



# **COMPARATIVE ANALYSIS OF THE REVISED 2020 HEALTH BUDGET ALLOCATIONS AND COVID-19 RESPONSES**

**(NATIONAL AND PAS-STATES)**



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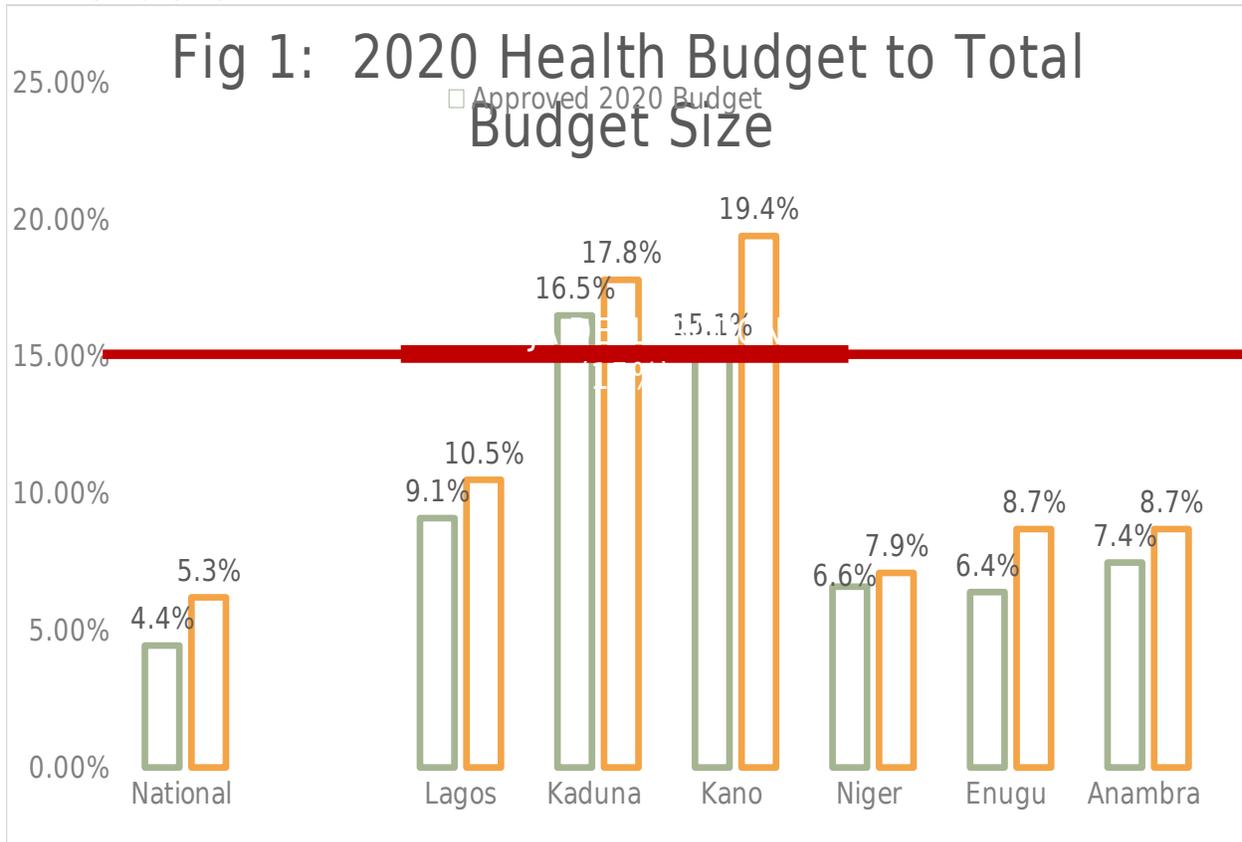
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## CHAPTER ONE

### REVISED 2020 NATIONAL BUDGET AND HEALTH BUDGET ANALYSIS

#### 1.1 Contextual Background

With Nigeria's economy struggling to endure the effect of the coronavirus pandemic which has claimed over 996 deaths and individuals and groups denied business opportunities, the government found it very difficult to maintain the status quo, including the approved 2020

budget estimate. While more resources are needed to mitigate the effect of the pandemic, there was no corresponding revenue to fill the gap making the budget review a necessity.

Recall that Nigeria depends majorly on oil revenue which contributed 70% to its annual earning and 90% to foreign exchange earnings<sup>1</sup>. With crude oil price now \$43/barrel<sup>2</sup>, both the foreign and internally generated revenue has been seriously affected, hence, great difficulty in meeting various sectoral commitments. To mitigate these challenges, the country benefited from donations from internal and external sources and received debt forgiveness. About 87 billion naira has been donated by individuals<sup>3</sup>, organisations and international donors. Moreover, Nigeria has also recently benefited from the \$50m (19.5 billion Naira) Global Citizens fund contribution to the Sovereign national fund to help the government track, treat cases and improve access to healthcare<sup>4</sup>. Besides, while \$3.2bn (1.2 trillion Naira) debt relief has been agreed by China<sup>5</sup>, IMF has also approved the sum \$3.4Billion (1.3 trillion Naira) as financial support to help the country overcome the current socio-economic crisis<sup>6</sup>. However, despite all of these inflows, national and state governments had to resort to reviewed budgets appropriated through a legislative mechanism. The issue brief examines the implications of this move on the Nigerian health budget with a particular reference to national and the PAS-States. The overall allocations for health (not only Ministry of Health Budget) is used as a baseline to ascertain the health allocations to budget size.

## 1.2 Proposed 2020 Revised National Budget

The Nigeria budget estimate was signed into law in December 2020, however, with the emergence of the covid-19 pandemic which created a setback to the revenue prospect, the government took measures with the review of the approved 2020 budget. The reasons for this may not be unconnected with the need to prepare the budget based on the current revenue trends and also improve efforts to cushion the effect of covid-19 pandemic on the socio-economic activities of the people. In essence, N10.509tn budget was proposed as a revised estimate. This was an 0.7% decrease from the approved budget estimate. However, this figure met with a huge reaction by the NASS who believed that the Budget should be increased rather than decreased.

<sup>1</sup> “National Budget 2020”, <https://home.kpmg/ng/en/home/insights/2020/02/national-budget-2020.html>, Accessed 13<sup>th</sup> May 2020, time 5:36pm

<sup>2</sup> “Oil price”, <https://oilprice.com/>, Accessed 17<sup>th</sup> May 2020, time 12:36pm

<sup>3</sup> <https://twitter.com/4lowthemoney/status/1255031035265527809>

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Lerato Mogoatlhe, “Everything You Need to Know About the COVID-19 Nigeria Solidarity Support Fund” , May 14, 2020. <https://www.globalcitizen.org/en/content/covid-19-nigeria-solidarity-support-fund-explained/>

<sup>5</sup> Awoseyi Awojulugbe, “Nigeria gets Debt relief from china, G20”, April 17, 2020.

<https://www.thecable.ng/breaking-nigeria-gets-debt-relief-from-china-g-20>

<sup>6</sup> “Nigeria’s IMF Financial Assistance to Support Health Care Sector, Protect Jobs and Businesses”, April 30, 2020. <https://www.imf.org/en/News/Articles/2020/04/29/na042920-nigerias-imf-financial-assistance-to-support-health-care-sector-protect>

Firstly, due to the pandemic, the exchange rate has increased leaving nothing in doubt that all foreign transactions concerning the approved budget will be impacted. Secondly, many businesses have closed down, those who still exist are not operating in full capacity and 42% of Nigerians have lost their jobs. Thirdly, the health sector needs more funding to be able to overcome the pandemic. Fourthly, there was an indication that the price of crude oil may increase in the nearest months as more countries are opening their economies. The budget was however increase to N10.801tn and subsequently N10.810tn. The budget compared to the approved budget is now increased by 2.05% (see table 1 below).

### **1.3 Revised 2020 Budget Review Process**

The budget review is a yearly occurrence and it is done to meet the economic reality. The review budget process goes through the same process as a new budget from the preparation to the submission to the National for review. Being the normal custom, the executive presents the review budget to the joint session of the National Assembly (where both the Senate and House of Representatives received the budget) led by the Senate president under which the budget is received for consideration.

The review of the overall federal budget was made to accommodate the resultant impact of COVID-19 on the economy, and due to the need to prioritise and reorient expenditure to health as one of the key sectors of the economy. The oil benchmarks which was established as \$57/barrel in the approved 2020 budget was reviewed to \$28/barrel and the oil production volume reduced from 2.18 million barrels to 1.9 million barrels<sup>7</sup>. Consequently, whilst the Executive proposed N10.509 trillion, the National Assembly approved N10,810 trillion – a N301 billion increase compared to the originally proposed by the Executive. Whilst this increase is noteworthy, the National Assembly utilise the provisions of sections 80 and 81 of the 1999 Constitution (as amended) which empowers the National Assembly to appropriate every amount for the Executive before it is expended. Hence, the Chairman of the Senate Appropriation Committee of the National Assembly, Jibrin Barau, presented the Budget Report of the Committee for consideration and possible passage during the plenary sessions at the Senate in June 2020. The Senate Leader, Senator Yahaya Abdullahi led the debate at the plenary during the vote of proceedings outlining reasons for the consideration of the budget as stated above. His position was supported in the House of Representatives by its Majority Leader, Hassan Ado Doguwa.<sup>8</sup>

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Buhari to sign 2020 revised budget Friday, guardians Newspaper, July 9, 2020 <https://guardian.ng/news/buhari-to-sign-2020-revised-budget-friday/>

<sup>8</sup> Chike Olisah ‘Senate passes the revised N10.8 trillion 2020 budget’ June 11, 2020, <<https://nairametrics.com/2020/06/11/senate-passes-the-revised-n10-8-trillion-2020-budget/>> accessed 23 June 2020.



It is important to note key issues around the Revised Budget 2020. First, it is intended to sustain the economy and mitigate the effect of the COVID-19 pandemic. Second, the 2020 Revised Budget will be funded with an aggregate revenue projection of N5.09 trillion which is 35% or N2.78 trillion less than the 2020 Budget which was passed by the National Assembly in 2019. Third, 26% of this revenue is expected to be funded from oil-related sources while the outstanding sum is to be earned from non-oil sources. Out of the N10.509tn proposed by the executive, 33.5bn, 44.7bn, 25.5bn is for health recurrent, health capital and Basic Health Care Provision Fund (BHC PF) respectively

On the 10<sup>th</sup> of June 2020, Hon. Muktar Betara of the House of Representative led a debate at the House of Representative for the House to consider the report of the committee on appropriations on a bill for an Act to amend the Appropriation Act, 2020 to authorise the issue from the consolidated revenue fund of the Federation the total sum of ₦10,801,544,664,642.

Many issues arose during this process especially on the striking doctors pushing for the payment of their hazard allowance to which many including the National Association of Resident Doctors (NARD) assumed that it has not be considered. Notes that on Tuesday 9<sup>th</sup> June 2020, (a day before the session to consider N10.801trn budget size) the speaker of the House met the members of the NARD who are embarking on a nationwide strike. It was during the meeting that it was made knew that the Hazard allowance had already been captured under the Service Wide Vote (Covid-19 Intervention Fund-CIF). There was N20 billion in that respect under CIF and was in the N10.801tn slated for consideration on the floor of the on the 10<sup>th</sup> June 2020.

Another issue that ensued was the funding of the residency programmes as provided by the Medical Residency Training Act. This issue was raised by the speaker while considering the budget on the 10<sup>th</sup> of June, as part of the promised made to the NARD in the previous day, hence, the sum of N4 billion was approved by the House from the Service Wide Votes for the commencement of funding of residency programme as provided for by the Medical Residency Training Act<sup>9</sup>. This therefore, raised the budget to N10.805bn on Wednesday 10<sup>th</sup> of June 2020 by the House.

On the 11<sup>th</sup> of June 2020, a gap was also overserved in the budget that was approved in the previous day. Hon. Muktar Betara drew the attention of the House to the approved increase in the crude oil benchmark price from \$25 to \$28 per barrel - a \$3 increase. It was observed that the application of the percentage of the \$3 per barrel as a share of revenue amounting to ₦5,256,207,430 to some Statutory Agencies was erroneously omitted in the recently passed budget. While this omitted figure was added to the 10.805 previously reviewed by the House, to make the final revised budget of N10.810tn, a statutory transfer of ₦897,641,688 (1% of CRF)

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<sup>9</sup> Notes that the Senate also approved the fund on 11<sup>th</sup> June 2020.

was added to the N25bn Basic Health Care Fund as its shared of the fund, given the new figure as N26.4bn.

From the above, it could be deduced that the sum of 301bn was added by the NASS to the initial proposed revised budget which stood at N10,509 bn. When compared revised budget to the total approved budget there is a difference of N218bn (2.1% increase) as could be in table 2 below. Thus, what therefore accounted for the increase of the national budget when compared to the approved might not be unconnected to the N500 billion intervention fund (see chapter three for details) from the service-wide vote, debt servicing which was increased from N2.725 trillion initial budget to N2.951 trillion (8.2% increase) revised budget as well as the exchange rate. Thus, the budget which is expected to be financed through borrowing<sup>10</sup> is based on the oil price benchmark at USD 28; oil production at 1.8mbpd; exchange rate at 360/\$1; inflation projection of 14% and a GDP forecast of -4.2% parameters<sup>11</sup>.

**Table 1:** Comparative Analysis of the Revised 2020 Budget

Budget components	Proposed 2020 Budget October 2020	Approved 2020 budget December 2020	Proposed Revised 2020 budget 2 <sup>nd</sup> June 2020	Revised 2020 budget 10 <sup>th</sup> June 2020	Approved Revised 2020 Estimate 11 <sup>th</sup> June 2020	Variance of approved to final Approved Revised	% Change
Statutory transfer	556bn	560bn	398bn	423bn	428bn	-132bn	-23.5%
Debt services	2.749trn	2.725trn	2.951trn	2.952trn	2.951trn	+226	+8.2%
Recurrent expenditure	4.880trn	4.840trn	4.928trn	4.942trn	4.942trn	+102bn	+2.1%
Capital expenditure	2.145trn	2.465trn	2.230trn	2.488trn	2.488trn	+23bn	+0.9%
Total	10.330trn	10.592trn	10.509trn	10.805trn	10.81trn	+218bn	+2.05%

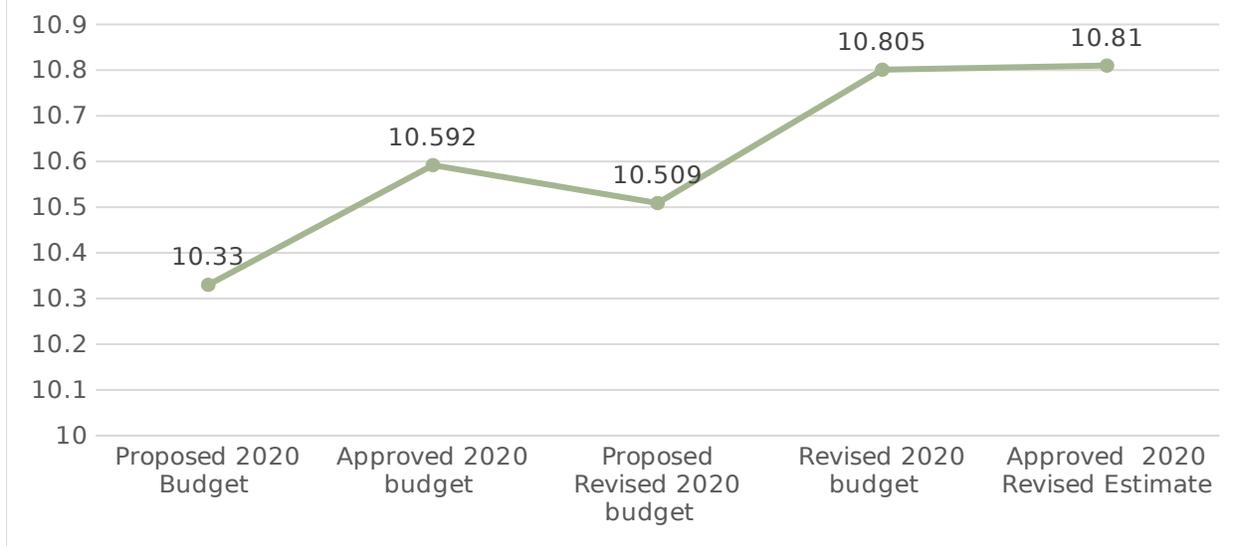
**Source: Budget Office of the Federation**

<sup>10</sup> "Budget 2020: Reducing the Number Upward", This Day Newspaper, June 29<sup>th</sup> 2020. <https://www.thisdaylive.com/index.php/2020/06/29/budget-2020-reducing-the-numbers-upward/>

See also "Budget 2020: FG in fresh bid to Borrow N5.51trn", Vanguard Newspaper May, 29<sup>th</sup> 2020 <https://www.vanguardngr.com/2020/05/budget-2020-fg-in-fresh-bid-to-borrow-n5-51trn/>

<sup>11</sup> "Update on 2020 Revised Budget, MTEF and Fiscal strategy for 2021-2023", <https://www.proshareng.com/news/BUDGET%20AND%20PLANS/Update-on-2020-Revised-Budget--MTEF-and-Fiscal-Strategy-for-2021---2023/52161>

**Fig 2: Trends In The 2020 Revised Budget  
 (In Trillion)**



Source: Appropriation Act 2020 & Order papers.

#### 1.4 FMOH 2020 Budget

A total of N441bn was approved for the Federal Ministry of Health (FMOH) in 2020. The federal government proposed a reduction of N34bn mostly from the capital budget which was reduced from N59bn to N44bn. However, the National Assembly increased the FMOH budget to N414bn from the N406bn proposed revised, representing 1.9% increase. The overall reduction is now 6% from the initial approved budget estimate. This change was mainly from the health capital allocation which was increased by the NASS from N44bn submitted by the Federal government to N51bn. Leaving the total reduction from the approved FMOH capital budget to 13%. Also, the N51bn revised health capital budget is 15% increase from the proposed N44bn revised estimate by the Federal government.

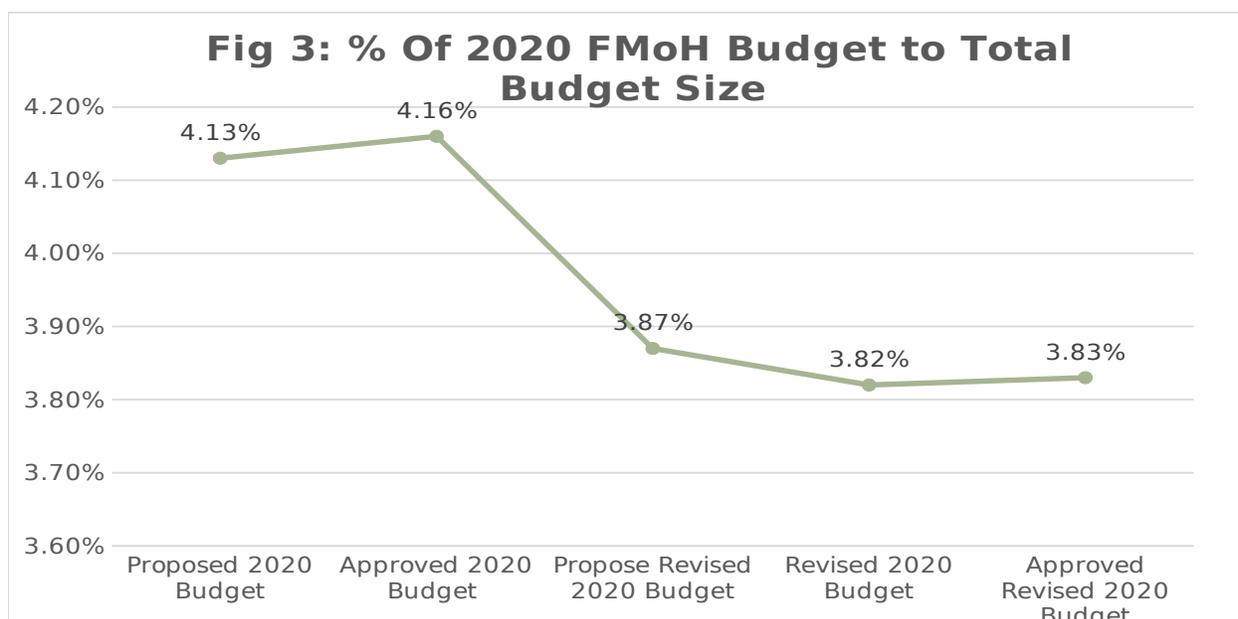
**Table 2: Comparative analysis of the FMOH 2020 Health Budget**

Health Budget Component	Proposed Health Budget October 2019	Approved Health Budget December 2019	Proposed Revised Health Budget 2 <sup>nd</sup> , June 2020	Revised Health Budget 10 <sup>th</sup> , June 2020	Approved Revised Estimate 11 <sup>th</sup> , June 2020
Recurrent	336.3bn	336.6bn	336.6bn	336.6bn	336.6bn
BHCPF	44.5bn	44.5bn	25.5bn	25.5bn	26.4bn
<b>Total Recurrent</b>	380.7	381.1	362.1	362.1	363
Capital	46.5bn	59.9bn	44.7bn	51.4bn	51.4bn

<b>Total Budget Size</b>	427.3bn	441bn	406.8bn	413.5bn	414.4bn
<b>Budget Size</b>	10.330tn	10.592tn	10.509tn	10.804tn	10.810
<b>% of FMoH Budget to Budget Size</b>	4.13%	4.16%	3.87%	3.82%	3.83%

**Source: Budget Office of the Federation**

More so, from the first approval in December 2019 to the revised made on June 11, 2020, the percentage of the FMoH budget to the overall budget was a downward slope from 4.16%, 3.87%, 3.82% to 3.83%, (see table 3 and fig 3 below). There are shortfalls of 10.85%, 11.13%, 11.18% and 11.17% respectively.



