



# Program Budgeting Report on Education and Health

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# Project Overview

Program Budgeting Analysis is designed to provide better understanding of Governments' expenditure pattern. It also identifies administrative outlets of spending for each of the sectors in the federal budget and presents, in a comprehensible manner, a general overview of governments' expenditure per facility level and per sector.

This presentation presents findings that relate to the Federal Government spending on Education and Health.



# Methodology

- This research is based on the examination of budget data, some articles and data publication from related government bodies such as the Central Bank of Nigeria, Budget Office of the Federation and other government parastatals
- **Data sources**
  - Budget office of the Federation (2006 to 2009 actual expenditures and 2010 appropriation expenditures)
  - Annual Report of the Central Bank of Nigeria, 2008
  - Nigerian Demographic and Health Survey 2008
  - Review of Official Development Assistance to Nigeria 1999 - 2007
  - The State of the World's Children, 2009
  - World Health Statistics 2009

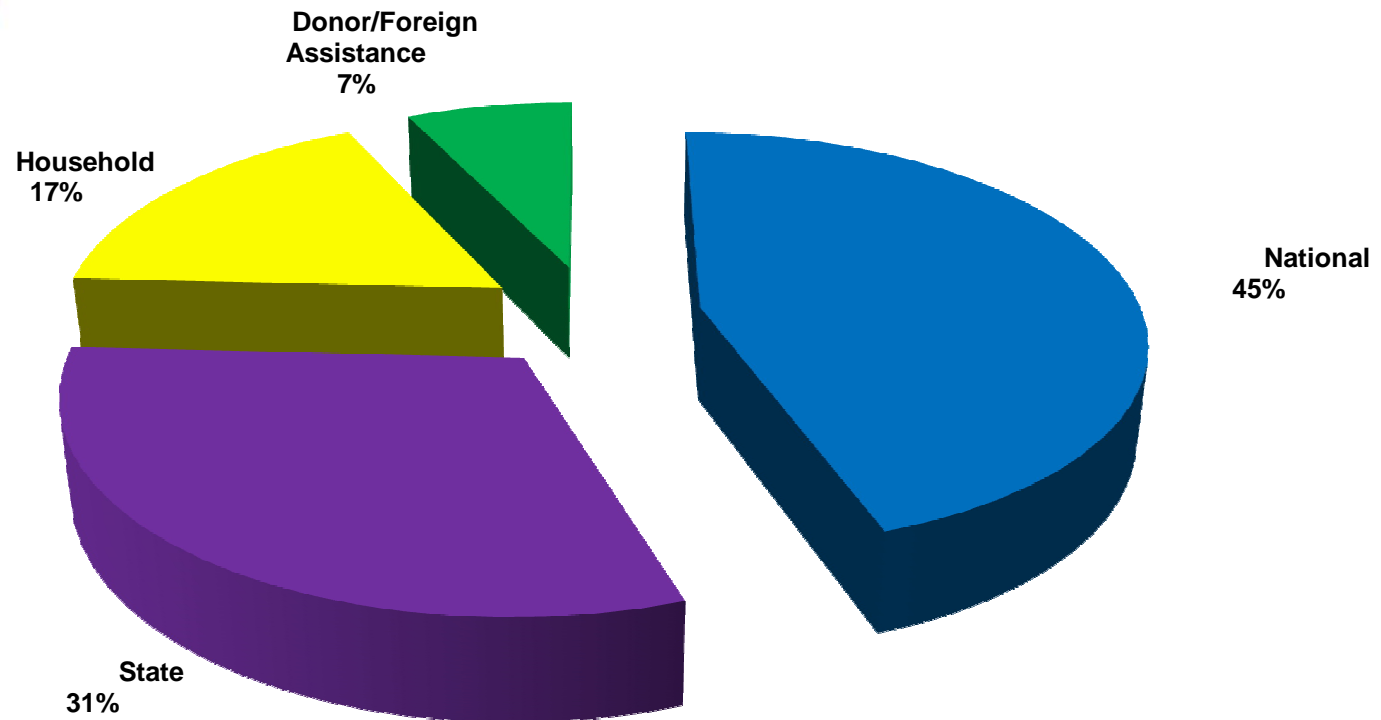


# Assumptions

- **Actual recurrent expenditure**
- **Actual capital expenditure per facility level**
- **Foreign donor funding**

