



**FRAMEWORK FOR BUDGET INEQUALITY INDEX (BII) FOR
ANALYSING FEDERAL AND STATE GOVERNMENTS' MINISTRIES,
DEPARTMENTS AND AGENCIES ANNUAL BUDGETS
(2014-2016)**

By



CENTRE FOR SOCIAL JUSTICE



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LIST OF ACRONYMS

Acronyms	Meaning
AIDS	Acquired Immune Deficiency Syndrome
BII	Budget Inequality Index
CR	Child Rights
CSJ	Centre for Social Justice
CSO	Civil Society Organisation
CSOs	Civil Society Organisations
CWP	Citizens Wealth Platform
FF	Ford Foundation
FGN	Federal Government of Nigeria
FRA	Fiscal Responsibility Act
FRC	Fiscal Responsibility Commission
GDP	Gross Domestic Product
HIV	Human Immunodeficiency Virus
IMF	International Monetary Fund
MDAs	Ministries, Departments and Agencies of Government
MNCH	Maternal, New Born and Child Health
MSMEs	Micro, Small and Medium Enterprises
NEITI	Nigeria Extractive Industries Transparency Initiative
NHF	National Housing Fund
NHIS	National Health Insurance Scheme
NPP	National Pensions Programme
PFM	Public Finance Management
PPA	Public Procurement Act
UN Women	United Nations Entity for Gender Equality and the Empowerment of Women
UN-DESA	United Nations Department of Economic and Social Affairs
UNECE	United Nations Economic Commission for Europe
UN-ESCAP	United Nations Economic and Social Commission for Asia and the Pacific
UNICEF	United Nations Children Fund
UNRISD	United Nations Research Institute for Social Development
UNWR	United Nations Women Report
USD	United States Dollar

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EXECUTIVE SUMMARY

Inequality is not a given; it does not just happen. It is a product of the economic, social and political policy decisions and choices made by the state and citizens. Reducing inequality is not only a moral imperative; it is good economics as well. The budget is an essential instrument for the reduction of inequality, just as it is also an instrument for creating inequality. Budgets are presented as aggregate figures without reference to men and women, boys and girls, the poor, the vulnerable or the rich. Citizens' solidarity and popular participation, where all participate in baking the national cake, and also benefit from its dividends strengthens good governance and development. Beyond economic policy, a focus on education, social inclusion and giving the vulnerable a voice will provide the founding blocks for reduction of inequality.

Despite a number of sunshine laws in Nigeria, the fiscal environment is still opaque, leading to reduced accountability and value for money for federal and state level spending. The combination of such impervious practices and unequal economic protection leads to reduced opportunities for women and youths in education, employment and others sectors of economic and social life. This framework was developed for research and collaboration with key government agencies to design a comprehensive **Budget Inequality Index (BII)** which will provide evidenced-based indicators for assessing inclusive alternative policy frameworks that will mainstream the voices of women and youths in economic and fiscal policy and address their strategic needs; engage policy makers with smart policies to promote transparency and accountability; build and strengthen capacity of civil society, especially women and youth groups for advocacy on the alternative frameworks and to demand for their rights; monitor and report on the framework and; strengthen the Citizens Wealth Platform (CWP) to include more women and youth groups and to disseminate information on inclusive budgeting.

Key indicators for the BII covered a range of issues as x-rayed in the theoretical framework. This study being the pilot survey used indicators developed by Public Finance Management (PFM) and Fiscal Governance experts to analyse how Federal Government of Nigeria (FGN) budgets have aligned towards poverty and inequality reduction. Data for the study were drawn from the budgets and policies of focal¹ MDAs of the Federal Government of Nigeria (FGN) using the indicators developed to analyse how the different components of the policies and budget can help reduce poverty and inequality with the goal of closing the inequality gap, through not just fiscal discipline but strategic allocation of funds, value for money, and probity in the use of public funds.

¹ Focal MDAs include: The Federal Ministry of Women Affairs, Federal Ministry of Youth and Sports Development, Federal Ministry of Education, Federal Ministry of Health, Federal Ministry of Agriculture, Federal Ministry of Water Resources, Federal Ministry of Labour and Employment and Federal Ministry of Transport

The benchmarks were based mainly on gender, youths and vulnerability related issues and budgeting with emphasis on accessibility (location and affordability), inclusiveness and safety nets. These were interrogated to ascertain budget credibility, comprehensiveness and transparency and how the budgets are derived from the existing policy. Basic principles and best practices that are contained in the questions were classified under the following: Policy issues; Inclusiveness; Safety nets – equity and fairness; and Availability and affordability of services.

The questionnaire collected a comparative dataset for the above four (4) indexes and guided civil society researchers, in identifying and measuring the extent to which the budget helps to close the inequality gap especially for women, youths and the vulnerable. The questionnaire contains a total of thirty-six (36) multiple choice questions. The study approach was in two parts. The first part solicited information from the selected MDAs that are to be rated, while the second part of the study elicited information from credible reports and other desk sources. The public and representatives of the various MDAs were notified in advance of the need to carry out this rating and the relevant documents required for the ratings. The notification identified core issues to be rated as contained in the instrument. The questions in the instrument were very specific, especially as it pertained to the various stages of budget making process and implementation. The study period covered 2014-2016 fiscal years and every MDA can be considered to be budget equality compliant if the final score of its BII is at least 75 percent.

The results and findings under policy issues index show that only three out of the eight focal MDAs (Education, Water Resources and Agriculture) were able to score 75 percent and above required for an MDA to be policy budget equity compliant using the BII methodology. It is unfortunate that the Ministry of Labour and Employment scored approximately 33 percent on policy issue, making it the only MDA that couldn't hit at least the amber line (50 percent). Though Ministries of Youths and Sports, Health, Transportation and Women Affairs were unable to get to the green line (75 percent), but they crossed the amber line. The implication of the above result is that most of these focal MDAs do have budgets that are not fully driven by the policies of the sectors. In other words, the policies, where they exist, do not guide the budgets the way they should.

Inclusiveness index in the context of BII looked at measuring the availability of the relevant budget votes that that will help to reduce or break the barriers to inclusion. It also measured the costs of the additional resources required to allow the marginalised and vulnerable groups in the society to equally participate in and benefit from the projects embarked upon by the state. The result from this sub-index shows that none of the focal MDAs were able to get to or cross the 75 percent benchmark required for a budget to be deemed an inclusive one. The federal ministries of Education, Agriculture, Women Affairs and Labour and Employment came closest with 74 percent, 69 percent, 67 percent, and 62 percent respectively but that was not enough to be seen as operating a fully inclusive budget using the United Nations Research Institute for Social Development benchmark and the BII methodology. The Ministries of Health

and Youths and Sports Development were a little bit above the amber line with 56 percent and 51 percent respectively while the Ministries of Transportation and Water Resources fell short with 14 percent and 11 percent respectively.

Social safety net is a collection of services provided by the state or other institutions such as friendly societies, including welfare, unemployment benefit, universal healthcare, homeless shelters, and sometimes subsidized services such as public transport, which prevent individuals from falling into poverty. The sub-index, safety net – equity and fairness results and findings show that only the Federal Ministry of Agriculture scored up to 60 percent on safety nets – equity and fairness index followed by Education with 43 percent, Women Affairs with 41 percent, Labour and Employment with 37 percent while Youths and Sports, Transportation, Water Resources and Health scored 23 percent, 22 percent, 19 percent and 14 percent respectively. None of the focal MDAs could make it to 75 percent (green line) which is the target for there be an acceptable safety net – equity and fairness in place.

The final sub-index was the availability and affordability index. It looked at measures and steps the focal MDAs took to ensure that services were made available to women, youths, and the vulnerable groups in need of such services through their annual budgets within the period 2014-2016. Results of the analysis show that Youths and Sports scored 86 percent, followed by Agriculture (74 percent), Education (64 percent), Labour and Employment (61 percent), Women Affairs (53 percent), Water Resources (29 percent), Health and Transportation scored 14 percent respectively.

The study utilised the four indexes including: Policy issues index; Inclusiveness index; Safety nets – equity and fairness index; as well as Availability and affordability of services index and found the average of the averages or the mean of means. The final mean (average) was used to construct the Budget Inequality Index (BII).

The BII summary scores reveal two clear groups from the focal MDAs as follows: those that were on or crossed the 50 percent border line (amber line) but were unable to meet the 75 percent recommended benchmark (green line); and those who were unable to get to the 50 percent borderline (amber line). The first group comprises the Federal Ministries of Agriculture with 69.50 percent score followed by Education (67.50 percent), Youths and Sports (54.50 percent) and Women Affairs (52.75 percent). These MDAs had scores of more than 50 percent but fell short of the 75 percent scores recommendations of the BII methodology. In other words, they are between the amber line and the green line. On the other hand, Federal Ministries of Labour and Employment (48.25 percent), Water Resources (34.25 percent), Health (34 percent) and Transportation (25 percent) could neither get to the 50 percent borderline (amber line) nor reached the 75 percent recommended benchmark (green line). In other words, none of the budgets of these focal MDAs (first and second group) can be said to have met the requirements of **Budget for Equality or Equality Budget** though at different magnitudes. This implies that all the focal MDAs cannot be treated the same way during advocacy. Some need to start from the scratch and understand what it means to budget for equality, inclusiveness,

equity and fairness while some already have policies and good springboard to carry them towards **Budgeting for Equality**.

In the light of the above, the study recommends the following:

- A comprehensive review of the focal MDAs' sectoral policies making sure that they adopt social policy instruments to protect vulnerable groups, and erect social safety nets (for example, targeted subsidies or well managed cash compensation in lieu of subsidies, severance pay and retraining of public sector employees in understanding these processes and making sure that these are reflected in budgets and budgeting for all public works programmes). It is equally noteworthy that the lack of budgetary resources may hamper implementation of these policies.
- Fiscal policy - taxation and spending - is a government's most direct tool for redistributing income, in both the short and the long run. Nevertheless, the effect of redistributive tax policies, especially in the face of globalization, has been small. It is widely accepted that policymakers should focus on developing a broad based, efficient, and easily administered tax system with moderate marginal rates. An important subsidiary issue is how to distribute the burden of taxation so that the system is seen as fair and just. It is equally noteworthy that achieving these various goals is naturally complex and politically sensitive.
- Like we have argued above, the expenditure side of the budget as witnessed in many countries, if well managed in Nigeria can offer better opportunities than the tax side for redistributing income. The link between income distribution and social spending- especially spending on health, education, agriculture, water resources, public transportation, women and children related issues, youths and sports as well as labour and employment through which governments can influence the formation and distribution of human capital-is particularly strong, and public investment in human capital can be an efficient way to reduce income inequality over the long run.
- There is evidence across the world that better managed outlays on health and education from good policy drafting to budgeting and implementation can improve the existing pattern of income distribution, depending to a large extent, on the allocation of expenditures on various economic sectors, while different studies have shown that spending on basic health care and primary education is far more effective in reaching the poor than spending on higher education or hospital-based curative care. This reduces disparities in human capital across income groups and can narrow income inequality in the long run. Studies have also shown that, in countries without some form of pooling of health risks, serious illnesses are the single most important factor driving families into poverty. Nigeria's out-of-pocket expenditure, which is any direct outlay by households, including gratuities and in-kind payments, to health practitioners and

suppliers of pharmaceuticals, therapeutic appliances, and other goods and services whose primary intent is to contribute to the restoration or enhancement of the health status of individuals or population groups have become catastrophic².

- Another viable avenue the Nigerian government can indirectly affect income levels and distribution is through monetary policy and the overall stance of macroeconomic policy. For example, high inflation tends to curtail economic growth and widen income inequality. Currency devaluations may also have implications for equity, particularly in a country like Nigeria where the poor are often concentrated in agriculture - whose value chain and link to industry and exports is under developed and the middle-and upper-income urban dwellers tend to be more dependent on imports.

The study also observed that for the Nigeria government, to carry out equity-oriented policies, it has to jump through a number of hurdles, and they include:

- *Finance:* Equity-oriented policies require high levels of spending on targeted programmes that may not be consistent with a sustainable macroeconomic framework as being currently pursued under the Economic Recovery and Growth Plan (ERGP). But the remediation can be found in aggressive domestic resource mobilisation, which for instance, in the health sector provides for compulsory and universal health insurance and a Nigerian Immunisation Trust Fund.
- *High number of rural and informal sector activities in Nigeria:* The Nigerian government should understand and note that the country has a large share of the population engaged in rural and informal sector activities, hence ill-managed equity-oriented policies and budgeting may not reach the most vulnerable groups. The rural and informal sectors may have limited interaction with formal sector institutions, including the government, complicating the delivery of government assistance (for example, cash transfers). However, proper documentation by the National Identity Management agency, statistics keeping by the National Bureau of Statistics, etc. and capacity building can help the informal sector to overcome this challenge.
- *Low Administrative capacity:* Another critical issue has to do with low or outright lack of administrative capacity of the governmental bureaucracy which may hamper redistributive efforts. The difference between released, cash-backed and utilised parts of the budget for critical MDAs is a product of poor absorptive capacity of MDAs. Capacity building for key MDA personnel is imperative whilst a carrot and stick approach for good and poor MDA performance will drive improvements in service delivery.
- *Political Constraints:* Low-income groups typically have less political power than other interest groups and this may impede efforts to reallocate spending toward the poor or

² World Development Indicators (WDI) data shows that out-of-pocket health expenditure is more than 80 percent.

redistribute land or other assets. For instance, the failure to provide for the Basic Health Care Provision Fund as stipulated in the National Health Act seems to portray a low prioritisation of the health of the poor and vulnerable. Social mobilisation that provides a voice for low income groups will pave the way for intensive advocacy to force the interest of the poor onto the mainstream of budgeting, political discourse and decision making.

- *Legal Impediments:* Legal impediments may also prevent governments from taking measures to promote equity-for example, constitutional rules on revenue sharing and fiscal federalism may limit the amount of resources the federal and other government can allocate to redistributive policies and this may affect the achievement of such equity-oriented policies and budgeting programmes. For a policy on poverty reduction, income redistribution, etc. to be effective, it needs the buy-in of all these tiers of government- federal, state and local governments. Consensus building and amendment of relevant laws may push the redefinition of public priorities and force the hand of governments to budget in an inclusive manner that targets sustainable growth.

In conclusion, the successful design of a Budget Inequality Index (BII), which is transparent with a comprehensive non-partisan analysis and research will further help to examine broad social and economic budgetary issues relating to youth, gender and vulnerability. This will facilitate advocacy and other engagements with the authorities and a comprehensive review of federal budgets vis a vis policies in the focal MDAs including: education; labour and employment; women affairs; health; water resources; transportation; as well as youths and sports development, identifying the drivers of inequality and its links with appropriations and budget implementation as a basis to enable the authorities and civil society form an alliance that can bring improvement in the process.

1. INTRODUCTION

1.1 Background

Section 14 (2) (b) of the Constitution of the Federal Republic of Nigeria 1999, (as amended)³ states that “*the security and welfare of the people shall be the primary purpose of government*”. Likewise, Section 16 (1) (a) and (b) of the Constitution provides that: “*The state shall harness the resources of the nation and promote national prosperity and an efficient, a dynamic and self – reliant economy; control the national economy in such a manner as to secure the maximum welfare, freedom and happiness of every citizen on the basis of social justice and equality of status and opportunity*”. By subsection 2 (c) of S. 16 of the Constitution, the state is to ensure “*that the economic system is not operated in such a manner as to permit the concentration of wealth or the means of production and exchange in the hands of a few individuals or of a group*”. The realisation of the above constitutional mandates cannot be possible if public expenditure through the budget is skewed to benefit only a section of the population through distorted allocations. When a particular section of the society disproportionately benefits more than others, it results in inequality within the society.

Inequality is not a given; it does not just happen. It is a product of the economic, social and political policy decisions and choices made by the state and citizens. Reducing inequality is not only a moral imperative; it is good economics as well⁴. Budgets are essential instruments for the reduction of inequality just as they are also instruments for creating inequality. Budgets are presented as aggregate figures without reference to men and women, boys and girls, the poor, the vulnerable or the rich. Essentially, the budget is portrayed as a neutral economic instrument. However, budgets affect men and women, the youths and different segments of society differently because of their respective roles, contributions, absorptive capacities and societal expectations. Insisting in budget neutrality leads to what has been described as gender, youth, inequality and vulnerability blindness in budget and policy formulation, enactment/approval, implementation, monitoring and evaluation, including audit. The formulation of the budget in such a manner that benefits one set of Nigerians while encumbering others may amount to discrimination within the context of section 42 of the 1999 Constitution⁵.

Citizens’ solidarity and popular participation, where all participate in baking the national cake, and also benefit from its dividends strengthens good governance and development. Beyond economic policy, a focus on education, social inclusion and giving the vulnerable a voice will

³ Hereinafter called the Constitution unless the context otherwise refers.

⁴ Pope Francis: Apostolic Exhortation, Vatican Evangelii Gaudium, 2014. See also Christine Lagarde, IMF at 70; Making the Rights Choices -Yesterday, Today and Tomorrow.

⁵ S.42 (1): A citizen of Nigeria of a particular community, ethnic group, place of origin, sex, religion or political opinion shall not, by reason only that he is such a person- (b) be accorded either expressly by, or in the practical application of, any law in force in Nigeria or any such executive or administrative action, any privilege or advantage that is not accorded to citizens of Nigeria of other communities, ethnic groups, places of origin, sex, religion or political opinions.

provide the founding blocks for reduction of inequality. Despite a number of sunshine laws including Fiscal Responsibility, Public Procurement and Freedom of Information Acts in Nigeria, the fiscal environment is still opaque, leading to reduced accountability and value for money for federal and state level spending. The combination of such impervious practices and unequal economic protection leads to reduced opportunities for women and youths in education, employment and others sectors of economic and social life.

This framework is developed for research and collaboration with key government agencies to design a comprehensive **Budget Inequality Index (BII)** which will provide evidenced-based indicators for assessing inclusive alternative policy frameworks that will mainstream the voice of women and youth in economic and fiscal policy and address their strategic needs; engage policy makers with smart policies to promote transparency and accountability; build and strengthen capacity of civil society, especially women and youth groups for advocacy on the alternative frameworks and to demand for their rights; monitor and report on the framework and; strengthen the Citizens Wealth Platform (CWP) to include more women and youth groups and to disseminate information on inclusive budgeting.

