



Budget Tracking Manual

For Civil Society Organizations in Nigeria



Supported by Partnership for Advocacy in Child and Family Health (PACFaH)



11B, Christ Avenue, Off Admiralty Road, Lekki Phase 1, Lagos, Nigeria.

Tel: 01-2914123, 07030000014 (Toll free).

Email: info@ledapnigeria.org.

Website: www.ledapnigeria.org

Abuja: 4, Manzini Street, Wuse Zone 4, Abuja.

Tel: 09-290 1589, 0813 846 0703.

Port Harcourt: 2, Ezingbu Link Rd, (last Floor), off Stadium Road, Port Harcourt.

Tel: 08033024914

Legal Defence and Assistance Project (LEDAP) is a non-profit organization engaged in the promotion and protection of human rights, the rule of law and good governance in Nigeria. Founded in 1996, LEDAP has membership across Nigeria and coordinating offices in Abuja, Osogbo, and Port Harcourt. It has three programme areas: Rule of Law, Accountability and Governance; Human Security; and Women's Human Rights. LEDAP's working strategy include advocacy for good practices, laws and policy; support to victims of human rights violations; good governance and public accountability advocacy; public interest litigation; and building strong civil society voice in Nigeria. For more information, visit www.ledapnigeria.org.

This document was produced by LEDAP for PACFaH Nigeria in the spirit of NGO Partnership for Child and Family Health.

Foreward

A comprehensive manual to guide Nigerian civil society organizations on how to influence the budgeting process is both timely and important. This manual is also relevant, given the nation's falling petroleum revenue and the resultant competition amongst non-state actors struggling to nudge government to increase funding for public health, education, security, and many other important sectors.

Against this background, the Partnership for Child and Family Health (PACFaH) in Nigeria anchored by the development Research and Projects Centre (dRPC) offers an ideal platform to mobilize Nigerian civil society organizations to work in partnership using the strategies and recommendations of this document to influence the budget making space in the interest of child and family health.

It is fitting that the PACFaH spirit of partnership building for advocacy incorporated the Legal Defence and Assistance Project (LEDAP), the non-governmental organization which developed this manual for the PACFaH collective. The Legal Defence and Assistance Project, founded in 1996, developed this important piece of work as its contribution to supporting good governance, human rights and accountability in the health sector.

The recommendations and strategies contained in this manual juxtaposes the ideal model of civil society engagement in the Nigerian budgeting process against the reality of what actually obtains. But the manual does not stop there, it offers strategies and tactics for CSOs to work together to navigate the sometimes limited space for evidence advocacy around specific issue areas in public health and other sectors such as education and security.

It is my pleasure to recommend this manual.

Mr. Innocent Chukwuma

Representative of the Ford Foundation's office in West Africa

TABLE OF CONTENTS

CHAPTER ONE	3
Introduction	3
About the Guide	4
CHAPTER TWO	5
UNDERSTANDING BUDGET BASICS	5
2.1. What is a budget?	5
2.2 What can the budget tell us?	6
2.3 Components of a budget	6
2.3.1 Revenue	6
2.4 Grants to State Governments	7
2.5. Expenditure	8
2.5.1 Recurrent Expenditures	8
2.5.2 Capital/Development expenditures	8
CHAPTER THREE	10
3.1 BUDGETING Process	10
3.1.2 A summary of the Nigerian budget process is set forth below.	11
3.1.3 Why should Civil Society Organisations intervene in budget tracking?	13
CHAPTER FOUR	15
Budget analysis	15
4.1 Understanding where income comes from, how it is spent, and what costs are covered by the budget.	15
4.2. Budget tracking	16
4.3 SAMPLE OF A TRACKING FORM TEMPLATE	18
4.3.1 Budget calculations	18
4.4. What messages can you draw out from these calculations?	21
CHAPTER FIVE	22
5.1 Sharing findings	22
5.2. Budget advocacy	23
5.3. How can civil society engage in the budget advocacy?	23
5.3.1 The role of CSOs in the Budget Formulation stage	23
5.3.2 The Role of CSOs in the Legislative stages	24
5.3.3 The Role of CSOs in the Budget implementation phase	25
5.3.4 The Role of CSO in Budget Monitoring and Tracking	25
5.4. Factors for effective budget advocacy	26
KEY BUDGET TERMS	27

CHAPTER ONE

1.1 - Introduction

The monitoring of government budget can be a useful means of curbing the menace called corruption which has become a bane to development in Nigeria.

Healthcare is a basic human right, and should be available to everyone, regardless of where they are born or how wealthy they are. The poorest and most vulnerable people in society are often most dependent on the public health system, and are therefore most likely to be affected by how public resources are allocated. Even if a government allocates funds to disadvantaged groups, weak financial management – and a lack of political ‘voice’ on the part of those groups – can mean that money does not always reach them.

