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Exploring Nigeria Annual Budgets and Health Sector Budget Provisions towards Attainment of Universal Health Coverage Amid the Covid-19 Pandemic Preparedness

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Abstract

The Covid-19 outbreak is currently having a significant impact on the health and economic growth of the World. This study explored the trend in Nigeria's annual budget from 2016 to 2020, the assumptions for these annual budgets, the budget allocations to the Health Sector and the policy measures in place for health emergencies. The mixed-method approach was used and involved key informant interviews of 30 employees and 30 top management officials across the Federal Ministries of Health and Finance using a structured interview guide. There were also desk reviews of documents in public domains and government published financial and budget data at global and national levels. The findings reveal that Nigeria has continued to increase her annual budget without much improvement in her revenue position. The key assumptions on which the various annual budgets were based were distinct, and none envisaged the Covid-19 pandemic and its aftermath. On health sector allocation, the Federal Government of Nigeria lays little emphasis on efforts towards the attainment of UHC and emergency health events. The government ensured that health care financing policies and provisions are in place. However, the adequacy of those policies and provisions needs to be improved upon. The past spending pattern between 2016 and 2020 shows that these policies are not directed at closing the scary gap that makes ordinary Nigerians suffer from the overwhelming cost of healthcare. This includes a lack of attention to the basic health fund and funds for emergencies, probably due to inadequate political will and commitment to health.

Keywords*: Budget allocation, Covid-19 pandemic, Emergency preparedness, Health budget, Health expenditure, Universal health coverage.*

Introduction

The current Covid-19 outbreak has been forecasted to have a significant impact on the economic growth of the World, especially in Sub-Saharan Africa. In a Press Release on 9th April 2020, it has been indicated that the economic impact of the coronavirus will be a sharp fall on the economy from 2.4% in 2019 to -2.1 to -5.1% in 2020 [1]. According to Africa's Pulse, this impact will be the first recession in the region over the past 25 years [2]. The existing pattern of impoverishment from health expenditures and the likelihood of not attaining UHC by 2030 has been made worse by the Covid-19 pandemic. Ensuring that all individuals in all communities of a nation can access the healthcare services that they need and when they need them, without facing financial hardship, is crucial to improving the welfare, wealth and ultimately the health of a country's population. It has been noted that unless health interventions are planned to promote equity, efforts to attain UHC may result in improvements in the national average of service coverage while inequalities get worse at the same time [3].

UHC efforts focus on addressing issues relating to "catastrophic spending on health",

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that is, out-of-pocket spending which exceeds a household's ability to pay; (without reimbursement by a third party); and "impoverishing spending on health", which arises when a household is forced to divert spending away from non-medical budget items such as food, shelter and clothing, by an adverse health event to the extent that the expenses on these items is reduced below the level specified by the poverty line. Progress towards UHC does not mean that health care is always free of charge. It means a lowering of barriers to seeking and receiving needed care: for example, out-of-pocket payments, distance, poorly equipped facilities and poorly trained health workers, as such access to needed health services will cause less and less financial hardship; thus, ensuring that people receiving health services do not place their families at risk of poverty, but are still able to afford food and other necessities. Attainment of Universal health coverage (UHC) involves appropriate financial resources to pay for and offset necessary health services. These resources are expected to be raised efficiently and equitably, be pooled effectively to provide financial protection and then redistributed to a manner that maintains equity. Every nation seeks to improve the health status of her citizens by ensuring three aspects of service delivery, namely equity in the use of health services, service quality and financial protection for her citizens. These make the quest for Universal Health Coverage (UHC) very appropriate and require that the emphasis of the goals and objectives of UHC should be targeted at the population and health system as a whole.

There are three dimensions of universal health coverage as in the axes of a cube: population, service and cost [4, 5]. The population axis defines the UHC objective of population coverage in terms of both services and financial protection. The cost axis of the UHC is important to the financial protection objective and needs to be interpreted in terms of capacity to pay for services received, while the service coverage dimension is defined in terms of needed and effective services and comprises of the objectives of guaranteeing that everyone is capable of using the health services needed and that the health services are of good quality. These dimensions of population, service and cost connect precisely to health financing policies related to UHC and the monitoring. According to [6], the goal of universal coverage, therefore, requires some fiscal commitment from the government, as well as pooling and redistributive mechanisms that ensure financial protection and equitable subsidization of coverage for the poor. It has been reiterated that fiscal resources are limited, so expenditures should be managed carefully to get the most value for money, especially for most people with access to the highest quality services and with the most financial protection possible within the available resource envelope [6].

