

A REVIEW OF THE KANO STATE APPROVED 2021 HEALTH BUDGET

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Background

The Kano state's approved budget for the 2021 fiscal year was assented on the 23rd of December 2020 after ten weeks of its presentation before the State House of Assembly. Recall that the State Governor, Dr. Abdullahi Ganduje on the 27th of October 2020 presented a budget of N147 billion to the State House of Assembly for consideration, the House Assembly subsequently passed a N177 budget. This approved budget indicates a N30 billion increase to the estimate submitted by Dr. Ganduje. The approved 2021 budget is 28.6% more than the revised 2020 budget and 20.2% more than the proposed 2021 budget estimate.

Kano State 2021 Approved Health Budget Estimate

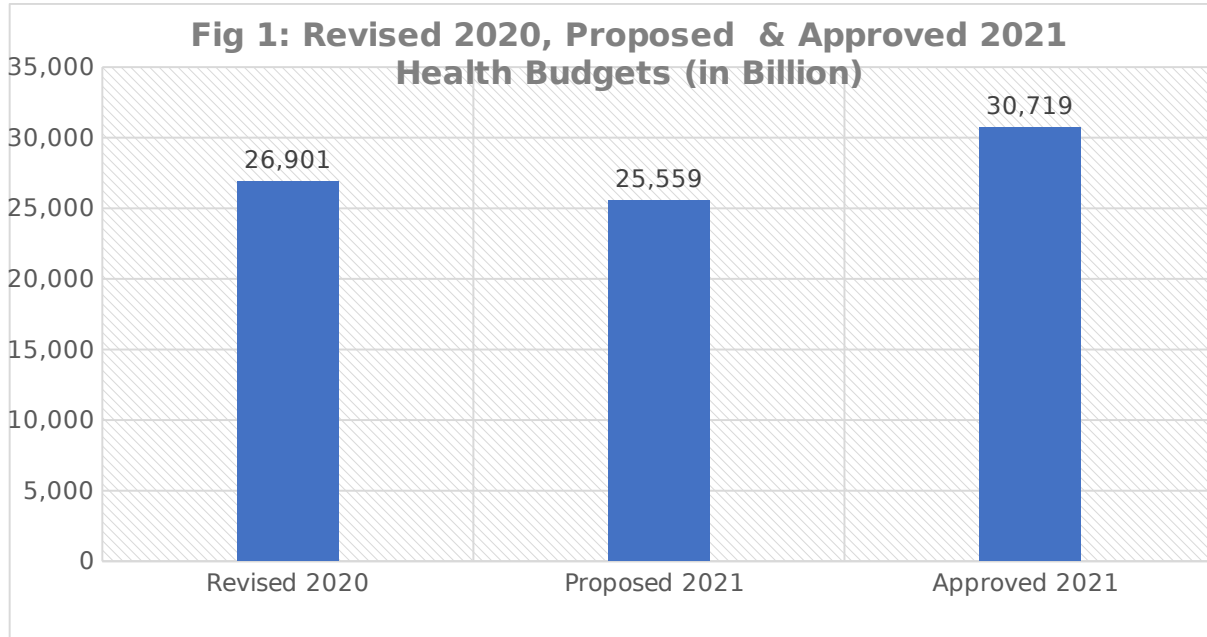
The total health allocation indicates a significant increase. The Health budget was increased from the N25.5 billion earlier proposed to N30.7 billion in the approved. The approved 2021 health budget was increased by 14.1% compared to the revised 2020 budget and 20.1% compared to the proposed 2021 budget.

More so, the capital health expenditure shows a 37.2% increase compared to the revised 2020 budget and 45.4% increase compared to the proposed 2021 budget. The recurrent expenditure was reduced by 4.3% compared to the revised 2020, although increase by 2.2% when compared to the proposed 2021 budget. However, the total health budget for the 2021 is 17.26% as a percentage of the total budget size. This is in line with 15% recommended by the head of African governments in 2001.