**Source:** Budget office of the Federation.

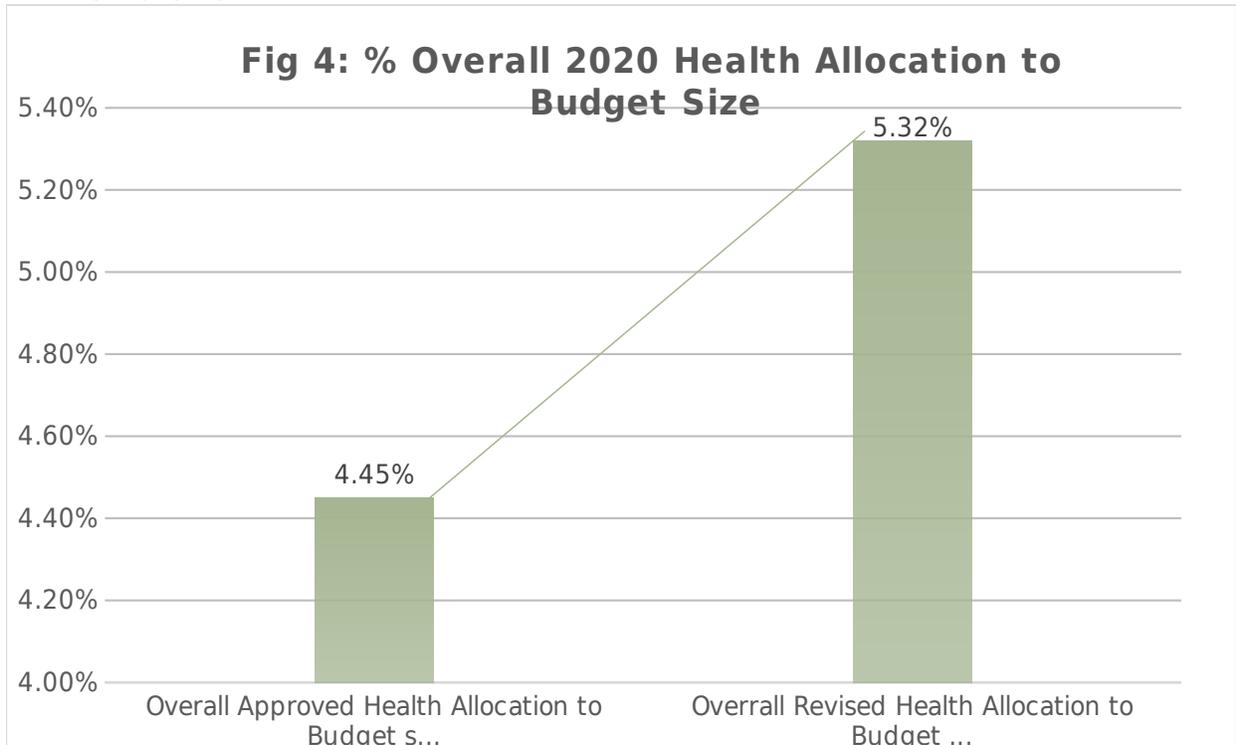
### 1.5 Overall, 2020 Health Allocation

It is important to note that apart from FMoH, billions of naira are also budgeted for health care under the Service Wide Votes (SWV). The service-wide vote is situated under the Federal Ministry of Finance, Budget and National Planning (FMoBNP) budget for emergency/unforeseen expenses as well as special intervention. Some of these interventions as related to the health care in the 2020 fiscal year include Health Zonal Intervention Projects (HZIP), Covid-19 health Intervention fund, GAVI/Immunisation as well as the Counterpart Funding Including Global Fund/Health/ Refund to GAVI. They are also meant to provide various health care services such as the provision of the health infrastructure, equipment, and strengthening human resources for health. The below table shows detailed analysis of the health spending for the 2020 fiscal year.

Table 3: Overall 2020 Health Budget Size

Description	Approved	Revised	Change	% Change
<b>Federal Ministry of Health Budgetary Allocation</b>				
Capital	59,909,430,837	51,502,884,613	-8,406,546,224	-14.03
Recurrent	336,597,463,881	336,597,463,881	-	0%
Basic Health Care Fund	44,498,247,834	26,457,743,000	-18,040,504,834	-40.5
<b>Total FMoH Allocation</b>	<b>441,005,142,552</b>	<b>414,458,091,494</b>	<b>-26,547,051,058</b>	<b>-6%</b>
<b>Service Wide Votes for Health Care</b>				
GAVI/Immunisation	22,734,412,586	26,834,060,757	4,099,648,171	18.03%
Counterpart Funding Including Global Fund/Health/ Refund to GAVI.	5,500,000,000	5,500,000,000	-	0%
Health Zonal Intervention Projects	2,437,876,190	2,437,876,190	-	0%
Covid-19 Health Intervention Fund	-	126,000,000,000	-	100%
<b>Total Service Wide Vote for Health</b>	<b>30,672,288,776</b>	<b>160,771,936,947</b>	<b>130,099,648,171</b>	<b>424.16%</b>
<b>Total Health Allocation</b>	<b>471,677,431,328</b>	<b>575,230,028,441</b>	<b>103,652,597,113</b>	<b>21.95%</b>
<b>% of Total Health Allocation to Budget Size</b>	<b>4.45%</b>	<b>5.32%</b>		

From the above therefore, the FMoH housed most of the health care budgets as the implementing agency, the SWV under the FMoBNP also holds significant funding for health care. With about N30 billion approved as an initial budget, the SWV for health care increased to N160.77bn (424.16%) in the revised budget. The surge increased in the SWV is mainly due to the N126 billion covid-19 intervention fund aimed at addressing the coronavirus pandemic across the 36 states of the federation. The total budget approved for health care (FMoH budget and Service-wide vote combined) amounts to N471.67 billion. This was increased to N575.230 billion (21.95% increase). However, the approved health allocation to budget size also increased from 4.45% to 5.32% in the revised as seen in fig 4 below.



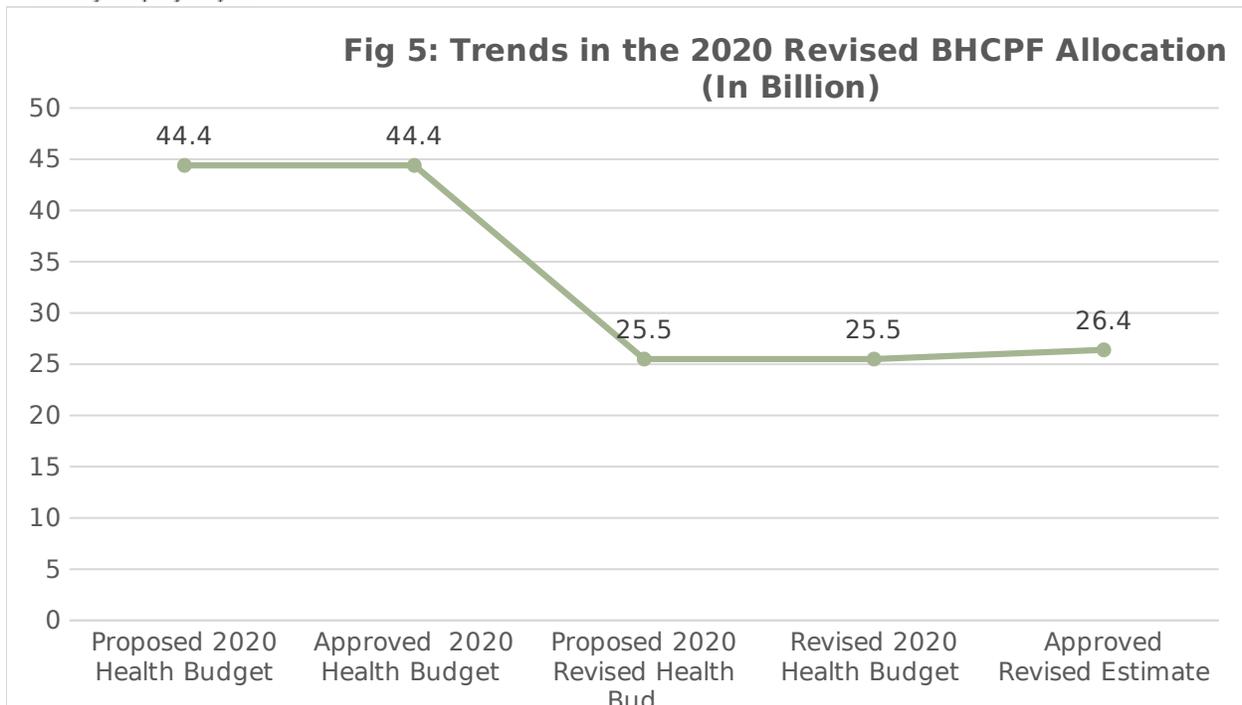
### 1.5 Basic Health Care Provision Fund

BHCPF was supposed to be financed by 1% Consolidated revenue of the Federal government of Nigeria and other sources<sup>12</sup>. The fund which is expected to be disbursed through National Health Insurance Scheme (NHIS), National Primary Health Care Development Agency (NPHCDA) and Ministry of Health<sup>13</sup> that supposed to be increasing along the increase revenue projection, was on decline. N51 billion was allocated in 2018 fiscal year, this was reduced to N45 billion in 2019, N44 billion in the approved in 2020 and N24 billion in the proposed 2020 revised. Does it mean that the FG revenue has been on decline since 2019? This calls for answers. It is part of the reason why the proposed reduction in the Basic Health Care Provision Funds (BHCPF) by the FG met with reactions by Nigerian. According to the FG poor revenue projection during the corona pandemic led to the BHCPF reduced from 44bn to 25bn, a 42.5% reduction. As the revenue projection increases during the budget review, the 1% consolidated revenue for the BHCPF also increased to 26.4bn, leaving the total reduction to 40.5% from the approved budget, (see table 2 and fig 4)<sup>14</sup>.

<sup>12</sup> National Health Act, 2014.

<sup>13</sup> BHCPF Guidelines for Administration, Disbursement, Monitoring and Fund Management. October 2016

<sup>14</sup> Order Paper: House of Representative FRN, June 11<sup>th</sup> 2020.



**Source:** Budget Office of the Federation

One critical issue that is observable in the 2020 budget is that for the first time since 2018, the BHCPF is captured under the Ministry of Health recurrent expenditure which made the total approved and revised recurrent for the year stood at N380.7bn and N362.9 bn. The point is that why would the BHCPF be captured under the recurrent (personnel in particular) only without disaggregation (on Capital and recurrent) knowing fully well that the fund is not exclusive of HRH and running cost. According to the BHCPH guideline 2016, 50% of NHIS gateway will go the Basic minimum package of health services (BMPHS); 20% of the NPHCDA gateway essential drugs, vaccines and consumable in PHCs, 15% for provisions and maintenance of facilities, equipment, and transportation in PCSs; 10% would be used for the development of human in PHCs, and 5% FMoH for emergency medical treatments<sup>15</sup>. There is a need to disaggregate these funds in the budget lines for transparency and accountability. This is necessary to capture all doubt and ill feelings. This will also enable independents reviewer to get answers to the question of what, how, and where without necessarily have to go through huddles at the MDAs.

### 1.6 Health Capital and Recurrent

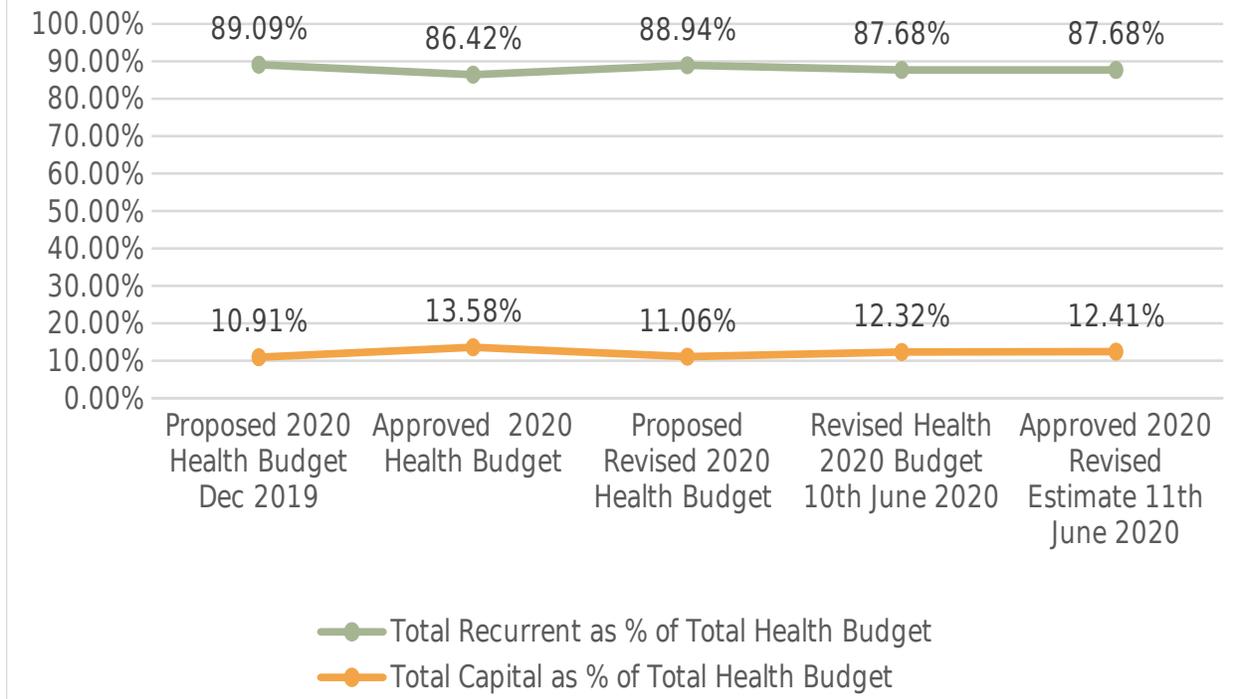
<sup>15</sup> BHCPF Guidelines for Administration, Disbursement, Monitoring and Fund Management. October 2016



However, given the fact that the BHCPF fund has now been captured under personnel recurrent of the FMOH 2020 budget, the table below shows the percentage of the total capital and total recurrent health expenditure according to the Federal Ministry of Health 2020 approved and revised budget to the total Health budget. Thus, the total budgeted allocation for the capital budget from the proposed 2020 budget to the final approved 2020 revised is below 14%. This is far more than expected. From the fig below, the recurrent expenditure received more government attention than the capital with an average of more than 80% of the total health 2020 budget. This has been a recurrent culture in Nigeria's health budget allocation. If the government must ensure that Nigerians live healthily and their wellbeing promoted at all ages in line with the Second National Health Strategic Plan, 2018-2022, there is a need to breach the huge gap between the capital and recurrent expenditure.

Even though the allocation for the recurrent is also very low when compared to the Nigeria population of about 200 Million people and population growth rate of more 3% annually, it would be disastrous if significant attention is not paid to the adequate investment on health infrastructures which includes but not limited to the construction and maintenance of the health facilities, provision of laboratory equipment, drugs among others.

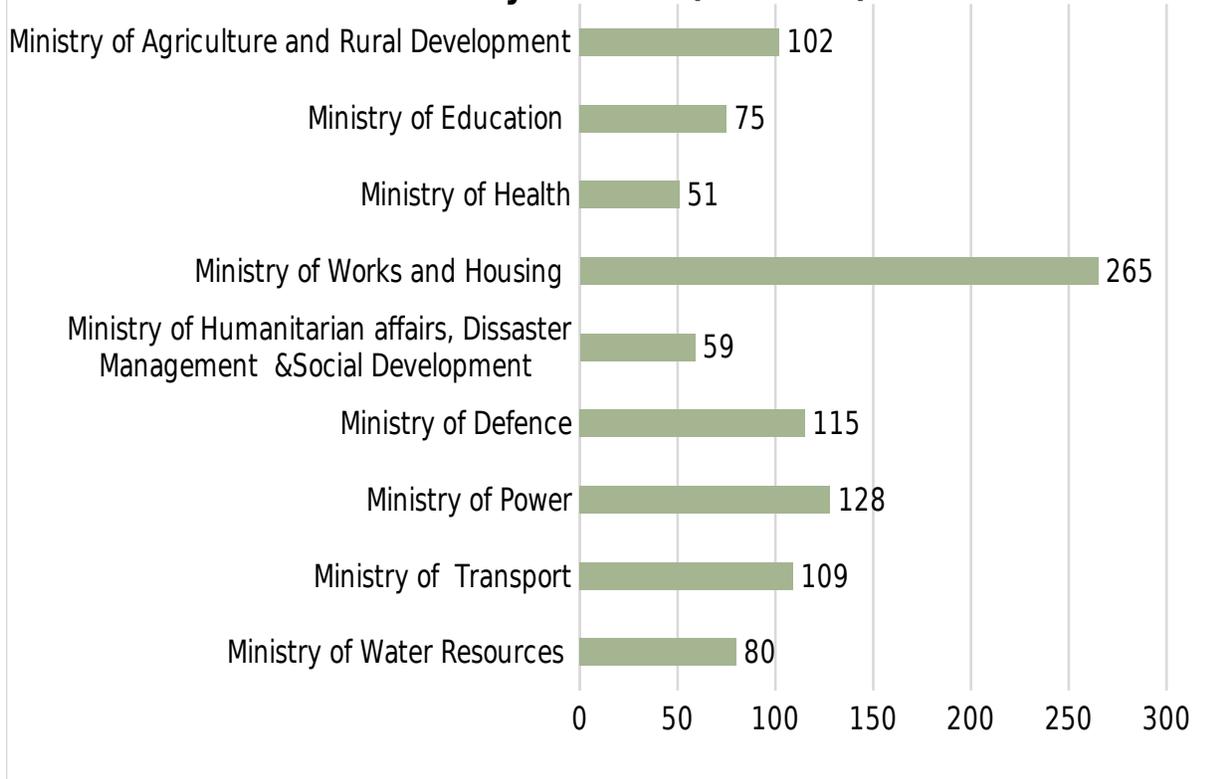
**Fig 6: Total Health Recurrent and Capital to Total Health Budget**



**1.7 FMoH Capital Budget and Other Sectors**

Furthermore, a cursory look at the Nigeria 2020 revised health capital budget when compared to other critical sectors of the Nigeria economic, social and security sectors namely Agriculture and Rural development, Education, Work and Housing, Defence, Power, Transport, Water Resources and Humanitarian Affairs and Disaster Management, and Social Development, it could be observed that the FMoH has the lowest capital allocation.

**Fig 7: Revised 2020 Health Capital Allocation and Other Key Sectors (in Billion)**



### 1.9 Key Findings

- The above analysis shows that the 2020 revised budget was increased to N10.81bn representing 2.05% increase from the approved N10.592bn. while the statutory transfer was reduced to 428bn representing 23.5% from the approved N560bn budget, the debt service was increased by 8.2%, recurrent expenditure by 2.1%, and capital expenditure by 0.9%.
- The service-wide vote for health care increased to N160 billion (424.16% increase) from the initial budget of N30 billion. The increase witnessed under the SWV is mainly due to the addition of 126 billion covid-19 intervention fund and the increase of the GAVI/Immunisation from N22 billion to N26bn in the revised budget.
- On the basic health care provision which was now captured under the personnel recurrent health budget, the sum of N18.04bn was removed representing 40.6% reduction from the approved 2020 health budget.

- The FMoH revised 2020 budget was reduced to N414.4bn representing 6% cut from the approved N441bn. Although the national budget was increased by 2%, there was no corresponding increase in the FMoH health budget. Going by the new health budget arrangement, the total FMoH recurrent budget was reduced to N363bn representing 4.7% reduction compared to the approved N381.1bn. In essence, the sum of N8.5bn was cut from the approved FMoH capital health budget of N59.9bn. This represents a 14% cut.
- Lastly, while the total FMoH budget to budget size was now reduced 3.83% compared to the 4.16% approved budget, the overall health budget to the budget size increase to N575,230,028,441 (21.95% increase) from the initial approved budget of N471,677,431,328. Thus, the overall health budget to total budget size also shows an increase from 4.45% to 5.32%. With the current arrangement, there is 9.68% shortage compared to the 15% of the total budget size recommended in the 2001 Abuja declaration and the Nigeria Health Financing Policy and Strategy, 2017.

## CHAPTER TWO

### SUBNATIONAL PAS-STATES 2020 HEALTH BUDGET TREND ANALYSIS

#### 2.1 Kano State Revised 2020 Budget

According to the Kano State Governor of Kano State, Dr. Abdullahi Ganduje, the 2020 budget review is necessitated by the economic challenges occasioned by the COVID-19 pandemic. In words “We are all aware that due to Covid-19 pandemic, especially with the shutdown of the state for over a month, our sources of revenue were drastically reduced. So also, other allocation. For that we need to have a realistic budget that could cater for the post COVID-19 period”. In essence, the review of the budget size by 32% was due to poor revenue projection. This reduction affected the health budget.

Although, the state government maintained the recurrent expenditure as approved, the capital expenditure was reduced by 26.7% from the initial approved budget. It could also be noted that despite the reduction in the State budget size and the health budget, the total revised health allocated compared to the total revised budget size shows an increase from 15.16% to 19.4%. This necessitated due to the fact that the reduction in the health budget is lower than the reduction in the total budget size. This means that the State commitment towards maintaining the 15% Abuja declaration is observed.

