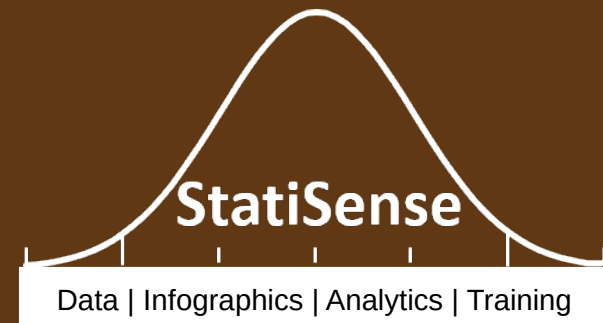




2020 PROPOSED BUDGET ANALYSIS



Agenda



01

Budget performance - 2019 and previous

Summary of the performance of the 2019 Budget showing the amount that has been released so far and for previous years.

02

Proposed 2020 Budget & The Nigeria Economy

Summary and analysis of the 2020 proposed federal government budget. The trend of allocation to the respective components of the Budget.

03

Health Budget & Other Critical Sector

Analysis of the Health Budget and to other critical sectors. Health budget trend, capital & recurrent allocations, Basic Health Care Fund

04

PACFah@Scale Issue Areas

Analysis to issue areas – PHCUOR, Routine Immunization, Family Planning, and Maternal New-Born Child Health (MNCH)

05

Other Health Budget Considerations

Allocations to health budget lines that are not in the Ministry of Health.

06

Summary & Recommendations

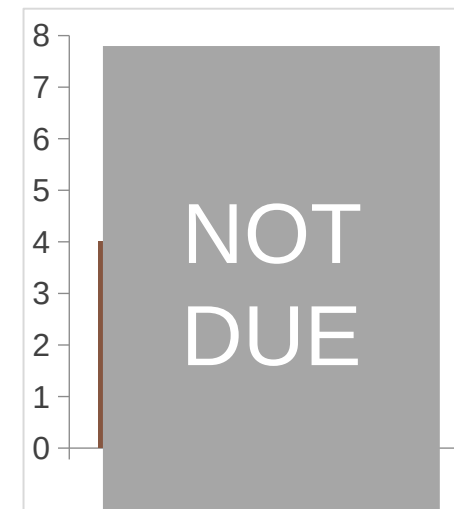
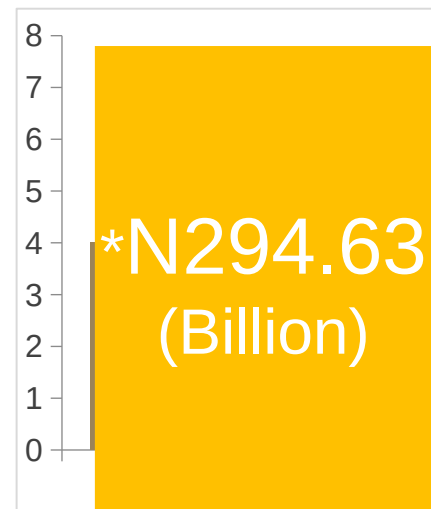
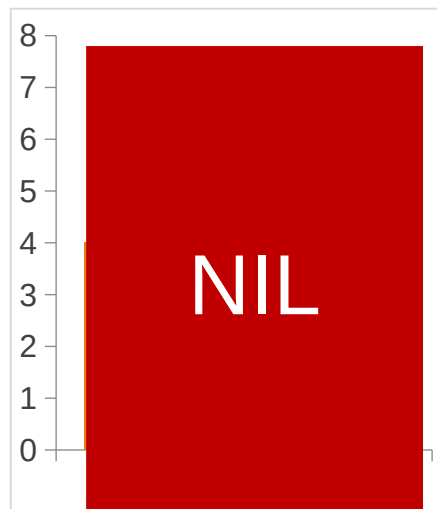
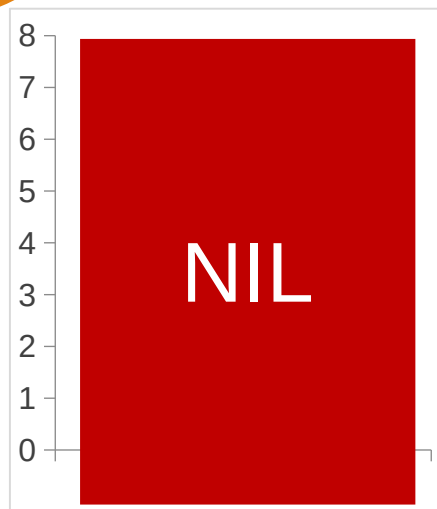
Summary of analysis and recommendations.



01

Budget Performance - 2019 and before

Summary of the performance of the 2019 Budget showing the amount that has been released so far and for previous years.



Q1 2019
NO
RELEASE

Q2 2019
NO
RELEASE

Q3 2019
RELEASED
IN SEPT

Q4 2019
N/A

*Capital Expenditure as at September 2019 stood at N294.63bn

Capital Expenditure has not been released for Q1 and Q2 – this implies that the MDAs have just Q3 & Q4 to access the entire Capital Expenditure and use same for budget implementation – this looks like an impossible hurdle to cross.

Summary of Budget Implementation (2015 – 2018)

Year	Budgeted (NTrillion)	Utilization (NTrillion)	%
2015	0.5574	0.3582	64%
2016	1,832.03	1,191.97	65%
2017	2,289.15	1,439.97	63%
2018	2,845.76	1,655.26	58%
2019*	2,094.95	0.295	**

- As shown in the Table, the budget has been implemented at best to 65%, which was in 2016.
- While budget releases come late in the year, it is not all the amount released that is utilized.
- In 2015, N387billion was released and cash-backed, however only 64% (N358Bn) was utilized with N29Bn returned to the Treasury.
- Same applied for 2016; N27Bn was returned, 2017; N124Bn was returned, and in 2018; N207Bn was returned.
- Overall between 2015 & 2018, a total of N387Bn has so far been returned to the treasury even though the Budget has not done been utilized beyond 65% at its best.