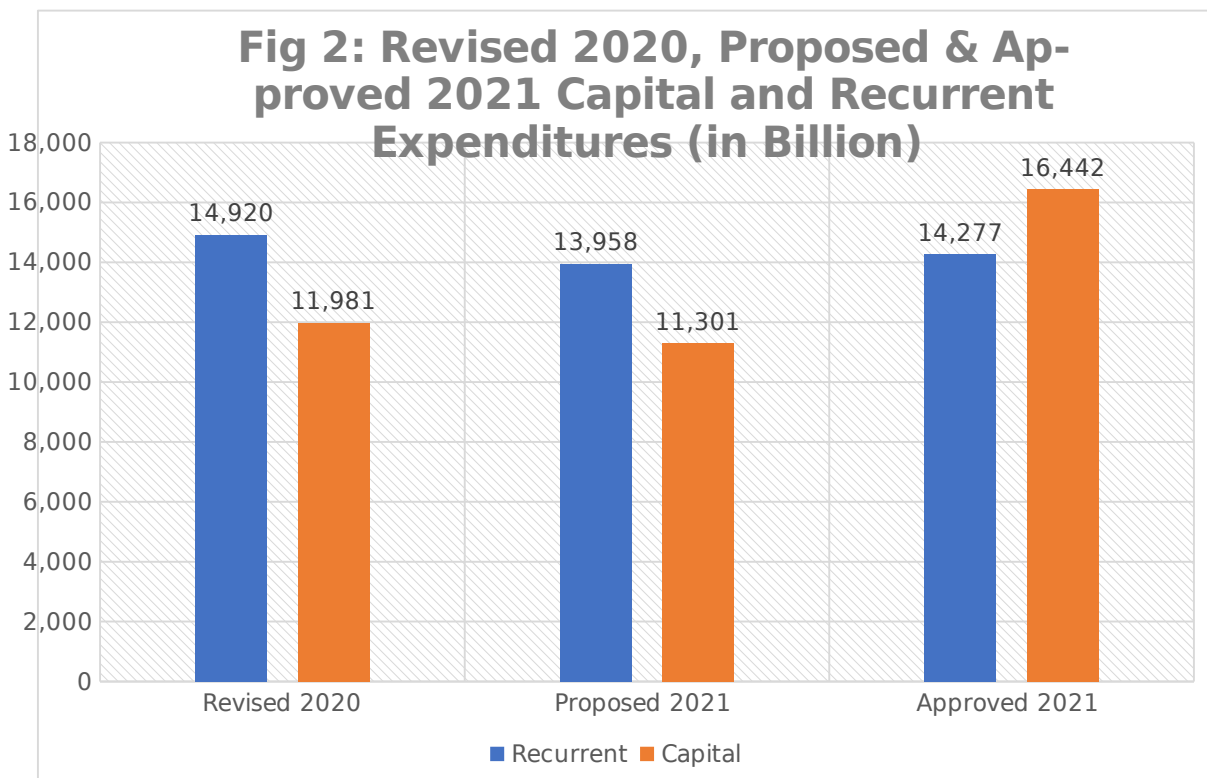
Table 1: Kano State 2021 Health Budget Estimates - in Millions of Naira

Budget Components	Revised 2020 Budget	Proposed 2021 Budget	Approved 2021 Budget	% Change (Revised 2020 & Approved 2021 Budgets)	% Change (Proposed 2021 & Approved 2021 Budgets)
Personnel Health Budget	13,682	13,147	13,547	-0.9%	3%
Overhead Health Budget	1,237	1,110	730	-40.9%	-34.2
Total Recurrent Health Budget	14,920	13,958	14,277	-4.3%	2.2%
Capital Health Budget	11,981	11,301	16,442	37.2%	45.4%
Total Health Budget	26,901	25,559	30,719	14.1%	20.1%
Budget Size	138,279	147,935	177,936	28.6%	20.2%
Health as % of Total Budget Size	19.45%	17.28%	17.26		

Source: Kaduna State Revised 2020, Proposed and Approved 2021 Budgets



The fig below shows that more fund was allocated to capital health expenditures than recurrent expenditure compared to the revised 2020 and proposed 2021 budget. This shows a change in recurrent dominated budget tradition and an indication of government priority shift towards improving health infrastructures in the state especially given the current health emergency crisis.



