare to 45.7% approved budget, the capital expenditure has been further reduced to 21.2% of the total proposed 2020 revised budget compare to 23.7% approve budget. More so, the statutory transfer now represents 3.7% of the total budget compare to 5.2 approved budget. Debt service represent 28.08% of the total budget compare to the 25.7% approved budget estimate.

Health Budget

The 2020 approved health budget was 441 billion naira. This is to be reduced by 7.7%. Although the recurrent expenditure is not to be cut, the health capital budget has been reduced by 25.3% and Basic Health Care Provision Fund reduced by 42.5%. It must be noted that the current health budget compare to the total budget is 4.2%. This is far below the 15% recommended 2001 Abuja declaration, a deficit of 10.8%. Similarly, while 82.7% of the health budget is to be spent on salaries, wages and running offices, only 10.9% will be spent on the repairs and construction of the health care facilities, and provision of drugs, and medical equipment across the health care facilities Nigeria.

Given the current wave of the covid-19 virus, the sum of 213,597,880,667 has been budgeted as Covid-19 Crisis Intervention Fund which is also to address issue of health emergency procurement including health care infrastructure across the country.

Table 2: Approved and Proposed Revised Budget

Health Budget Component	Approved 2020 Health Budget	Proposed 2020 Revised Health Budget	Variance	% Increase/decrease
Recurrent	336,597,463,881	336,597,463,881	Nil	0
Capital	59,909,430,837	44,732,174,920	-15,177,255,917	-25.3%
Basic Health Care Fund	44,498,247,834	25,560,101,312	-18,938,146,522	-42.5%
Total	441,005,142,552	406,889,740,113	-34,115,402,439	-7.7%

Source: Budget Office of the Federation

National Primary Health Care Development Agency (NPHCDA) 2020 Budget Cut

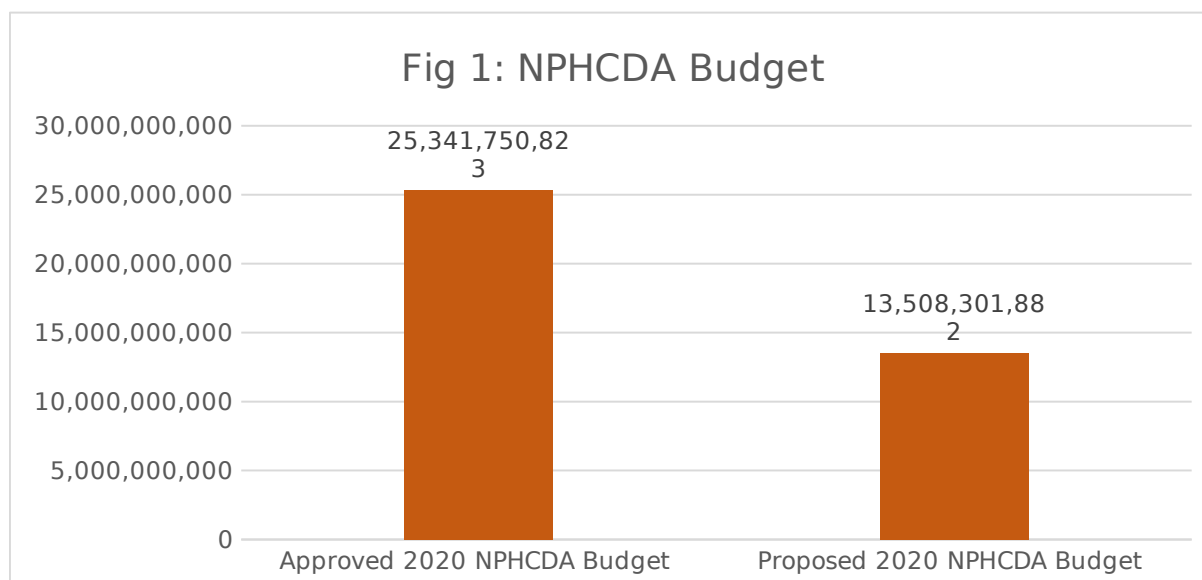
A 25 billion naira was approved as NPHCDA 2020 budget expenditure. Of this amount, 2 billion is meant for the recurrent expenditure and 22 billion for capital expenditure. Therefore, about N11.1bn is to be remove from the capital budget in the proposed revised budget. This represent about 51.1% reduction. With this figure, the total NPHCDA budget now stood at N13.5bn. Thus, the total proposed budget is now 46.6% of the approved overall 2020 NPHCDA budget.

Table 3: Primary Health Care Budget

Approved NPHCDA recurrent 2020 Budget	Approved NPHCDA Capital 2020 budget	Total approved NPHCDA 2020 budget	Proposed Cut for NPHCDA Capital 2020 budget	% proposed to approved NPHCDA capital budget	Proposed NPHCDA Revised Budget	%Proposed to approved NPHCDA 2020 budget
2,381,295,699	22,960,455,123	25,341,750,823	11,127,006,183	51.5%	13,508,301,882	46.6%

Source: Budget Office of the Federation

A further analysis of the health budget revealed that the proposed NPHCDA capital budget cut of 11,127,006,183 represent about 73.3% of the total 15,177,255,917 proposed Health capital budget cut. These cut include provision for drugs and medical equipment to PHC, vaccine devices, operational cost, etc.



