



# Improving Budget Credibility in Primary Health Services in Nigeria

*Abridged Version -  
Federal Government*



This report was  
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# Summary of Key Findings

1

To address budget credibility in sectors like primary health and immunization in Nigeria, understanding specific deviations in expenditure is crucial. Different tactics are needed to address deviations between released and budgeted cash, as compared to addressing differences between utilized and released cash.

2

Primary health services face significant budget credibility risks related to the Basic Health Care Provision Fund (BHCPF) in all 36 states, but these issues are hard to track. An issue in Anambra is the absence of explicit BHCPF funding in the state's budget, making it challenging to measure deviations accurately. Policymakers must anticipate and address risks such as inaccessibility to federal BHCPF funds due to eligibility criteria non-compliance, which may involve baseline assessments and capacity building for Primary Health Care Centres.

3

In the health sector, weak budget credibility is driven by procedural, regulatory, and political obstacles in Oyo and Anambra states, as well as at the federal level. These bottlenecks result in deviations in procurement for Primary Health Centers (PHCs) and must be addressed individually, as suggested in the report.

# Methods

This research examines budget credibility trends over time in primary health care services and immunisation. It intends to discover the key drivers of budget credibility trends observed in Anambra, Oyo State, and at the Federal Government level. It employs a mixed-method approach with the following:

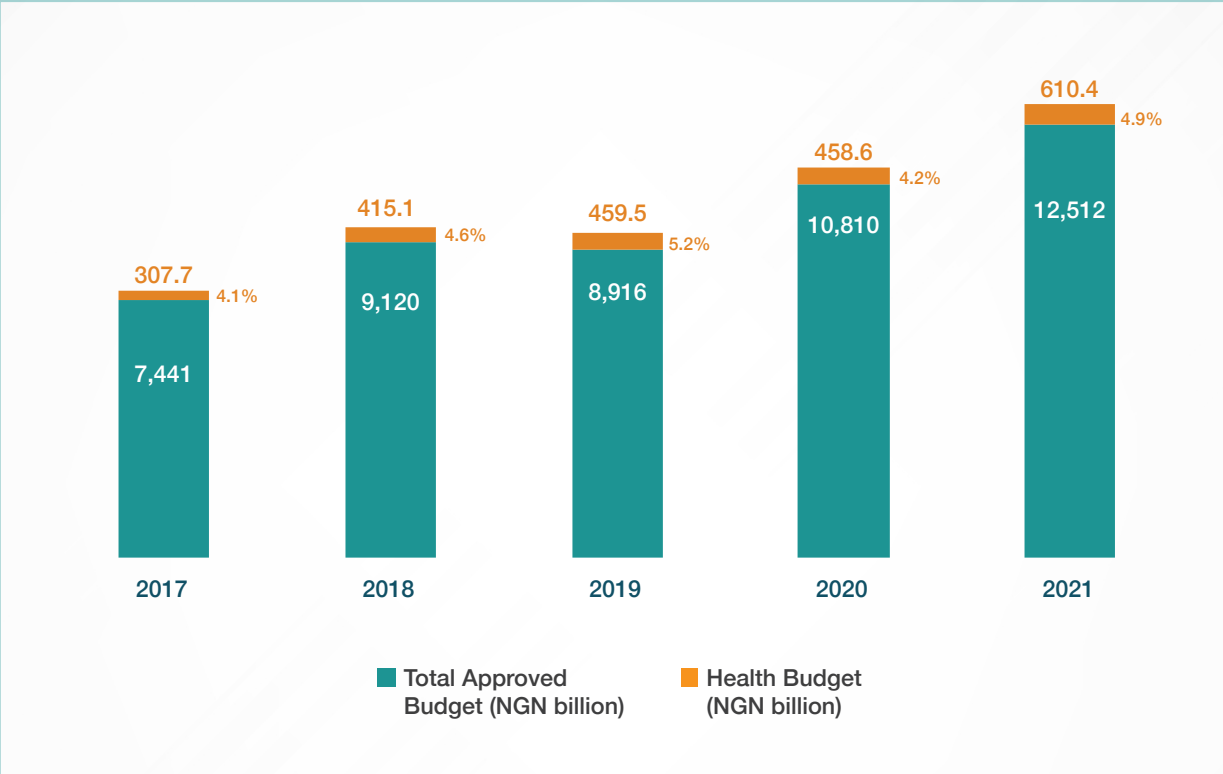
**Quantitative Analysis:** Data was mined from budget documents of Anambra, Oyo, and the federal government for a trend analysis on budget credibility for the period covering 2017-2021 in primary health care services and immunisation.

