

ANALYSIS OF THE 2021 KADUNA STATE APPROVED BUDGET

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Background

The importance of government budget has been well established as it provides the government with a sense of direction by translating policies into actions. A cursory look at the national and subnational government budgets often shows deviation from the expected policy priorities and Kaduna State is no exception. With a focused-on health sector, this brief examines the extent to which the state government translates its policies into actions and the changes in the proposed and approved 2021 budget.

Kaduna State 2021 Health Budget

The Kaduna State's budget was increased from N237.5 billion proposed to N246.7 (3.85%) billion in the approved 2021 budget. The increase suggests the government recommitment on certain sector especially health where the allocation was increased from N35.78 billion proposed to N39.34 billion. The sector was increased by 10% in the approved budget compared to the proposed budget. It is also important to note that the state maintains the 15% allocation for the health sector in the 2021 approved budget, although this is less than the 17.8% 2020 revised budget.

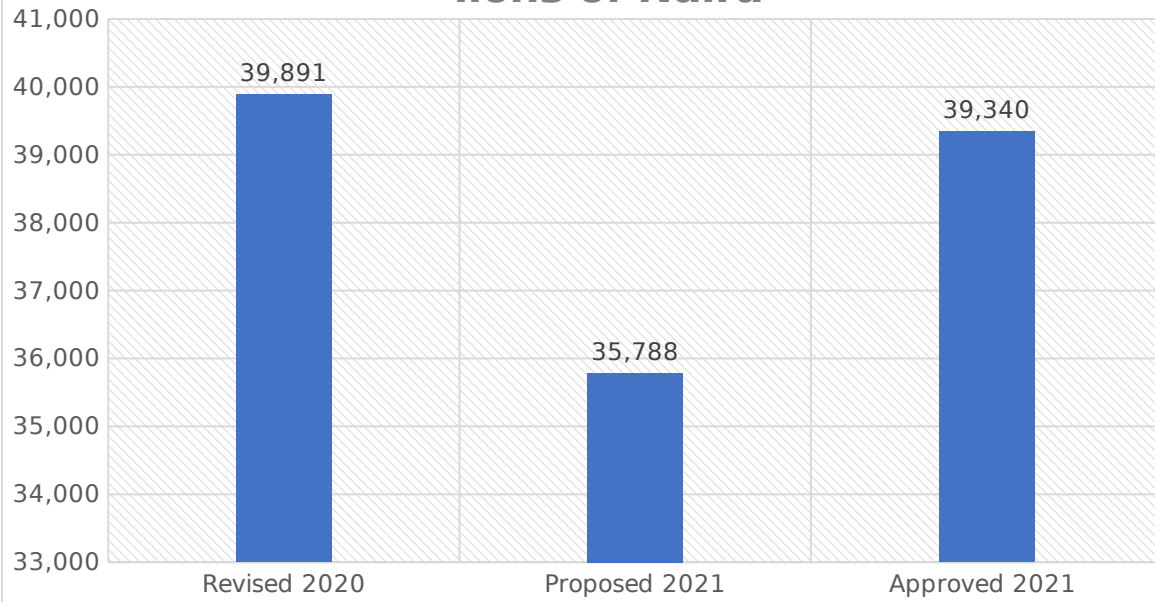
When compared the revised 2020 budget to approved 2020 budget, the health recurrent was reduced by 11.5%, and health capital budget increased by 4.6%. the overall approved 2021 health budget was reduced by 1.3%.

