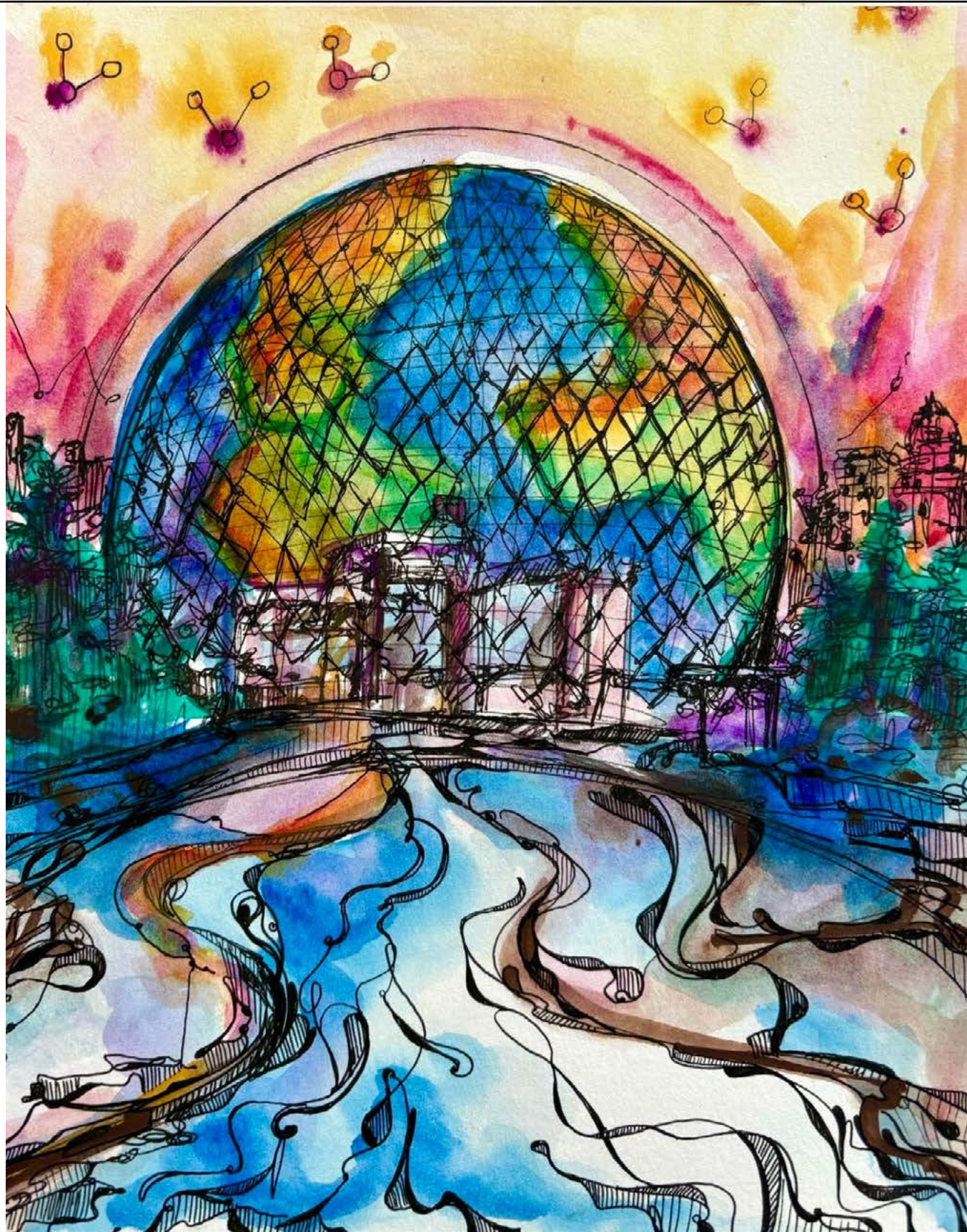


McGILL JOURNAL OF GLOBAL HEALTH

Volume XIV | Issue 1 | 2025





US Foreign Aid Cuts: Strengthening Nigeria's Health System for Resilience

*Omotayo Olaoye*¹*

¹Department of Epidemiology, Biostatistics and Occupational Health, McGill University, Montreal, Canada

Received: May 17, 2025 | Published Online: August 28, 2025

*Correspondence: Omotayo Olaoye, Email: omotayo.olaoye@mail.mcgill.ca

Background

Recent changes in the political landscape in the United States (US) have triggered widespread shifts across global sectors, including economic systems, healthcare, foreign aid, and international relations. Among the policy shifts with the greatest implications for global health are the suspension of foreign aid to low and middle-income countries and the move to dissolve the US Agency for International Development (USAID) [1]. This commentary highlights the significance of this change in the Nigerian context, discussing potential implications for health systems and key recommendations to improve overall health and well-being.