**Qualitative Analysis:** Key Informant Interviews (KIIs) were conducted with selected state and non-state actors. The objective was to generate in-depth information via Learning about the drivers and the impact of budget deviations on service delivery in primary health care services and immunisation. Also, to ascertain the key drivers of budget credibility trends observed in Anambra and Oyo State.

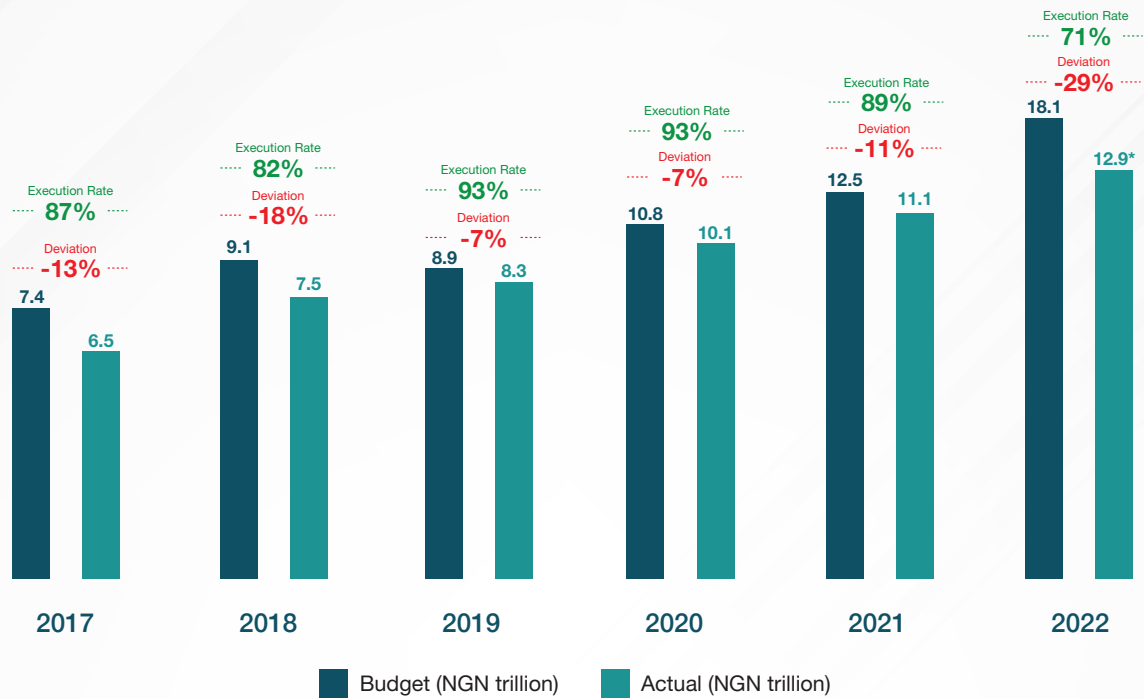
In addition, primary and secondary data were gathered. The primary component was achieved via KIIs with purposively selected respondents. The secondary data came via desk review on the existing International Budget Partnership (IBP) data and other leading literature on budget credibility, research findings on budget credibility issues in International Budget Partnership (Strengthening Public Accountability for Results and Knowledge program) SPARK focus states, annual budgets, and budget implementation reports. Similarly, a review of the Fiscal Responsibility Act and Public Procurement Laws of Anambra and Oyo State was conducted to ascertain if some procedural rules or regulations cause a lag in the system and result in the low utilisation of available government revenues. Data and responses sourced using the above data collection techniques and approaches were triangulated for increased quality and reliability.