Budget tracking has proved to be an important tool in identifying challenges, inefficiencies and waste in service delivery. It has been successfully used in some cases to promote reforms leading to significant improvements in budget allocation

At both the national and local levels, civil society organisations rooted in local communities, working together in strategic alliances, can play an important role in ensuring transparency and accountability in the way government spends funds on health services.

At national level, organisations can get involved in the planning process and influence national spending priorities. At local level, civil society organisations can oversee health expenditures, monitoring what is spent by local clinics, and using their findings to call for changes to budget allocations

1.2 - About The Guide

This guide provides civil society organisations (CSOs) in the health sector with the basic information they need to get started on budget work. It introduces core concepts relating to budgets, and discusses ways of analysing them. It also demonstrates how budget work can inform strategic advocacy messages, and bring about change in the health sector. The guide is divided into five areas:

This guide is organized in six chapters:

- **Chapter one** is the introductory chapter.
- **Chapter two** is about understanding budget basics.
- **Chapter four** provides a detailed discussion on the budget process including the four stages of the budget cycle and what CSOs can do at each stage of the budget cycle.
- **Chapter Five** provides tools for budget monitoring and tracking that can be used by CSOs and citizens.
- **Chapter six** provides basic approaches that can be used by CSO actors to undertake effective budget advocacy and lobbying.

CHAPTER TWO

Understanding Budget Basics

Budgets can be complex, and you might feel you don't have the technical skills to analyse and monitor a budget. But the reality is that understanding budgets can be straightforward. While some are more sophisticated than others, the bottom line is usually simple. Using basic calculations, your organisation can gather important information that will enable you to assess whether your government is fulfilling its commitments on health spending through the budget.

Anyone can analyse a budget – they just need the right guidance, which is where this guide comes in. But bear in mind that doing effective health budget advocacy requires patience and commitment. Getting hold of the right information can be challenging. You may also be monitoring budgets across different periods of time (annual, quarterly, etc). Being committed to the process will help you achieve more in the longer term.

2.1. What is a budget?

A budget – whether for a family or a government – is a document that sets out how much money (income or revenue) is coming in, where it is coming from, and what it will be spent on (expenditure). A family budget would show how much money is available for a certain period of time (often a week or month), and how the family plans to spend it. For example, the money available may come from the parents' income, dividend from an investment, or social welfare benefits. Expenditure might include rent, utility bills (such as gas, electricity and water), food, transport and clothing. Public budgets follow a similar concept to family budgets, but they involve a more complex planning and implementation process.

Government budget is an estimate of Governments revenue and expenditure within a specified period, usually one year. It shows how government plans to make, borrow or spend money. They are the instruments through which governments allocate the country's financial resources. The budget process is a political one, reflecting the policy priorities of the government in power.

2.2 What can the budget tell us?

It's important that CSOS understand how budgets work at different levels – local, State, national and international – and between levels. This is because national policies determine what is available to spend in local health facilities. Good planning and budgeting at local health facility level can have a big impact on people's health outcomes. In addition, the flow of money between and within budgets influences the amount of money available from a specific budget. It can also expose leakages or the misuse of funds.

2.3 Components of a budget

A budget has two components namely:

- a). Revenue
- b). Expenditure

2.3.1 Revenue

This is income that is collected from various sources. Some of these include:

- a) Oil revenue
- b) Non-oil revenues.
 - a. Oil generated revenues includes
 - Crude Oil Sales
 - Royalties
 - Oil & Gas
 - Petroleum Profits Tax Gas sales
 - Rent
 - Gas Flared Penalty
 - Miscellaneous Oil Revenue etc.
 - b. Non oil generated revenues

Under non-oil revenues, the different sources of income include:

- Taxation:

This may be categorized into either direct or indirect taxes). Some of the different taxes include: Personal income tax, sales tax, business profit tax, Value Added Tax, withholding tax, and customs tax among others.

