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BudgIT is a civic organisation driven to make the Nigerian budget and public data more understandable and accessible across every literacy span. BudgIT's innovation within the public circle comes with a creative use of government data by either presenting these in simple tweets, interactive formats or infographic displays. Our primary goal is to use creative technology to intersect civic engagement and institutional reform.

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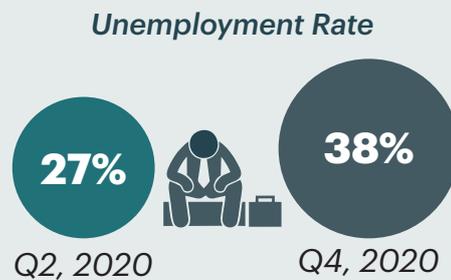
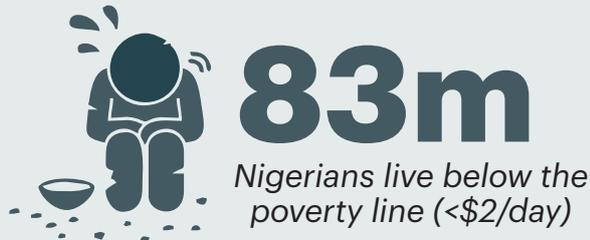
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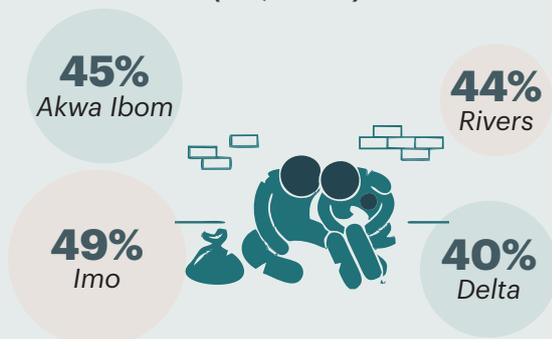
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Quick Facts



Unemployment Rate by State, (Q2, 2020)



*Oil Producing States have the highest unemployment rate

Nigeria's Debt Service Cost as at December 31, 2020



Background

On **February 27, 2020**, **49 days** after the Chinese media reported the first COVID-19 death, Nigeria recorded its first COVID-19 case. Following the spread of the novel coronavirus to **18 countries** outside China, the COVID-19 outbreak was declared a public health emergency of international concern (PHEIC) on January 30, 2020.¹ A month after the first coronavirus case was recorded in Nigeria, the federal government and several state governments put a number of containment measures in place to curtail the spread of the virus and cushion the socioeconomic effects of the pandemic on citizens. These measures ranged from restriction of movements, to closure of non-essential businesses and places of worship, to suspension of air travel, distribution of relief materials, moratorium on loans, support to businesses and other fiscal and monetary policies.² Most of the fiscal policies were formalized in the Amended Finance Act 2020 and also provisioned as COVID-19

¹<https://www.who.int/emergencies/diseases/novel-coronavirus-2019/interactive-timeline#>

²https://nipc.gov.ng/wp-content/uploads/2020/04/COVID-19_REGULATIONS_2020_20200330214102.pdf

Intervention programs in the Appropriation Repeal and Enactment Act 2020.

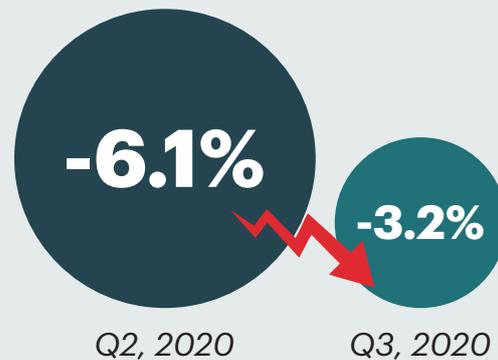
COVID-19 induced shocks to the Nigerian economy precipitated significant hardship in the country where **83 million people** were already living below the poverty line pre-coronavirus era.³ The country's National Bureau of Statistics, NBS, announced that **27%** of Nigeria's labour force were unemployed as of the second quarter of 2020 which rose to **33%** in the fourth quarter of **2020**. In the first 6 months of the pandemic, **four (4)** of the **five (5)** states that were worse hit by unemployment were oil-producing states - Imo, Akwa-Ibom, Delta, Rivers with **49%, 45%, 40%, and 44%** of those states labour force unemployed respectively. Nigeria's oil-dependent economy also took a hit as global demand for oil plummeted sharply, forcing Africa's largest economy into a recession with two consecutive GDP contractions of **-6.1%** in Q2 2020 and **-3.2%** in Q3 2020.