# Federal Government

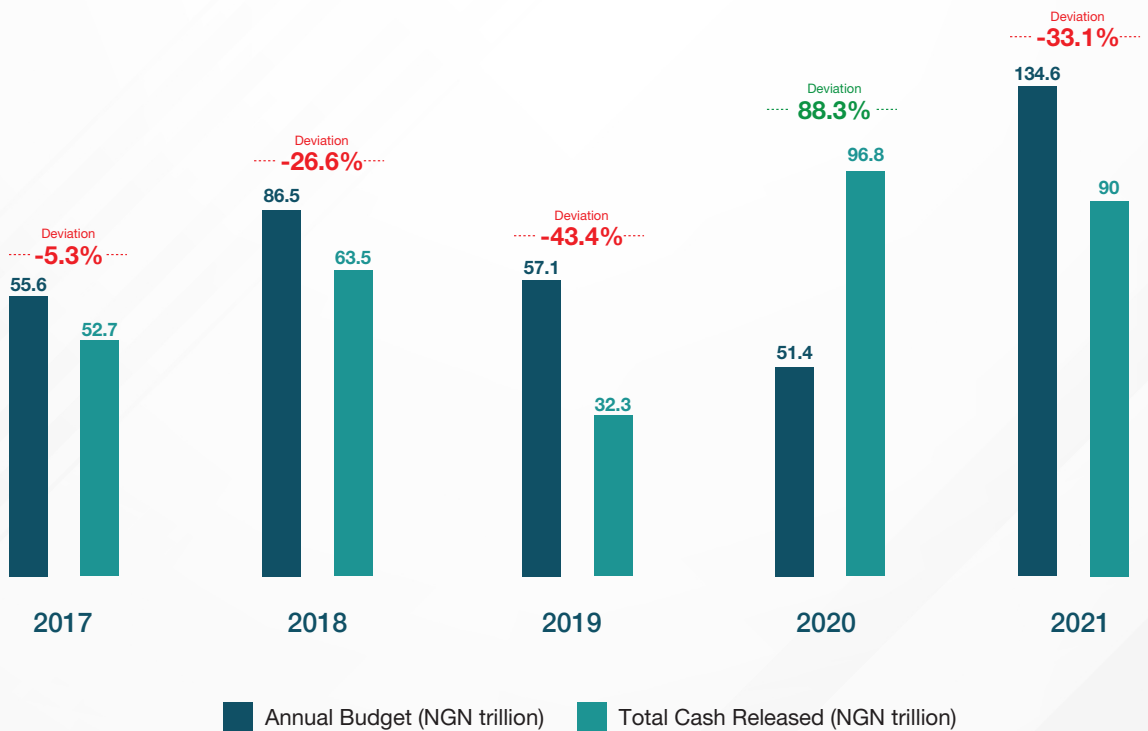
Figure 1: Federal Government Allocation to Health