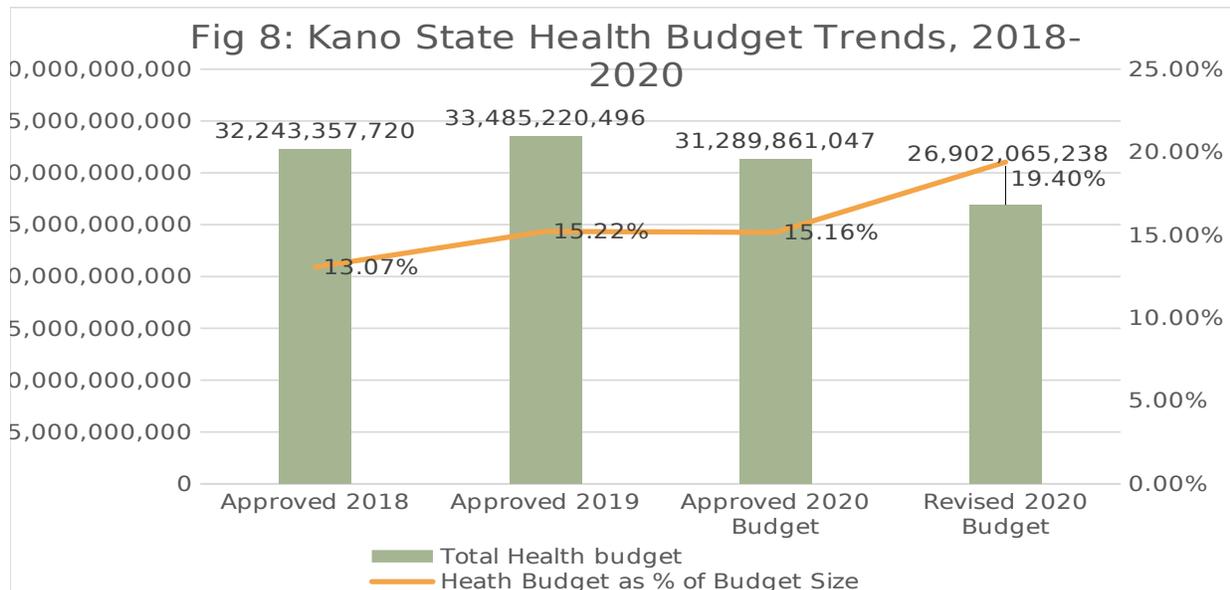
**Table 4:** Kano Revised 2020 Budgetary Allocations

Budget Components	Approved 2018	Approved 2019	Approved 2020 Budget	Revised 2020 budget	% Revised 2020 to Approved 2020
Recurrent Health Budget	16,407,498,508	18,257,129,592	14,940,133,455	14,920,133,455	0%
Capital Health Budget	15,835,859,212	15,228,090,904	16,349,727,592	11,981,931,783	-26.7%
Total Health budget	32,243,357,720	33,485,220,496	31,289,861,047	26,902,065,238	-14%
Total Budget Size	246,608,850,598	219,970,976,010	206,267,759,657	138,279,140,661	-32%
Health Budget as % of Budget Size	13.07%	15.22%	15.16%	19.4%	

**Source:** Kano State 2018, 2019, 2020 Approved and Revised 2020 Appropriation Laws.

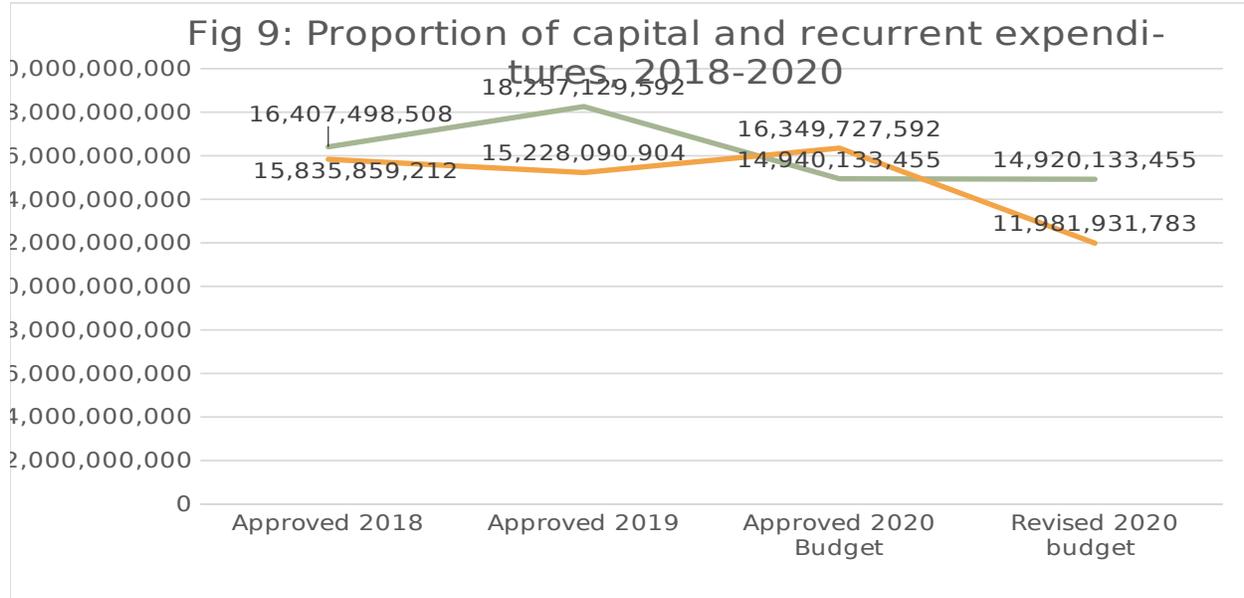
In the same vein, the State health budget was increased by N1,241,862,776 (3.8%) in 2019, decreased by N2,195,359,449 (6.5%) in 2020 approved budget, and also, decrease further by N4,387,795,809 (12.02%) in the revised 2020 budget.

However, looking at the subcomponents, the health capital and recurrent, the health capital budget was decreased by N607,768,308 (3.8%) in 2019, increased by N1,121,636,688 (7.3%) in the approved 2020 budget, and reduced by N4,367,795,809 (26.7%) in the revised 2020 budget. On the other hand, the recurrent budget was increased by N18,49,631,084 (11.27%) in 2019, reduced by N3,316,996,137 (18.16%) in the approved 2020, and no reduction was made in the revised 2020 budget.



In essence, the health budget received a significant attention in 2019, but after then, it is clear that the state is gradually reducing its funding commitment despite maintaining above the 15% Abuja declaration.

Therefore, the proportion of the capital to the recurrent health budget has been varies since 2018. For instance, in 2018 about 51% Health budgetary allocation was for recurrent while 49% was budgeted for the capital budget. In 2019, about 55% of the health Budget was allocated for recurrent while 45% for the capital budget. In the approved 2020 budget, 48% was allocated for the recurrent while 52% for the capital expenditure. And lastly in the 2020 revised budget, while 51% of the health budget was allocated for the recurrent, only 49% is allocated for the capital. Although, the allocation for the capital is below average in the revised budget, but there is clear indication that the state is sensitive each of health budget components.



## 2.2 Niger State Revised 2020 Budget

Gov. Abubakar Sani-Bello of Niger has attributed the revised 2020 budget to the outbreak of the COVID-19 pandemic that has had a negative impact on the economy of many countries including Nigeria. According to him, “the preparation of the 2020 budget was necessitated by the outbreak of COVID-19 pandemic and was aimed at realigning the approved 2020 budget allocation such as recurrent and capital by reducing and cutting non-essential expenditures and also accommodating palliatives to address the impact of COVID-19”.<sup>16</sup>

However, with the signing of the 2020 revised State budget by Governor Sani Bello on the 24<sup>th</sup> of July 2020, a critical look at the budget shows 24% reduction from the approved budget. The health budget was also reduced by 9.3%. With the reduction of the budget size and health budget, the capital and the recurrent health allocation were also reduced by 0.19% and 40.6% respectively. It could be observed that the percentage of the health budget to total budget size was increased to from 6.6% in the approved 2020 budget to 7.9% in the revised budget.

**Table 5: Niger Revised 2020 Budgetary Allocations**

Budget Components	2018	2019	Approved Budget	Revised budget	% Revised 2020 to Approved 2020
Recurrent Health Budget	424,685,379	2,091,564,742	2,393,329,179	1,436,808,011	-40%

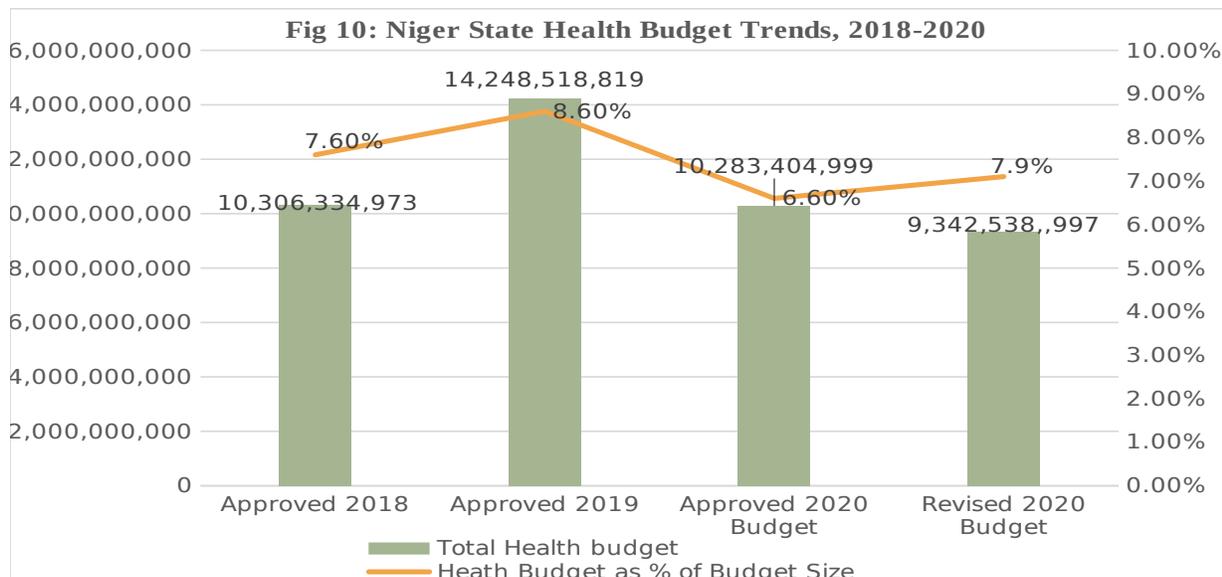
<sup>16</sup> <https://guardian.ng/news/niger-governor-attributes-reduction-of-2020-budget-to-covid-19-pandemic/>

Capital Health Budget	9,881,649,594	12,156,954,077	7,890,075,820	7,905,730,056	+0.19%
Total Health budget	10,306,334,973	14,248,518,819	10,283,404,999	9,342,538,067	-9%
Total Budget Size	134,286,417,019	164,450,868,735	155,459,814,700	117,827,097,799	-24%
Health Budget as % of Budget Size	7.6%	8.6%	6.6%	7.9%	

**Source:** Niger State Approved 2018, 2019, 2019 and revised 2020 Budgets

The Niger State health budget increased by N3,942,183,846 (38.2%) in 2019, reduced by N3,965,113,820 (27.82%) in the approved 2020, and reduced again by N940,866,932 (9%) in the revised 2020 budget.

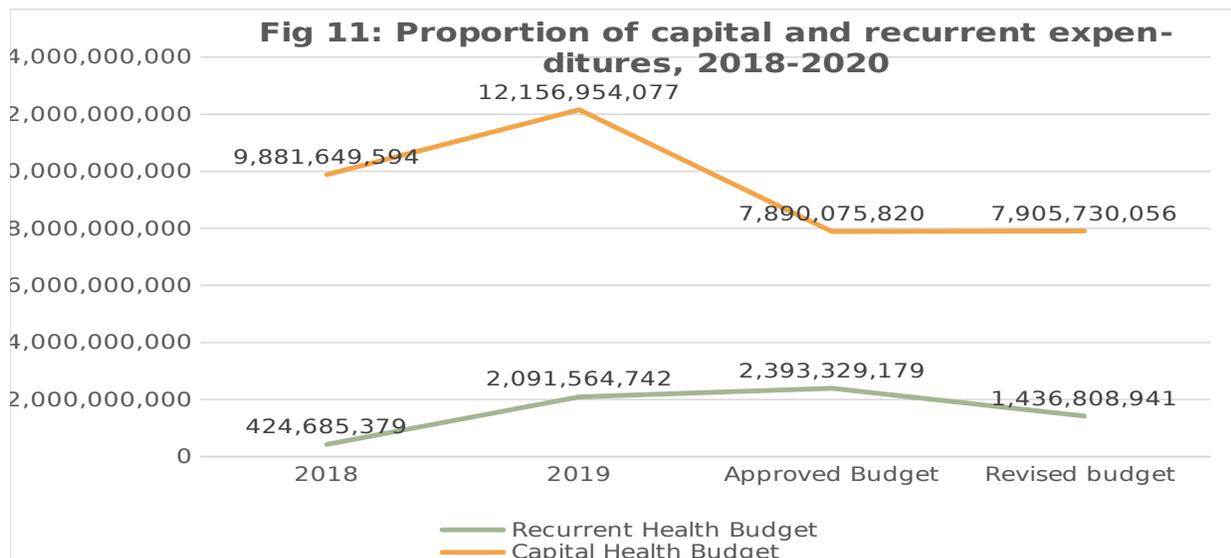
The capital budget was increased by N2,275,304,483 (23.02%) in the approved 2019 budget, by N4,266,878,257 (35.09%) in the approved 2020, but increased by N15,654,236 (0.19%) in the revised 2020. It could be observed here that the percentage of reduction is greater than the percentage decreased in the 2019 and revised 2020 combined. Also, the recurrent budget was increased by N1,666,879,363 (392.49%) in 2019, and N301,764,437 (14.42%) in the approved 2020 budget but was reduced by N973,175,237 (40%) in the revised 2020.



**Source:** Niger State Approved 2018, 2019, 2019 and revised 2020 Budgets

Notes that Niger State has not near the 15% recommended in the Nigeria Health Financing Policy and Strategy, 2017. The highest the states could allocate for the health budget when compared to the total budget size between 2018 and 2020 is 8.6% in the 2019 fiscal year. This creates a doubt as to the state's commitment to universal health coverage.

Therefore, the proportion of the Capital and recurrent expenditure shows that more priority is geared towards the capital. for instance, in 2018 while 96% of the budget was allocated for the capital budget, only 4% is allocated for the recurrent expenditure. In 2019, about 85%of the health budget was allocated for the capital expenditure while 15% was allocated for the recurrent Allocation. In the approved 2020 budget, 77% was allocated for the capital expenditure while 23% for the recurrent expenditure. however, in the revised 2020 health budget, 85% of the health budget was allocated for the capital expenditure while the only 15% for the recurrent expenditure. Thus, this arrangement is not result-oriented. Do not forget that Niger has the largest landmass in Nigeria with a population of about 3.9 million, the state requires a number of health both clinical and non-clinical.



**Source:** Niger State Approved 2018, 2019, 2019 and revised 2020 Budgets

### 2.3 Kaduna State Revised 2020 Budget

The Kaduna State approved 2020 budget was reviewed as a result of the COVID-19 pandemic and the depressed global crude oil prices which affected the economic projection of the state which resulted in huge falls in revenue of the state. The review was based on the price of crude oil at 20 dollars per barrel as against 55 dollars per barrel, exchange rate at N360 per dollar as against N306 per dollar, reduction in value-added tax and oil bench market which was at 1.7m barrel per day as against 2.2m barrel per day<sup>17</sup>. The revised budget has a total reduction of N35bn from the original budget of N259.2bn, translating to a 13 percent reduction. Given this reduction, the health budget was also reduced by 7%.

<sup>17</sup> <https://newnigeriannewspaper.com/2020/07/03/kaduna-assembly-approves-over-n223bn-as-revised-budget-for-2020/>

In the same vein, although the capital expenditure was reduced by 17.2%, the recurrent expenditure was increased by 17.5%. Despite the overall reduction in the budget size and capital budget, the percentage of the health budget as total budget size increased from 16.5% in the approved budget to 17.8% in the revised 2020 budget.

**Table 6: Kaduna Revised 2020 Budgetary Allocations**

Budget Components	Approved 2018	Approved 2019	Revised 2019 Budget	Approved 2020 Budget	Revised 2020 budget	% Revised 2020 to Approved 2020
Recurrent Health Budget	17,119,881,856	10,342,744,895	11,435,259,736	12,610,864,032	14,824,046,336	17.5%
Capital Health Budget	17,576,392,530	13,192,536,695	13,112,607,131	30,296,014,992	25,066,833,123	-17.2%
Total Health budget	34,696,274,386	23,535,281,590	24,547,866,867	42,906,879,024	39,890,879,459	-7%
Total Budget Size	216,650,173,912	157,449,001,861	239,131,446,105	259,250,819,733	223,601,718,246	-13.7%
<b>Health Budget as % of Budget Size</b>	<b>16%</b>	<b>14.9%</b>	<b>10.2%</b>	<b>16.5%</b>	<b>17.8%</b>	

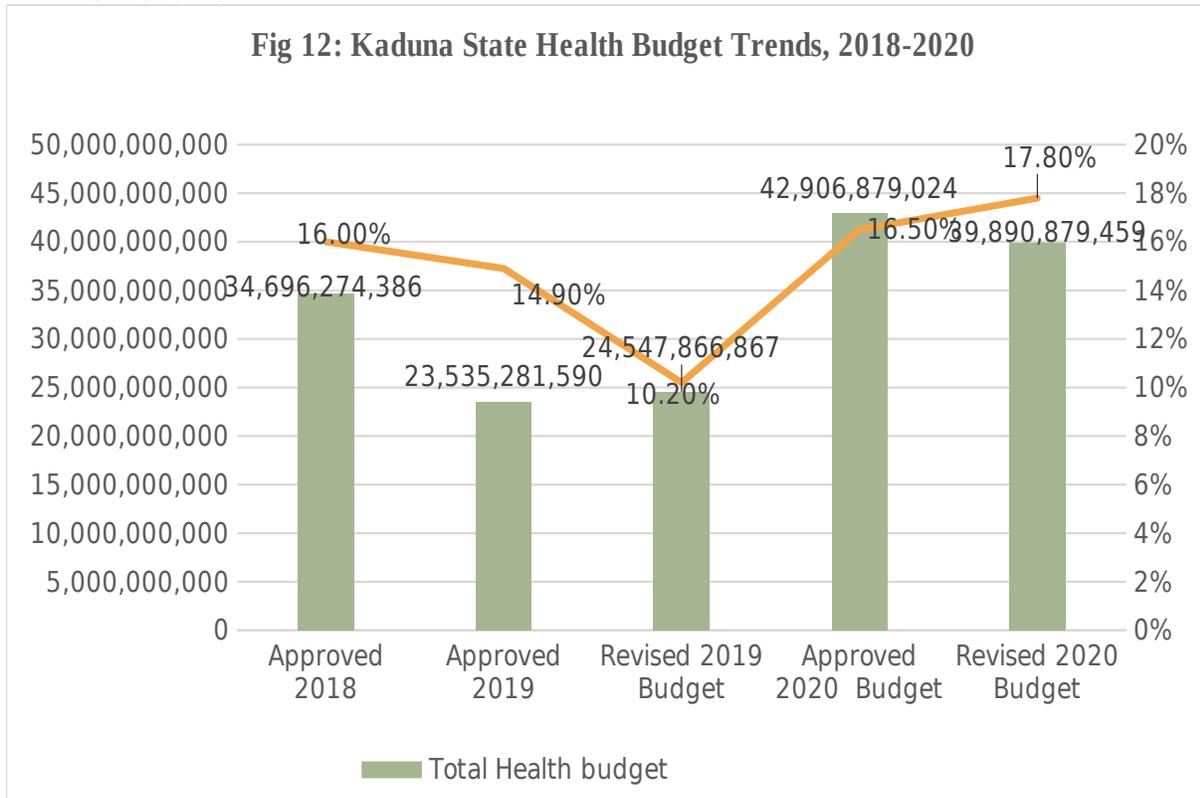
**Source:** Kaduna State Approved 2018, 2019, 2019 and revised 2020 Budgets

More so, the budgetary allocation trends in the state show that the health budget was reduced by N11,160,992,796 (32%) in the approved 2019 budget, increased by N1,012,585,277 (4.3%), and N18,359,012,157 (74%) in the revised 2019 budget and approved 2020 respectively, and was subsequently reduced by N3,015,999,565 (7%) in the 2020 revised budget.

As regards the capital health budget, it was reduced by N4,383,855,835 (24.9%) in the approved 2019, reduced by N79,929,564 (0.6%) in the revised 2019 budget, increased by N17,183,407,861 (131%) in 2020 approved budget, and reduced by N5,229,181,869 (17.2%) in the revised 2020 budget. On the other hand, the recurrent health budget was reduced by N6,777,136,961 (39.5%) in the approved 2019 budget, increased by N1,092,514,841 (10.5%) in the revised 2019 budget, increased by N1,175,604,296 (10.2%) in the approved 2020 budget, and increased by N2,213,182,304 (17.5%) in the 2020 revised budget.

It could be observed from the above that while the 2019 and 2020 revised health recurrent expenditure were increased, the capital expenditure in the same periods was decreased. Also, when the revised health budget was increased in 2019, it was reduced in 2020.