Data availability on fiscal policies have been a crucial starting point in efforts to block leakages of public funds, limit government waste, curb corruption and support sustainable recovery. Also, it is very critical for tracking the extent to which the government is implementing the policies announced at the start of the COVID-19 pandemic. This is even more crucial in the world's most populous

Nigeria's Debt Burden as at (Dec. 31, 2020)



Nigeria's GDP Growth



³Nigeria releases a new report on poverty and inequality in country. (n.d.). Retrieved February 01, 2021, from <https://www.worldbank.org/en/programs/Isms/brief/nigeria-releases-new-report-on-poverty-and-inequality-in-country>

black nation, Nigeria, which is currently groaning under the fiscal weight of a **N32.9 trillion** debt burden and had at least six of its citizens falling into poverty every minute prior to the COVID-19 pandemic.⁴ Nigeria's debt burden (as at fourth quarter 2020) currently stands at **21%** of its **N154.25 trillion** GDP,⁵ while debt servicing cost of **N1.57trillion** in the first six months of the pandemic wiped out **95%** of the country's **N1.65trillion** revenue.⁶

Timely availability of fiscal data could help shine the light on critical patterns in government spending and policy implementation that could compromise

service delivery outcomes from public spending for all Nigerians - considering Nigeria's worsening fiscal situation. However, our research observed Critical gaps in data availability and other areas of the fiscal data spectrum. Also, there was general unavailability of gender-disaggregated data within the government budget, spending and audit documents.

Civil society clearly has a key role to play in ensuring that the government effectively spends limited public revenues to ensure optimal outcomes; that role is somewhat limited to availability, timeliness, consistency and level of details in the country's public financial management documents.

⁴Kharas, H., Hamel, K., & Hofer, M. (2018, June 19). The start of a new poverty narrative. Retrieved February 01, 2021, from <https://www.brookings.edu/blog/future-development/2018/06/19/the-start-of-a-new-poverty-narrative/>

⁵National Bureau of Statistics: Nigerian Gross Domestic Product Report (Expenditure and Income Approach), (Q1, Q2, Q3, & Q4 2020)

⁶<https://yourbudget.com/infographics/2020-half-year-amended-budget-implementation-report/>

COVID-19 Fiscal Policy Responses and Data Availability

This segment provides an overview of the government's fiscal policy responses and data sources for tracking their implementation at the federal and state government level which together comprise **the majority of the total government expenditure**. For rapid assessment at the state level, Anambra was chosen partly due to the recent strides it has made in improving its disclosure of public finance data. The level of reporting, in terms of data availability and disaggregation, of the

budget documents by the Anambra State Government (ANSG) is quite commendable. ANSG publishes its Appropriation Laws, Debt Sustainability Analysis, Covid-19 BIRs, Auditor General's Reports and Accountant General's Reports on its official website on a timely basis⁷ - within the 6 months time-frame following the end of the financial year as required in Section 47 (1) of the state's 2010 Fiscal Responsibility Law.⁸

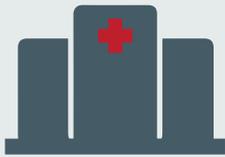


⁷<https://anambrastate.gov.ng/documents/>

⁸https://drive.google.com/file/d/1sjohupDK_RvzpWdKbvTt3Vft4NbnuwTh/view

Observations at the Federal Level

Nigeria's Federal Government promised to invest **N500billion** in implementing containment measure for COVID-19 pandemic in 2020. Find out how much was allocated to each here! #AskQuestions



N126bn

Building a Resilient Health System (COVID-19 Health)



N75bn

Micro Small and Medium scale Enterprises (MSME) Survival Fund



N60bn

Moving People and Goods: Road Construction and Rehabilitation



N56.5bn

Jobs and Food for All: Agriculture and Food Security



N 52.00bn

Public Works Program across Nigeria



N36bn

COVID-19 Support to States (including FCT excluding Lagos)



