

# ANALYSIS OF THE FEDERAL GOVERNMENT OF NIGERIA 2024 HEALTH BUDGET PROPOSAL



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## Introduction

Nigeria, the most populous country in Africa with a population of over 218 million people,<sup>1</sup> is grappling with various challenges in its healthcare sector. These problems include inadequate infrastructure, a shortage of skilled health workers, low government spending, high out-of-pocket expenditure, and unequal access to quality healthcare. Nigeria's health indicators, such as life expectancy, immunization coverage, and maternal and infant health, are still behind those of many other countries despite some improvements in recent years. According to the World Health Organization (WHO), Nigeria is responsible for over 34 percent of global maternal deaths.<sup>2</sup> Furthermore, the country has an infant mortality rate of 63 deaths per 1,000 live births, an under-5 mortality rate (U5MR) of 102 deaths per 1,000 live births, and a neonatal mortality rate of 34 deaths per 1000 live births.<sup>3</sup>

Nigeria's healthcare system faces significant challenges, with only 3% of the GDP and 5.03% of the total budget allocated to health, a far cry from the African Union's recommended benchmark of 15%. Most of the healthcare spending (75%) is out-of-pocket,<sup>4</sup> leaving most Nigerians without health insurance and facing high financial barriers to accessing quality healthcare. Despite an annual population growth rate of 2.6%, there has been no corresponding increase in health infrastructure and workforce, leading to a significant brain drain, with six in ten doctors planning to leave the country<sup>5</sup>. The primary reasons for emigration are poor remuneration, rising insecurity, and inadequate diagnostic facilities. The new government's Renewed Hope agenda has committed to addressing these issues by noting "We will embark on a focused manpower plan to increase the number and enhance the skill sets of our healthcare workers."<sup>6</sup> However, the **"Renewed Hope budget"** presented to the National Assembly for approval by President Bola Ahmed Tinubu on the 29<sup>th</sup> of November 2023, requires scrutiny to assess its potential impact on addressing existing health policies and programs, including family planning, routine immunizations, brain drain, nutrition, and primary healthcare.

## Justification

The intricacy of budgetary reports, which are typically put together by bureaucrats and technical experts using codes and figures for processing and approval, presents difficulties for public comprehension. In order to tackle this issue for greater accountability and citizen's participation, a budget analysis is crucial to converting the unprocessed document

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<sup>1</sup> World Population Estimates <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=NG>

<sup>2</sup> <https://guardian.ng/opinion/addressing-maternal-mortality-in-nigeria/>

<sup>3</sup> MICS 2021

<sup>4</sup> <https://data.worldbank.org/indicator/SH.XPD.OOPC.CH.ZS?locations=NG>

<sup>5</sup> <https://english.elpais.com/international/2023-09-15/as-nigerian-doctors-flee-their-country-the-health-system-is-decimated.html>

<sup>6</sup> <https://bat-ksm.com/renewed-hope-2023-download-tinubu-shettima-action-plan/>

into a format that is easily accessible and understandable, with a particular emphasis on the health budget, given its significant role in promoting socioeconomic and political stability.

## Methodology

The analysis conducted a thorough review of the budget data for the Federal Government of Nigeria's health sector for the year 2024. In addition to this, the researchers also examined the previous budget data for the health sector dating back to 2015. To analyze the data, the researchers used a quantitative approach that included comparative and trend analysis. These analyses were carried out on various aspects of the health sector, including Primary Health Care, Family Planning (FP), Nutrition (N), and Routine Immunization (RI) allocation. It is important to note that this research does not establish the level of implementation of the allocation.

## Overview of the 2024 Proposed Budget

The proposed Federal Government of Nigeria budget for 2024, which is dubbed as "Budget of Renewed Hope," is based on some key parameters. These include an oil price benchmark of \$77.96 per barrel, a daily oil production estimate of 1.78 million barrels, and an exchange rate of ₦750.00 per US Dollar. At the end of the budget cycle, the Gross Domestic Product (GDP) growth is projected to be around 3.76 percent. Compared to the previous year, these parameters have increased. When the proposed budget was presented before the National Assembly on 29th November 2023, the inflation rate was 27.3%. Observe Table 1 below.

**Table 1: Key Budget parameter**

PARAMETER	2023	2024
Oil Production Benchmark (mbpd)	1.76	1.78
Oil Price	75.0 (US\$)	77.96 (US\$)
Exchange Rate (N/\$)	435.57	750.00
Inflation (%)	17.16	21.40
GDP Growth Rate (%)	3.75	3.76

Source: Budget Office of the Federation

The proposed budget estimate for Nigeria in 2024 shows a significant increase in revenue from ₦9.73 trillion in 2023 to ₦18.32 trillion in 2024, representing an 88% increase. However, the budget is based on an ₦9.18 trillion deficit, which raises concerns about the feasibility of the budget. The allocation of the proposed ₦27.5 trillion budget estimate is as follows: ₦9.92 trillion allocated to recurrent expenditure, ₦8.49 trillion to debt service/Sinking fund, ₦7.72 trillion to capital expenditure, and ₦1.37 trillion to statutory transfer. It is interesting to note that while recurrent expenditure represents 36% of the entire proposed expenditure, debt service/sinking fund comprises 31%, capital expenditure 28%, and statutory transfer represents only 5% of the total expenditure. Comparing the proposed

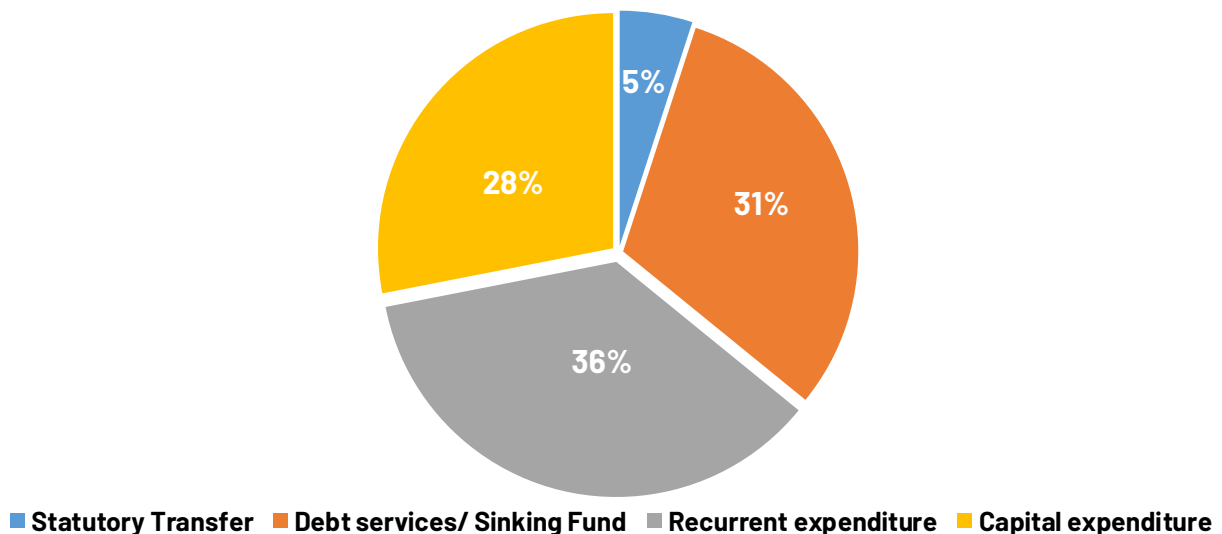
budget to that of 2023, we can observe that statutory transfers increased by 39.66%, debt service/sinking fund by 29.48%, recurrent expenditure increased by 6.39%, and capital expenditure reduced by 2.99%. Overall, the proposed budget for 2024 shows a significant increase in revenue, but the allocation of funds raises concerns about the government's priorities. The high allocation to debt service/Sinking fund is particularly worrisome, as it may limit the government's ability to invest in crucial sectors such as healthcare and infrastructure. Observe Table 2/figure 1 below.