- User charges such as fees, road tolls, market dues, licenses, etc

- Fines and penalties (e.g traffic fines and other penalties)
- Loans
- Grants from donors

In the case of states, the following grants may serve as sources of revenue in addition to some of those mentioned above:

2.4 Grants to State Governments

These are other sources of income for the government, and may include:

- Conditional grants
- Un-conditional grants
- Equalization grants

a. Conditional grants

These consist of funds given to States to finance programmes agreed upon between the National Government and the State Governments. The grant may come from the national government or other private grant sources. If it is obtained from the security or capital market, there must be compliance with Investment and Securities Act 2007, which requires that any grant from the private capital market must be authorized by law of the House of Assembly, among other conditions. Such grant, once received should be utilised only for the purposes for which it is meant and in accordance with conditions agreed upon.

b. Un-conditional grants

These are used without conditions, for instance the block grants. These are the minimum allocations that should be allocated to each State to run basic administrative and social services.

c. Equalization grant

These are payments received by state or local government, usually from the federal government, to offset their fiscal deficit or meet some particular need arising in the state, such as bail out grant, or grant made under Ecological fund, special funds such as under the Educational Tax Fund, Universal Basic Education Fund, Millenium Development Goal matching grants, SURE-P payments to states, etc. These grants are not regular but are disbursed to meet needs that the regular income of the state cannot meet. In practice, such grants need to be monitored and tracked its expenditure because they are more susceptible to be misused or misappropriated than the regular income or grants.

2.5. Expenditure

This is a plan for how the revenue or income will be allocated to the competing needs. Government Expenditures have two components.

These include:

- Recurrent Expenditures
- Capital/Development expenditures

2.5.1 Recurrent Expenditures

These are expenditures on day to day items such as salaries, allowances, fuel, electricity, water, etc. The recurrent Expenditures budget also has two components, which include wage and non-wage recurrent expenditure.

2.5.2 Capital/Development expenditures

These are expenditures on development projects which a government intends to do, continue or complete during a financial year. Such expenditures include: construction of roads, classrooms, etc.

In cases where revenues are more than expenditures, a country is said to be running a surplus budget. On the other hand, if a country's revenues are less than its expenditures, it is said to be operating on a deficit budget. Deficits could be covered by borrowing. The 'golden rule' of deficit financing is that borrowing should be limited to finance investment expenditures.

CHAPTER THREE

3.1 Budgeting Process

Budgeting is simply the process of preparing a budget. It refers to the procedures and mechanisms by which the budget is prepared, implemented and monitored.¹⁷ Budgeting is very crucial for the economic development of any nation. Good budgeting can lead to economic growth and development. But to prepare a good budget requires a responsible leadership, special staff assistance, broad, accurate and reliable information, complete plan, a financial calendar and effective monitoring and control over the execution of the budget plan. The budgeting process traces the budget in one year from conception through to preparation, approval, execution, control, monitoring and evaluation. The budgeting process is divided into four main stages viz:

- a. Budget Review
- b. Budget Formulation
- c. Budget Implementation
- d. Budget Monitoring and Control

2.5.1 The Nigerian Budget Process

In Nigeria, the preparation of the budget is a shared responsibility of the Executive and Legislative arm of the Federal or State Government. The budget, which is officially referred to as the Appropriation Act or Appropriation Law¹, is introduced by the Executive, approved by the Legislature and signed into law by the President.

It therefore means that a budget of the federal government, state government or a local government is a law and has the force of law. Any default of the budget is breach of the law.

2.5.2 A summary of the Nigerian budget process is set forth below.

a. Budget Planning/Formulation

The Budget Office of the Ministry of Finance develops the budget in accordance with the Federal/State Government's fiscal policy. The Budget Office meets early in the fiscal year with key revenue generating agencies (including the Federal Inland Revenue Service, Nigerian Customs Service and the NNPC for federal budgeting) as well as key economic agencies (including NPC, NBS and CBN) to assess and determine trends in revenue performance and macroeconomic indicators and the implication of such trends for the next three fiscal years. This discussion leads to the preparation of a Medium-Term Revenue Framework ("MTRF")

¹ 'Act' refer to laws make by the National Assemble applicable as federal law, while 'Law' refer to laws made by the State Houses of Assembly, applicable in the respective states. 'Bye Law' are not made by the Local Government council applicable to the LG.

pursuant to which projected revenue from various oil and non-oil sources is determined over the medium-term. Following this determination with respect to revenue, the Medium-Term Expenditure Framework (“MTEF”) is developed outlining key areas of expenditure (statutory transfers, debt service, MDAs’ Expenditure) as well as the projected fiscal balance. If this fiscal balance is a deficit, sources of financing this deficit are also considered. MDAs’ expenditures comprise both capital and recurrent expenditures. Since 2005, the Government has used the Medium-Term Sector Strategies to prioritize and align the capital expenditure of large-spending MDAs with the development objectives of the Government.

b. Budget Call Circular and Preparation of the Executive Budget Proposal.