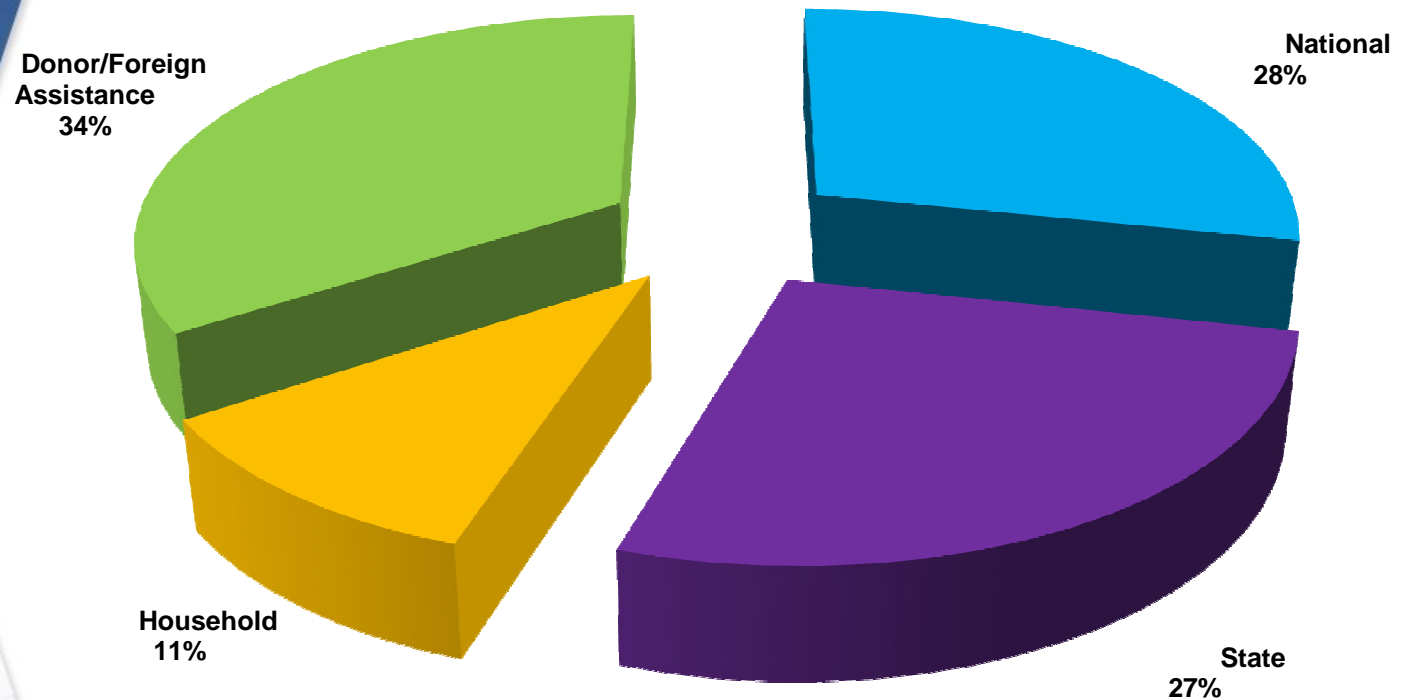
# Findings: Sources of Spending (Education)

## Percentage of Government and Non-Government Spending on Education, 2008



# Findings: Sources of Spending (Health)

## Percentage of Government and Non-Government Spending on Health, 2008



# Findings: Federal Government Recurrent and Capital Spending on Education (per sector analysis)

Recurrent and Capital Spending by Sector, Amount – Education (in millions of naira)

	2006	2007	2008	2009
<b>TOTAL Education Expenditures</b>	<b>200,865</b>	<b>199,924</b>	<b>242,731</b>	<b>213,993</b>
Recurrent	166,870	171,808	198,906	179,631
Wages	146,069	143,849	170,812	151,147
Non-wages	20,801	27,959	28,094	28,484
Capital	33,995	28,116	43,825	34,362

# Findings: Federal Government Recurrent and Capital Spending on Education (per sector analysis)

Recurrent and Capital Spending by Sector, Percent (%) - Education

Total Education Expenditures	2006	2007	2008	2009
% of Total	100%	100%	100%	100%
<b>Recurrent</b>	<b>83%</b>	<b>86%</b>	<b>82%</b>	<b>84%</b>
Capital	17%	14%	18%	16%
% of Recurrent	100%	100%	100%	100%
<b>Wages</b>	<b>86%</b>	<b>84%</b>	<b>84%</b>	<b>88%</b>
Non-wages	14%	16%	16%	12%



# Findings: Federal Government Recurrent and Capital Spending on Health (per sector analysis)

## Recurrent and Capital Spending by Sector, Amount – Health (in millions of naira)

	2006	2007	2008	2009
<b>TOTAL Health Expenditures</b>	<b>99,939</b>	<b>111,635</b>	<b>111,931</b>	<b>116,993</b>
Recurrent	61,195	64,414	72,486	78,540
Wages	56,635	57,933	66,433	72,854
Non-wages	4,560	6,481	6,053	5,686
Capital	38,744	47,221	39,445	38,453