The Nigeria Economy

- Oil is still the main source of revenue, even though it contributes less than 10% to the GDP;
- Q1 & Q2 2019 GDP were at 2.10% and 1.94% respectively, though the projection is 3.1%;
- Inflation rate is still double digits; with August 2019 rate, 11.02%, being a 42 months low, however this has picked to 11.24% in September. This is below the expectation of a single digit at 9.98%
- Unemployment is at a record high – approx. 21m at 23.1% unemployment rate;
- Total Public Debt Profile is at N25.70trn
- Oil production target is not met; Benchmark at 2.3mbpd but actual is at 1.86mbpd
- Oil Price projection of \$60 per barrel is surpassed at \$67.2 and Exchange Rate is stable at N305 per 1USD.

2020 Proposed Budget Assumptions

- Oil Production: 2.18 mbpd
- Oil Price: \$57 per barrel
- Exchange Rate: N305/1USD
- Inflation Rate: 10.81%
- GDP Growth Rate: 2.93%
- Nominal Consumption: N122.75 trillion
- Nominal GDP: N142.96 trillion

Source: Highlights/Breakdown Of The 2020 Executive Budget Proposal – Ministry of Finance

Clearly, Nigeria is unlikely to meet its projections as they are they are more often too optimistic and do not reflect the reality. For instance, oil production has been consistently below 2.0mpbd but the 2020 Projection is set for 2.18mpbd.

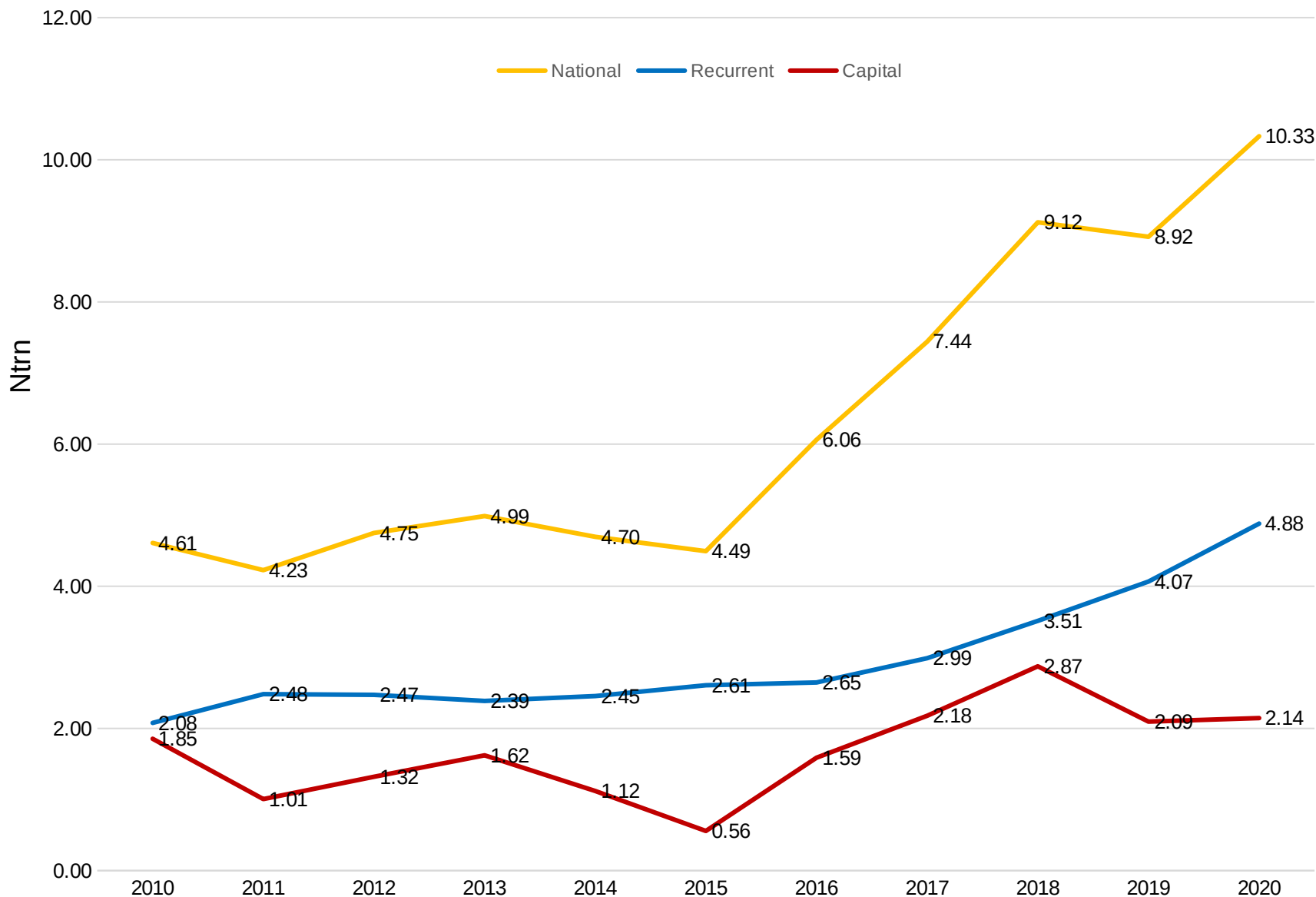
This definitely shows that the Government will resort to borrowing to fund the budget, once again demonstrating the lack of deliberate intention to take critical steps in pursuing reforms such as expanding the tax nets, seeking alternate revenue generating avenues. The implication is that, as usual, there will be late releases in budget that will result in poor budget implementation

	2020 Proposed Budget		2019 Approved Budget	
Component	Proposed	%	%	Proposed
Statutory Transfers	556,700,827,235	5.39	5.63	502,058,892,965
Debt Service	2,748,598,930,000	26.61	25.28	2,254,014,113,092
Recurrent Expenditure	4,880,309,549,778	47.24	45.60	4,065,940,383,684
Capital Expenditure	2,144,807,300,334	20.76	23.49	2,094,950,709,632
Total	10,330,416,607,347			8,916,964,099,373

The 2020 Proposed Budget is 15.9% more than that of 2019 approved budget. While proposed Capital Budget for 2020 is higher than that of 2019, the proportion to the total budget is however lower; 2019 is 23.39% while 2020 proposed is 20.76%. Government is relying more on Debt to service its budget, with debt growth from 25.28% to 26.61%. More allocation equally goes to Recurrent Expenditure, jumping from 45.60% in 2019 to 47.24% in 2020. Statutory Transfers through rose in value but the proportion to total budget is lower for 2020.