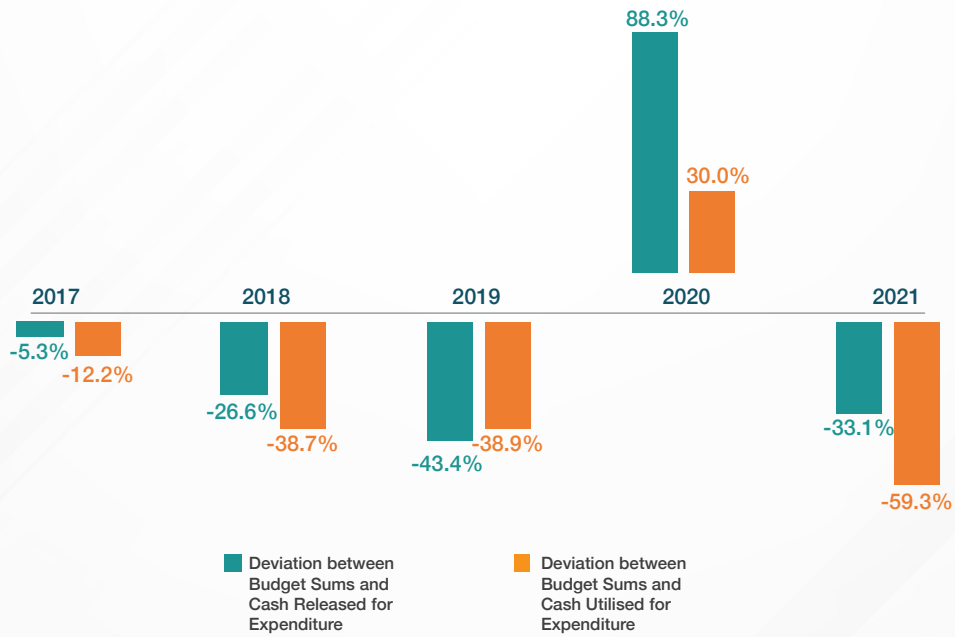
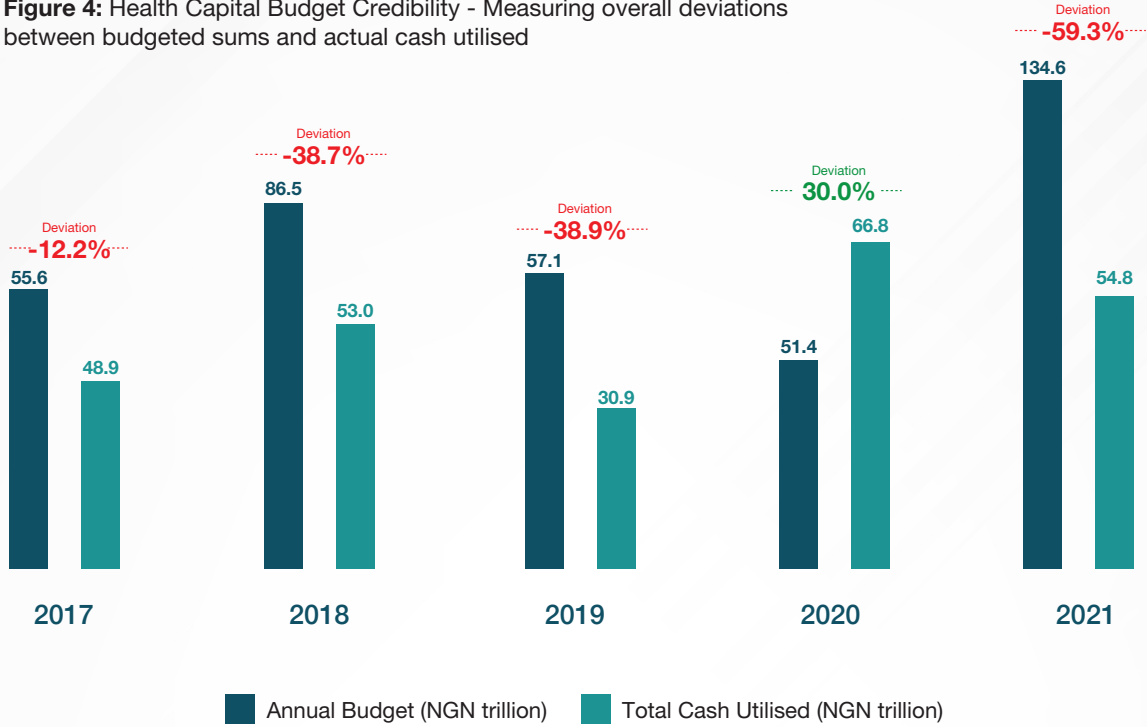
**Figure 2:** Total Budget Execution Rate Trends



**Figure 3:** Health Federal Capital Budget Credibility-Measuring deviations between cash released and budgeted sums only

