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Researchers investigated the expected roles of different actors who will be involved in implementing the BHCPF across all levels of the health system, to identify specific accountability mechanisms that support the effective implementation of the Fund.

The research was conducted in Abuja (Nigeria Federal Capital) and Anambra State in Southeast Nigeria. The research methods included document reviews, interviews with key actors and stakeholder analysis. A Theory of Change approach was used to explore the opportunities and challenges for implementing the BHCPF, and to identify the potential roles of key actors within a future accountability and governance framework for it.

The research is part of the RESYST (Resilient and Responsive Health Systems) Research Consortium.



Implementing the Basic Health Care Provision Fund in Nigeria

A framework for accountability and good governance

Key messages

- The new National Health Act in Nigeria aims to substantially increase revenue and improve Primary Health Care (PHC) services through the Basic Health Care Provision Fund (BHCPF).
- In order for this additional revenue to reach PHC services efficiently, it is necessary that strategies are in place to ensure accountability between the different stakeholders responsible for implementing the BHCPF at national, state, local and facility levels.
- Researchers from the Health Policy Research Group at the University of Nigeria have developed an accountability framework for implementing the BHCPF, which encompasses mechanisms for strategic planning, strong and transparent monitoring and supervision systems and systematic reporting. The framework shows which actors are responsible for each mechanism and the levels of government that they relate to.
- There are further challenges to accountability that need to be addressed if the BHCPF is to be implemented successfully. These include: delayed transfer of funds, poor data management, corruption and the preparedness of Local Government Health Authorities to manage the Fund.

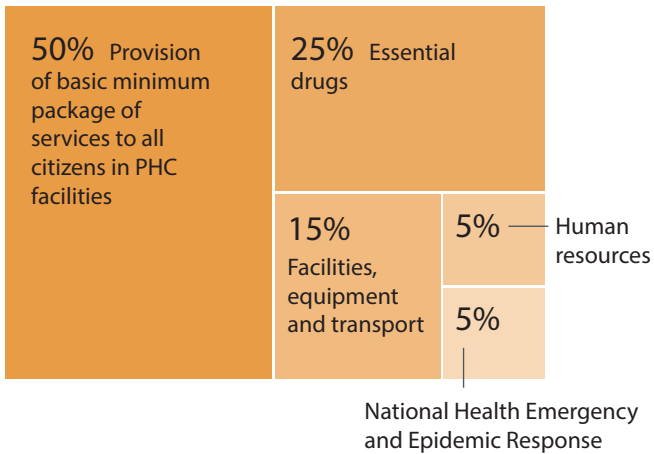
Background

In October 2014, following a decade of planning, the Nigerian President Dr Jonathan Goodluck signed into law the National Health Act (NHAAct). The Act, which provides a legal framework for the provision of health care services to all Nigerians and for the organisation and management of the health system, could not come soon enough; Nigeria currently has some of the worst health outcomes in the world, due in part to the poor state of primary health care services, which are characterised by a lack of coverage (especially in rural areas), inadequate health facilities and high user fees.

Improving Primary Health Care through the Basic Health Care Provision Fund

A key component of the NHAAct is the establishment of the Basic Health Care Provision Fund (BHCPF), which aims to extend Primary Health Care (PHC) to all Nigerians by substantially increasing the level of financial resources to PHC services.

Half of the Fund will be used to provide a basic package of services in PHC facilities through the National Health Insurance Scheme (NHIS); 45% will be disbursed by the National Primary Health Care Development Agency (NPHCDA) for essential drugs, maintaining PHC facilities, equipment and transportation, and strengthening human resource capacity; and the final 5% will be used by the Federal Ministry of Health (FMOH) to respond to health emergencies and epidemics.