Once the MTEF, Fiscal Strategy Paper and MDAs’ expenditure ceilings have been approved by the Federal Executive Council, the Budget Office, under the supervision of the Minister of Finance, issues a “Call Circular”. The Call Circular instructs the MDAs to allocate their allotted capital expenditure ceilings across their existing and new projects, programmes and other initiatives. MDAs are also required to submit estimates of their recurrent expenditure requirements for personnel costs and overhead. The Budget Office evaluates and consolidates the submissions of the various MDAs and prepares the draft budget. This process most times, takes place in August.

c. Presidential Submission to the National Assembly

The draft budget is presented by the Minister of Finance to the President for approval. The approved budget, together with supporting documents, is formally presented by the President to the National Assembly for consideration and appropriation, typically at a joint session of the Senate and the House of Representatives.

d. Legislative Scrutiny and Approval

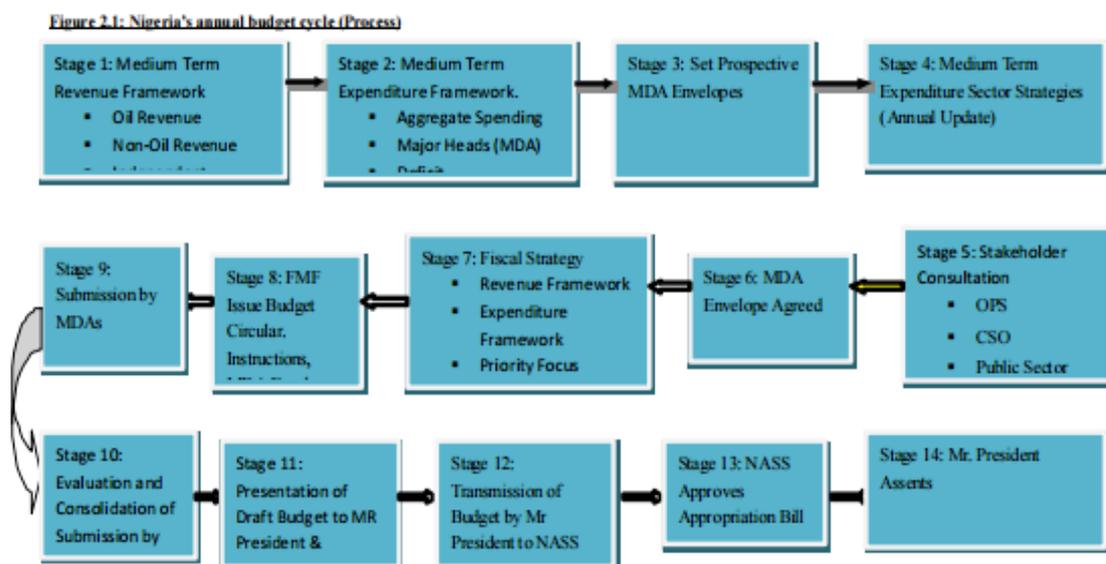
The budget is considered separately by the House and Senate of the National Assembly in accordance with the legislative practice and procedures. The two houses harmonize their drafts and the recommendations of the various committees are considered and collated with the oversight of the MDAs. The harmonized budget is approved separately by each chamber of the National Assembly, after which it is presented as the Appropriation Bill to the President for assent. Once the President assents to the Appropriation Bill, it becomes an Act of parliament passed into law

e. Budget Implementation

The implementation of the budget is carried out by the various Ministries, Department, and Agencies (MDAs) of the federal government. Funds for capital projects are released on a quarterly basis to the relevant spending MDAs in line with what is allocated to them in the budget. It should be noted that the Federal Ministry of Finance instituted since 2005, cash Management Committee, that ensures funds availability for the smooth financing of government budget. This structure reduces discretionary borrowing from the overdraft (Ways and Means) account of the Central Bank and avoids delays towards completing capital projects.

f. Monitoring and Evaluation of the Federal Budget

The oversight of budget implementation is the final stage of the budget process. The monitoring is done by the Ministry of Finance, the National Planning Commission (NPC), the National Assembly, the National Economic Intelligence Agency (NEIA), the Presidential Monitoring Committee (P BMC), the Office of the Auditor General of the Federation and the Accountant General of the Federation. Actual inspection of the capital projects are carried by these agencies in various capacities, predominant among them is the Ministry of Finance; the National Planning Commission and National Assembly through its think-tank – the Policy Analysis and Research Project (PARP) which is now, National Institute for Legislative Studies (NILS). While copies of the budget Implementation reports are on the website of the Federal Ministry of Finance, such reports from the PARP now NILS is made available to the National Assembly presiding officers and relevant Committees.



2.6 Why should Civil Society Organisations intervene in budget tracking?

One of the principal roles of civil society is to hold the elected government accountable for the implementation of its policies, and for advancing the interests of its citizens. These policies and interests are represented in the national budget, where the government sets out how resources will be allocated to each priority expenditure area.