**Fig 12: Kaduna State Health Budget Trends, 2018-2020**

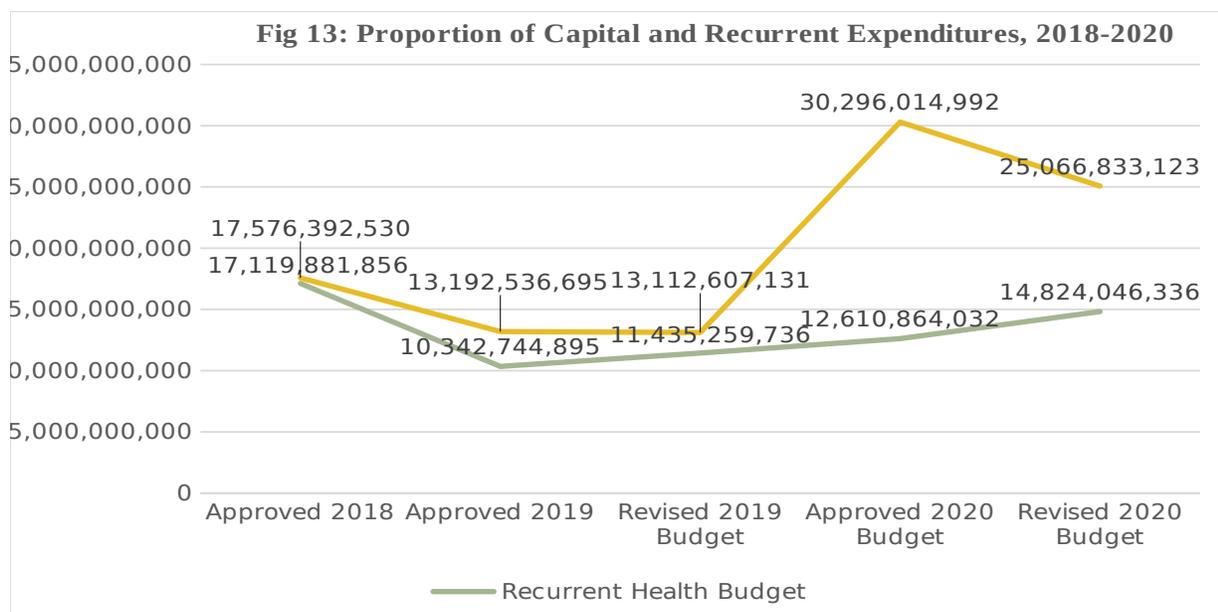


Between 2018 and 2020, the Kaduna State government had done considerably well in its commitment to ensuring that it meets the 15% of the total budget size is allocated to health care. In 2018, the state allocated 16% of its budget size, this was reduced to 14.9% in 2019. However, in the revised 2019 budget, this commitment was not met as the state only allocated 10.20% of its total budget. By the 2020 fiscal years, 16% was allocated and this was increased to 17.8% in the revised 2020 budget.

Like other states in Nigeria, the proportion of the capital and recurrent budget in the health budget varies since 2018. For instance, in 2018, the state allocated 49% of its health budget to the recurrent expenditure while 51% was allocated for the capital budget. In the 2019 fiscal year, 44% of the health budget went for recurrent whereas 56% is allocated to the capital expenditure. In the revised 2019 health budget, 47% was allocated for the recurrent and 53% to the health capital expenditure. This was not the case in the approved 2020 health budget where 29% of the health budget was allocated to the recurrent with 71% went to the health care investment infrastructure. Lastly, in the 2020 revised budget, 37% of the health allocation went for the recurrent expenditure while 62% went for the health care infrastructure.

One thing that is observable in the State health budget is the tendency to maintain a balance between the human resources for health and the health infrastructural investment. Striking a

balance in health care funding as evidence in the budget in the past years indicates the government’s sensitivity to the input, output, and productivity in the health care system.



#### 2.4 Anambra State Revised 2020 Health Budget Analysis

The budget which was tagged ‘Accelerating Infrastructural Development and Youth Entrepreneurship’ has a total reduction of N22.2bn from the original budget of N137.1bn, translating to a 16 percent reduction<sup>18</sup>. According to the state’s governor Obiano, the revision became necessary following the COVID-19 pandemic which brought about a fall in crude oil price and the national and state-wide lockdown of businesses. However, while the State approved 2020 budget was reduced by 16.16%, and State health budget was cut by 2.08%. Also, the Health capital budget was reduced by 3% of the recurrent expenditure neither reduced nor increased. Between 2018 and 2020, the state has not met 15% recommended for the health sector from the total budget size. The highest percentage the State could allocate was 9.1% in the approved 2019 budget.

**Table 7: Anambra Revised 2020 Budgetary Allocations**

Budget Component	Approved 2018	Approved 2019	Approved 2020 Budget	Revised 2020 budget	% Revised 2020 to Approved 2020
Recurrent Health Budget	2,826,891,905	3,468,762,801	3,273,926,801	3,273,926,801	100%

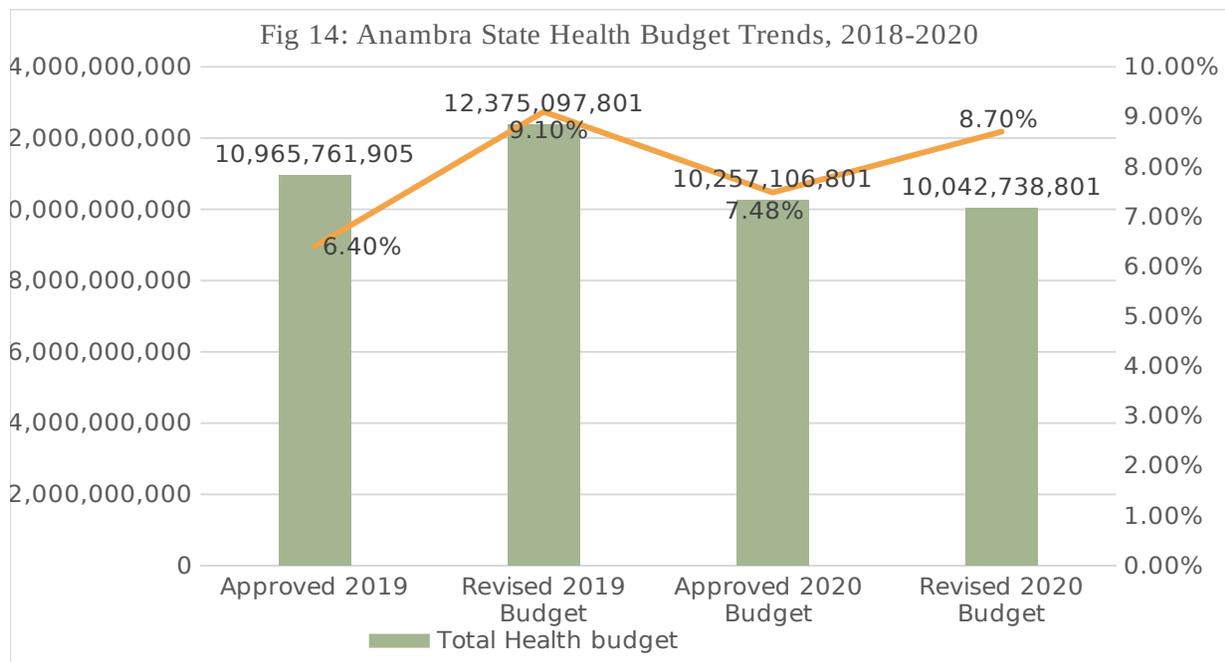
<sup>18</sup> <https://businessday.ng/politics/article/obiano-signs-n114-9bn-anambra-2020-revised-budget/>

Capital Health Budget	8,138,870,000	8,906,335,000	6,983,180,000	6,768,812,000	-3.06%
Total Health budget	10,965,761,905	12,375,097,801	10,257,106,801	10,042,738,801	-2.08%
Total Budget Size	170,913,008,646	135,955,038,144	137,135,743,439	114,971,261,221	-16.16%
<b>Health Budget as % of Budget Size</b>	6.4%	9.1%	7.48%	8.7%	

**Source:** Anambra State Approved 2018, 2019, 2019 and revised 2020 Budgets

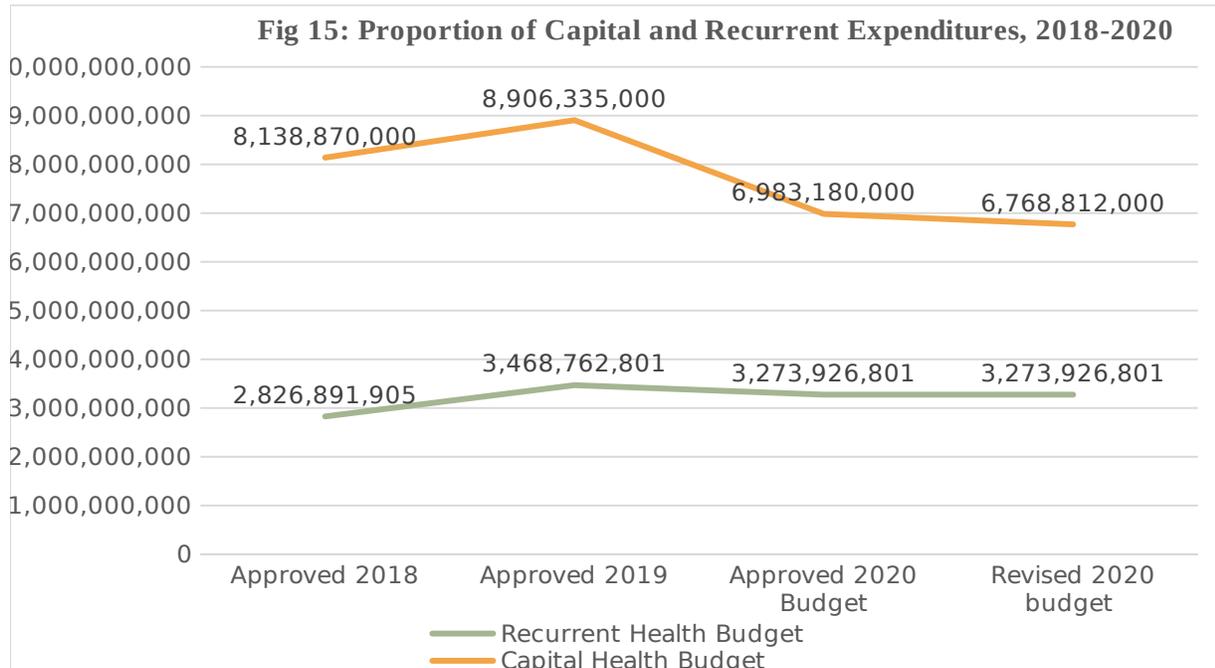
It could be observed from the table above that the Anambra state health budget increased by N1,409,335,896 (12.85%), reduced by N2,117,991,000 (17.1%) in the approved 2020 budget, and further reduced by N214,368,000 (2%) in the revised 2020 budget.

Health capital expenditure was increased by N767,465,000 (9.4%) in 2019, reduced by N1,923,155,000 (21.5%) in the approved 2020, and further reduced by N214,368,000 (3%) in the revised 2020 budgetary allocation. The recurrent expenditure was increased by N641,870,896 (22.7%) in 2019 and reduced by N194,836,000 (5.6%) in the approved 2020. The recurrent health budgetary allocated was not affected in the revised 2020 budget.



The proportion of the shows that the State government prioritised capital than the recurrent. Thus, in 2018, about 26% of the health allocation went to recurrent while 74% went to the capital expenditure. In 2019, about 28% was allocated to the recurrent health expenditure while 72% went to the capital allocation. In the approved 2020, about 32% went to the recurrent while

68% went to capital expenditure. Therefore, in the revised 2020 health budget 33% went to the recurrent while 67% went to the capital expenditure



### 2.5 Enugu State Revised 2020 Health Budget Analysis

The Enugu State Governor, Ifeanyi Ugwuanyi signed into law the revised 2020 budget of N146.3billion on the 29<sup>th</sup> of July 2020. He revised budget according to him reflect changes in the resource envelope as well as the corresponding adjustments in the expenditure (recurrent and capital) to respond and cushion the recessive consequences of the COVID-19 pandemic on the economy of the State<sup>19</sup>. Unlike the other PAS-states where the revised health was cut, both the capital and recurrent health budget was increased by 12% and 24% in the revised 2020 respectively. Also, the overall revised health budget was increased by 18%.

Therefore, the overall revised health budget to the revised 2020 budget size is 8.7% compared to the 6.4% of the approved budget. This shows a 6.3% shortfall for the Abuja declaration. In essence, the highest allocation to the budget size is 9.6% in the 2018 fiscal year.

**Table 8: Enugu Approved and Revised 2020 Health budget**

Budget Components	Approved 2018	Approved 2019	Approved 2020 Budget	Revised 2020 budget	% Revised 2020 to Approved 2020

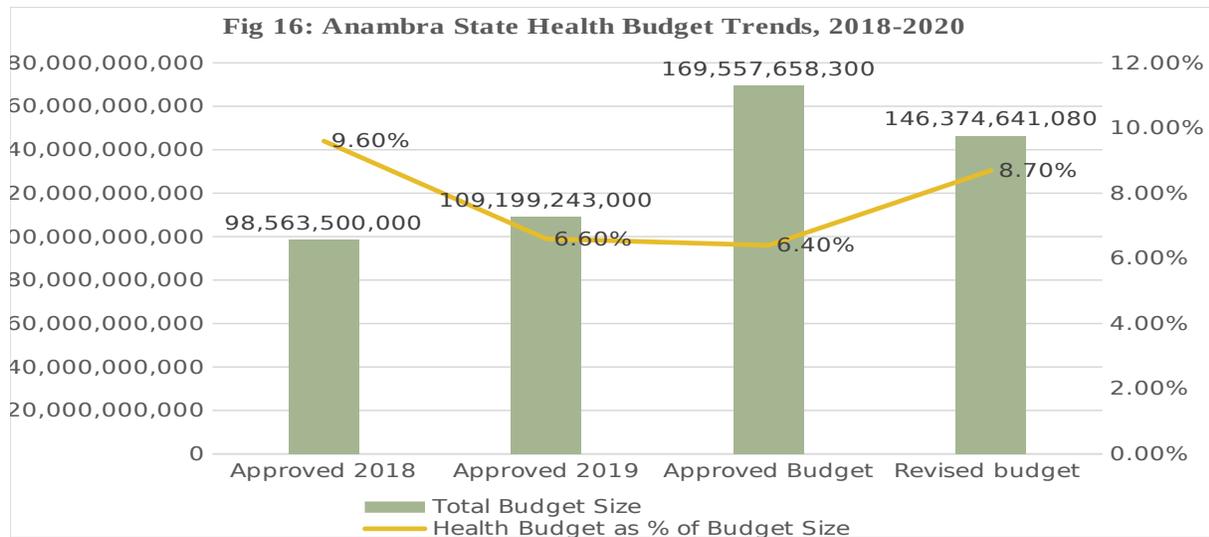
<sup>19</sup> <https://www.channelstv.com/2020/07/29/enugu-governor-signs-n146-3bn-revised-2020-budget/> ss

Recurrent Health Budget	5,852,375,682	4,906,593,839	5,167,442,266	6,447,642,289	24.77%
Capital Health Budget	3,694,100,000	2,372,631,000	5,710,000,000	6,420,967,500	12.45%
Total Health budget	9,546,475,682	7,279,224,839	10,877,442,266	12,868,609,789	18.31%
Total Budget Size	98,563,500,000	109,199,243,000	169,557,658,300	146,374,641,080	-13.61%
<b>Health Budget as % of Budget Size</b>	9.6%	6.6%	6.4%	8.7%	

**Source:** Enugu State Approved 2018, 2019, 2019 and revised 2020 Budgets

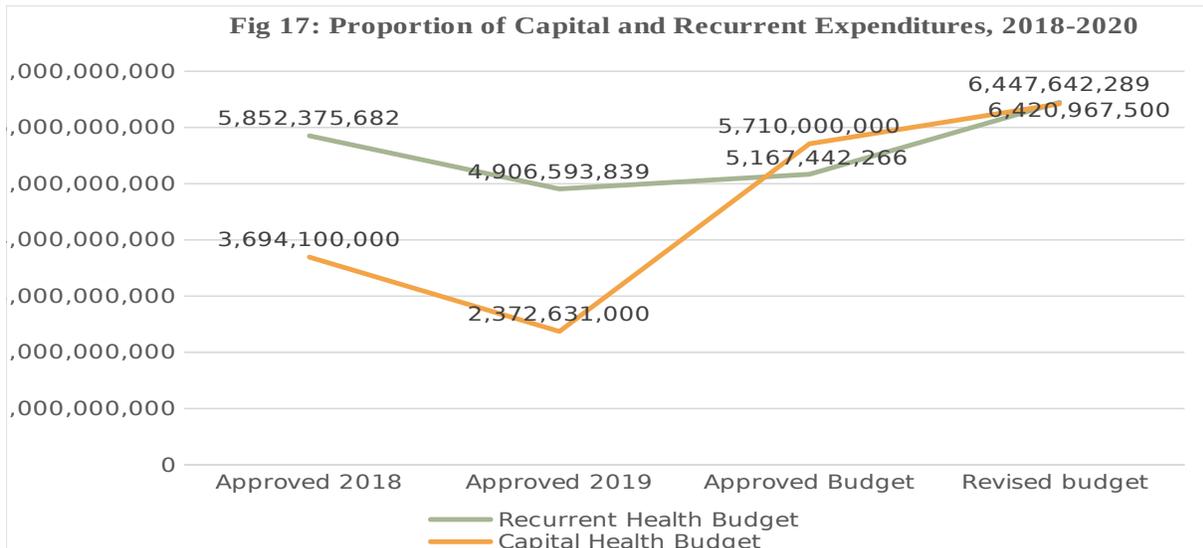
Being the only state that increased its 2020 budget, it could be observed that the state reduced its health budget by N2,267,250,843 (27%) in 2019, increased it by N3,598,217,427 (49%) in the approved 2020 budget, and by N1,991,167,523 (18.31) percent in the revised 2020 budget.

In the same vein, the health capital budget was reduced by N1,321,469,000 (36%) in 2019, increased by N3,337,369,000 (140%) in the approved 2020 budget as well as by N710,967,500 (12%) in the revised 2020 budget. The health recurrent budget was reduced by N945,781,843 (16%) in 2019, increased by N260,848,427 (5%) in the approved 2020 budget as well as by N1,280,200,023 (24.77%) in the revised 2020 budget.



The proportion of the Anambra State health capital to the total health allocation in the 2018 fiscal year was 39% while the recurrent was 61%. In 2019, the health capital got 31% shared while recurrent expenditure got shared by 67%. However, in the approved 2020, about 52% of the health budget was allocated to the capital expenditure, and 48% allocated to the recurrent. Lastly in the revised 2020 budget, 49.8% was allocated to the capital expenditure with 50.1% allocated

for the recurrent expenditure. what is observable is that the State strike a balance between the recurrent and capital expenditure especially in the 2020 fiscal year.

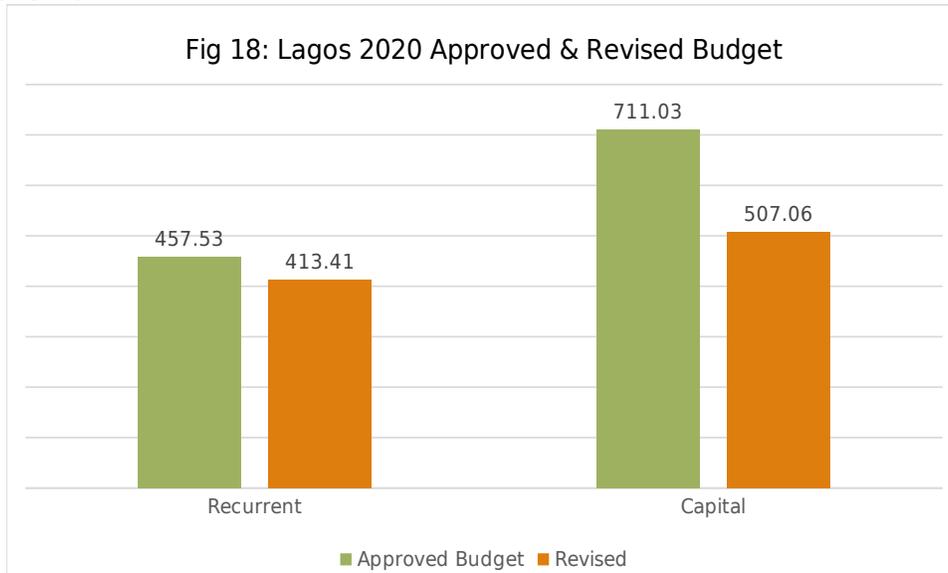


## 2.6 Lagos State Revised Health Budget Analysis

Health was allocated a total sum of N105.97 billion which is 9.07% of the total Lagos State budget for the year 2020. A further breakdown shows that capital expenditure allocation was N32.27 billion amounting to 31.4% of the total Health Budget while Recurrent Expenditures was N72.70 billion which is the equivalent of 68.6% of the total Health budget. The allocation of more funds to Recurrent Expenditures shows that Salaries and Personnel expenses are taking a huge chunk of what hitherto should go into the development projects.

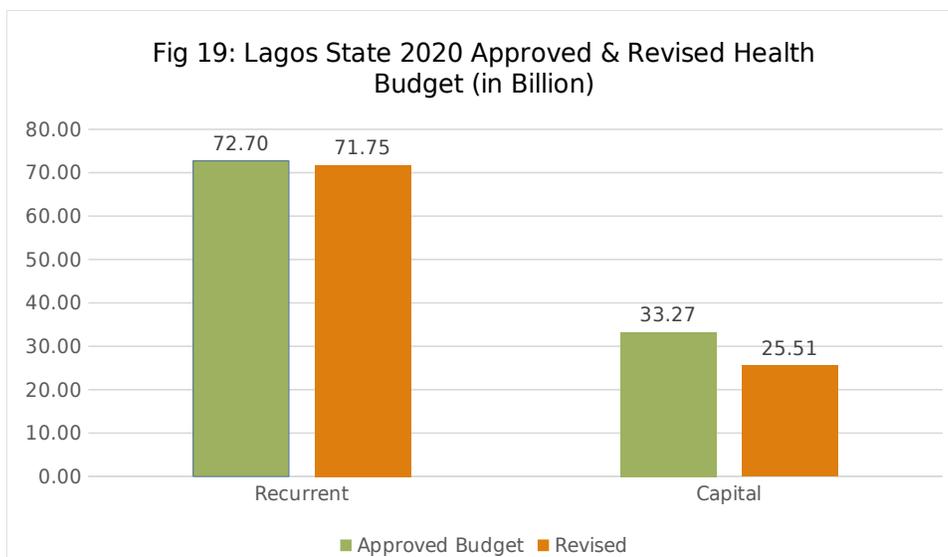
The emergence of the Coronavirus pandemic otherwise known as COVID19 changed the global economy and made governments and private institutions take a further review of their business and financial project for the year 2020. The Lagos State government in addition to its Internally Generated Revenue which is highly impacted by the pandemic is also experienced a shortage of allocation from the Federal pursuit that has also suffered some financial shortage due to a drastic cut in oil prices.