The Nigeria Economy & Proposed 2020 Budget

Summary and analysis of the 2020 proposed federal government budget. The trend of allocation to the respective components of the Budget.



Year	Budget (Ntrn)		
	Total	Recurrent	Capital
2010	4.61	2.08	1.85
2011	4.23	2.48	1.01
2012	4.75	2.47	1.32
2013	4.99	2.39	1.62
2014	4.70	2.45	1.12
2015	4.49	2.61	0.56
2016	6.06	2.65	1.59
2017	7.44	2.99	2.18
2018	9.12	3.51	2.87
2019	8.92	4.07	2.09

While Total Budget and Recurrent Expenditure are progressively on the increase, Capital Expenditure oscillates and has been on gradual decline for the last 2 Budget years.

MINISTRY OF HEALTH
(N427.30 Billion)

4.14
%

MINISTRY OF DEFENCE
(N878.46 Billion)

8.50
%

MINISTRY OF
POLICE AFFAIRS
(N409.14 Billion)

3.96
%

MINISTRY OF EDUCATION
(N652.94 Billion)

6.32
%

MINISTRY OF
HUMANITARIAN AFFAIRS,
DISASTER MGMT AND
SOCIAL DEVELOPMENT
(N444.22 Billion)

4.30
%

MINISTRY OF
WORKS AND
HOUSING
(N287.18 Billion)

2.78
%

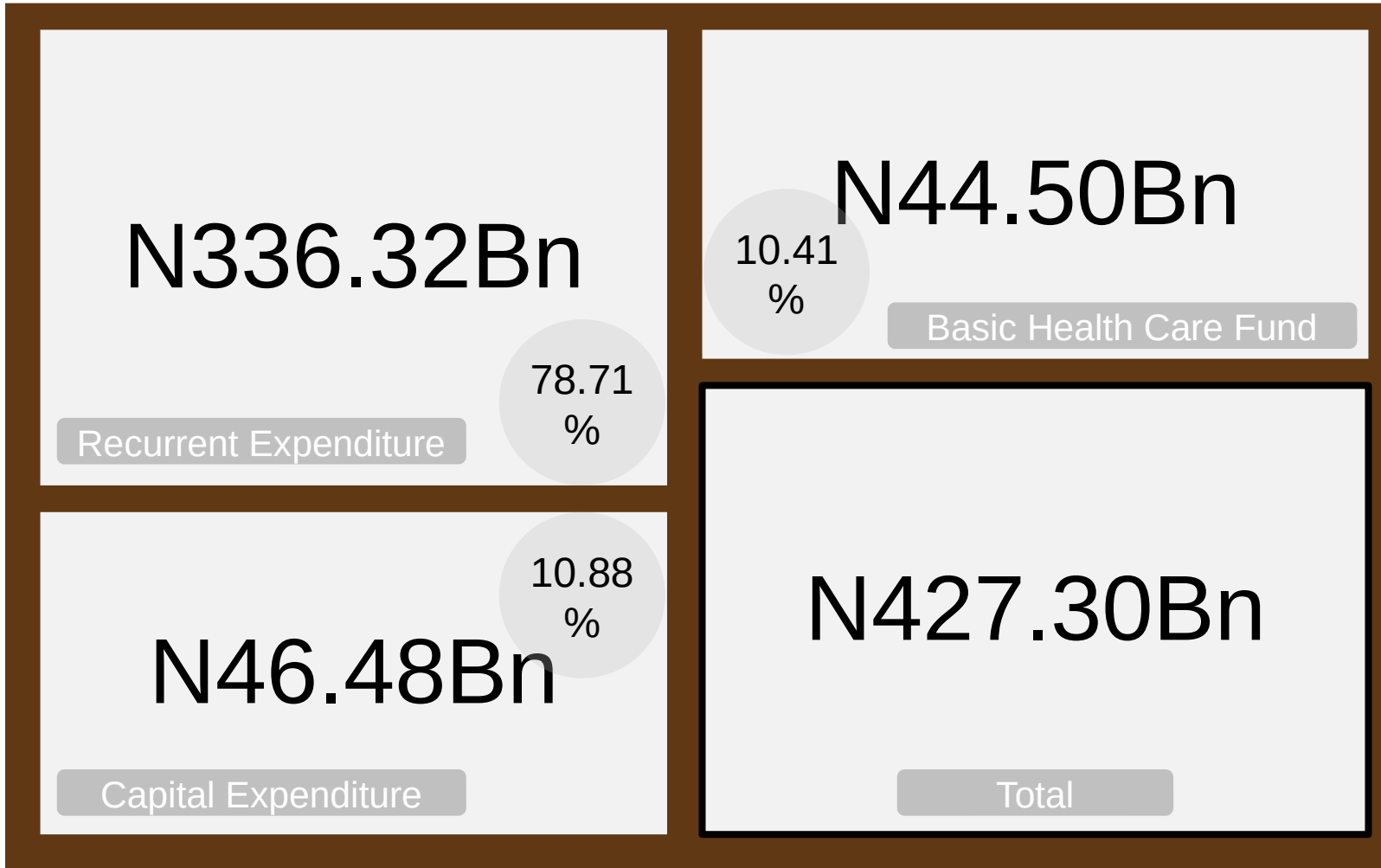
MINISTRY OF INTERIOR | N254.81 Billion (2.47%)

N171.06 Billion (1.66%)

MINISTRY OF YOUTH & SPORTS DEVELOPMENT

MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT | N138.48 Billion (1.34%)

COMPONENTS OF 2020 PROPOSED HEALTH BUDGET



According to the National Health Act (2014), “At least 1% of the Consolidated Revenue Fund (CRF) shall be allocated to Basic Health Care Fund (BHCF)”.