N 32.46bn

Social Intervention Program



N12.42bn

Energy for All: Mass Rural Electrification/Solar Power Strategy



N9.89bn

WASH Programme

On July 10, 2020, the President of the Federal Republic of Nigeria, Muhammadu Buhari, signed the Appropriation Repeal and Enactment Act 2020 into law.⁹ A few months down the line, December 31, 2020, the Finance Act 2020 became law. Both pieces of legislation provided a legal framework for all federal government COVID-19-related expenditures. The Finance Act 2020 established a “Crisis Intervention Fund” of N500bn to meet crises-related expenditures or such other exigencies -- a category in which COVID-19 Intervention Programs in the Appropriation Act fall. The Act also established an “Unclaimed Funds Trust Fund” as a sub-fund of “Crisis Intervention Fund” which will be financed by “unclaimed dividends of limited liability companies and unutilized amounts in bank accounts that have been left either unclaimed or utilized for not less than 6 years”.¹⁰

Furthermore, the Finance Act 2020 provides for reliefs in the form of tax deduction for donations made by companies to Covid-19

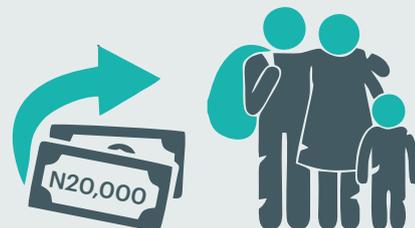
intervention funds, tax holiday to businesses solely involved in agricultural production, and VAT exemption on the purchase of agricultural inputs.

There are several documents that are publicly available that are good sources of information for tracking government’s spending on Covid-19. The Budget Office of the Federation web portal houses most of the data on Appropriation Laws, Budget Implementation Reports (BIR), and other economic policy documents of the federal government.¹¹ In December 2019, the federal government launched a Financial Transparency Policy (FTP) aimed at improving governance and equipping citizens with tools needed to track federal government expenditure and report financial wrongdoing. The FTP sets the minimum requirements for financial transparency by all Ministries, Departments and Agencies (MDAs) of the federal government and requires the publication of public financial information through the Open Treasury Portal.¹²

FEDERAL GOVERNMENT COVID-19 POLICY RESPONSE



Amended Federal Budget Response 2020: Appropriation (Repeal and Enactment) Act 2020



Conditional Cash transfers — Nigeria announced that it will commence Conditional Cash Transfer of N20,000 to poor households registered in NSR (April 1, 2020)

⁹<https://www.budgetoffice.gov.ng/index.php/appropriation-repeal-and-enactment-act-2020?task=document.viewdoc&id=818>

¹⁰https://www.firs.gov.ng/wp-content/uploads/2021/01/finance-act-2020_signed.pdf

¹¹<https://www.budgetoffice.gov.ng/>

¹²<https://opentreasury.gov.ng/images/DocumentGuidelines/TRANSPARENCYPOLICYIMPLEMENTATIONGUIDELINES.pdf>



N50bn

SME & Households Support Facilities:
Creation of NGN50 billion target credit facility for affected households and small and medium enterprises.



N100bn

Healthcare Loans:

Additional NGN100 billion intervention fund in healthcare loans to pharmaceutical companies and healthcare practitioners intending to expand/build capacity.



Reduction of minimum tax payable by companies from 0.5% to 0.25% of turnover for the two years of assessment due between 1 January 2020 and 31 December 2021



Exemption of low-income earners earning minimum wage or less from personal income tax



N10m

Compensation for loss of office up to N10 million from tax



Duty free importation of aircraft and aircraft components.



Tax holiday to businesses solely involved in agricultural production

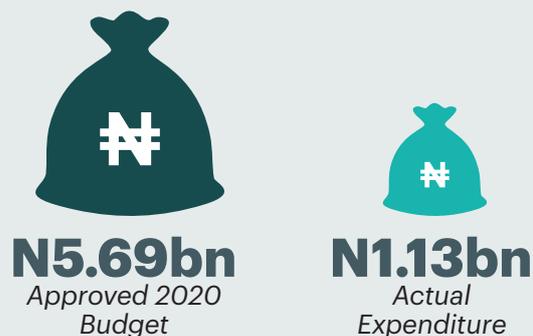
Observations at the Subnational Level - The Anambra State Experience.