The Lagos Budget was reviewed from N1.169 trillion to N902.47 billion which represents a 21.2% cut from the initially approved budget. The budget cut was distributed across the different components of the Budget as well as the Ministries and Agencies. The Capital Expenditure component which was initially approved at N711.03 billion was revised to N507.06 billion; which is 28.7% while the Recurrent Expenditure was cut by 9.6% from N457.53 billion to N413.41 billion.



This drastic reduction in the Capital Expenditures is another suggestion that the Lagos State Government may have their focus on other priority areas, no thanks to the pandemic.

The Health budget was also revised from N105.97 billion to N97.26 billion, representing an 8.2% cut. The Capital Expenditures was revised by 23.3% from N33.27 billion to N25.51 billion while the Recurrent Expenditure was reduced by a marginal 1.3% from N72.70 billion to N71.75 billion.



The Lagos State Ministry of Health’s Budget is further shared about 59 Departments and Agencies, of which there are 25 General Hospitals providing primary healthcare services to Lagosians. Allocations to these Departments and Agencies are one-line budget line without

details as regards what the allocation entails. This is a huge limitation of the Lagos State Budget as the budget does not make room for public and citizens engagements, in a similar perspective, it would be difficult to hide the Lagos State government to account for its budgetary provisions as this information are not available for engagement. Below are the top 15 Departments & Agencies with the highest allocations.

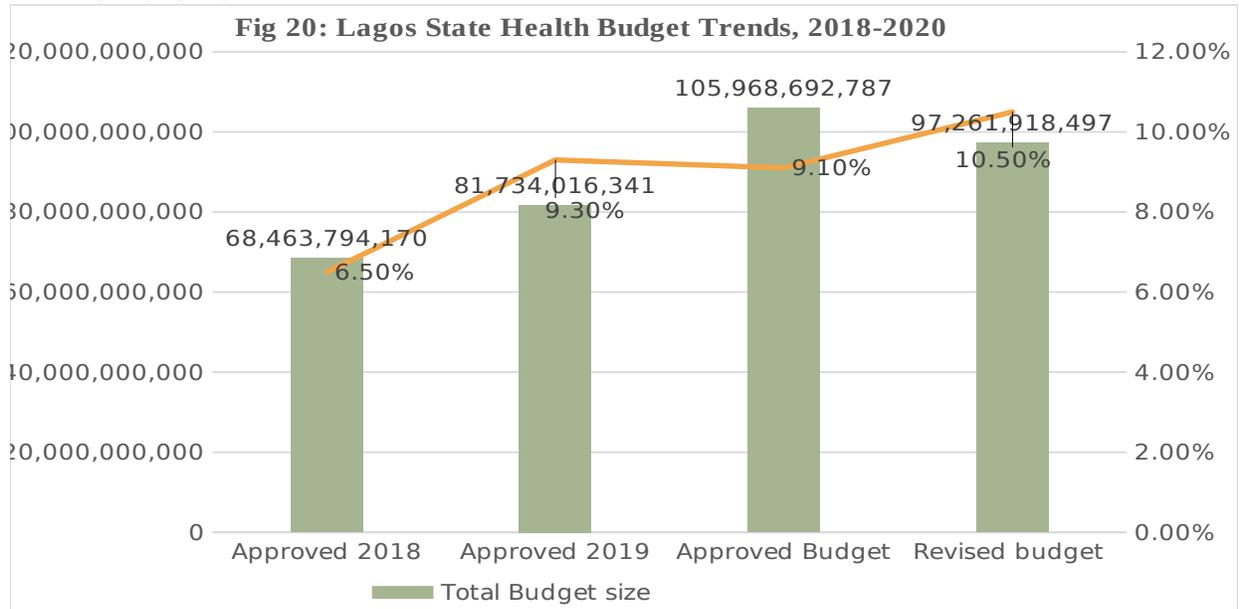
**Table 9:** Budget components

Department & Agencies	Recurrent [N]	Capital [N]
Health Service Commission	22,216,246,060.00	0.00
Lagos State University Teaching Hospital (LASUTH)	10,197,929,752.00	716,286,997.00
Ministry of Health	7,847,545,125.00	13,215,406,472.00
Primary Health Care Board	7,495,428,313.00	1,953,509,992.00
Health Insurance Scheme/Equity Fund (MEPB)	6,490,870,250.00	0.00
Lagos State University College of Medicine (LASUCOM)	2,703,198,792.00	0.00
HSC (Capacity Building)	1,535,354,524.00	0.00
MOH (Facility Management)	1,151,515,893.00	476,244,706.00
Lagos State Health Management Agency (LASHMA)	993,537,997.00	0.00
Ikorodu General Hospital	915,544,797.00	0.00
Alimosho General Hospital	870,049,179.00	0.00
General Hospital, Lagos	732,446,577.00	0.00
Gbagada General Hospital	667,652,671.00	0.00
Lagos Island Maternity Hospital	624,852,081.00	0.00
Surulere General Hospital	598,923,704.00	0.00

**Source:** Lagos State Revised 2020 Budget

### 2.6.1 Trends Analysis of the State's Health Budget

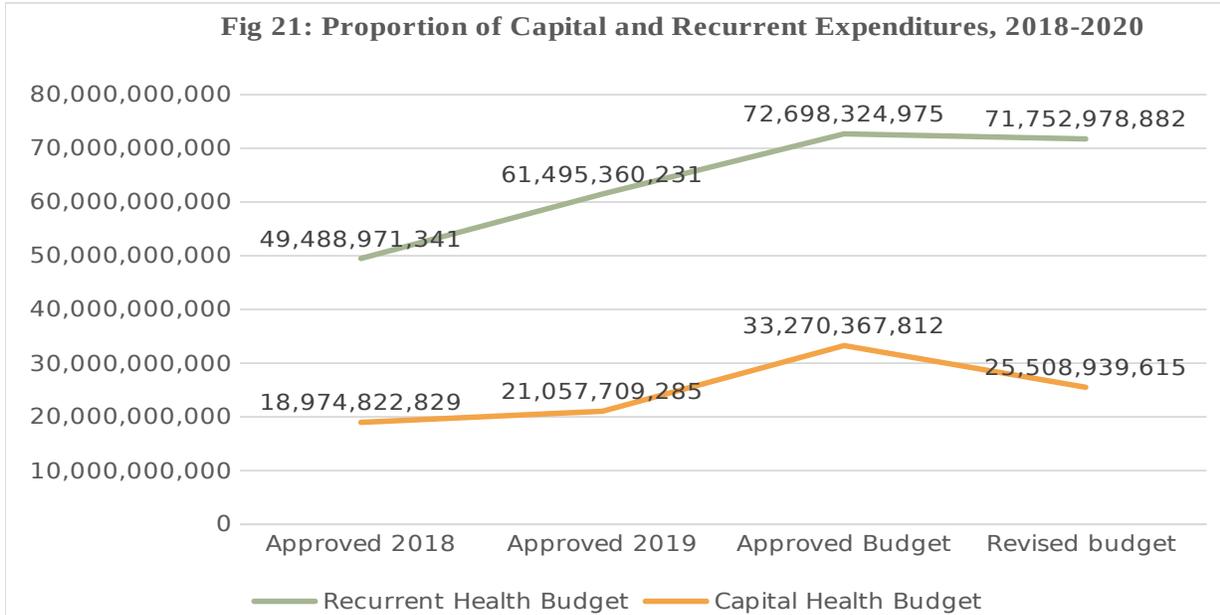
The analysis of the Lagos State health budget shows increasing trends between 2018 and 2020. The health budget increased by 16.2% in 2019, and 22.8% in the approved 2020 budget. However, with the revised budget, the health budget was reduced by 8.2%.



As of 2018, the total health approved spending compared to the state budget size stood at 6.4%. This was increased to 9.3% in 2019, reduced to 9.1% in 2020 approved budget and increase again in the revised 2020 budget to 10.5%. It could be deduced that the State government may try to meet the 15% Abuja declaration commitment without likely spending more on health care. Measuring health budget improvement by comparing spending based on the 15% Abuja declaration alone given the increase creates an impression that there was no cut in the actual health budget, whereas there was a cut of 8.2% in the revised health budget compared total approved as noted in the preceding paragraphs.

Like the total health expenditure, the capital and recurrent component of the approved health budget also witnessed an increasing trend from 2018 to 2020. The approved 2019 recurrent health budget was increased by 19.5%, increased by 15.4% in 2020 approved budget, and reduced by 1.3% in the revised 2020 budget. The health capital component was increased by 9.8% in 2019, 36.7% in 2020, and was also reduced by 23.3% in the revised 2020 budget.

**Fig 21: Proportion of Capital and Recurrent Expenditures, 2018-2020**



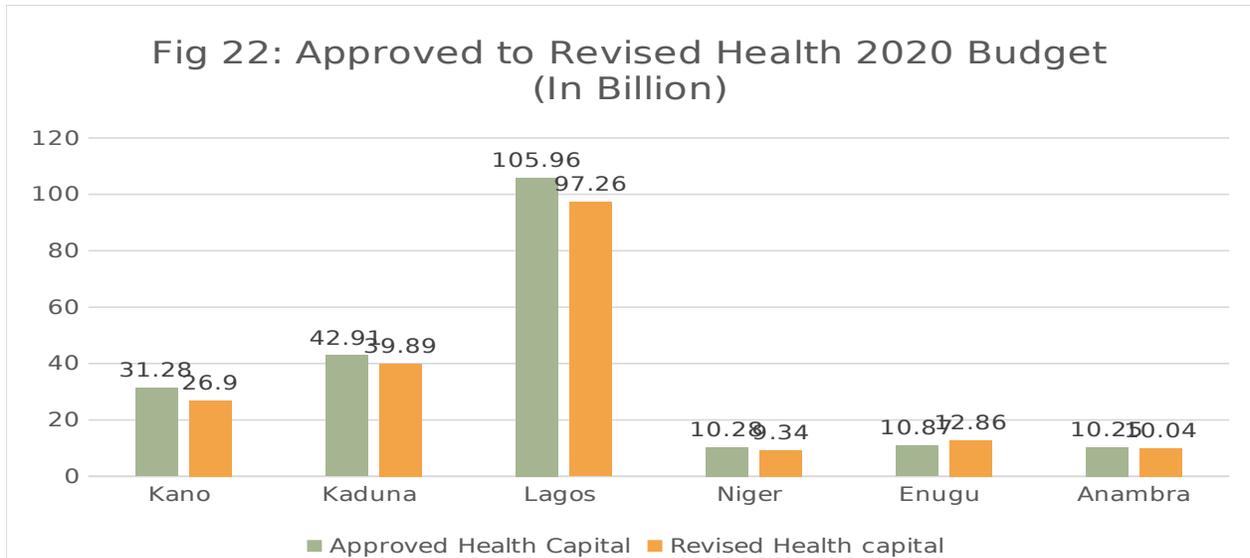
It must be noted that a transparent budget must give provision for Citizens’ engagement. Interested members of the public should be given the opportunity to interrogate the allocations with the government creating a sense of belonging in Citizens as they work together with citizens to understand their programmes as well as give support to their achievements. A government budget is a tool for good governance and no good government can be attained without collaboration with citizens and government openness to receive citizens’ engagements.

**2.7 Findings**

- It was also discovered all the PAS-state reduced their health budget except Enugu State. In Kano State, despite 46% in the overall State budget cut and 14% cut in the State health care budget, the percentage of the revised health budget to the State budget stood at 19.4%. The same applies to Kaduna State with a budget size reduced by 13% and Health budget 7%, the revised health budget to budget size increased to 17.8%. In both states, these are 4.4% and 2.8% more than the minimum threshold recommended by the 2001 Abuja declaration.
- The health revised budget was also reduced by 9% in Niger State, 2.08% in Anambra, 8.2% in Lagos State, it was increased by 18.31% in Enugu State despite reduction in the budget size. The health budget allocation falls short of the recommended 15% Abuja declaration.

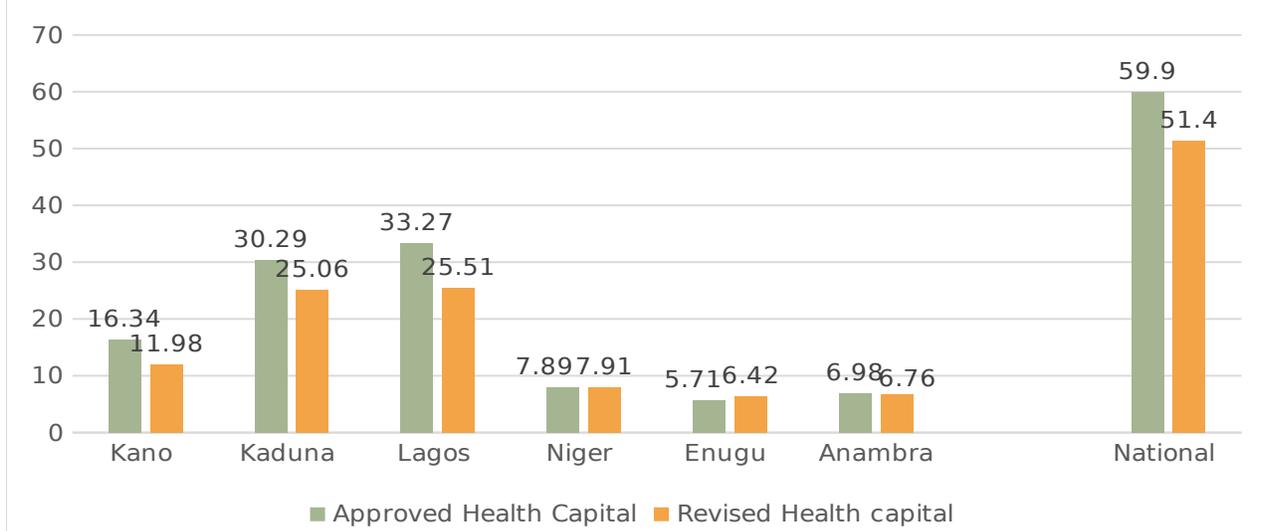
- At the national and state levels (Kano, Anambra, Lagos, and Kaduna States), the capital allocations were reduced. This was not the case in Enugu and Niger State, where it increased by 12.4% and 0.19% respectively.
- While Lagos and Niger States reduced the recurrent health budget by 1.3% and 40%, both the Enugu and Kaduna States increased the recurrent health budget by 24.7% and 17.5% respectively. Whereas, Niger and Kano States left the recurrent health budget as was initially approved.

**Health Budget Summary:**



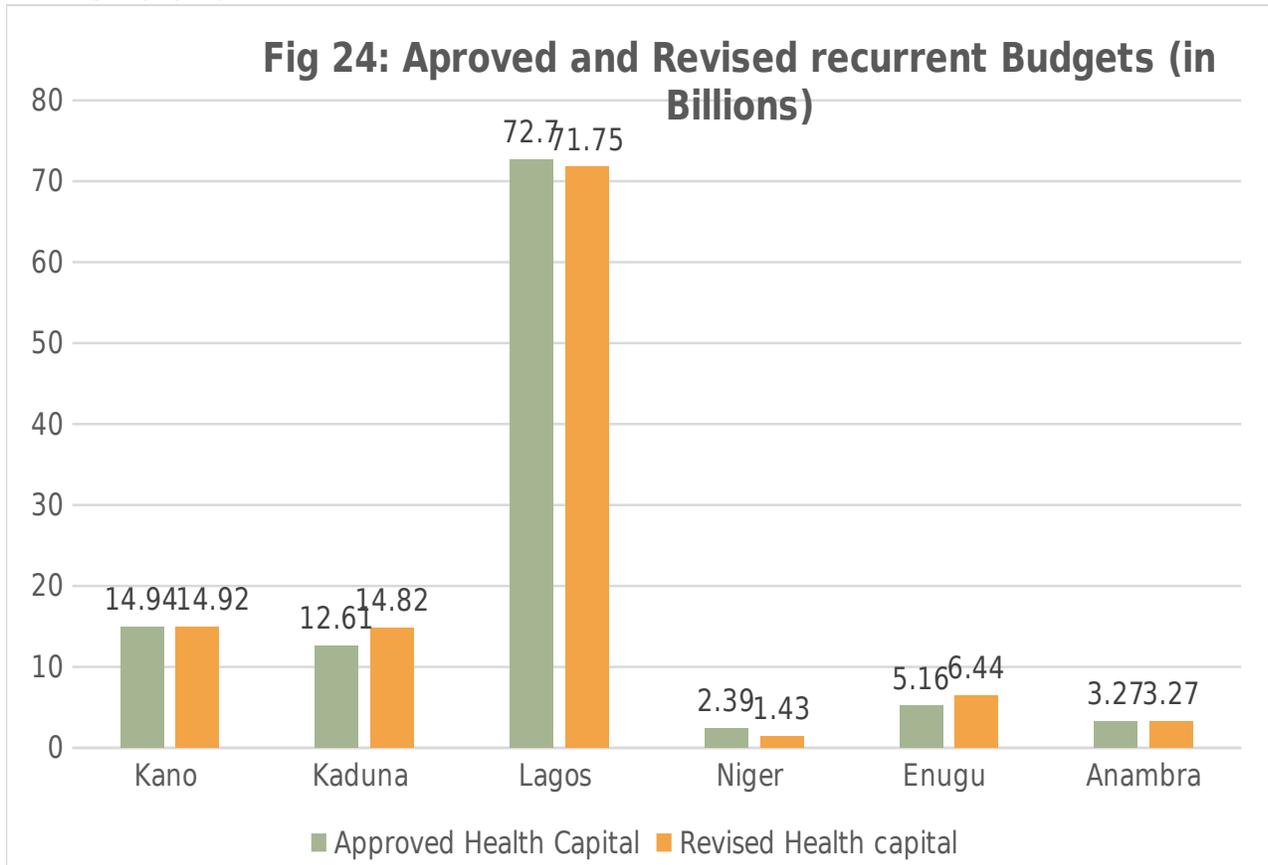
**Health Capital Summary**

Fig 23: Approved and Revised Capital Budgets (In Billion)



**Health Recurrent Summary**

**Fig 24: Aproved and Revised recurrent Budgets (in Billions)**



## CHAPTER THREE

### COVID-19 AND NON-COVID-19 RESPONSE HEALTH EMERGENCY RESPONSE

*Although we have experienced logistical challenges, we remain committed to establishing a solid supply chain process to ensure these heroic professionals can work safely and are properly equipped. In keeping with our Government's promise to improve the welfare of healthcare workers, we have signed a memorandum of understanding on the provision of hazard allowances and other incentives with key health sector professional associations. **President Muhammadu Buhari, 2020***

#### 3.1 National Health Budget and Covid-19 Response

##### **Box 1**

*Given the current wave of the covid-19 virus, the sum of N500,000,000,000 was budgeted as Covid-19 Crisis Intervention Fund to upgrade healthcare facilities as earlier identified and finance the Federal Government's Interventions to support States in improving healthcare facilities<sup>20</sup>.*

Recalled that when the Covid-19 broke out in Nigeria, the Federal Government provided N102.5 billion in resources as direct interventions in the healthcare sector. Of this sum, N6.5 billion was made available to the NCDC for critical expenditure and N10bn to the Lagos State as emergency funding. Thus, both the source of the fund (especially in the approved 2020 budget) and how the balance of the fund was distributed and utilized across the states as initial healthcare direct intervention cannot be ascertained. I would not be surprised to know that the N16.5bn disbursed to Lagos and NCDC was later designated under the N500bn Covid-19 Intervention Fund.

The N500 billion COVID-19 Crisis Intervention Fund (CIF) was established under the Service Wide Vote in the revised budget. The fund is pull in cash as loans from various special government accounts<sup>21</sup> and from grants and loans from multilateral institutions<sup>22</sup>. According to

<sup>20</sup> FMoF, Ministerial Press Statement on Fiscal Stimulus Measures in Response to the Covid-19 pandemic & Oil Price Fiscal Shock, [https://pwnigeria.typepad.com/files/hmfbnp\\_fiscal-policy-response-to-covid-19.pdf](https://pwnigeria.typepad.com/files/hmfbnp_fiscal-policy-response-to-covid-19.pdf)

<sup>21</sup> "Nigeria Set Up \$1.39 Fund to Fight Coronavirus", *Financial Post*: April 04, 2020. <https://financialpost.com/pmn/business-pmn/nigeria-to-set-up-1-39-billion-fund-to-fight-coronavirus>

<sup>22</sup> Ruth Olurounbi, "Coronavirus: Nigeria Seeks \$7bn Loan from International Lenders", *The Africa Report*, April 06, 2020. <https://www.theafricareport.com/25762/coronavirus-nigeria-seeks-6-9bn-loan-from-international-lenders/>

the federal government, N186 billion of the fund will be used to upgrade healthcare facilities across Nigeria. But a critical look at the proposed revised health budget revealed that only N313 billion was budget as Covid-19 Crisis Intervention Fund while the N186 billion was excluded<sup>23</sup>. For the sake of accountability, the National Assembly insisted the N186 billion for covid-19 health emergency be included in the revised budget.<sup>24</sup> Therefore, a review of the approved revised 2020 budget revealed that only N126,000,000,000, was allocated for health care from the Covid-19 Crisis Intervention Fund-Incremental capital budget line as part of the supplementary budget (See table 10 below). There is a shortfall of N60billion. Although many reports have it that Health got N186 billion from the CIF<sup>25</sup> but this is not true given the amount allocated for health in the CIF. The N126 billion allocated to the health care for the covid-19 was also confirmed by the Vice-President Yemi Osinbanjo recently, according to him, “Out of the N500 billion initial stimulus fund that is factored into the current budget, N126 billions of it are going into healthcare”.<sup>26</sup> This clears all doubts about the exact amount allocated for the health care in the CIF. Some aspect of the fund must have been designated for other programmes in the CIF.