Foreign Aid in Nigeria

USAID has provided development assistance to Nigeria for over 60 years, with funding primarily directed towards improving healthcare, education, agriculture, and essential services [2]. Between 2022 and 2024, USAID contributed an estimated \$2.8 billion to HIV/AIDS, tuberculosis, malaria, polio and other healthcare programs in Nigeria. In 2023, the country ranked as one of the top 10 recipients of USAID funding, receiving over \$600 million in health assistance [3]. Given the country's long-term reliance on foreign aid, the recent funding cessation is unlikely to be without critical implications for the healthcare of Nigerians. Importantly, Nigeria continues to grapple with a heavy infectious disease burden, with over 2 million people living with HIV/AIDS, and the world's highest malaria burden, accounting for approximately 27% of global cases [4, 5]. Nigeria also has the highest tuberculosis burden in Africa and the sixth highest in the world, with the disease accounting for over 250 deaths daily [6]. The coexistence of other healthcare challenges, including high maternal and child mortality rates, an increasing non-communicable disease burden, limited access to essential health services, and an under-resourced health system further highlights the fragility of the national health system [7]. While Nigeria's challenges are critical, they echo a broader concern across other health systems dependent on foreign aid in the wake of US foreign aid policy shifts.

Forging a Path: Global Solidarity and National Resilience

The suspension of foreign aid and associated policy changes have drawn strong criticism and prompted calls for solidarity from global health experts and organisations, emphasising the need for a coordinated response to shared health threats [8]. The COVID-19 pandemic also demonstrated the failure

of isolationist approaches, with vaccine nationalism and unilateral travel bans proving ineffective at insulating countries from the health and economic consequences of the pandemic. Globalisation has further reinforced the reality that health security is a shared responsibility [9, 10]. However, at the core of these issues must lie a deeper imperative. Beyond national interests, the fight against global health threats must be driven by our shared humanity and commitment to addressing structural and historical injustices that continue to marginalise entire populations. Nevertheless, global solidarity alone will not suffice, and countries must demonstrate a firm commitment to the health of their citizens through responsible leadership and governance [11]. In Nigeria and other health systems partly reliant on foreign aid, this dual imperative should drive the implementation of key measures, including but not limited to strengthening domestic financing, boosting local manufacturing, and improving the operational efficiency of disease control programs, as outlined below.

Strengthening Domestic Health Financing

Financial investment in healthcare is a key predictor of health system performance [12]. Over the past decade, the percentage of the Nigerian budget allocated to healthcare has varied between 3.95% and 5.8%, with this budget heavily skewed towards recurrent expenditure [13]. Over two decades since the Abuja Declaration and repeated calls to improve health expenditure and efficiency, the country has yet to meet the benchmark of allocating 15% of its national budget to health. The recent foreign aid cuts will further strain healthcare resources in the country and demand significant adjustments in future budgets. In response to these developments, Nigerian lawmakers approved an additional \$200 million to the healthcare budget to fill funding shortfalls created by the suspension of US foreign aid [14]. While commendable, this reactive response cannot mitigate the initial shock to Nigeria's health system due to US funding cuts. Thus, the current scenario underscores the need for proactive and consistent efforts to build strong, self-sustaining health systems resilient to political, economic, and temporal shifts through robust healthcare investment. Therefore, Nigeria needs to progressively increase its healthcare budget, with greater domestic investment in HIV/AIDS, tuberculosis, malaria, and polio programs historically supported by international aid.

Scaling-up Local Pharmaceutical Manufacturing

Sustainable financing must be paired with investment in pharmaceutical self-reliance. Medicines and medical devices



constitute significant healthcare costs, often placing a financial burden on households and national health budgets. The Nigerian pharmaceutical market relies heavily on imports, with over 70% of medications imported into the country [15]. Amid recent political and economic shifts, including the exit of certain pharmaceutical companies, the value of imported medications rose by 68% in the third quarter of 2023 compared to the same period in 2022 [16]. With the dual pressures of rising importation costs and reduced donor funding, this dependence is increasingly unsustainable and further heightens the need for increased local manufacturing and domestic solutions. Through PEPFAR, the US Government delivered HIV/AIDS medications to over 1.5 million Nigerians, more than 75% of the estimated population of people living with the disease in the country [17]. Similarly, USAID made annual contributions of \$22 million to support tuberculosis detection and treatment in previous years, as well as substantial contributions towards malaria medications and polio vaccines [18]. As these funding streams are threatened, Nigeria risks losing access to life-saving treatments. To ensure continuity of care, the Nigerian government recently announced plans to commence local production of HIV test kits and antiretrovirals by the end of 2025 [3]. Local manufacturing capacity has also increased over the past decade; however, the current demand far exceeds supply [15]. After the impacts of COVID-19 vaccine inequity, many health actors including Africa CDC, have pushed for strengthening regional manufacturing of pharmaceutical products, including vaccines [19]. For this model to succeed, country leaders need to show political and financial commitment. Thus, investing in sustainable pharmaceutical manufacturing is essential to both replace declining donor support and strengthen health systems for pandemic preparedness.