PAS-ISSUE AREAS

Primary Health Care Under One Roof (PHCUOR)

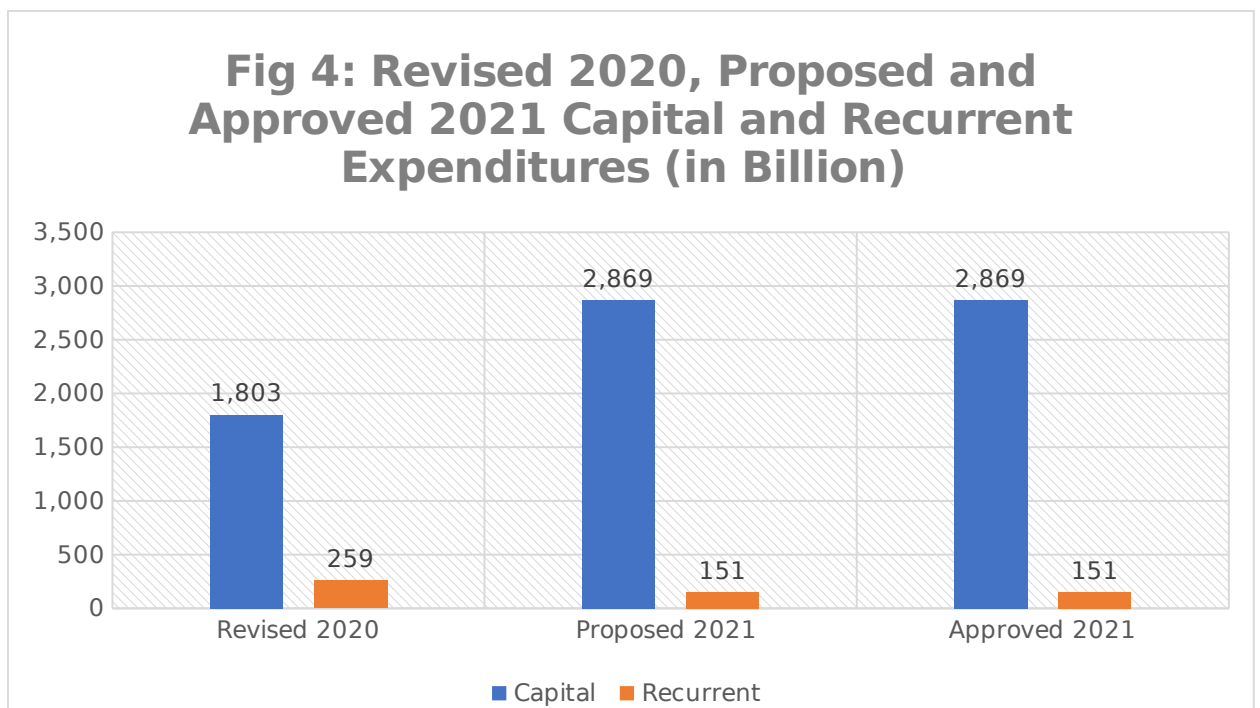
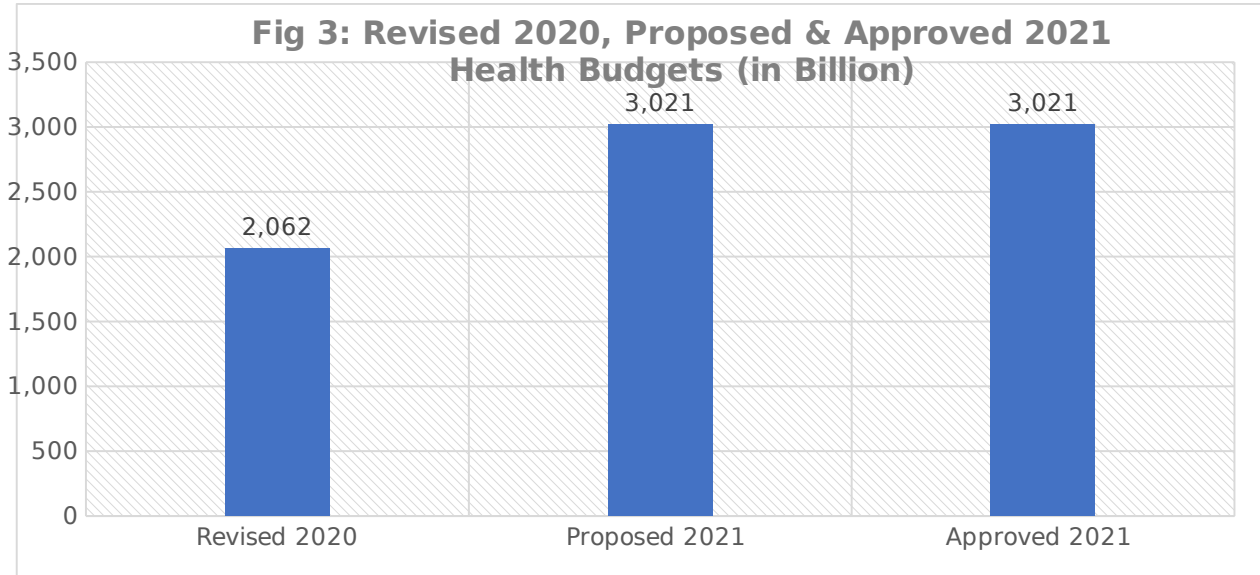
The State Primary Healthcare Management Budget (PHCMB) which oversees the operation and activities of the primary healthcare centers across the 44 local government areas of the state has a N3.02 billion allocation for the 2021 fiscal year. It could be seen from the table 2 below that the allocation for the PHCMB remains as proposed for the year. However, when compared to the revised 2020 allocation, the 2021 PHCMB recurrent allocation was reduced by 41.6%, and the PHCMB capital budget increased by 59.1%. Overall, the PHCMB budgetary allocation was increased by 46.5% compared to the revised 2020 budget.

