

REVIEW OF THE 2022 OYO STATE BUDGET FOR AGRICULTURE AND HALF YEAR BUDGET TRACKING REPORT



**Small Scale Women Farmers Organization in Nigeria
(SWOFON)**

And



Centre for Social Justice (CSJ)
(Mainstreaming Social Justice in Public Life)

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1. INTRODUCTION

This overview disaggregates the Oyo State Budget vote for Agriculture for the 2022 financial year. It reviews the division into recurrent and capital expenditure, the components of the recurrent expenditure as well as the disaggregation into administrative and developmental capital expenditure. It reviews the extent of budget implementation up to the end of the second quarter of 2022, in terms of release of the funds for the projects that have been identified to be of interest to small-scale women farmers. It reports the capital budget monitoring documentation from members of the Small Scale Women Farmers Organization in Nigeria (SWOFON) in Oyo State. It ends with conclusions and recommendations.

2. THE OVERVIEW OF THE YEAR 2022 OYO STATE APPROVED BUDGET

Oyo State's 2022 budget was in the sum of N294.704billion. Table 1 shows the state budget, the vote to agriculture and the variance from the 10% commitment to Agriculture in the Maputo Declaration Benchmark.

Table 1: 2022 Oyo State Budget, Agriculture Vote and the Variance from the 10% Maputo Declaration Benchmark

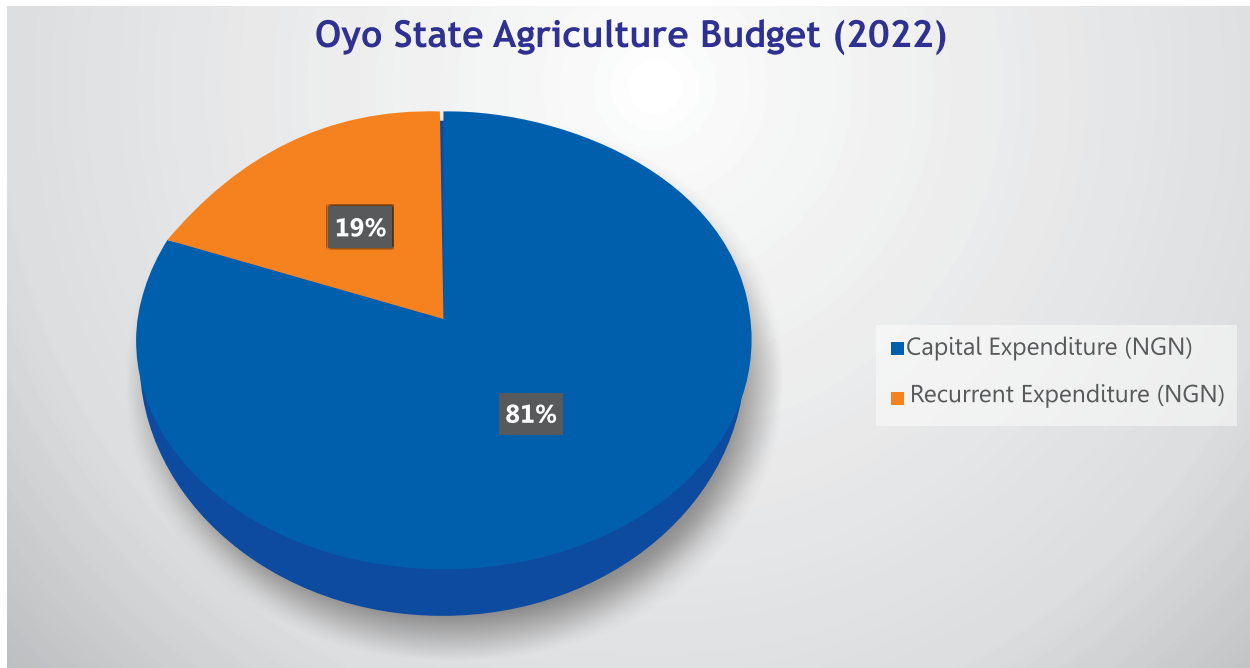
OYO STATE ALLOCATION TO AGRICULTURE SECTOR (2022)				
Total Budget (NGN)	Agriculture Total Budget (NGN)	% of Agricultural Budget to Total Budget	10% of Total Budget (NGN; Benchmark)	Variance from 10% Benchmark (NGN)
294,704,585,356.94	12,687,274,288.00	4.3%	29,470,458,535.69	16,783,184,247.69