Nigeria, with a population of 195,874,740 million (51% males and 49% females) in 2018 [7], has been shown to have among the highest out-of-pocket health spending and poorest health indicators in the world. According to [8], data available shows that there is a long way to go to achieve Sustainable Development Goal 3.8.2 (Universal financial protection) by 2030. Universal health coverage (UHC) means that all people are enabled to receive the health services they need, including public health services designed to promote better health, prevent illness, and to provide treatment, rehabilitation and mollifying care of appropriate quality and effectiveness while ensuring that the use of these services does not expose the user to financial hardship as captured in the Sustainable Development Goals (SDG) 3., Target 3.8; indicators 3.8.1 and 3.8.2.

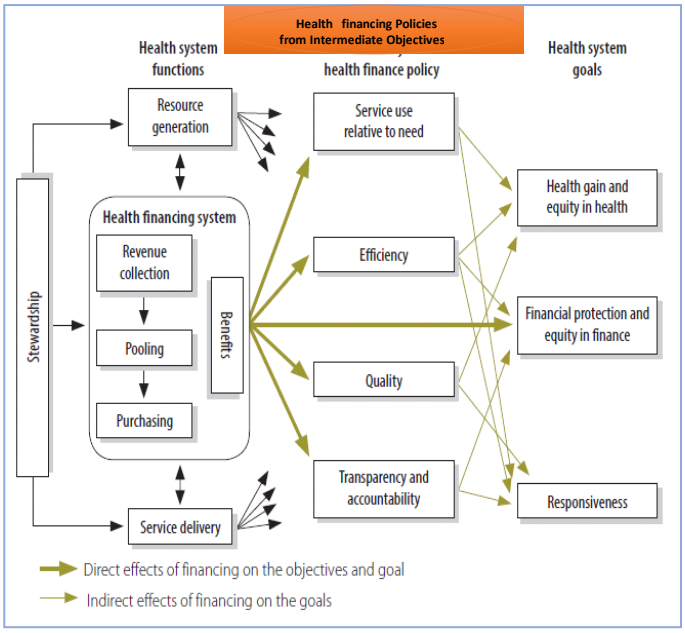


Figure 1. Health System Structures, Health Policy Objectives and Health System Goals

Consequently, the general challenge for health policy is reflected in the way the health system operates (i.e., the health reforms) to improve the UHC goal attainment. The connections between the system structures and the health system goals concern each of the four functions of service relative to needs, efficiency, quality, transparency, and accountability (separately and together), and ultimately the way in which these financing functions influence the attainment of the goals and targets of health financing policy actions, as in figure I below.

According to [9], one important concept illustrated in the figure is that the health financing system does not act alone in affecting the intermediate objectives and final goals; coordinated policy and implementation across health system functions are essential for making progress on the desired objectives, such as improving the quality of care. However, for any health financing policy to be associated with these efforts towards UHC, health system reforms are required to improve service coverage, equity in health resource distribution; efficiency; and transparency and accountability. Hence, this study explored the status of health financing policies (As defined in the Nation's Annual Budgets – 2016 to 2020) towards the attainment of universal health coverage amid the Covid-19 Pandemic. The specific objectives were to:

1. Assess the trend in Nigeria's annual budget (Revenue and Expenditures) from 2016 to 2020.
2. Ascertain the assumptions on which these annual budgets were based.
3. Determine the proportion of the Nation's annual budget (2016 to 2020) that went to the Health Sector.
4. Ascertain the policy measures (as regards budgetary provisions for health contingencies) in place to manage the Covid-19 pandemic.

Health financing comprises of three interconnected functions: mobilization and collection of funds, pooling of prepaid funds, and allocation of resources, including purchasing and paying for services [10].

Health financing has been recognized as one of the structural parts of health systems for the achievement of improved health outcomes, equity, and public satisfaction, and as such plays an essential role in universal health coverage [11, 12]. Health financing functions need to be supported by transparent legislation and regulations with implicit policy options that ultimately promote sustainability of revenues, ensure risk pooling arrangements, and

rationalize health spending both in the public and private sectors [13-15]. According to [16], the success of the various health financing methods can be assessed by the overall effects on equity of access and health outcomes, revenue generation and efficiency, and the effects on the user and provider behaviour.

