

LAGOS STATE 2020 HEALTH BUDGET ANALYSIS

The Lagos State 2020 Budget was signed into law to achieve the following objectives:

- Attract private sector investments to the State economy by creating an enabling environment;
- Aggressively develop, upgrade and maintain our Infrastructure;
- Invest in human capital development, i.e. education and healthcare;
- Facilitate sustainable social investment and enterprise;
- Improve capacity to collect due revenues as efficiently as possible;
- Improve civic participation in governance, and automate public services and engagement;
- Build impactful partnerships with the Federal Government, other States, development partners and civil society; and
- Improve the quality of the environment and our public spaces generally.

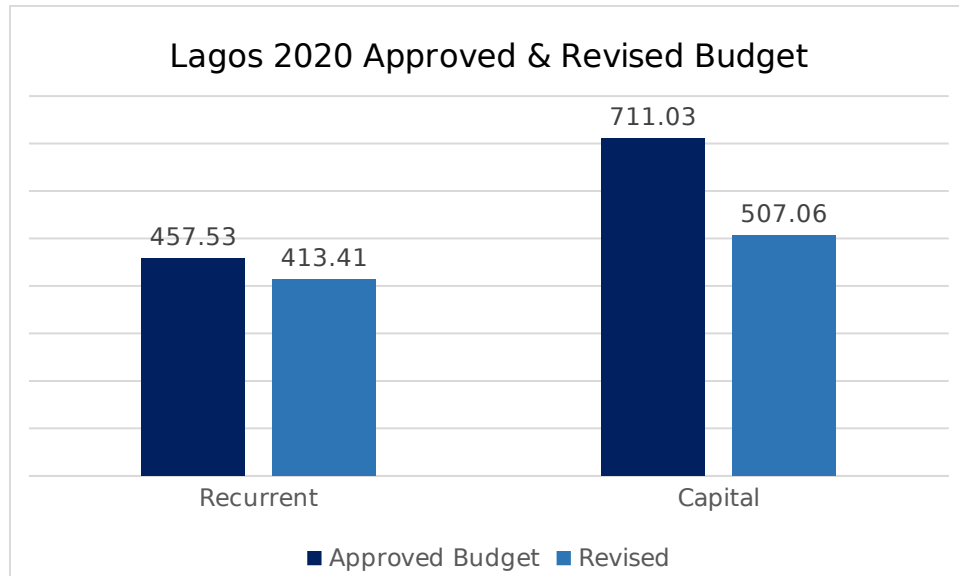
The total Budget amounted to N1.169 trillion with Capital Expenditures allocated 61.8% [N711.03 billion] and Recurrent Expenditures allocated the balance of 39.2% [N457.83 billion]. Seeing more funds allocated to Capital Expenditures is an evidence of the Lagos State's commitment to invest more in programmes that impact the lives of Lagosians.

A key objective of the Lagos State Government is investment in human capital development, which essentially entails Health and Education. Investment in these two areas ensure commitment of funds to the future of Lagos and puts Lagos in a good position to achieve the Goal 3 and Goal 4 of the Sustainable Development Goals – which are Health & Wellbeing [Goal 3] and Quality Education [Goal 4].

Health was allocated a total sum of N105.97 billion which is 9.07% of the total Lagos State budget for year 2020. A further breakdown shows that Capital Expenditures 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.

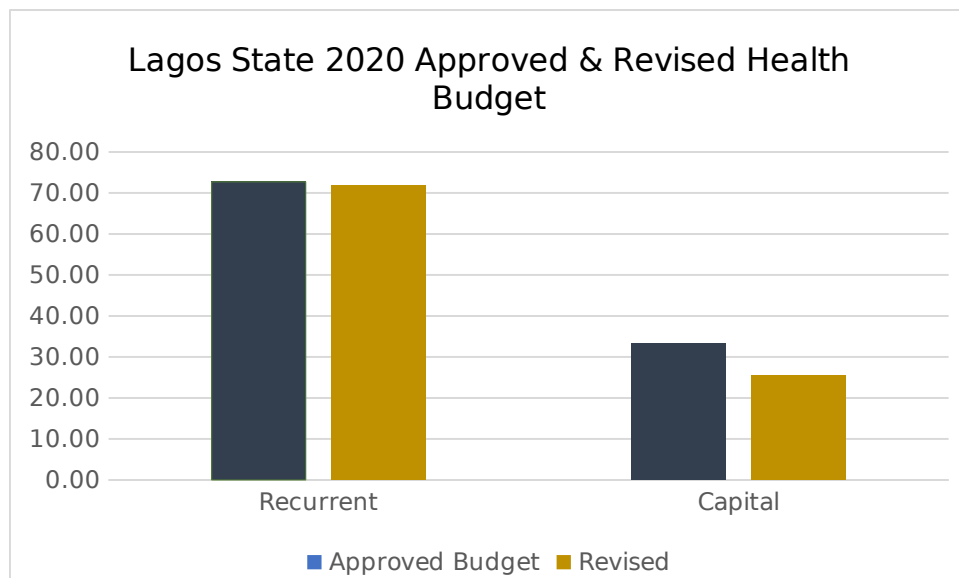
The emergence of the Coronavirus pandemic otherwise known as COVID19 changed global economy and made governments and private institutions take a further review of their business and financial project for Year 2020. The Lagos State government in addition to its Internally Generated Revenue which is highly impacted by the pandemic is also experience shortage of allocation from the Federal pursue that has also suffered some financial shortage due to 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 Expenditures 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 regard 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 hold the Lagos State government to account of its budgetary

provisions as these information are not available for engagement. Below are the top 15 Departments & Agencies with the highest allocations.

| 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 |

A transparent budget must give provision for Citizens engagement. Interested members of the public should be given opportunity to interrogate the allocations with Government creating a sense of belong in Citizens as they work together with citizens to understand their programmes as well as give support of their achievements. 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.