**Table 2: FGN Key Budget Components**

BUDGET COMPONENTS	2023	2024	% CHANGES	2024 KEY COMPONENT AS A % OF THE BUDGET SIZE
Statutory Transfer	985,486,010,536	1,376,352,359,690	39.66%	5.00%
Debt services/ Sinking Fund	6,557,597,611,797	8,490,960,606,831	29.48%	30.87%
Recurrent expenditure	9,322,172,211,622	9,915,640,118,975	6.37%	36.05%
Capital expenditure	7,958,261,137,285	7,720,450,988,366	-2.99%	28.07%
<b>Total</b>	<b>24,823,516,971,239</b>	<b>27,503,404,073,861</b>	<b>10.79%</b>	<b>100%</b>

Source: Budget Office of the Federation

**Fig 1: Proposed 2024 Budget Key Component As % of Budget Size**



The proposed budget spending in Nigeria has allocated a substantial portion of the budget towards defense and security, amounting to approximately 11.8% of the total budget size. This highlights the government's commitment to ensuring peace and security in the country. The education sector is the next priority with a proposed budget estimate of N2.18 trillion, representing around 7.9% of the total spending. This allocation is a positive step towards

improving the education sector in Nigeria. Additionally, the healthcare sector has been allocated N1.38 trillion, which constitutes 5.03% of the budget. This is for a crucial sector in a country where the healthcare system urgently needs attention. The allocation of N1.32 trillion for infrastructure, representing 4.8% of the total budget size, is also commendable as it would go a long way in improving the country's infrastructure. Finally, the allocation of N0.53 trillion for social and development programs, along with poverty reduction, representing 1.9% of the total budget size, is a good step towards addressing poverty and social inequality in the country. In summary, the proposed budget top spending allocation presents this administration's priority and approach toward addressing various sectors of the economy. Observe Table 3 below.

**Table 3: FGN Key Sectoral Priorities in 2024 Budget (Ntn)**

S/N	MDAS	TOTAL ALLOCATION	ALLOCATION AS A % OF BUDGET SIZE
1	Defense and Security	3.25	11.8%
2	Education	2.18	7.9%
3	Health	1.38	5%
4	Infrastructure	1.32	4.8%
5	Social Development & Poverty Reduction Programs	0.53	1.9% %

Note: These include funding from the service wide vote <sup>7</sup>

## Analyzing the Trajectory of Healthcare Financing

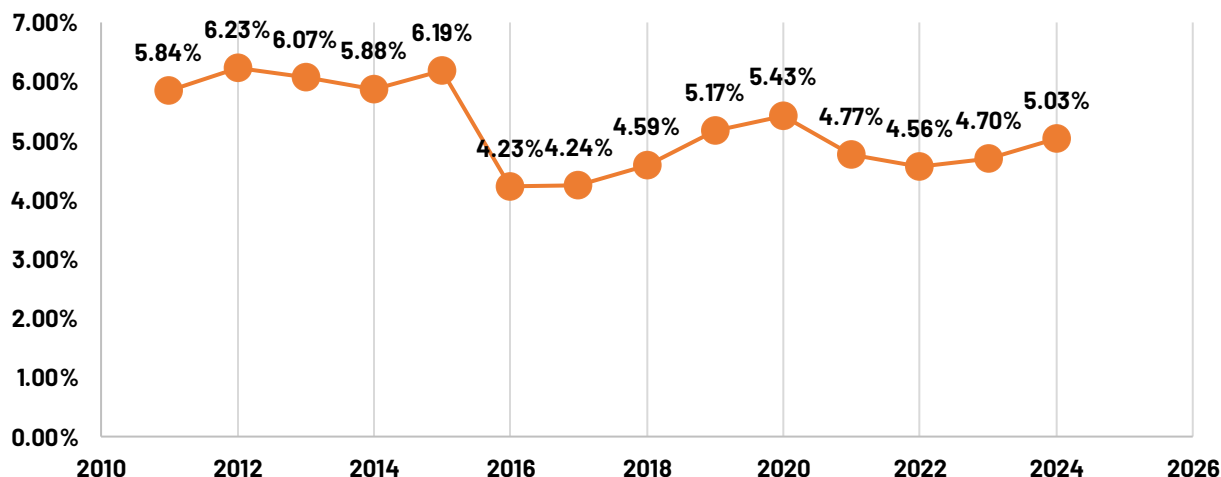
Despite Nigeria's commitment to the Abuja Declaration of 2001, which pledged to increase the government's health budget by 15%, the country has yet to fulfill this promise. The highest share of the health budget to the total budget size was only 6.23% in 2012, falling significantly short of the target. However, the current administration pledged to increase the allocation for health to 10% of the total budgetary allocation as a starting point through Dr. Salma Ibrahim-Anas, the special adviser on health, to President Bola Ahmed Tinubu, stating, "The president himself, even before anybody advocated, has said he is going to increase the allocation for health. He will start from ten percent of the total budgetary allocation to health, and that is just the beginning."<sup>8</sup>. A critical review of the health budget estimate reveals that N1.38 trillion has been proposed for healthcare. This includes healthcare funding under the service vote amounting to N155.65 billion, health capital budget at N434.79 billion, health recurrent at N667.38 billion, and statutory transfer to the basic healthcare fund at N125.74 billion. While the total health budget increased by 18.49% compared to N1.17 trillion in 2023, it constitutes only 5.03% of the budget size. This figure is

<sup>7</sup><https://www.budgetoffice.gov.ng/index.php/public-presentation-of-2024-executive-budget-proposal/public-presentation-of-2024-executive-budget-proposal/download>

<sup>8</sup> <https://leadership.ng/tinubu-to-jerk-up-annual-health-budget-by-10-aide/>

far below either the 15% Abuja Declaration commitment or the 10% promised by the government a few months ago.

