

## AN ANALYSIS OF PLATEAU, BENUE, NASARAWA AND BAUCHI STATES' 2016 PROPOSED BUDGET FOR AGRICULTURE



Are these remedy Economic growth in Nigeria?

### BACKGROUND

The present government of Nigeria is led by a new political party and leadership - the All Progressive Congress (APC), with a slogan of 'change'. The party's vision of economic revival (especially against the backdrop of downward fortunes occasioned by slide in oil revenue) is anchored on agriculture and solid minerals sectors. For this purpose, majority of Nigerians believe that agriculture which used to be the mainstay of the nation's economy before the evolution of oil would be given adequate and special attention.

Although every state in Nigeria has capacity to utilize agriculture as a sector for economic sustenance, the three States of Benue, Nasarawa and Plateau located in the North central zone of Nigeria could be deemed to be outstanding and perhaps regarded as the 'food basket of the nation'. This assertion is owing to the high volume of food and other agricultural produce that are harvested from these states and which makes the states a gathering point for marketing and distribution of food stuffs. In this regard therefore and coupled with the fact that these three states are controlled by the APC, observers are of the expectation that budgetary allocation to and overall investment in agriculture would be given a prominent place.

Since 2010, NANTS has been running an observatory on the annual budgets of the federal government of Nigeria, particularly on the agriculture and trade sectors of the economy. The successive analysis of budget proposals have before now been limited to the federal annual budgets; however, for the year 2016, the decision to extend such analysis to the State levels for follow up advocacy was taken, especially to ensure coherence or otherwise between the Federal and State level budgets for the agricultural sector. In so doing, the three (3) States of the North Central zone which serves as the popular food channel were selected as the starting point, thus, giving rise to this appraisal.

However, given the insurgency that has been ravaging the North East of Nigeria for over six years, and has scattered citizens who are predominantly farmers from their domains, one State in the North East (Bauchi State) was further selected in this analysis so as to create a balanced appraisal of impact of insurgency in the North East and government's budgetary measures to possibly address the food security challenge.

This analysis shall not only consider an overview to see the various key components of the overall and sector budget, but will also establish its perceived strengths and weaknesses, consider the sectoral

allocation against international benchmarks, conduct a gender appraisal to see how much of the needs of men and women farmers are differently planned for in the budgets for agriculture and how much of projects that have capacity to impact small scale farmers (SSFs) especially youths are accommodated in the budget. The analysis also seeks to evaluate the budgetary process at the state level of government to identify entry points for stakeholders' advocacy, draw conclusions and of course make recommendations for improving the process and outcome of agricultural budgeting in the States.

## 1.1. ANALYSIS OF THE BUDGET OF THE 4 STATES UNDER REVIEW AT A GLANCE

| Item   | Plateau State   | Benue State     | Nasarawa State | Bauchi State    |
|--|-----------------|-----------------|----------------|-----------------|
| Total Budget                                       | 154,072,570,442 | 133,394,092,610 | 77,916,130,000 | 119,303,100,010 |
| Recurrent Expenditure                              | 75,019,373,878  | 65,961,996,470  | 42,905,810,000 | 58,476,058,629  |
| Recurrent (debt)                                   |                 |                 | -              | 7,021,949,827   |
| Personnel Expenditure                              |                 |                 |                | 25,182,118,675  |
| Overhead expenditure                               | 29,602,537,743  |                 | 16,284,737,500 | 23,745,885,004  |
| Capital Expenditure                                | 79,053,196,564  | 67,432,096,140  | 34,581,214,460 | 53,805,091,554  |
| % of capital to total budget                       | 51.3%           | 50.55%          | 44.4%          | 45.1%           |
| % of recurrent to total budget                     | 48.7%           | 49.50%          | 55.6%          | 49.0%           |
| Revenue Projection                                 | 154,072,570,442 | 133,394,092,610 | 63,619,550,000 |                 |
| Deficit  | 0.00            | 0.00            | 14,296,580,000 |                 |
| Total allocation to Ministry of Agriculture (MoA)  | 3,322,483,000   | 6,276,655,000   | 1,257,844,546  | 6,367,629,191   |
| Personnel to MoA                                   |                 | 649,000,000     | 317,993,546    |                 |
| Overhead to MoA                                    |                 | 224,655,000     | 183,751,000    |                 |
| Recurrent to MoA                                   |                 | 873,655,000     | 501,744,546    |                 |
| Capital to MANR (Agriculture)                      |                 | 5,403,000,000   | 756,100,000    |                 |
| % of agriculture to the total budget               | 2.16%           | 4.7%            | 1.61%          | 5.3%            |
| % of personnel to Agriculture total budget         |                 | 10.33%          | 25.28%         | 28.6%           |
| % of overhead to Agriculture total budget          |                 | 3.57%           | 14.61%         | 6.3%            |
| % of capital to Agriculture total budget           |                 | 86.08%          | 60.11%         | 65.1%           |
| % of Agriculture capital to overall capital budget |                 | 8.01%           |                |                 |