The empirical evidence from this Budget Inequality Index (BII) framework is expected to provide the basis that will help to strengthen rational planning, policy change; evidence-led budgeting and budget credibility. Essentially, the end result is to expand participation of women, youths and the vulnerable in budgeting, whilst ensuring equitable benefits from natural and other public resources for all segments of the Nigerian society.

1.2 Project's Theory of Change

If

- Women, men, youths and the vulnerable have the opportunity, be strategically positioned and have the capacity to demand for change and improvements in economic and fiscal governance and this demand is supported by a critical mass of citizens' groups;
- Appropriation and use of public resources is refocused inter alia to tackle inequality and take cognizance of building women and youth capacities to acquire higher education and quality employment;
- Advocacy for change is empirical, objective and evidence-led and adopts a multiplicity of methodologies;
- Constituencies, networks of citizens' groups concentrate their demands over time to ensure that the authorities effect the needed change and CSJ leverages on the competencies of so many groups;
- Stakeholders in and outside government collaborate for the realisation of project goals.

Then, the goal of mainstreaming gender, youth and vulnerability issues into economic and fiscal policy and to expand stakeholder participation (including women and youth) in holding the federal government to account for equitable allocation and management of federal resources will materialize.

1.3 Project Change Goal

To mainstream gender and youth issues into economic and fiscal policy and to expand stakeholder participation in holding the federal government to account for equitable allocation and management of federal resources.

1.4 Justification for a Budget Inequality Index (BII)

Nigeria needs to mainstream the needs and rights of women, youths and the vulnerable into economic planning and implementation especially at a time of economic crisis.

Nigeria is at a fork in the road and needs to take effective decisions on its next fiscal and economic steps. The petro dollar boom is over as commodity prices have collapsed. Hard choices need to be made on how to expend the little available resources and new sources of generating revenue. These choices are between *acceleration and stagnation, stability and fragility* and the quest for *social solidarity*⁶. Continuing economic policy formulation and budgeting in the context of the status quo will facilitate stagnation and fragility. However, a new approach that seeks to reduce inequality will accelerate economic growth and development and improve social solidarity,

Buoyed by petro dollars, the Nigerian economy grew at an average of 6 percent for over a decade up to the first quarter of 2015. The foreign reserves, as at 2008 stood at \$60billion whilst the Excess Crude Account had \$20billion. The Naira was stable compared to other foreign currencies and exchanged at N150 to the United States Dollar (USD). However, the current statistics indicate that our foreign currency reserve is about \$31.22billion⁷ and the Naira exchanges for about N305 to 1 USD⁸. Headline inflation has breached the single digit rule to 16.01percent⁹; real Gross Domestic Product growth slowed to 2.79percent in 2015 and shrank to -1.51percent in 2016.

The period of growth witnessed increased inequality, exclusion and poverty reduction was not commensurate with economic growth. It was a jobless growth from enclave transactions in the oil and gas sector. The National Bureau of Statistics Quarterly Job reports in 2015, 2016 and 2017 indicate that unemployment was in double digits and the bulk of the unemployed and under-employed are women and youths. This in effect means that opportunities for access to income generating and livelihood support activities were fewer for women and youths. The decade of growth did not lead to improved education outcomes as Nigeria still retained

⁶ Adapted from Christine Lagarde's "IMF at 70; Making the Right Choices - Yesterday, Today and Tomorrow".

⁷ As at August 2017.

⁸ The CBN rate used in the 2017 federal budget was N305 although it was available on the streets at N365 to 1USD.

⁹ This is the rate as at August 2017 but it was in excess of 18 percent some months earlier.

10million children out of school; maternal and child health stagnated¹⁰ and the housing deficit increased to about 20million units. Female enrolment in schools and educational accomplishment did not reflect the improved economic growth. It is bound to further decline with reduced public spending on education. Opportunities for mainstreaming of the voice and participation of marginalised groups like women and the youth were muscled out by the mainstream and exclusionary narrative of male dominated society. Women's participation in governance (elective positions at the federal and state level) between 2011 and 2015 has stagnated¹¹. On the part of youths, they have been mere spectators in the governance process.

Federal and state budgets enacted within the decade of growth lacked strong links with policies and plans and as such, were not credible. Implementation on the other hand posed a great challenge to the extent that actual capital expenditure averaged less than 20 percent of overall expenditure per annum. Although budget transparency improved slightly, recent events indicate a rolling back of the gains¹². On the part of civil society, budgetary interventions hardly wore the gender, youth and vulnerability prisms to ensure that these citizens got their dues from the state. Policies on gender, youth and vulnerability were hardly the benchmarks for assessing the credibility of the budget.

FRC and CSJ through the project seek to change the foregoing narrative by refocusing economic and fiscal policies *inter alia* on the strategic rights and needs of women, youth and vulnerable groups. The outcome of this project will be of immense benefit to women, youths and vulnerable groups. This will lead to a win-win scenario that benefits government agencies, builds CSO capacity and facilitates enhanced economic growth. The beneficiaries will include women, youth and vulnerable groups who will benefit from a more equitable fiscal regime that takes cognizance of their special and strategic needs.

The government agencies engaged will acquire new skills and competencies in improved budget and fiscal governance design and implementation. This will help them in fulfilling their respective mandates and increase transparency, accountability and popular participation. Inclusive budgeting will also benefit the whole society as it liberates the energy of all to participate in wealth generation thereby facilitating economic growth and development. Also, greater capacity will be built in civil society to demand for improvements in the fiscal governance process.

¹⁰ Maternal Mortality per 100,000 Live Births: In 2015, Nigeria had 814 per 100,000 live births. Under 5 Mortality Rate per 1000 Live Births: In 2015, Nigeria had 108.8 under five mortality rate per 1000 live birth. In 2015, global coverage of three doses of diphtheria-tetanus-pertussis (DTP3) vaccine was used as a proxy for full immunization among children. Nigeria's DTP3 Immunisation coverage among 1 year olds was 56% in 2015. South Africa was 69%, Namibia 92%, Senegal 89%, Ghana 88%, Algeria 95%, and Seychelles 97%.

¹¹ Elected females in the National Assembly was 6.4% in 2011 and marginally increased to 7.5% in 2015. It was 5.9% and 5.6% for State Houses of Assembly in 2011 and 2015 respectively. The seats held by women in Local Government Councils decreased from 12.5% to 9.5% between 2011 and 2015. See Statistical Report on Men and Women in Nigeria; National Bureau of Statistics, 2016.

¹² Nigeria scored 16/100 in 2012; scored 24/100 in 2015 and scored 17/100 in 2017.

2. BRIEF THEORETICAL FRAMEWORK FOR BUDGET INEQUALITY INDEX (BII)¹³

According to the United Nations Women Report (UNWR) (2015), the obligation to address inequalities is borne out of both international treaty standards and human moral perspectives. The report states that one would be hard-pressed to find someone who thinks it is acceptable that a child dies before his or her 5th birthday of a preventable disease; that a mother dies giving birth simply because she did not have access to a skilled birth attendant; or that any woman, man or child does not have access to potable water and food. However – and especially in the current environment of fiscal austerity – making the practical case for focusing on the worst-off also involves showing that growing inequalities have negative economic, social and political consequences.

First, human rights must represent the standard against which all policies, including macroeconomic policies, are judged and held accountable, and not vice-versa. There are a number of internationally long-established human rights principles that are particularly pertinent to macroeconomic policies:^{14&15}

- The obligation of progressive realization and non-retrogression - which means that governments must move as expeditiously and effectively as possible to realise economic and social rights, and cannot take steps backward;
- Non-discrimination and equality - which means that governments have an immediate obligation for ensuring that deliberate, targeted measures are put into place to secure substantive equality and that all individuals have an equal opportunity to enjoy their rights; and
- The principle of the use of the maximum of available resources - which entails that a government, even in the face of public revenue limitations, must use the maximum resources available to fulfill economic and social rights.

¹³ Adapted from United Nations Women Report (2015), UN System Task Team on the Post-2015 UN Development Agenda Addressing Inequalities: The Heart of the Post-2015 Agenda and the Future We Want for All: Thematic Think Piece; ECE, UN-ESCAP, UN-DESA, UNICEF, UNRISD, UN Women.

¹⁴ Balakrishnan, R. and Heintz, J. (2010), Making the International Monetary Fund Accountable to Human Rights, Huffington Post, available at:

http://www.huffingtonpost.com/radhika-balakrishnan/making-the-international_b_549976.html 14 Chaudhuri, S. and M. Ravallion, M. (2006), “Partially Awakened Giants: Uneven Growth in China and India”, World Bank Policy Research Working Paper, Number 4069, available at:

http://www.wds.worldbank.org/servlet/WDSContentServer/WDSP/IB/2006/11/17/000016406_2006111711

¹⁵ /Rendered/PDF/wps4069.pdf

Secondly, however, increased inequalities are not just bad for the individuals thereby disadvantaged, but for society as a whole. Highly unequal societies tend to grow more slowly than those with low income inequalities and are less successful in sustaining growth over long periods of time and recover more slowly from economic downturns.¹⁶ High levels of inequality can jeopardise the well-being of large segments of the population through low earnings/wages and have subsequent effects on health, nutrition and child development. Low earnings/wages mean lower effective aggregate demand, which limits the size of the domestic market and hinders structural change in the economy.¹⁷ High levels of inequality may also be a significant structural factor in the origin and propulsion of financial crises through the creation of various ‘bubbles’ and subsequent collapse of asset values and demand which can destabilise the real economy.¹⁸ High levels of inequality also reduce the impact of economic growth on poverty reduction.¹⁹ Finally, crime, disease and environmental problems are also found to be exacerbated by inequality. When inequality and disparities reach extreme levels, they foment discontent that can lead to political instability and in some cases violence and conflict.

Keeping large numbers of people excluded from access to economic resources and employment, health, adequate food, clean water and sanitation, education, skills and technology, will result in a reduction of future productive human potential. The post-2015 agenda emphasises that there is a critical need to adequately and sustainably invest in people – with a recognition that the greatest potential for the most dramatic gains actually exists among those who are the worst off and most excluded.²⁰

Well designed and sustained investments in areas like maternal and child health, education and social protection can pay major dividends, not just for individuals but for society. For example, reducing child deaths by 4.25 per thousand children born (i.e. about 5 per cent) to mothers with low levels of education can result in an almost 8 per cent increase in Gross Domestic Product (GDP) per capita ten years later.²¹ In education, a one-year increase in the mean years

¹⁶ Berg, A.G. and Ostry, J.D (2011), “Inequality and Unsustainable Growth: Two Sides of the Same Coin?”, IMF Staff Discussion Note; SDN/11/08, available @: <http://www.imf.org/external/pubs/ft/sdn/2011/sdn1108.pdf>

¹⁷ United Nations Research Institute for Social Development, *Combating Poverty and Inequality: Structural Change, Social Policy and Politics* (Geneva, 2010), available at: <http://www.unrisd.org/publications/cpi>

¹⁸ Saith, A.(2011), “Inequality, imbalance, instability: Reflections on a structural crisis”, *Development and Change*, 42:1, available at: <http://dx.doi.org/10.1111/j.1467-7660.2011.01705.x>

¹⁹ United Nations Research Institute for Social Development, *Combating Poverty and Inequality: Structural Change, Social Policy and Politics* (Geneva, 2010), available at: <http://www.unrisd.org/publications/cpi>

²⁰ United Nations Children’s Fund, *Narrowing the Gaps to Meet the Goals: A special report on a new study by UNICEF shows that an equity-focused approach to child survival and development is the most practical and cost-effective way of meeting the health Millennium Development Goals for children* (New York, 2010), available at: http://www.unicef.org/publications/files/Narrowing_the_Gaps_to_Meet_the_Goals_090310_2a.pdf 20 Grimm, M., “Does inequality in health impede growth?”, *ISS Working Papers; General Series 501*, International Institute of Social Studies of Erasmus University (The Hague; 2010), available at: <http://hdl.handle.net/1765/19426>

²¹ 21 Sianesi, B., and Van Reenen, J., *The Returns to Education: A Review of the Empirical Macroeconomic Literature*, The Institute for Fiscal Studies, (London, 2002), available @:



of schooling has been shown to be associated with a rise in per-capita income of 3-6 per cent, or a higher growth rate of 1 percentage point.²² Conversely, no society can expect to achieve sustained economic and social progress while significant numbers of its people – often disproportionately its women and girls -- are poorly nourished, in poor health and lack the education and/or skills needed for their own and their families' development.

In summary, economic and political instability as well as deterioration in social relations, health outcomes and human capital negatively affect all citizens from the poorest to the richest, while investments in social services and social protection that are inclusive of the most deprived can strengthen and lengthen periods of development progress, economic growth, peace and prosperity. Addressing inequalities is in everyone's best interest.

3. BUDGET INEQUALITY INDEX (BII): INDICATORS AND METHODOLOGY

3.1 BII Indicators

Key indicators for pilot BII covered a range of issues as x-rayed in the above theoretical framework including:

- Looking at the provisions of the budget to identify how macroeconomic policies have ensured that sufficient, productive and decent employment is created to absorb new entrants into the labour force, provide jobs for the unemployed and reduce vulnerable forms of employment (in which women and young people are concentrated) through allocations to critical sectors;
- Identifying items in budgetary allocations that can fast-track existing legislative reform including: Child Rights; Maternal, New Born and Child Health (MNCH) programme; Girls Education promotion; Issues around malaria prevention and curative measures; HIV/AIDS and other infectious diseases; Prevention of environmental hazards such as erosion and climate change management; and others. This will also look at provisions for implementation to address discriminatory and exclusionary practices as well as recourse mechanisms for disadvantaged groups and individuals to claim their rights;
- Evidence of budgetary allocations to address key income and social policies (e.g. registration/protection of informal work, effective compliance with legislation on minimum wage and anti-discrimination, nation-wide support for smallholder agriculture, etc.) to ensure that labour is properly compensated in a largely globalised economy where its bargaining power has been reduced through informalisation and liberalisation;
- Evidence of budgetary allocations for widely accessible and good quality basic services such as roads, culverts, bridges, rail, and other critical infrastructure that enhances people's growth and capabilities. Capabilities also include: education (pre-primary, primary, secondary and tertiary), health (primary, secondary and tertiary), food, housing and social security (support to National Health Insurance Scheme (NHIS), National Housing Fund (NHF) and National Pensions Programme (NPP), etc.);

- Evidence of budgetary allocations for social protection programmes to protect not only against sharp rises in prices (inflation); sharp declines in real income due to contingencies (illness, old age, disasters, market risks, etc.); as well as provisions to tackle persistently low real incomes of the average person and their structural causes.
- Provisions in the budget to facilitate access to information and knowledge to overcome barriers to political and social participation and to accessing services and proactive policies and sustained social communication to influence social norms that perpetuate discrimination and exclusion;
- Budgetary provisions to facilitate good quality infrastructure, domestic technology and care services to support the (re)production of labour and to reduce the unpaid care work disproportionately undertaken by women and girls;²³
- Deliberate effort through budgetary allocations to redistribute wealth/income through land reform, gender - and child-responsive budgeting, adequate corporate taxation and progressive income taxation, pro-poor fiscal and trade policies, and development assistance to finance widely accessible social provisions as well as assistance to the thriving Micro, Small and Medium Enterprises (MSMEs);
- Evidence of the budget meeting key international and regional financing standards in health, education, agriculture, housing, water, etc;
- Evidence that shows the full utilization of all available resources and that resources that could be used to reduce inequality are not left untapped; and
- Evidence that shows that frivolities, inappropriate allocations, etc. do not predominate in the budget.

3.2 BII Methodology

This study being the pilot survey used indicators developed by Public Finance Management (PFM) and Fiscal Governance experts to analyze how Federal Government of Nigeria (FGN) budgets have aligned towards poverty and inequality reduction. This framework - Budget Inequality Index (BII) therefore, comprises of sets of indicators that assesses inequality as it

²³ United Nations Research Institute for Social Development, Why Care Matters for Social Development, Research and Policy Brief, Number 9 (Geneva, 2010), available at: http://www.unrisd.org/80256B3C005BCCF9/%28httpPublications%29/25697FE238192066C12576D4004CF_E50?OpenDocument

affects women, youths, the vulnerable groups and people living with disabilities among others in the budget across Ministries, Departments and Agencies (MDAs). These indicators which support sound and effective fiscal governance have been established in law and practice at the national, regional and international protocols and conventions which Nigeria is signatory. These include indicators covering all cycles of budget including: pre-budget discussions; budget formulation stage; budget implementation, procurement, etc. A good number of these indicators are somehow embedded in the 1999 Federal Republic of Nigeria's Constitution as amended, Fiscal Responsibility Act (FRA), Public Procurement Act (PPA), and the Nigeria Extractive Industries Transparency Initiative (NEITI) Act.

Data for the study were drawn from the policies and budgets of selected MDAs of the Federal Government of Nigeria (FGN) using the indicators developed to analyze how the different components of the budget and policies can help reduce poverty and inequality.

The goal of this index therefore is to support the achievement of closing the inequality gap, through not just fiscal discipline but strategic allocation of funds, value for money, and probity in the use of public funds. The benchmarks were based mainly on gender, youth and the vulnerable related budgets and budgeting with emphasis on accessibility (location and affordability), inclusiveness and safety nets. These were interrogated to ascertain budget credibility, comprehensiveness and transparency and how the budgets are derived from the existing policy. Basic principles and best practices that are contained in the questions were classified under the following:

- Policy issues;
- Inclusiveness;
- Safety nets – equity and fairness; and
- Availability and affordability of services.

The questionnaire (see the annex) collected a comparative dataset for the above four (4) indices and guided researchers in identifying and measuring the extent to which the budget helped to close the inequality gap especially for women, youths and the vulnerable. The questionnaire contains a total of thirty-six (36) multiple choice questions.

Most of the questions require the researcher to choose among three (3), four (4) or five (5) responses (options) as the case may be. Response "C" for the case of three choice questions, "D" for four choice questions or "E" for five choice questions attracts full 100 percent which describe a situation or condition that represents good practice (international best practices) on the subject. These responses indicate that a standard is fully met, while an "A" response no matter the number of options indicates a standard is not met at all and awarded zero (0)

percent. Question 7 has two components (a and b) with each having a total of 50 percent instead of 100 percent. In other words, though question 7b has four options, response D attracts 50, response C attracts 33, response B attracts 17 while response A attracts 0.