Table 1: Health Budget Estimates in Billion

Budget Components	Revised 2020 Budget	Proposed 2021 Budget	Approved 2021 Budget	Revised 2020 to Approved 2021	Proposed 2021 to Approved 2021
Personnel	13,359	11,955	11,896	-10.9%	-4%
Overhead	1,465	1,226	1,210	-17.4%	-1.3
Total Recurrent	14,824	13,182	13,106	-11.5	-0.5%
Capital	25,067	22,606	26,234	4.6%	16%
Total Health Budget	39,891	35,788	39,340	-1.3%	9.9%
Budget size	223,602	237,529	246,668	10.3%	3.8%
% of Health to Budget Size	17.8%	15.1%	16%		

Source: Kaduna State Approved 2021 Budget

Fig 1: Revised 2020, Proposed 2021 & Approved 2021 Health Budgets in Billions of Naira



PAS-ISSUE AREAS

Primary Health Care Development Agency (PHCDA)

The Kaduna State Primary Health Care Development Agency budget was reduced from N11,891 billion to N11,388 billion in the approved 2021 budget, a 4% reduction. This reduction is due to the outright removal of N503,539 million earlier allocated for the procurement of health commodities & consumables for Integrated PHC Services and other programs under the capital budget component. This shows a 5% reduction in the capital PHCDA budget. The recurrent allocation remained as proposed for the year. The PHCDA total allocation is 29% compared to the total health budget size as against 33% earlier proposed for the 2021 fiscal year.

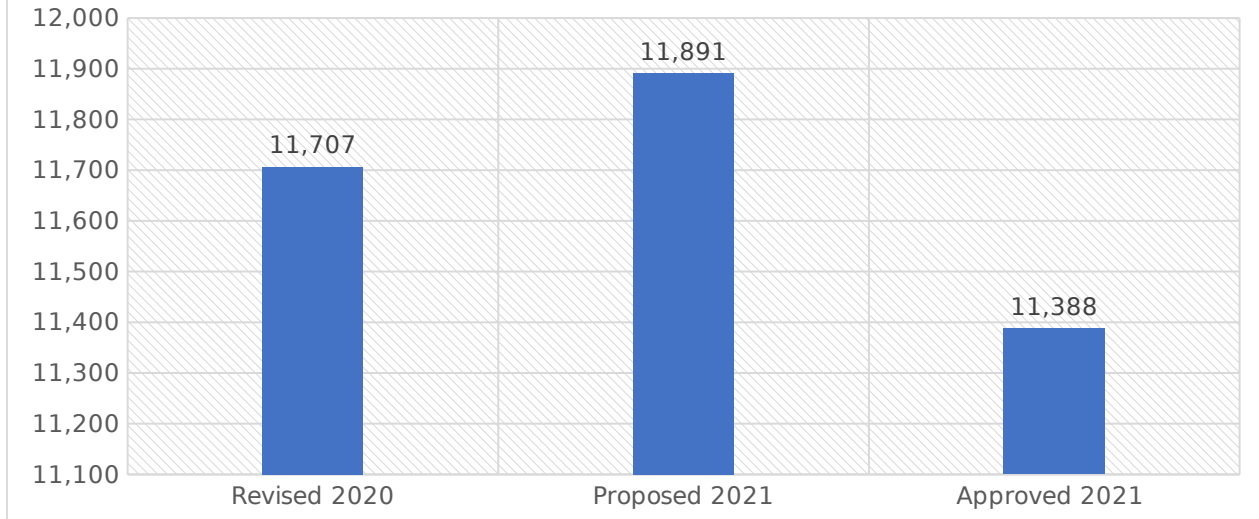
Like the total health budget, the 2021 approved PHCDA recurrent budget was reduced by 31.8% while the capital component was increased by 10.7%. The total 2021 approved PHCDA budget was reduced by 2.7% when compared to the revised 2020 budget.

Table 2: PHCDA Budget Estimates in Billion

Budget Components	Revised 2020	Proposed 2021	Approved 2021	Revised 2020 to Approved 2021	Proposed 2021 to Approved 2021
Personnel	3,153	2,208	2,218	-29.6%	0.45%
Overhead	562	326	315	-43.9%	-3.3%
Total Recurrent	3,715	2,533	2,533	-31.8%	0%
Capital	7,992	9,358	8,855	10.7%	-5.3%
Total PHCDA	11,707	11,891	11,388	-2.7%	-4.2%
PHCDA as % of total Health Budget Size	29%	33%	29%		