# Findings: Federal Government Recurrent and Capital Spending on Health (per sector analysis)

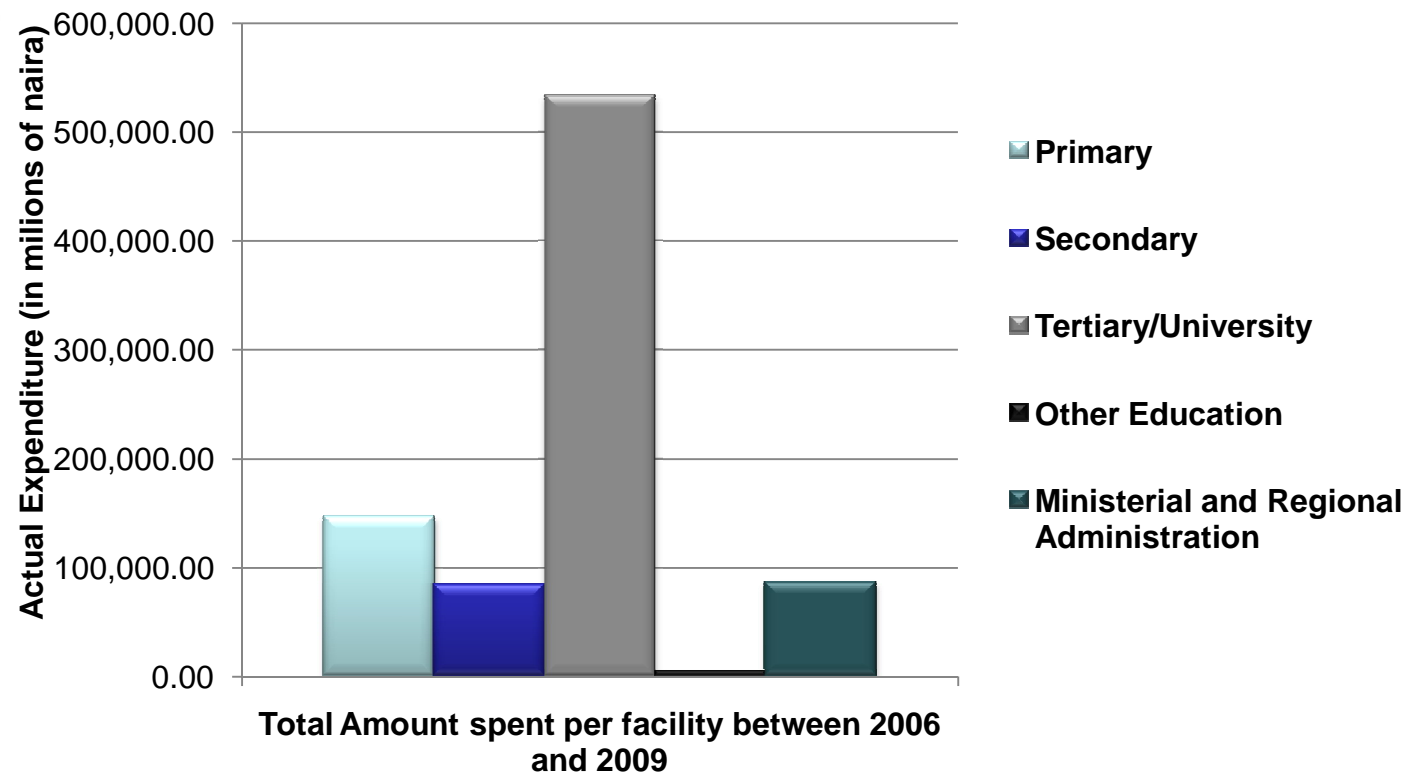
## Recurrent and Capital Spending by Sector, Percent (%) - Health

Total Health Expenditures	2006	2007	2008	2009
% of Total	100%	100%	100%	100%
<b>Recurrent</b>	<b>61%</b>	<b>58%</b>	<b>65%</b>	<b>67%</b>
Capital	39%	42%	35%	33%
% of Recurrent	100%	100%	100%	100%
<b>Wages</b>	<b>92%</b>	<b>90%</b>	<b>92%</b>	<b>93%</b>
Non-wages	8%	10%	8%	7%