The increase inherent in the PHCMB capital budget may not be unconnected to the new budget lines such as the allocated N50 million for the coordination of communicable diseases and the N1.05 billion as LGAs support to primary health care. These items are part of the essential health services and not covid-19 related. It shows the government readiness to improve the operational efficiency of the PHC. However, for this objective to be realized, timely releases are essential. Similarly, apart from this change, PHCMB also has a N20 million allocation for the coordination of primary health care services/activities, N500 million for the Implementation of Minimal Service Package (MSP) investment plan, N5 million for the implementation of community health influences, promoters & services, etc. as ongoing projects.

Table 2: PHCMB 2021 Budget Estimates - in Millions of Naira

PHCMB	Revised 2020 Budget	Proposed 2021 Budget	Approved 2021 Budget	% Change (Revised 2020 & Approved 2021 Budgets)	% Change (Proposed 2021 & Approved 2021 Budgets)
Personnel	148	40	40	-72.7%	0%
Overhead	110	110	110	0%	0%
Recurrent	259	151	151	-41.6%	0%
Capital	1,803	2,869	2,869	59.1%	0%
Total health budget	2,062	3,021	3,021	46.5%	0%
PHCMB Capital as % of capital Health Budget	15.95%	23.39%	18.37%		
PHCMB as % of Health Budget	7.67%	11.82%	9.83%		

Source: Kaduna State Revised 2020, Proposed and Approved 2021 Budgets



Family Planning (FP)

A cursory look at the Family planning budgetary allocation revealed that N10 million which was earlier allocated for the 2021 fiscal year was subsequently approved. Meaning that the FP budget was 50% reduced compared to the revised 2020 budget and 0% compared to the proposed 2021. However, some major lines where family planning has a possibility of being funded are identified as the N1.3 billion Saving One Million Lives (SOML), and N70 million for Counterpart Funding for BMGF The Challenge Initiative, and N338 million

SG/BMGF/DANGOTE Foundation Support to health Program Activities, although the actual funding commitment for FP underneath cannot be ascertained.

Table 3: Family Planning Budget- in Millions of Naira

Budget Lines	Revised 2020 Budget	Proposed 2021 Budget	Approved 2021 Budget	% Change (Revised 2020 & Approved 2021 Budgets)	% Change (Proposed 2021 & Approved 2021 Budgets)
Child Spacing	20	10	10	-50%	0%

Source: Kaduna State Revised 2020, Proposed and Approved 2021 Budgets

Routine Immunization (RI)

There are two identified budget lines for routine immunization, the RI and the global polio eradication initiative. On RI, the N330 million earlier proposed for the 2021 fiscal year was subsequently approved. The approved allocation for the 2021 fiscal year was 0% compared to the 2021 proposed budget and a 43.4% increase compared to the revised 2020 budget RI budget estimate. On the global polio eradication initiative, N50 proposed was also approved. The two approved allocations were 0% compared to the proposed 2021 and revised 2020 budgets respectively.