Source: Kaduna State Approved 2021 Budget

Fig 2: Proposed 2021 to Approved 2021 PHCDA budget Estimates in Billion



Routine Immunization (RI)

It could be seen in table 4 below that in the 2021 budget, routine immunization funding suffered serious setback. Recall that the state government entered into an MOU with other partners in the 2018 where it committed the sum of N199,812 million to routine immunization and system strengthening as counterpart funding between 2019 and 2021 and the sum of 285 million between 2022 and 2023. The state government kept this promise in 2019 and 2020 with the allocation of the N200 million to the budget line. In the proposed 2021 the sum of N41 million was allocated for RI system strengthening, this was later removed. Hence, neither the dedicated RI nor fund is allocated in the approved 2021 budget despite efforts to correct the shortfall. However, a further inquiry from the Budget and planning revealed that under the N817 million allocated for the Provision of Counterpart Funding (PHC MOU, RSSH MOU, IMPACT Project, CHAI, BHCPF {25%} etc), there is a funding commitment for RI, the actual amount cannot be ascertained because RI was not literally identified with budget line.

The table 4 also shows the RI counterpart funding trends. In 2016 and 2017, there were counterpart funding commitments for the RI and system strengthening and all the funds were released in both years. In 2018 and 2019, there was a provision for the RI and system strengthening with N200 million allocated in each year under the SPHCDA recurrent budget. The sum of N41 million and N26 million were also allocated for Immunization Plus Days in 2018 and 2019.

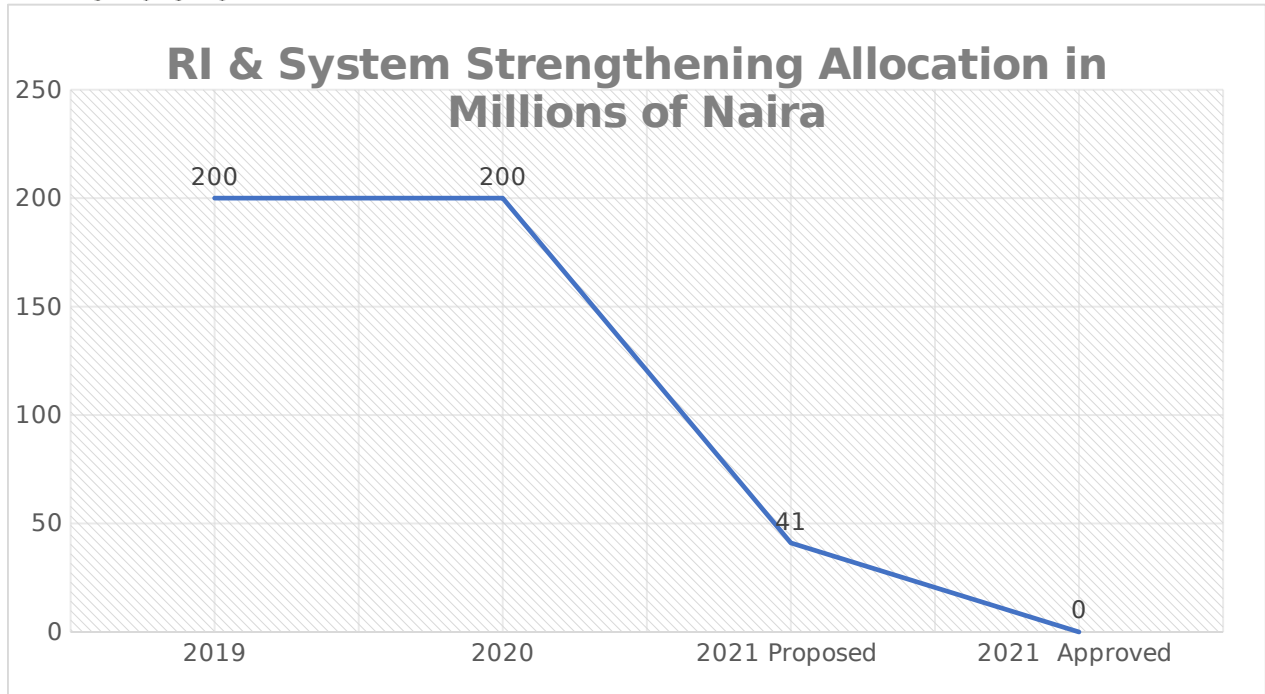
In the same period, there was a provision of Counterpart Funding with the sum of N720 million and N550 million under the SPHCDA capital budget. The purpose was not clearly stated but a