For the purposes of aggregating the responses, the numeric score of 100 percent is awarded for “C” for the case of three choice questions, “D” for four choice questions or “E” for five choice questions; 50 percent for “B” in the case of three choice questions, 67 percent for “C” in four choice questions or 75 percent for “D” in five choice questions; 33 percent for “B” in four choice questions or 50 percent for “C” in five choice questions; as well as 25 percent for “B” in five choice questions.

In the end, a simple average for all scores from all responses was calculated using 36 as the denominator. Using the assigned aggregate score for each of the benchmarks, every MDA was visited with the instrument in addition to the information sourced from secondary sources such as official government published documents as it relates to the MDAs were also used in scoring every MDA with average computed in relation to 100 percent. Each of the four principles (Policy issues, Inclusiveness, Safety nets – equity and fairness, and Availability and affordability of services) has a pass mark of 75 percent, in other words, the MDA got to or crossed the green line. This implies that every MDA is assumed to have done well in each of these four principles if such MDA scores 75 percent or above (crosses or on the green line). The final BII scores ranged from 0 – 100 points, where 100 is the highest level of Budget Equality and zero (0) denotes Budget Inequality. Every MDA can be considered to be budget equality compliant if its final BII score is at least 75 percent. MDAs that could not make it to the green line but are on, or cross the amber line ($50 \leq \text{MDAs score} < 75$) are said to be on their way to achieving budget equality. This implies that an MDA may not get to the green line but could still be on its way to budget equality if the MDA is on or crosses the amber line. The study considered using a weighted average instead of a simple average but key representatives of the pilot MDAs were of the opinion that every index affects their MDAs hence weighting may undermine all efforts in place to make budget more equitable.

Pilot MDAs that were benchmarked are the:

1. Federal Ministry of Women Affairs
2. Federal Ministry of Youth and Sports Development
3. Federal Ministry of Education
4. Federal Ministry of Health
5. Federal Ministry of Agriculture
6. Federal Ministry of Water Resources
7. Federal Ministry of Labour and Employment
8. Federal Ministry of Transportation

The Federal Ministry of Budget and National Planning (charged with development of plans and policies and coordinates the preparation of budgets) actively supported the process of the



study. The inclusion of this Ministry is to enable learning from other MDAs' strengths and weaknesses and for the Ministry to provide the required guidance towards budget equity. The Fiscal Responsibility Commission which is charged with overseeing the implementation of the Fiscal Responsibility Act also participated actively in the process of this study. The Federal Ministry of Women Affairs is central to the mainstreaming of gender issues in budgeting; the Federal Ministry of Youth Development is vital in mainstreaming issues that concern the youth and the vulnerable in budgeting. Other selected MDAs have mandates that are important for the reduction of inequality. The study period covered 2014-2016 fiscal years.

4. BENCHMARKS, MEASURES, INDICATORS AND RESULTS

4.1 Introduction

Basic principles and best practices that were assessed were classified under the following: Policy issues; Inclusiveness; Safety nets – equity and fairness; as well as Availability and affordability of services. Similarly, the following benchmarks, measures and indicators in Table 1 below have been identified to be the focus of the BII.

Table 1: Benchmarks, Measures and Indicators

Benchmarks	Measures	Indicators
Gender-related	Accessibility: <ul style="list-style-type: none"> Location Affordability Inclusiveness Safety Nets	<ul style="list-style-type: none"> The extent to which the budget solves the problem of poverty and income inequality. Proportion of budget allotment that confers advantage to certain geographical locations in the country. Budgetary provisions for the vulnerable and less privileged in the society. Proportion of budgetary provisions that confers advantage to the vulnerable and the less privileged in the society.
Youth-related	Accessibility: <ul style="list-style-type: none"> Location Affordability Inclusiveness Safety Nets	
The Vulnerable	Accessibility: <ul style="list-style-type: none"> Location Affordability Inclusiveness Safety Nets	

4.2 Budget Inequality Index (BII) Approach

The study was in two parts. The first part solicited information from the selected MDAs that are to be rated, while the second part of the study elicited information from credible reports and other desk sources. The public and representatives of the various MDAs were notified in advance of the need to carry out this rating and the relevant documents required for the ratings. The notification identified core issues to be rated as contained in the instrument. The questions in the instrument were very specific, especially as it pertained to the various stages of budget making process and implementation. The advance notice in the form of letters was sent to Permanent Secretaries of the various MDAs while the public were notified through print and electronic media. In all, the benchmark is to ascertain how well issues around gender, youths and other vulnerable groups in the society including people with disability have been

mainstreamed into economic and fiscal policy and how MDAs deliberately tried to expand stakeholder participation (including women, men and youth alike) for equitable allocation and management of national resources. The study also intends to support the achievement of closing the inequality gap through not just fiscal discipline but strategic allocation of funds, value for money, and probity in the use of public funds.

4.3 Results and Findings

The study results and findings have been categorized under policy issues, inclusiveness, safety nets – equity and fairness and availability and affordability of services. Each of these major thematic areas is considered paramount for closing inequality and gender gaps in Nigeria using budget allocation, implementation and proper monitoring and evaluation.

4.3.1 Policy Issues

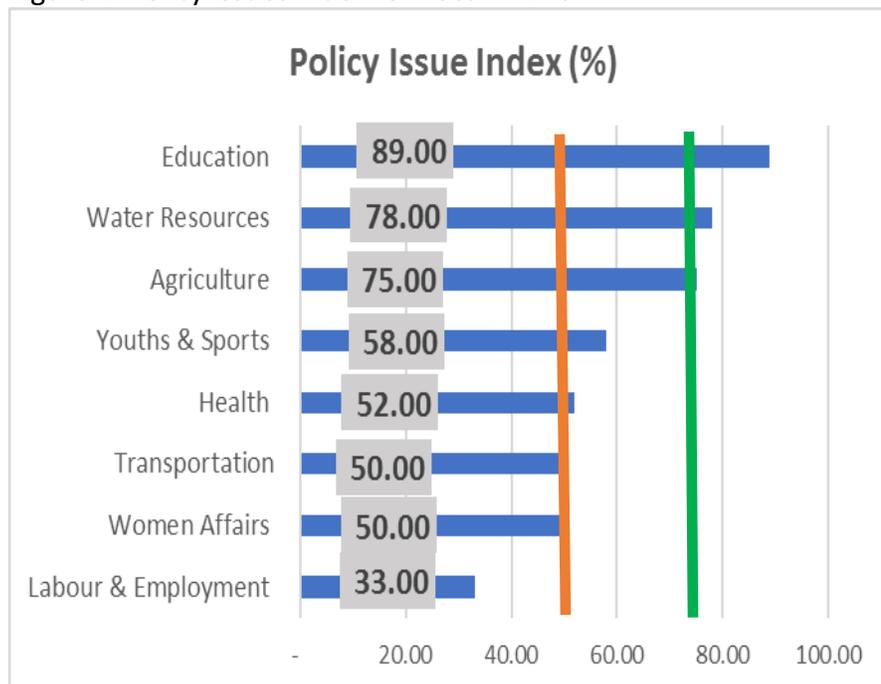
According to the International Monetary Fund (IMF)²⁴, over the past decade, global output has grown by more than 3 percent a year and inflation has slowed in most regions but the fruits of this growth have not been shared equally. However, income disparities have grown across and within countries both in developed and developing countries. How to respond to these trends using policy has become one of the most pressing issues facing policymakers today. Based on the above IMF argument, this index is created because of the following:

- Policies that promote equity can help, directly and indirectly, to reduce poverty. When incomes are more evenly distributed, fewer individuals fall below the poverty line. Equity-enhancing policies, particularly such investment in human capital as education, health, water supply and sanitation can, in the long run, boost economic growth, which, in turn, has been shown to alleviate poverty.
- Heightened awareness of the discrimination suffered by certain groups because of their gender, disability and vulnerability status should focus attention on the need to ensure that these groups have adequate access to government services and receive fair treatment in the labor market.
- Many of today's policies will affect the welfare of future generations, which raises the issue of intergenerational equity.

²⁴ Should Equity Be a Goal of Economic Policy? IMF Fiscal Affairs Department, <http://www.imf.org/external/pubs/ft/issues/issues16/>

To get the policies right requires targeted financial and implementation inputs - demanding a clearer and deliberately increasing commitment to equity by government — accompanied by a greater and growing focus on efficiency, effectiveness and educational outcomes; collaboration and research; as well as the need for a national narrative on equity as a good investment.

Figure 1: Policy Issues Index for Focal MDAs



Source: Author's

Using the focal MDAs at the federal level in Nigeria, the Policy Issues Index shows that only three out of the eight focal MDAs (Education, Water Resources and Agriculture) were able to score 75 percent and above required for an MDA to be policy budget equity compliant using the BII methodology. See Figure 1 above for the detailed scores of the focal MDAs. It is unfortunate that Ministry of Labour and Employment scored approximately 33 percent on policy issue making it the only MDA that couldn't hit at least the amber line (50 percent). Though Ministries of Youths and Sports, Health, Transportation and Women Affairs were unable to get to the green line (75 percent); however, they crossed the amber line. The implication of the above results is that most of these focal MDAs do have budget that are not fully driven by the different policies of the sectors. In other words, the policies where they exist, do not guide the budget the way they should. The Federal Ministries of Education, Water Resources and Agriculture and Rural Development have policy documents that are current with clear policy thrusts for Women and Youths specifically outlined. The education policy is titled "Education for Change - A Ministerial Strategic Plan (2016 - 2019)" while that of agriculture is named "The Agriculture Promotion Policy (2016-2020)". The education policy document contains special sections for out-of-school children, adult and non-formal education. The focus of these sections is women, youths and vulnerable groups in the society. On the agriculture policy, the policy thrust for Women and Youths is specifically outlined. The three MDAs have clear evidence of using these policy strategies in the preparation of their budgets for the study period 2014-2016.

On the other hand, the working policy of Federal Ministry of Women Affairs was developed in 2006 (National Gender Policy - 2006) which is obsolete while the Federal Ministry of Labour and

Employment has a National Employment Policy developed in 1998. The National Gender Policy – 2006 has no provisions for People Living with Disabilities. These documents cannot be guiding budget development and implementation in the study period 2014-2016 and that contributed to the low score of these MDAs. It is true that the Federal Ministry of Health has an up-to-date policy “National Health Policy (2016)”, this document was developed in the last quarter of 2016 and the old policy document which informed preparation of the 2014-2016 budgets was the National Health Policy of 2004. Unfortunately, unlike the National Health Policy (2016), the 2004 version had no special provisions that focus on the poor and the vulnerable across spheres of health interventions, neither did the policy have strategies that ensured easy access to health services by persons living with disabilities. Above all, there was no evidence to show that the budgets of the Ministry during the period 2014-2016 were driven by the provisions and strategies of the policy.

4.3.2 Inclusiveness

Inclusiveness in budgeting has to do with planning for all irrespective of their status in the society. It is a fact of life that formal guarantees of equality in law and policy make no meaning when substantial and structural inequalities prevent sections of the society from accessing services in a non-discriminatory way. Therefore, economic, fiscal and monetary policies need to be customized to combine growth with jobs, reduce inequality and poverty and address the specific challenges of women, youths and the vulnerable and marginalized groups.

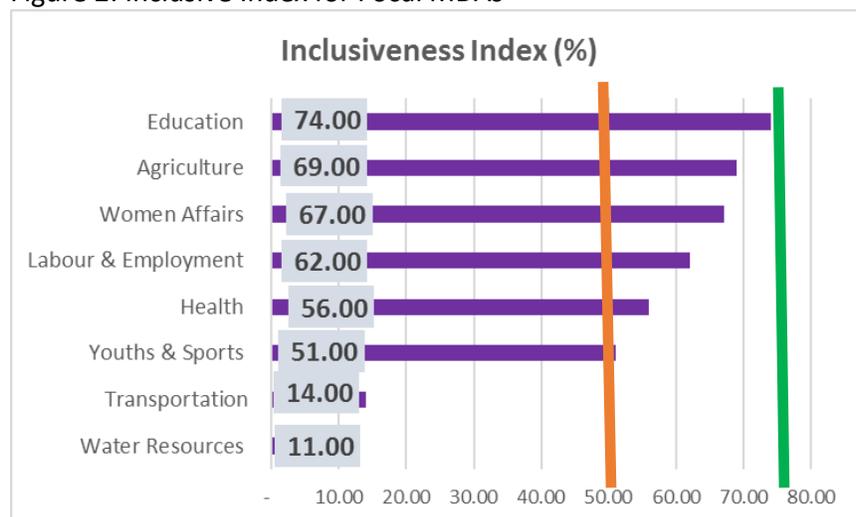
The fact is that inclusive economies that seek to reduce inequality holds more potentials for growth and; inequality is a pre-condition for economic stagnation. More opportunities for improvements in education and voice also provide a fertile ground for innovation especially if the energy and potentials of the youths and women are tapped for development. An inclusive economy is also more likely to lead to stability and reduce the risks of fragility that leads to recessions and downturns.

It is equally noteworthy that the Mobility International²⁵ recommends that a percentage of every nation’s budget is allocated to support disability. This percentage varies according to the type of activities the project is about. It can be from 5 percent to 7 percent for the operational costs; and from 1 percent to 3 percent for the administrative costs²⁶. This gives a possible indication of the cost implication for disability inclusion. If such recommendation can be directed to organisations, then the government that manages the affairs of every citizen needs to take cognizance of it in the management and allocation of public expenditure.

²⁵ MIUSA: www.miusa.org

²⁶ Heinicke-Motsch, H. and Sygall, S (ed).: Building an Inclusive Development Community. A manual on including people with disabilities in international development programmes. MIUSA, 2004 in section 1.6.

Figure 2: Inclusive Index for Focal MDAs



Source: Author's

Inclusive Index in the context of BII looked at measuring the availability of the relevant budget votes that will help to reduce or break the barriers to inclusion. It also measured the costs of additional resources required to allow the marginalised and vulnerable groups in the society to equally participate in and benefit from all projects embarked upon by the state or country.

Using the focal MDAs at the federal level in Nigeria, the Inclusive Index shows that none of the focal MDAs was able to get to or cross the 75 percent benchmark required for a budget to be called an inclusive one as depicted in Figure 2 above. The federal ministries of Education, Agriculture, Women Affairs and Labour and Employment came closest with 74 percent, 69 percent, 67 percent, and 62 percent respectively but that was not enough to be seen as operating a fully inclusive budget using the United Nations Research Institute for Social Development benchmark and the BII methodology. The Health and Youths and Sports Ministries are a little bit above the amber line with 56 percent and 51 percent respectively while the Ministries of Transportation and Water Resources fell short with 14 percent and 11 percent respectively.

The detailed analysis shows that for Ministry of Agriculture and Rural Development in the period 2014 -2016, the aggregate amount allocated to items enjoyed exclusively by Women in 2014, 2015 and 2016 represent a total of 0.76 percent of the entire budget allocations and 1.9 percent of the entire capital budget in the 3 years. For the Ministry of Education, the proportion of allocation to the female gender in 2014 was 7.16 percent, 5.71 percent in 2015 and 12.58 percent in 2016 resulting to an average of 8.48 percent in the three years. The Ministry of Health recorded a proportion of 8.3 percent in 2014, 6.3 percent in 2015 and 8.0 percent in 2016 leading to an average of 7.5 percent dedicated to issues around women.

Further analysis show that the proportion of annual budgets that was exclusively allotted to items enjoyed by the youths and vulnerable groups during the same period were as follows: Agriculture (1.32 percent and 0.06 percent); Transportation (0.12 percent and 0 percent); Water Resources (0 percent for both); Women Affairs (0 percent for both); Youths and Sports

(more than 55 percent²⁷ and 3.02 percent); Education 19.8 percent and 1.70 percent); Health (0.03 percent and 0.01 percent); as well as Labour and Employment (0.67 percent and 5.68 percent). The same trend follows for all the other sub indicators under the inclusive index across the focal MDAs.

4.3.3 Safety Nets – Equity and Fairness

Social safety net is a collection of services provided by the state or other institutions such as friendly societies, including welfare, unemployment benefit, universal healthcare, homeless shelters, and sometimes subsidised services such as public transport, which prevent individuals from falling into poverty.

Nigeria, despite large resource endowment still has approximately 70 percent of her population living below the poverty line with a coefficient or more than 0.5 and a low ranking according to the OECD Social Institutions and Gender Index (SIGI), which reflects inequalities in human capital, political representation and economic participation between women and men. This has affected the country in so many ways. For example, the Human Development Index (HDI) of 2015, Nigeria's under-five mortality rate was among the highest in the world. High rates of trafficking, prostitution and abuse also signify concern for child protection. An estimated 3.3 million people living with HIV and AIDS, representing nearly 10 percent of the global burden of HIV. Such predicaments are expected to be met with an increasing government and donor commitment to targeted social protection programmes in Nigeria.

Though in 2004, the National Planning Commission (NPC) supported by the international community, drafted a Social Protection Strategy Paper with the goal of reducing poverty and protecting vulnerable groups through effective and sustainable risk management mechanism, the implementation of such policy failed to yield the expected fruits or dividends. The country has a National Health Insurance Scheme (NHIS) launched on October 15th, 1999, and the Conditional Cash Transfer (CCT) programme launched in December 2007, in the name Care of the Poor as a component of the State's Social Safety Net programme, supervised by the National Poverty Eradication Programme (NAPEP) with the main objectives of breaking intergenerational transfer of poverty through human capacity development. Other social safety nets programmes geared towards poverty eradication have been introduced and implemented at one time or the other but the daunting statistics of poverty and inequality make these programmes look deficient.