Table 4: RI 2021 Budget Estimates - in Millions of Naira

Budget Lines	Revised 2020 Budget	Proposed 2021 Budget	Approved 2021 Budget	% Change (Revised 2020 & Approved 2021 Budgets)	% Change (Proposed 2021 & Approved 2021 Budgets)
Routine Immunization	230	330	330	43.4%	0%
Global Polio Eradication Initiative	50	50	50	0%	0%

Source: Kaduna State Revised 2020, Proposed and Approved 2021 Budgets

Childhood Killer Diseases (CKD)

The Maternal Newborn and Child Health program have three related budget lines. These include the Integrated Maternal Newborn and Child Health under both the State Ministry of Health (SMoH) and SPHCMB with N50 and N10 million proposed and approved respectively for the 2021 fiscal year. There was also N20 million allocation for the procurement and distribution of Zinc & L-ORS, deworming tablets for MNCH weeks & routine services. In total, the sum of N80 million was allocated for the for MNCH related budget lines in the 2021 fiscal year. The amount allocated is 0% compared to both the revised 2020 and proposed 2021 budgets.

Table 5: IMNCH 2021 Budget Estimates - in Millions of Naira

Budget Lines	Revised 2020 Budget	Proposed 2021 Budget	Approved 2021 Budget	% Change (Revised 2020 & Approved 2021 Budgets)	% Change (Proposed 2021 & Approved 2021 Budgets)
Integrated Maternal Newborn and Child Health -SMoH	50	50	50	0%	0%
Integrated Maternal, New Born And Child Health-SPHCMB	10	10	10	0%	0%
Procurement, Distribution of Zinc & L-ORS, Deworming Tablets for MNCH Weeks & Routine Services	20	20	20	0%	0%
Total	80	80	80	0%	0%

Source: Kaduna State Revised 2020, Proposed and Approved 2021 Budgets

ESSENTIAL HEALTH SERVICES AND COVID-19 EXPENSES

Essential Health Services and Covid-19 Response

The approved 2021 budget shows N3,080 billion allocated for the covid-19 health emergency response mainly under the capital component of the health budget. However, with no identified dedicated fund for covid-19 under the recurrent health budget, the total covid-19 allocation is 10% compared to the 90% for the non-covid-19 essential health-related services in the approved 2021 budget estimate.

Table 6: Covid19 and Non-Covid-19 Health Budget Expenses - in Billions of Naira

Description	Approved Health Recurrent	Approved Health Capital	Total Approved 2021 Health Budget
Covid-19 Health Budget Lines	Nil	3,080	3,080
Non-Covid19 Health Budget Lines	14,277	13,362	27,639
Total Proposed 2021 Health Budget	14,277	16,442	30,719

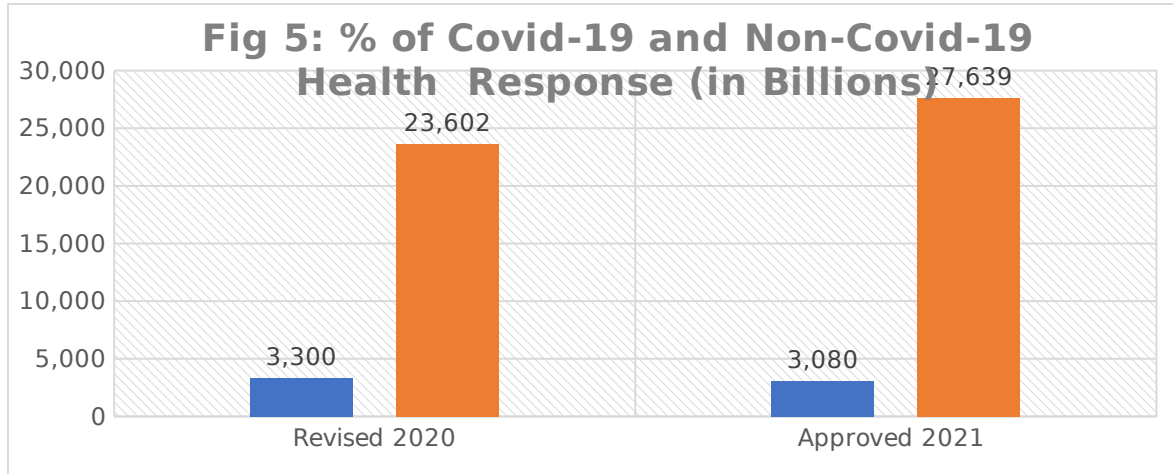
Source: Kaduna State Approved 2021 Budget

The government expenditure on covid-19 health response is reduced by 6% in 2021. Also, the non-covid19 health budget essential health service increased by 17%. The total health budget size also increased by 14%.