further enquiry shows that the sum of N570 million and N199 million were released for RI under the fund respectively. Many believed that the N199 million released in 2019 is for the RI and system strengthening which fell under the recurrent budget as part of the N199 million committed in 2018 MOU. Therefore, lack of clarity has created a lot of confusion. For instance, having removed all dedicated RI budget under the recurrent expenditure in the approved 2021 budget, it is believed that the counterpart funding for the RI committed by the state government under 2018 MOU will be funded under the N817 million for the Provision of Counterpart Funding (PHC MOU, RSSH MOU, IMPACT Project, CHAI, BHCPF {25%} etc). The question remains that was the RI funded under the same budget in the 2020, if yes, how much fund goes to RI under N1,946 billion budgeted for the same budget line in the 2020 fiscal year? The response to the question will determine the final stand of the stakeholders on the issue.

Table 4: RI Budget Estimates - in Millions of Naira

Years	Counterpart Funding Under the SPHCDA Capital Budget	Amount	Other RI allocation Under Recurrent SPHCDA Budget	Amount
2016	State Counterpart fund on Routine Immunisation RI and System Strengthening (2018 Tripartite MOU provision)	255	Nil	-
2017	State Counterpart fund on Routine Immunisation RI and System Strengthening (2018 Tripartite MOU provision)	285	Nil	-
2018	Provision of Counterpart Funding	720	Immunization Plus Days	41
			RI & System Strengthening	200
2019	Provision of Counterpart Funding	550	Immunization Plus Days	26
			RI & System Strengthening	200
2020	Provision of Counterpart Funding (PHC MOU, TCF MOU, RSSH MOU etc)	1,946	Immunization Plus Days	10
			RI & System Strengthening	200
Proposed 2021	Provision of Counterpart Funding (PHC MOU, RSSH MOU, IMPACT Project, CHAI, BHCPF {25%} etc)		RI & System Strengthening	41
Approved 2021	Provision of Counterpart Funding (PHC MOU, RSSH MOU, IMPACT Project, CHAI, BHCPF {25%} etc)	817	RI & System Strengthening	00

Source: Approved 2018, 2019, 2020, 2021 Kaduna State Budgets



Family Planning (FP)

