



# Federal Ministry of Health Budget Process Reforms

## Quarterly Newsletter (Q1)

### Background to the reforms

In 2017, the Federal Ministry of Health (FMOH), with funding from the World Bank and Bill and Melinda Gates Foundation (BMGF), and technical support from Results for Development (R4D) and Pricewaterhouse Coopers (PwC), assessed the FMOH budget process to identify challenges and proffer solutions to address them. Recommendations from the assessment resulted in three clear directives from the Honourable Minister for Health (HMH) including the:

1. Reinstatement of the Planning Cell (PC) structure for budget formulation at the departmental level
2. Refinement of departmental mandates to promote departmental budget improvement.
3. Convening of a retreat to launch the budget process reforms.

In 2018, the FMOH with support from R4D and Health Systems Consult Limited (HSCL) convened a 3-day multi-stakeholder retreat to launch key reforms, resolutions from which include the institution of a collaborative mechanism between the Departments of Health Planning, Research and Statistics (DHPRS) and Finance and Accounts (DFA), annual mock budget exercises for early budget preparation, a mechanism for intermediate outcome budget performance monitoring and reporting, and regular needs-based capacity building for PCs.

### Progress made so far

Since the launch of the reforms, the FMOH, through the Planning and Budget (P&B) committee (the collaboration mechanism between DHPRS and DFA) with support from R4D and Sydani Initiative for International Development has conducted two mock budget

exercises in 2019 and 2020. Targeted capacity building approaches (informed by regular capacity assessments) were deployed during these exercises, to build the capacity of planning cell members of the FMOH Departments, Agencies and Parastatals (DAPs) on effective budget development and performance monitoring. Given the restrictions posed by the COVID-19 pandemic, the P&B committee with R4D/Sydani support, deployed a two-phased approach to conduct the 2020 Annual Operational Plan (AOP) and mock budget development exercise, and build the capacity of the PCs. The first phase involved key officers of the committee providing remote support (through teleconferencing and phone calls) to DAPs in the development and submissions of their draft AOPs and mock budgets. The second phase involved the review, finalization, and harmonization of all draft AOPs, and mock budget submissions done at a 5-day in-person workshop attended by the P&B committee and its team of AOP and mock budget reviewers with teleconferencing participation by the PCs. This approach was successfully piloted and proved to be a less cost-intensive but equally effective approach to the conduct of the annual AOP and mock budget exercise. By September 2020, these capacity building approaches had resulted in a 21% increase in PC capacity across budget formulation and monitoring skillsets.

To establish a mechanism for intermediate outcomes budget performance monitoring, the P&B committee, with support from R4D/Sydani in 2020, developed a budget Performance Monitoring Approach (PMA), which links financial inputs to select health intermediate outcomes of quality, equity,

**ACRONYMS:** FMOH – Federal Ministry of Health | R4D – Results for Development | BMGF – Bill and Melinda Gates Foundation | PwC – Pricewaterhouse Coopers | HMH – Honourable Minister of Health | PC – Planning Cell | DHPRS – Department of Health Planning, Research and Statistics | DFA – Department of Finance and Accounts | P&B – Planning and Budget | HSCL – Health Systems Consult Limited | DAPs – Departments, Agencies, Parastatals | COVID-19 – Corona Virus Disease 2019 | AOP – Annual Operational Plans | PMA – Performance Monitoring Approach | NSHDP II – second National Strategic Health Development Plan | HSNLA – Health Sector Next Level Agenda | Ms Excel – Microsoft Excel | FMFBNP – Federal Ministry of Finance, Budget and National Planning | WHO – World Health Organization

financial risk protection and utilization, using indicators drawn from the second National Strategic Health Development Plan (NSHDP II) and the Health Sector Next Level Agenda (HSNLA). This PMA will be operationalized with the 2021 health sector budget implementation.

### **October – December 2020**

The quarter began with an assessment of the P&B committee's capacity, to determine gaps that may hamper their provision of oversight to the FMOH budget process and building of the capacity of PCs across DAPs. This assessment was conducted by the R4D/Sydani team, who subsequently developed a targeted capacity building plan to address the gaps identified.

The committee also refined the PC capacity building plan for 2021 - informed by the results of PC capacity assessment conducted by the committee - and resolved to leverage virtual platforms for its deployment, given the persistent COVID-19 situation. This capacity building plan will include more targeted capacity building on Ms Excel to address the persistent gaps identified in PC Ms Excel capacities (an essential skill for budget development).

To operationalize the budget PMA for the tracking of financial inputs against health intermediate outcomes, the P&B committee ensured complementarity with already existing (internal and external) tools, including the budget performance reporting template from the Federal Ministry of Finance, Budget, and National Planning (FMFBNP), and the World Health Organization's (WHO) Resource Mapping (REMAP) tool designed for tracking the implementation of the National Action Plan for Health Security (NAPHS),

To disseminate achievements, share learnings from the FMOH budget process reforms, and

support departments and agencies to apply learnings and findings to their budget process, the P&B committee in December 2020, convened a breakfast meeting with the HMH, Heads and PC officers of Departments and Agencies. The meeting was successful, and its objectives were met with about 70 participants in attendance, including the Permanent Secretary of Health (PSH), Senior Technical Advisor (STA) to the Honourable Minister of State for Health (HMSH), representatives of the Executive Directors/Director Generals and PC members of FMOH agencies, Heads of FMOH departments and development partners (R4D, Sydani, WHO, DFID/LAFIYA etc.). Following presentation and discussion of the achievements, learnings, and findings of the reforms, the committee facilitated break-out sessions with planning cells of agencies to develop action plans with responsible persons and timelines for adaptation of the budget process reforms at their respective agencies. As next steps, the committee will support the planning cells to implement their developed action plans.

### **Overview of planned 2021 activities**

In 2021, to consolidate achievements on the reforms, the P&B committee with support from R4D/Sydani and other relevant partners/stakeholders, will ensure:

1. Continuous improvement in PCs' capacity to develop and submit strategic budgets.
2. Development of the 2022 health sector AOP and mock budget to inform timely development and submission of the 2022 health sector budget.
3. Operationalization of the budget PMA with implementation of the 2021 health sector budget, ensuring quarterly budget performance reporting for decision making, budget defense and advocacy.

4. Continuous documentation and dissemination of findings and learnings from the budget process reforms for cross learning at FMOH DAPs and other MDAs.

**ACRONYMS:** FMOH – Federal Ministry of Health | R4D – Results for Development | BMGF – Bill and Melinda Gates Foundation | PwC – Pricewaterhouse Coopers | HMH – Honourable Minister of Health | PC – Planning Cell | DHPRS – Department of Health Planning, Research and Statistics | DFA – Department of Finance and Accounts | P&B – Planning and Budget | HSCL – Health Systems Consult Limited | DAPs – Departments, Agencies, Parastatals | COVID-19 – Corona Virus Disease 2019 | AOP – Annual Operational Plans | PMA – Performance Monitoring Approach | NSHDP II – second National Strategic Health Development Plan | HSNLA – Health Sector Next Level Agenda | Ms Excel – Microsoft Excel | FMFBNP – Federal Ministry of Finance, Budget and National Planning | WHO – World Health Organization