Studies of perception are valuable in the development and/or revision of evidence-based policies and strategies, thus, contributing to available lessons that will inform and support overall health sector planning, especially the health financing policies and strategies. As Nigeria commits to strive toward the attainment of universal health coverage, The findings of this study will contribute immensely to knowledge on how much priority is given to health by the government in the budgetary provisions; and the development of the advocacy packages to relevant stakeholder groups at various levels of government, which is needed to reinforce efforts towards attainment of UHC. The findings from the study will help policy makers to prioritize challenging demands; make coherent and appropriate choices, thus adapting their approaches to local conditions. This will facilitate making better policy decisions by the governments, even in the face of challenges. The findings will provide the basis for realistic estimates of resources required in the health sector since this is one of the steps towards ensuring that representative investments are made, thus bringing broader socioeconomic development benefits to the country.

The study was limited to the Federal Ministries of Health and Finance among the willing officials/staff of these Ministries to gather information concerning health care financing and the perception on the progress towards attainment of UHC. Furthermore, the search for relevant literature on the key variables was confined to only the English-language literature, while more bodies of knowledge that could have added useful insights would have existed in other languages. It is also worthy of note that the analyses on budgetary provisions was based on documents available mainly online, with a few clarifications called for where needed. Secondly, the analyses will be limited to, only the approved budget for the years under study, which had nothing to do with the actual budget releases and expenditures.

Budget assumptions are based on beliefs and presumptions of anticipated income and expenses. Reasonable budget assumptions usually start with creating budget numbers to work with for planning purposes either from the very first time or basing assumptions on the reality of the current time considering the previous experiences. Budget assumptions are usually based on:

1. Money being expected (Expected Income or revenues).
2. Expenses to be made (Expected expenditure).
3. Potential hitches or challenges during budget execution.
4. Miscellaneous monetary provisions for likely changes.

Health budgets, as characteristically included in the overall government budget, are not just simple accounting tools to communicate revenues and expenses; instead, these are critical positioning manuscripts, stating the main financial objectives of a nation and the nation's real commitment to implementing its health policies and strategies as in the commitment towards the attainment of UHC. A necessary condition to enable the effective implementation of health financing reforms toward the attainment of universal health coverage is robust public budgeting in the health sector. A major reliance on public, compulsory, prepaid funds is necessary to make progress toward universal health coverage (UHC). The Abuja Declaration of 2001 recommended that governments allocate 15% of their budgets to the health sector [17], though the basis for this figure is not obvious, and is without explicit connection to achieving a certain level of health system performance. An indicator that is increasingly used and which builds on the Abuja Declaration target is the

amount a Nation expends in terms of public spending on health as a % Gross Domestic Product (GDP), which captures both the priority given to health in budget allocations, as well as the fiscal context, (How large government is relative to the economy), measured in terms of "total public spending as % GDP" [17]. Improving the quality of budgeting systems in the health sector can support the effective implementation of health financing reforms towards UHC because this is likely to improve predictability in the sector's resources, which in turn increases the likelihood that defined plans can be translated in policy actions on the ground [18]. If the health budget is formulated according to goals and the execution rules align with this logic, it will allow a certain degree of spending flexibility and make budgets more responsive to sector needs; and ultimately, these "outputs" can support better transparency, accountability, efficiency and equity in the use of public resources, all directly contributing to progress towards UHC [19].

Strengthening frontline health care services for pandemic response and the current priority from governments given the Covid-19 virus outbreak requires supportive health financing policies [20]. The guidance on health financing policy is hence ultimately focused on strengthening health system resilience, health security and universal health coverage (UHC) [20]. Every country in the world is affected by the Covid-19 pandemic, unfortunately, in many countries, investment in preparedness was not been sufficiently prioritized in recent years or in the weeks since the Covid-19 pandemic began [21], and thus the elimination of financial blockades to health services to enable the timely diagnosis and treatment of Covid-19 for all who need them without financial difficulties is recommended [21].