Source: Oyo State 2022 Budget and Authors Calculation

Table 1 shows that a total of N12.687billion was voted for Agriculture being 4.3% of the overall budget figure of N294.704billion. By the Maputo Declaration benchmark of 10% of the overall budget, the vote to Agriculture would have been N29.470billion. Therefore, the variance from the benchmark is in the sum of N16.783billion.

Chart 1 below shows the disaggregation of the Agriculture Vote between recurrent and capital expenditure. It shows that the approved budget for recurrent expenditure was 19% while capital expenditure got a vote of 81%.

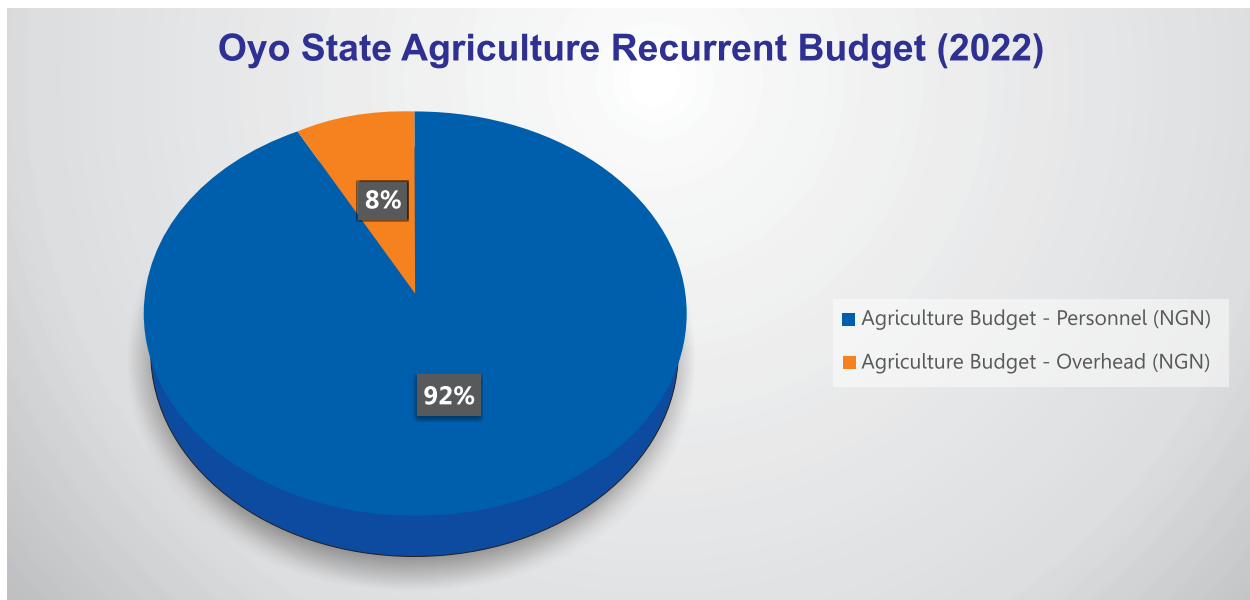
Chart 1: Recurrent versus Capital Expenditure



Source: Oyo State 2022 Budget and Authors Calculation

Chart 2 shows the disaggregation of recurrent expenditure between personnel and overheads. Personnel expenditure took the lion's share of 92% while overheads got a vote of 8%.

Chart 2: Disaggregation of Recurrent Expenditure



Source: Oyo State 2022 Budget and Authors Calculation

Table 2 shows the disaggregation of capital expenditure into developmental and administrative capital expenditures.