Family planning, Routine Immunization, and CKD

The family planning and CKD approved 2020 budgets lines are not cut. A careful review of the proposed budget shows that there are no line items relating to FP, and CKD in the budget adjustment document submitted to the National Assembly (see table 4 and 6). However, some budget allocations on RI related budget line items as could be seen in table 5 below are removed

Table 4: FP 2020 budget

Code	Budget line	Approved 2020 budget	Proposed 2020 Revised Budget Cut	Revised provision
ERGP25112207	Procurement and distribution of family planning commodities through counterpart funding to UNFPA	1,200,000,000	Nil	1,200,000,000

Source: Budget Office of the Federation

The procurement for the outbreak (emergency) response vaccine device and operational cost of 1,228,363,525 has been removed. The Disease control and operational cost for surveillance activities 77,563,500 was also removed. Apart from the 521,804,444 pilgrimage vaccine that was removed, others are left untouched.

Table 5: RI 2020 budget

Code	Line items	Approved 2020 budget	Proposed 2020 Revised Budget Cut	Revised provision
ERGP25112666	Procurement of RI Vaccines, Devices And Operational Cost	533,584,491	Nil	533,584,491
ERGP25112672	Polio Eradication Initiative (PEI)	4,800,000,000	Nil	4,800,000,000
ERGP25112677	Procurement Of Non Polio SIA Vaccine, Device And Operational Cost	615,206,326	Nil	615,206,326
ERGP25112679	Procurement Of Outbreak (Emergency) Response Vaccine, Devices And Operational Cost	1,228,363,525	1,228,363,525	00
ERGP25112686	Disease Control And Operational Cost For Surveillance Activities	77,563,500	77,563,500	00
ERGP25126379	Procurement of Travelers And Pilgrims Vaccines	521,804,444	521,804,444	00
ERGP25126400	Vaccine Distribution And Transport (National To States & Health Facilities)	319,660,200	Nil	319,660,200
ERGP25126416	Vaccine Supply Chain Governance	76,942,400	Nil	76,942,400
ERGP25126430	Immunization Supply Chain Strengthening At NSCS And Zonal Cold Stores	81,188,000	Nil	81,188,000
116	GAVI/Immunization	22,734,412,586	Nil	22,734,412,586

Source: Budget Office of the Federation

The budget provision for the IMCH Strategy - Articulation of Policy and Strategy Plans of Newborn in Child Health in Line with SDG Targets on Integrated Management of Childhood Illnesses (IMCI) Follow Up, Integrated Supportive Supervision (ISS) And Kangaroo Mother Care (KMC) is preserved.

Table 6: CKD 2020 budget

Code	Budget Line	Approved 2020 Budget	Proposed 2020	Revised provision
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			Budget Cut	
ERGP2511220 2	IMCH Strategy - Articulation of Policy and Strategy Plans of Newborn in Child Health in Line with SDG Targets on Integrated Management of Childhood Illnesses (IMCI) Follow Up, Integrated Supportive Supervision (ISS) And Kangaroo Mother Care (KMC)	235,057,243	Nil	235,057,243

Source: Budget Office of the Federation

Conclusion

It could be seen from the above that the health budget is seriously affected by the proposed 2020 revised budget. The approved budget which was 441bn now as 406 bn. The health budget to the overall budget estimate is now 4.2%. This is 10.8% less than the Abuja declaration. Although the recurrent budget was not reduced, the capital health budget strongly affected with N15 billion cut. This has left the capital budget to only N44bn from N59bn approved. The most grossly affected sub sectoral health capital budget is the NPHCDA which was reduced from N22bn to N11bn. This constitute 73% of the entire health capital budget cut. The cut covered both the critical capital (Repairs and construction of health facilities, supplies of drugs and equipment, etc.) and non-critical capital (purchase of printers, buses, computers, etc.) expenditures. This could have long term implication on the NPHCDA in 2020 fiscal year.

Apart from the PHCUOR and RI, the other aspect of the PAS-project issue areas namely, family planning and CKD was not affected. It needs to be noted that the 900,000,000 shortfall for the family planning in year 2019 was not included in the 2020 proposed budget.

Recommendations

- There is need to further engage the legislature on the need to reverse the budget cut for especially critical health capital expenditure.
- The PAS-Sub grantees at the national level should study the budget cut, prepare a position paper and attend the public hearing on the health budget cut to express their dissatisfaction.
- Lobbying the Chairman Senate and House of Representative Committee on Health is very critical to reverse the allocation and help include the 2019 Family planning allocation shortfall in the proposed 2020 revise budget if there is indication that such money may not be release under Service Wide Vote as insinuated.
- Online campaign should be strengthening



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