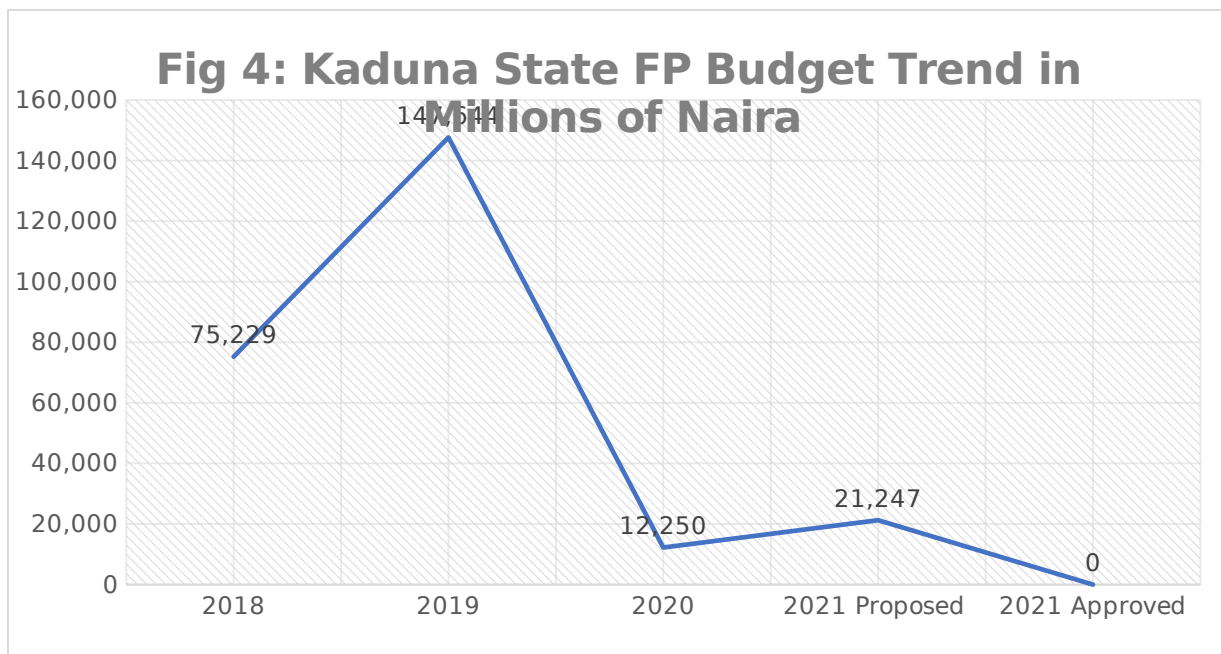
According to the National Demographic Health Survey 2018, Kaduna State has the highest percentage (14.2%) of married women age 15-49 who are using a contraceptive method to achieve their reproductive goals in North-Western Nigeria. About 12.3% of the married women age 15-49 who are fecund and sexually active are not also using any method of contraception (modern or traditional), and report not wanting any more children or wanting to delay the birth of their next child. Since the purpose of family planning is to make sure that any couple, man, or woman who has a child has the resources that are needed in order to complete this goal. It is believed that with these resources a couple, (man or woman) can explore the options of natural birth, surrogacy, artificial insemination, or adoption. With the federal government playing a key role in ensuring that women of reproductive age have access to family planning services, the subnational state government has over the years key into this initiative, and Kaduna State is not an exception.

Since 2018, the allocation for family planning programs has been one of the issues of concern for the State’s government. Although the FP program funding was reduced from N27 million in 2019 to N12 million in 2020, it was further increased by 73% in the proposed 2021 budget but there was no budget line on FP in the approved 2021. However, it is believed that the FP has funding commitment under the N817 million for Provision of Counterpart Funding (PHC MOU, RSSH MOU, IMPACT Project, CHAI, BHCPF {25%} etc) in the 2021 budget. the actual amount cannot be ascertained.

Table 3: FP Budget Estimates - in Millions of Naira

Budget Line	2018	2019	2020	2021	2021	% Change
				Proposed	Approved	
FP Program	-	27,644	12,250	21,247	-	-
Procurement of FP/RH Commodities & Consumables	75,229	120,000	-	-	-	-
Total	75,229	147,644	12,250	21,247	-	-

Source: Approved 2018, 2019, Revised 2020, Proposed and Approved 2021 Kaduna State Budgets



