

ISSUE BRIEF

REVISED 2020 HEALTH BUDGET AND COVID-19 HEALTH EMERGENCY RESPONSE AT NATIONAL, KADUNA AND KANO STATES

Background

On the 11th of July 2020, the joint National Assembly passed the 2020 revised budget of 10.810trillion into law. The passage of this law has generated reactions from different quarters of the country over the cut in the health budget. It could be recalled that when the 2020 budget was approved, N441bn was allocated for the health budget under which N381bn for the recurrent expenditure and N59bn for the capital expenditure. However, with the approved revised budget, there is a reduction of about N27 billion representing 6% reduction, mainly from the health capital. This has not gone well with the majority of the population who believed that more funding is needed like never before to address the coronavirus pandemic which was only a fraction of many current deadly health-related issues such as cancer, Lassa fever, malaria, pneumonia, maternal death, diabetes, malnourishment, etc. confronting the Nigerians. This brief takes a critical look at the revised health budget with the hope of identifying alternative health funding mechanisms for the Nigerian health system in the 2020 fiscal year.

Disaggregation of the Revised 2020 Health Budget

As seen in the table1 below, the capital and Basic Health Care Provision Fund (BHCPF) were reduced by 16 percent and 40 percent respectively when compared with the approved budget estimate. This has been a major source of worry by the Nigerians who believed the health budget should not be cut but increases. This is because the cut in the health budget under pandemic is poses greater risk on average nigerans especially the most vulnerable.

Table 1: Revised 2020 Health Budget

Health Budget Component	Approved 2020 Health Budget	Revised Estimate	% decrease
Recurrent	336.5bn	336.5bn	-
Capital	59.9bn	51.4bn	-16%
Basic Health Care Fund	44bn	26.4bn	-40.5%
Total	441bn	414bn	-7%

Source: Budget Office of the Federation

Health budget and Covid-19 Response

Recalled that when the Covid-19 broke out in Nigeria, 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 10Bn 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.

On the other hand, N500 billion COVID-19 Crisis Intervention Fund was established in the revised budget. According to 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 186 billion was excluded. For the sake of accountability, the National Assembly insisted the N186 billion for covid-19 health emergency be included in the revised budget. Therefore, a review of the approved revised 2020 budget revealed that N380,000,000 of the fund is from the N213,977,880,667 Covid-19 Crisis Intervention Fund budget line under the service side vote, while the N185,990,000,000 would be from the N286,022,119,333 Covid-19 Crisis Intervention Fund-Incremental Capital budget line as part of the supplementary capital budget (See table 2 below).

Table 2: Health Budget Alternative Funding Mechanism

Budget Lines	Proposed Revised Health Budget	Approved Revised Health Budget	Covid-19 Health Emergency Response
Covid-19 Crisis Intervention Fund	213,597,880,667	213,977,880,667	380,000,000
Covid-19 Crisis Intervention Fund - Incremental Capital	100,032,119,333	286,022,119,333	185,990,000,000
Total	313,630,000,000	500,000,000,000	186,000,000,000

Source: Budget Office of the Federation

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

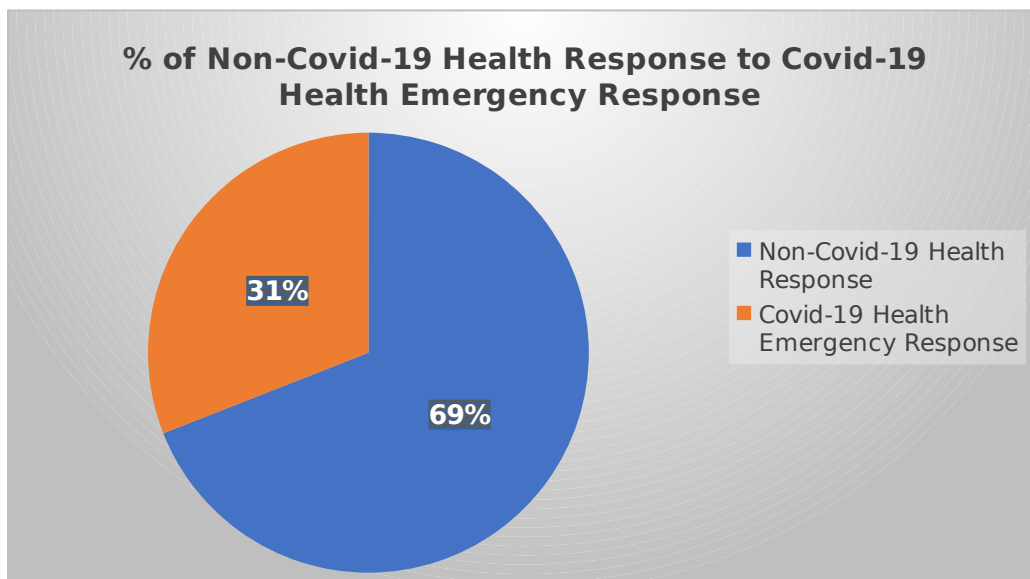
Table 3 below shows that 414bn is to be spent on the covid-19 health emergency response while the N186 billion on non-covid-19 health response. The percentage of the funds combined as to the total revised budget size is 5.5%. This is 9.5% far less than recommended for the health budget in a fiscal year.