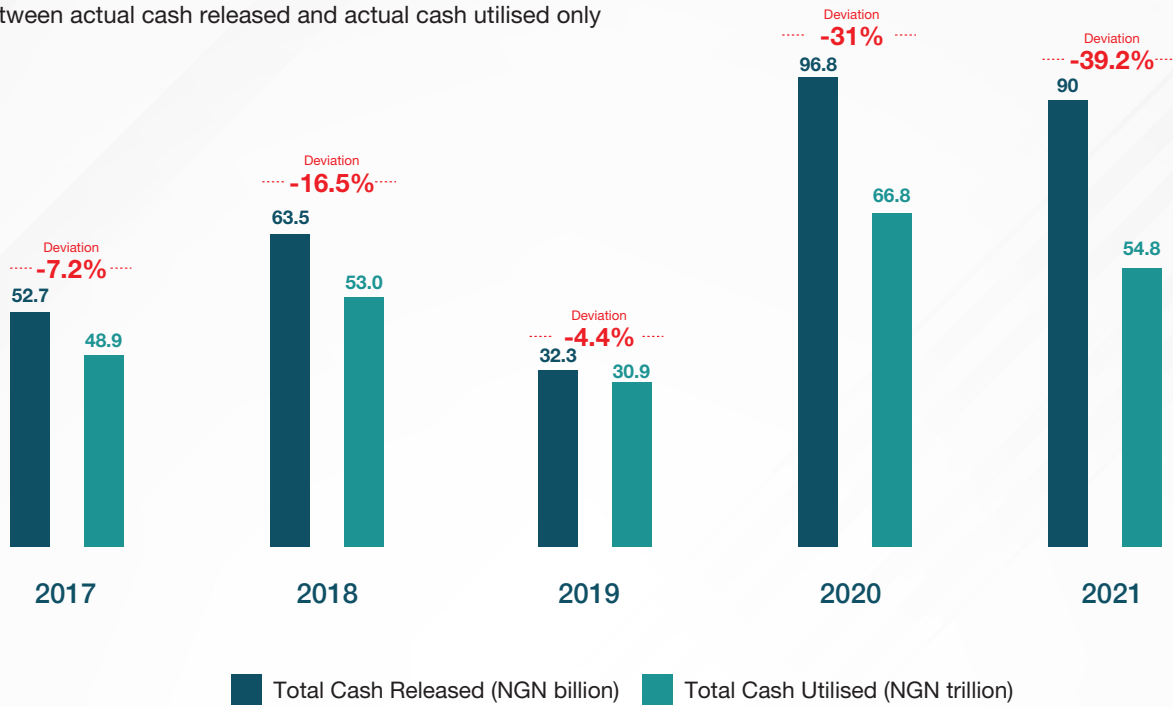


**Figure 4: Health Capital Budget Credibility - Measuring overall deviations between budgeted sums and actual cash utilised**



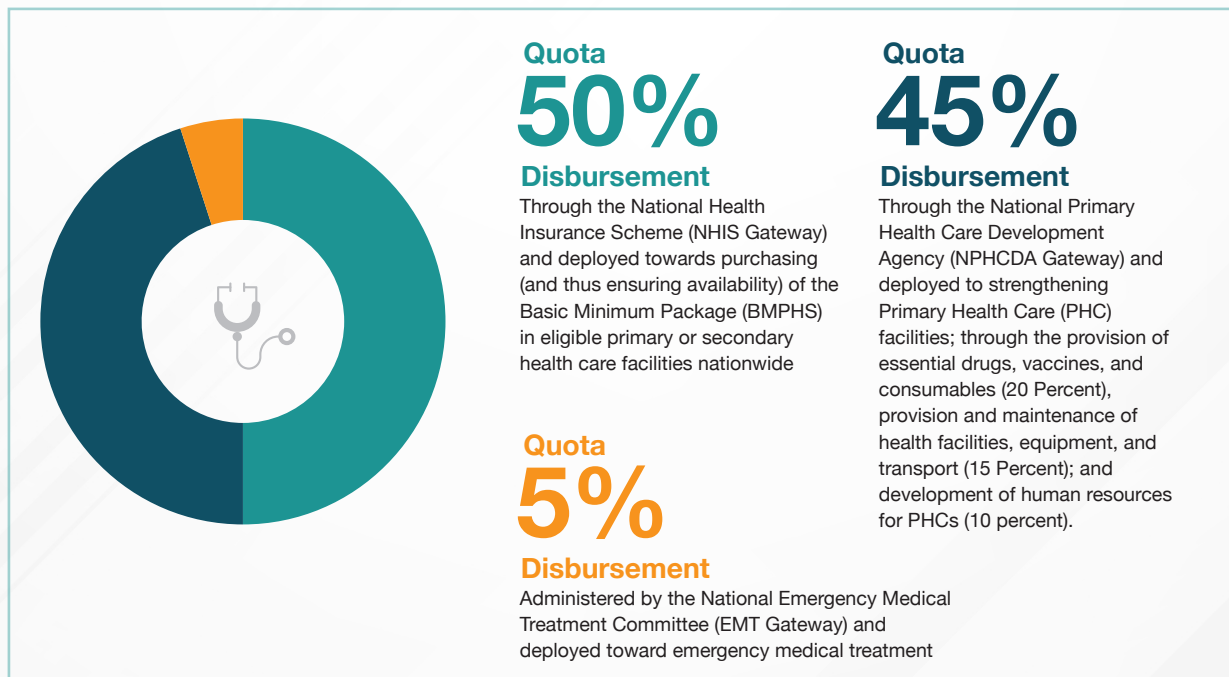
*Note: Total cash released includes amounts captured under Authority to Incur Expenditure (AIE)*