# Findings: Education (per facility analysis)

## Education

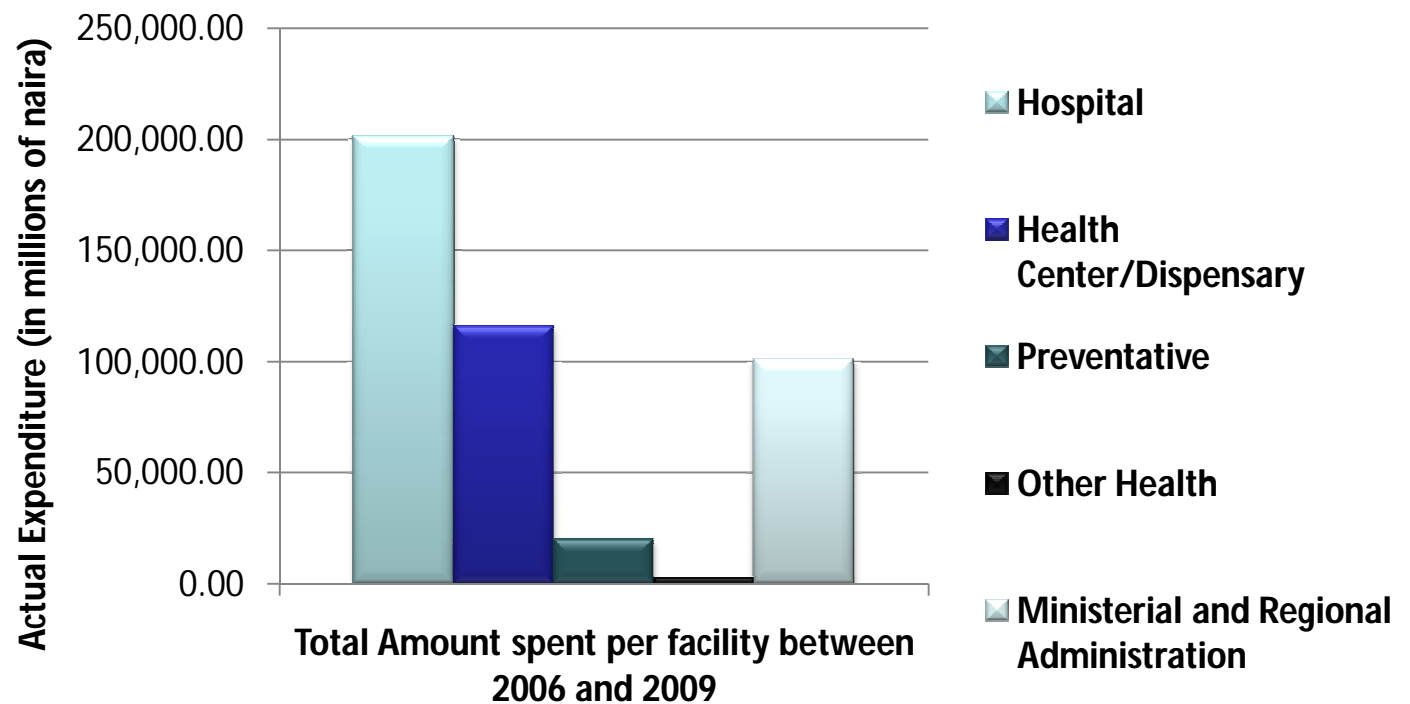
Total Actual Expenditure on Education per facility level from 2006 to 2009



# Findings: Health (per facility analysis)

## Health

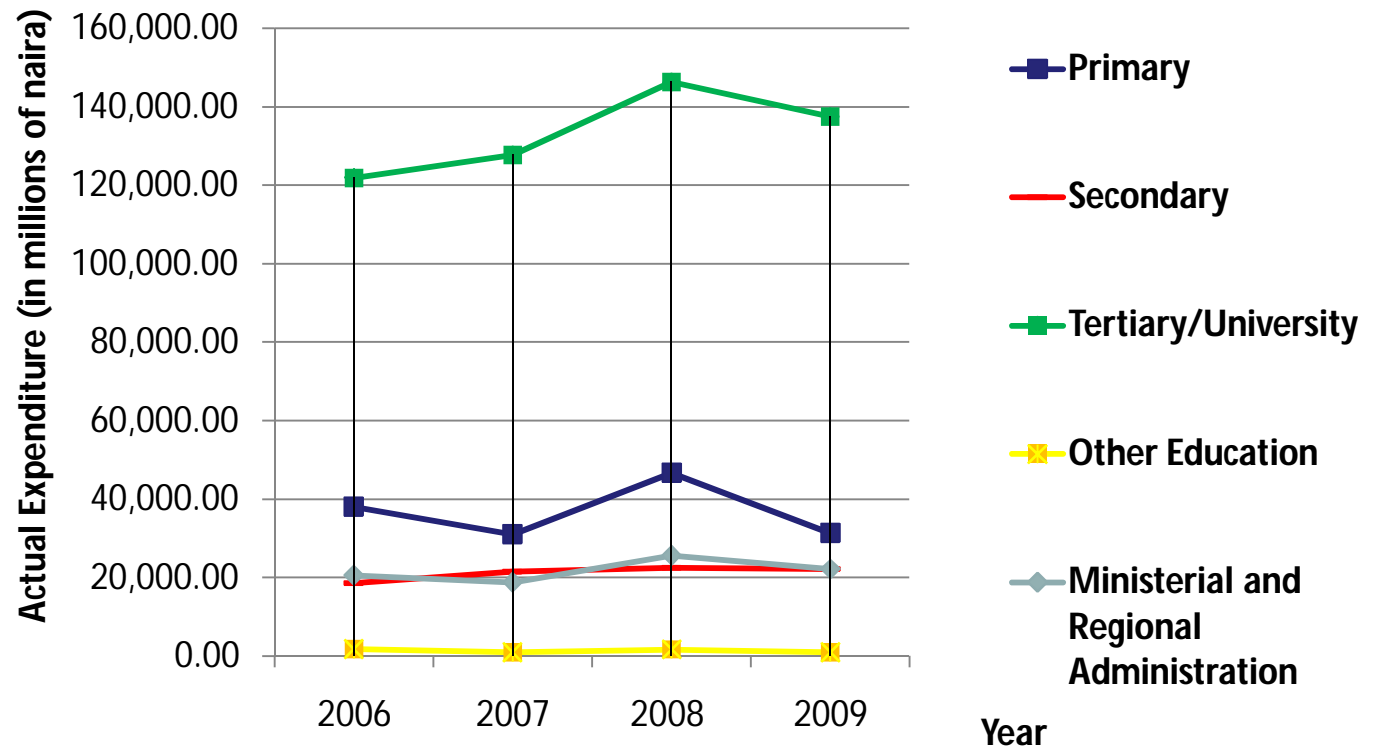
Total Actual Expenditure on Health per facility level from 2006 to 2009