**Table 10: Health Budget Alternative Funding Mechanism**

Budget Lines	Proposed Revised Health Budget	Approved Revised Health Budget	Expected Covid-19 Health Fund	Approved Revised Covid-19 Health Response	Shortfall
Covid-19 Crisis Intervention Fund	213,597,880,667	213,977,880,667	10,000,000	-	-
Covid-19 Crisis Intervention Fund - Incremental Capital	100,032,119,333	286,022,119,333	185,990,000,000	126,000,000,000	60,000,000,000
<b>Total</b>	<b>313,630,000,000</b>	<b>500,000,000,000</b>	<b>186,000,000,000</b>	<b>126,000,000,000</b>	<b>60,000,000,000</b>

Source: Budget Office of the Federation

### 3.1.1 Non-Covid-19 Health Response and Covid-19 Health Emergency Response

Table 3 below shows that N126bn is allocated to be spent on the covid-19 health emergency response while the N449 billion on non-covid-19 health response. The percentage of the funds combined as to the total revised budget size is 5.32%. This is 9.68% far less than recommended for the health budget in a fiscal year.

**Table 11: Approved 2020 Revised Budget**

Revised 2020 Health Budget Components	Amount (in BN)	% of Revised 2020 Health Budget to Budget Size

<sup>23</sup> <https://guardian.ng/news/senate-steps-down-n10-509tr-revised-2020-budget/>

<sup>24</sup> Proposed 2020 Revised Appropriation bill. Retrieved from National Assembly.

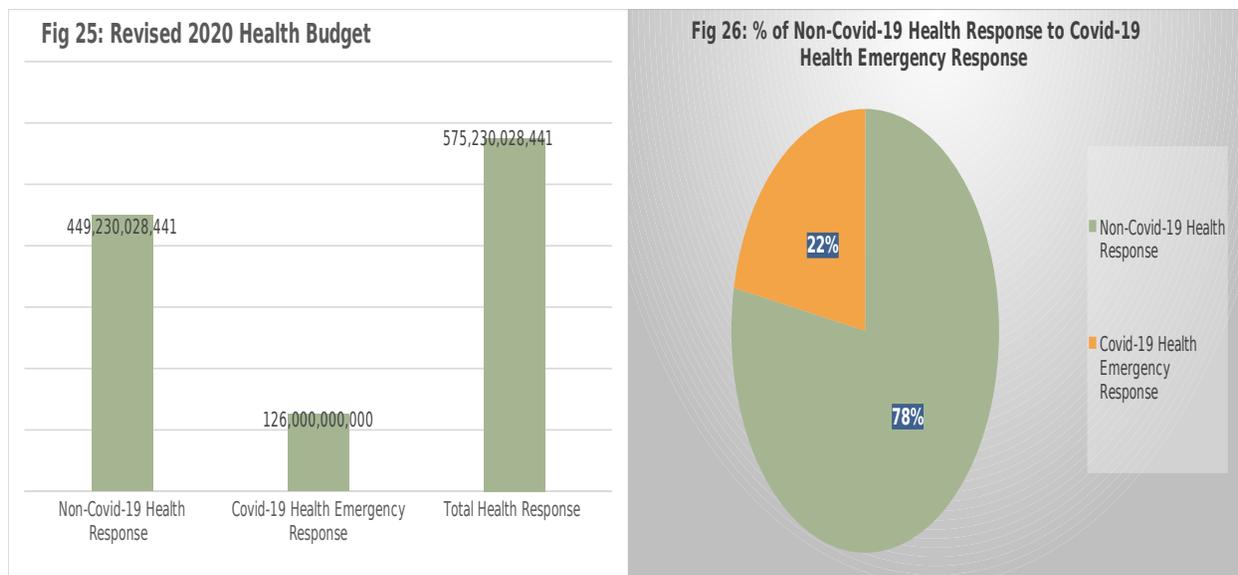
<sup>25</sup> <https://nairametrics.com/2020/06/11/senate-passes-the-revised-n10-8-trillion-2020-budget/>

<sup>26</sup> <https://www.sunnewsonline.com/cost-of-governance-no-longer-sustainable-osinbajo-2/>

Recurrent	336,597,463,881	
Capital	51,402,884,613	
Basic health care provision fund	26,457,743,000	
<b>Total FMOH Budget</b>	<b>414,458,091,494</b>	<b>3.83%</b>
GAVI/Immunisation	26,834,060,757	
Counterpart Funding Including Global Fund/Health/Refund to GAVI.	5,500,000,000	
Health Zonal Intervention Projects	2,437,876,190	
<b>Total Non-Covid-19 Health Response</b>	<b>449,230,028,441</b>	<b>4.15%</b>
Covid-19 Health Emergency Response	126,000,000,000	-
<b>Overall Revised Health Budget Allocation</b>	<b>575,230,028,441</b>	<b>5.32%</b>
<b>Covid-19 Allocation as % of Overall Health Budget</b>	<b>22%</b>	
<b>Non-Covid-19 Allocation as % of Overall Health Budget</b>	<b>78%</b>	

Source: Approved and Revised 2020 Appropriation Acts.

More so, the fig 24 shows that from the N575 billion budgeted for both the covid-19 and non-covid-19 health responses in the revised budget, 22% of the fund will be spent on the covid-19 health emergency while 78% on the non-covid-19 health response.



Source: Approved and Amended Appropriation Acts, 2020

### 3.2 Covid-19 Response in PAS States

#### 3.2.1 Kano and Kaduna State Covid-19 and Non-Covid-19 Response

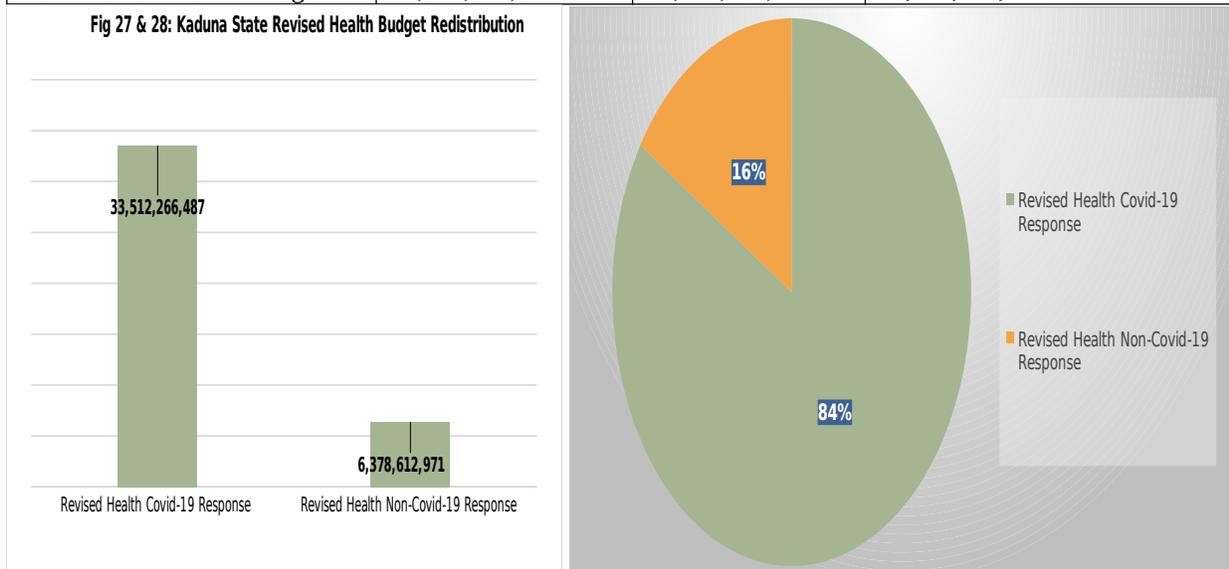
The analysis of the health budget in the Kano and Kaduna State shows that there were no new covid-19 intervention lines. What is however discovered was that the existing lines were pre-designated as covid-19 response. In Kano State budget lines such as the expansion and renovation of Murtala Mohammed specialist hospital (covid19) response, completion of Gigungu General Hospital (covid19 response), etc. In Kaduna State, the situation is the same. and some of the budget lines include procurement of basic hospital equipment to 690 hospitals; construction, renovation, and equipping PHC among others are designated as Covid-19 response. While some of the allocated funds were reduced, increase others were left untouched, thus were removed.

What is, however, meant by the covid-19 response, as some of the health budget lines were tagged, was that those funds are to be used to finance the health-related as designated by the budget lines that created them and not used for any purpose other than covid-19 health to meet with the emergency. It could also mean that such funds designated as covid-19 in the revised will have a speedy release compared to other budget lines that were not covid-19. This is to respond quickly and prevent the further spread of the pandemic in the states. Note that the budget for health has been cut from N42bn to N39bn in Kaduna and from N31bn to N26bn in Kano. The share of the revised health budget for the covid-19 and non-covid-19 is as stated in the table and fig 12 below.

**Table 12:** Kaduna State Revised Health Budget Disaggregation

Description	Revised Health Recurrent	Revised Health Capital	Revised Health Budget
Covid-19 Health Emergency Response	13,097,765,582	20,414,500,905	33,512,266,487
Non Covid-19 Health Response	1,726,280,753	4,652,332,218	6,378,612,971
Total Revised health Budget	14,824,046,336	25,066,833,123	<b>39,890,879,459</b>

**Fig 27 & 28:** Kaduna State Revised Health Budget Redistribution

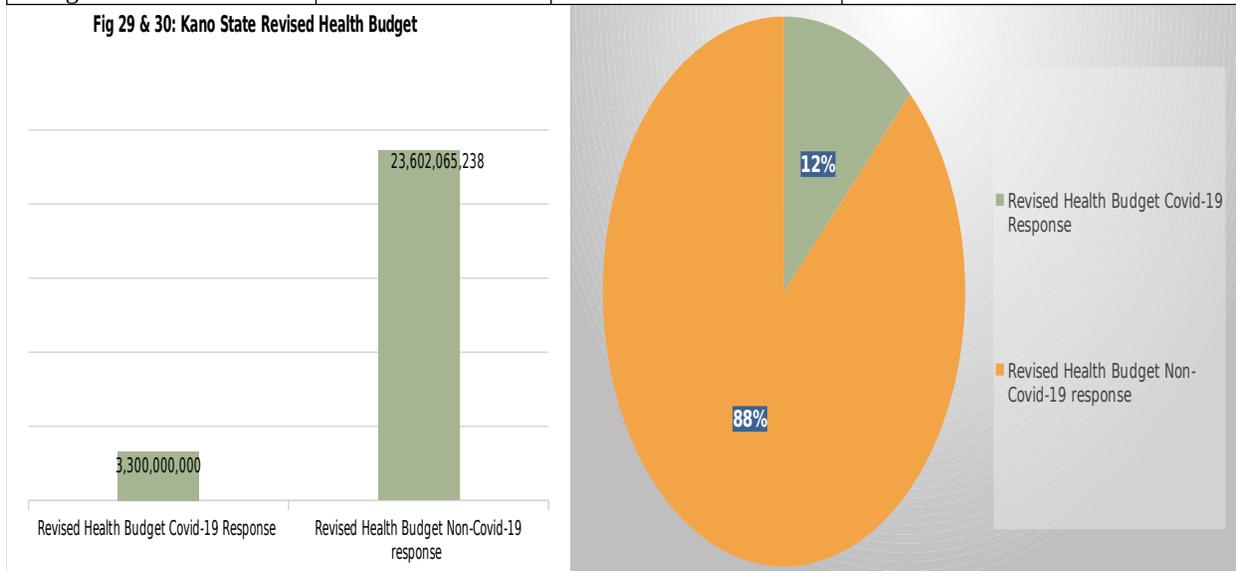


*Source: Kaduna State Revised 2020 Appropriation Law*

The above table shows that N33 billion of the revised health budgets in Kaduna is meant for the covid-19 health emergency response while 6bn naira is meant for the non-covid-19 health emergency issues. The fig 27 shows that 16% of the revised health budget will be used to respond to the non-Covid-19 health emergencies while 84% will be spent on covid-19 health emergency response. Contrarily, in Kano state, out of the N26bn revised health budget, N3 billion representing 12% of the total health revised allocation will be spent on Covid-19 health emergencies while N23 billion representing 88% will be spent on non-covid-19 health emergencies.

**Table 13: Re-Distribution of Health Allocation in Kano State**

Description	Revised Health Recurrent	Revised Health Capital	Total Revised Health Budget
Covid-19 Health Emergency Response	Nil	3,300,000,000	3,300,000,000
Non Covid-19 Health Response	14,920,133,455	8,681,931,783	23,602,065,238
Total Revised health Budget	14,920,133,455	11,981,931,783	<b>26,902,065,238</b>



*Source: Kano State Revised 2020 Appropriation*

### 3.2.2 Enugu State Covid-19 and Non-Covid-19 Response

It should be recalled that Anambra is the only in the past that increased its health budget. The increase in the health budget might not be unconnected with various new budget lines to address the pandemic. For instance, about N500,000,000 was allocated for the COVID-19: Laboratory equipment, Procurement of Basic Personal Protective Equipment (PPE) and other medical



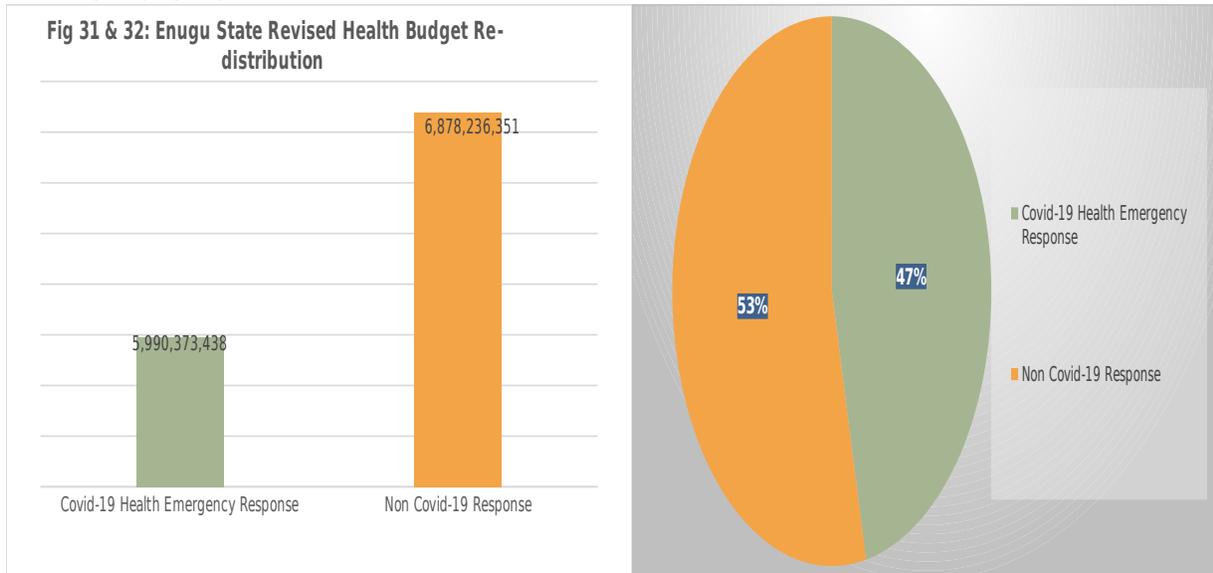
equipment in the public healthcare centres in the State; 1.8 billion for the reconstruction of general hospital in Oji River, Awgu and Enugu Ezike; N600,000,000 for the construction of isolation centres in Oji River, Awgu, Enugu Ezike and Orba; N818,000,000 for the construction and equipping of Primary Health Centre Type 3 in seven LGAs in the state, etc. Many existing budget lines were also increased significantly to address the health emergency. Such line includes equipping of Enugu State Infectious Disease Hospital (Former Colliery Hospital) which was increased from N39 million to N400 million; purchasing of Ambulance/vehicles for incidence response for evacuation of trauma/infectious patients or their contacts for testing was increased from N75 million to N250 million, etc.

Because of the pandemic, the revised health budget is classified into Covid-19 and non-covid-19 responses. From the N12,868,609,789 revised health 2020 budget, the sum of N5,990,373,438 was allocated for the Covid-19 Health Emergency Response while N6,878,236,351 for non Covid-19 health response. The Covid-19 health emergency response constituted about 53% of the total revised health budget while non-covid-19 constituted about 47% of the total health revised budget.

**Table 14:** Enugu State Revised Health Budget Redistribution

Health Budget Components	Revised Health Capital	Revised Health Recurrent	Total Revised Health Budget
Covid-19 Health Emergency Response	4,661,000,000	1,329,373,438	5,990,373,438
Non Covid-19 Health Response	1,759,967,500	5,118,268,851	6,878,236,351
Total Revised Health Budget	6,420,967,500	6,447,642,289	<b>12,868,609,789</b>

**Source:** Approved and Revised Enugu State 2020 Budget



**Source:** Approved and Revised Enugu State 2020 Budget

The State government’s efforts towards overcoming the pandemic are further illustrated with the total funding commitment for the health sector compared to another aspect of the state social and economic activities greatly affected by the pandemic. Out of the N24,364,379,118 set aside to fight the pandemic, N5,990,373,438 is for the health emergencies. This represents 24.4% of the total State’s covid-19 funding commitment. Given the fact that there is no known established funding threshold on the amount expected to be spent on the health emergency, each state responds based on the available resources and revenue projections. Therefore, the 24% total state Covid-19 funding commitment is commendable. This is because while attending to the health issues, there is also a need to improve the economic shock such as food scarcity, unemployment, and the inflation imposed by the pandemic.

**Table 15:** Covid-19 Health emergency response to total State Covid19 response

Description	Revised Capital Budget	Revised Recurrent Budget	Total Allocation
State Covid-19 Emergency Response	22,143,005,680	2,221,373,438	24,364,379,118
Covid-19 Health Emergency Response	4,661,000,000	1,329,373,438	5,990,373,438
% of Covid-19 Health Emergency Response to State Covid-19 Emergency Response	21%	59.8%	24.4%

**Source:** Approved and Revised Enugu State 2020 Budget

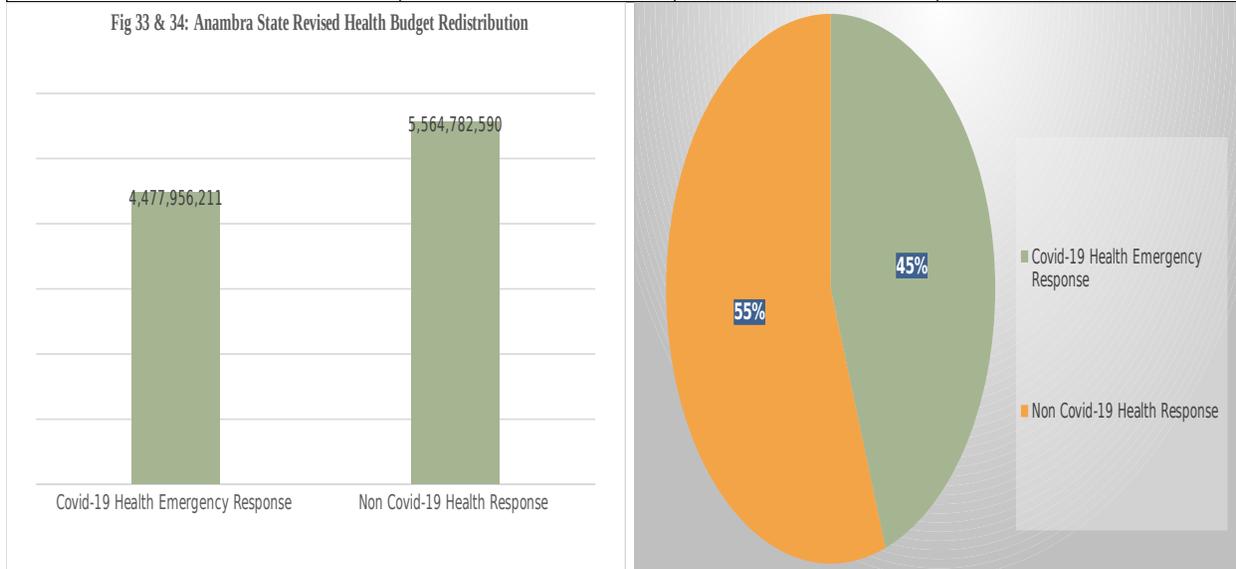
### 3.2.3 Anambra State Covid-19 and Non-Covid-19 Response

The Anambra State revised health budget was classified into covid-19 and non-covid-19 response. The table below shows the N4,477,956,211 as of Covid-19 health emergency response from the total revised health budget of N10,042,738,801. With this, N1,469,956,211 was allocated for the covid-19 recurrent expenditure and N3,008,000,000 for the covid-19 capital intervention. The allocation for the covid-19 was justified by the State government as a means to mitigate the effect of the coronavirus pandemic. Some of the activities involve include improving access to health care and health infrastructure. It needs to be noted that the whole N1,469,956,211 personnel budgets of the state health management board are dedicated to Covid-19 response.

**Table 16:** Anambra Re-Distribution of Health Allocation in Kano State

Description	Revised Health Recurrent	Revised Health Capital	Total Revised Health Budget
Covid-19 Health Emergency Response	1,469,956,211	3,008,000,000	4,477,956,211
Non Covid-19 Health Response	1,803,970,590	3,760,812,000	5,564,782,590
Total Revised health Budget	3,273,926,801	6,768,812,000	<b>10,042,738,801</b>

Fig 33 & 34: Anambra State Revised Health Budget Redistribution



**Source:** Approved and Revised Anambra State 2020 Budget

It is clear from the table below that the sum of N13,911,738,275 was allocated for Covid-19 in Anambra State 2020 revised budget, out of which N4,477,956,211, representing 32.1% was allocated as covid-19 health emergency response.