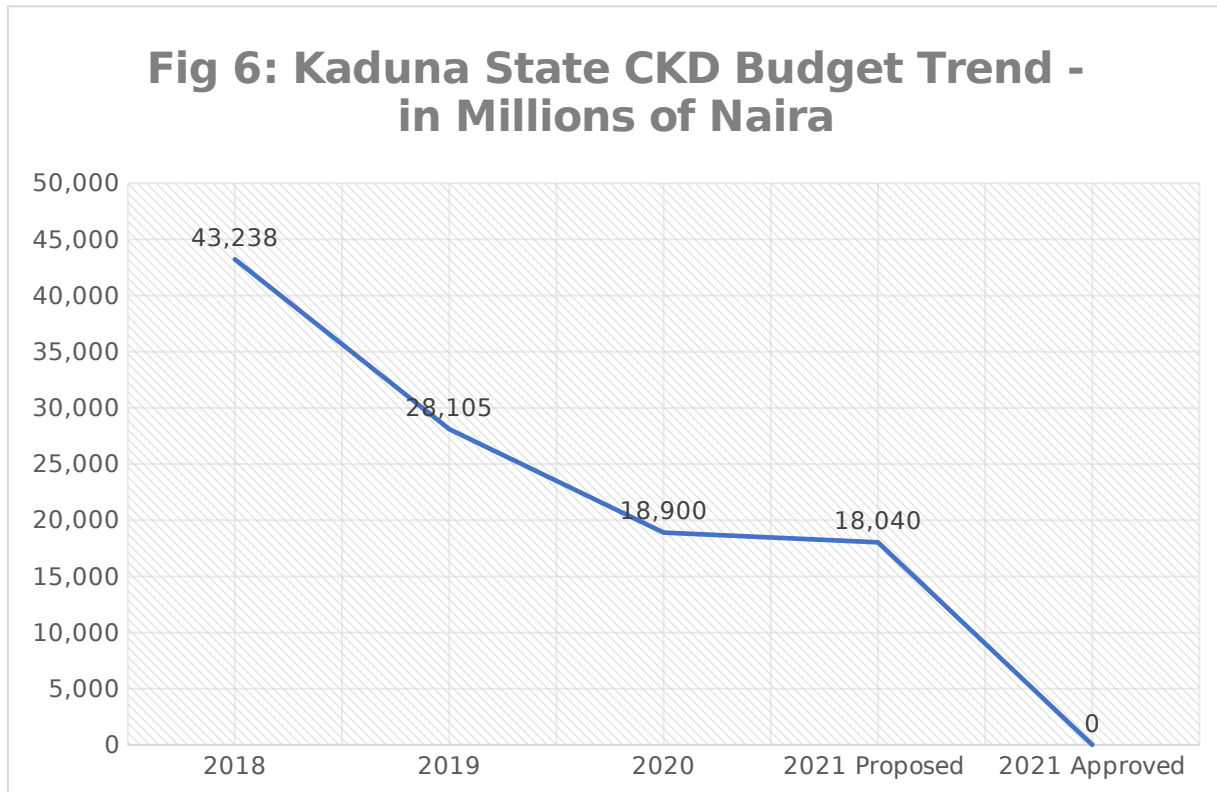
Childhood Killer Diseases (CKD)

The allocation for the Maternal Newborn and Child Health (MNCH) budget has been on a downward trend since 2018. The N18.04 million approved for the MNCH Week in 2021 is N86 million less, compared to the revised 2020 budget. Thus, it is believed that the MNCH has funding commitment under the N817 million for Provision of Counterpart Funding (PHC MOU, RSSH MOU, IMPACT Project, CHAI, BHCPF {25%} etc) in the 2021 budget. The actual amount cannot be ascertained.

Table 5: CKD Budget Estimates - in Millions of Naira

Budget Line	2018	2019	2020	2021	2021	% Change
			Revised	Proposed	Approved	
MNCH Week	43,238	28,105	18,900	18,040	-	-

Source: Approved 2018, 2019, Revised 2020, Proposed and Approved 2021 Kaduna State Budgets