# Findings: Trend analysis (per facility level)

## Education

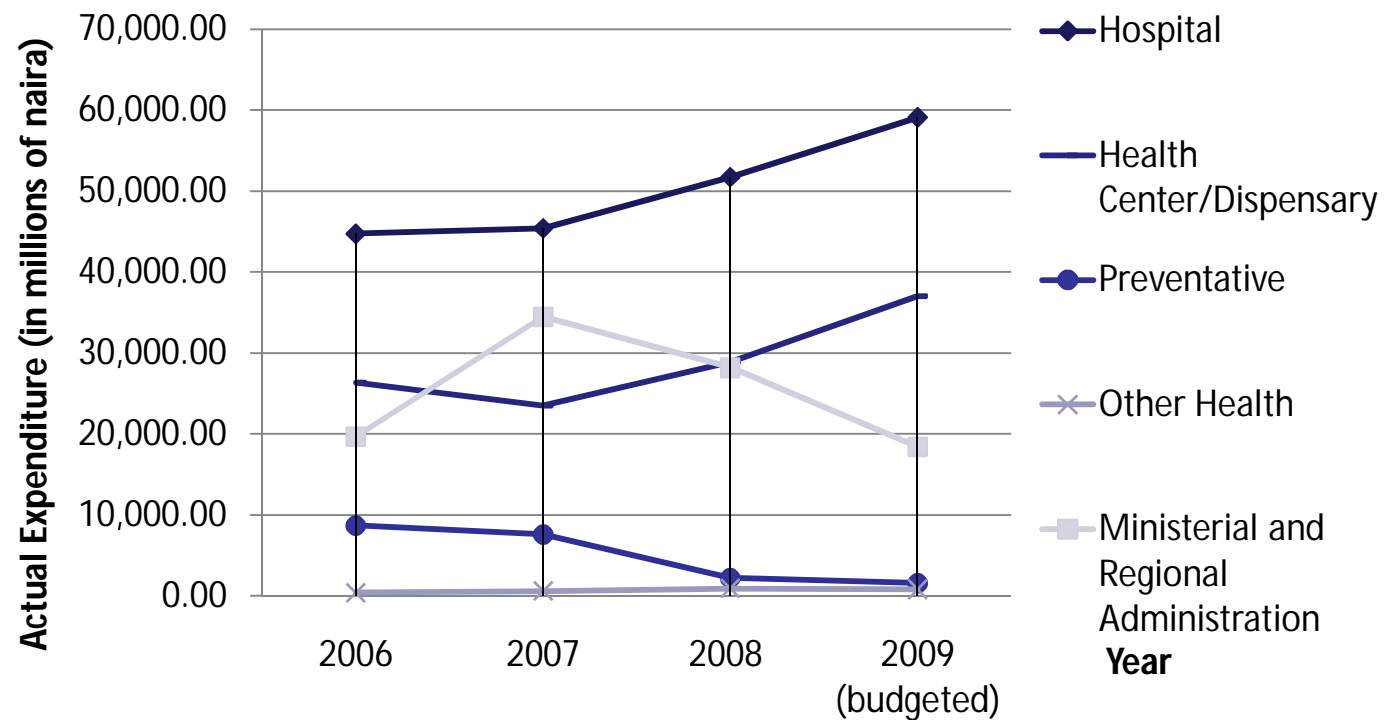
Trend Analysis of Government Spending by Facility Level in the National Education Budget from 2006 to 2009