While the Appropriation Bill states that the CRF is N10.33trn; the allocation to BHCF, N44.50bn, does not reflect the expected 1%.

The UBE is similar to the BHCF; while BHCF is 1% of CRF, UBE is 2%. If N111.79bn is proposed for UBE, BHCF should therefore be allocated at least half of the allocation – which is N55.89Bn. However, the allocation to BHCF is less than this amount.

It is therefore not exactly clear how the allocation to BHCF was derived.

The Health Budget remain low at 4.14%, not in anyway close to the 15% recommended during the 2001 Abuja Declaration Meeting in Nigeria.

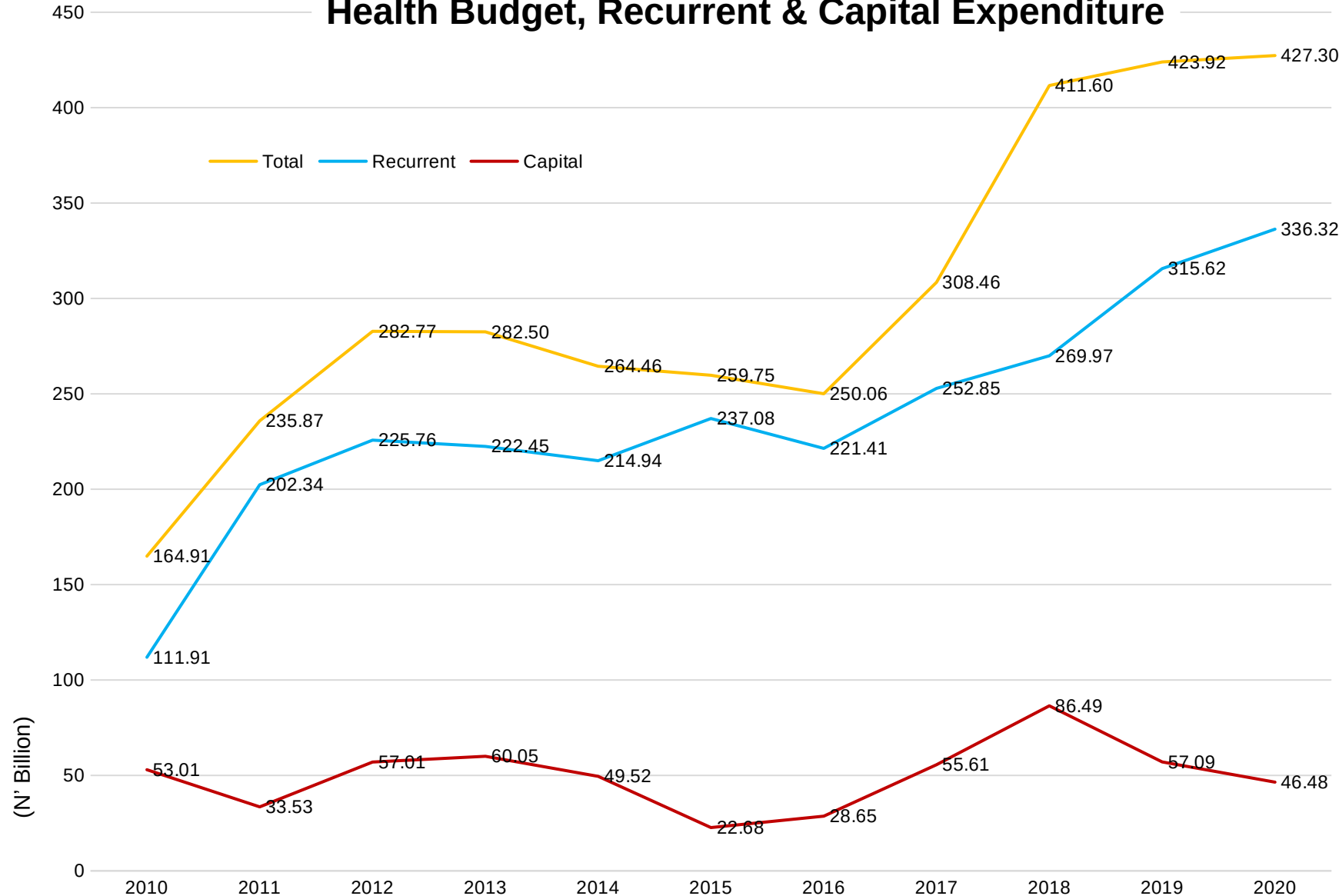
The Basic Health Care Fund has been rightly placed under the Statutory Transfers section of the Budget, which is a great improvement on earlier allocation. Recurrent Expenditure got 78.71% while Capital Expenditure got 10.88%

		2020 Proposed Health Budget		2019 Approved Health Budget	
Component	Proposed	%		%	Proposed
Recurrent Expenditure	336,322,463,885	78.71		74.46	315,717,344,056
Capital Expenditure	46,477,832,301	10.88		13.46	57,085,655,234
Basic Health Care Fund	44,498,247,834	10.41		12.08	51,219,751,964
Total	427,298,544,020				424,022,751,254

The 2020 Proposed Health Budget remain low at 4.14% of the National Budget

Comparing 2020 Proposed Health Budget to that of 2019 Approved Budget; There is marginal increase in the overall Budget, from N424.03Bn in 2019 to N427.30bn in 2020, a 0.77% increase, though the Total Government Budget increased by 15.85%. Recurrent Expenditure increased by 6.53% from N315.72Bn in 2019 to N336.32Bn in 2020 while not Capital Expenditure and the Basic Health Care Fund dropped by -18.58% & -13.12% from N57.09Bn in 2019 to N46.48Bn for Capital Expenditure and from N51.22Bn in 2019 to N44.50Bn in 2020 for Basic Health Care Fund.