A study by the African Heritage Institution (AfriHeritage)²⁸ in 2014 shows that both the NHIS and the CCT programme were highly welcomed by the masses and were seen as a good dream towards achieving the Millennium Development Goal (MDG) of alleviating poverty and ensuring

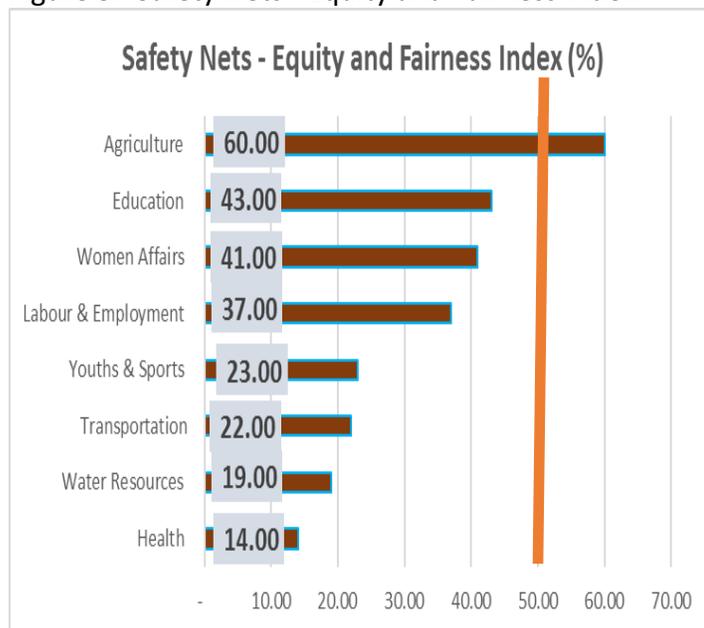
²⁷ Note that the chunk of these were for the National Youth Service Corps and not for other youths in the country.

²⁸ Ichoku, H. E., Urama, N.E., Nzeh, E.C. & Alumanah, J. (2014). Evaluating State Social Protection Programmes in Nigeria, African Heritage Institution Research Paper 10.

good health for the people. However, the general opinion was that both of the programmes failed to function as they ought to, both in terms of coverage, efficiency, and equity.

Evidence from the survey shows that only the Federal Ministry of Agriculture scored up to 60 percent on safety nets – equity and fairness index followed by Education with 43 percent, Women Affairs with 41 percent, Labour and Employment with 37 percent while Youths and Sports, Transportation, Water Resources and Health scored 23 percent, 22 percent, 19 percent and 14 percent respectively. None of the focal MDAs could make it to 75 percent (green line) which is the target for there to be an acceptable safety net – equity and fairness in place. See Figure 3 for detailed scores.

Figure 3: Safety Nets - Equity and Fairness Index



Source: Author's

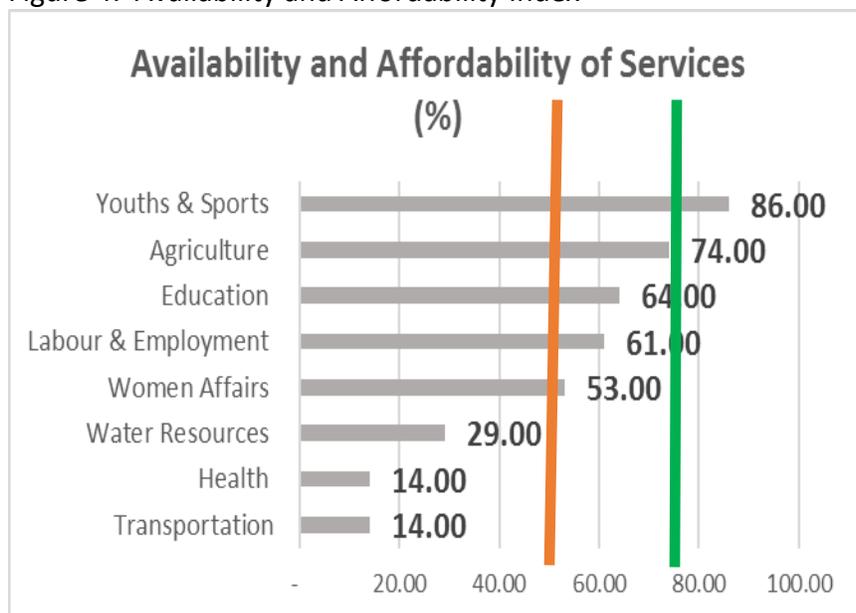
A further analysis of the focal MDAs performances reveals that the total allocation for youths skills acquisition, capacity building and human development for the vulnerable by Federal Ministry of Agriculture during the study period represents an average of 0.02 percent, 0.06 percent for Ministry of Transport, 0.00 percent for Water Resources, 1.0 for Women Affairs, about 5 percent for Youths and Sports, 19.8 percent for Education, 0.00 percent for Health and 6.83 percent for Labour and Employment.

Similarly, budgetary provisions to items that would improve the living standards of other disadvantaged groups of people in the society within the study period (2014-2016) were as follows: 0.20 percent for Agriculture; 0.00 percent for Transport; 3.9 percent for Water Resources; 0.00 percent for Women Affairs, Youths and Sports, Labour and Employment and Education; and 0.50 percent for the Federal Ministry of Health.

4.3.4 Availability and Affordability of Services

Key barriers to accessing care are unaffordable costs to households, weak availability of inputs and services, and poor acceptability (the appropriateness of the social interaction that accompanies care), collectively referred to as the access framework. Based on the above premise, this index benchmarked focal MDAs on availability and affordability of services required of them by the citizens using some sub-indicators.

Figure 4: Availability and Affordability Index



Source: Author's

This Availability and Affordability Index looked at measures and steps focal MDAs took to ensure that services were made available to women, youths, and the vulnerable group in need of such services through its annual budgets within the study period 2014-2016. The Index also sought to know if focal MDAs annual budgets considered the proximity of their facilities/services to all the people that would utilise them (i.e. nearness to the end-users).

Results of the analysis show that Youths and Sports scored 86 percent followed by Agriculture (74 percent), Education (64 percent), Labour and Employment (61 percent), Women Affairs (53 percent), Water Resources (29 percent), Health and Transportation with 14 percent.

On geographical locations that seem to be favoured above others in the MDA's annual budgets during the focal period 2014-2016, the study found that under the Federal Ministry of Agriculture, such major project include; construction of rural roads, drainages and bridges, irrigation schemes, factory establishment, procurement of equipment, rural electrification projects like street light, special training at different zonal level and other construction among others. About two hundred and fifty (250) projects were selected from the ministry allocation within the confines of the above-mentioned projects during the study period 2014 - 2016 which were estimated to worth about N5,606,471,237.10. These projects actually spread across the six geo-political zones of the federation. However, the spread of these projects imply that 22.86 percent went to the North East, 24.62 percent to South West, 11.39 percent to North Central, 17.45 percent to North West, 10.19 percent to the South East and 13.48 percent to the South-South geopolitical zones of the country.

Under the federal Ministry of Education, in 2014, about 21.79 percent of all the capital allocations to Unity Schools went to North Central geopolitical zone. In 2015, about 20.67 percent of all the capital allocations to Unity Schools went to the same North Central geopolitical zone. In 2016, about 22.77 percent of all the capital allocations to Unity Schools

went to North East geopolitical zone. Between 2014 and 2016, an average of 21.75 percent of all the capital allocations to Unity Schools went to the seemingly most favoured geopolitical zone in each of the three years. On the flip side, in 2014, about 12.29 percent of all the capital allocations to Unity Schools went to South East geopolitical zone. In 2015, about 12.80 percent of all the capital allocations to Unity Schools went to North East geopolitical zone and in 2016, about 10.85 percent of all the capital allocations to Unity Schools went to South East geopolitical zone. Between 2014 and 2016, an average of 11.98 percent of all the capital allocations to Unity Schools went to the seemingly least favoured geopolitical zone in each of the three years.

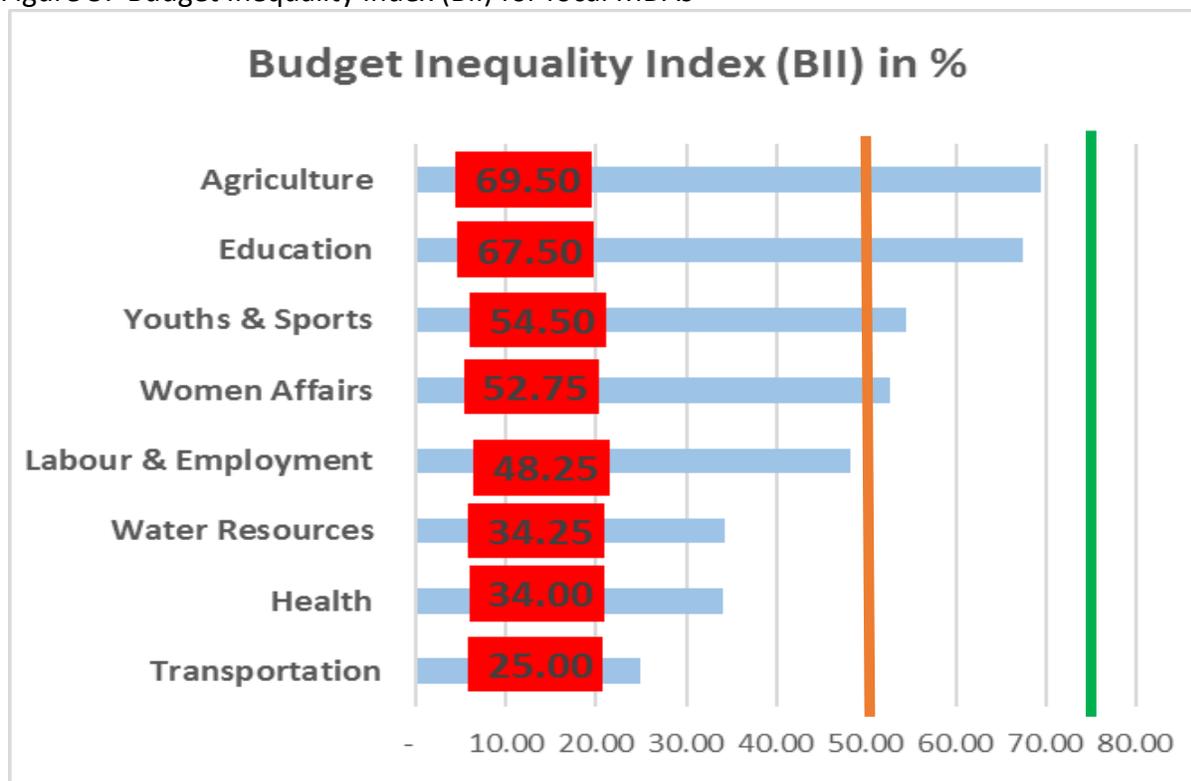
Under the Federal Ministry of Transportation, two geopolitical zones that were favoured most were South West and North Central with 36.6 percent of the budget in 2014 and 63.4 percent of the budget in 2016 respectively of most of the critical projects while under Water Resources, South West and South-South were most neglected with 7.2 percent and 2.1 percent respectively in the same period. There is no evidence to show that the Federal Ministry of Women Affairs annual budgets considered the proximity of its facilities/services to end users while in terms of being favoured, the North Central got 20.8 percent as against 2.6 percent for South West and 2.9 percent for North West of the projects, with other geopolitical zones getting almost zero percent of its capital budget allocation during the study period 2014-2016.

The Federal Ministry of Health followed a similar trend of skewing towards North West and North Central to the disadvantage of South East, South-South and South West. The implication of this observed skewing to some zones highlights the need to have a rearrangement that favours all citizens, no matter where they reside or come from and to think through how providers can engage with recipients of services in a way that strengthens every part of the country.

4.3.5 Budget Inequality Index for Focal MDAs

In order to promote economic growth and sustainable development, an effective state should be able to mobilise revenue, borrow prudently, plan and manage the spending of public money in an effective, efficient, equitable and fair way and to account for the use of funds and the results achieved. These are the tenets of budget that abhors inequality. Recalling that the major objective of this study is to conduct research which will provide evidence for alternative policy frameworks through the development of a Budget Inequality Index (BII), the study utilised the four indexes including: Policy Issues Index; Inclusiveness Index; Safety Nets – equity and fairness index; as well as Availability and Affordability of Services Index and found the average of the averages or the mean of means. The final mean (average) was used to construct the Budget Inequality Index (BII) for the eight (8) focal MDAs and depicted as Figure 5 below.

Figure 5: Budget Inequality Index (BII) for focal MDAs



Source: Author's

The BII summary scores reveals two clear groups from the focal MDAs as follows: those that were on or crossed the 50 percent border line (amber line) but were unable to meet the 75 percent recommended benchmark (green line); and those who were unable to get to the 50 percent borderline (amber line). The first group comprises the Federal Ministries of Agriculture with 69.50 percent score followed by Education (67.50 percent), Youths and Sports (54.50 percent) and Women Affairs (52.75 percent). These MDAs had scores more than 50 percent but fell short of the 75 percent scores recommendations of the United Nations Research Institute for Social Development and BII methodology. In other words, they are between the amber line and the green line. On the other hand, Federal Ministries of Labour and Employment (48.25 percent), Water Resources (34.25 percent), Health (34 percent) and Transportation (25 percent) could neither get to the 50 percent borderline (amber line) nor reach the 75 percent recommended benchmark (green line). Essentially, none of these focal MDAs (first and second group) can be said to have met the requirements of **Budget for Equality or Equality Budget** though at different magnitudes. This implies that all the focal MDAs cannot be treated the same during advocacy. Some need to start from the scratch and understand what it means to budget for equality, inclusiveness, equity and fairness while some already have policies and good springboard to carry them towards Budgeting for Equality.

5. POLICY RECOMMENDATIONS AND CONCLUSIONS

5.1 Policy Recommendations

All over the world, different countries are focusing on promoting equity, and the strategies they have adopted, vary widely. Some countries have actively promoted the use of public resources to improve the situation of the last quintile (bottom tier) of the income distribution. Others have focused on the top percentiles with highly progressive taxes. Yet, others who have concerns that adopting policies targeting the poor may result in economic inefficiencies and distortions that might retard growth, on their own part have taken an indirect approach, seeking to help low-income families by stimulating overall economic growth. The question for Nigeria is - which among the three approaches should the country adopt.

Amakom (2013)²⁹ argued that Nigeria's public expenditure as an aspect of fiscal policy for nearly four decades has been based on two goals of helping spur rapid economic growth, and ensuring that economic growth is distributed in a fair and equitable manner and this has been the target of all the policy regimes³⁰. These policy regimes have also recognised the importance and the need to invest in some critical sectors as a way of reducing poverty and inequality like in education, healthcare, water resources, women affairs, transportation etc. In summary for example, Nigeria's health targets for nearly four decades include: affordable and cost effective basic health services for 90 percent of the population, and 100 percent routine and special immunization coverage, while the education target has been, Education for All (EFA). With the results and findings of the BII as well as other notable national statistics, like the national poverty incidence which is fast approaching 70 percent and national inequality measure, using the gini coefficient that is more than 0.5, it is becoming obvious that the policy direction of spurring rapid economic growth, and ensuring that economic growth is distributed in a fair and equitable manner has not worked and hence the country needs to look at other options to reduce poverty and inequality.

The country's expenditure policy can be a good instrument if the questions used to craft the BII and its sub-indexes become tools for budget preparation, implementation, monitoring and evaluation. Let's recall that many countries have actively promoted the use of public resources to improve the situation of the last two quintiles (bottom tier) of the income distribution and in this case, we are looking at over a hundred million people in Nigeria who are currently trapped

²⁹ Amakom, U. (2013). "Public Spending and Poverty Reduction in Nigeria: A Benefit Incidence Analysis in Education and Health", AERC Research Paper 254, Nairobi-KENYA, African Economic Research Consortium.

³⁰ Notable policy regimes include: the Second National Development Plan (1975-1980); The Third National Development Plan (1980-1985) and Austerity Measures (1984); the Structural Adjustment Programme (SAP) (1985-1989); Rolling Plans and Vision 2010 (1992-1998), Obasanjo Economic Direction (1999-2003), the National Economic Empowerment and Development Strategy (NEEDS) of 2003-2007 and Yar'Adua's Seven Point Agenda (2007-2009), Vision 20:2020 and its Implementation Plans and the Transformational Agenda (2011-2015); as well as the current Economic Recovery and Growth Plan (ERGP) of 2017-2020.

in poverty and inequality. The study finds that the entire quest for improving the inequality situation, especially that of women, men, youths and the vulnerable starts with the policy process. The study found absence of clear cut policies for these groups of people across several MDAs and where the policies are fairly available, adherence to policy strategies that promotes equity and fairness in budgets and budgeting has not been impressive. Policy makers across MDAs should understand that policies promoting equity can boost social cohesion and reduce political conflict. For such policies to be effective, they require broad political support, which is more likely to be forthcoming when the distribution of income is seen as fair. However, macroeconomic adjustment that entails growth-enhancing structural reforms may increase unemployment and worsen inequality in the short run. In such circumstances, well-targeted social safety nets to shelter the consumption levels of the poor are critically important. In the above light, the study recommends the following:

- A comprehensive review of the focal MDAs sectoral policies making sure that they adapt social policy instruments to protect vulnerable groups, and erect social safety nets (for example, targeted subsidies or well managed cash compensation in lieu of subsidies, severance pay and retraining of public sector employees in understanding these processes and making sure that these are reflected in budgets and budgeting for all public works programmes. It is equally noteworthy that the lack of budgetary resources may hamper implementation of these policies.
- Fiscal policy - taxation and spending - is a government's most direct tool for redistributing income, in both the short and the long run. Nevertheless, the effect of redistributive tax policies, especially in the face of globalization, has been small. It is widely accepted that policymakers should focus on developing a broad based, efficient, and easily administered tax system with moderate marginal rates. An important subsidiary issue is how to distribute the burden of taxation so that the system is seen as fair and just. It is equally noteworthy that achieving these various goals is naturally complex and politically sensitive.
- Like we have argued above, the expenditure side of the budget as witnessed in many countries, if well managed in Nigeria can offer better opportunities than the tax side for redistributing income. The link between income distribution and social spending- especially spending on health, education, agriculture, water resources, public transportation, women and children related issues, youths and sports as well as labour and employment through which governments can influence the formation and distribution of human capital-is particularly strong, and public investment in human capital can be an efficient way to reduce income inequality over the long run.
- There is evidence across the world that better managed outlays on health and education from good policy drafting to budgeting and implementation can improve the existing pattern of income distribution, depending to a large extent on the allocation of

expenditures on various economic sectors while different studies have shown that spending on basic health care and primary education is far more effective in reaching the poor than spending on higher education or hospital-based curative care. This reduces disparities in human capital across income groups and can narrow income inequality in the long run. Studies have also show that, in countries without some form of pooling of health risks, serious illnesses are the single most important factor driving families into poverty. Nigeria's out of pocket expenditure which is any direct outlay by households, including gratuities and in-kind payments, to health practitioners and suppliers of pharmaceuticals, therapeutic appliances, and other goods and services whose primary intent is to contribute to the restoration or enhancement of the health status of individuals or population groups have become catastrophic³¹.