Materials and Methods

Data collection tools, namely interview and data collection guides, were used. The study is mixed-method exploratory study where 60 staff of the Federal Ministries of Health and Finance were interviewed. The 60 participants were selected using convenience sampling, and data were collected from the selected participants using a structured interview guide. In addition, using the data collection guide, the reviews of existing documents in the public domains for data with the contents relevant for the research questions were conducted. The Nation's health financing policy documents and reports from the budget office from 2016 to 2020 were systematically examined and analyzed.

The documents examined provided data on annual budgets, the assumptions on which each annual budget was based, the percentage allocation to the health sector and the most recent policy provisions made by the Nigerian government regarding Covid-19. The WHO, World bank and IMF library databases were some of the websites visited with search engines and words like financial policy, public health financing, UHC, Nigeria's annual budgets for 2016 to 2020, provisions for emergency health events, health sector and basic Health Funds in the Nigeria annual budgets. The data generated through the reviews of these documents and responses to the questionnaire were analyzed using Microsoft excel document and presented in tables and graphs/charts. Data were collected from September to November 2021.

Results

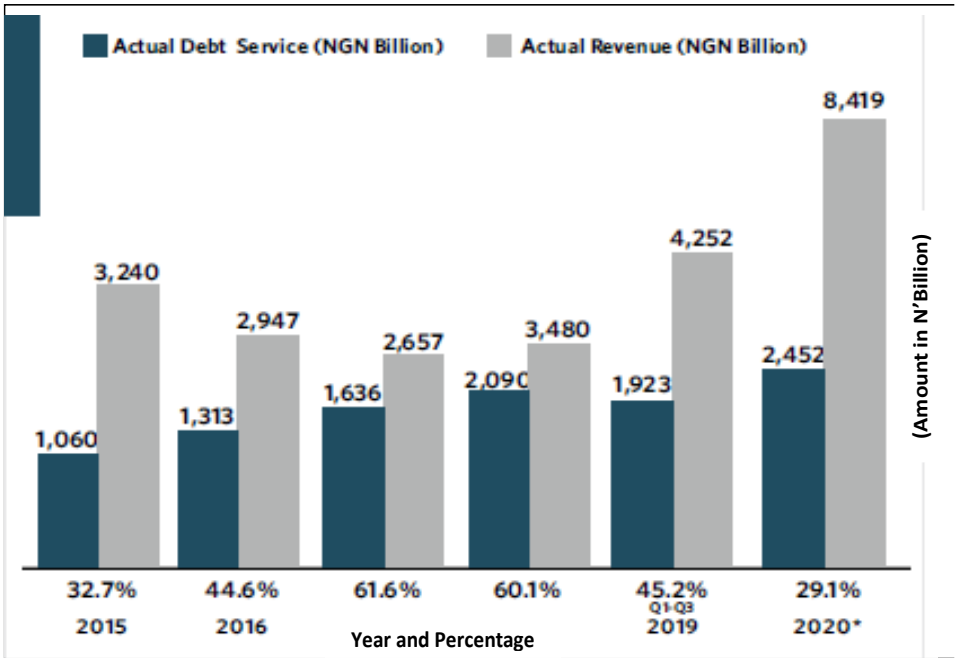
Trend in Nigeria's Annual Budget (Revenue and Expenditures) - 2016 to 2020

The findings show that since 2016, Nigeria has continued to increase her annual budgets, with the development of annual budgets that rise from year to year as can be seen in Table 1 below, though without much improvement in her revenue position. This is evidenced from her revenue-to-GDP rate, which has remained less than 8% from 2016 to 2020 [22].

Table 1. Nigeria Annual Budget (Revenue and Expenditure) in Naira from 2016 to 2020

		Revenue (100%)		**Expenditure (100%)**			
Years	**Total Budgeted**	**Revenue (%)**	**Deficit (%)**	**Capital (%)**	**Recurrent (%)**	**Debt Servicing (%)**	**Statutory Transfers (%)**
2016	**6.06tn**	3.86tn (64)	2.2tn (36)	1.59tn (26)	2.65tn (44)	1.48tn (24)	354.1bn (6)
2017	**7.44tn**	5.085tn (68.4)	2.35tn (31.6)	2.36tn (31.7)	2.99tn (40.2)	1.663tn (22.3)	434bn (5.8)
2018	**9.12tn**	7.17tn (78.6)	1.95tn (21.6)	2.87tn (31.5)	3.51tn (38.5)	2.2tn (24.2)	530bn (5.8)
2019	**8.92tn**	7.00tn (78.5)	1.92tn (21.5)	2.09tn (23.5)	4.18tn (46.9)	2.14tn (24)	502bn (5.6)
2020	**10.6tn**	8.42tn (79.4)	2.18tn (20.6)	2.47tn (23.3)	5.11tn (48.3)	2.45tn (23.1)	560bn (5.3)

