

## ISSUE BRIEF

### FUNDING GAP FOR FAMILY PLANNING COMMODITIES FOR NIGERIA 2020

#### CONTEXTUAL BACKGROUND

The Federal government's target of reaching 27% mCPR by 2020 has been set, and in order to improve uptake it was noted that there is a need to free FP information, services, and commodities at all public health facilities. Thus, ensuring free access to the FP commodities depends on the government's ability to make funding available. When reverse is the case it creates a dangerous gap that may be very difficult to breach, thereby affecting its FP budget commitment.

#### Government Commitment to FP funding

Since 2012 the Nigeria government has series of commitment towards improving family planning uptake. During the London Summit on Family Planning in 2012, Nigeria committed to increase CPR by 2% every year to achieve 36% by 2018 to avert 31,000 maternal deaths and 1.5 million child deaths and save more than 700,000 mothers from injuries or permanent illness due to childbirth. In the same year, it committed to provide an additional US \$8.35 million annually (current US \$3 million) over the next four years (2016) for the procurement of reproductive health commodities; work with the state and local governments to secure complementary budgets for family planning and reproductive health service delivery; realize its health financing goals laid out under the National Strategic Health Development Plan, the institutionalization of the support for primary health services provided by the SURE Program, and meet or exceed the Abuja Declaration health financing commitments<sup>1</sup>.

While updating its target of reaching 27% mCPR by 2020 to improve uptake, the government<sup>2</sup> of Nigeria updated her commitment at the FP Summit in London, UK (July 11, 2017), to; **“Ensure sustainable financing for the National FP Program”**. With this commitment, the following actions were proposed:

1. The FEC approval to renew the Memorandum of Understanding with UNFPA to support US\$4mil annually from 2018 to 2020 for the procurement of contraceptives.
2. The Federal Ministry of Health committed to ensuring disbursement of US\$56 mil to the states through the IDA loans and Global Financing Facility from 2017 to 2020. The FMOH through the Basic Health Care Provision Fund makes family planning expenses by households reimbursable in the public and private sectors
3. Nigeria also planned to realize the health financing goals laid out under the National Strategic Health Development Plan, the institutionalization of the support for primary health services and meet or exceed the Abuja Declaration health financing commitments.
4. The Federal Ministry of Health committed to investments in a robust accountability system to track and report actual domestic resources expenditures at national and state levels for the national family planning on annual basis.

#### Strategy for Policy Implementation

<sup>1</sup> <http://www.familyplanning2020.org/news/nigeria-fp2020-commitment>

To achieve the above commitment, a series of efforts were made by the Government towards increasing domestic financing such as:

- Renewed MoU with UNFPA for procurement of contraceptives for the country.
- Increased efforts to grow sustainable domestic financing through an annual government counterpart contribution of \$4M from 2018 – 2020.
- Disbursement of US\$56 mil to the states through the IDA loans and Global Financing Facility from 2017 to 2020.
- A BHC PF rolled-out as a pilot in line with the National Health Act of 2014, which shall be funded from the Government's Consolidated Revenue pool.
- Investments in a robust accountability system to track and report actual domestic resources expenditures at national and state levels.