All 36 states in Nigeria received a grant of N1 billion naira each from the federal government to cushion the effect of the COVID-19 pandemic in their respective states.¹³ Similarly, all the state governments made special provisions in their revised budget to tackle the socio-economic impacts of COVID-19. Data availability is critical for evaluating the government's utilization of these funds.

One intervention that has helped incentivise increased disclosure of fiscal documents on government budget and spending is the World Bank-funded States Fiscal Transparency, Accountability and Sustainability (SFTAS) program.

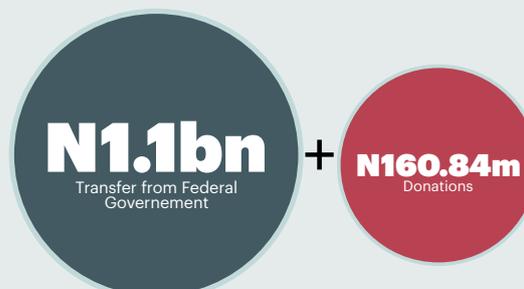
The SFTAS initiative provides performance-based grants annually to state governments that are able to satisfy the eligibility criteria and improve their performance as defined in the program's Disbursement-Linked Results (DLRs). Some of these criteria include a requirement for states to publish their state budgets and annual audited financial statements online in a timely manner. This intervention has led to an increase in availability of state budgets and audited financial statements, with 24 out of the 36 states publishing theirs in 2018 and all states making theirs available in 2019.¹⁴ During COVID-19 pandemic, the SFTAS program introduced an additional criteria that required states to ensure transparency and accountability through monthly publication of

Anambra State Covid-19 Budget Implementation



This intervention has led to an increase in availability of state budgets and audited financial statements, with 24 out of the 36 states publishing theirs in 2018 and all states making theirs available in 2019.

Anambra State Covid-19 2020 Budget Implementation Report.



¹³Note: Lagos State received N10billion from the federal government

¹⁴<http://documents1.worldbank.org/curated/en/236731602020842905/pdf/Discolable-Restructuring-Paper-States-Fiscal-Transparency-Accountability-and-Sustainability-PforR-P162009.pdf>

COVID-19 specific budget execution reports and quarterly reports of financial and compliance audits of the COVID-19 response and recovery related receipts and expenditures. Perhaps, this potentially contributed to ANSG publishing its quarterly COVID-19 Budget Implementation Report.

The Report of the Office of the Accountant General of Anambra State contains disaggregated data of government's approved and actual expenditures by projects, programs, MDAs, and sectors. This level of disaggregated reporting empowers citizens and other accountability actors to effectively monitor and evaluate the priorities

of the government and the utilization of government revenues.¹⁵ Announcements of the federal government's COVID-19 fiscal policy response can be tracked through the websites of several MDAs, while ANSG communicates its fiscal policy responses largely through the social media handles (Twitter and Facebook) of the governor.¹⁶ ANSG published its guidelines for Covid-19 stimulus for taxpayers which was made available to only those who had paid their Personal Income Tax for 2019. However, we do not have access to documents estimating the total revenue loss to the state government from these tax relief measures.¹⁷

ANAMBRA STATE GOVERNMENT COVID-19 POLICY RESPONSE

COVID-19 Containment Measures:



Anambra State with support from WHO to boost COVID-19 testing capacity, trains cohort of health workers (July 7, 2020)

Tax Holiday:



The Anambra State governor, Willie Obiano announced a 10% tax refund to traders and business owners.



Covid-19 Action Recovery Economic Stimulus (Cares) Program (2020 BIR) - N1.1bn



The government commenced the distribution of 200 bags of rice to each of the 181 communities in Anambra State to be distributed among senior citizens from 70 years and above. (April 2020)

¹⁵<http://mepbdp.org.ng/performance.php>

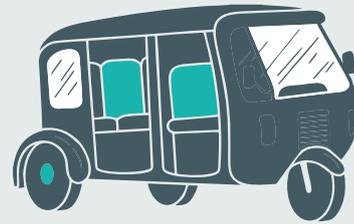
¹⁶<https://twitter.com/seyamakinde>; <https://twitter.com/WillieMObiano>

¹⁷<https://airs.an.gov.ng/wp-content/uploads/2020/07/COVID-19-STIMULUS-CLAIM-PROCESS-converted.pdf>

Tax Relief



A 10% relief on personal income taxes to businesses in Anambra State for the year 2019. This means that if you have been paying your taxes regularly, you will get a 10% refund of the entire sum you paid in 2019. (April 2020).