**Fig 2: Share of Healthcare Allocation in the Budget**



The proposed healthcare funding for 2024 may be impacted by key economic parameters such as increasing inflation and exchange rates. From December 2022<sup>9</sup> to October 2023<sup>10</sup>, the inflation rate has risen by 5.99 percentage points, reaching 27.33%. In October 2023, the inflation rate surged by 28.06 percentage points compared to the rate from December 2022. Additionally, the exchange rate has risen by 75.25% from ₦450.71/US\$<sup>11</sup> in December 2022 to ₦789.9/US\$<sup>12</sup> as of November 30, 2023. These economic indicators show a lack of coherence between the growth in healthcare financing and the increases in the inflation rate and exchange rate. It highlights the intricate interplay of economic variables and raises concerns about the sustainability and efficacy of the current health financing strategy amid the evolving economic landscape.

**Table 4: Changes in the 2024 Health Budget (₦)**

BUDGET COMPONENT	2020	2021	2022	2023	2024 PROPOSED	% CHANGES 2023-2024
<b>Capital</b>	51.40	137.39	207.39	445.16	434.79	-2.33%
<b>Recurrent</b>	336.59	380.21	462.63	578.99	667.38	15.27%
<b>Basic Health Care Fund</b>	26.45	35.02	44.56	51.64	125.74	143.46%

<sup>9</sup> <https://www.channelstv.com/2023/01/16/nigerias-inflation-rate-drops-to-21-34-in-dec-2022/>

<sup>10</sup> <https://www.cbn.gov.ng>

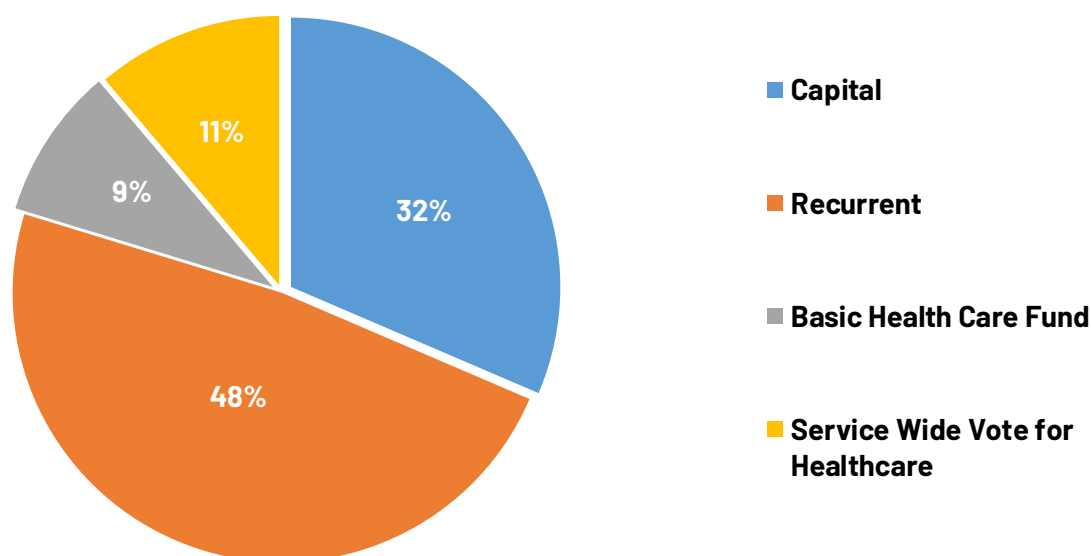
<sup>11</sup> <https://www.budgetoffice.gov.ng/index.php/resources/internal-resources/reports/quarterly-budget-implementation/2023-budget-implementation-report>

<sup>12</sup> [https://www.exchangerates.org.uk/USD-NGN-30\\_11\\_2023-exchange-rate-history.html](https://www.exchangerates.org.uk/USD-NGN-30_11_2023-exchange-rate-history.html)

<b>Service Wide Vote for Healthcare</b>	172.50	145.21	112.33	91.04	154.65	67%
<b>Total Health Budget</b>	586.94	695.04	826.91	1,166.84	1,382.56	18.49
<b>Budget Size</b>	10,810.80	14,570.74	18,139.24	24,823.52	27,503.40	10.79
<b>Total Health as % of the Budget Size</b>	5.43%	4.77%	4.56%	4.70%	5.03%	-
<b>Health Per Capita<sup>13</sup></b>	N2,795	N3,938	N3,759	N5,339	N6,326	-

Source: Budget office of the Federation

**Fig 3: FGN Healthcare Financing Landscape**



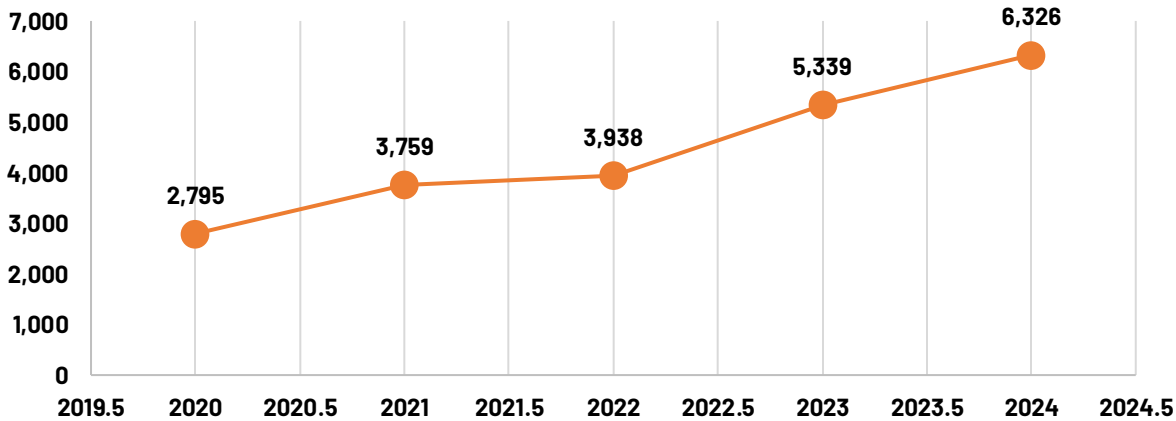
It is worth noting that the Federal Government of Nigeria (FGN) pledged to provide affordable healthcare for all citizens and “reduce out-of-pocket spending, irrespective of income and status” through the Coordinating Honorable Minister of Health and Social Welfare’s Health Sector Blueprint for UHC. The government aims to achieve this by reducing out-of-pocket expenses, improving government spending efficiency, and reducing the financial burden on the poor. However, the proposed healthcare budget allocation for 2024 indicates marginally increased spending of **N6,326 per person**, compared to the **average health spending per person of N4,431** in the last five years. While there is still a long way to go to achieve a more robust commitment to healthcare, this is a step in the right direction to reduce the financial burden on those who cannot afford quality healthcare and ultimately create a healthier population. Additionally, the low government commitment poses a significant threat to the

<sup>13</sup> This calculated using the Nigeria 218,541,212 population estimate by the World Bank <https://data.worldbank.org/indicator/SP.POP.TOTL?locations=NG>



already weak healthcare system, where out-of-pocket expenses constitute over 70% of health expenditure<sup>14</sup>.