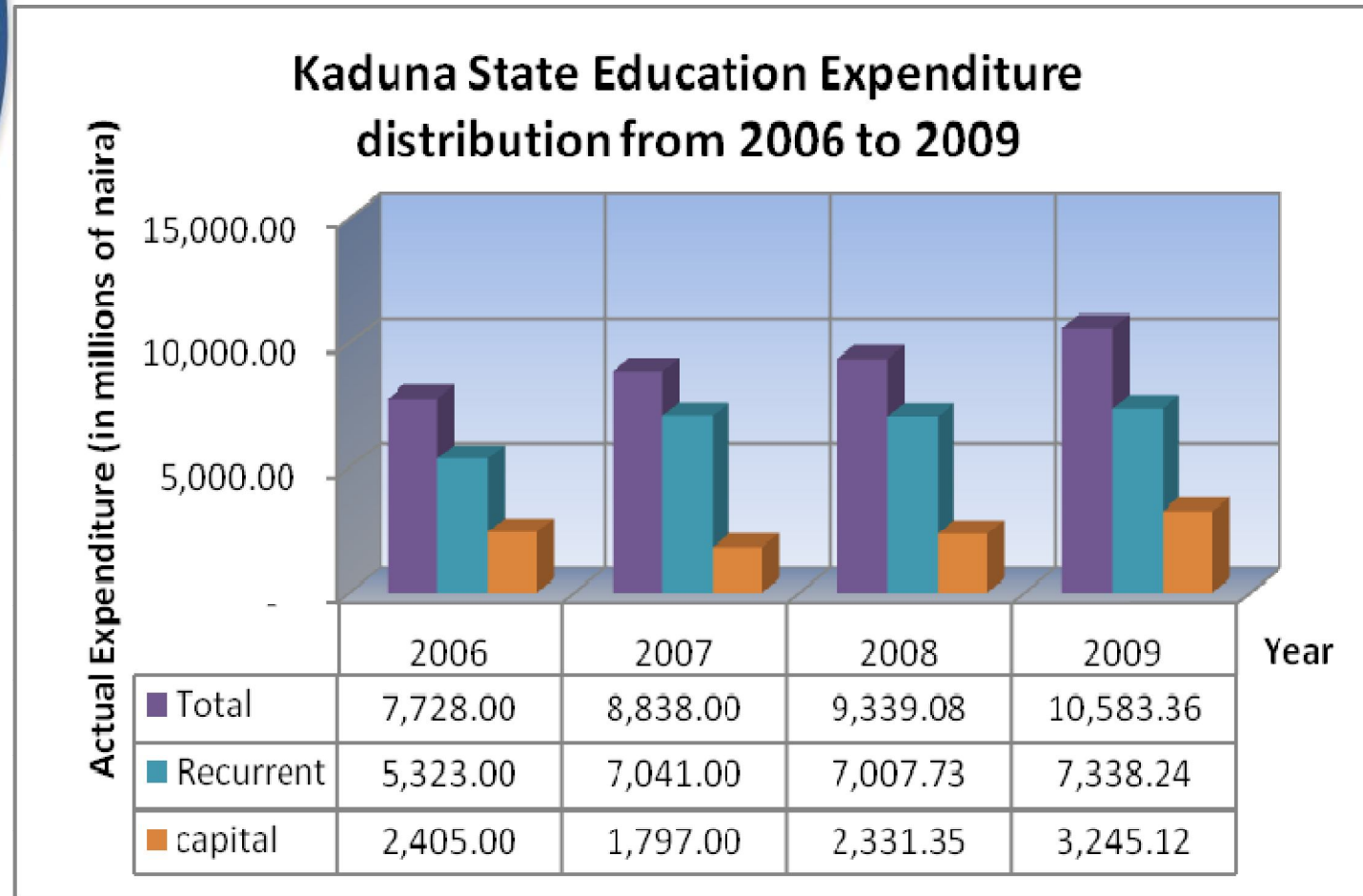
# Findings: Trend analysis (per facility level)

## Health

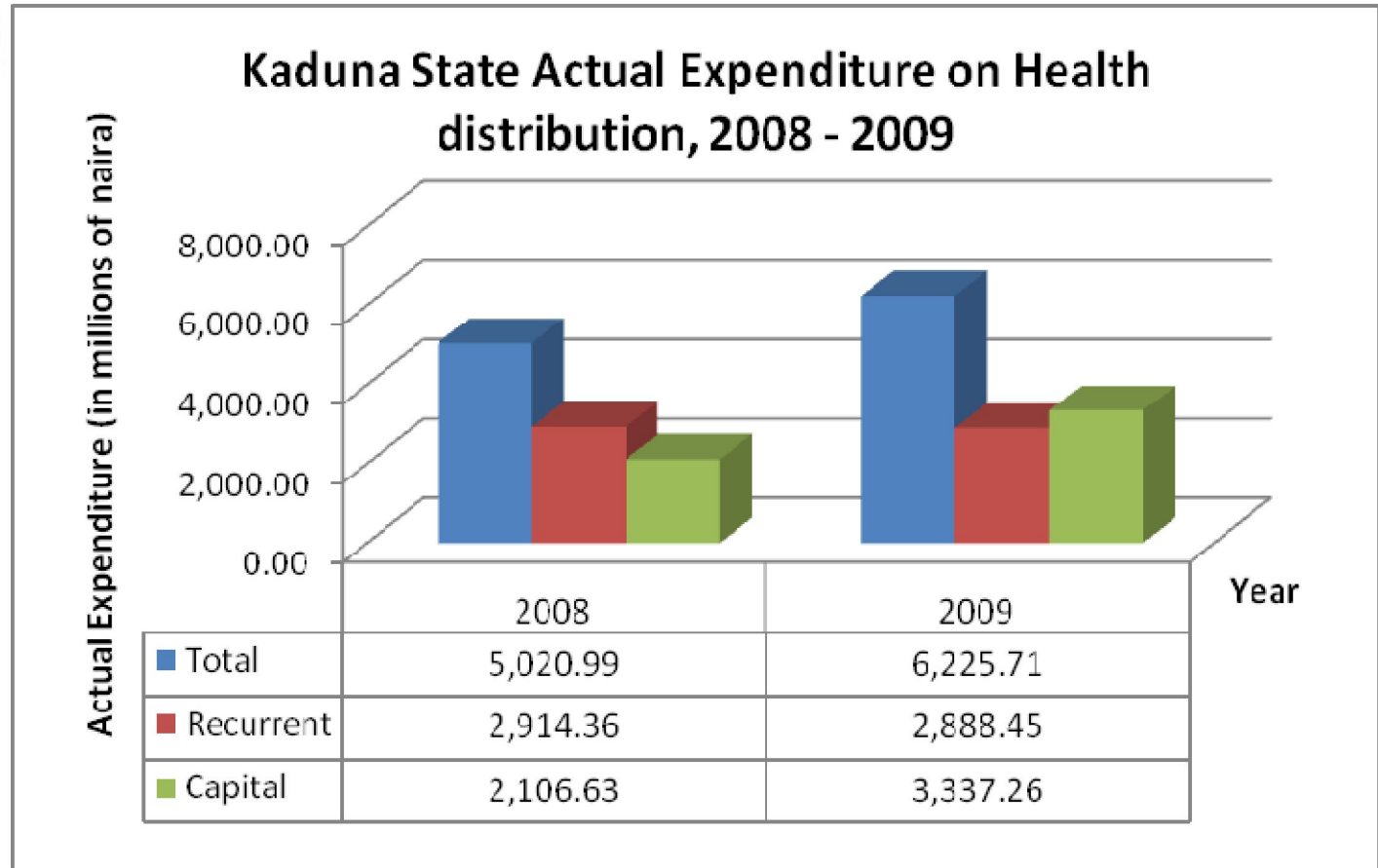
Trend Analysis of Government Spending by Facility Level in the National Health Budget from 2006 to 2009