Supporting National Disease Program Implementation

In addition to funding treatment, vaccines and diagnostics, PEPFAR through USAID has provided end-to-end program support over the years including logistics and supply chain management, vertical disease program implementation, monitoring and evaluation, as well as workforce training [17]. The recent developments highlight the need for a swift national response to strengthen and consolidate in-country systems, prevent care gaps, and maintain the quality of care. With adequate resources and functional systems, Nigeria has demonstrated strong capacity for epidemic and pandemic response, as seen during the 2014 – 2016 Ebola outbreak and more recently, the COVID-19 pandemic through the Nigeria Centre for Disease Control [20]. This proven capacity, matched by consistent health investment, strategic program support, and strong governance, can position Nigeria to effectively navigate the current fragilities in global health and future public health crises. The current funding crisis and isolationist policies, especially by high-income countries,

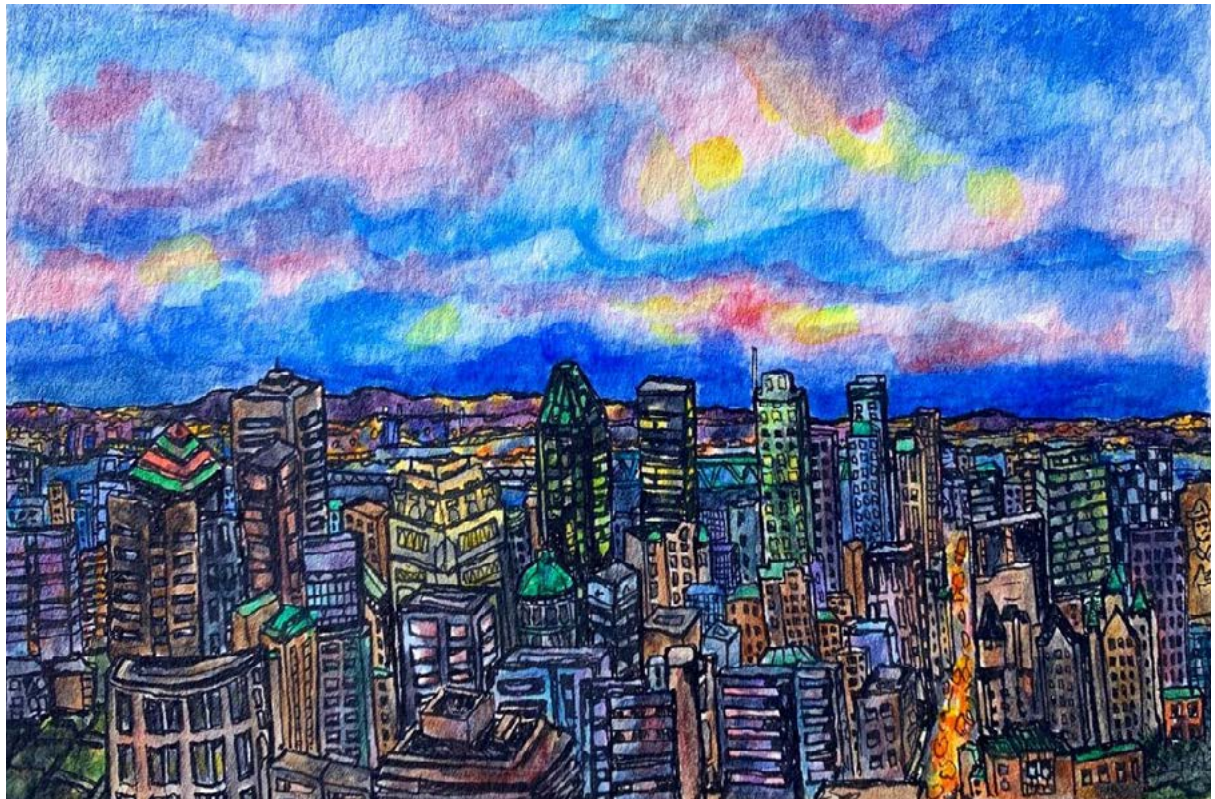
have inevitably disrupted health system sustainability, health service delivery, and other aid-dependent sectors in Nigeria. However, using this moment as a pivotal point, Nigeria can set a foundation for its health system to thrive by strengthening healthcare capacity and resilience through responsible governance and national leadership. Given the increasingly global nature of crises we are facing, including pandemics, there is a necessity for Nigeria to strategize and invest in strengthening regional and global cooperation, global solidarity, and prioritize the collective wellbeing of all.