Source: Budget Office [22]



Source: Budget Office

Figure.2. Budgeted Debt Service and Revenue

Furthermore, the trend in allocations to Debt servicing and revenues, which attempted to improve from 44.6%, and 61.6% in 2016 and 2017, with a slight fall to 60.1% in 2018, suddenly crashed again to 29.1% in the year 2020 with allocation rate of 45.2% in 2019 [22] as shown in Figure 2.

Statutory allocations were made to some Institutions without any consideration for the Basic health care services (Primary Health care services and/or National Healthcare Scheme) of the Nation. The Institutions that got the annual statutory transfers allocations at least for most of the years include:

1. National Assembly.
2. National Judiciary Council.
3. Universal Basic Education.
4. Niger Delta Development Commission.
5. INEC National.
6. Public Complaints Commission and,
7. Human Right Commission.

However, in 2020, Basic Health Care Provision Fund (BHCPF) and North-Eat Development Commission had allocations made to them. The details are as in Table 2 below.

Table 2. Allocations to Statutory Transfers in Nigeria Annual Budgets from 2016 to 2020 (N'Billions)

	2016	**2017**	**2018**	**2019**	**2020**
National Assembly	115	125	139.5	125	128
National Judiciary Council	70	100	110	110	110
Universal Basic Education (UBE)	77.11	95.19	109	110.9	111.8
Niger Delta Development Commission	41.05	64.02	115.9	85.1	80.9
Independent National Electoral Commission, National	-	45	45.5	45.5	40
Public Complaints Commission	-	4	7.5	4.2	4.7
Human Right Commission	-	1.2	3.01	1.5	2.5
Basic Health Care Provision Fund (BHCPF)	-	-	-	-	44.5
North-East Development Commission	-	-	-	-	38.1

Source: Budget Office [22]

Key Assumptions on which these Annual Budgets were based

The findings show that the 2016 Budget, inaugurated as the Budget of Change, was the first full year budget of the Buhari Administration, prepared against the background of change, implying an overall slowdown in economic growth and a gigantic decline in crude oil prices. Similarly, each ensuing year had a christened name that tried to depict the background or the theme/idea guiding and directing the budget for the year. The year 2017 was named Budget of Economic Recovery and growth; 2018 is known as Budget of Consolidation; 2019 was baptized Budget of Continuity, and 2020 named Budget of Sustaining Growth and Job Creation. None envisaged the Covid-19 pandemic and aftermath on the motto for 2020 regarding sustaining growth and possibly job creation.

Table 3. Key Assumptions and Macro-frameworks for 2016 to 2020 Annual Budgets

Aspects of Economy	2016	2017	2018	2019	2020
Oil Production (mbpd)	2.2	2.2	2.3	2.3	2.18
Oil Price ($/b)	38	52.5	51	60	57
Exchange rate (₦/$)	197	305	305	305	305
Inflation rate (%)	9.81	15.74	12.4	9.98	10.81
GPD Growth rate (%)	4.3	2.5	2.1	3.01	2.93

Source: Budget Office [22]

Other key considerations for each year's budget are as in Table 3. The key assumptions and macro-frameworks for 2016 to 2020 provided the information on which budgets were developed. While oil production remained relatively stable in the period under review, there were increases in the price between 2016 and 2019, with a fall from $60 per barrel in 2019 to $57 per barrel in 2020, probably due to the theme for the year 2020 which is aimed at sustaining growth. The official exchange rate had remained stable at ₦305/$ at least on paper. The inflation and Gross Domestic Product (GDP) rates had not been stable or the pattern predictable.

Proportion of the Annual (2016 to 2020) Budget Allocated to the Health Sector

The 2020 health budget has witnessed one of the highest budgetary allocations to the health sector over the last five years [22]. The percentage of the total annual budget that went to the health sector in 2020 was 4.16%, and this is second to the 2019 percentage allocation to the health sector of 4.18% [22].