**Fig 4: Health Spending Per Head 2020-2024**



### **FGN Healthcare Financing Shortfall in the Last Ten Years**

The current N1.38 trillion healthcare budget proposal would require an additional N2.75 trillion to meet the 15% target. To put this in perspective, over the last decade of signing the Abuja Declaration, the cumulative FGN total budget would amount to N131.88 trillion, out of which only N6.39 trillion has been actually allocated to healthcare in that time, leaving a cumulative funding gap of N13.39 trillion in ten years for health. The share of healthcare allocation in ten years is only 4.85%, which is well below the promised 15%. The underfunding of the healthcare sector has resulted in a significant health deficit in Nigeria. Despite the allocated funds, the health deficit has outweighed the actual funds allocated to the sector over the last decade. This situation highlights the need for the government to take bold steps to increase funding for the healthcare sector and prioritize the health needs of its citizens.

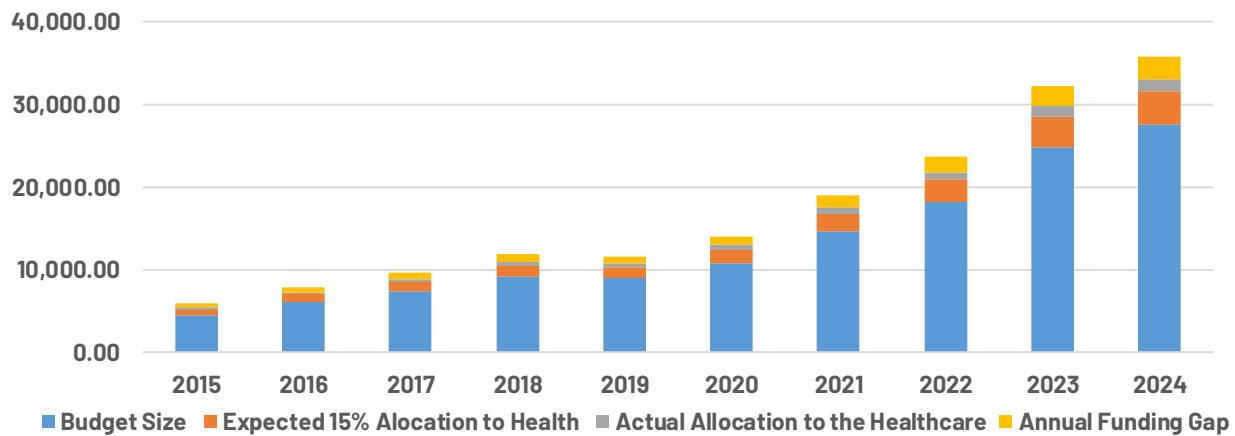
<sup>14</sup> <https://data.worldbank.org/indicator/SH.XPD.OOPC.CH.ZS?locations=NG>

**Table 6: Understanding the FGN Healthcare funding Gaps (Nbn)**

YEAR	BUDGET SIZE	EXPECTED 15% ALLOCATION TO HEALTH	ACTUAL ALLOCATED FUND TO HEALTH	ANNUAL FUNDING GAP
2015	4,493.36	674.00	278.31	395.69
2016	6,060.68	909.10	259.11	649.99
2017	7,441.18	1,116.18	315.65	800.53
2018	9,120.33	1,368.05	418.28	949.77
2019	8,916.96	1,337.54	461.26	876.28
2020	10,810.80	1,621.62	586.96	1,034.66
2021	14,570.74	2,185.61	695.04	1,490.57
2022	18,139.24	2,720.89	826.91	1,893.98
2023	24,823.52	3,723.53	1166.84	2,556.69
2024	27,503.40	4,125.51	1382.56	2,742.95
<b>Total</b>	<b>131,880.21</b>	<b>19,782.03</b>	<b>6,390.92</b>	<b>13,391.12</b>
<b>Average</b>	<b>13,188.02</b>	<b>1,978.20</b>	<b>639.09</b>	<b>1,339.11</b>

Source: Budget Office of the Federation

**Fig 5: FGN Healthcare Financing Shortfall in the Last Ten Years**



### Box 1: Implications for healthcare policy and delivery

The implications of N2.47 trillion healthcare funding gap on Nigeria healthcare are serious and complex.



- It poses a significant challenge to the realization of Honorable Minister Pate's Health Sector Blueprint aimed at improving healthcare delivery, particularly in the context of achieving Universal Health Coverage. Inadequate financial resources may hinder the implementation of comprehensive health programs and services, limiting the accessibility and affordability of quality healthcare for all citizens and leading to poor health outcomes, high mortality, and low life expectancy.
- Nigeria needs more beds, equipment, facilities, and health workers to meet the demand for health care services, especially in rural areas. According to a report by Knight Frank, Nigeria would need 386,000 additional beds and \$82 billion of investment in healthcare real estate assets to reach the global average of 2.7 beds per thousand people<sup>15</sup>.
- The low and unpredictable public funding for health makes the health system dependent on external donors and private sources, which poses challenges for long-term planning and resilience. The health system is also ill-prepared to cope with shocks and emergencies, such as the COVID-19 pandemic, which can exacerbate the existing gaps and weaknesses.
- With low funding, the poor and vulnerable populations are more likely to encounter barriers to healthcare and suffer from unmet health needs, which are likely to increase over time, despite various policy frameworks such as the NDP 2021/25 designed to stem the tide. Drafting and approving a policy is one thing; mobilizing resources for its implementation is another, without which the policy fails.
- The 5.0% share of the proposed healthcare funding in the proposed 2024 contradicts the promised 10% by the current administration, which could indeed create a trust deficit in the government policy statement.