Government controls and manages resources that belong to us all and Government is elected as trustees or guardians of the common will and the resources of the state. In determination of income and expenditure priorities, the people should have a voice because apart from ownership of the resources, budget decision affects everyone particularly the poorest of the poor.

Most CSOs have mandate that include poverty reduction and adequate health facilities for all. There is no way poverty can be reduced if the budget is ignored. Empirical evidence has shown that although governments exist to protect the common welfare, power and the perquisites that flow from it tends to flow in concentric circles. Therefore elected politicians have not tended to work for the benefit of all segments of the society. Without popular inputs, the tendency to work for the dominant classes profile being in the neighbor of 70%, civil society interventions can serve as a reminder for the leadership to work and budget for all-an inclusive budget framework.

CSOs can undertake the following activities to help make the budget process effective:

- Provide independent critical analysis by monitoring Government spending
- Provide training in budget analysis and advocacy
- Build a culture of accountability
- Advocate for increased access to budget decision-making
- Mobilise stakeholders, interest groups and citizens to participate in budget work
- Produce alternative budgets
- Simplify budgets
- Expand the debate around budget policies and decisions.

It is pertinent that civil organisation demand and get a space in the budgeting process to provide a buffer against the falls outs of policies that are only interested in corporate profits rather than pro poor growth.

Chapter FOUR

Budget analysis

4.1 Understanding where income comes from, how it is spent, and what costs are covered by the budget.

Budget analysis can determine whether the budget addresses priority areas, whether it is adequate, increasing or declining, and whether or not it is equitable. It can be conducted at national or state/provincial.

A common use of budget analysis is to compare the national health ministry's budget with other ministries' budgets – e.g. education or defence. Such a comparison can determine the priority given to health by the government in relation to other sectors.

Budget analysis can help you to answer some key questions for health budget for the fiscal year.

- **Is the current health budget adequate to meet the government's stated policy objectives?**

If the government has committed to reduce child mortality, for instance, are sufficient resources reaching the related programmes, such as integrated management of child illnesses, a strategy that is widely recommended to improve healthcare for sick children in outpatient settings?

How does this compare with funding for other priority areas such as specific disease programmes?

- **How much priority is given to health when compared with other sectors?**

Many developing country governments have already made a commitment to improving health services. In 2001, many African heads of state pledged to allocate at least 15% of their total annual budget to realise this aim (the Abuja Declaration). Civil society organisations can track government budget allocations to the health sector and lobby for this spending commitment to be met.

- **Is progress being made in real terms?**

Has government expenditure on health increased in real terms (above the rate of inflation) over time (when compared with previous years)?

Are budget allocations equitable? Which services and commodities are being funded, and are they proportional to the most common diseases among different population groups, or targeted where needs are greatest? Are cost effective interventions being prioritised? Or, for instance, is a disproportionate share of resources going to tertiary care (specialised, consultant care, usually in a hospital) in urban areas, to the neglect of primary and secondary services in rural and urban areas? Your health budget analysis can reveal any inequities in resource allocation

- Are resources being spent efficiently? Exploring discrepancies between budget allocations (what is planned to be spent) and expenditure (what is actually spent) can reveal inefficiencies, blockages or weak capacities in the system. A lack of capacity within a ministry or health facility may mean the full budget allocation cannot be spent. This can happen for various reasons – a department may lack the capacity to roll out a project, or there may be insufficient staff to deliver a certain service. There might be money at the health centre to purchase the necessary medicines and provisions, for instance, but the local drug store may have a shortage of products due to a weak supply chain, so the allocated funds cannot be spent as they were intended. Unspent funds may have to be returned to the national Treasury at the end of the financial year, which can result in less funding allocated for that service in the next budget cycle.

- Are resources being spent effectively? Funds should be spent on the right items to meet the overall objective. For example, a policy objective to improve maternal health should be linked to a sufficient share of funds being spent on training and supporting midwives, and the provision of safe delivery tool kits

4.2. Budget tracking

Following budget disbursements through the system down to the service provider.

Budget tracking determines whether the resources allocated by the budget have been spent according to plan. Budget tracking can help to identify mismanagement and corruption. Budget tracking can be conducted at national and State levels. Budget tracking refers to the methodologies that civil society organizations can use to examine how public resources flow from one level of government to the next and eventually to the intended beneficiaries.

a. Tracking approach For CSOS

Tracking approach is a combination of monitoring and investigation. Tracking is expected to be followed step by step, by patient enquiry or observation, to trace and track, to search into; examine and inquire into care and accuracy; taking evidence, etc.

Tracking involves formal and informal engagement with agencies, institutions and persons that would lead to voluntary disclosure of information or the gathering of evidence from which analysis and deductions can be made on a balance on a balance of probabilities

Budget tracking and the resultant report should be in addition to the determining whether a duty was performed or not, and in the traditional media approach seek to provide answers to –

What: What is the fiscal duty or assignment?