Table 4. Budget Allocation to Health as a Percentage of Total Annual Budgets

Year	**Total Annual budget ₦'Trillion**	**Allocation to Health Sector ₦Billion**	**% Total Budget Allocated to Health (%)**
2016	6.06	250.06	4.13
2017	7.44	308.46	4.15
2018	9.12	340.46	3.73
2019	8.92	372.7	4.18
2020	10.6	441.0	4.16

Source: Budget Office [22]

In 2016, ₦250.06bn (4.13% of the total annual budget) was allocated to the health sector out of the total budget of ₦6.06tn. In 2017, a slight increase of 4.15% (₦308.46bn) of the total annual budget of ₦7.44tn went to the health sector [22]. In 2018, though the total annual budget increased from ₦7.44tn in 2017 by ₦1.68tn to ₦9.12tn, the percentage allocation to

the health sector decreased to 3.73% (₦340.46bn out of the annual budget of ₦9.12tn) [22]. In 2019, the percentage allocation came up to 4.18% (the highest in the last five years), being ₦372.70bn out of the total budget of ₦8.92tn [22]. Similarly, in 2020, of the total budget of ₦10.6tn, ₦441.00bn (4.16%) was allocated to the health sector [22].

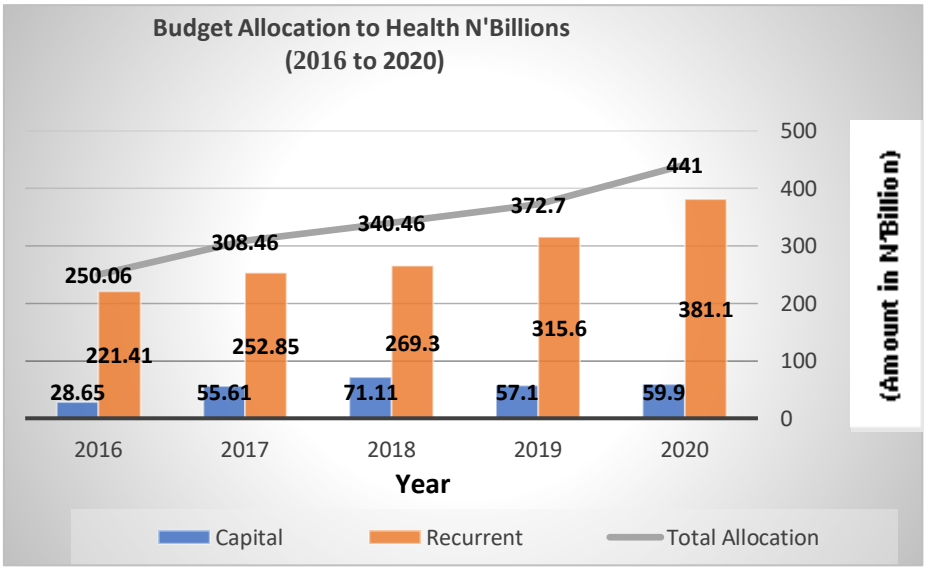


Figure 3. Budget Allocation to Health N'Billions (2016 to 2020)

The Nigerian government allocations to the health sector in 2020 appeared to have peaked to ₦441bn, with ₦381.1bn (86.42%) for recurrent expenditure and ₦59.9bn (13.58%) for capital expenditure [22]. The 2020 budget also made provision for ₦44.5bn for Basic Health Care Provision Fund [22]. However, with the current Covid-19 pandemic, there will be a need to either revisit the budget with a more realistic review based on the current situation or the country might get into borrowing from external sources. An analysis of the budget allocations to the health sector from 2016 to 2020 reveals that budgets for recurrent expenditures have always been higher than that of capital expenditures showing the level of federal government commitment to the quality and sustainability of the health systems and structures toward the attainment for the UHC.

The policy Measures for Emergency Health Events (e.g., Covid-19) and Budgetary Provisions for Health Contingencies

The findings show that there are measures laid down in the National Health Act of April 2011, and that Nigeria is one of the African Union countries that pledged to set the target for allocating funds for the health sector at a minimum of 15% of the total annual budget for each year. There are also Nigeria's national health policy and the Nigeria health financing policy. All these documents provide the framework for the attainment of universal health coverage.

Moreover, some sections of the document made provisions for health emergencies in the event of any occurrence.