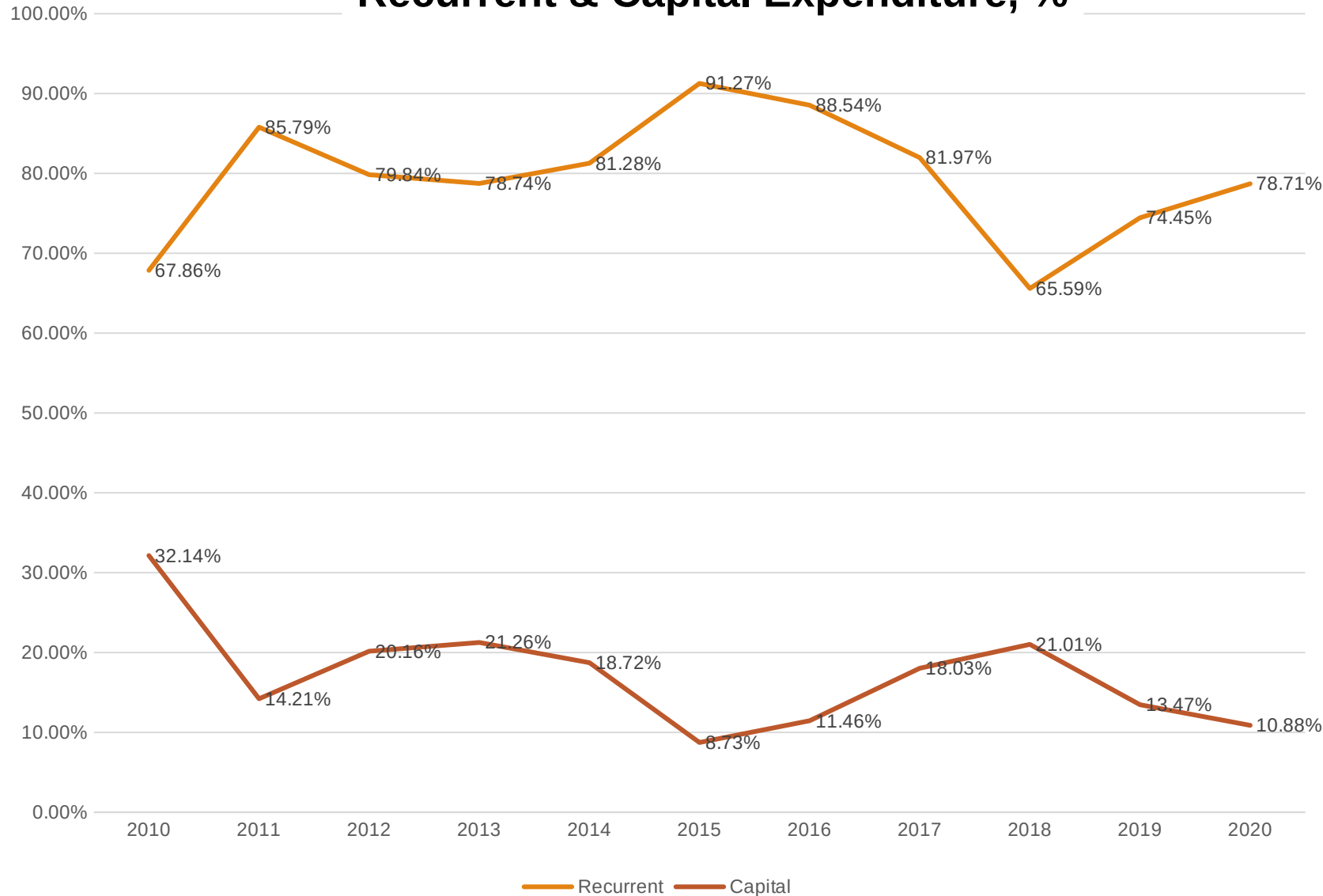
Health Budget, Recurrent & Capital Expenditure



Year	Budget (NBn)		
	Total	Recurrent	Capital
2010	164.91	111.91	53.01
2011	235.87	202.34	33.53
2012	282.77	225.76	57.01
2013	282.50	222.45	60.05
2014	264.46	214.94	49.52
2015	259.75	237.08	22.68
2016	250.06	221.41	28.65
2017	308.46	252.85	55.61
2018	411.60	269.97	86.49
2019	423.92	315.62	57.09
2020	427.30	336.32	46.48

While the Health Budget continues to rise as well as the Recurrent Expenditure, Capital Expenditure oscillates and has been on gradual decline for the last 2 Budget years.

Recurrent & Capital Expenditure, %



	Recurrent %	Capital %
2010	67.86	32.14
2011	85.79	14.21
2012	79.84	20.16
2013	78.74	21.26
2014	81.28	18.72
2015	91.27	8.73
2016	88.54	11.46
2017	81.97	18.03
2018	65.59	21.01
2019	74.45	13.47
2020	78.71	10.88

Recurrent Expenditure grows persistently while Capital Expenditure takes a downward trend over the years.