**Figure 6: Health Federal Capital Budget Credibility - measuring deviations between actual cash released and actual cash utilised only**



# The Basic Healthcare Provision Fund

**Table 13: BHC PF Payment and Implementation Gateways**



# Root cause analysis of budget deviations

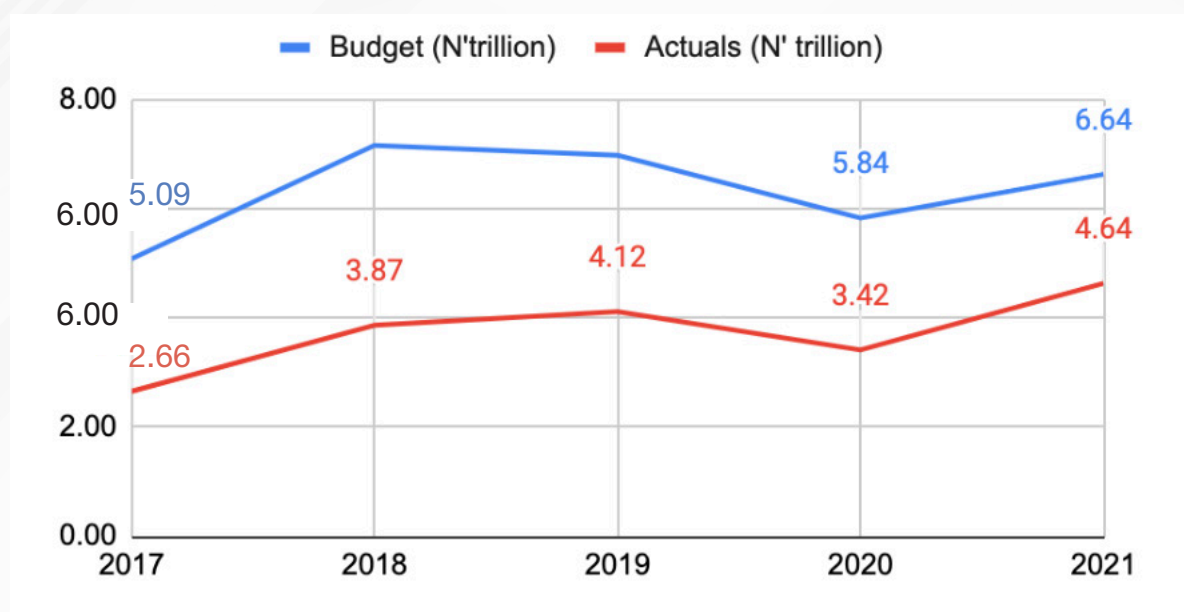
- 1 Revenue leakages
- 2 Unrealistic revenue projections
- 3 Procedural, Regulatory, and Contextual Issues
- 4 Political interference in Public Finance Management mechanisms, overspending by ministries
- 5 Late cash release
- 6 Capacity gap for planning, program costing, and cash management