## Strengths and Opportunities in the Proposed Budget

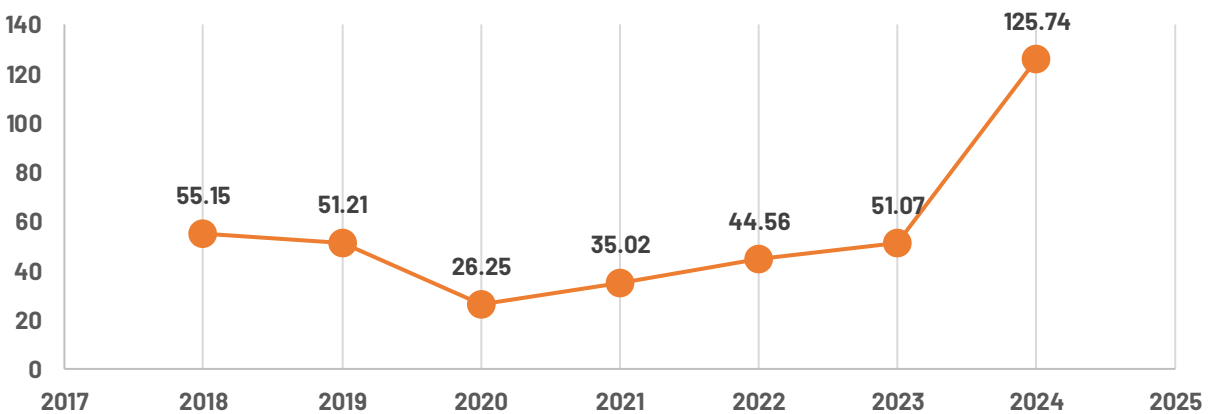
**Presidential Committee on Health Sector Reform:** In 2021, the Nigerian government set up a committee dedicated to improving the country's healthcare system. The Presidential Committee on Health Sector Reform has been given a budget of N1 billion this year, marking

<sup>15</sup> <https://www.cnn.com/2021/01/04/nigerias-82-billion-health-care-gap-investors-stand-by.html>

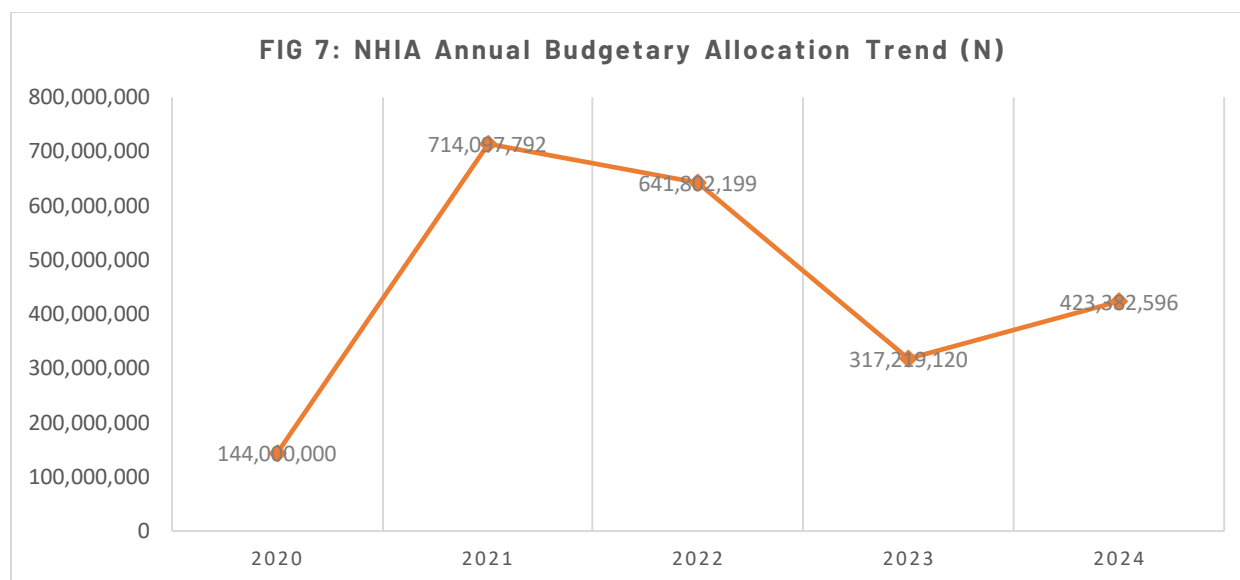
a clear and substantial financial commitment to the cause. This is the first time in recent years that such a significant monetary allocation has been made for this purpose, demonstrating the government's recognition of the urgent need for healthcare reform. By making this investment, the government has shown its commitment to prioritizing the overhaul of Nigeria's healthcare system.

**Increased in Basic Health Care Fund:** According to the National Health Act of 2014, a one percent allocation from the Consolidated Revenue Fund is required for the Basic Healthcare Provision Fund. The Consolidated Revenue Fund has witnessed a significant increase in its one percent allocation. In 2024, the funding reached N74.74 billion, which is a 143.46% increase from the N51.64 billion allocation in the 2023 Budget, amounting to N74.09 billion more in funding. There has been a clamor for an increase of the Basic Healthcare Provision Fund to 2%, but this is not the case. See Figure 6 below.

**Fig 6: 1% Consolidated Revenue Fund to BHCPF 2018-2024**



**National Health Insurance Scheme (NHIS):** The National Health Insurance Authority (formerly the 'Scheme') (NHIA) is tasked with the mandate to attain Universal Health Coverage (UHC) in Nigeria by 2030. The funding for the agency has been inconsistent. For instance, in 2020, N144 million was allocated. It increased to N714 million in 2021 but reduced to N641 million in 2022. Furthermore, it decreased to N317 million in 2023. However, in the proposed 2024 budget, the funding is set to increase to N423 million, representing about a 33% increase compared to 2023. A significant amount of the agency's funding has been allocated to maternal and child healthcare, elderly health insurance coverage intervention, and continuous enrollment.



**Note:** This excludes contributory funding by MDAs

Significant funding for the NHIS comes through the BHCF. As stated in the previous section, the BHCF is executed through three gateways, namely:

- **National Primary Health Care Development Agency (NPHCDA) gateway**, which covers operational costs (Decentralized Facility Financing – DFF) and provides Human Resources for Health (HRH) for Primary Health Care (PHCs) facilities through the State Primary Health Care Board. This is funded through 50% of the BHCPF.
- **National Health Insurance Scheme (NHIS) gateway**, which ensures that the most vulnerable Nigerians have insurance coverage to access the Basic Minimum Package of Health Services (BMPHS) through State Social Health Insurance Agencies. This is funded through 45% of the BHCPF.
- **National Emergency Medical Treatment (NEMT) gateway** to address emergency ambulance services. This is funded through the 5% of the BHCPF.<sup>16</sup>

Between 2023 and 2024, shares of all the gateways increased by 143%. The breakdown of the shares is stated below.