# Findings: Kaduna State Expenditure on Education



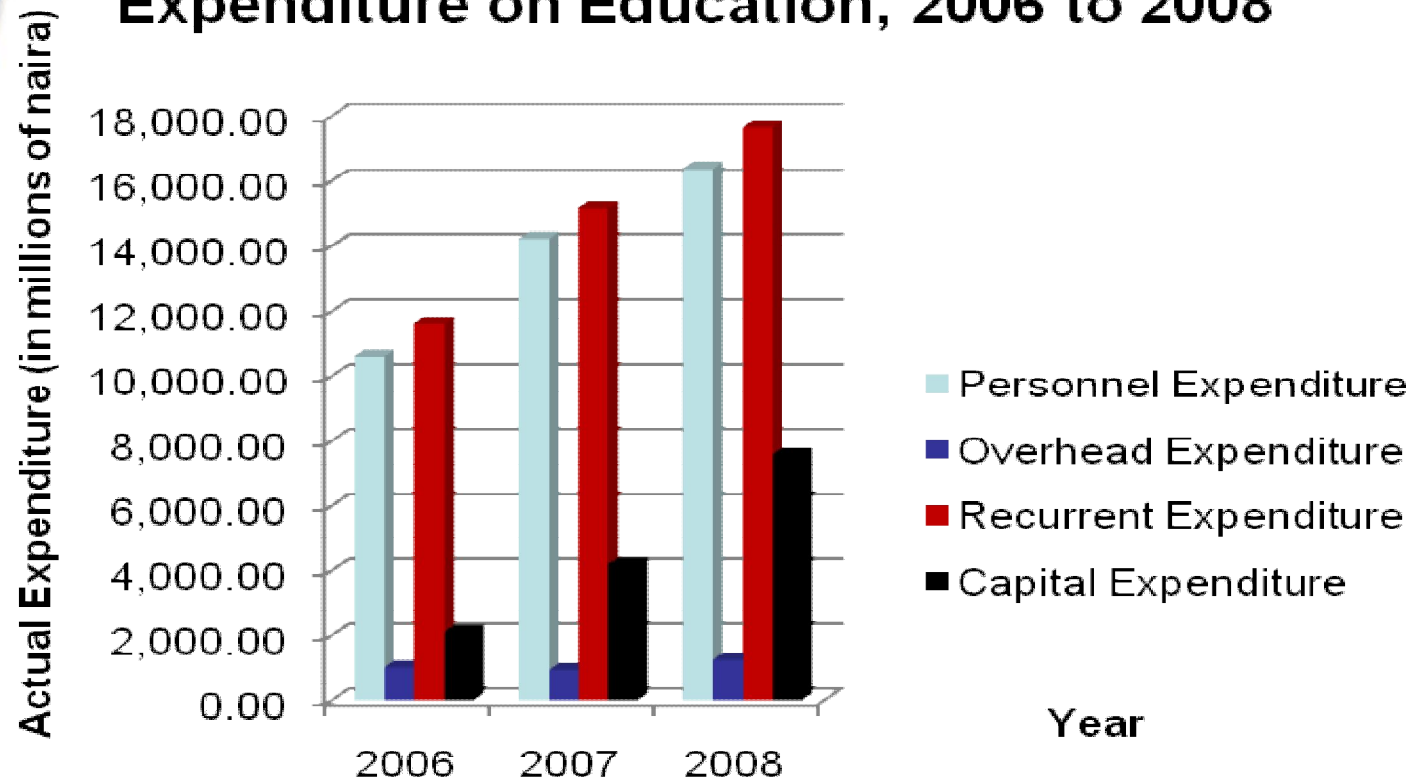
# Findings: Kaduna State Expenditure on Health