Which institution has oversight responsibilities over the primary duty holder?

When: At what time is the duty supposed to be performed?

Where: where will the duty be performed?

Why: Why should the duty be performed? And

How: How the assignment is to be undertaken?

Was: Was the assignment implemented as planned?

The key question to ask is: What are the evidence of its implementation? It must be borne in mind that the authority /office being monitored will not always be happy with the tracker/monitoring results especially when it is critical of their failing. Thus it's imperative while highlighting the failure to also give due credit for success achieved by the authority.

A first step entails an analysis of the health budget of the government in terms of the following:

- a. Is the budget adequate to meet the stated policy objectives?
- b. Is the health sector being sufficiently prioritized? What percentage of the total budget is allocated to the sector (recurrent, capital and overall)?
- c. Is there an earmarked budget for the different components under health?
- d. Is progress being made real terms?
- e. Are budgets allocations equitable?
- f. Are resources being spent efficiently and effectively?

Answers to these questions would help identify the objectives of the advocacy initiative and an appropriate plan to achieve them. It would also ensure that the advocacy efforts are evidence-based and start at the stage when objectives and need for budget analysis are defined.

4.3 SAMPLE OF A TRACKING FORM TEMPLATE

4.3.1 Budget calculations

Central to budget work are budget calculations: budget calculations

Find below some simple calculations that you can do to begin to develop the evidence basis for your budget advocacy. On the basis of these calculations, you can develop specific statements that can shape your budget advocacy messages.

Working through the following practice calculations should help to familiarise you with the types of data you will be analyzing. You can find the answers to these calculations in the appendix on page.

Practice calculations

Budgets are presented in nominal amounts. Real allocations are allocations that have been adjusted for inflation, while nominal allocations are allocations expressed simply at face value. Inflation is the rising price of goods or services, which means that N10.00 in your pocket today does not buy you as much as N10.00 bought you last year. So, if you compare budget allocations very time using actual numbers without taking inflation into account, you'll get a skewed picture.

For example, if a budget allocates N10, 000 for the current year to medicines, the nominal amount is N10,000. If you look at the same budget again in a year's time, the nominal amount allocated to medicines may still be N10,000, but the 'real' amount will be different. Therefore, when analysing budget data, it is essential that you take account of the differences between nominal and real amounts. This means taking **inflation** into account.

- Note that in order to compare budgeted amounts over time (across different years, for instance), you have to adjust the figures for inflation. This requires use of a deflator. This is often calculated by the national statistical office and can normally be found in government budget documents.

- The deflator for the base year is always 1. Table 1 contains data on nominal health expenditure drawn from national budget documents in an imaginary country. In this example, 2010/11 is the base year. Please refer to this table when working through the practice calculations below.

Table 1: Public health expenditure between 2009/10 and 2013/14

	DETAILS	2009/ 2010	2010/ 2011	2011/ 2012	2012/ 2013	2013-2014	Average medium-term growth rate: 2011/2012-2013/2014
1	Nominal Health Expenditure	170,000,000	178,500,000	196,350,000	235,620,000	306,306,000	
2	Real Health Expenditure						
3	Real growth rate of Health Expenditure						
4	Total government budget	6,372,418,374	5,600,000,000	5,900,000,000	6,900,000,000	8,200,000,000	
5	Real total government budget						
6	Real health expenditure as a share of total expenditure						
7	Population	8,000,000	8,240,000	8,487,200	8,741,816	9,004,070	
8	Per capital allocation to health						
9	Deflator.	0.943	1	1.05	1.095	1.141	

1. Convert nominal allocations to real allocations

Use the following formula to fill in row 2 ('Real value') and row 5 ('Real total') of the table:

Real value = nominal value

Deflator

2. Calculate the real growth rate

The real growth rate enables you to work out how much health spending increases year by year.

Use the following formula to fill in row 3 ('Real growth rate (%)') growth rate

= (real spending in year 2 – real spending in year 1) ÷ 100, real spending in year 1

3. Calculate the annual average growth rate for health over the medium term

Please refer back to Table 1 and lift the values in the respective cells. You are taking an average over three years, which is why the denominator (number by which it is divided) is 3. Annual average real growth rate for health over the medium term

$$=(C3 + D3 + E3)/3$$

Use the formula above to fill in the average real growth rate of health expenditures for each financial year between 2008/09 and 2011/12.