- Another viable avenue the Nigeria government can indirectly affect income levels and distribution is through monetary policy and the overall stance of macroeconomic policy. For example, high inflation tends to curtail economic growth and widen income inequality. Currency devaluations may also have implications for equity, particularly in a country like Nigeria where the poor are often concentrated in agriculture - whose value chain and link to industry and exports is under developed and the middle-and upper-income urban dwellers tend to be more dependent on imports.

The study also observed that for Nigeria government to carry out equity-oriented policies, it has to jump through a number of hurdles and they include:

- *Finance:* Equity-oriented policies require high levels of spending on targeted programmes that may not be consistent with a sustainable macroeconomic framework as being currently pursued under the Economic Recovery and Growth Plan (ERGP). But the remediation can be found in aggressive domestic resource mobilisation, which for instance, in the health sector provides for compulsory and universal health insurance and a Nigerian Immunisation Trust Fund.
- *High number of rural and informal sector activities in Nigeria:* The Nigerian government should understand and note that the country has a large share of the population engaged in rural and informal sector activities hence ill-managed equity-oriented policies and budgeting may not reach the most vulnerable groups. The rural and informal sectors may have limited interaction with formal sector institutions, including the government, complicating the delivery of government assistance (for example, cash transfers). However, proper documentation, statistics keeping and capacity building can help the informal sector to overcome this challenge.

³¹ World Development Indicators (WDI) data shows that out-of-pocket health expenditure is more than 80 percent.

- *Low Administrative capacity:* Another critical issue has to do with low administrative capacity of the governmental bureaucracy which may hamper redistributive efforts. The difference between released, cash-backed and utilised parts of the budget for critical MDAs is a product of poor absorptive capacity of MDAs. Capacity building for key MDA personnel is imperative whilst a carrot and stick approach for good and poor MDA performance will drive improvements in service delivery.
- *Political Constraints:* Political constraints-low-income groups typically have less political power than other interest groups and this may impede efforts to reallocate spending toward the poor or redistribute land or other assets. For instance, the failure to provide for the Basic Health Care Provision Fund as stipulated in the National Health Act seems to portray a low prioritisation of the health of the poor and vulnerable. Social mobilisation that provides a voice for low income groups will pave the way for intensive advocacy to force the interest of the poor onto the mainstream of budgeting, political discourse and decision making.
- *Legal Impediments:* Legal impediments may also prevent governments from taking measures to promote equity-for example, constitutional rules on revenue sharing and fiscal federalism may limit the amount of resources the federal and other government can allocate to redistributive policies and this may affect the achievement of such equity-oriented policies and budgeting programmes. For a policy on poverty reduction, income redistribution, etc. to be effective, it needs the buy-in of all three tiers of government- federal, state and local governments. Consensus building and amendment of relevant laws may push the redefinition of public priorities and force the hand of governments to budget in an inclusive manner that targets sustainable growth.

5.2 Conclusions

The successful design of a BII which is transparent, with a comprehensive non-partisan research and analysis will further help to examine broad social and economic budgetary issues relating to youth, gender and vulnerability. This will facilitate advocacy and other engagements with the authorities and a comprehensive review of federal budgets vis a vis policies in the focal MDAs including: education; labour and employment; women affairs; health; water resources; transportation; as well as youths and sports development, identifying the drivers of inequality and its links with appropriations and budget implementation as a basis to enable the authorities and civil society form an alliance that can bring improvement in the process.

The IMF³² in its article “Should Equity Be a Goal of Economic Policy?” noted that the strategies that countries have adopted vary widely, the most effective tool for redistributing income has been fiscal policy. And of the two sides of the budget--taxation and spending--the expenditure

³² Should Equity Be a Goal of Economic Policy? IMF Fiscal Affairs Department. 1998.



side, especially spending on health and education, has offered the better opportunities for reducing income inequality over the long term. But governments have also pursued income redistribution through labor market measures, monetary policy, and the overall stance of macroeconomic policy. Therefore, for every government to embark on equity-oriented policies and budgeting, an important question is whether governments should focus on outcomes (such as decreasing broad measures of income inequality) or on ensuring that all members of society have equal opportunities (for example, through policies that facilitate mobility among income classes and by setting up a well-functioning judicial system and reducing the scope for corruption). The paper concluded by saying that a consensus is forming nevertheless that governments should sometimes intervene to ensure not only that the size of the pie increases, but that everybody gets a fair share.

ANNEX 1: QUESTIONNAIRE FOR GENERATING RESPONSES

SECTION A: POLICY ISSUES

For inequality to be reduced, fiscal policy and underlying sectoral policy document(s) must be inclusive, especially with respect to women, youths and the vulnerable groups of people in the society. This benchmark considered the following:

A.1 Availability

- 1) Does the MDA have an up-to-date policy document that guides its annual budget?
 - (a) No, it does not have []
 - (b) Yes, but not up to date []
 - (c) Yes, and it is up to date []

- 2) Does the MDA's policy document make provisions for women, youths and the vulnerable groups?
 - (a) No, it does not []
 - (b) Yes, but not particular []
 - (c) Yes, and particular []

- 3) Has the MDA conducted any special training on budget inclusiveness for its budget officers in the last two fiscal years?
 - (a) Not at all []
 - (b) Yes, but not in the last two years []
 - (c) Yes, and within the last two years []

- 4) Did the MDA consult women, youths and the vulnerable groups during the preparation of the sectoral policy document?
 - (a) No, it did not []
 - (b) Yes, but only one of the three groups []
 - (c) Yes, but only two of the three groups []
 - (d) Yes, all of the three groups []

- 5) To what extent did the contributions of the consulted women, youths and vulnerable groups influence the items in the policy documents?
 - (a) Not at all []
 - (b) To a little extent []
 - (c) To some extent []
 - (d) To a large extent []

- 6) Any affirmative action or inequality reducing provisions in the policy?
 - (a) Not at all []
 - (b) To a little extent []
 - (c) To some extent []
 - (d) To a large extent []

7) (a) Has the MDA prepared Medium-Term Sector Strategy (MTSS) or any other policy document in the last three years? (a) No [] (b) Yes []

(b) If the answer to 7 (a) is in the affirmative, was reduction in inequality a criterion in the selection and prioritization of projects?

(a) Not at all [] (b) To a little extent [] (c) To some extent [] (d) To a large extent []

A.2 Policy Use

This measure focuses on the usage of policy documents during budget formulation and implementation stages by the MDAs

8) Does the MDA's policy document guide the formulation of the annual budget estimates of the MDA?

(a) Not at all [] (b) Rarely – 1 percent to 10 percent [] (c) Sometimes – 11percent to 50percent [] (d) Often – 51percent to 74percent [] (e) Always – 75percent and above []

9) Does the MDA's policy document guide the implementation of the annual budget estimates of the MDA?

(a) Not at all [] (b) Rarely – 1percent to 10percent [] (c) Sometimes – 11percent to 50percent [] (d) Often – 51percent to 74percent [] (e) Always – 75percent and above []

SECTION B: INCLUSIVENESS³³

For inequality to be reduced, inclusiveness is fundamental with respect to women, youths and the vulnerable groups of people in the society. This benchmark considered the following:

B.1 Women-related

This measure focuses on the issues on women in budgets and budgeting.

10) Are there specific budgetary provisions for women in the MDA's budgets in the last three years?

(a) Not at all [] (b) Yes, but only in one year [] (c) Yes, but only in two years [] (d) Yes, and in all the three years []

³³ Budget heads that address the special needs of the identified interest groups – women, youths and the vulnerable groups

11) What proportion of the MDA annual budgets is exclusively allotted to items enjoyed by only the female gender in the last three years?

- (a) None [] (b) 1 percent – 4percent [] (c) 5percent – 9percent [] (d) 10percent – 15percent [] (e) Above 15percent []

B.2 Youth-related (People aged between 18 and 35 years)

This measure focuses on issues of youths in budgets and budgeting.

12) Are there specific budgetary provisions for youths in the MDA's budget in the last three years?

- (a) Not at all [] (b) Yes, but only in one year [] (c) Yes, but only in two years [] (d) Yes, and in all the three years []

13) What proportion of the MDA annual budgets is exclusively allotted to items enjoyed by only the youths in the last three years?

- (a) None [] (b) 1 percent – 4percent [] (c) 5percent – 9percent [] (d) 10percent – 15percent [] (e) Above 15percent []

B.3 The Vulnerable (people with disabilities and other vulnerable groups) -related

This measure focuses on the vulnerable groups in budgets and budgeting.

14) Are there specific budgetary provisions for the vulnerable in the society in the MDA's budget within the last three years?

- (a) Not at all [] (b) Yes, but only in one year [] (c) Yes, but only in two years [] (d) Yes, and in all the three years []

15) What proportion of the MDA annual budgets is exclusively allotted to items enjoyed by only the vulnerable in the last three years?

- (a) None [] (b) 1 percent – 4percent [] (c) 5percent – 9percent [] (d) 10percent – 15percent [] (e) Above 15percent []

B.4. Income Redistribution

This measure focuses on how the budget has attempted to redistribute income/wealth in the specific year.

16) Are there specific budgetary provisions for income redistribution in the MDA's budgets within the last three years?

(a) Not at all [] (b) Yes, but only in one year [] (c) Yes, but only in two years [] (d) Yes, and in all the three years []

17) What proportions of the MDA annual budgets are exclusively allotted to items that seek income redistribution in the last three years?

(a) None [] (b) 1 percent – 4percent [] (c) 5percent – 9percent [] (d) 10percent – 15percent [] (e) Above 15percent []

18) To what extent could the MDA's budgets address the problem of income inequality and prevalence of poverty in the society?

(a) Not at all [] (b) To a very little extent [] (c) To some extent [] (d) To a very large extent []

SECTION C: SAFETY NETS – EQUITY AND FAIRNESS

Social safety nets are important for equity and fairness in economic and fiscal policy³⁴. This benchmark considers empowerment of different categories of people (women, youths and the vulnerable) that find it difficult to move out of poverty without some deliberate policies.

C.1 Women-related

19) Considering the low economic capacity of women, are there budgetary provisions in the MDA's budgets that focus on women skill acquisition, capacity building and human development in the last three years?

(a) Not at all [] (b) Yes, but only in one year [] (c) Yes, but only in two years [] (d) Yes, and in all the three years []

20) What proportion of budgetary provisions of the MDA is allocated to human development of women through skills acquisition and capacity building in the last three years?

(a) None [] (b) 1 percent – 4percent [] (c) 5percent – 9percent [] (d) 10percent – 15percent [] (e) Above 15percent []

C.2 Youth-related

21) Are there budgetary provisions in the MDA's budgets that focus on youth skills acquisition, capacity building and human development in the last three years?

³⁴ For e.g. N Power; ex-gratia payments; (conditional) cash transfers

(a) Not at all [] (b) Yes, but only in one year [] (c) Yes, but only in two years [] (d) Yes, and in all the three years []

22) What proportion of budgetary provisions of the MDA is allocated to human development of youths through skills acquisition and capacity building in the last three years?

(a) None [] (b) 1 percent – 4percent [] (c) 5percent – 9percent [] (d) 10percent – 15percent [] (e) Above 15percent []

C.3 The Vulnerable (the aged, people with disabilities and other vulnerable groups) - related

23) Are there budgetary provisions in the MDA’s budgets that focus on skills acquisition, capacity building and human development of the vulnerable in the last three years?

(a) Not at all [] (b) Yes, but only in one year [] (c) Yes, but only in two years [] (d) Yes, and in all the three years []

24) What proportion of budgetary provisions of the MDA is allocated to human development of the vulnerable in the society through skills acquisition and capacity building in the last three years?

(a) None [] (b) 1 percent – 4percent [] (c) 5percent – 9percent [] (d) 10percent – 15percent [] (e) Above 15percent []

C.4 Other Disadvantaged Groups (IDPs, Destitute, Victims of Natural Disasters)

25) Are there budgetary provisions in all the MDA’s budgets of the last three years that are targeted at improving the living standards of other disadvantaged groups of people not mentioned in C1, C2 and C3?

(a) Not at all [] (b) Yes, but only in one year [] (c) Yes, but only in two years [] (d) Yes, and in all the three years []

26) What proportion of budgetary provisions of the MDA is specifically allocated to items that would improve the living standards of other disadvantaged groups of people in the society within the last three years?

(a) None [] (b) 1 percent – 4percent [] (c) 5percent – 9percent [] (d) 10percent – 15percent [] (e) Above 15percent []

C.5 Other Budgetary Issues

- 27) Have there been increases in the MDA's budget figures in the last three years?
- (a) No [] (b) Yes, but not consistently [] (c) Yes and consistently []
- 28) If the answer is in the affirmative, what is the rate of the increase?
- (a) Less than 1 percent [] (b) 1 percent – 4percent [] (c) 5percent – 9percent []
(d) 10percent – 15percent [] (e) Above 15percent []
- 29) If the answer to 27 is in the affirmative, what proportion of the increases was allocated to women, youths and the vulnerable?
- (a) Less than 1 percent [] (b) 1 percent – 4percent [] (c) 5percent – 9percent []
(d) 10percent – 15percent [] (e) Above 15percent []

SECTION D: AVAILABILITY AND AFFORDABILITY OF SERVICES

For inequality to be reduced, any fiscal policy document must consider the availability and affordability of services for marginalised groups in the society especially women, youths and the vulnerable groups. This benchmark considers the aspect of availability of services and its affordability.

D.1 Availability and Affordability

This measure focuses on the availability and affordability of services.

- 30) Has the MDA taken steps to ensure that services are made available to women, youths, and the vulnerable group in need of such services through its annual budgets in the last three years?
- (a) Not at all [] (b) Yes, but only in one year [] (c) Yes, but only in two years []
(d) Yes, and in all the three years []
- 31) Has the MDA taken steps to ensure that services are made affordable to women, youths, and the vulnerable in need of such services through its annual budgets in the last three years?
- (a) Not at all [] (b) Yes, but only in one year [] (c) Yes, but only in two years []
(d) Yes, and in all the three years []

D.2 Location

This measure focuses on proximity of the services to the end users.

- 32) Have the annual budgets of the MDA considered the proximity of its facilities/services to all the people that will utilise them (i.e. nearness to the end-users)?
- (a) Not at all [] (b) Yes, but only in one year [] (c) Yes, but only in two years [] (d) Yes, and in all the three years []
- 33) Are there geographical locations that seem to be favoured above others in the MDA's annual budgets of the last three years?
- (a) Yes, and in all the three years [] (b) Yes, but only in two years [] (c) Yes, but only in one year [] (d) Not at all []
- 34) What proportion of the MDA's annual budgetary allocations went to the most favoured geographical location in the last three years?
- (a) Up to 50percent [] (b) 31 – 49percent [] (c) 21 – 30percent []
(d) 10 – 20percent [] (e) Less than 10percent []
- 35) Are there geographical locations that seem neglected in the MDA's annual budgets of the last three years?
- (a) Yes, and in all the three years [] (b) Yes, but only in two years [] (c) Yes, but only in one year [] (d) Not at all []
- 36) What proportion of the MDA's annual budgetary allocations went to the neglected geographical location in the last three years?
- (a) None [] (b) 0.1 – 3.9percent [] (c) 4.0 – 6.9percent [] (d) 7.0 – 10.0percent [] (e) Above 10percent []

ANNEX 2: GUIDELINES FOR COMPLETING THE BUDGET INEQUALITY INDEX (BII) FOR BENCHMARKING MINISTRIES, DEPARTMENTS AND AGENCIES (MDAS) OF THE FEDERAL AND STATES GOVERNMENTS IN NIGERIA

SECTION A: POLICY ISSUES

Every good budget is drawn from sectoral policies of the government. These sectoral policies are components of the overall goal of the government. Apart from the overarching Vision 20:2020 of the government and the current Economic Recovery and Growth Plan (ERGP), the Federal Republic of Nigeria is a signatory to the United Nation's Sustainable Development Goals (SDGs). Reductions in youth unemployment, gender inequality, and income inequality are all part of the means of achieving Nigeria's Vision 20:2020 and the United Nation's Sustainable Development Goals (SDGs).

For inequality to be reduced, fiscal policy and underlying sectoral policy document(s) must be inclusive, especially with respect to women, youths and the vulnerable groups of people in the society. The implication is that whatever is not first of all captured in the sectoral policies of the MDAs can equally be omitted in the annual budgets of MDAs. By extension, promotion of inequality in the annual budgets is only a reflection of promotion of inequality in the sectoral policies of the MDAs. This measure considers the issue of policy availability and use of such policies.

A.1 Availability

It is a fact that whatever is not available cannot be used. Therefore, considering the importance of sectoral policies in the preparation of annual budgets of MDAs, it is imperative that MDAs have their sectoral policies. Without being available, there is no point asking how inclusive such policies are in terms of reduction in gender and income inequalities. Therefore, all the questions under this measure are related to the issue of policy availability.

1. Does the MDA have an up-to-date policy document that guides its annual budget?

Explanation:

This question is about the availability of an up-to-date policy document that guides the annual budget of the MDA. This means that the question does not only ask if the MDA has a policy document, but goes further to ask of how up-to-date the policy document is.

Evidence:

In order to score this question, it is important that researchers collect sectoral policy document of the MDA and check for the years such a policy document covers. There are

three options of which one has to be selected for this question. The first option implies that the MDA has no policy document. The second option implies that the MDA has a policy document, but it is not up-to-date, while the third option is that the MDA has up-to-date policy document.

2. Does the MDA's policy document make provisions for women, youths and the vulnerable groups?

Explanation:

This question is based on the premise that there is an up-to-date policy document that guides the annual budget of the MDA. It therefore intends to find out if issues about women, youths and the vulnerable groups are well captured in the policy document of the MDA. It therefore implies that for the MDA to score anything in this question, it must have the policy document as asked and collected in question 1 above.

Evidence:

To be able to know what to score the MDA for this question, the researcher has to go through the available policy document. In going through the document, the goal is to check the contents so as to see if issues about women, youths and vulnerable groups of people in the society are well captured in the policy document.