**Table 7: NHIS Shares of BHCF., 2018-2024 (Nbn)**

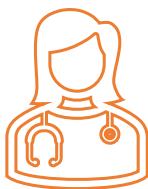
Year	BHCF	50% of BHCF to NHIS	45% of BHCF to NPHCDA	5% of BHCF NEMT
2018	55.15	27.58	24.82	2.76
2019	51.22	25.61	23.05	2.56
2020	26.46	13.23	11.91	1.32

<sup>16</sup> [https://ncdc.gov.ng/themes/common/files/report\\_project/42fc95f7841843a972638195052a7954.pdf](https://ncdc.gov.ng/themes/common/files/report_project/42fc95f7841843a972638195052a7954.pdf)

2021	35.02	17.51	15.76	1.75
2022	44.56	22.28	20.05	2.23
2023	51.64	25.82	23.24	2.58
2024	125.74	62.87	56.58	6.29

In addition to these funding sources, MDAs have a funding commitment for the NHIS in their recurrent budget, and there is specific funding set aside under the service-wide vote by the FGN for military retirees (N3.57 billion) and Corps members (N5 billion).

**Family Planning as strategic priority:** Nigeria's aim to achieve a 27% contraceptive prevalence rate by 2030 is in keeping with the commitments of the FP2030 agenda. In order to reach this target, the country committed to allocate at least 1% of its health budget to family planning. Regrettably, an analysis of the proposed 2024 health budget reveals that only N2.2 billion has been earmarked for family planning programs, representing 0.16% of the overall health budget. This pattern of underfunding family planning programs has consistently failed to meet the mark and address the increasing demands of the program. Therefore, it is crucial for the government to prioritize and allocate sufficient resources to family planning programs to fulfill its FP 2030 commitment.



***“To improve financing for FP by allocating a minimum 1% annually of the National and State Health budgets equivalent to N4.7 billion and N6.9 billion respectively and leveraging both existing and additional innovative domestic financing mechanisms to increase financing for FP by 2030.”<sup>17</sup> (page 9)***

In 2020, the family planning program and services received only 0.2% funding. However, in 2021, the funding decreased to 0.01%, and in 2022, it was non-existent. To make matters worse, the funding only increased 0.16% in 2024. This lack of investment poses a significant challenge to achieving population-related goals and preventing maternal mortality, both identified as critical national development agendas in the National Development Plan 2021/25 and National Population Policy 2021. Without adequate funding, access to essential contraceptive services, educational programs, and reproductive healthcare may be impeded.

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<sup>17</sup> <https://www.fp2030.org/nigeria/>

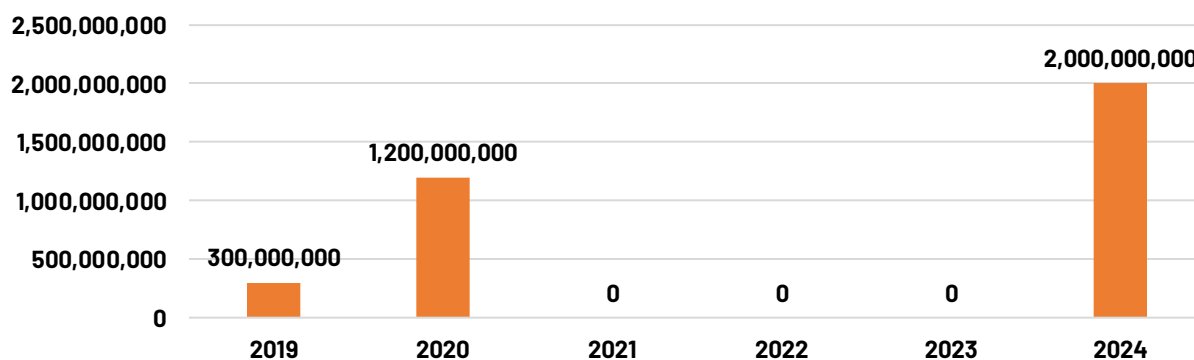
**Table 8: Family Planning Commodities (N)**

PROJECT CODE	BUDGET LINE	PROJECT TYPE	AMOUNT
ERGP25158195	Increase access to comprehensive and quality family planning commodities	New	200,000,000
ERGP25212406	Counterpart contribution for family planning commodities	New	2,000,000,000
<b>Total</b>			<b>2,200,000,000</b>
<b>As % of the health budget</b>			<b>0.16%</b>

Source: Budget Office of the Federation

It's worth noting that the funding for the counterpart contribution towards the procurement of family planning commodities was last allocated in 2020. Therefore, the N2 billion counterpart funding allocated for FP commodities in 2024 is N800 million, which is 67% higher than the N1.2 billion allocated in 2020 for the same item.

**Fig 8: FP Contraceptives Commodities Allocation 2019-2024 (N)**



**Routine Immunization:** The sum of N154 billion was allocated to the immunization programs including counterpart funding, procurement of RI, vaccines, devices, operational cost, distribution etc. This funding is N68.85 billion or 80% higher than the 2023 allocated fund. However, the funding for polio eradication and Immunization Supply Chain Strengthening at NSCS was cut by 15.82% and 9.93%, respectively, in the proposed budget.

**Table 9: Routine Immunization Financing Landscape (N)**

BUDGET LINES	2023	2024	DIFFERENCES	% DIFF
Procurement of RI Vaccines, Devices and Operational Cost	3,624,511,869	3,805,008,413	180,496,544	4.98%
Polio Eradication Initiative (PEI)	2,161,070,843	1,819,132,527	-341,938,316	-15.82%
Procurement of Non-Polio SIA Vaccine, Device & Operation Cost	1,319,175,386	2,110,154,428	790,979,042	59.96%

Procurement of Outbreak (Emergency) Response Vaccine, Devices & Operational Cost	605,757,111	948,592,558	342,835,447	56.59%
Vaccine Distribution and Movement from National Strategic Cold Store to Six Zones and from the Zones to the 36 States Plus FCT	240,172,257	324,035,480	83,863,223	34.92%
Immunization Supply Chain Strengthening at NSCS and Zonal Cold Stores Including the Use of Technology for Last Mile	757,948,764	682,710,750	-75,238,014	-9.93%
Procurement of Travelers and Pilgrims Vaccines	320,787,708	550,000,000	229,212,292	71.45%
GAVI/Immunization	69,570,142,633	137,210,720,045	67,640,577,412	97.23%
Counterpart Funding Including Global Fund/Health/Refund to Gavi	7,416,508,000	7,416,508,000	0	0.00%
<b>Total</b>	<b>86,016,074,571</b>	<b>154,866,862,201</b>	<b>68,850,787,630</b>	<b>80.04%</b>

Source: Budget Office of the Federation

**Vulnerable Group Fund:** The budget review has brought to light the creation of a new budget line with the code ERGP25212850, which has been named 'Contribution to Vulnerable Groups for Catastrophic Expenditure.' This budget allocation has a funding commitment of N5 billion. However, there seems to be some ambiguity surrounding whether this falls under Section 25 of the National Health Insurance Act, which aims to establish the Vulnerable Group Fund (VGF) to subsidize healthcare expenses for vulnerable persons in Nigeria. Further clarification on this matter is sought here.