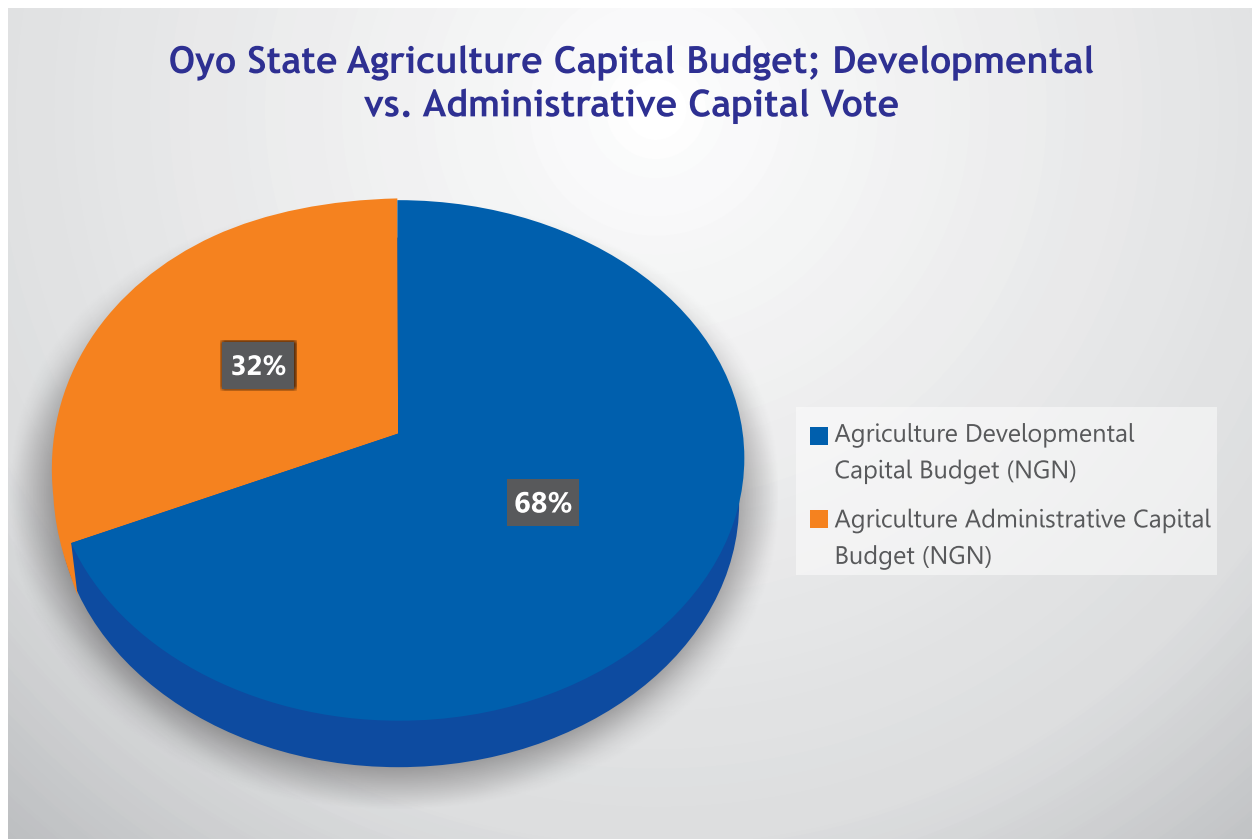
Table 2: Disaggregation of Capital Expenditure into Developmental and Administrative Capital Expenditures

Oyo State Agriculture Budget; Developmental Vs. Administrative Capital Budget (2022)					
Year	Agriculture Capital Budget - (NGN)	Agriculture Developmental Capital Budget (NGN)	Agriculture Administrative Capital Budget (NGN)	% of Developmental Capital Budget to Total Capital Vote	% of Admin. Capital Budget to Total Capital Vote
2022	10,258,200,000.00	7,007,129,200.00	3,251,070,800.00	68%	32%

Source: Oyo State 2022 Budget and Authors Calculation

Table 2 which is also reflected in Chart 3 shows that developmental capital got 68% of the vote while the administrative capital component received 32% of the agriculture capital vote of ₦ 10,258,200,000.00.