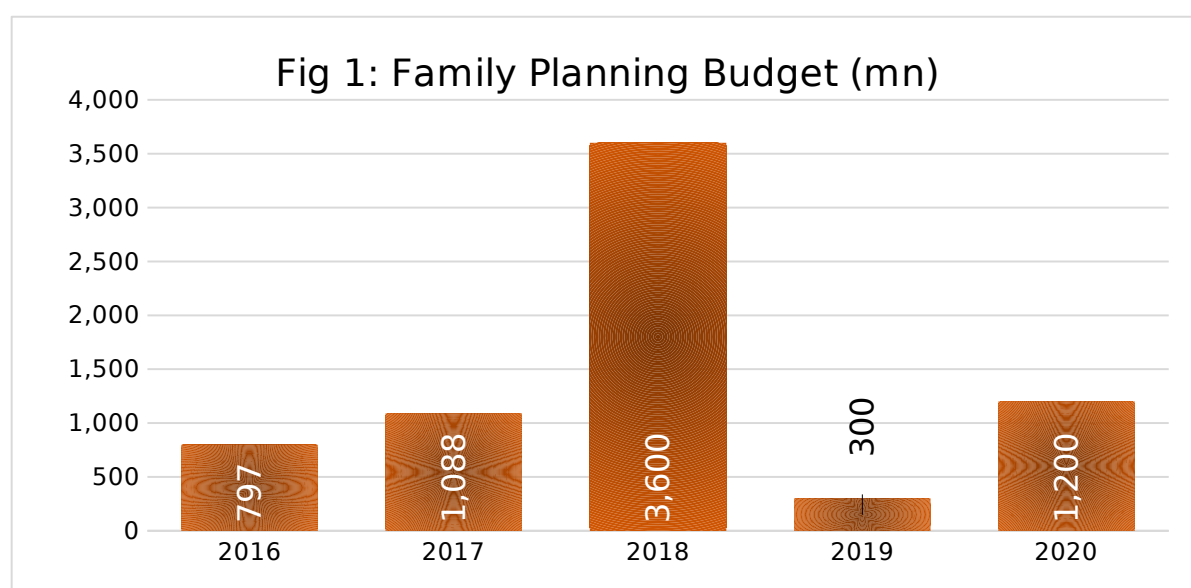
### FP Budget Trends

The FP budget allocation has been on the rise up till 2018. There was a strong shift in priority in the 2019 budget. Instead of continuing the trends (of allocating 4billion USD commitment amounting to 1.2 billion naira), the reverse was the case. There was a cut of 75% (NGN 900,000,000) from the NGN1.2Bn committed as seen in the table below. Recall that the it was part of the Nigeria government FP2020 commitment for sustainable financing for family planning to allocate annually US \$4 million (N1.2billion) from the national budget to the basket fund for procurement of contraceptive commodities. While this was fulfilled in 2018, only 300 million was allocated in that respect in 2019. The table also revealed a N1.2 billion allocated as part of the commitment in the year 2020.

**Table 1: Budget allocation trend**

Year	2016	2017	2018	2019	2020
Budget (N)	797,406,909	1,088,038,230	3,600,000,000	300,000,000	1,200,000,000

Budgetary allocation to Family Planning, Budget Office of the Federation



Two Budget Lines have been identified with Family Planning under the Federal Ministry of Health; ERGP25112207 and ERGP25115182. These were specifically identified for Budget Year 2018, 2019 and 2020 under the following captions:

**Table 2: FP budget line releases**

Year	Budget Code	Budget Caption	Amount allocated	Amount released
2018	ERGP25115182	Counterpart funding to match grants from UNFPA, USAID, BMGF & UNICEF	2,400,000,000	n.a
	ERGP25112207	Improve family planning services through contraceptives use interventions and counterpart funding	1,200,000,000	1,200,000,000
2019	ERGP25112207	Improve family planning services through contraceptives use interventions and counterpart funding	300,000,000	300,000,000
2020	ERGP25112207	Procurement and distribution of family planning commodities through counterpart funding to UNFPA	1,200,000,000	Nil

It was only in 2018 that the two Budget Lines – Counterpart Funding to Match Grants and Improve Family Planning Services received funding, this is the reason Family Planning received N3.6 billion in 2018. It could be observed that Counterpart funding of N2.4 billion was left out of the budget of subsequent years. This shows a further reduction of 2.4 billion each year. This fund should not be confused with the actual 1.2 billion naira committed by the government to the basket fund and which has been taken care of in the 2018 budget. Although what the fund actually wanted to serve cannot be ascertained. But it could be deduced that since there was no evidence of release of such fund in the year 2018 by the FMOF, it could be a balance of remaining two years (2019 and 2020), 1.2 billion (total N2.4 Billion) for each year.

Therefore, N300 million allocated to “Improve family planning services through contraceptives use interventions and counterpart funding” has the Budget line code ERGP25112207. This shows a flow in the FP budget line with varying degree of allocation. Thus, suggests a low prioritisation to Family Planning by the FGoN.

### FP Funding Gap

As of 2018, mCPR stood at 12%, which illustrate the importance of continued government support of the national family planning program. To support the government efforts, DfID and FMOH pledged 4 million dollars each. Although DfID did not make any disbursement, Nigeria fulfilled her commitment in that year<sup>2</sup>; UNFPA on the other hand pledged 4 million dollars and disbursed 10.025 million dollars as seen in the table below.

<sup>2</sup> <https://www.advancefamilyplanning.org/nigerias-national-family-planning-allocation-cut-90>

**Table 3: Donors contribution**

Donors	Contribution	Amount released
Dfid	n.a	-
USAID	\$5.3 million	Not yet released
UNFPA	\$4 million	\$10.025 million

FGON has not met its commitments for family planning financing. In 2016, FGON allocated ₦746 million (US\$2.37 million) to family planning commodities. The total commodity cost was ₦4.8 billion (US\$15.3 million), and the gaps were largely filled by donors (USAID, UNFPA, DFID & BMGF). Indeed, without donor assistance, the country may face huge family planning funding gaps. Nigeria’s donor dependency puts it in a precarious position as donor funding is likely to decline. The FGON is not meeting its commitments for Family Planning financing.

The table 4 below shows 28.4 million USD is what is needed for FP commodities and logistics. Out of this, 14.8 million USD available that includes contributions from UNFPA, DFID and FGoN. In essence, there was a funding gap of about 13.6 million USD resulting from the inability of the other partners and the Nigerian government to fulfil their annual funding commitment. For instance, the FMOH was supposed to have made available about 7.1 million USD (that is 3.1 million USD from 2019 and 4 million USD from 2020) as per the commitment cited in table 1. This represents 52% of the total funding gap. However, the USAID is also to assist with 5.3 million USD but this cannot be accessed except 7.2 million USD from FG is made available. As such, without full funding of the government’s annual commitment of \$4 million (1.4 billion Nigeria naira), there will likely be a significant shortage of contraceptives.