There are three options for this question. If there is no such provision in the policy document, option A should be selected for the MDA. If there are provisions that seem to be related to women, youths and the vulnerable, but not clearly stated to be for them, then option B should be selected. On the other hand, if the provisions are clearly stated to be for these groups of people (i.e. women, youths and the vulnerable) then option C should be selected.

3. Has the MDA conducted any special training on budget inclusiveness for its budget officers in the last two fiscal years?

Explanation:

Apart from having a policy document, capacities of the budget officers in the MDA will go a long way in ensuring budget inclusiveness. Therefore, this question presupposes that budget officers may not have the capacity for inclusive budgeting before now. It therefore hopes to find out if the MDA has increased the capacities of the budget officers for the preparation of inclusive budgets. For this question, the interest is not about who funded such a special training, but about the budget officers' attendance of such special trainings.

Evidence:

In order to score this question, the researcher has to collect evidence of attendance to such a special training programme. Where an MDA claims that its budget officers had undergone

special training on inclusive budgeting, there should be evidence of such a function including which particular officer attended, where the training held, when it was held and who funded the training.

Like the other questions, there are three options of which one has to be selected for this question. The first option implies that budget officers of the MDA have not undergone any special training on budget inclusiveness. The second option implies that budget officers of the MDA have undergone a special training on budget inclusiveness, but not in the last two years (i.e. 2015-2016). The third option implies that budget officers of the MDA have undergone at least a special training on budget inclusiveness within the last two years (i.e. 2015-2016).

4. Did the MDA consult women, youths and the vulnerable groups during the preparation of the sectoral policy document?

Explanation:

In preparing an inclusive policy document, an MDA should consult relevant stakeholders including CSO groups that are working in areas of interest to the MDA's policy thrust. This question presupposes that there is a sectoral policy document for the MDA. It therefore asks if during the preparation of the policy documents, relevant stakeholders including women, youth and the vulnerable groups were consulted. As a good proxy for these groups of marginalised people, consultation with relevant CSOs that are working in matters concerning these groups can serve.

Evidence:

Any claim of consultation must be backed up by evidences including invitation letters to the groups, minutes of such meetings, and attendance list of the consultative meetings showing the names of those groups or their representatives. It is important to emphasise that invitation letter does not suffice in this case, since that does not show that there was any meaningful consultation.

There are four options for this question. Option A implies that the MDA did not consult any of these groups. Option B implies that the MDA consulted only one of the three groups or their representatives. Option C implies that the MDA consulted only two of the three groups or their representatives, while option D implies that the MDA consulted with all the three groups or their representatives.

5. To what extent did the contributions of the consulted women, youths and vulnerable groups influence the items in the policy documents?

Explanation:

In preparing sectoral policies, consultative meetings are not just held for consultation sake. Consultations are held in order to feed into the policy focus of the MDA. It therefore

amounts to waste of resources and time for consultations to be held without the outcomes of such consultations feeding into the policy focus. Therefore, this question presupposes that consultative meetings were held. It then asks of the extent to which the outcomes of the consultation influenced the policy focus of the MDA.

Evidence:

This is not a question of YES and NO. It demands that the researcher will go through the minutes and pick out the various recommendations and resolutions arising from the minutes of the meetings. Taking the resolutions, the researcher will then look through the policy document in order to infer the extent of influence of the resolutions on the policy focus and thrust.

There are equally four options for this question. Option A implies that the recommendations of the consultative meetings did not influence the items in the policy document at all. Option B implies that the recommendations of the consultative meetings only influenced the items in the policy document to a little extent. Option C implies that the recommendations of the consultative meetings influenced the items in the policy document to some extent (i.e. barely greater than little extent). On the other hand, option D implies that the recommendations of the consultative meetings influenced the items in the policy document to a large extent.

6. Any affirmative action or inequality reducing provisions in the policy?

Explanation:

To be able to reduce inequality through budgetary provisions, certain policy actions need to be taken consistently. This involves setting a target of the rate at which inequality ought to be reduced within a specified period of time. Therefore, this question asks if the MDA specifies any affirmative action or inequality reducing provisions in the policy that the MDA ought to pursue within the period covered by the policy.

Evidence:

For this question to be answered correctly, the researcher has to go through the policy document in order to ascertain that there are specific affirmative action or inequality reducing provisions in the MDA's sectoral policy. It therefore implies that this question presupposes that the MDA has an up-to-date sectoral policy document.

There are equally four options for this question. Option A implies that the recommendations of the consultative meetings did not influence the items in the policy document at all. Option B implies that the recommendations of the consultative meetings only influenced the items in the policy document to a little extent. Option C implies that the recommendations of the consultative meetings influenced the items in the policy document to some extent (i.e. barely greater than little extent). On the other hand, option D implies that the recommendations of the consultative meetings influenced the items in the policy document to a large extent.

7. (a) Has the MDA prepared Medium-Term Sector Strategy (MTSS) or any other policy document in the last three years?

Explanation:

Apart from the sectoral policy document discussed above, every MDA is also expected to prepare and have its Medium-Term Sector Strategy (MTSS) or any other policy document. The MTSS helps the MDA to plan its expenditure focus over a medium-term period of about three years. The MTSS is part of the documents that influence or guides the annual budgets of MDAs. This is because the overall policy of the MDA feeds into the MTSS from where the annual budgets are drawn. This question therefore asks if the MDA has an up-to-date MTSS (i.e. MTSS or any other policy document prepared within the last three years).

Evidence:

In order to score this question, the researcher has to sight and collect the MDA's MTSS or any other policy document that covers the current year. This is a YES or NO question. Option A implies that the MDA has not prepared MTSS or any other policy document within the last three years (meaning that their MTSS is not up-to-date). Option B implies that the MDA has an up-to-date MTSS or any other policy document which is prepared within the last three years.

(b) If the answer to 7 (a) is in the affirmative, was reduction in inequality a criterion in the selection and prioritization of projects?

Explanation:

Anytime reduction in inequality becomes a guiding principle in the selection of line items in an MDA's budget, the effect on the overall budget of the government is usually felt. However, an ideal situation is such that reduction in inequality as a guiding principle will reflect in the MDA's MTSS or any other policy document. The selection of projects in the MTSS guides the selection of projects in the annual budgets. Therefore, this question asks if reduction in inequality was a criterion in the selection and prioritisation of projects in the MTSS or any other policy document. The implication is that this question presupposes that there is an up-to-date MTSS or any other policy document within the MDA.

Evidence:

In order to score this question, the researcher should go through the collected MTSS in order to check the priority projects in the document. On the basis of the project items in the MTSS or any other policy document, the researcher will then know the extent to which the MDA's project selection was influenced by the desire to reduce inequality.

There are equally four options for this question. Option A implies that the desire to reduce inequality did not influence the selection of project items in the MTSS or any other policy document at all. Option B implies that the desire to reduce inequality influenced the

selection of project items in the MTSS or any other policy document, but only to a little extent. Option C implies that the desire to reduce inequality influenced the selection of project items in the MTSS or any other policy document to some extent (i.e. barely greater than little extent). On the other hand, option D implies that the desire to reduce inequality influenced the selection of project items in the MTSS or any other policy document to a large extent.

A.2 Policy Use

Policies, as good as they may be, cannot produce any good result, except they are translated to actionable plans. This is because good policies can only be relevant when they are put in use. Nigeria is known as one of the countries that does not lack good policies, but lacks the political will to implement the policies. This explains why the country is still where it is in the midst of good policies lying unused.

This measure therefore focuses on the usage of policy documents that are prepared and owned by the MDAs. The usage of the policy document during budget formulation can be seen by observing the nature of projects and programmes in the annual budgets dictated by the policy direction.

8. Does the MDA's policy document guide the formulation of the annual budget estimates of the MDA?

Explanation:

During the formulation of annual budget estimates, several interests come into play. However, an MDA should ensure that the budget line items correspond with projects that will help the MDA achieve its set of goals. These goals are usually itemised in the policy document. This question therefore presupposes that there is a policy document in the MDA. Based on the availability of an up-to-date policy document in the MDA, this question asks how much the policy guides the formulation of project items in the annual budget of the MDA.

Evidence:

Scoring any MDA in this question implies collecting the MDA's policy document and the MDA's budgets for the last three years (i.e. 2014 – 2016). The researcher will then look at the MDA's budget line items through the lens of the MDA's policy document in order to see how the priority projects in the MDA's policy document have been prioritised in the annual budgets of the last three years.

To be able to score this question, the researcher should go through the sectoral policy document of the MDA and check the projects that are considered priority projects. Also collect the annual budgets of the MDA for the last three years and see if those priority projects in the policy document are also prioritised in the annual budget. Whatever is observed within the three years should inform the score to be awarded to the MDA for this

question.

There are five options for this question. Option A implies that the MDA's policy document does not guide the formulation of the annual budget estimates of the MDA at all. Option B implies that the MDA's policy document guides the formulation of the annual budget estimates of the MDA, but only rarely (i.e. 1 percent to 10 percent). Option C implies that the MDA's policy document guides the formulation of the annual budget estimates of the MDA, but only sometimes (i.e. 11 percent to 50 percent). Option D implies that the MDA's policy document often guides the formulation of the annual budget estimates of the MDA (i.e. 51 percent to 74 percent). Option E implies that the MDA's policy document always guides the formulation of the annual budget estimates of the MDA (i.e. 75 percent and above).

9. Does the MDA's policy document guide the implementation of the annual budget estimates of the MDA?

Explanation:

In Nigeria, it is a known fact that annual budget formulation does not automatically translate to annual budget implementation. Slogans like approved, authority to incur expenditures, released, cash-backed, utilisation, etc. are commonly used in the public sector financial management space of Nigeria. Therefore, instead of focusing only on how much the MDA's policy guides the formulation of the MDA's annual budget estimates, we extend the searchlight to also focus on how much the MDA's policy guides the implementation of the MDA's annual budget estimates.

Evidence:

Scoring any MDA in this question implies collecting the MDA's policy document and the MDA's budget implementation report for the last three years (i.e. 2013 – 2015³⁵). The researcher will then look at the MDA's project items in the implementation reports through the lens of the MDA's policy document in order to see how the priority projects in the MDA's policy document have been prioritised in the implementation of the MDA's annual budget of the last three years.

There are five options for this question. Option A implies that the MDA's policy document does not guide the implementation of the annual budget estimates of the MDA at all. Option B implies that the MDA's policy document guides the implementation of the annual budget estimates of the MDA, but only rarely (i.e. 1 percent to 10 percent). Option C implies that the MDA's policy document guides the implementation of the annual budget estimates of the MDA, but only sometimes (i.e. 11 percent to 50 percent). Option D implies that the MDA's policy document often guides the implementation of the annual budget estimates of

³⁵ Here, the last three years changed from 2014–2016 to 2013–2015 because the 2016 budget implementation reports are only ready up to the second quarter. The third and fourth quarters are not ready and therefore cannot be used for this study.

the MDA (i.e. 51 percent to 74percent). Option E implies that the MDA’s policy document always guides the implementation of the annual budget estimates of the MDA. (i.e. 75 percent and above).

SECTION B: INCLUSIVENESS

Budget is a powerful tool of economic management and resource allocation as the outcomes of its process affect people in a good number of ways³⁶. The extent to which people’s lives are affected through the budgetary process largely depends on how inclusive the budget instrument is. Ideally, the budget of federal government is supposed to be inclusive, incorporating the interest of all in order to achieve inclusive development as well as poverty reduction. It therefore means that budget preparation and implementation at various MDAs of the federal government should be guided by the principle of equity and fairness in order to maintain inclusiveness.

Inclusive budgeting is no longer just the “right thing to do” but the necessary ingredient needed to sustainably grow an economy. Actually, the budget and budgetary process of the various MDAs should mainstream gender-male and female as well as taking full account of the needs and interest of the youths and the vulnerable groups. This measure therefore considers the inclusive nature of the selected MDAs of the federal government.

B.1 Women-related Inclusiveness

There is a growing concern that budgetary provisions do not effectively accommodate the interest of the female gender. It is believed that over the years, budgetary allocations have been skewed to favour the male gender as against the female gender. This is evident in the number of Civil Society Organizations (CSOs) campaigning and advocating for increased opportunities and provisions for women in the country. Actually, no country solves its economic problems by excluding or being unjust to a particular gender-male or female; neglecting gender inclusiveness widens the inequality gap, thereby increasing or worsening the prevalence of poverty in the country. The questions raised under this measure look at how the MDAs’ budget and budgetary processes include or exclude the interest of women in Nigeria.

10. Are there specific budgetary provisions for women in the MDA’s budgets in the last three years?

³⁶ Lionel, D. (2001). *Public Expenditure and Poverty Reduction*. Poverty and Social Development Group, Africa Region. The World Bank.

Explanation:

This question seeks to investigate if there have been specific budgetary provisions for women in the MDAs budgets in the last three years (2014-2016). The indicator has four options.

Evidence:

To score this question, the assessor will approach the MDA in question and request to see the MDA's annual budgets for the periods under consideration (2014-2016). The first option implies that the MDA has no specific budgetary provision for women. The second option means that the MDA has specific budgetary provision for women but only in one year. The third option implies that the MDA has specific budgetary provision for women but only in two years. The fourth option means that the MDA has specific budgetary provision for women in all the three years covered by this study.

11. What proportion of the MDA annual budgets is exclusively allotted to items enjoyed by only the female gender in the last three years?

Explanation:

Capturing the interest of the female gender in the MDA's annual budget could be a necessary condition and not a sufficient condition in addressing gender related budgetary issues. The fact that the interests of the female gender reflected in the MDA's annual budgetary provisions does not necessarily mean that it was adequately mainstreamed. As such, in trying to ascertain female gender inclusiveness with respect to budgetary allocations, it is important to know the actual size or proportion of the MDA's annual budgetary provision that goes to the female gender compared with the proportion that goes to the male gender. Therefore, this question tries to determine the size of the MDA's annual budget provision that is exclusively allotted to project line items enjoyed by the female gender only.

Evidence:

In order to score this question, the assessor will request to see the MDA's annual budgets for the periods under consideration (2014-2016). The assessor will then use the MDA's annual budgets collected to determine the proportion or percentage of the project line items exclusively enjoyed by the female gender alone. This question also has five options. Option A means that no proportion of the MDA budget provision goes to project items exclusively enjoyed by the female gender. Option B implies that the proportion is between 1percent-4percent. Option C means that the proportion is between 5percent-9percent. Option D implies that the proportion is between 10percent-15percent. While option E means that the proportion is above 15percent.

B.2 The Youth-related Inclusiveness

The Communiqué issued at the National Youth Colloquium on State of Governance in Nigeria in 2016 suggests that Nigeria's population is predominantly young as about 60percent of her

population fall under the youth age of 35 years. It further pointed out the latent potentials inherent in the youth to drive the economic growth of Nigeria given her population structure. However, among the factors considered to have served as the cog in the wheel of development of this country is the fact that the interests of the youths are virtually excluded both politically and economically. The effects of excluding youths in the scheme of things in a country could be dangerous. In fact, some school of thoughts have linked the most social vices to the insensitivity of the federal government to the yearnings and aspirations of the youths as well as lack of necessary provisions to empower them.

The aforementioned challenges can best be addressed with budget instruments. Traditionally, the role of budget suggests that it allocates resources in a manner that will effectively impact on the lives of the citizens especially the active population which is predominantly youth³⁷. The questions under this measure relate to youth inclusiveness with respect to budgetary provisions.

12. Are there specific budgetary provisions for youths in the MDA's budget in the last three years?

Explanation:

There is no gainsaying the fact that Nigeria could harness and utilize the youthful strength of her youths in driving the economic growth and development of the country. However, this cannot be achieved without well thought out plans and budgetary provisions that adequately capture the interests of the youths. Ideally, it is expected that annual budget provisions of the MDAs should be made in such a way that the interests of the youths are adequately catered for in terms of carefully articulating and mainstreaming into the budget programmes and project line items that would encourage and boost youth productivity. The options under this question try to find out if MDAs make specific budgetary provision for the youths.

Evidence:

In order to score this question, the assessor will approach the MDA in question and request to see the MDA's annual budgets for the periods under consideration (2014-2016). Four options have been selected to address this question. Option A suggests that the MDA does not make budgetary provision specifically for the youth. Option B implies that the MDA made only in one year. Option C means that the MDA made provision in two years. While the last option (D) suggests that the MDA makes budgetary provision specifically for youth in all the three years covered by this study.

³⁷ Asogwa, M. N. (2013) Budget Implementation and the Achievement of Millennium Development Goals (MDGs)– Related Programmes in Anambra State, Nigeria (2004 – 2010). Unpublished MSc Thesis, Department of Public Administration and Local Government, University of Nigeria, Nsukka.

13. What proportion of the MDA annual budgets is exclusively allotted to items enjoyed by only the youths in the last three years?

Explanation:

It is one thing to capture or reflect the interests of the youths in the MDA's annual budget and entirely another thing to capture them equitably. The proportion of the MDA annual budgets that goes to project line items enjoyed only by the youth shows the degree of youth inclusiveness in the MDA's budgetary provisions. As such, this question is particularly interested in the size of the MDA annual budgets that is allotted to items enjoyed by the youths only.

Evidence:

To score this question, the assessor will request to see the MDA's annual budgets for the periods of 2014-2016 which will aid in calculating the proportion of the items exclusively enjoyed by youth. This question has five options. Option A means that no proportion of the MDA budget provision goes to project items exclusively enjoyed by youths. Option B implies that the proportion is between 1percent-4percent. Option C means that the proportion is between 5percent-9percent. Option D implies that the proportion is between 10percent-15percent. While option E means that the proportion is above 15percent.

B.3 The Vulnerable-related Inclusiveness

Nigeria is a signatory to the Convention on the Rights of Persons with Disabilities (CRPD) and Article 4 of the UN Convention clearly stated the obligations on states in relation to the group which includes protection of their rights and interests³⁸. However, not only that Nigeria is yet to pass a bill to guarantee the rights and privileges of vulnerable groups, it is also believed that their interests are not adequately taken care of even in the annual budget. Going by the UN Convention which Nigeria is signatory to and as citizens of the country, Nigeria has the obligation to ensure that the interests of the vulnerable groups are adequately protected. Moreover, most of the people under this group are also economically active, thereby contributing to the GDP of the country. Some of them are self-employed while some have gone as far as representing the country in Paralympics games. If they contribute in the baking of national cake no matter how small, it will be quite unfair if they are not properly considered in sharing the national cake (budget). As such, this measure considers inclusiveness of the interests of the vulnerable groups in budgetary provisions of the selected MDAs.