**Table 5:** Federal Government Revenue Profile (2018-2022)

Year	Revenue			Fiscal Deficit	
	Budget (NGN trillion)	Actuals (NGN trillion)	Execution Rate (Percentage)	Projected (NGN trillion)	Actual (NGN trillion)
2017	5.1	2.7	52.3%	2.4	3.8
2018	7.2	3.9	54.0%	2.0	3.6
2019	7.0	4.1	58.9%	1.9	4.2
2020	5.8	3.4	58.6%	5.0	6.6
2021	6.6	4.6	69.9%	5.9	6.4



## Federal Government Revenue Trend



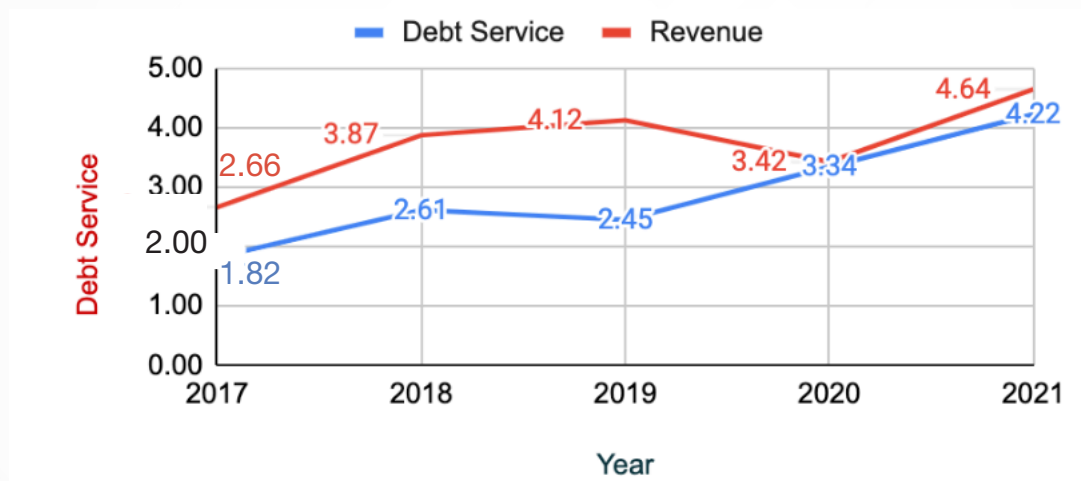
**Table 6:** Bureau of Public Procurement (BPP) Approved Thresholds and Composition of Tenders Board.

Approving Authority/ "No Objection" to award	Goods	Works	Non-Consultant Services	Consultant Services
BPP issues "No Objection" to award/ FEC approves	100 million naira and above	500 million naira and above	100 million naira and above	100 million naira and above
Ministerial Tenders Board	5 million naira and above but less than 100 million naira	10 million naira and above but less than 500 million naira	5 million naira and above but less than 100 million naira	5 million naira and above but less than 100 million naira
Parastatal Tenders Board	2.50 million naira and above but less than 50 million naira	5 million naira and above but less than 250 million naira	2.50 million naira and above but less than 50 million naira	2.50 million naira and above but less than 50 million naira
Accounting Officer: Permanent Secretary	Less than 5 million naira	Less than 10 million naira	Less than 5 million naira	Less than 5 million naira
Accounting Officer: Director General/CEO	Less than 2.50 million naira	Less than 5 million naira	Less than 2.50 million naira	Less than 2.50 million naira

# Effects of budget deviations on service delivery

- 1 Compromised Immunisation Program
- 2 Threatened Health Security
- 3 Future spending on service delivery, compromised
- 4 Substandard Service Delivery

FG Debt Service vs Revenue



# Recommendations

- 1 **Firstline charge for BHCPF Counterpart Funding**
- 2 **Compliance Checklists for Budget Credibility Advocacy:**
- 3 **Strengthen PFM Systems in PHCs:**
- 4 **Constitution of National Council on Public Procurement**
- 5 **Full Operationalisation of the Treasury Single Account**
- 6 **Automation of Cash Transactions**
- 7 **Replacement of Unauthorised Payment Points**
- 8 **Peer Review Mechanism**
- 9 **Proactive Disclosure and Support for Partners**

budget



This report was supported by