BASIC HEALTH CARE FUND

2018

55,150,000,000

2019

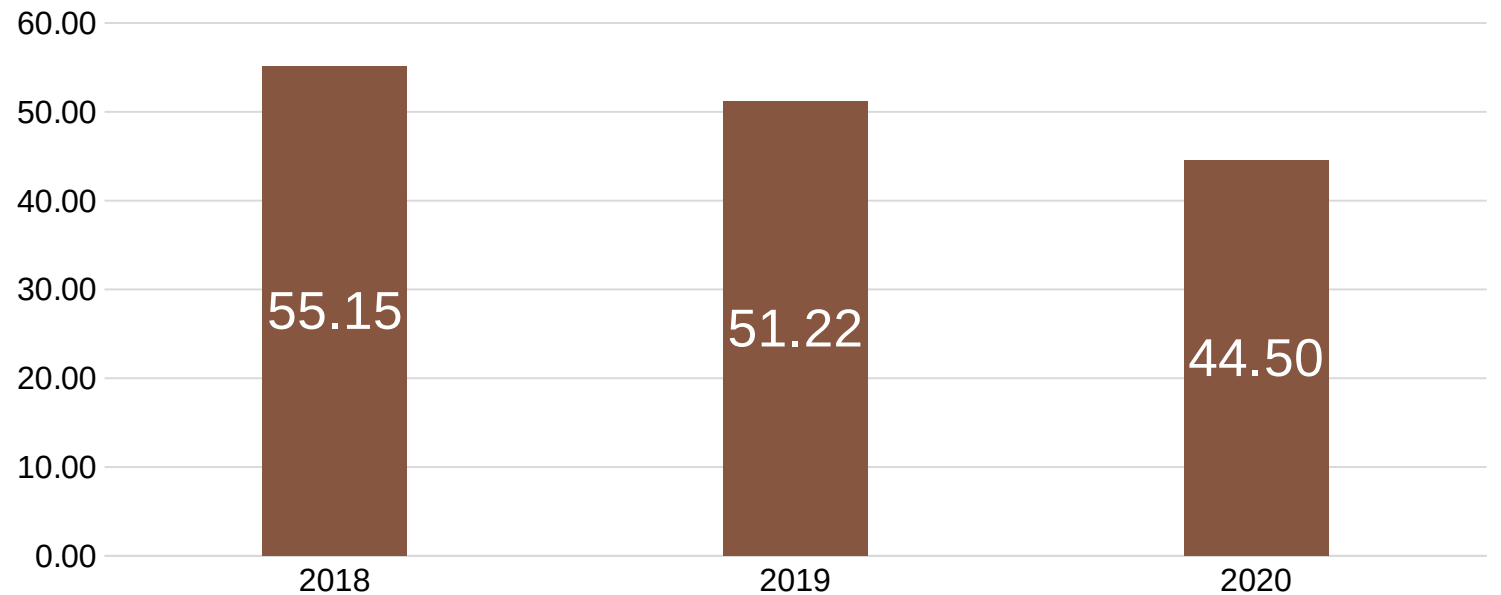
51,219,751,964

2020

44,498,247,834

11. (1) There is hereby created a Fund to be known as Basic Health Care Provision Fund. Establishment of Basic Health Care Provision Fund.
(2) The Basic Health Care Provision Fund shall be financed from
(a) Federal Government Annual Grant of not less than one per cent of its Consolidated Revenue Fund. – **(National Health Act, 2014)**

Allocation to BHCF (2018-2020) - N'bn



While the Consolidated Revenue Fund has been on an upward trajectory and forms the basis for allocating funds to the Basic Health Care Fund (BHCF); this has not reflected in the actual fund allocated to BHCF. It has been on a downward progression since the first allocation in 2018

HEALTH BUDGET PERFORMANCE (2015 – 2018)

YEAR	Capital Allocation	Released	% Released	Utilized Funds (N'bn)	As a % of Released	As a % of Allocation	Returned
	(N'bn)	(N'bn)					(N'bn)
2015	22.68	16.45	72.50%	12.21	74.20%	53.80%	4.24
2016	28.65	28.59	99.80%	27.81	97.30%	97.10%	0.78
2017	55.61	52.66	94.70%	48.85	92.80%	87.80%	3.81
2018	86.49	63.48	73.40%	52.99	83.48%	61.27%	10.49

The highest percentage of release was in 2016, where 99.80% of allocation was released.

RELEASED

Utilization has not always been at 100%.

Utilization as a percentage of Allocation 2015: 53.8%; 2016: 97.10%; 2017: 87.80%; and 2018: 61.27%

UTILIZED

Equally, released funds have been returned to the Treasury on an annual basis – with the least being in 2016 where N0.78Bn was returned.

The highest return so far was in 2018, where N10.49Bn was returned to the Treasury

RETURNED

There is apparently an issue with timely releases of funds and most importantly the utilization of released funds.

N15.72Bn

PHCUOR
(NPHCDA)

N4.00Bn

Routine
Immunization

N1.20Bn

Family
Planning

N829.32m

Maternal New-
Born Child
Health
(MNCH)

National Primary Health Care Development Agency

Component	Proposed
National Primary Health Care Development Agency	15,721,295,693