Government gave a two-month waiver to Keke and shuttle bus operators in the state on the usual permits they pay. The grace period covered the months of April and May, 2020. (April 2020)



3000
hectares

The government secured 3000 hectares of arable land in the agricultural belt of the state for large scale farming during the planting season. This initiative was expected to take over 2000 youths off the labour market. 7:40 PM · (April 2020)



The governor signed the Covid-19 Bill into law. Under this new Covid-19 Law it is an offence to be seen in the public without a face mask. The offence attracts a fine of N10,000 or some hours of community service. (June 2020)



The governor cancelled Right of Way Charges. The Right of Way (Row) charges for fibre optic cable deployment were crashed to zero naira by Anambra State Government following a directive by the governor, waiving charges from N600 per linear meter to Zero Naira. (June 4 2020).

Selected Gaps and Budget Availability Issues



1 Poor level of disaggregation of fiscal spending data:

Tracking the implementation of COVID fiscal policies requires detailed information about spending on COVID programs and activities. The Quarterly BIRs of the federal government do not contain disaggregated line-by-line spending of government as presented in the approved budget, making it difficult for accountability actors to assess the government's spending priorities as it concerns all public projects and programs. ANSG's BIR is more disaggregated than that of the federal government, though some concerns exist around clarity of line items. ANSG is reported to have spent 55% of its Covid-19 Fund on vague items like "Improvement of State-Wide Security/Communication Network."



2 Persistent downtime and dead links:

To follow the implementation of COVID fiscal policies, civil society needs reliable and regular access to updated data on government spending – which is not currently provided on federal government websites. The COVID-19 segment of Nigeria's Open Treasury Portal which warehouses all the spending data generated from ministries,¹⁸ departments and agencies has been afflicted with consistent downtime and deadlinks from mid-October 2020 to April 2021, rendering data inaccessible. Conversations with key stakeholders in the Government Integrated Financial Management Information System (GIFMIS) indicate that the persistent downtime is from the government's shared digital services infrastructure provider, and key informants detailed several efforts made to rectify the problem to no avail.



3 Late reports and weak proactive disclosures:

Spending during emergencies carries higher risks of corruption and misuse – increasing the importance of timely, and publicly available, audits of COVID spending. However, while the OAuGF made a commitment to release, in October 2020, the Audit Report on Covid-19 funds covering the period of March - June 2020, as at May 2021 there was no publicly available copy of neither the

¹⁸<https://opentreasury.gov.ng/>

aforementioned report nor subsequent quarterly audit reports on Covid-19 funds.¹⁹ Furthermore, Section 49 of the Fiscal Responsibility Act (FRL) 2007 mandates the federal government to “publish their audited accounts not later than six months following the end of the financial year.”²⁰ However, this has not been the case as the most recent available versions of the OAuGF reports are the 2018 reports, which although was not available from the OAuGF’s official website, was provided upon request made to the OAuGF’s office.



4. Budget deviations compromise service delivery outcomes:

The COVID pandemic has created a situation where Nigerians need urgent economic and financial support from the government. Despite significant commitments to provide this support, however, there are signs that the government may not be delivering on those promises. At the federal level, a lack of data has meant that there is little information to track how much of COVID spending commitments have been achieved. In ANSG, available data shows that, despite adequate revenues, COVID-related budget items have large deviations. In terms of their overall budget, ANSG projected a budget deficit of N10 billion in its revised 2020 budget. Fortunately, it realised a 226% budget surplus of N12.6 billion at the end of 2020. Despite this huge gain in actual revenue inflow, ANSG still implemented only 69% of its budget, withholding investment in critical sectors of the State’s economy. For example, 73% of the funds meant for capital spending on economic empowerment through agriculture was not disbursed to the implementing MDA. Correspondingly, only 33% of the funds appropriated for poverty alleviation was spent; 71% of the appropriated funds meant for improvement of human life was not disbursed to the implementing MDA(s); 32% of the funds meant to address gender responsive issues was not disbursed to the implementing MDA(s); and only 9% of the appropriated funds meant for capital spending on water resources and rural development was spent. Sadly, ANSG implemented only 20% of its Covid-19 budget.