Chart 3: Developmental Versus Administrative Capital



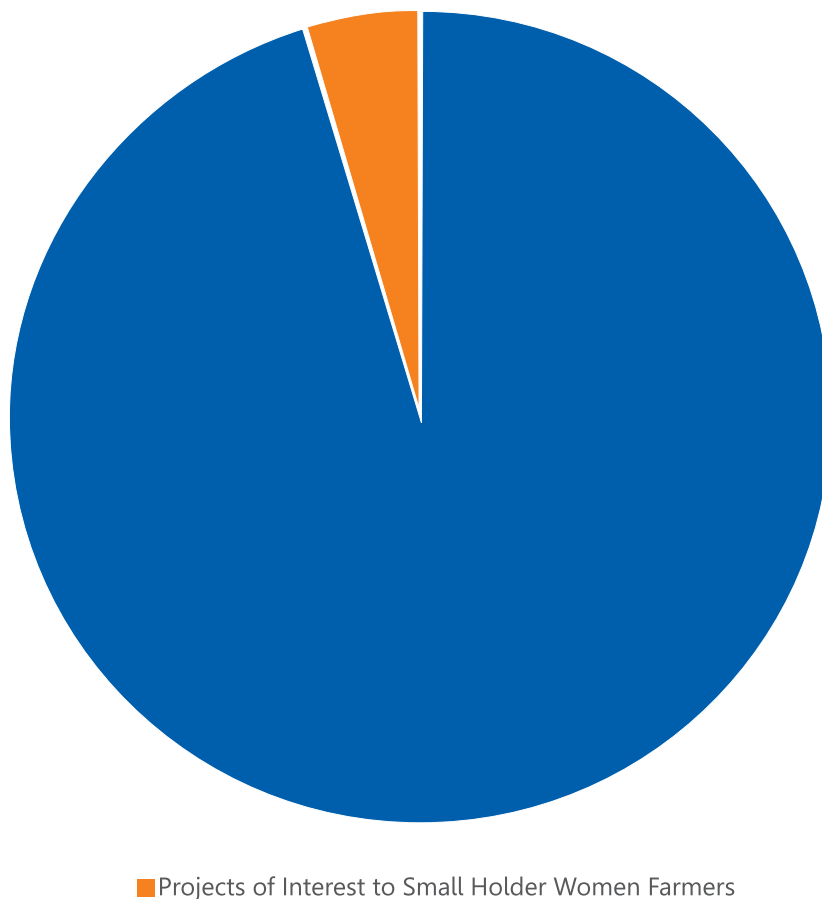
Source: Oyo State 2022 Budget and Authors Calculation

Chart 4 below shows a pullout of projects of interest to smallholder women farmers in the 2022 budget of Oyo State as a percentage of the overall capital project including all sectors. This includes projects from the Ministry of Agriculture, Natural Resources and Rural Development; Agricultural Credit Corporation; Oyo State Agribusiness Development Agency; Oyo State Tree Crops Development Unit; Ministry of Trade, Industries and Cooperatives; etc.

The total value of the projects is in the sum of ₦7,454,910,800. It is a total of 4.82% of overall capital expenditure.

Chart 4: Projects of Interest to Smallholder Women Farmers as a Percentage of the Overall Capital Expenditure

Chart 4: Pie Chart Showing the Percentage of Projects of Interest to Smallholder Women Farmers (4.82%) as a Percentage of the Overall Capital Expenditure of N154,678,136,971 in the 2022 Oyo State Budget



Source: Oyo State Budget and Authors Calculation

3. OVERALL PERFORMANCE OF THE OYO STATE BUDGET AT THE END OF QUARTER 2, 2022

Table 3 shows the overall performance of revenue, expenditure and capital expenditure at the end of Quarter 2, 2022.