Routine Immunization

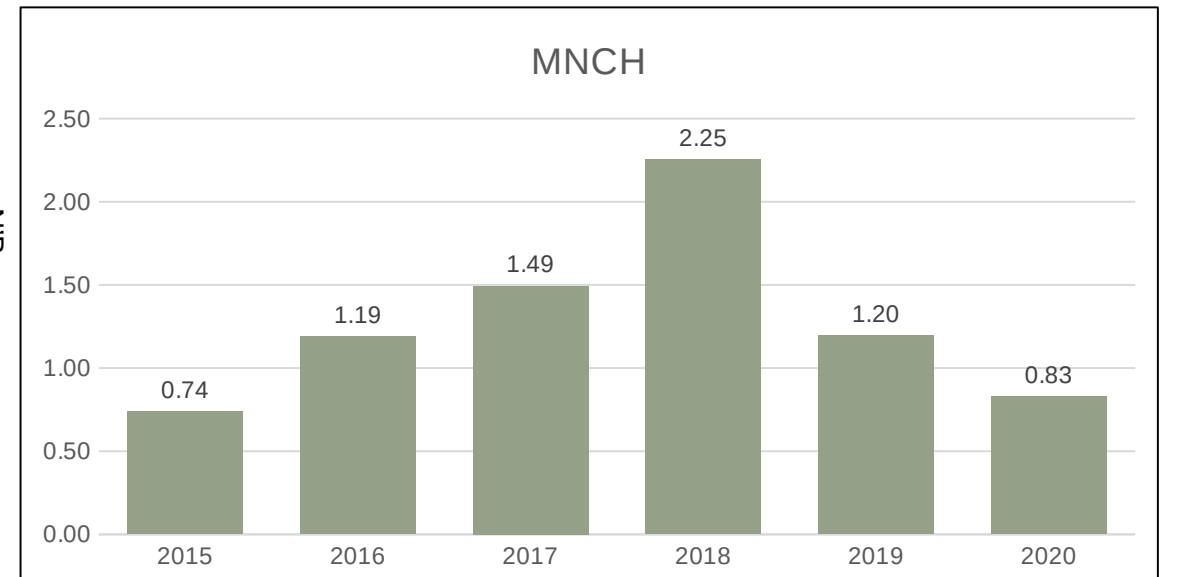
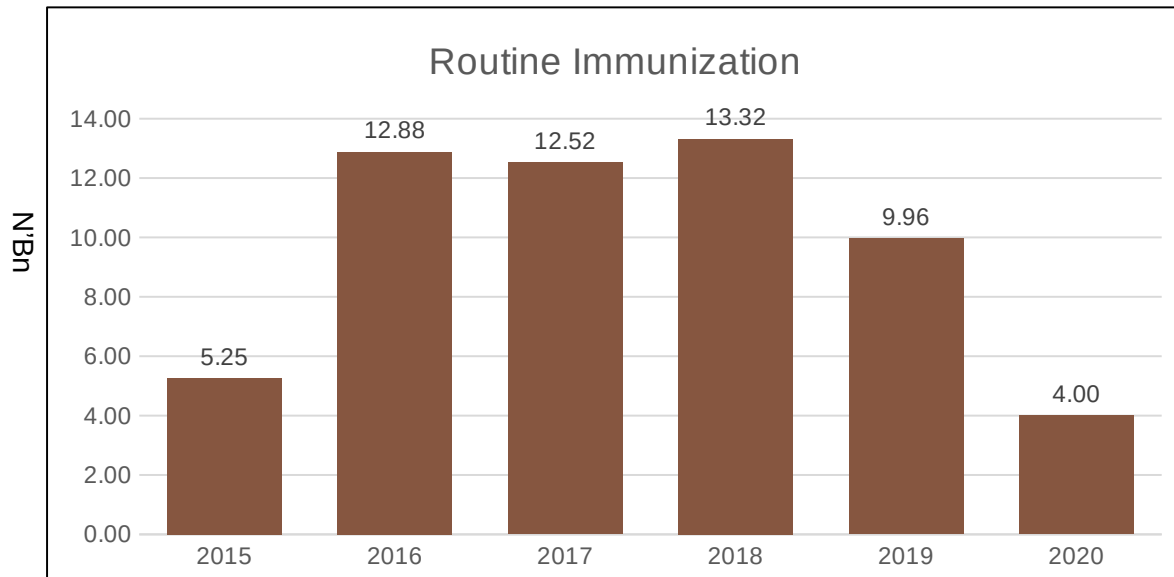
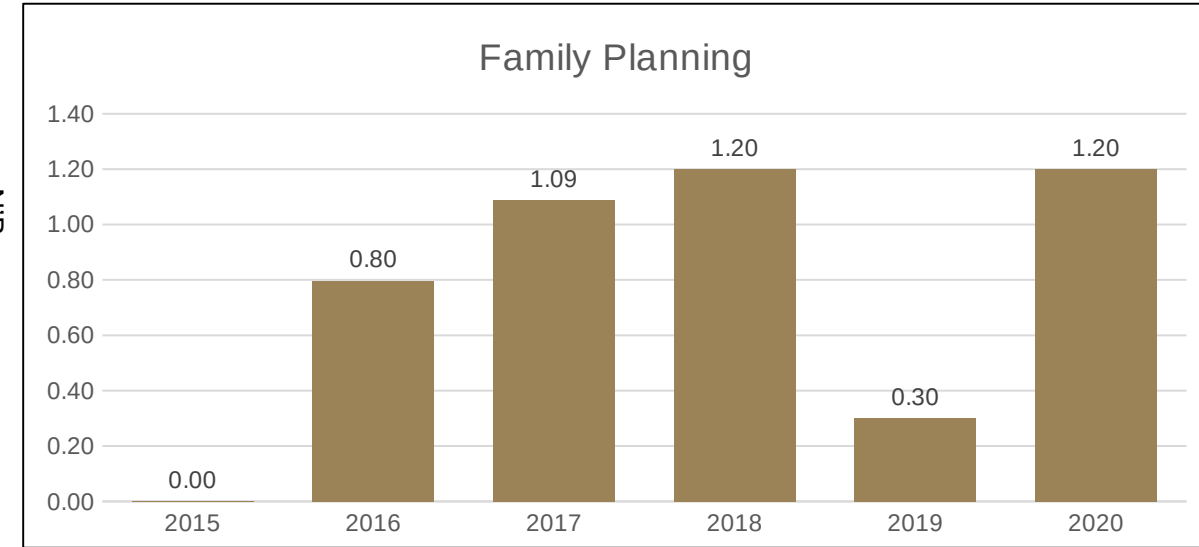
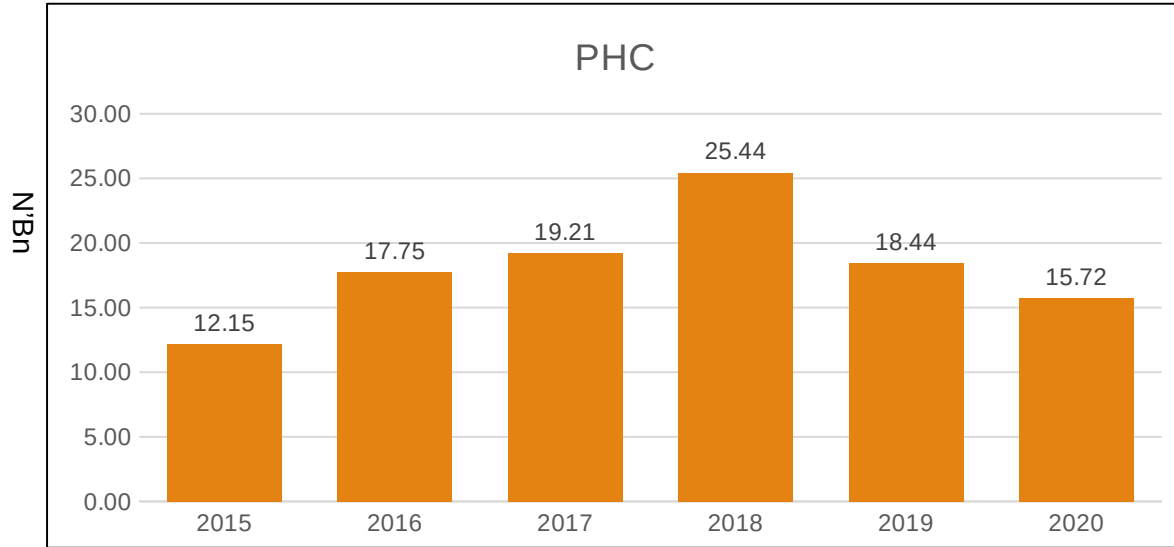
Component	Proposed
DISTRIBUTION OF DONATED DRUGS (PRAZIQUANTEL, MEBENDAZOLE, IVERMECTIN AND ALBENDAZOLE ETC.) FOR MASS ADMINISTRATION OF MEDICINES (MAM) CAMPAIGN FOR ONCHOCERCIASIS, SHISTOSOMIASIS, SOIL TRANSMITTED HELMINTHES, LYMPHATIC FILARIASIS AND OTHER NEGLECTED TROPICAL DISEASES (NTDS); CONDUCT OPERATIONAL RESEARCHES ON SELECTED NTDS PROGRAMMES, EPIDEMIOLOGICAL SURVEYS TO ASCERTAIN DISEASE (NTDS) PREVALENCE IN NIGERIA, IMPACT ASSESSMENT SURVEYS ON THE USE OF NTDS MEDICINES DISTRIBUTED AND USED; PROCUREMENT OF ANTI-RABIES VACCINE; YAWS MAPPING AND DATA GENERATION ETC.	15,000,000
DEVELOPMENT AND PUBLICATION OF NATIONAL VACCINE POLICY	41,767,363
PROCUREMENT OF RI VACCINES, DEVICES AND OPERATIONAL COST	683,584,491
PROCUREMENT OF NON POLIO SIA VACCINE, DEVICE AND OPERATIONAL COST	815,206,326
PROCUREMENT OF OUTBREAK (EMERGENCY) RESPONSE VACCINE, DEVICES AND OPERATIONAL COST	1,228,363,525
PROCUREMENT OF TRAVELERS AND PILGRIMS VACCINES	521,804,444
VACCINE DISTRIBUTION AND TRANSPORT (NATIONAL TO STATES & HEALTH FACILITIES)	619,660,200
VACCINE SUPPLY CHAIN GOVERNANCE	76,942,400
	4,002,328,749