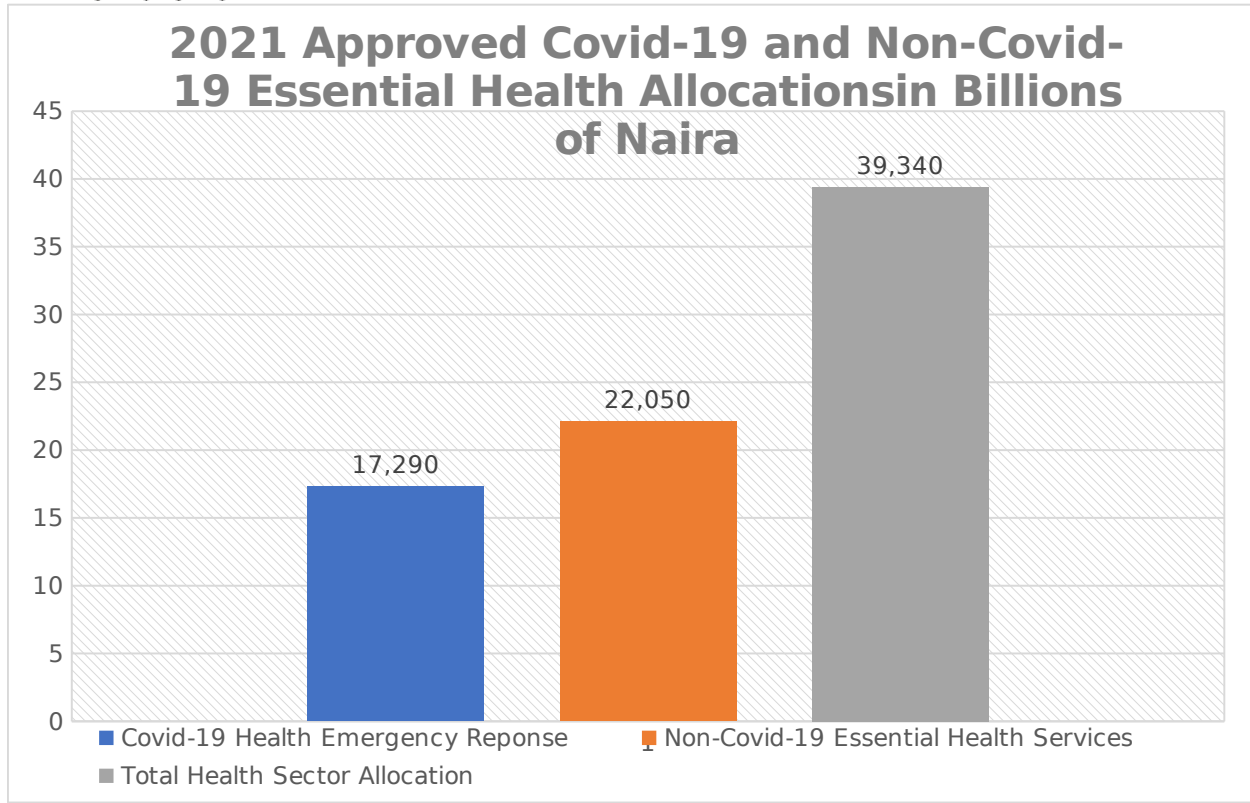
ESSENTIAL HEALTH SERVICES AND COVID-19 EXPENSES

With the state currently battling with the second wave of the coronavirus pandemic, a significant attention is on covid-19. For instance, of the N39.34 billion allocated to the health sector in the state in 2021, 44% is meant for the covid-19 health emergency response and 56% for the non-covid-19 essential health services. It must also be noted that out of the N26.23 billion meant for the health capital budget, 57% of the fund will be spent on the covid-19 health capital response and 43% on the non-covid-19 essential capital health services. On the N13.11 billion recurrent health expenses, only 17% will be spent on the covid-19 health related activities while 83% will be spent on non-covid-19 essential health services.

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	2,289	15,001	17,290
Non-Covid-19 Health Budget Lines	10,817	11,233	22,050
Total Approved 2021 Health Budget Lines	13,106	26,234	39,340

Source: Kaduna State Approved 2021 Budget



THIRD QUARTER BUDGET PERFORMANCE

Kaduna State 2020 Q3 Health Budget Performance

From the N39 billion that the Kaduna State government allocated for the health sector in the revised 2020 budget, only N8 billion was released between January and September 2020. The funds released so far represents 20.45% of the total health allocation for the year.