References

1. The White House, Reevaluating and Realigning United States' Foreign Aid. 2025, The White House.
2. US Embassy and Consulate in Nigeria. U.S. Agency for International Development Marks Sixty Years of Development Assistance to Nigeria. 2021; <https://ng.usembassy.gov/u-s-agency-for-international-development-marks-sixty-years-of-development-assistance-to-nigeria/>.
3. Health Policy Watch: Independent Global Health Reporting. As US Terminates Funding, Nigeria Shifts Focus to Sustain HIV Progress. 2025; <https://healthpolicy-watch.news/as-us-terminates-funding-nigeria-shifts-focus-to-sustain-hiv-progress/>.
4. UNAIDS. Country Factsheets: Nigeria 2023. 2023; <https://www.unaids.org/en/regionscountries/countries/nigeria>.
5. World Health Organization. Publications: Report on malaria in Nigeria 2022. 2025; <https://www.afro.who.int/countries/nigeria/publication/report-malaria-nigeria-2022>.
6. World Health Organization Nigeria. Intensifying new initiatives for TB case-finding in Nigeria. 2024; <https://www.afro.who.int/countries/nigeria/news/intensifying-new-initiatives-tb-case-finding-nigeria>.
7. Odunyemi, A., T. Rahman, and K. Alam, Economic burden of non-communicable diseases on households in Nigeria: evidence from the Nigeria living standard survey 2018-19. BMC Public Health, 2023. 23(1): p. 1563.
8. World Economic Forum. US aid freeze alarms global health experts, and other top health stories. 2025; <https://www.weforum.org/stories/2025/02/us-health-aid-freeze-concerns-and-other-top-health-stories/>.
9. Usher, A.D., A beautiful idea: how COVAX has fallen short. The Lancet, 2021. 397(10292): p. 2322-2325.
10. Mendelson, M., et al., The political theatre of the UK's travel ban on South Africa. The Lancet, 2021. 398(10318): p. 2211-2213.
11. Pai, M., S. Bandara, and C. Kyobutungi, Shifting power in global health will require leadership by the Global South and allyship by the Global North. The Lancet, 2024. 404(10464): p. 1711-1713.
12. Cylus J, S.J., Jowett M. , Financing Health system performance assessment: A framework for policy analysis. . European Observatory on Health Systems and Policies, 2022. 6(57).
13. Budget Office of the Federation: Ministry of Budget and Academic Planning. Budget Documents. 2025; <https://budgetoffice.gov.ng/index.php/resources/internal-resources/budget-documents>.
14. Natalie Muller: Politics Nigeria. Nigeria approves \$200M to 'fill the gap' from US aid cuts. 2025; <https://www.dw.com/en/nigeria-approves-200m-to-offset-shortfall-from-us-aid-cuts/a-71607477>.
15. Lucas, M. Positioning Nigeria as drug ingredients production hub. 2024; <https://thenationonline.ng.net/positioning-nigeria-as-drug-ingredients-production-hub/>.
16. Tunji, S. Drug imports in Nigeria rise by 68% by Q3 2023 over weak naira, GSK exit. 2023; <https://nairametrics.com/2023/12/08/drug-imports-in-nigeria-rise-by-68-by-q3-2023-over-weak-naira-gsk-exit/>.
17. US Embassy and Consulate in Nigeria. Over Last Decade, USAID Activity 'Dramatically Changed the Story of HIV Response' in Nigeria. 2021; <https://ng.usembassy.gov/over-last-decade-usaid-activity-dramatically-changed-the-story-of-hiv-response-in-nigeria/>.
18. Onyedika-Ugoeze N, N.I. Nigeria needs \$404m to deliver TB services amid USAID funding cuts. 2025; <https://guardian.ng/features/health/nigeria-needs-404m-to-deliver-tb-services-amid-usaid-funding-cuts/>.
19. Pan African Health Organization (PAHO). PAHO and Africa CDC strengthen collaboration to address access to essential medicines and vaccines. 2024; <https://www.paho.org/en/news/20-9-2024-paho-and-africa-cdc-strengthen-collaboration-address-access-essential-medicines-and>.
20. Abayomi, A., et al., From Ebola to COVID-19: emergency preparedness and response plans and actions in Lagos, Nigeria. Globalization and Health, 2021. 17(1): p. 79.

McGill Journal of Global Health

Volume XIV | Issue 1 | 2025



Mount Royal, Quebec, Canada © Evelyn Rogan