¹⁹<https://oaugf.ng/news1/335-augf-to-release-report-on-covid-19-funds-receives-award>

²⁰<http://lawsofnigeria.placng.org/laws/fiscal%20responsibility.pdf>

Conclusion

Our assessment in this memo indicates that some progress has been recorded as it concerns fiscal data availability, but there is still a long way to go in terms of unlocking the potential of data availability in tracking COVID-19 fiscal policy announcements and related government spending. The findings in this assessment are consistent with the Open Budget Survey (OBS) COVID-19 module <https://internationalbudget.org/covid/> which found amongst other things that there was relatively good information during the announcement of COVID-related policies and appropriations at the federal level, but little-to-no information on the implementation of

COVID-related policies (actual expenditures and revenue losses from tax exemptions), as at the end of the assessment in December 2020.

The OBS COVID-19 module also showed another significant gap which concerns reporting on the outputs and outcomes of COVID-19 spending. Moreover, there was no announcement of any gender-specific policies, or efforts to track the impact of COVID spending on gender, despite evidence that the economic contraction and COVID restrictions have a disproportionate effect on women.²¹



²¹<https://africa.unwomen.org/en/digital-library/publications/2020/04/brief-gender-and-the-covid-19-national-response-in-nigeria>

Budget Data Availability Assessment

- 
Fully Disclosed, Timely: This is used to describe related data that was made fully available in a timely manner.
- 
Partially Disclosed, Late: This is used to describe data that was either not made available in a timely manner or not fully released to the public even though it was produced by the government.
- 
Not Disclosed: This is used to describe data that was either not made available to the public and or was not by the government.

Criteria	FG Assessment	Anambra State Assessment
COVID-19 Policy Response Announcement		
Availability of Revised COVID-19 Approved Budgets		
Availability of COVID-19 Budget Implementation Reports		
Availability of COVID-19 Budget Audit Report		
Timeliness of Release of Revised COVID-19 Approved Budgets		
Timeliness of Release of COVID-19 Budget Implementation Reports		
Timeliness of COVID-19 Budget Audit Report		
Availability of Disaggregated Budget Implementation Reports		
Availability of Gender-Disaggregated Data		

Recommendations

1 Disaggregate federal government spending by budget line item:

The federal government needs to swivel from its current budget implementation report model to one that shows quarterly cash releases to each line item allocated in the budget; this can also be made available via the open treasury portal or the COVID19 Resource Tracking Dashboard for relevant expenditure.

2 Prioritize data portal uptime:

The federal government needs to mandate its shared digital services infrastructure provider, Galaxy Backbone, to guarantee a 99% uptime of the Open Treasury Portal. State governments need to partner with civil society organisations and the World Bank-backed SFTAS program to ensure that fiscal data links are permanently available online,²² automatically redirected to updated sites or housed in a permanently online fiscal data warehouse like the European Union (EU)-supported OpenStates.NG portal or the UNDP-supported NGCovid19ResourceTracker.Info portal. This will go a long way in avoiding deadlinks.

3 Enforce the Fiscal Responsibility Act for audit disclosures:

Part XII, Section 51 of the Fiscal Responsibility Act on “Enforcement” empowers any citizen to enforce provisions of this law after obtaining prerogative orders or other remedies from the Federal High Court.²³ This intervention can get appropriate authorities to disclose audited reports (including COVID-19 spending) within the required 6-month time frame after the end of a fiscal year.

4 Justify budget deviations:

In Anambra state, only 20% of budgeted COVID-19 expenditures were cashbacked in 2020 and no proper justification was provided even though the budget was (a.) prepared to account for economic shocks from COVID-19 and (b.)

²²States Fiscal Transparency, Accountability and Sustainability

²³<https://www.lawyard.ng/wp-content/uploads/2016/01/FISCAL-RESPONSIBILITY-ACT-2007.pdf>

the government recorded a +226% budget variation from its initial overall projections. The absence of an explanation further widens the trust deficit citizens have in the ability and willingness of the government to improve the quality of life of the masses. While the Q4 budget implementation report for the Federal government is yet to be made publicly available as at May 2021, it will be very useful for the government to provide justifications for deviations that may have occurred in the foregoing fiscal year.