Table 7: Kaduna State 2020 Q3 Budget Performance in Billion

Budget Components	2020 Revised Health Budget	Actual Released (Jan-Sep)	Variance	Performance
Personnel	13,359	6,053	7,306	45%
Overhead	1,465	325	1,140	22%
Total	14,824	6,378	8,446	43%
Recurrent				
Capital	25,067	1,768	23,299	7%
Total Budget	39,891	8,156	31,745	20%

Source: Kaduna State Approved 2021 Budget, and 2020 Q1, Q2, and Q3 Budget Implementation Reports

Primary Health Care Development Agency 2020 Q3 Budget Performance

The PHCDA budget was also poorly performed between January and September 2020. Out of the N11,706 billion budgeted for the agency in the year 2020, only N1,021 billion which translates to about 9% was released. This is far below 75% performance threshold expected between January and September 2020. The poor releases of funds will have significant impacts on the agency operation and also of the various primary health care centers across the state in terms of maintenance, effectiveness, and efficiency.

Table 8: PHCDA 2020 Q3 Budget Performance - **in Billions of Naira**

Budget Components	Revised 2020	Actual Released (Jan-Sept)	Variance	Performance
Personnel	3,152	841	2,311	27%
Overhead	562	009	338	2%
Total Recurrent	3,715	851	2,864	23%
Capital	7,992	170	7,822	1%
Total PHCDA	11,706	1,021	10,685	9%

Source: Kaduna State Approved 2021 Budget, and 2020 Q1, Q2, and Q3 Budget Implementation Reports

SUMMARY AND RECOMMENDATIONS

Summary

- I. With the increase in the 2021 budget size, the health budget was increased by 10% in the approved 2021 budget compared to the proposed budget for the year. While the recurrent budget was neither cut nor increase, the capital budget was increased by 16%. Thus, the state maintains the 15% allocation to health.
- II. The approved 2021 health budget compared to the revised 2020 budget was reduced 1.3%. While the 2021 approved health recurrent was reduced by 11.5%, the capital health budget was increased by 4.6% when compared to the revised 2020 budget.
- III. On the PAS-issue areas, the PHCDA budget was reduced by 4.2% when compared to the proposed 2021 budget.
- IV. When compared to the revised 2020 budget, the PHCDA budget estimate was reduced by 2.7%; with recurrent expenditure reduced by 31.8% and capital expenditure increased by 10.7%.

- V. Unlike the proposed 2021 budget, there is no budget line for the RI, Family planning and the MNCH week in the approved 2021 budget
- VI. On the issue performance, the health budget was poorly performed between January and September 2020. While the recurrent budget was 43% and the capital 7%, the overall health budget performance was 20%. This is far below the 75% expected performance threshold.
- VII. The primary health care development agency budget was also poorly performed. Out of the N11,706 billion allocated for the agency in 2020, only N1,021 billion was released between January and September 2020, representing 9% performance.

Recommendations

- I. The state government needs to sustain the 15% allocation for the health sector.
- II. Ensures timely releases of funds for various health budget lines and provide adequate funds for routine immunization, family planning and primary health care under one roof and Childhood Killer Diseases programs and activities.
- III. Government needs to be more transparent on the actual funding commitment for the FI, FP and MNCH in the budget. There is need to have a dedicated budget lines for them in the subsequent years for transparency and accountability.
- IV. The state government should hold a stakeholder meeting with the interested individuals and groups and explain the new trend in RI budgeting.
- V. Government should release a press statement stating clearly where and how the RI funding budgeted in 2021 can be identified by the concerned stakeholders.
- VI. Government should state the actual amount the state government has dedicated to the RI, FP and MNCH Week in the newly approved budget to correct all doubt.
- VII. Civil society organizations must understand and familiarize themselves with the RI budget trend and raise critical questions for transparency and efficiency in RI funding.
- VIII. Government needs to have adequate planning on how to improve state revenue, prioritize health programs activities, channels, and maximize the scarce resources for efficiency.
- IX. Government should always ensure realistic budgeting, making budget without certainty in implementation to an optimal level creates a setback to policy options. This should be avoided by ensuring that activities and programs to be included in the budget are those that the state would have resources to implement.

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