According to [23], the Nigeria's Policy Responses to the Covid-19 Pandemic as of April 2, 2020, were:

a. On the fiscal policy, the government has outlined the following:

   1. The release of Contingency funds of ₦984 million ($2.7 million) to Nigeria's Center for Disease Control, with the distribution of an additional ₦6.5 billion ($18 million) for the purchase of more testing kits, the opening of isolation centers and the training medical personnel.

2. The release of a Grant of ₦10 billion ($28 million) to the Lagos State to increase its capacity to contain the outbreak.

3. Her decision to review the 2020 budget and the government's announcement to cut/delay non-essential capital spending by ₦1.5 trillion (close to 1 percent of GDP). This is ensuing from the likely big fall in oil revenue.

4. The design of a fiscal stimulus package to provide relief for taxpayers and incentivize employers to retain and recruit staff during the downturn, including the introduction of a waiver for the importation duty for pharmaceutical firms.

5. A reduction in the regulated fuel prices and the introduction of an automatic fuel price formula to ensure fuel subsidies are eliminated.

b. On the monetary and macro-financial policy, the Central Bank of Nigeria (CBN) through maintaining its current monetary policy rate as at March, has introduced additional measures, which include:

1. Reduced interest rates on all CBN-related interventions from 9 to 5 percent, with the introduction of a one-year moratorium on CBN intervention facilities.
2. The creation of an ₦50 billion ($139 million) targeted credit facility; and
3. The Liquidity injection of ₦3.6 trillion (2.4 percent of GDP) into the banking system, including ₦100 billion to support the health sector, ₦2.0 trillion to the manufacturing sector, and ₦1.5 trillion to the real sector to impacted industries.
4. The introduction of the Regulatory forbearance to restructure loans in impacted sectors.
5. The coordination of a private sector special intervention initiative targeting ₦120 billion ($333 million) to fight Covid-19.

c. On exchange rate and balance of payments policy, the government has:

1. Adjusted the official exchange rate by 15 percent, with an ongoing unification of the various exchange rates under the investors and exporters (I&E) window, Bureau de Change, and retail and wholesale windows.
2. Committed to let the I&E rate move in line with market forces, with a few companies (pharmaceuticals) being identified to ensure receipt of FX and naira funding.

Discussion

Since 2016, Nigeria has continued to increase her annual budgets, with the development of annual budgets that rise from year to year, without much improvement in her revenue position. This is evidenced from her revenue-to-GDP rate, which has remained less than 8% from 2016 to 2020 [23].

Trend in Nigeria's Annual Budget (Revenue and Expenditures) - 2016 to 2020

The challenges that Nigeria continuously experiences in her annual budgets are primarily out of the lack of ability to apply controls and efficiency to her expenditure to match the revenue regardless of any institutional interest. For instance, there have been no significant reductions in the annual allocations to overheads and the so-called albeit opaque statutory spending; rather, the annual budget allocations to these have continued to increase. Moreover, rather than improving on the revenue-to-GDP rate to upset the expenditure pattern, the Federal Government of Nigeria has resorted to borrowing from the Central Bank of Nigeria (CBN) huge sums of money for the unfunded deficit budget. This is seen as an unfunded deficit because the patterns of the recurrent expenditure component of the budget show reoccurring inability to counterbalance the deficit.

It is worthy of note that the Statutory transfers for 2018 were higher than the previous years, probably in preparation for the Country's elections that took place in 2019. Remarkable also is the fact that aside for the Transfers to the National Judicial Council that remained same

from 2018 to 2020, and the Transfers to the UBE that kept increasing over the years, other statutory transfers dropped in amount after 2018. However, there were two additional provisions in the statutory transfers, and these are to the Basic health Care Provision Fund and the North-East development Commission.

While one might get a bit excited in the initiation of statutory transfer of ₦44.50 billion by the Federal Government for the Basic Health Care Fund in the 2020 annual budget, that amount still fall short of what should be provided in accordance with the National Health Act (2014). The Act stipulates that the Federal Government should allocate at least 1% of the Consolidated Revenue Fund (CRF) for BHCF, which should have amounted to about ₦81.55 billion. Going by the Act, this implies that the statutory transfer of the 1% Consolidated Revenue Fund (CRF) has been cut by half.