Table 3: Approved 2020 Revised FG Budget

Revised 2020 Health Budget Components	Amount (in BN)	% of Revised 2020 Health Budget to Budget Size
Recurrent	336,597,463,881	-
Capital	51,402,884,613	-
Basic health care provision fund	26,457,743,000	-
Total Non-Covid-19 Health Response	414,458,091,494	3.83%
Covid-19 Health Emergency Response	186,000,000,000	-
Total 2020 Health Revised Budget	600,458,091,494	5.5%

Source: Compiled from the approved 2020 budget and revised 2020 revised budget

More so, the fig 1 shows that from the N600 billion budgeted for both the covid-19 and non-covid-19 health responses in the revised budget, 31% of the fund will be spent on the covid-19 health emergency while 69% on the non-covid-19 health response.



How Revised Health Budget is Re-Allocated in Kaduna and Kano State

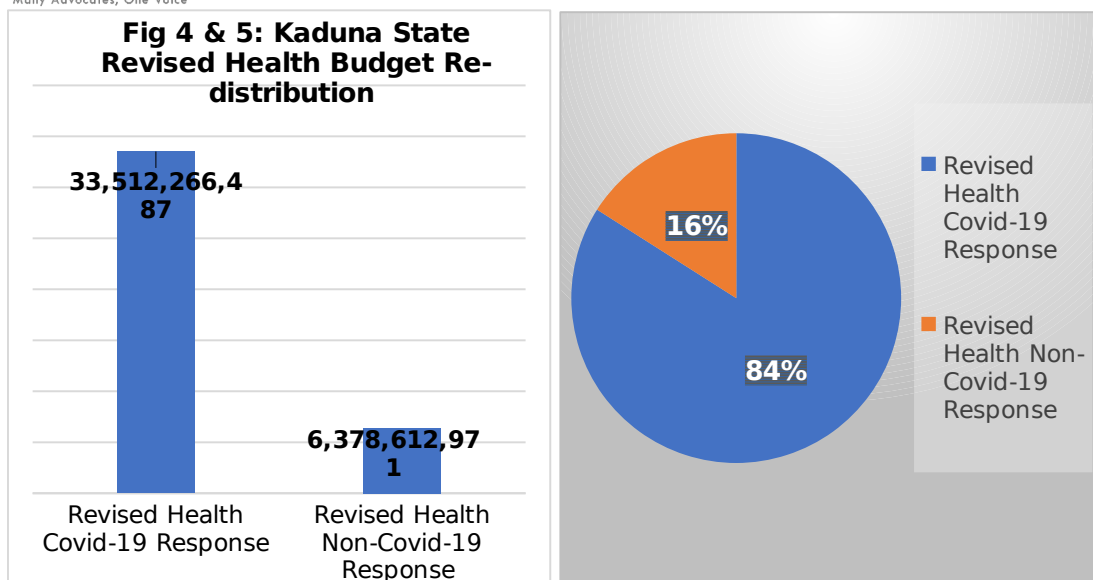
The analysis of the health budget in the Kano and Kaduna State shows that there were no new covid-19 intervention lines. What is however discovered was that the existing

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 Gijiyu General Hospital (covid19 response) etc. In Kaduna state the situation is the same. and some of the budget lines includes 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 fund were reduced, increase others were left untouched, thus were totally removed.

What is however, means by the covid-19 response a some of the health budget lines were tagged was that those fund 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 emergence to meet with the emergence situation. It could also mean that such fund designated as covid-19 in the revised will have a speedy released compared to other budget lines that were not covid-19. This is to response quickly and prevent the further spread of the pandemic in the states. Notes that the budget for health has been cut from 42bn to 39bn in Kaduna and from 31bn to 26bn in Kano. The shared of the revised health budget for the covid-19 and non covid-19 is as stated in the table and figs below.