Table 3: Overall Performance of the Oyo State Budget at End of Quarter 2, 2022

ITEM	2022 Original Budget (NGN)	2022 Q2 Performance (NGN)	2022 Performance Year to date (Q1-Q2) (NGN)	% Performance Year to Date against 2022 Original Budget	Balance (against Original Budget) (NGN)
Capital Expenditure	154,678,136,971	21,255,723,525	46,101,058,510	29.80	108,577,078,460
Total Revenue	294,704,585,356.	61,360,459,359	121,373,504,264	41.18	173,331,081,092
Total Expenditure	294,704,585,356.	53,934,804,832	110,676,552,234	37.56	184,028,033,122

Source: *Oyo State Budget Performance Report – 2022 Quarter Two*

Table 3 shows that at the end of Quarter 2, capital expenditure's performance was 29.8%; revenue's performance was 41.1%, while total expenditure has been 37.5%. The key parameters of total revenue, total expenditure, and capital expenditure performed below 50% of the original budget, which is the prorated percentage expected at the end of the second quarter. However, it is imperative to point out - revenue performance that anchors expenditure usually picks up in the last half of the year.

4. ACTUAL EXPENDITURE ON WOMEN IN AGRICULTURE PROJECTS IN THE 2022 OYO STATE BUDGET AT THE END OF QUARTER 2, 2022

Table 4 shows the budgeted expenditure versus the actual expenditure at the end of the second quarter of 2022. These projects were earlier identified to be of interest to small-scale women farmers. Although this is not an end-of-year report, it points in the direction of the trend that will define the credibility of the budget at the end of the financial year. It is usually fashionable to include projects in the budget and sometimes difficult to implement them to the letter through releases, cash-backing and value for money implementation through the public procurement system.

Table 4 tells the implementation story up till the end of the second quarter of 2022.

Table 4: Budget Implementation Report: Projects of Interest to SWOFON as at Quarter 2, 2022

ORGANISATION / ECONOMIC PROGRAM / PROJECT CODES	PROJECT DESCRIPTION	APPROVED 2022 BUDGET	ESTIMATED EXPENDITURE FROM Q2 BUDGET PERFORMANCE	% OF ESTIMATED EXP. TO APPROVED BUDGET
	CODE: 021500100100 – MINISTRY OF AGRICULTURE, NATURAL RESOURCES AND RURAL DEVELOPMENT			
23020113	CONSTRUCTION/PROVISION OF AGRICULTURAL FACILITIES	39,400,000.00	827,400.00	2.10%
23050117	FARM DEVELOPMENT	17,600,000.00	369,600.00	2.10%
	SUBTOTAL	57,000,000.00	1,197,000.00	2.10%
	CODE: 021511200100 – AGRICULTURAL CREDIT CORPORATION			
23050116	MICRO CREDIT SCHEME	2,000,000,000.00	159,008.62*	0.01%
	CODE 021510200100- OYO STATE AGRIBUSINESS DEVELOPMENT AGENCY			
23050117	FARM DEVELOPMENT	5,368,610,800.00	295,273,594.00	5.50%
	CODE: 021500100200- OYO STATE TREE CROPS DEVELOPMENT UNIT			
23050108	PRODUCTION OF FARM SEEDLINGS	9,000,000.00	0*	0%
23050118	PROCUREMENT OF AGRICULTURAL INPUTS	300,000.00	0*	0%
	SUBTOTAL	9,300,000.00	0*	0%
	CODE: 022200100100 – MINISTRY OF TRADE, INDUSTRY AND COOPERATIVES			
23050116	Micro Credit Scheme or (Cooperative Wealth Creation Loan Scheme)	20,000,000.00	0*	0%
	TOTAL	7,454,910,800.00	296,629,602.62	3.98%

Source: Oyo State Q2 2022 Budget Performance Report * Indicates that figures are actual expenditures