14. Are there specific budgetary provisions for the vulnerable in the society in the MDA's budget within the last three years?

³⁸ Abatemi-Usman, U. (2013) Making a Case for Nigerians Living with Disabilities. RISE Networks. <https://risenetworks.org/making-a-case-for-nigerians-living-with-disabilities/>

Explanation:

This question is based on the premise that people living with disabilities and other vulnerable groups deserve the rights and provisions made available through the budgetary process. Specifically, this question seeks to know if there are specific budgetary provisions for the vulnerable groups in the MDA's annual budget.

Evidence:

For this question to be scored, the assessor will request to see the MDA's annual budgets for the periods under consideration (2014-2016). Four options have been selected to address this question. Option A suggests that the MDA does not make budgetary provision specifically for the vulnerable groups. Option B implies that the MDA made only in one year. Option C means that the MDA made provision in two years only. While option D suggests that the MDA makes budgetary provision specifically for the vulnerable groups in all the three years covered by this study.

15. What proportion of the MDA annual budgets is exclusively allotted to items enjoyed by only the vulnerable in the last three years?

Explanation:

Beyond making budgetary provisions that address the peculiar needs of the vulnerable groups in the society, it will also be useful to ascertain the percentage of the said budget items exclusively enjoyed by the vulnerable groups that MDA's annual budgets accommodates. Clearly, the higher the budgetary provisions accommodate the interests of the vulnerable groups, the higher the chances of making them economically useful in the future. It is against this background that this question seeks to find out the proportion of the MDA's annual budgetary provisions exclusively meant to be enjoyed by the vulnerable groups.

Evidence:

Again, to score this question, the assessor will seek to have the MDA's annual budgets for the periods under consideration (2014-2016). Using the budgets provided, the assessor would calculate the proportion. Five options have been carefully selected and scored to address this question of which only one is to be chosen based on the outcome of the calculation. Option A means that no proportion of the MDA's budget provision goes to project items exclusively enjoyed by the vulnerable groups. Option B implies that the proportion is between 1 percent and 4 percent. Option C means that the proportion is between 5 percent – 9 percent. Option D suggests that the proportion is between 10 percent – 15 percent. While option E means that the proportion is above 15 percent.

B.4 Income Redistribution

It is no longer news that Nigerian economy is characterized by high income inequality. In a country where the privileged few are getting richer while the majority of the populace are increasingly getting poorer, it can only be wise to redistribute income. This can better be achieved through budgetary instruments. Budgets can be designed to accommodate transfer programmes capable of redistributing income only to those in need or the poor. In fact, some scholars have argued that many economists are in agreement that budget transfer programmes designed to specifically help the poor have indeed improved the well-being of the poor³⁹.

Whether income redistribution is one of the considerations of the various MDAs of the federal government during budget preparation is not yet known. As such, all the questions under this measure have been structured to address the income redistribution related issues as supposed to be provided in the annual budget of the selected MDAs.

16. Are there specific budgetary provisions for income redistribution in the MDA's budgets within the last three years?

Explanation:

It is expected that MDAs consider income redistribution instruments while preparing their annual budget. The essence is to use budgetary instrument and improve the living standard of the poor as much as possible, thereby reducing poverty. Therefore, for any MDA to score any mark here, it must provide evidence of budgetary provision for income redistribution.

Evidence:

There are four options for this question of which one is to be chosen. Option A suggests that the MDA does not make specific budgetary provisions for income redistribution. Option B suggests that the MDA made specific budgetary provisions for income redistribution only in one year. Option C suggests that the MDA made the provision in two years. While the last option, option D suggests that the MDA makes specific budgetary provisions for income redistribution in the three years. In order to score this question, the assessor will approach the MDA in question and request to see the MDA's annual budgets for the periods under consideration as evidence to back up the score awarded.

17. What proportions of the MDA annual budgets are exclusively allotted to items that seek income redistribution in the last three years?

³⁹ See Dwight, R. (2002) Redistribution of Income. Library of economics and liberty <http://www.econlib.org/library/Enc1/RedistributionofIncome.html>

Explanation:

This question is more useful when the MDA's annual budgets are found to make provisions for items that exclusively seek income redistribution. In which case, this question becomes interested on the proportion or percentage of the items. This is important because an MDA may claim to have been making provisions for such items in her annual budget whereas in actual sense, the proportion has been very marginal.

Evidence:

In scoring this question, the assessor will seek to have the MDA's annual budgets for the periods under consideration with which the calculation of the proportion would be based upon. Also, five options have been carefully selected for this question of which only one is to chosen. Option A means that no proportion of the MDA budget is exclusively allotted to items that seek income redistribution. Option B implies that the proportion of the MDA budget that is exclusively allotted to items that seek income redistribution is between 1percent-4percent. Option C suggests that the proportion is between 5percent-9percent. Option D implies that the proportion is between 10percent-15percent. While option E means that the proportion is above 15percent.

18. To what extent could the MDA's budgets address the problem of income inequality and prevalence of poverty in the society?

Explanation:

Budget as a fiscal tool can be used to reallocate resources to bridge income inequality gap as well as reduce prevalence of poverty in a country. Over the years, the macroeconomic policies of the federal government have been geared towards poverty reduction among others. Since sectoral policies are supposed to align to the macroeconomic policies of the federal government, it is therefore expected that the policies that form the annual budget of the various MDAs should also among others, target towards poverty reduction which in turn would address the problem of income inequality.

Evidence:

The first option of this question implies that MDA's budgets cannot address the problem of income inequality and prevalence of poverty in the society. The second option means that MDA's budgets can only address the problem of income inequality and prevalence of poverty in the society to a very little extent. The third option suggests that the MDA's budgets can address the problem of income inequality and prevalence of poverty in the society to some extent. The fourth option implies that the MDA's budget can address the problem of income inequality and prevalence of poverty in the society to a very large extent. In order to score this question, the assessor will approach the MDA in question and request to see the MDA's annual budgets for the periods under consideration.

SECTION C: SAFETY NETS – EQUITY AND FAIRNESS

There are several methods adopted by various countries as their approach to reducing inequality. Some countries use the expenditures method, while some others use the revenue method. For the revenue methods, one of the prominent approaches is progressive tax system. By this tax system, the rate of taxation increases proportionately with increase in income groups. Low income earners pay very low tax rates, just as high-income earners pay high tax rates.

On the part of expenditure methods, several countries have made provisions for safety nets, otherwise known as social security funds. These funds are specially provided to cater for certain categories of vulnerable people in the society. The ultimate goal is to ensure that inequality is reduced in the country. Social safety nets are important for equity and fairness in economic and fiscal policy⁴⁰. Therefore, this benchmark considers empowerment of different categories of people (women, youths and the vulnerable) that find it difficult to move out of poverty without some deliberate policies.

C.1 Women-related

Whenever the issue of gender mainstreaming is considered in Nigeria, every mind runs to women or female gender. This position emanates from the cultural and religious backgrounds of most ethnic groups in Nigeria that naturally place women at disadvantaged position in terms of economic, political and social power/status in the society. Therefore, in this case, safety nets that are meant to reduce gender inequality are seen as those ones that target women groups.

- 19) Considering the low economic capacity of women, are there budgetary provisions in the MDA's budgets that focus on women skill acquisition, capacity building and human development in the last three years?

Explanation:

This question draws its strength from the rich cultural and religious discriminations against women that make them unable to take certain economic, political and social decisions to better their lives in the society. Given that some women have become used to those discrimination, they cannot come out of poverty without some deliberate fiscal policies of the government. Therefore, this question tries to find out if there are budgetary provisions for such women in the society. These budgetary provisions should take care of their skill acquisition, capacity building and human development at large.

Evidence:

The researcher should go through the MDA's annual budgets for the last three years (i.e. 2014 – 2016) and check if there are specific projects targeted at women skill acquisition, capacity building and human development within the budgets. The presence or absence of

⁴⁰ For e.g. N Power; ex-gratia payments; (conditional) cash transfers.

such projects determines what to score the MDA in terms of this question.

There are four options for this question. Option A implies that the MDA has no line item targeted at women skill acquisition, capacity building and human development within the budgets of the last three years. Option B implies that the MDA has some line items targeted at women skill acquisition, capacity building and human development, but only in the budget of one of the last three years. Option C implies that the MDA has some line items targeted at women skill acquisition, capacity building and human development, but only in the budget of two of the last three years. Option D implies that the MDA has some line items targeted at women skill acquisition, capacity building and human development in the budgets of all the last three years.

- 20) What proportion of budgetary provisions of the MDA is allocated to human development of women through skills acquisition and capacity building in the last three years?

Explanation:

This question is a follow-up to the previous question that asks if there are budgetary provisions that should take care of women skill acquisition, capacity building and human development in the MDA's annual budgets of the last three years. In this question, the interest is not about if there are budgetary provisions at all, but in the proportion of such budgetary provisions in the overall budget of the MDA. The proportion of such budgetary provisions will be used in ascertaining the overall importance attached to issues of reduction of gender inequality by the MDA.

Evidence:

Just as in scoring the previous question, the researcher should go through the MDA's annual budgets for the last three years (i.e. 2014 – 2016) and pick out the values of all the projects targeted at women skill acquisition, capacity building and human development within the budgets. The values of such projects should be summed up to get the total value of all the projects targeted at women skill acquisition, capacity building and human development within the budgets of each of the last three years. Each annual sum of the values of all the projects targeted at women skill acquisition, capacity building and human development within the budgets should be calculated as a percentage of the total value of the MDA's annual budget. The average of the three years becomes the proportion to be used in the scoring.

There are five options for this question. Option A implies that the MDA allocated nothing to projects targeted at women skill acquisition, capacity building and human development in the annual budgets of the MDA. Option B implies that the MDA made budgetary provisions for some projects targeted at women skill acquisition, capacity building and human development, and that the average proportion falls within the range of 1percent – 4percent

of the MDA's annual budget values. Option C implies that the MDA made budgetary provisions for some projects targeted at women skill acquisition, capacity building and human development, and that the average proportion of those projects falls within the range of 5percent – 9percent of the MDA's annual budget values. Option D implies that the MDA made budgetary provisions for some projects targeted at women skill acquisition, capacity building and human development, and that the average proportion of those projects falls within the range of 10percent – 15percent of the MDA's annual budget values. Option E implies that the MDA made budgetary provisions for some projects targeted at women skill acquisition, capacity building and human development, and that the average proportion of those projects falls above the range of 15percent of the MDA's annual budget values.

C.2 Youth-related

Nigerian youths, just like youths of other countries of the globe, have always been told they are the leaders of tomorrow. The difference between Nigerian youths and other youths is only found in the reality that the “tomorrow” seems to be endless. Within an economy laden with high rate of youth unemployment and underemployment, this measure seeks to know if there are deliberate actions that are targeted at addressing the problems of youth in Nigerian society.

- 21) Are there budgetary provisions in the MDA's budgets that focus on youth skills acquisition, capacity building and human development in the last three years?

Explanation:

This question draws its strength from the current level of unemployment and underemployment among Nigerian youths. The high rate of unemployment and underemployment can be said to be compounded by the fact that most of those that have innovative ideas do not have access to capital in order to translate the ideas to money-yielding ventures. In addition, many youths do not even have the capacity for innovative ideas that can be translated to money-yielding ventures. This means that even if such persons have access to capital, they will still not be able to efficiently utilise the capital to move out of poverty line. Therefore, this question hopes to find out if there are budgetary provisions in the MDA's budgets that focus on youth skills acquisition, capacity building and human development in the last three years.

Evidence:

The researcher should go through the MDA's annual budgets for the last three years (i.e. 2014 – 2016) and check if there are specific projects targeted at youth skills acquisition, capacity building and human development within the budgets. The presence or absence of such projects determines what to score the MDA in terms of this question.

There are four options for this question. Option A implies that the MDA has no line item targeted at youth skills acquisition, capacity building and human development within the budgets of the last three years. Option B implies that the MDA has some line items targeted at youth skills acquisition, capacity building and human development, but only in the budget of one of the last three years. Option C implies that the MDA has some line items targeted at youth skills acquisition, capacity building and human development, but only in the budget of two of the last three years. Option D implies that the MDA has some line items targeted at youth skills acquisition, capacity building and human development in the budgets of all the last three years.

- 22) What proportion of budgetary provisions of the MDA is allocated to human development of youths through skills acquisition and capacity building in the last three years?

Explanation:

This is a follow-up question to the previous question that asks if there are budgetary provisions that should take care of youth skills acquisition, capacity building and human development in the MDA's annual budgets of the last three years. In this question, the interest is not about if there are budgetary provisions at all, but in the proportion of such budgetary provisions in the overall budget of the MDA. The proportion of such budgetary provisions will be used in ascertaining the overall importance attached to issues of reduction in youth unemployment, underemployment and capacity gaps by the MDA.

Evidence:

Just as in scoring the previous question, the researcher should go through the MDA's annual budgets for the last three years (i.e. 2014 – 2016) and pick out the values of all the projects targeted at youth skills acquisition, capacity building and human development within the budgets. The values of such projects should be summed up to get the total value of all the projects targeted at youth skills acquisition, capacity building and human development within the budgets of each of the last three years. Each annual sum of the values of all the projects targeted at youth skills acquisition, capacity building and human development within the budgets should be calculated as a percentage of the total value of the MDA's annual budget. The average of the three years becomes the proportion to be used in the scoring.

There are five options for this question. Option A implies that the MDA allocated nothing to projects targeted at youth skills acquisition, capacity building and human development in the annual budgets of the MDA. Option B implies that the MDA made budgetary provisions for some projects targeted at youth skills acquisition, capacity building and human development, and that the average proportion falls within the range of 1percent – 4percent

of the MDA's annual budget values. Option C implies that the MDA made budgetary provisions for some projects targeted at youth skills acquisition, capacity building and human development, and that the average proportion of those projects falls within the range of 5percent – 9percent of the MDA's annual budget values. Option D implies that the MDA made budgetary provisions for some projects targeted at youth skills acquisition, capacity building and human development, and that the average proportion of those projects falls within the range of 10percent – 15percent of the MDA's annual budget values. Option E implies that the MDA made budgetary provisions for some projects targeted at youth skills acquisition, capacity building and human development, and that the average proportion of those projects falls above the range of 15percent of the MDA's annual budget values.

C.3 The Vulnerable-related

There are individuals that are mostly considered vulnerable due to certain circumstances surrounding their lives. In this category are people that currently live with various forms of disabilities and the aged people. These people are usually believed to be vulnerable because the circumstances surrounding their lives have reduced their chances of making a living in a competitive economic and social environment. This measure therefore seeks to know if these groups of individuals in the society are specifically taken care of in the annual budget of MDAs.

- 23) Are there budgetary provisions in the MDA's budgets that focus on skills acquisition, capacity building and human development of the vulnerable in the last three years?

Explanation:

Certain value orientations in Nigeria make it to look as if disability is a licence to live and die in poverty. It is not only those that are disabled that see disability through that lens, but also those that are not disabled. This explains why street begging is considered a norm for the disabled in most parts of Nigeria. With improved capacity and acquisition of productive skills, disabled persons can still add to the gross domestic products of Nigeria instead of being seen as liabilities. Such skill acquisitions, capacity building and human development can be achieved through deliberate efforts of MDAs in Nigeria. This question therefore asks to find out if there are budgetary provisions in the MDA's budgets that focus on skills acquisition, capacity building and human development of the vulnerable in the last three years.

Evidence:

The evidence needed for this question is the MDA's annual budget for the last three years (i.e. 2014 – 2016). In each of the annual budgets, the researcher should check if there are specific projects targeted at skill acquisition, capacity building and human development of the vulnerable groups of persons in the budgets. The presence or absence of such projects determines what to score the MDA in terms of this question.

There are four options for this question. Option A implies that the MDA has no line item targeted at skill acquisition, capacity building and human development of the vulnerable groups of persons in the budgets of the last three years. Option B implies that the MDA has some line items targeted at skill acquisition, capacity building and human development of the vulnerable groups of persons, but only in the budget of one of the last three years. Option C implies that the MDA has some line items targeted at skill acquisition, capacity building and human development of the vulnerable groups of persons, but only in the budget of two of the last three years. Option D implies that the MDA has some line items targeted at skill acquisition, capacity building and human development of the vulnerable groups of persons in the budgets of all the last three years.

- 24) What proportion of budgetary provisions of the MDA is allocated to human development of the vulnerable in the society through skills acquisition and capacity building in the last three years?

Explanation:

Drawing from the answer given to the previous question, this follow-up question is interested in knowing the proportion of the budgetary provisions of the MDA that are allocated to human development of the vulnerable in the society through skills acquisition and capacity building in the overall budget of the MDA. The proportion of such budgetary provisions will be used in ascertaining the overall importance attached to issues of reduction in inequality as a result of disabilities and other forms of vulnerability by the MDA.

Evidence:

Just as in scoring the previous question, the researcher should go through the MDA's annual budgets for the last three years (i.e. 2014 – 2016) and pick out the values of all the projects targeted at human development of the vulnerable in the society through skills acquisition and capacity building in the MDA's budgets. The values of such projects should be summed up to get the total value of all the projects targeted at human development of the vulnerable in the society through skills acquisition and capacity building in the MDA's budgets of each of the last three years. Each annual sum of the values of all the projects targeted at human development of the vulnerable in the society through skills acquisition and capacity building in the budgets should be calculated as a percentage of the total value of the MDA's annual budget. The average of the three years becomes the proportion to be used in the scoring.

There are five options for this question. Option A implies that the MDA allocated nothing to projects targeted at human development of the vulnerable in the society through skills acquisition and capacity building in the annual budgets of the MDA. Option B implies that the MDA made budgetary provisions for some projects targeted at human development of

the vulnerable in the society through skills acquisition and capacity building, and that the average proportion falls within the range of 1percent – 4percent of the MDA’s annual budget values. Option C implies that the MDA made budgetary provisions for some projects targeted at human development of the vulnerable in the society through skills acquisition and capacity building, and that the average proportion of those projects falls within the range of 5percent – 9percent of the MDA’s annual budget values. Option D implies that the MDA made budgetary provisions for some projects targeted at human development of the vulnerable in the society through skills acquisition and capacity building, and that the average proportion of those projects falls within the range of 10percent – 15percent of the MDA’s annual budget values. Option E implies that the MDA made budgetary provisions for some projects targeted at human development of the vulnerable in the society through skills acquisition and capacity building, and that the average proportion of those projects falls above the range of 15percent of the MDA’s annual budget values.