4. Calculate health as a share of total government expenditure

This formula will help you to fill in row 6 ('Real health expenditure as a share of the total government budget'):

Real health expenditure as a share of total government expenditures (%)

$$= \text{real health expenditure} / \text{real total expenditure} \times 100$$

This will help CSOS to make statements such as the two below, and make comparisons over time, to judge whether the government really has been prioritizing health spending:

- In 2007/08, ___% of the total government budget went to health
- In 2011/12, ___% of the total government budget went to health

The formula can also be helpful to analyse spending on different programmes or areas within the health sector. For instance, you can compare budget allocation or expenditure for maternal, newborn and child health (MNCH) with government spending on HIV. This can be helpful if you want to highlight insufficient or disproportionate spending on a certain disease or population group compared with spending on the overall disease burden and levels of need.

5. Calculate per capita spending on health

Calculating per capita spending gives you a more realistic and relative picture of the amount the government is spending on health, especially if you are comparing Nigeria with other countries. The World Health Organization (WHO) recommends a minimum government spend of \$44 per person on health (for 2009, rising to just over \$60 per capita by 2015).

This calculation will help you complete row 8 of Table 1 ('Per capita allocation to health'). You need to divide total health expenditure by the total population of the country: Per capita health expenditure = real health expenditure / population

4.4. What messages can you draw out from these calculations?

CSOs can use the above calculations to develop advocacy messages linked to these key questions about government spending on health:

- What has happened to real spending on health over the past five years? Has there been an increase or decrease?
- How does the annual growth rate vary across the five years? Has it increased or decreased?
- What is the government's per capita spending on health and how has this changed over time?
- How much of the total budget does the government allocate to health? How has this changed over time?
- What does this say in terms of whether the government is really prioritising spending on health and realising any commitments it has made?

Your budget analysis will hopefully have given you some important evidence to base your health budget advocacy work on.

CHAPTER 5

5.1. Sharing findings

Findings from budget work should not remain confined to one level of the health system. When CSOs have analyzed the annual national budget, the findings should be shared at the local level. Local CSOs can prepare their budget tracking on health delivery by using the findings to formulate questionnaires or other tracking tools. Similarly, findings from budget monitoring and tracking at the local level can be used by national CSOs when lobbying government officials and policy makers.

Linking and publicising national and local budget work initiatives and findings can lead to greater awareness of education challenges. It places pressure on education ministers and other government officials to take the necessary steps to address these challenges.

The timing of the release of the findings is crucial if the work is to have maximum impact. Therefore, the national level process that the findings are going to be targeting needs to be taken into account from the beginning of the work, including allowing enough time for analysis, dissemination to the government, and for developing a structured media strategy.

5.2. Budget advocacy

The results of budget analysis, monitoring and tracking are not enough on their own to address challenges in the education system. Ideally, CSOs should use these findings to promote lasting change.

Budget advocacy is often about campaigning to bring about specific changes in the budget. These changes can include both increases in overall resources, and a more equitable distribution of resources. More broadly, budget advocacy can also seek improvements to the formal budget process itself, so that budgets become more transparent and involve the wider community.

A key strategy for budget advocacy is developing champions within the executive, or other decision-makers, who can bring issues to the table and articulate them concisely and consistently.

Budget advocacy activities can occur at all stages of the budget cycle: Civil society can contribute at various stages of the budget cycle before and after the Appropriation Act is signed into law. Ex ante, they can assist in the budget formulation process by making contributions at the drafting stages, and also engage the legislators to ensure adequate funding for specific programs. Ex post, civil society can ensure the effective implementation of the budget via expenditure tracking and performance monitoring activities.

5.3. How can civil society engage in the budget advocacy?

5.3.1. The role of CSOs in the Budget Formulation stage

CSOs have a role to play in the budget formulation process. CSOs have a mandate to get involved with the planning and budget process.

a. Budget Planning at Community level

1. Prepare speaking visits in the community to inform the citizens on their rights, expectations and obligations in the planning and budgeting process.
2. Provide written (local language) information materials to the community. These can be in form of leaflets, posters, drawings showing the types of activities being undertaken for the benefit of the community.
3. Organise the communities to identify their priorities to be presented to the relevant committees
4. Read the constitution and relevant laws and policies to identify key areas that the community should know about.
5. Create awareness among the community members about the legal and policy framework for citizen participation.
6. Empowering communities to acquire advocacy and policy analysis skills and influence budget decisions at the local level.

5.3.2. The Role of CSOs in the Legislative stages

The budget however goes through a number of stages in the National Assembly. In order for CSOs to be effectively influence their decision making, they have to be familiar with the budgetary processes

What can CSOs do?