Table 4: Kaduna State Revised Health Budget Disaggregation

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



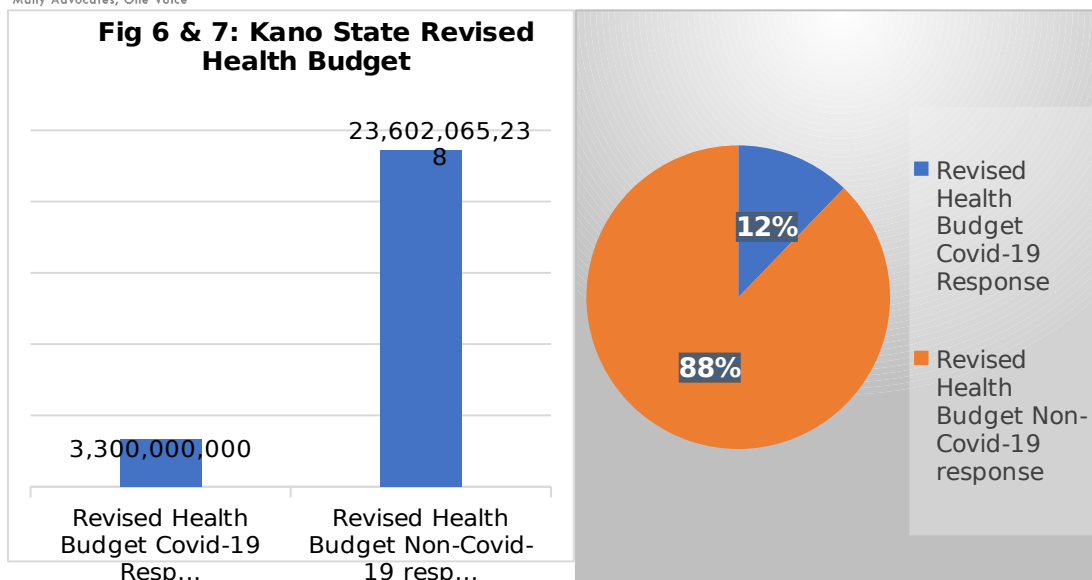
Source: Kaduna State Revised 2020 Appropriation Law

The above table shows that N33billion naira of the revised health budgets in Kaduna is meant for the covid-19 health emergency issues while 6bn naira is meant for the non-covid-19 health emergency issues. The fig five shows that 16% of the revised health budget will be used to response to the non-Covid-19 health emergencies while 84% will be spent on covid-19 health emergency issues.

Contrarily, in Kano state, out of the N26billion revised health budget, N3 billion naira representing 12% of the total health revised allocation will be spent on Covid-19 health emergencies while 23 billion representing 88% will be spent on non-covid-19 health emergencies.

Table 5: Re-Distribution of Health Allocation in Kano State

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



Source: Kano State Revised 2020 Appropriation

Findings

- The N102 billion was approved as part of the emergency fund for direct initial covid-19 interventions in the healthcare sector. This fund was neither from the approved 2020 health budget nor the revised budget.
- Also, N186 billion was created as covid-19 crisis health intervention fund. The fund was part of the efforts to respond to the covid-19 related health issues and was sourced from the N500 billion Covid-19 Crisis intervention fund in the revised 2020 budget.
- There was no breakdown on how the N186 billion Covid-19 health intervention funds will be spent. This poses a risk to looting.
- There was no evidence that the 27bn cut off from the approved 2020 non-covid-19 health response was re-channeled. The fund was cut off due to the poor revenue projection that created it.
- It was also discovered that 31% of the 600bn health allocation (both covid-19 and non-covid-19 response) was to be spent on covid-19 health emergency response while the 69% 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-covid 19 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 was 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 level.

Recommendation

- While releasing funds for the allocated covid-19 health emergency response, the government should ensure that fund 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 should continue to engage the government for effective service delivery.
- Government should explain how the N186 billion covid-19 health intervention funds will be spent. It should state in clear term what projects and activities will benefit from the fund and their location for accountability and to prevent the looting of the fund.
- Civil society must monitor the disbursement of the health budget allocation to ensure transparency and accountability in the utilization of the allocated fund.