C.4 Other Disadvantaged Groups (IDPs, Destitute, Victims of Natural Disasters)

The regular occurrence of insurgency and militancy in the various parts of this country has continued to contribute to increasing number of internally displaced persons in Nigeria. Similarly, the reality of climate change is also contributing to increase in the number of victims of natural disasters in the country. As a result, certain policies should be carefully and deliberately made to cater for these groups of disadvantaged persons that may not naturally fit into the three groups of persons discussed earlier (i.e. women, youths and the vulnerable). Therefore, these other disadvantaged groups of persons include the internally displaced persons, victims of natural disasters and the destitute.

- 25) Are there budgetary provisions in all the MDA’s budgets of the last three years that are targeted at improving the living standards of other disadvantaged groups of people not mentioned in C1, C2 and C3?

Explanation:

Due to the surge in the number of other groups of disadvantaged persons in Nigeria, this question asks if there are budgetary provisions in all the MDA’s budgets of the last three years that are targeted at improving the living standards of other disadvantaged groups of people not mentioned in C1, C2 and C3. This question is based on the premise that inequality is bound to continue to increase as long as there is an increase in the number of victims of natural disasters and insurgencies/militancy in the country without adequate provisions made to bridge the income gap that may occur as a result of such incidents.

Evidence:

Similar to questions 19 – 24 above, the evidence needed for this question is the MDA’s annual budget for the last three years (i.e. 2014 – 2016). In each of the annual budgets, the researcher

should check if there are specific projects targeted at improving the living standards of victims of natural disasters and insurgencies/militancy, and other disadvantaged groups of people not mentioned in C1, C2 and C3. The presence or absence of such projects determines what to score the MDA in terms of this question.

There are four options for this question. Option A implies that the MDA has no line item targeted at improving the living standards of other disadvantaged groups of people not mentioned in C1, C2 and C3 in the budgets of the last three years. Option B implies that the MDA has some line items targeted at improving the living standards of other disadvantaged groups of people not mentioned in C1, C2 and C3, but only in the budget of one of the last three years. Option C implies that the MDA has some line items targeted at improving the living standards of other disadvantaged groups of people not mentioned in C1, C2 and C3, but only in the budget of two of the last three years. Option D implies that the MDA has some line items targeted at improving the living standards of other disadvantaged groups of people not mentioned in C1, C2 and C3 in the budgets of all the last three years.

- 26) What proportion of budgetary provisions of the MDA is specifically allocated to items that would improve the living standards of other disadvantaged groups of people in the society within the last three years?

Explanation:

This follow-up question is not only interested in knowing if there are budgetary provisions in the MDA's budget that are targeted at improving the living standards of other disadvantaged groups of people not mentioned in C1, C2 and C3, but also in the volume of such budgetary provisions. It therefore wants to find out the proportion of budgetary provisions in the MDA's annual budgets that are specifically allocated to items that would improve the living standards of other disadvantaged groups of people in the society within the last three years.

Evidence:

Like questions 19 – 25 above, the evidence required for this question is the MDA's annual budget for the last three years (i.e. 2014 – 2016). The researcher should go through the budgets and pick out the values of all the projects targeted at improving the living standards of other disadvantaged groups of people not mentioned in C1, C2 and C3 in the MDA's budgets. The values of such projects should be summed up to get the total value of all the projects targeted at improving the living standards of other disadvantaged groups of people not mentioned in C1, C2 and C3 in the MDA's budgets of each of the last three years. Each annual sum of the values of all the projects targeted at improving the living standards of other disadvantaged groups of people not mentioned in C1, C2 and C3 in the budgets should be calculated as a percentage of the total value of the MDA's annual budget. The average of the three years becomes the proportion to be used in the scoring.

There are five options for this question. Option A implies that the MDA allocated nothing to projects targeted at improving the living standards of other disadvantaged groups of people not mentioned in C1, C2 and C3 in the annual budgets of the MDA. Option B implies that the MDA made budgetary provisions for some projects targeted at improving the living standards of other disadvantaged groups of people not mentioned in C1, C2 and C3 and C3, and that the average proportion falls within the range of 1percent – 4percent of the MDA’s annual budget values. Option C implies that the MDA made budgetary provisions for some projects targeted at improving the living standards of other disadvantaged groups of people not mentioned in C1, C2 and C3, and that the average proportion of those projects falls within the range of 5percent – 9percent of the MDA’s annual budget values. Option D implies that the MDA made budgetary provisions for some projects targeted at improving the living standards of other disadvantaged groups of people not mentioned in C1, C2 and C3, and that the average proportion of those projects falls within the range of 10percent – 15percent of the MDA’s annual budget values. Option E implies that the MDA made budgetary provisions for some projects targeted at improving the living standards of other disadvantaged groups of people not mentioned in C1, C2 and C3, and that the average proportion of those projects falls above the range of 15percent of the MDA’s annual budget values.

C.5 Other Budgetary Issues

There are other budgetary issues that tend to limit the fiscal space available to many MDAs. Some of such limits are placed on MDAs’ fiscal space as a result of available disposable revenue of the government. Therefore, it is equally important to understand how the MDAs have fared over the study period in terms of fiscal limits. The essence of such findings is to help reveal some other limitations that could have been faced by the MDAs, not necessarily because of lack of interest in matters of reduction of inequality but as a result of fiscal limitations beyond their controls.

27) Have there been increases in the MDA’s budget figures in the last three years?

Explanation:

This question is about increases in the MDA’s annual budget figures in the last three years. Having been operating incremental budgets over the years in Nigeria, it is a common phenomenon for the values of MDAs’ total budgets to be increasing on annual basis. Therefore, this question seeks to find out if the increment occurred in all MDAs’ annual budgets or with some exceptions.

Evidence:

Like questions 19 – 26 above, the evidence required for this question is the MDA’s annual budget for the last three years (i.e. 2014 – 2016). The researcher should look at the total

values of each of the annual budget and check if there was an increase in each of the annual budgets when compared with the previous year's budget of the MDA. The subtraction should be done for each of the three years. The answers generated determine the score for the MDA in this question.

There are three options for this question. Option A implies that there was no increase in the total budget figures of the MDA. This means that the value of 2014 budget of the MDA is either greater or equal to the values in 2015 and 2016. Option B implies that there was/were increase(s) in the total budget figures of the MDA, but not throughout the three-year period. Option C implies that each year's total budget figure of the MDA is greater than the previous year's total budget figure.

28) If the answer is in the affirmative, what is the rate of the increase?

Explanation:

This is a follow-up question to the previous one. It is interested in not only finding out if there were increases in the total budget figures of the MDA over the three-year period, but also to find out the rate of increase.

Evidence:

Like all the previous questions in this section C, the evidence required for this question is the MDA's annual budget for the last three years (i.e. 2014 – 2016). Where the researcher has established that there were increases in the total budget figures of the MDA over the three-year period, then the researcher should calculate the rate of increase for each of the three years. Taking the average rate of increase over the three years determines the score for the MDA in this question.

There are five options for this question. Option A implies that the average rate of increase in the MDA's annual budget figures for the last three years is less than 1percent. Option B implies that the average rate of increase in the MDA's annual budget figures for the last three years ranges between 1percent and 4percent. Option C implies that the average rate of increase in the MDA's annual budget figures for the last three years ranges between 5percent and 9percent. Option D implies that the average rate of increase in the MDA's annual budget figures for the last three years ranges between 10percent and 15percent. Option E implies that the average rate of increase in the MDA's annual budget figures for the last three years is above 15percent.

29) If the answer to 27 is in the affirmative, what proportion of the increases was allocated to women, youths and the vulnerable?

Explanation:

The essence of questions 27 and 28 above is to find out if the fiscal space available to the MDAs could have allowed for budgetary provisions for fiscal projects targeted at reduction in inequality. If there are increases in the total budget figures of the MDAs and the increases are only meant for the privileged in the society, such increases do not make any sense in terms of reduction of inequality. Therefore, this question intends to find out the proportion of the increases in the annual budget figures of the MDA that are allocated to projects targeted at women, youths and the vulnerable in the society.

Evidence:

Like all the other questions in section C, the evidence needed for this question is the MDA's budget for the last three years (i.e. 2014 – 2016). The researcher should calculate the annual increases in each of questions 20, 22, and 24 above, and sum the increases for each of the years. The researcher should also calculate those sums as proportions of the increases in the MDA's annual total budget figures as generated in 27 above. The average value determines the score for the MDA.

There are five options for this question. Option A implies that the average proportion for the last three years is less than 1percent. Option B implies that the average proportion for the last three years ranges between 1percent and 4percent. Option C implies that the average proportion for the last three years ranges between 5percent and 9percent. Option D implies that the average proportion for the last three years ranges between 10percent and 15percent. Option E implies that the average proportion for the last three years is above 15percent.

SECTION D: AVAILABILITY AND AFFORDABILITY OF SERVICES

Access to public services is supposed to be a universal right. However, large proportions of the population still have limited access to certain essential services, either because of poor availability or because the persons in need of such services needed to pay and are not able to do so⁴¹. It therefore means that even when a service or facility is provided through budgetary process, it can only serve the purpose for which it is provided if it is readily available and affordable to the end users especially the marginalised groups in the society - women, youths and the vulnerable groups.

⁴¹ Gelders, S., Ewen, M., Noguchi, N., and Laing, R. (2006) Price, availability and affordability: An international comparison of chronic disease medicines. Background report prepared for the WHO Planning Meeting on the Global Initiative for Treatment of Chronic Diseases held in Cairo in December 2005. <http://haiweb.org/wp-content/uploads/2015/08/Price-Availability-Affordability-An-International-Comparison-of-Chronic-Disease-Medicines.pdf>

D.1 Availability and Affordability

For the marginalised groups such as women, youths and the vulnerable, low availability and low affordability of services are enough disincentives to completely exclude them from enjoying the services even when it has been provided. With this in mind, one would think that the various MDAs of the federal government would make deliberate efforts during budget preparation to ensure that the marginalised groups-women, youths and the vulnerable groups are not cut-off from enjoying essential services. As such, this measure considers the aspect of availability of services and its affordability.

- 30) Has the MDA taken steps to ensure that services are made available to women, youths, and the vulnerable groups in need of such services through its annual budgets in the last three years?

Explanation:

For poverty to reduce in society, fiscal policy documents must consider the availability and affordability of essential services for the marginalised groups in need of such services. This question therefore considers the deliberate steps taken by the various MDAs to ensure that essential services are made available to marginalised groups (women, youths and the vulnerable) through its annual budgets.

Evidence:

In scoring this question, the assessor will approach the MDA in question and request to have the MDA's annual budgets for the three years' periods under consideration (2014-2016). To address this question, four options have been selected. Option A suggests that the MDA has not taken steps to ensure that services are made available to the marginalised groups- women, youths, and the vulnerable group through its annual budgets. Option B implies that the MDA through its budget has taken steps to ensure that services are made available to the marginalised groups but it was in one year only. Option C suggests that the MDA through its budget has taken steps to ensure that services are made available to the marginalised groups but it was in two years only. While option D implies that the MDA through its budget takes steps to ensure that services are made available to the marginalised groups in need of such services over the three years.

- 31) Has the MDA taken steps to ensure that services are made affordable to women, youths, and the vulnerable in need of such services through its annual budgets in the last three years?

Explanation:

Another major challenge of accessing some essential services is inability of persons in need of such services to pay for the services. This is particularly the case of most marginalised groups-women, youths and the vulnerable groups who though in need of the services but are unable to

access them. To this effect, this question considers the steps taken by the MDA to ensure that services are made affordable to the marginalised groups in need of such services through its annual budgets.

Evidence:

Four options were selected to address this question, Option A suggests that the MDA has not taken steps to ensure that services are made affordable to the marginalised groups- women, youths, and the vulnerable group through its annual budgets. Option B implies that the MDA through its budget has taken steps to ensure that services are made affordable to the marginalised groups but it was in one year only. Option C suggests that the MDA through its budget has taken steps to ensure that services are made affordable to the marginalised groups but it was in two years only. While option D implies that the MDA through its budget takes steps to ensure that services are made affordable to the marginalised groups in need of such services. In order to assign scores this question, the assessor will request to have the MDA's annual budgets for the periods under consideration (2014-2016).

D.2 Location

One of the major considerations in providing facilities/services is nearness to the end users. It is a fact that some communities abandon projects provided for them even from the point of completion on the basis that the projects were sited or located at a place far from their reach. For instance, some people patronise quack chemists or resort to self-medication just because clinics are difficult to reach. Some parents spend fortune in private schools just because government schools that should have provided the same service at a moderate cost are hard to reach. It is therefore imperative to consider nearness to the end users as a pre-condition to providing facilities/services to avoid waste of scarce resources. The questions under this measure seek to ascertain if the selected MDAs consider proximity of its facilities/services to the end users before making provision for them.

32) Have the annual budgets of the MDA considered the proximity of its facilities/ services to all the people that will utilise them (i.e. nearness to the end-users)?

Explanation:

It is not worthwhile to allocate scarce resources to a project and it turns out to be an abandoned project, not necessarily because it was not completed, but because it is out of the reach of the end users. Clearly, some projects provided in some communities through budgetary provisions ended up like this and it is not rational at all. This is the reason why this question intends to find out if MDA's annual budgets considered proximity while providing facilities/services to the end users.

Evidence:

The first option of this question implies that the MDA's annual budget does not consider the proximity of its facilities/services to all the people that will utilise them. The second option

implies that the MDA's annual budget considered the proximity of its facilities/services to all the people that will utilise them only in one year. The third option suggests that the MDA's annual budget considered the proximity of its facilities/services to all the people that will utilise them only in two years. The fourth option implies that the MDA's annual budget considers the proximity of its facilities/services to all the people that will utilise them. In order to score this question, the assessor will request to see the MDA's annual budgets for the periods under consideration (2014-2016).

33) Are there geographical locations that seem to be favoured above others in the MDA's annual budgets of the last three years?

Explanation:

There have been cases where most social amenities meant to be in states are concentrated in the urban cities thereby cutting off the rural dwellers from enjoying such amenities. In fact, it has been argued that this is one of the major factors causing rural-urban migration as everyone wants to enjoy those amenities. This is no good for economic development. Ideally, facilities should be spread to discourage any geographical location being favoured above others. This is what this question seeks to ascertain.

Evidence:

In order to score this question, the assessor will request to see the MDA's annual budgets for the periods under consideration. Four options have been selected to address this question. The first option of this question suggests that there are geographical locations that seem to be favoured above others in the MDA's annual budgets. The second option implies that there are geographical locations that seem to be favoured above others in the MDA's annual budgets but only in two years. The third option means that there are geographical locations that seem to be favoured above others in the MDA's annual budgets but only in one year. While the fourth option suggests that there are no geographical locations that seem to be favoured above others in the MDA's annual budgets.

34) What proportion of the MDA's annual budgetary allocations went to the most favoured geographical location in the last three years?

Explanation:

When it is found that MDA's annual budgetary provisions favoured a particular geographical location, the next stage is to ascertain the extent to which the MDA's annual budgetary allocation favoured the geographical location. Information of this such would help in two important ways. First, it will reveal the degree of marginalisation and secondly, it gives a guide as to what is needed to remedy the situation. As such, beyond knowing that MDA's annual budgetary provisions favour a geographical location above others, this question seeks to further know the proportion of the MDA's budgetary allocation that went to the favoured geographical

location.

Evidence:

Five options have been carefully selected for this question of which only one is to be chosen. Option A suggests that up to 50percent of the MDA’s annual budgetary allocations went to the most favoured geographical location. Option B implies that 31-49percent of the MDA’s annual budgetary allocations went to the most favoured geographical location. Option C suggests that 21-30percent of the MDA’s annual budgetary allocations went to the most favoured geographical location. Option D means that 10-20percent of the MDA’s annual budgetary allocations went to the most favoured geographical location. While option E suggests that less than 10percent of the MDA’s annual budgetary allocations went to the most favoured geographical location.

- 35) Are there geographical locations that seem neglected in the MDA’s annual budgets of the last three years?

Explanation:

Since the budgetary provision is meant to fairly accommodate the interest of all irrespective of geographical location, it could therefore be considered as unjust to neglect the interests of any geographical location. Actually, this creates a sense of insecurity and could easily be termed “marginalisation”. Therefore, it is on the basis of the fact that budgetary allocations should cater for all that this question seeks to find out if there are geographical locations that seem neglected in the MDA’s annual budgets.

Evidence:

There are four options for this question. Option A suggests that there are geographical locations that seem neglected in the MDA’s annual budgets. Option B implies that there are geographical locations that seem neglected in the MDA’s annual budgets but only in two years. Option C suggests that there are geographical locations that seem neglected in the MDA’s annual budgets but only in one year. While option D means that there are no geographical locations that seem neglected in the MDA’s annual budgets. In order to score this question, the assessor will approach the MDA in question and request to see the MDA’s annual budgets for the periods under consideration as evidence to back up the score awarded.

- 36) What proportion of the MDA’s annual budgetary allocations went to the neglected geographical location in the last three years?

Explanation:

It is not surprising to hear that some geographical locations claim being marginalised economically and as such, agitate for increased budgetary provisions. However, in most cases what is not usually clear is the extent to which they were neglected vis-à-vis annual budgetary

allocations. Therefore, this question goes a step further to find out the proportion of the MDA's annual budgetary provisions that went to the said neglected geographical location.

Evidence:

Scoring this question will require that the assessor request to see the budgets of the MDA for the three years' period under consideration. This question has five options of which only one is to be selected. Option A suggests that no proportion of the MDA's annual budgetary allocations went to the neglected geographical location. Option B implies that 0.1-3.9percent of the MDA's annual budgetary allocations went to the neglected geographical location. Option C suggests 4.0-6.9percent of the MDA's annual budgetary allocations went to the neglected geographical location. Option D means that 7.0-10.0percent of the MDA's annual budgetary allocations went to the neglected geographical location. While option E suggests above 10percent of the MDA's annual budgetary allocations went to the neglected geographical location.