**Nutrition:** The Nigerian government has allocated of N10.17 billion was allocated by 20 MDAs (N2.62 billion from healthcare MDAs<sup>18</sup> and N7.55 billion from non-healthcare MDAs<sup>19</sup>) to Nutritional Intervention Programs (NUT) with a primary focus on promoting maternal, infant, and young child feeding, as well as controlling micronutrient deficiencies. To enhance community health and nutrition, the government is supporting the design and implementation of the Social Action Fund. This initiative involves several critical components, such as providing counterpart contributions for nutrition commodities, reviewing and disseminating nutrition policy documents, capacity building for health workers in the management of severe acute malnutrition, and establishing a data repository platform for nutrition services. In addition, the government aims to engage the private

<sup>18</sup> These are Federal Ministry of Health and Social Welfare – HGTRS; National Primary Health Care Development Agency; Federal Neuro-Psychiatric Hospital Abeokuta; Federal Medical Centre Taraba State; and Federal School of Medical Laboratory Jos.

<sup>19</sup> These are New Partnership for African Development; Federal Ministry of Agriculture And Food Security – HQTRS; Institute of Agricultural Research and Training- Ibadan; Nigerian Institute of Animal Science National Agriculture Seeds Council; Federal Ministry Of Science, Technology and Innovation – HQTRS; Nigeria Natural Medicine Development Agency; National Biotechnology Development Agency – Abuja; Federal Institute of Industrial Research –Oshodi; Federal Ministry of Budget and Economic Planning – HQTRS; Federal Ministry of Water Resources – HQTRS; Federal Ministry of Women Affairs – HQTR; Federal Ministry of Education – HQTRS; Federal University of Health Sciences, Ila-Orangun; and Osun State King's College



sector to fortify staple food vehicles and produce essential nutrition commodities. Efforts such as commemorating nutrition-specific national and international days further emphasize the multifaceted approach to addressing nutritional challenges in the country. The government is also incorporating the Nutrition Commodity Logistic Management System into the national health system and advocating for the domestication of the National Strategic Plan of Action for Nutrition (NSPAN2) across states, to mention but a few.

### **Primary Health Care: A Closer Look**

“Primary healthcare will remain the bedrock of our system. Deploying adequate infrastructure and human resources to address maternal and childcare, immunization, managing preventable diseases and treatment of malaria, typhoid, and other water-borne diseases will cater to the majority of our most pressing primary healthcare challenges”.<sup>20</sup>

- **Renewed Hope Health Agenda Commitment, Page 46**

At the national level, the National Primary Health Care Agency is tasked with the responsibility of making primary health care services available to all in Nigeria. The proposed 2024 capital budget of N59.24 billion of the agency indicates a 210.53% increase in its capital budget, and a N3.7 billion allocation denotes a 26.44% increase in the recurrent budget. Overall, the agency's N63.97 billion proposed allocation translates to a 180.99% overall budget increase, amounting to N41 billion more than the 2023 approved budget, with key initiatives such as the revitalization of primary health care centers, pooled procurement of essential pharmaceuticals, mobile medical missions, routine immunization procurement, and solar equipment installation constituting 61% of the capital allocation as follows.

- **N18 billion for** special intervention for the revitalization of primary health care centers in a total of 180 units of 6 geo-political zones and FCT, including refurbishment, basic equipment, boreholes, and management.
- **N5 billion for the** expanded pooled procurement of essential PHC pharmaceuticals, insulin, antihypertazin, antibiotics, and antimalarials, and supply chain system management contract to distribute to frontline health centers 6 geo-political zones.
- **N4.4 billion for the** mobile medical PHC missions' outreach to rural communities in 6 geopolitical zones, including medications, test kits, and medical equipment.
- **N3.8 billion for the** procurement of routine immunization (RI) vaccines, devices, and operational costs.
- **N2.8 billion** Expanded Midwives Service Scheme in six geopolitical zones

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<sup>20</sup> <https://bat-ksm.com/renewed-hope-2023-download-tinubu-shettima-action-plan/>

- **N2 billion for the** supply and installation of solar equipment in existing comprehensive PHCs in 6 geo-political zones

**Table 10: Primary Healthcare Financing Priority (N)**

DESCRIPTION	2022	2023	2024	DIFFERENCES (2023-24)	% DIFF. (2023-24)
Capital	20,519,267,490	19,077,622,118	59,241,396,918	40,163,774,800	210.53%
Recurrent	3,538,558,812	3,737,521,452	4,725,796,572	988,275,120	26.44%
Total	24,057,826,307	22,765,143,570	63,967,193,490	41,202,049,920	180.99%
NPHCDA Capital Share of Health Capital Budget	9.89%	4.29%	13.62%	-	-

Source: Budget Office of the Federation

While the mandate of the NPHCDA is primarily focused on funding primary healthcare (PHC), it's also interesting that ten other ministries and agencies<sup>21</sup> were identified in the proposed budget with 27 PHC projects, amounting to N6.6 billion in funding for PHCs. The funding covers projects such as infrastructure development, equipment and medical supplies, capacity building for PHC staff, and solar power installations. There is however a need for coordination to prevent duplication of activities.

### Managing the Health Workforce Migration Crisis

The Federal Government of Nigeria (FGN) is committed to addressing the issue of brain drain by implementing a multi-faceted approach. This includes developing policies, strategic plans, and conducting surveys. The government will also focus on enhancing the skills of health workers in Nigeria to prevent them from leaving the country.

For instance, the proposed 2024 budget allocates N30 million for the formulation of policies and strategic plans aimed at retaining medical and health workers. Another N20.9 million will go towards developing an implementation plan for the health workforce migration policy and implementing interventions to reduce health worker migration. Moreover, the government will allocate N7.49 million for conducting a health labor market analysis (HLMA) survey in the country. This survey will align with the global strategy on human resources for the health workforce (GSHRHW) 2030, using the HLMA framework. Finally, N60 million will be set aside for capacity development for health workers.

