Political Economy of Development Aid for Health in Post-GDP Rebased Nigeria: implications for financing universal health coverage

**Background:** Nigeria transitioned into a low medium income country after rebasing its GDP rebasing in 2014. The economic growth has been at the expense of inclusive growth with about 70% of the population living under the poverty without access to social services including health. Against the backdrop of contracting revenue base due to low oil price, it has become imperative for the country to find ways to derive efficiency and value from existing sources such as development aid for health (DAH), while it explores innovative mechanisms for raising funds domestically to extend universal health coverage to the citizens in the SDGs era.

**Methods**: Using qualitative research approach, the study explored the political economy of DAH in Nigeria within the context of ongoing health financing reforms. Primary data collection was through in-depth interviews (IDI) of purposefully-selected key health system actors, and complimented by review of published and grey literature including policy and program documents. Data was analyzed using thematic and content analytical frameworks.

**Results**: Nigeria relies heavily on DAH to fund critical population-based interventions including health systems strengthening initiatives. Aside multilateral and bilateral donors from OECD countries, China and South countries have become key players, in addition to indigenous and international foundations. The main aid instruments include project support and technical assistance which are channeled mainly through grants and concessional loans/credit with little or no budget-support. Donor funds are rarely pooled into a basket fund and rarely use the country’s systems as transparency and accountability are major issues. Poor coordination by the government leads to duplication of efforts and poor alignment with the country’s priorities. DAH projects are inequitably distributed with some states left as orphan states. There was no consensus on the efficiency of donor aid but services provided through donor funding were perceived to be of good quality due to use of standard procedures and adequate supervision and quality improvement mechanisms. While DAH was seen to provide some degree of financial risk protection to beneficiaries, there were concerns about its sustainability in Nigeria amidst dwindling donor funding now worsened by economic recession.

**Discussion/Conclusions:** As Nigeria grapples with aid transition issues, it needs to strengthen existing mechanisms for aid coordination, joint monitoring and accountability for results, while addressing inequities and ensuring value for money. Strengthening public finance management and related systems can potentially increase donor confidence in the country’s system making centralized pooling of donor funds a possibility.