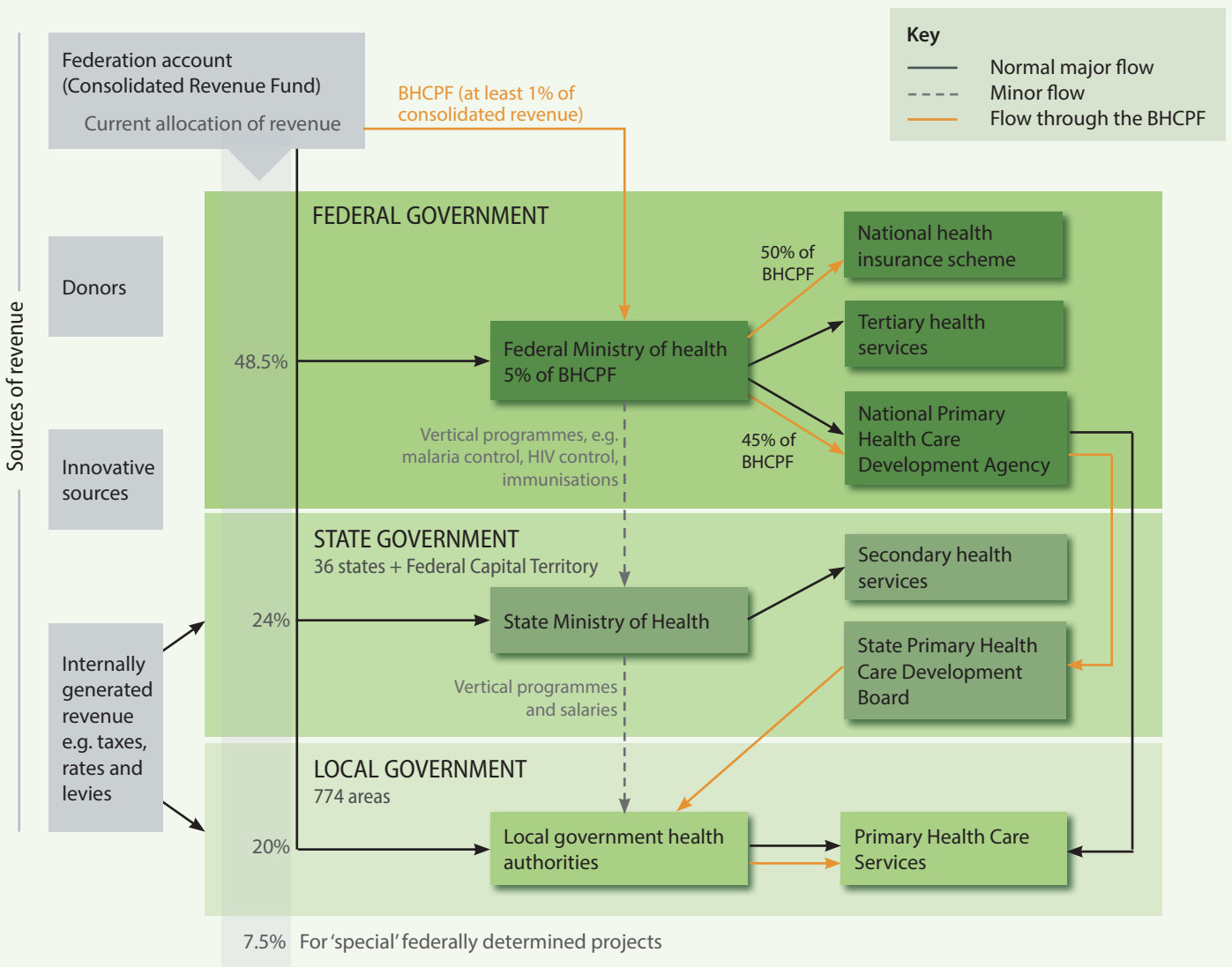
Financing the BHC PF

The BHC PF will be predominantly financed through an annual grant from the Federal Government of not less than one percent of the Consolidated Revenue Fund (total Federal Revenue before it is shared to all tiers of government). Additional sources of funding could include grants by international donors and funds generated from innovative sources such as taxes on cigarettes and alcohol. Further, to be eligible for Fund donations, States and Local government areas are expected to contribute 25% counterpart funding respectively towards PHC projects. Figure 1 shows the current flow of funds for health services in Nigeria and the proposed flow of revenue of the BHC PF.