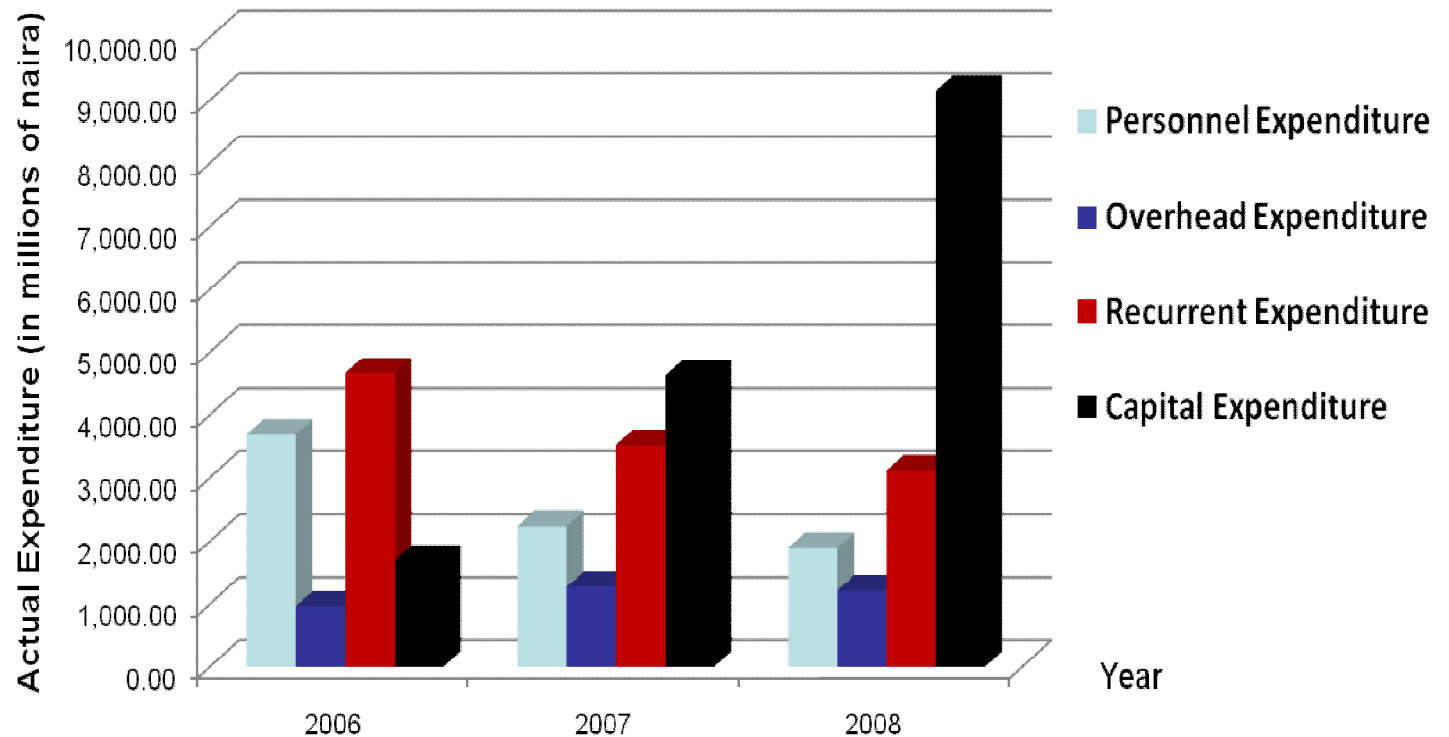
# Findings: Lagos state government expenditure on Education

## Distribution of Lagos State Actual Expenditure on Education, 2006 to 2008



# Findings: Lagos state government expenditure on Health

## Distribution of Lagos State Actual Expenditure on Health, 2006 to 2008



# Key points

## Per Sector Analysis

- FG spent more on recurrent expenditure (wages) in both sectors

### **Kaduna and Lagos states:**

- Education: both states show a rising trend of recurrent expenditure
- Health: Both states reveal a rising trend of capital expenditure

## Per Facility Analysis

- In Education, FG spent the most on tertiary education and least on Other education.
- Health: FG spent the most on Hospitals and least on Other Health.

# Conclusions

## Education

- Government needs to increase spending on capital development.
- Low efficiency of capital expenditure further compounds the ability of the government to 'crowd-in' the private sector, embark on development projects that would alleviate poverty and generate multiplier effects from public expenditure.

## Health

- Need for government to increase spending in the health sector, and to improve the country's human capital development. Compared to some other African countries, 39.7% of Nigerian children are health deprived.
- Government should increase uptake in preventive activities.
- Government should encourage non-profit health institutions established to provide primary healthcare services to low income and most vulnerable groups.

**There is an urgent need for government to ensure accountability and transparency, so that huge government spending can be translated into substantial outcomes and value for money.**



# Thank you!