Table 7: Revised 2020 & Approved 2021 Covid19 & Non-Covid-19 Health Expenses - in Millions of Naira

Description	Revised 2020	Approved 2021	Variance	% Change
Covid-19 Health Budget Lines	3,300	3,080	220	-6%
Non-Covid-19 Health Budget Lines	23,602	27,639	4,037	17%
Total Proposed 2021 Health Budget	26,902	30,719	3,817	14%

Source: Kaduna State Revised 2020 and Approved 2021 Budgets



KANO STATE HEALTH BUDGET PERFORMANCE - JANUARY TO SEPTEMBER 2020

Kano State Q3, 2020 Health Budget Performance

A cursory look at the 2020 third quarter Kano State budget performance report shows that the state released more funds for the recurrent health expenditure than the capital health expenditure. Between the January and September of the 2020, about 72.55% of the total health recurrent allocation (salaries and wages) was released (Kano State Q3 BPR). However, only 33.24% of the fund allocated for the health capital was released (Kano State 2021 Proposed Budget). This was far below the 75% threshold expected for the period between January and September (three quarters) of the fiscal year. In total, out of the N26 billion budgets for the Health in 2020 revised budget estimate, N14 billion was released. This translates to about 55.04% performance for the 9 months.

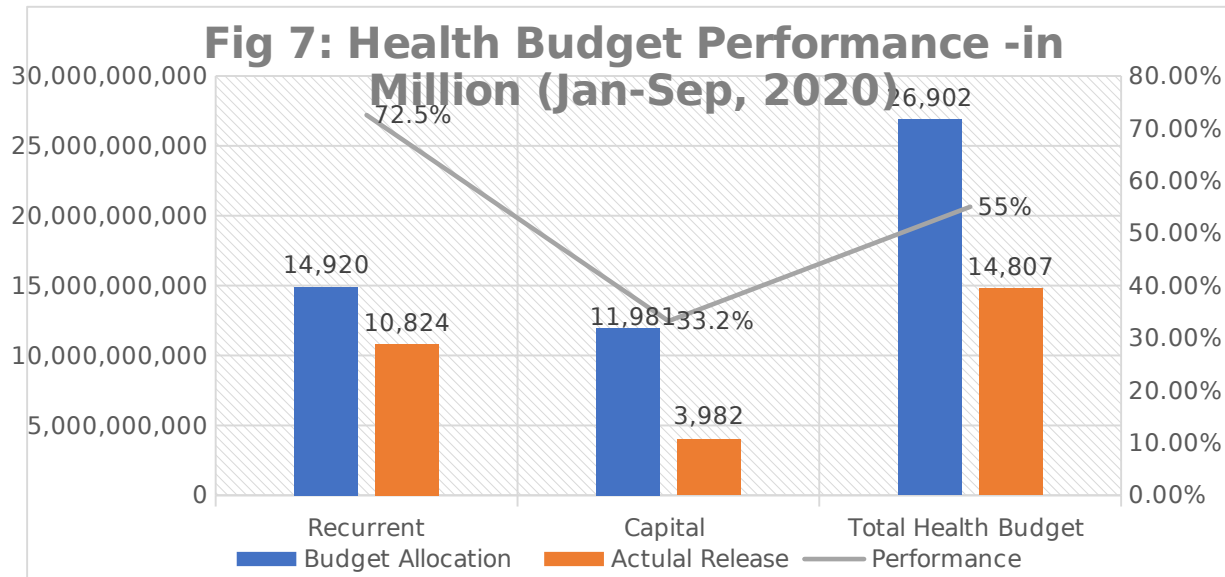
On the other hand, of the N14 billion released for the health sector both capital and recurrent in nine months, only an estimated N1,131 is spent on each citizen within nine months, N125 spent on every citizen in a month, and N4 spent on every citizen in a day. This is disheartening and points to the fact that out of pocket health financing take a center stage in the state health sector expenditure. This is despite the state has ensured that more than 15% of the total budget size is dedicated to the health sector.