Implementing the BHC PF

As figure 1 demonstrates, there are multiple stakeholders involved in disbursing the Fund. At the Federal level, the National Primary Health Care Development Agency (NPHCDA) is responsible for transferring funds from the FMOH to the State Primary Health Care Development Boards, who then disburse funds to Local Government Health Authorities (LGHAs). It is LGHAs that are responsible for funding PHC services in their area.

Figure 1. Flows of funds for health services



Recommended mechanisms to strengthen accountability in implementing the BHCPF

In order for the flow of revenue from the BHCPF to reach PHC services efficiently, it is necessary that strategies are in place to ensure accountability between the stakeholders at different levels of government. Figure 2 sets out an accountability framework for implementing the BHCPF, which encompasses mechanisms for strategic planning, strong and transparent monitoring and supervision systems, and systematic reporting. Specific strategies to strengthen accountability at each level of government are outlined below.

Federal government

Federal Ministry of Health (including the NPHCDA, NHIS); Federal Ministry of Finance (including the Budget Office of the Federation)

- Produce clear guidelines about who is responsible for implementing the fund across all levels (national, state and LGAs) and what their roles are.
- Build capacity of State and Local Government Health Authorities to disburse Fund revenue effectively. This may include assisting states to set up Primary Health Care Development Boards where they currently do not exist, or providing training on Change Management.
- Use external auditors to monitor and evaluate implementation of the BHCPF across all levels. External auditors could also include members from community groups, CSOs and NGOs.
- Consider making dispersal of revenue from NPHCDA to SPHCB conditional on the results of previous disbursements.
- Demonstrate transparency by publishing financial information about the BHCPF on the website.

State government

State Ministry of Health, SPHCB, State Ministry of Finance, Ministry of Local Government

- Provide supportive supervision to LGHA such as mentoring or training on how to address specific challenges.
- Consider making dispersal of funds from SPHCB to LGHA conditional on the results of previous disbursements.
- Employ qualified finance managers to be responsible for disbursing funds.
- Demonstrate transparency by separating BHCPF account from the State health account, and by publishing financial reports on SPHCB websites in accordance with the Freedom of Information act and Fiscal Appropriation Act.

Local government

- Produce a plan for how the BHCPF will be disbursed to health facilities.

- Employ qualified finance managers to be responsible for disbursing funds.
- Demonstrate transparency by separating the BHCPF account from other sources of funding for PHC facilities.

Health facilities

- Produce a plan for how the BHCPF will be spent.
- Health Facility Committees should monitor how revenue from the Fund is spent.
- Put in place systems for keeping records about how funds are managed.
- Use e-payment or banks for consumer payment of charges at health services, rather than cash payments to reduce potential for corruption.

Community members and other external actors

- Include community members in Health Facility Committees, and thus involve them in decisions regarding how revenue is spent at health facilities.
- Development partners and CSOs can monitor the release of funds at each level of the system (national, state, local and health facility).

Challenges to accountability and implementation

Recurrent challenges have hampered the effective implementation of health policies in the past, especially at the national and state levels. It is important that challenges are taken into consideration and addressed as part of the implementation of the BHCPF.

Delayed transfer of funds

A long waiting period from when the budget is announced to when funds are released can make it difficult for implementers to plan their activities. Interference from higher levels of government may also contribute to making funds inaccessible to implementers when they need them.

Poor data and financial management

Poor data management constitutes a challenge to accountability because data is needed to make decisions and plan how revenue can best be spent. It also deters development partners and other donors from providing additional funding.

Corruption

Corruption, such as mismanagement and diversion of funds, has been a key challenge to the successful implementation of past financial reforms. Without strong accountability mechanisms and clear guidelines for how the Fund should be spent, there can be a tendency for government officials and politicians to divert resources for their own personal gain.

Preparedness to manage the Fund

Additional resource allocations to LGHA need to be complemented by action to strengthen LGHA capacity to manage the Fund.

Figure 2. Accountability framework for implementing the BHC PF