**Table 17:** Covid-19 Health emergency response to total State Covid19 response

Description	Revised Recurrent Budget	Revised Capital Budget	Total Allocation
State Covid-19 Emergency Response	7,190,238,275	6,721,500,000	13,911,738,275
Covid-19 Health Emergency Response	1,469,956,211	3,008,000,000	4,477,956,211
% of Covid-19 Health Emergency Response to State Covid-19 Emergency Response	20.4%	44.7%	32.1%

**Source:** Approved and Revised Anambra State 2020 Budget

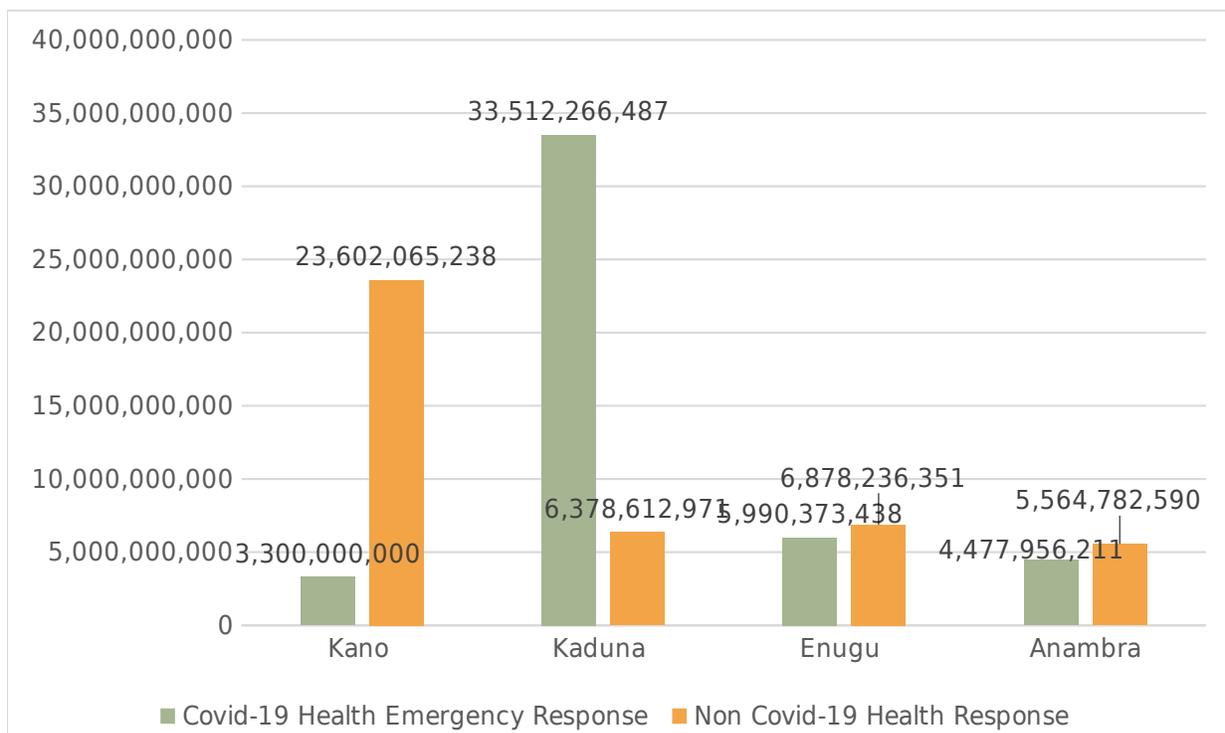
### 3.3 Findings

- The N102 billion was approved as part of the emergency fund for direct initial covid-19 interventions in the healthcare sector. Also, N126 billion was created as covid-19 crisis health intervention fund. Part of the N102bn (N16.5 billion was later designated under the 126 billion). The fund was part of the efforts to respond to the covid-19 related health responses and was sourced from the N500 billion Covid-19 Crisis intervention fund in the revised 2020 budget.
- There was a disparity between the Federal promised to be allocated for health care from the N500bn intervention and what was actually allocated. The N126bn allocated for Covid-19 indicates a shortfall of N60bn. It also shows that the government did not keep to its promise.
- It was also discovered that 22% of the N575bn health allocation (both covid-19 and non-covid-19 response) was to be spent on covid-19 health emergency response while the 78% on non-covid-19 emergency response.
- It was also discovered that 12% of the revised 2020 health budget in Kano State is allocated for covid-19 health emergency response and 88% on Non-Covid19 health response. On the other hand, 84% revised health covid-19 health emergency response and 16% on non-covid-19 health response in Kano State. It could also be observed that the 7.5% cut in the Kaduna Health budget, 16% Kaduna health budget, and 6% cut from the National health budget were not rechanneled. This cut is mainly due to the current economic reality. They understood clearly that the amount projected to spend may not be realized due to poor revenue both at the national and state levels.
- The Enugu State government increased its health budget by 18%. The revised health budget was classified as Covid-19 and non-covid-19 health responses. While the covid-

19 health emergency response constitutes about 53% of the total revised health budget, non-covid-19 health response constituted about 47%. Also, 24% of the total Enugu state budgetary allocation on Covid-19 is set aside for the health sector. This ranges from the construction and equipping of primary health centres across the state, laboratory equipment to payment of the health workers hazard allowances.

- The Anambra State government is spending 45% of its health budget on the covid-19 health emergency response and 55% on non-covid19 response. Also, 32.1% of the total state Covid-19 response funding is allocated to the health emergency response.

**Fig 35: Summary of the Covid-19 and Non-Covid-19 Health Response in PAS-State**





## CHAPTER FOUR

### STATE OF FUNDING COMMITMENT FOR THE PAS-ISSUE AREAS AMIDST COVID-19 PANDEMIC

#### 4.0 Introduction

With the revised 2020 budget, there is a lot of fear across Nigeria as to the possibility of the government reducing funding commitment for various programmes and activities and the PAS-Issue areas namely Childhood Killer Disease (CKD), Family Planning (FP), Routine Immunisation (RI) and Primary Health Care Under One Roof (PHCUOR) are no exception. This section examines whether or not the funding for the four PAS-Issue areas is affected with the covid-19 revised budget in the PAS-States namely Kaduna, Kano, Lagos, and Niger.

#### 4.1 PAS-ISSUE AREAS AT THE NATIONAL LEVEL

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

The sum of N25 billion was the initially approved NPHCDA 2020 budget. Of this amount, N2.3 billion was meant for the recurrent expenditure and N22.9 billion for capital expenditure. The sum of N4,856,311,005 was removed from the capital budget in the revised budget. This represents about 21.21% reduction. With this figure, the total NPHCDA budget now stood at N20,485,439,818. The total revised budget is now 80.8%% of the initial approved 2020 NPHCDA budget. in essence, about 19.17% has been removed from the from the overall NPHCDA initial approved 2020 budget.

**Table 18: National Primary Health Care Budget**

		<b>Shortfall</b>
Approved NPHCDA 2020 Budget	Amount in Billion	

Approved Recurrent	2,381,295,699	
Approved Capital	22,960,455,123	
Total Approved 2020 Budget	25,341,750,823	
Revised Recurrent	2,381,295,699	
Revised Capital	18,104,144,119	
Total Revised 2020 Budget	20,485,439,818	
% Revised to Approved NPHCDA capital	<b>78.8%</b>	<b>21.21%</b>
% Revised to Approved NPHCDA 2020 Budget	<b>80.83%</b>	<b>19.17%</b>

Source: Budget Office of the Federation

Further analysis of the health budget revealed that the revised NPHCDA budget was cut mainly from the capital budget. These cuts include provision for drugs and medical equipment to PHC, vaccine devices, operational costs, etc.

#### 4.1.2 Routine Immunisation

With 2% increase in the national budget and overall health budget increase by 21.95%, the routine immunisation budget also increased by 6.4%. The GAVI/Immunisation is increased from N22bn to N26bn. This constitutes a 18.07% increase. All other RI related budget lines remained the same except allocations for the procurement of outbreak (emergency) response vaccine, devices and operational cost as well as procurement of travelers and pilgrims' vaccines that were removed.

**Table 19:** RI Allocation at the National

Description	Approved 2020 Budget	Revised 2020 Budget	Change	% Change
Development and Publication of National Vaccine Policy	21,767,363	21,767,363	-	0%
Procurement of RI Vaccines, Devices and Operational Cost	533,584,491	533,584,491	-	0%
Polio Eradication Initiative (PEI)	4,800,000,000	4,800,000,000	-	0%
Procurement of Non-Polio SIA Vaccine, Device and Operation Cost	615,206,326	615,206,326	-	0%
Procurement of Outbreak (Emergency) Response Vaccine, Devices and Operational Cost	1,228,363,525	Nil	-1,228,363,525	-100%
Vaccine Distribution and Transport (National to States & Health Facilities)	319,660,200	319,660,200	-	0%
Vaccine Supply Chain Governance	76,942,400	76,942,400	-	0%
Immunisation Supply Chain Strengthening at NSCS and Zonal Cold	81,188,000	81,188,000	-	0%

Stores				
Procurement of Travelers and Pilgrims Vaccines	521,804,444	Nil	-521,804,444	-100%
GAVI/Immunisation	22,734,412,586	26,843,060,757	+4,108,648,171	18.07%
Counterpart Funding Including Global Fund/Health/ Refund to GAVI.	5,500,000,000	5,500,000,000	-	0%
<b>Total</b>	<b>36,432,929,335</b>	<b>38,791,409,537</b>	<b>+2,358,480,202</b>	<b>6.47%</b>

Source: Approved and Amended 2020 Appropriation Acts.

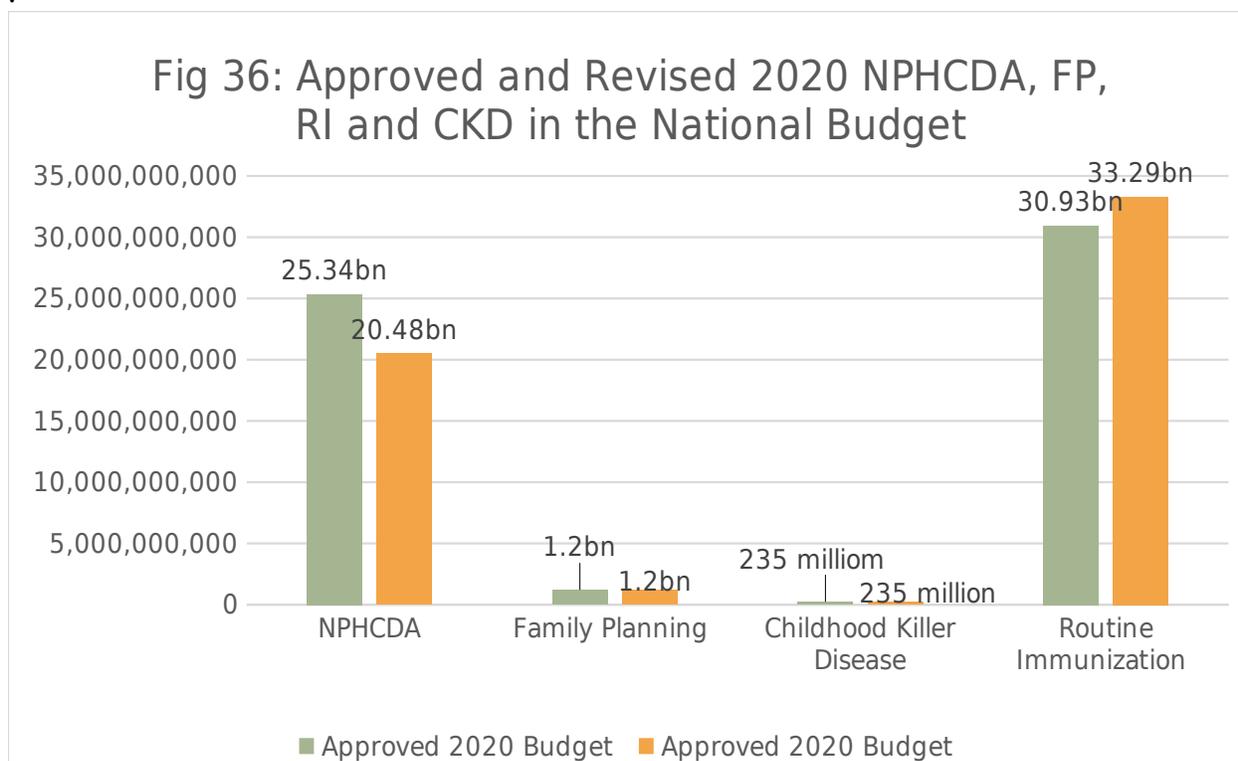
#### 4.1.3 Family Planning and Childhood Killer Diseases (CKD)

The family planning and CKD approved 2020 budget lines were not revised.

**Table 20:** FP and Childhood Killer Diseases 2020 Revised Budget

Code	Budget line	Approved 2020 budget.	Revised 2020 provision
Family Planning	Procurement and distribution of family planning commodities through counterpart funding to UNFPA	1,200,000,000	1,200,000,000
Childhood Killer Diseases	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)	235,057,243	235,057,243

Source: Budget Office of the Federation



## 4.2 SUBNATIONAL PAS-STATES

### 4.2.1 Primary Healthcare Under One Roof (PHCUOR)

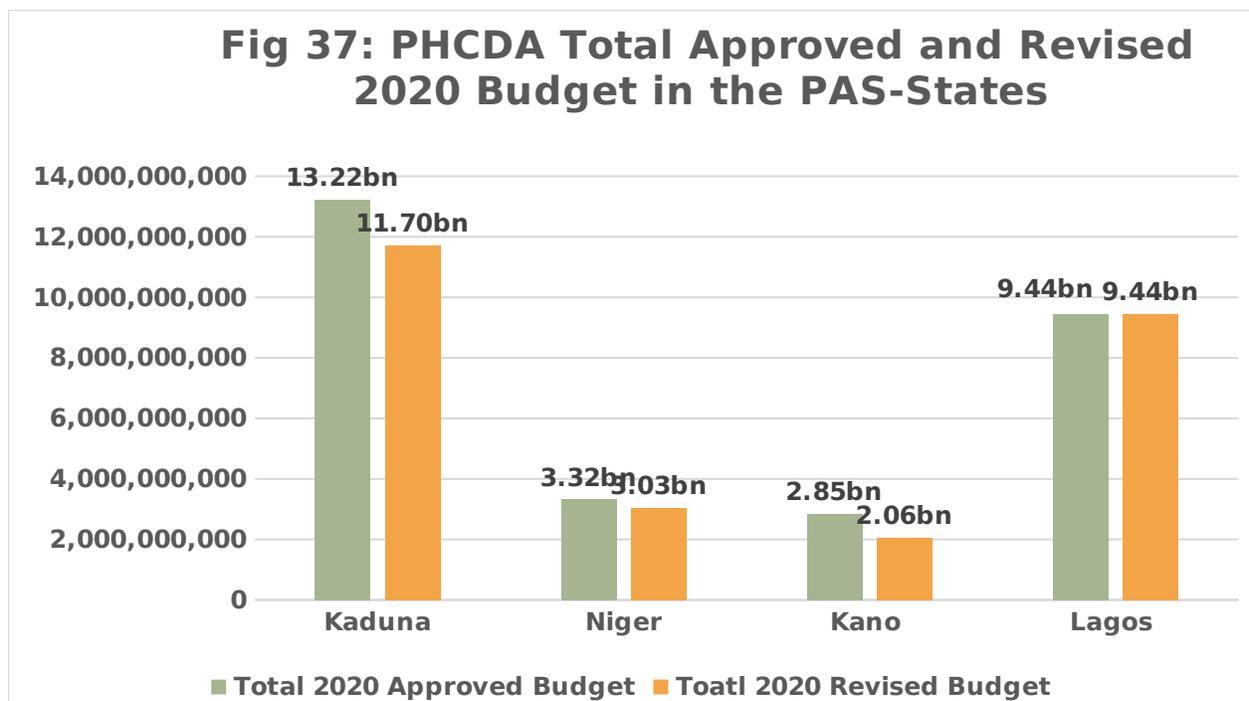
Like the national budget where the National Primary Health Care Development Agency was cut by N4,856,311,005, the problem is the same at the subnational PAS-States. The state primary health development agency total approved budget but was reduced by N1,522,777,116 (11.52% cut) in Kaduna State, N287,242,455 (8.46% cut) in Niger State, and N790,696,863 (27.71% cut) in Kano State (See table 21 below). It could be observed that the Kaduna state despite the reduction of the PHCDA budget, the state allocated more funds in that regard than the Niger and Kano State combined. However, the PHCB budget was left as initially approved in Lagos State.

**Table 21: PHCUOR Budget**

PAS-States	Approved 2020 Recurrent	Revised 2020 Recurrent	Approved 2020 Capital	Revised 2020 Capital	Total 2020 Approved Budget	Total 2020 Revised Budget
Kaduna	3,726,675,635	3,714,511,882	9,502,135,366	7,991,522,003	13,228,811,001	11,706,033,885
Niger	420,143,048	232,900,593	2,901,070,626	2,801,070,622	3,321,213,670	3,033,971,215

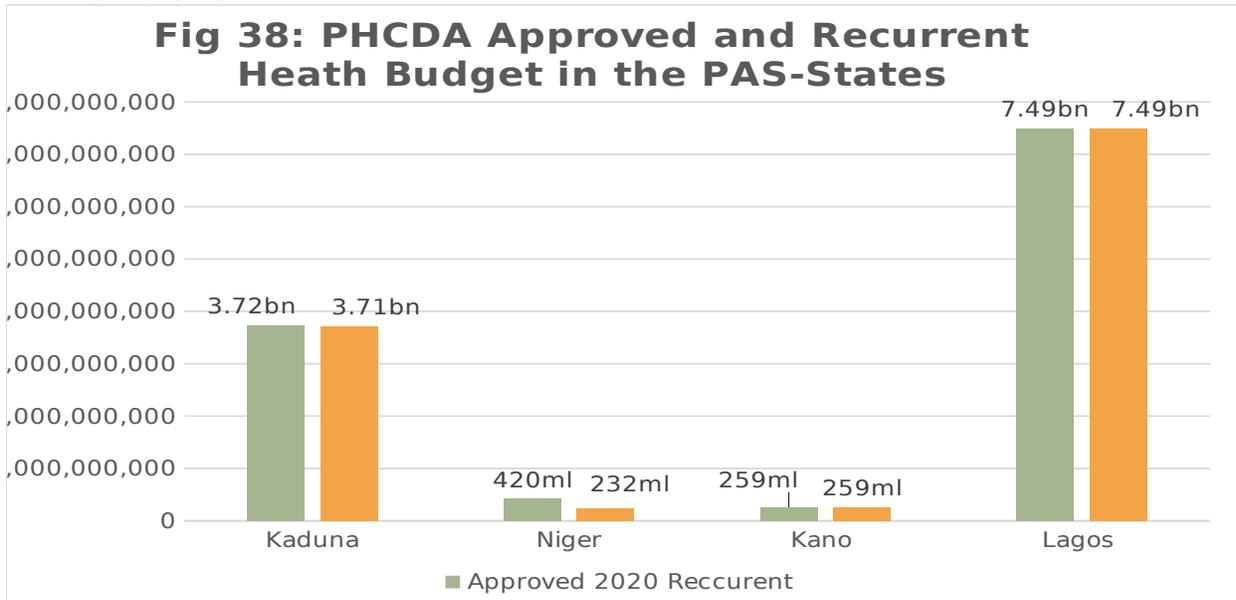
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Kano	259,581,000	259,581,000	2,593,719,859	1,803,022,996	2,853,300,859	2,062,603,996
Lagos	7,495,428,313	7,495,428,313	1,953,509,992	1,953,509,992	9,448,938,305	9,448,938,305

**Source:** Approved and Revised 2020 Kaduna, Kano, Niger and Lagos Budgets



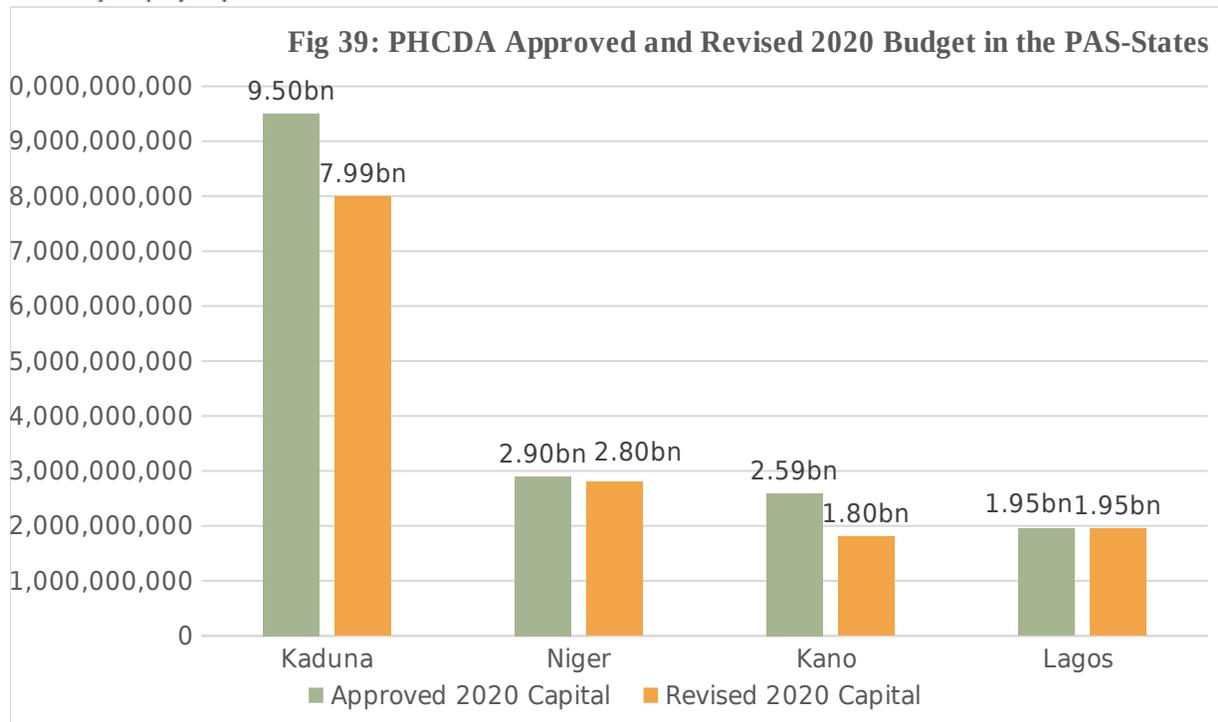
**Source:** Approved and Revised 2020 Kaduna, Kano, Niger and Lagos Budgets

Table 21 above shows the disaggregation of the PHCDA approved and revised recurrent budget. It could be observed that while the Kano State Primary Healthcare Management Board maintains its approved recurrent budget, the reverse was case in both Kaduna and Niger States. The PHCDA recurrent budget in Kaduna was reduced by N12,163,753 (0.32%) and in Niger State by N187,242,455 (44.46%).