Table 8: Third Quarter 2020 Health Budget Performance - in Millions of Naira

Budget Components	Revised Budget	2020 Actual Released (Jan-Sep)	Variance	Performance
Personnel Health Budget	13,682	10,256	3,426	74.9%
Overhead Budget	1,237	568	668	45.9%

Total Recurrent Health Budget	14,920	10,824	4,095	72.5%
Capital	11,981	3,982	7,999	33.2%
Total Health Budget	26,902	14,807	12,094	55%

Source: Revised 2020 Budget and State 2020 Budget Implementation Reports Q1, 2 and 3



Primary Health Care Management Board (PHCMB)

The Primary Health Care Management Board (PHCMB) recurrent expenditure (i.e salaries, wages, and running cost) received significant attention with N233 million released out of the N259 million allocated for the board in the 2020 fiscal year. This is about 86.09% of the total allocation. It could be observed that the overhead received more than it was allocated for, given the N4 million excess (4%). Therefore, the 86.09% released for the PHCMB is more than the 75% threshold for three quarters of the year. Such attention is not paid to capital expenditure. PHCMB capital expenditure only received N340 million out of the N1.8 billion allocation. This represents 18.89%. This is far below the 75% threshold for 9 months period. Thus, the overall releases (capital and recurrent combined) for the board between January and September fiscal year stand at 27.3%. This is below average. Meaning that there are still many of activities that ought to have been carried out to strengthen the state health system especially capital expenditure that has not been carried out due to poor fund releases.

Table 9: 2020 PHCMB Budget Performance – in Millions of Naira

Budget Components	Revised 2020 Budget	Actual released (Jan-Sep)	Variance	Performance
Personnel Health Budget	148	108	40	72.5%
Overhead Budget	110	115	(4)	104%

Total Recurrent Health Budget	259	223	36	86%
Capital	1,803	340	1,462	18.8%
Total PHCMB	2,062	563	1,498	27.3%

Source: Revised 2020 Budget and State 2020 Budget Implementation Reports Q1, 2 and 3

KEY FINDINGS, CONCLUSION AND RECOMMENDATIONS

Key Findings

- As the state budget size increased by 20.2%, the health budget also increased by 14% compared to the revised 2020 budget and 20% compared to the proposed 2021 budget. However, the state maintains the 15% allocation of budget size to the sector in the 2021 budget.
- More fund is allocated to the capital health budget than the recurrent expenditure. This is a shift from the previous budget tradition where recurrent health expenditure takes the bulk of the health budget.
- The approved 2021 PHCMB budget remains as proposed, although the approved budget was increased by 46.5% compared to the revised 2020 budget estimate.
- No changes were made to the proposed 2021 Family planning budget, the N10 million earlier proposed was subsequently approved. Though, the approved budget is 50% reduction compared to the revised 2020 budget.
- While the routine immunization approved 2021 budget line was left the way it was proposed, the N330 million allocated was 43.4% more than the revised 2020 allocation for RI. Another related RI budget, the global polio eradication initiative allocated the sum of N50 million was not cut.
- The Maternal Newborn and Child Health program with three (3) related budgets was neither cut nor increased both in the proposed and approved 2021 budgets.
- As the government expenditure on covid-19 reduced by 6% in 2021, the non-covid19 health essential health service was increased by 17%.
- Between January and September 2020, while 72.55% of the allocation for the 2020 recurrent health expenditure has been released, only about 33.24% has been released for the capital health expenditure. Overall, out of the N26 billion health budget for the 2020 fiscal year, only 14 billion (55.04%) has been released.
- Between January and September 2020, 86.09% of the total PHCMB recurrent expenditure was released, 18.89% of the total budget allocation for its capital budget was released within

the period. The total released for the PHCMB within the period stands at 27.3% as of the third quarter of the 2020 fiscal year.

Conclusion

It could be concluded that the advocacy efforts by PAS-CSOs in Kano state to the State House of Assembly on the observed 4.9% cut in the proposed 2021 health budget was actually materialized with an increase in the approved 2021 health budget by 14% compared to the revised 2020 budget and 20% compared to the earlier proposed 2021 budget. The 43.4% increase in the RI funding for the 2021 was also commendable compared to the revised 2020 budget estimate. Although the observed cuts in the child spacing budget in the proposed 2021 budget were not reversed.

Recommendations

- Given the current reality in the state health sector, the state government should ensure timely releases of funds for effective implementation of the various health programs and activities.
- An increase in health does not always amount to releases. Evidence has shown from the health budget performance analysis above that funds are not often released as expected. This culture must be avoided to ensure that the commoners get adequate, quality, and affordable health care in their various localities.
- The engagement of stakeholders (CSOs, private sectors, etc) must be prioritized in the budget preparation process for transparency and accountability.
- The state government should be progressive and avoid the culture of funding reduction for the child spacing. A continuous reduction on child spacing related budget lines pose greater risk to population management and maternal and child mortality.

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