**Table 4: FP Funding Gap**

Nigeria FP requires Fund USD	FP fund Available in USD	Funding Gap	% of gap to Amount Fund Require	Contributors
28.4 million USD	14.8 million USD	13.6 million USD	48.8%	UNFPA, Dfid, FGoN

### Challenges

2019 would have been a watershed to achieving the FP goal in Nigeria given the preceding effort but budget cuts for FP from the approved year budget impacted significantly on the amount available for FP commodities. It could be recalled that when the efforts to release the FP budget allocation for 2019 is made, FMOH recommended to the FMOF that the 3.2 million USD (900,000,000m Naira) 2019 FP budget shortfall should be released from the Service Wide Vote in December 2019, but this was not materialized. As such, the 300 million naira that came from the budget after the exchange rate turned out to be just 829,714 USD.

Given the above scenario, the amount due to be released from the Service Wide Vote would be (3.1 million USD) instead of 3.2 million USD. The 1.2bn naira commitment for the year 2020 may also be affected by the exchange rate. This challenge is due to how Funds are received and distributed by UNFPA. There is an MoU in place for the procurement of commodities linked to the basket funds.

Resources from FG goes to FMOF then to an account in UNDP to UNFPA receiving the funds in naira. Except government reviews FP 2020 the budget allocation to suit the new exchange rate as against the approved pre-Covid-19 era, there would be further widening in the FP funding gap. However, the amount due to be released from the Federal purse is disaggregated in the table below.

**Table 5: Funding Source**

	<b>Funding Source</b>	<b>Amount (USD millions)</b>
	<b>Service Wide Vote 2019</b>	<b>\$3.12</b>
	<b>From the 2020 Budget</b>	<b>\$4.0</b>
<b>Total funding gap=</b>	<b>Culminating into the Outstanding FMOH Funds</b>	<b>\$7.12</b>

### **Bridging the Gap**

- There is a need to ensure that all fund committed by the Federal government on FP is released.
- Priority should be to advocate for the 7.12 million USD from the budget as this is backed by an MoU.
- Advocacy efforts should be focused on ensuring that Nigeria meets its budgetary commitments (\$7.12 million).
- There is a need to also pursue a multichannel engagement with key government stakeholders. Engagement will prioritise the FMOH and FMOF as well as all levels of government. All partners involved should share comparative advantages and strong relationships to advocacy partners.

### **How dRPC-PAS is Solving the FP Funding Gap – Call to Action**

The PAS project is currently monitoring the FMOH’s progress regarding this funding shortfall. Currently, the situation is unchanged as a consequence of efforts of the FMOH and FGoN now focused on the fight against the Covid-19 pandemic. Notwithstanding, the PAS project is making strides to get the FGoN to address this funding gap for Family Planning.

The dRPC-PAS has been working with the National Institute for Policy and Strategic Studies (NIPSS), the apex think-tank of the nation on this year’s SEC 42 theme on addressing population growth and human capital development for the Presidency. The dRPC-PAS has been pivotal in refocusing efforts for this year’s theme to integrate family planning at the core of its research. Following the progress of events and evidence of the family planning funding gap, we have engaged with and built the capacity of the NIPSS team who in turn are developing a call to action for the FMOH, FMOF and the National Assembly to address this shortfall in funding.

The PAS advocates and champions have been and will still be engaging the executives and legislatures on media and virtual platforms to address the funding gaps despite the Covid-19 pandemic efforts. dRPC-PAS is also engaging with experts to produce Op-eds and other knowledge



products to make vivid the implications of these funding gaps on unmet needs for family planning and the contraceptive prevalence rate target for Nigeria.

### **Conclusion**

It could be deduced from the above that despite committing to allocate US\$4mil for contraceptive amounting to 1.2 billion naira annually between 2018 and 2020 on FP, the country has not adhered to the promise. Although 1.2 billion was allocated in 2018, only 25% of the agreed sum was allocated in 2019, this rise again in 2020 budget year. Currently, the 2020 FP budget has not been released despite the government commitment in that regard. The poor releases of the fund have created a funding gap on FP funding. It was established that out of the 28.4 million needed for the FP commodities procurement only 14.8 million is available, there is a shortfall of 13.6 resulted from the Federal government refusal to fulfil its commitment of \$4 million allocation for contraceptive per year. In essence, the gap is from \$3.2 million shortfall in 2019 and \$4 million from the 2020 budget. USAID is also expected to contribute the sum of \$5.3 million. This has been delayed due to poor compliance from the Nigerian government.

To bridge the gap, the government is expected to release \$3.1 million from the Service-wide vote due to new exchange rate while the \$4 million is to be released from the 2020 Appropriation Act. However, a continuing delay in the releases of fund could lead to scarcity of FP commodities and consumables, thereby increasing the chance of poor access FP, reduction in the modern contraceptive prevalence rate (CPR), increase the total fertility rate (TFR) and the annual national annual growth rate.