1. Start by understanding the role of the different stakeholders in the legislative process. How much power do they have over the budget process? What are their functions?
2. Organize to engage the stakeholders – prepare policy briefs, position papers, fact sheets, research reports and share them with Ministers and councillors.
3. Organise meetings with the various committees at national level or sectoral committees at state level
4. Present your findings to the committees and make your positions very clear.
5. Make sure the issues you present are backed by good analysis and based on facts e.g. how many people are affected by the problem? How many are men? How many are women? How many

are children? How many are elderly people? How many are people with disabilities or people living with HIV/AIDS? Etc.

6. Keep your demands specific, precise and easy to understand.

5.3.3 The Role of CSOs in the Budget implementation phase

CSOs can also play a part in the budget implementation phase. Once the budget has been approved, government starts spending to procure goods and services. The goods and services include health services, education and water and sanitation and others.

There are several ways in which the CSOs can play a role;

- a) Monitoring service delivery – the quality of services in key sectors. Some projects are commissioned but do not take off, remain incomplete or where there are incomplete, they remain poor quality and therefore do not deliver as expected.

It is the duty of the CSOs to ensure that projects are implemented to their specifications. Monitoring reports by CSOs can be shared with the government (Ministry of Finance, the Sector Working Group Coordinating Committees, the Auditor General) etc.

- b) Mobilise communities to participate in project implementation

5.3.4. The Role of CSO in Budget Monitoring and Tracking

CSOs can also participate in the budget auditing and evaluation phase of the budget process.

- a) Monitoring Budget Performance
- b) Sharing Budget Performance Monitoring Reports. CSOs can access budget performance reports, review and summarise the data in the reports and circulate relevant information to stakeholders including community groups and use them to demand action to be taken to solve the situation
- c) Organize public dialogue meetings for the members of the community to interact with local leaders (councilors, Members of Parliament), government officials, service providers (health workers, teachers etc) to discuss key issues that affect them (community) and to demand immediate action from the decision makers.

5.4. Factors for effective budget advocacy

a. Dissemination

A crucial element of advocacy work is good dissemination. Once you have developed a message about the budget that you wish to promote, there are a number of forms your dissemination strategy can take:

- Private meetings with powerful stakeholders
- Public meetings to encourage debate and discussion
- Audiences with members of parliament

Seminars, workshops, and conferences to share information with other stakeholders;

- Marches, petitions, and other forms of peaceful protest
- Media briefings
- Public-awareness campaigns.

There are several key factors for effective dissemination:

- The approach should be timely, taking into account when important meetings will be held and major decisions made, so as to have maximum impact.
- The format of documents should be accessible, making use of easy-to-follow charts and graphs, and using simple language. Messages should use a variety of formats to reach a variety of target audiences – for example, pamphlets, brochures, easy-to-read guides, newspaper or magazine articles, books, academic articles, or formal reports.

By sharing findings, developing an advocacy strategy and disseminating your message widely it will be possible to make a positive impact on budget decisions.

Finally, We hope this guide has convinced you of the value of engaging in health budget analysis and advocacy, showing you how you can get started, and highlighting some important considerations as well as good examples of what has worked in other contexts.

Good luck with your efforts!

KEY BUDGET TERMS

Accountability (also known as fiscal accountability)- Refers to responsibility of national or state government to account to citizens for the way public funds are collected, managed and spent.

Appropriation (Sometimes called “allocation”)- Refers to the legal authority granted to the executive (national and state government) by the legislature to spend public funds.

Balanced budget- A balanced budget occurs when a government’s total revenues equal its total expenditures for a given fiscal/financial year.

Budget ceiling means the total budget allocation to an individual Spending Agency for expenditure within the budget.

Budget cycle- It consists of the major events or stages in making decisions about the budget (formulation, approval, implementation and auditing)

Budget deficit- A budget deficit refers to a negative balance between budget expenditure and budget revenue (usually over one fiscal/financial year period.)

Budget inputs- Allocations of money to particular uses (e.g. programmes) in the budget. This money is for spending on the production of particular services (in particular programs).

Budget outcomes/impact- The ultimate benefit or value added for the intended beneficiaries and the broader society or economy as a result of budget allocations to a particular programme (or sector).

Budget outputs- Types and amount of goods, services and human resources acquired with the money for each particular programme or activity.

Budget surplus- Refers to a positive balance between budget expenditure and budget revenue (usually over one fiscal/financial year period).

Capital/Development expenditures- Are investments in physical assets such as roads and buildings that can be used for a number of years.

Expenditure- The term refers to government spending (or outlays) made to fulfill a government obligation.

The Partnership for Child and Family Health in Nigeria (PACFaH) Nigeria is a collective of 8 leading Nigerian NGOs working to advance government's commitment to policy implementation and domestic financing in nutrition, family planning, childhood killer diseases and routine immunization through civil society -led advocacy and building champions within the executive and legislative.



Health Reform
Foundation
of Nigeria