**Source:** Approved and Revised 2020 Kaduna, Kano, Niger and Lagos Budgets

It could be observed from the fig 38 below that all PHCDA capital budget was cut in the revised 2020 budget except for Lagos. For instance, in Kaduna State, the Primary Health Development Agency capital budget was cut by N1,510,613,363 (15.89%). This was reduced to N100,000,000 (3.45%) in Niger and N790,696,863 (30.48%) in Kano State.



**Source:** Approved and Revised 2020 Kaduna, Kano, Niger and Lagos Budgets

### 2.2.2 Family Planning

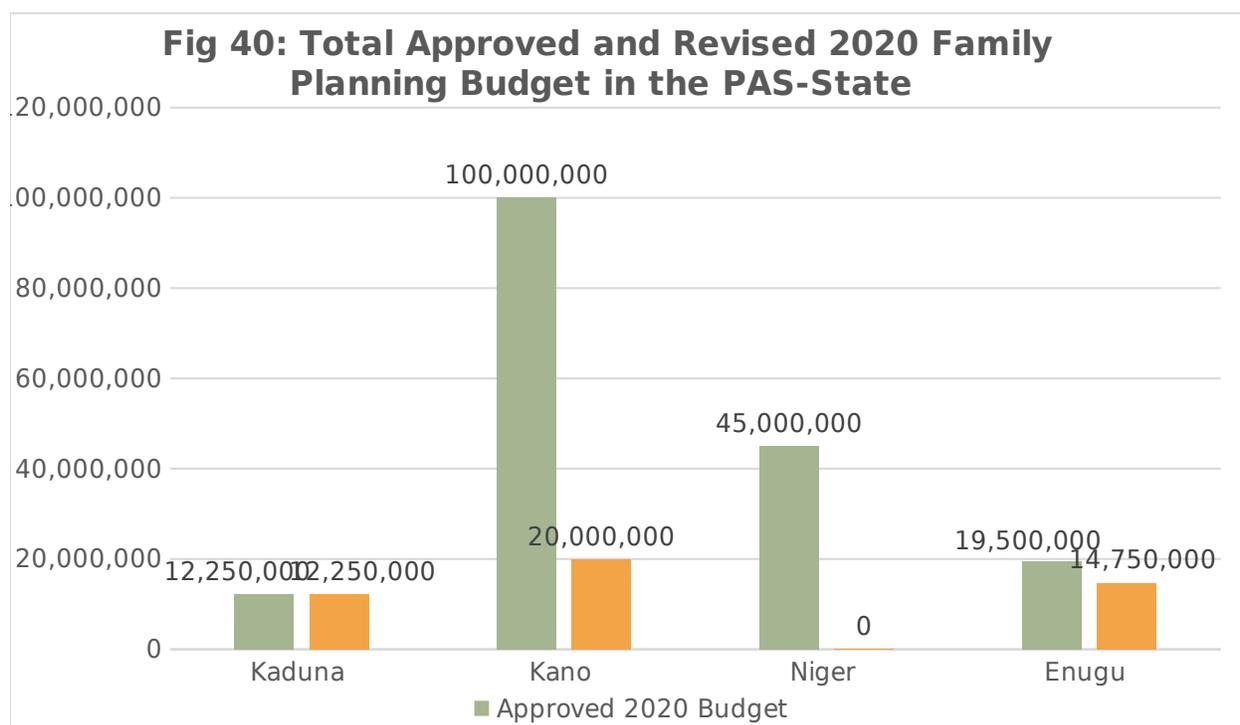
Family planning is one of the key major PAS-issue areas. The Family planning budget was left as was initially approved in Kaduna State. While it was completely removed in Niger State, and Lagos State cannot be ascertained, Kano State government cut its family planning by N80,000,000 (80% cut) leaving the family planning allocation for the year 2020 fiscal year to N20,000,000. However, In Enugu State, there are three major budget lines covering FP programmes and advocacy. The funding commitment for the State FP budget lines as illustrated in table 22 below was reduced by N4,750,000 (24.5% decrease).

**Table 22: Family Planning Approved and Revised 2020 Budget**

PAS-States	FP Budget lines	Approved 2020 budget	Revised 2020 budget	% Change
Kaduna	Family Planning (FP) Programme	12,250,000	12,250,000	0%
Niger	Family planning	45,000,000	Nil	-100%
Enugu	Family Planning (FP) Programme	9,500,000	4,750,000	-50%
	Reproductive Health Programme- Improve reproductive Health through Infection Prevention and Control skill acquisition, focused Antenatal care/Post Natal Care, and training of doctors on Advanced Life Saving Skills (ALSS)	5,000,000	5,000,000	Nil

	Advocacy for child and adolescent reproductive health programme	5,000,000	5,000,000	Nil
	<b>Subtotal</b>	<b>19,500,000</b>	<b>14,750,000</b>	<b>-24.3%</b>
Kano	Child Birth Spacing Programme	100,000,000	20,000,000	-80%
Lagos	Family planning	293,615,857	n.a	<b>n.a</b>

**Source:** Approved and revised 2020 Kaduna, Niger, Kano, Lagos and Enugu Budgets



#### 4.2.3 Routine Immunisation

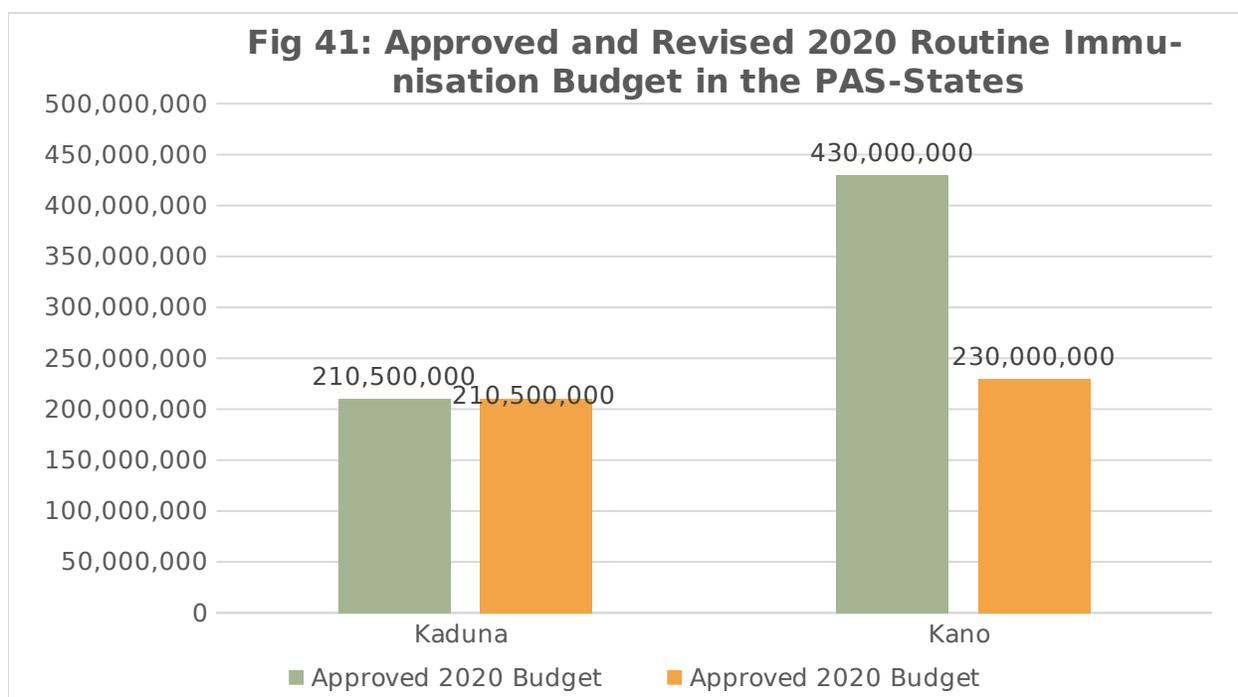
Like the family planning budget allocation above, the Kaduna State government did not cut the routine immunisation budget despite the coronavirus pandemic and the poor revenue projection. This was not the case in Kano State as routine immunisation funding for the 2020 fiscal year was reduced by N200,000,000 (46.52% cut), leaving the total funding commitment for the year as N230,000,000. While the information about the Lagos RI allocation is not readily available, Niger has no budget line for RI in the revised budget.

**Table 23:** Routine Immunisation Approved and Revised 2020 Budget

PAS-States	RI Budget Lines	Approved 2020 budget	Revised 2020 budget	% Change
Kaduna	Routine Immunisation and System	200,000,000	200,000,000	0%

	Strengthening Immunisation Plus Days (IPDs)	10,500,000	10,500,000	0%
Niger	Immunisation	N.a	Nil	-100%
Kano	Routine Immunisation	430,000,000	230,000,000	-46.52%
Lagos	Routine Immunisation	178,127,956	N.a	N.a

**Source:** Approved and revised 2020 Kaduna, Kano And Nigeria Budgets



#### 4.2.4 Childhood Killer Diseases (CKD)

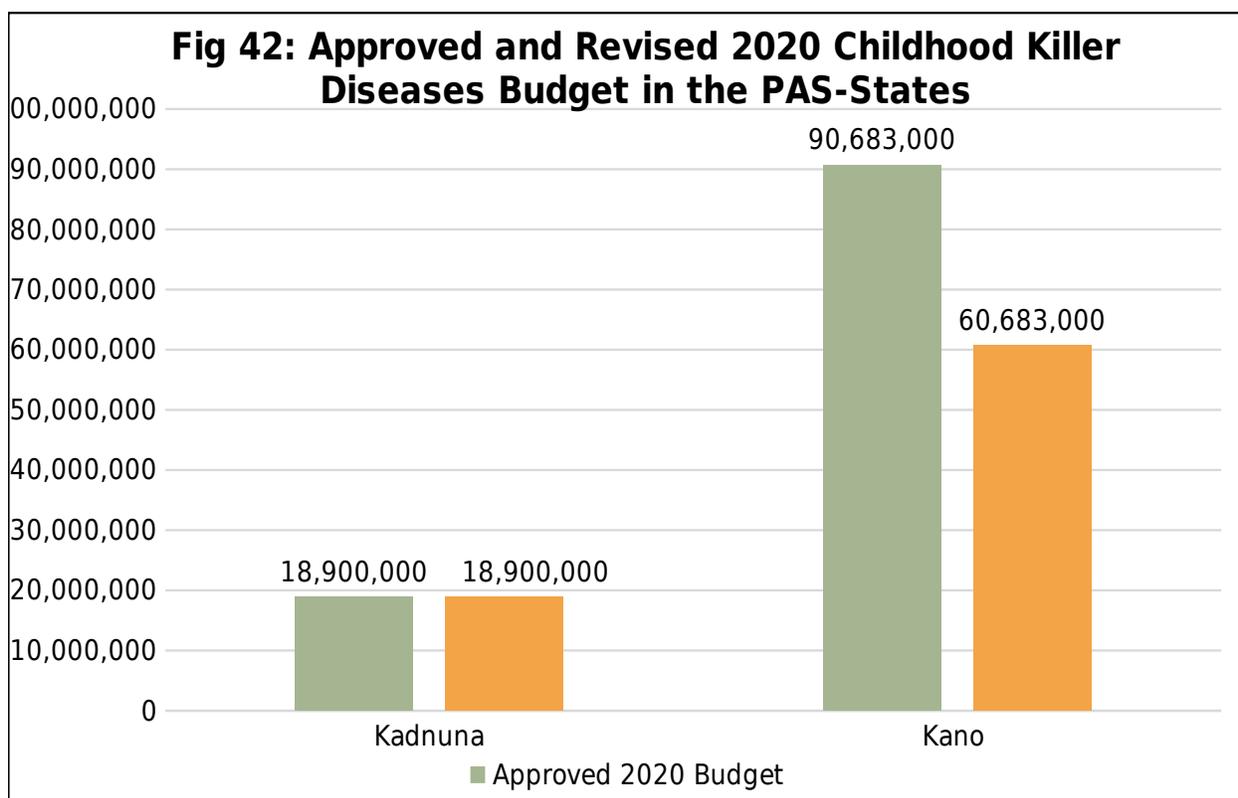
There are two different funding commitments for the budget lines integrated maternal, newborn and child health 2020 budget in Kano State. While N50,683,000 was allocated under the State Ministry of Health budget, N40,000,000 was allocated under the State Primary Health Care Management Board budget. There is no explanation in the budget explaining why such double funding commitment was made. Such a scenario could be a repetition that creates a looting avenue. It needs to observe that the former was not cut in the revised budget, the later which was allocated under the SPHCMB was reduced by N30,000,000 (75% cut), (See table 25 below).

Although there is no available information on CKD budget in Niger and Lagos State, Kaduna State left the CDK budget as was initially approved.

**Table 24:** Childhood Killer Diseases (CKD) and Pneumonia Approved and Revised 2020 Budget

PAS-States	CDK Budget Lines	Approved budget 2020	Revised budget 2020	% Change
Kaduna	MNCH week	18,900,000	18,900,000	Nil
Niger	MNCH Week	N.a	N.a	N.a
Kano	Integrated Maternal, New Born And Child Health (IMNCH)-SMoH	50,683,000	50,683,000	Nil
	Integrated Maternal, New Born And Child Health (IMNCH)-SPHMB	40,000,000	10,000,000	-75%
Lagos	n.a	n.a	n.a	n.a

**Source:** Approved and revised 2020 Kaduna, Kano And Nigeria Budgets



#### 4.3 Key Findings

- The primary health care budget in Kaduna, Kano, and Niger was cut in the revised budget. The PHCDA budget in Kaduna State was reduced by 11 percent, Niger State by 8 percent,



and Kano State by 27 percent. The PHCDA recurrent budget was cut by 0.3 in Kaduna State and 44.5 percent in Niger State. No reduction was made in the PHCMB recurrent 2020 budget by the Kano State government. Also, the PHCDA capital budget was cut by 15 percent in Kaduna State, 3 percent in Niger State and 30 percent in Kano State.

- The Kano State family planning funding in the 2020 fiscal year was reduced by 80 percent. In Kaduna State, the approved 12,250,000 FP budget was maintained.
- While the routine immunisation approved budget allocation is maintained by the Kaduna State government in the 2020 fiscal year, it was reduced by 46.5 percent by the Kano State government.
- There are two different funding commitments N50,683,000 (under the State Ministry Of Health Budget) and 40,000,000 (under the PHCMB budget) for the integrated maternal, newborn and child health budget line in the 2020 Kano State budget. While N50,683,000 was retained in the revised budget, N40,000,000 was reduced by 75 percentage. In Kaduna State, the 18,900,000-budget line for the MNCH week was retained.
- Unlike Niger, Kaduna and Niger States, the PHCB budget was not cut in the Lagos State revised budget.
- Apart from Kaduna State where the FP, RI, and CKD fall under overhead cost recurrent budget component, Kano, and Niger States have these issue areas allocations under the PHCMB/PHCDA capital budget component.



## **CHAPTER FIVE**

### **CONCLUSIONS AND RECOMMENDATIONS**

#### **5.1 Conclusion**

The preceding chapters show the comparative analysis of the approved and revised 2020 budget at the National as well as the trends analysis of the health budget between 2018 and 2020 in Kano, Lagos, Kaduna, Niger, Enugu, and Anambra State. Some of the key general observations include the followings

- Despite the increase in the national budget by 2%, the FMoH budget was reduced by 6%. However, the overall health budget size was increased by 21.95%. This increase was due mainly to the increase in the GAVI/immunisation allocation and N126 billion covid-19 Intervention fund both under the service-wide vote.
- In essence, while the FMoH budget alone to budget size reduced from its initial approved 4.16% to 3.83% revised, the overall health budget to budget size increased from its initial approved 4.45% to 5.32% revised. Although this is a sign of improvement, there is still a shortfall of about 9.68% compared to the 15% recommended by Abuja declaration 2001 for health.
- PAS-States' health funding commitment was affected negatively by the budget review except for Enugu State. Although States like Kaduna and Kano States despite the reduction in their revised health budget still maintained above 15% of the total State

Budget Size for the health sector. The reverse was the case in the Enugu where despite increased in the health revised budget the State did not meet the 15% recommended by the Abuja declaration and the 2017 Nigeria Health Financial Policy and Strategy.

- It could also be observed that the total revised 2020 health budgets were divided along Covid19- and Non-covid-19 responses. The only exception is the national Budget where a separate budget was made out the revised 2020 budget as covid-19 emergency response. This fund is domiciled under the Ministry of Finance, Budget and National Planning revised budget.
- On the issue of the capital health budget, this was cut at the national, Lagos, Kano, Kaduna, and Anambra States. Both the Enugu and Niger State increased their 2020 revised health capital commitment amidst covid-19 pandemic. There was no explanation as to whether the percentage cut was rechanneled but what is observable is that the government cut the budget to have a realistic budget. A budget that funding can be raised to implement optimally.
- For the first since the Basic Health Care Provision fund has been allocated in the national budget, the BHCPF was captured under the personnel health recurrent of the FMOH budget. Based on this new arrangement, the total recurrent health budget was cut, in the FMOH as well as Niger, and Lagos States. Also, while no efforts were made to increase or cut the revised recurrent health allocation in Kano and Anambra States, the Kaduna and Enugu States increased their recurrent budget.
- The PHCDA budget under which the PHCUOR commitment is implemented witnessed significant reduction at the national, Kaduna, Kano, and Niger States reduction in the revised budget except for Lagos State where it was neither increased nor cut. FG, Kano and Lagos States left PHCDA recurrent budget uncut, while Kaduna and Niger reduced the allocation. However, both the national and PAS-States (Kano, Kaduna, and Niger) reduced the PHCDA capital allocation except Lagos State.
- The family planning allocation was cut in both Kano and Enugu States significantly. While there was no information about the exact amount cut in Lagos (due to unavailability of the detailed approved and revised budget), both the Kaduna State and FG neither reduce nor add to the FP funding in the revised budget. In Niger State, the FP allocation was removed from the revised budget.

- Routine immunisation budget was cut in Kano State. It was not touched in Kaduna State. There was no available information in the Lagos and Niger State (ditto). Although the routine immunisation allocation was increased by N2.3bn (6.47% increase) at the national, the allocation for the procurement of outbreak (emergency) response vaccine, devices, and operational cost as well as procurement of travelers and pilgrims' vaccines were removed in the national budget.
- The Integrated Maternal, Newborn, and Child Health (IMNCH) budget line was left untouched at the national and PAS-States except for Lagos and Niger where no information is available on its status (ditto).
- Both the Federal government and the PAS-States government associated the changes in the health budget to Coronavirus pandemic and depressed global crude oil prices which affected the economic projection of the state which resulted in huge falls in revenue of the state. Thus, what therefore accounted for the increase of the national budget when compared to the approved might not be unconnected to the N500 billion Covid-19 intervention fund as well as the N226 billion that was added to debt services despite the reduction inherent across MDAs.

## 5.2 Recommendations

- Effective monitoring of disbursement of the allocated fund is key. The civil society must ensure that the 47% health budget allocated for the non-covid-19 response is released and utilised appropriately. Although most of the covid-19 intervention in the revised budget is also meant to address the health-related issues as noted above, there is a need to pay more attention to the non-covid-19 health-related issues. This is because significant numbers who are not Covid-19 positive and are suffering from various ailments ranging from cancer to malaria also need prompt affordable, accessible, and quality health care in their various domains in the state.
- While releasing funds for the allocated covid-19 health emergency response, the government should ensure that funds budgeted for non-covid-19 responses are also released in time. This is because a significant number of Nigerians are also suffering from various illnesses greater than Covid-19. Civil society must monitor the disbursement of the health budget allocation to ensure transparency and accountability in the utilisation of the allocated fund.

- The Kano State government must avoid budget repetition as this is often used by the public officers to siphon fund. Civil society organisations must be on top of their game towards ensuring that the government sees reasons why FP, RI, PHCUOR, and CKD funding need to be preserved during the health emergency period. When this is lacking, the subsequent budget could be developed with little or no funding commitment for the issue areas by the government under the notion that they are minor issues. In essence, continuous engagement is key. Civil society organisations must ensure that the revised funding commitment for each of the issue areas is released and utilized accordingly by the implementing body.
- The details of Lagos State’s annual budget document should be made available for public scrutiny. Continuous advocacy on the need to improve health budget allocation to meet 15% of the total State budget size for effective health care delivery is important.
- While Kano and the Kaduna States should sustain the culture of allocating over 15% total state budget to the health sector, the national and other subnational governments should key into the initiative. The government should ensure a timely release of the revised health budget allocation. CSOs can also support the government with initiatives in maximising the scarce available resources.
- While the effort of the Enugu States government to increase the health budget amidst covid-19 is commendable, the States should join other states in Nigeria that have to make it as culture in ensuring that 15% of the state budget size is allocated for the health budget.
- Niger and Anambra States must show more commitment to health care funding for effective healthcare delivery.

### **5.3 References**

- Niger State Approved 2018, 2019, 2020 and revised 2020 Budget
- Kaduna State Approved 2018, 2019, 2020 as well as the Revised 2019 and 2020 Budget
- Lagos State Approved 2018, 2019, 2020 and Revised 2020 Budget
- Kano State Approved 2018, 2019, 2020 and Revised 2020 Budget
- Anambra State Approved 2018, 2019, 2020 and Revised 2020 Budget
- Enugu State Approved 2018, 2019, 2020 and Revised 2020 Budget
- Federal Government 2018, 2019, 2020 and Amended 2020 Appropriation Acts
- Proposed Revised 2020 Appropriation Bill



- Nigeria Health Financing Policy and Strategy, 2017.