<sup>21</sup> These MDAs are Federal Ministry of Health and Social Welfare – HQTRS, Office of the Senior Special Assistant to the President MDGs, Border Communities Development Agency, Energy Commission of Nigeria, Nigerian Meteorological Agency, Federal Ministry of Water Resources – HQTRS, Anambra/ Imo RBDA, Federal Ministry of Housing And Urban Development – HQTRS, National Centre For Women Development, and Ogun/ Osun RBDA

It's worth noting that the proposed personnel cost for healthcare in N645 is N83.1 billion, which is 14.77% higher than the N56253 allocation for the same salaries, wages, allowances, and social contributions. However, this increase is not realistic, given the 28.06% inflation rate increase between December 2022 and October 2023. The implication is that more health workers are likely to move abroad.

**Table 11: Health Workforce Management (N)**

PROJECT CODE	BUDGET LINE	AMOUNT
ERGP25171666	Articulation of policies and strategic plans for retention of medical and health workers to stem brain drain in Nigeria	30,000,000
ERGP25203563	Development of implementation plan for the health workforce migration policy; implement policy interventions to mitigate health workers migration	20,934,000
ERGP25203566	Conduct of health labour market analysis (HLMA) survey in the country in line with global strategy on human resources for health workforce (GSHRHW) 2030, using the health labour market analysis (HLMA) framework.	7,490,000
ERGP25202538	Capacity development for health workers	60,000,000

## Conclusion

The proposed 2024 health budget shows progress, but there are still challenges to be addressed. Although funding has increased, the allocation of only 5.03% of the total budget size to health is inadequate to meet the needs of the country. Additionally, the increase in the health budget by 18.49% compared to the rising inflation and 75% increase in the exchange rate may pose challenges for Nigeria, which heavily relies on imports. To address these issues and ensure better health outcomes for all Nigerians, the allocation for health needs to be increased to at least 15% of the total budget, as stated by the Abuja Declaration of 2001. This will not only help achieve Universal Health Coverage (UHC) by 2030 and meet the health-related Sustainable Development Goals (SDGs) but also enable the country to deal with emerging epidemics and pandemics. Moreover, increasing the allocation to 15% can help bridge the N2.75 trillion health funding gap and address the issue of brain drain in the sector. With sufficient funding, the health sector can attract and retain skilled healthcare professionals, enhance the quality of healthcare services, and ultimately achieve better health outcomes for all Nigerians.

## Recommendations

**Stakeholders, including CSOs, development partners, traditional and religious leaders, etc.,** should collaborate to engage with the National Assembly, the Federal Ministry of Budget and National Planning, the Federal Ministry of Finance, the Federal Ministry of Health, and other state actors. This collaboration aims to understand the impact of the reduction and shortfall on critical health projects and services, emphasizing the importance

of a more substantial financial commitment to healthcare. This commitment is crucial to meeting the diverse healthcare needs of the population.

**Shift in Funding Sources for Healthcare:** There is an observable shift in Multilateral/Bilateral Loan Funded capital projects for healthcare, particularly those facilitated by institutions like the World Bank, encompassing crucial initiatives like the COVID-19 preparedness and response project, Immunization Plus & malaria progress by accelerating coverage and Accelerating nutrition results in Nigeria, among others. However, a pivotal change is evident in the 2024 proposed budget, where a substantial 84% of the health capital funding emanates from the government's internal revenue base, marking a significant departure from the previous year's dependency on external funding, which accounted for 70% of the health capital budget in 2023. This reshaping of funding sources may imply a reduced reliance on external loans, with only 13% allocated from this channel.

**Table 12: Shortfall Health Capital Project Funding (N)**

HEALTH CAPITAL BUDGET COMPONENT	2023	2024
Health Care Sector Multilateral/Bilateral Loan Funded Projects	310,252,155,300	57,392,640,000
Health care sector non-loan capital project	134,909,210,815	377,393,305,488
Total	445,161,366,115	434,785,945,488

**Ensure Fiscal Prudence and Economic Growth:** Support the government's commitment to prudent financial management and sustainable economic growth. There is also a need to promote continuous efforts to enhance revenue generation while ensuring transparency and accountability in budget execution.

**Sustain Commitment to Family Planning:** Family planning contributes to the overall economic well-being of a nation by promoting sustainable population growth and demographic dividends. It is imperative to sustain this financial commitment to family planning, ensuring that it remains a central component of comprehensive healthcare strategies while also ensuring an increase of 1% share of the health budget as part of the government FP 2030 commitment.

**Reduce the debt service burden,** which consumes 31 percent of the total budget, and reallocate the savings to the health sector. Debt service cost the government N5.65 trillion in 2022, representing an increase of 97.4 percent of budgeted revenue. This limits the fiscal space and the ability of the government to invest in health and other social sectors.

**Enhance the efficiency and transparency of health spending, and curb leakages and corruption in the health sector.** The government should ensure effective implementation of the Open Treasury initiative, which aims to improve public financial management and accountability. The government should also strengthen the oversight and monitoring of

health expenditures and ensure that funds are used for the intended purposes and reach the intended beneficiaries.

**Diversify the sources of health financing and explore innovative ways to mobilize more domestic resources for health.** The government should ensure effective implementation of the Basic Health Care Provision Fund (BHCPF); leverage the private sector, development partners, and civil society organizations to complement public funding and improve health outcomes; as well as implement a tax-based financing mechanism that is progressive and sustainable.

**NASS vetting of Budget Documents:** It is crucial for the National Assembly to prioritize thorough vetting of budget documents to avoid instances of project repetition within the same line items. A clear example of this issue is evident in the allocation of N500 million for the Presidential Committee on Health Sector Reform, identified by project code ERGP30212116. Strikingly, an identical amount has been allocated to the same committee but under a different project code, ERGP30212161. Such redundancy not only raises concerns about the accuracy and coherence of the budget but also has significant implications for the already constrained fiscal space. Proper vetting is essential to identify and rectify such duplications, ensuring the efficient and effective utilization of financial resources while preventing unnecessary strain on the fiscal framework.

0238005002 SERVICE WIDE VOTE			
CODE	PROJECT NAME	TYPE	AMOUNT
ERGP29210820	GALAXY BACKBONE	ONGOING	5,600,000,000
ERGP30212114	PRESIDENTIAL POLICY COORDINATION OFFICE	NEW	1,000,000,000
ERGP30212116	PRESIDENTIAL COMMITTEE ON HEALTH SECTOR REFORM	NEW	500,000,000
ERGP30212158	PRESIDENTIAL PROJECT COORDINATOR OFFICE	NEW	1,500,000,000
ERGP30212161	PRESIDENTIAL COMMITTEE ON HEALTH SECTOR REFORM	NEW	500,000,000
ERGP7210847	IPPIS CAPITAL	ONGOING	1,500,000,000
ERGP7211698	GIFMIS CAPITAL	NEW	12,258,825,876

Figure 1 Source: Appropriation Bill, 2024, page 1023

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