Table 4 presents the implementation status on projects of interest. For projects budgeted for under the (main) Ministry of Agriculture and Natural Resources, out of a vote of N57 million, only an estimated sum of N1.197million had been expended. For agencies under the Ministry of Agriculture, here is the implementation status of projects of interest to Small Holder Women Farmers:

- Agricultural Credit Corporation: only a 0.01% of N2.1billion, amounting to N159,000.62 had been expended on “Micro Credit Scheme”.
- Agribusiness Development Agency: An estimated 5.5% of N5.37billion, amounting to N295.274million had been expended for “Farm Development”.
- Tree Crops Development Unit: Nothing had been expended thus far out the budgeted N9.3million.

For the item domiciled under the Ministry of Trade, Industry and Cooperatives, nothing has been expended out of the budgeted N20million.

5. PROJECTS SELECTED BY SWOFON FOR MONITORING AND REPORT FROM THE MONITORING EXERCISE

Table 5 shows the projects selected by Oyo SWOFON members for monitoring.

Table 5: Projects Selected for Monitoring by SWOFON Oyo

ORGANIZATION/ ECONOMIC/ PROGRAM/ PROJECT CODES	PROJECT DESCRIPTION	2022 BUDGET
FORESTRY RESEARCH INSTITUTE OF NIGERIA IBADAN		
ERGP202201816	Enterprises Training and Empowerment of Youth and Women in fish farming in Oyo state	50,000,000
NATIONAL DIRECTORATE OF EMPLOYMENT		
ERGP3176668	Training of Youths and Women in Fingerlings Production and Hatchery Management in Oluyole, Oyo State	100,000,00

Source: 2022 Federal Budget

The SWOFON monitoring team visited the Forestry Research Institute of Nigeria, Idi Ishin, Jericho Road, Ibadan which is the Agency where the project is domiciled. The monitoring team's presence at the Institute raised a lot of concern for all the top officials that were supposed to speak to the team. The monitoring team was referred to three different Directors in the Institute. However, none of them gave the monitoring team any meaningful information about the project.

The SWOFON monitoring team visited the office of the National Directorate of Employment in Oyo State which is located at the Federal Secretariat Office Complex at Ikolaba, Ibadan. The team visited the Director in charge of the NDE in Oyo State and asked her series of questions about the project. She confirmed that the project of interest presented by the monitoring team is in line with her record of projects domiciled under the National Directorate of Employment. However, she declined to release any meaningful information about the project.

6. CONCLUSION

- N12.687billion was voted for Agriculture being 4.3% of the overall budget figure of N294.704billion. By the Maputo Declaration benchmark of 10% of the overall budget, the vote to Agriculture would have been N29.470billion. Therefore, the variance from the benchmark is in the sum of N16.783billion.
- The approved agriculture budget for recurrent expenditure was 19% while capital expenditure got a vote of 81%.
- In the disaggregation of recurrent expenditure between personnel and overheads. Personnel expenditure took the lion's share of 92% while overheads got a vote of 8%.
- In the disaggregation of capital expenditure, developmental capital got 68% of the vote while the administrative capital component received 32% of the capital vote of ₦ 10,258,200,000.00.
- At the end of Quarter 2, Oyo state's overall capital expenditure's performance was 29.8%; revenue's performance was 41.1%, while total expenditure has been 37.5%. The key parametres of total revenue, total expenditure, and capital expenditure performed below 50% of the original budget, which is the prorated percentage expected at the end of the second quarter.

- At the end of the Second Quarter, for projects budgeted for under the (main) Ministry of Agriculture and Natural Resources, out of a vote of N57 million, only an estimated sum of N1.197million had been expended. For agencies under the Ministry of Agriculture, here is the implementation status of projects of interest to Small Holder Women Farmers: (a) Agricultural Credit Corporation: only a 0.01% of N2.1billion, amounting to N159,000.62 had been expended on “Micro Credit Scheme”. (b) Agribusiness Development Agency: An estimated 5.5% of N5.37billion, amounting to N295.274million had been expended for “Farm Development”. (c) Tree Crops Development Unit: Nothing had been expended thus far out the budgeted N9.3million and (d) for the item domiciled under the Ministry of Trade, Industry and Cooperatives, nothing has been expended out of the budgeted N20million.