Key Assumptions on which these Annual Budgets were based

Certain distinctions are observable in the emphasis placed on certain aspects of the budget across the years and could have been as a result of the differences in the background and the key assumptions on which the various annual budgets were based during their development. It is known that reasonable budget assumptions usually start with creating budget numbers to work with for planning purposes either from the very first time or basing assumptions on the reality of the current time considering the previous experiences. As has been the practice, budget assumptions are usually based on:

1. Money being expected (Expected Income or revenues).
2. Expenses to be made (Expected expenditure).
3. Potential hitches or challenges during budget execution.
4. Miscellaneous monetary provisions for likely changes.

For instance, the 2016 Budget, inaugurated as the Budget of Change, was the first full year budget of the Buhari Administration, prepared against the background of change, implying an overall slowdown in economic growth and a gigantic decline in crude oil prices. It was based on the Zero-Base Budgeting (ZBB) principle, a departure from the traditional incremental Budgeting approach that simply adjusts (usually upward) amounts included in the previous budget. This implied that Ministries, Departments and Agencies (MDAs) would justify every item of revenue and expense in the budget.

Proportion of the Annual (2016 to 2020) Budget Allocated to the Health Sector

The 2020 health budget has witnessed one of the highest budgetary allocations to the health sector over the last five years. The percentage of the total annual budget that went to the health sector in 2020 was 4.16%, and this is second to the 2019 percentage allocation to the health sector of 4.18%.

On financing of health care, Heads of States of African Union countries met in April 2001 and promised to set the target of health allocating at least 15% of their annual budget to ensure improvement in the health sector [24, 25]. 19 years after signing the 2001 Abuja Declaration on adequate funding for the health sector, Nigeria is yet to come anywhere close to the 15% target set by the Declaration. Total expenditure on health by the government shows that the Federal government has, over the years, budgeted less than 5% on the health sector, far below the target during the Abuja Declaration. This failure by the federal government to adequately fund the health sector reveals a failure in political commitment to improving the quality of healthcare in the country, in spite of the rising healthcare concerns.

It is important to note that during the period under review (2016 to 2020), recurrent expenditure has accounted for 79 to 89% of the proposed allocations to the health sector, leaving expenditures on capital components in the barest minimum (11% to 20%) of the health budgets.

Although primary health care has remained the fulcrum of the Nigerian health system, the provision, financing, and management of primary health care services, as well as secondary health care services, leaves much to be desired. Furthermore, of deeper interest is the fact that the health sector budgets have not been putting into consideration some of the provisions in the 2014 National Health Act, especially regarding procurements, the provision of a basic minimum package of health facilities and the National Health Insurance Scheme. The implication is that efforts toward UHC are being grossly neglected.

A closer analysis so far on budget allocation to the health sector (2016 to 2020) confirms that the Federal Government of Nigeria lays little emphasis on funding of health strategies towards the attainment of UHC and emergency health events. For instance, while the annual budget allocation to health has never met the Abuja declaration of 2014 target of 15%, there was not consideration for either the UHC or emergency health events as priorities during the period (2016 and 2020) analyzed.

The Policy Measures for Emergency Health Events (e.g., Covid-19) and Budgetary Provisions for Health Contingencies

The findings show that there are measures laid down in the National Health Act of April 2011 and that Nigeria is one of the African Union countries that pledged to set the target for allocating funds for the health sector at a minimum of 15% of the total annual budget for each year. As has been noted, strengthening frontline healthcare services for a pandemic response and the current priority from governments given the Covid-19 virus outbreak requires supportive health financing policies [20]. The guidance on health financing policy is hence ultimately focused on strengthening health system resilience, health security and universal health coverage (UHC) [20]. The availability of the policies not with standing these federal government policies are not targeted at closing the scary gap that makes ordinary Nigerians bear the burden of health care. This impoverishes the populace more and makes nonsense of the effort toward UHC.

Conclusion

The findings reveal that the Nigerian government has ensured that different policies and provisions are in place to address health care financing. However, the adequacy of the policies and provisions might need to be examined further. The investigation on the revenue and expenditures patterns from 2016 to 2020 with the assumptions made while developing the budgets, the health sector allocation in the various annual budgets, and the provisions made for health protection, especially in health emergency events, as is currently the case for Covid-19 showed varied outlooks. These analyses of the findings and results are based on the approved budgets over the years (2016 to 2020) and not on actual.

Conflict of Interest

There is no conflict of interest associated with this study.

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