Family Planning

Component	Proposed
IMPROVE FAMILY PLANNING SERVICES THROUGH CONTRACEPTIVES USE INTERVENTIONS AND COUNTERPART FUNDING	1,200,000,000

Maternal New-Born Child Health (MNCH)

Component	Proposed
IMNCH 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)	335,057,243
NATIONAL/STATES/LGA EMERGENCY MATERNAL AND CHILD INTERVENTION CENTRE OPERATIONALIZATION	152,600,500
CONSTRUCTION AND FURNISHING OF NEO-NATAL WING OF MATERNAL AND CHILCARE COMPLEX	100,000,000
MATERNAL AND CHILD HEALTHCARE (MCH)	91,200,000
COMMUNITY ENGAGEMENT FOR MATERNAL AND CHILD HEALTH	80,750,000
ACCELERATED REDUCTION OF MATERNAL MORBIDITY AND MORTALITY IN NIGERIA THROUGH SAFE MOTHERHOOD INCLUDING ERADICATION OF OBSTETRIC FISTULA	20,460,000
MATERNAL, INFANT AND YOUNG CHILD FEEDING INTERVENTIONS IN NIGERIA INCLUDING MICRONUTRIENT DEFICIENCY CONTROL AND NUTRITION INFORMATION SURVEILLANCE	18,000,000
MATERNAL, INFANT AND YOUNG CHILD NUTRITION SERVICES	13,280,000
CONSTRUCTION AND EQUIPPING OF RESUSCITATION BAY AND DAYCARE WARD IN INSTITUTE OF CHILD HEALTH (ICH) BANZAZZAU	10,000,000
IMNCH 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)	7,981,892
	829,329,635

PACFaH@Scale Issue Areas Budget Trend

Component	Proposed
National Agency for the Control of AIDS (NACA)	2,244,381,813
State House Medical Centre	723,003,927
NHIS Contribution by FGN	82,705,001,987
NHIS (Military Retirees)	11,737,075,338
Drugs & Medical Supplies	2,535,885,383
Medical Consulting	194,060,190
Medical Expenses	4,304,210,164
Purchase of Health / Medical Equipment	26,637,411,831
Construction / Provision of Hospitals / Health Centres	7,774,719,768
Counterpart Funding Including Global Fund/Health/ Refund to GAVI	5,500,000,000
Rehabilitation / Repairs - Hospital / Health Centres	4,055,919,099
GAVI / Immunization	22,734,412,586
	169,986,122,048

Health Budget in Summary

FEDERAL MINISTRY OF HEALTH	OTHER HEALTH BUDGETS	TOTAL HEALTH BUDGET
424,022,751,254	169,986,122,048	594,008,873,302

Giving consideration to Health Budgets in other non-health MDAs, the 2020 Proposed Health Budget would come to about N594Billion, which is 5.75%. Again this is still too low for a developing like Nigeria with all the attending health issues and low health indicators

1

Engagement with Government is necessary to prioritize Health as a key Sector and a vital components of investing in Human Capital Development with great potential to turn the fortune of the nation around.

2

Timely release of budget allocation is necessary to achieving prompt delivery of health promises to the People. Also, ensuring utilization of released funds to avoid return to the Treasury

3

While it is important to increase health budget as we currently perform low in terms of meeting the Abuja Declaration benchmark, Government must make the increases reflect in the Capital Expenditure component

4

Current allocation to the Basic Health Care Fund does not reflect at least 1% of the Consolidated Revenue Fund, as stated in the NHA 2014. Stakeholders must engage the Government to regularize this.

5

It is important to work with the National Office of the Sustainable Development Goals (SDGs) as a major component of the Global Goal is “Good Health & Wellbeing”, therefore there must be synergy between the SDGs Office and the federal Ministry of Health.

6

Government must not relent in its intention to revamp/build 10,000 Primary Healthcare Centres across the Nation – this must reflect in the budget to the National Primary Health Care Development Agency.

7

Government must demonstrates its commitment to the “The Economic Recovery & Group Plan (ERGP)” by allocating funds to achieve the health component of the Plan.

**Thank
you**

PASA
PACFaH@Scale
Many Advocates, One Voice