- The SWOFON team that visited respective MDAs where projects were domiciled did not receive meaningful cooperation or information from the MDAs.

- Budget credibility challenges were observed across most projects of interest to Small Holder Women Farmers in Oyo State. Ramping up revenue generation and quarterly funds disbursement would help plug the gap. It is not clear whether the State prepares an Annual Cash Plan and a Budget Disbursement Schedule. In the instance it does, it needs to be put in the public domain. The two documents will introduce an empirical approach to the management and disbursement of available funds.

7. RECOMMENDATIONS

- Oyo State should consider a more empirical approach to budget implementation through the preparation of Annual Cash Plans and Budget Disbursement Schedules. This will introduce more certainty into budget implementation.

- SWOFON should deepen its relationship with state government MDAs where projects of interest to their members are domiciled.

- SWOFON should seek deeper collaboration with projects funded by international development partners through the state government. These international development partners include the United States Agency for International Development (USAID), World Bank, International Fund for Agricultural

Development (IFAD), etc. If SWOFON collaborates deeper with the state government, SWOFON may be mainstreamed into projects funded by these partners through the state government, and this will go a long way to reduce the challenge of insufficient money to implement projects of interest to SWOFON.

APPENDIX

TEMPLATE FOR MONITORING OF BUDGET AND SERVICES

INTRODUCTION

1. Monitor's Name:
2. Monitor's Organization:
3. Monitor's Address and Contact Details including Phone and Email:

MONITORING DETAILS

1. Ministry, Department or Agency (MDA) monitored
2. Is the Goods, Works, Construction or Services contained in the Annual Budget?
3. If the answer to No.2 is yes, provide description of Budget Line item or Service as contained in the Budget
4. Value (Amount) of Budget Line Item or Service
5. Name of Officer in Charge
6. Fuller Details of the Budget Line Item or Service made available to the Monitor
7. Who is providing the Service or Budget Line Item? (List the Contractor, Service Provider or Consultant)
8. Location of project (if it is a physical project)
9. Details of Amount Released and its Percentage to overall Budget for the Line Item?
10. Project Performance compared to Amount Released
11. Cost responsiveness/value for money and quality of work done on the Line Item based on market surveys or expert advice?
12. Has the Project been abandoned?
13. Is there any variation in cost after award or contract?
14. If yes, provide details.
15. Timeliness of delivery of the Budget Line Item or service and supplies of goods
16. Any transparency challenges?
17. Any information from the Community or Stakeholders (interviews, names and description of persons providing information)
18. Provide any other information you may wish to add (pictures, videos)

ABOUT CENTRE FOR SOCIAL JUSTICE LIMITED BY GUARANTEE

Centre for Social Justice (CSJ) is a Nigerian Knowledge Institution. It is non-governmental, non-profit and non-partisan organisation registered with the Corporate Affairs Commission as a Company Limited by Guarantee. It was established to introduce professionalism in civil society work and to use social entrepreneurship to provide cutting-edge services to enhance and deepen economic, social and political change.

The Vision: A Nigeria where social justice informs public decision-making and guarantees respect for human rights and fundamental freedoms for all.

The Mission: To be a principal catalyst in mainstreaming social justice in public life through policy engagements and interventions that bring about economic, political and social reforms, rights enhancement and sustainable livelihoods.

ABOUT SMALL SCALE WOMEN FARMERS ORGANIZATION IN NIGERIA (SWOFON)

The Small Scale Women Farmers Organization in Nigeria (SWOFON) is a coalition of women farmers associations and groups across Nigeria. SWOFON's goal is to promote women-friendly agricultural policies and women's access to land. To achieve this, SWOFON organizes and empowers women farmers to engage policymakers and other development stakeholders on their needs.