Table 1: showing the highlights of the 2016 total and agriculture budget for the 4 States under review.

## AN APPRAISAL OF PLATEAU STATE 2016 AGRIC BUDGET



Plateau State governor, Mr. Simon Lalong, presenting an appropriation bill of N154billion as 2016 budget to the Plateau State House of Assembly.

## 2.0. INTRODUCTION

Barrister Simon B. Lalong is the Executive Governor of Plateau State in Nigeria. In presenting his 2016 budget

proposal to the Plateau State House of Assembly (PSHoA), he asserted that the goal of his administration is to reduce human suffering by uplifting the quality of life of the people. Describing the administration as that of 'rescue', he set up a 5-pillar policy which includes: peace, security and good governance; human capital development and social welfare; agriculture and rural development; entrepreneurship, industrialization and wealth creation; and, physical infrastructure and environment.

To demonstrate the administration's commitment to the above using agriculture as example, he 'procured and distributed over 650 trucks of assorted fertilizers to farmers and paid a subsidy of eight hundred and seventy seven million, five hundred thousand Naira (NGN877,500,000)' from 2015 budget. Since 2016 budget is the first budget for which the administration shall be wholly responsible, their true commitment to the 5-pillar policy including agriculture will therefore be on test through the budget allocation to the agriculture sector.

## 2.1. Overview of the Plateau State 2016 Budget

| Item                                      | Value              |
|---|--------------------|
| Total Budget                              | NGN154,072,570,442 |
| Recurrent Expenditure                     | NGN75,019,373,878  |
| Overhead expenditure                      | NGN29,602,537,743  |
| Capital Expenditure                       | NGN79,053,196,564  |
| % of capital to total budget              | 51.3%              |
| % of recurrent to total budget            | 48.7%              |
| Revenue Projection                        | NGN154,072,570,442 |
| Deficit                                   | NGN0.00            |
| Total allocation to Agriculture subsector | NGN3,322,483,000   |
| % of agriculture to the total budget      | 2.16%              |

Table 2: showing the highlights of the 2016 total and agriculture budget for Plateau state

The table above shows that out of a total budget of NGN154,072,570,442, the agriculture sector got a total allocation of NGN3,322,483,000 representing 2.16%. Unfortunately, the budget before us did not break the amount into the capital and recurrent components.

## 2.2. Strength of the Plateau State 2016 Agriculture Budget

There is one strong point going potentially well for the Plateau State's proposed 2016 agriculture budget, that is the fact that the budget for overheads (NGN47,000,000) is less than its 2015 value (NGN65,000,000) meaning that some items in 2015 are either removed or reduced. Such reductions usually imply that more money may be available for investment into the capital component which further implies the availability of improved infrastructure (more equipment and other inputs) which eventually promotes agriculture and ultimately should impact positively on socio-economic development.

### 2.3. Weakness of the 2016 Agriculture Budget

Although Plateau State cannot be regarded as a country in Africa, however, the allocation of NGN3,322,483,000 representing 2.16% to the agriculture sector is still a very far cry from the international benchmarks set for African countries investment to the sector for optimal development. While recognizing that Plateau is only a state and not a nation, its performance in meeting the 10% investment benchmark will impact on meeting the allocation benchmark at the national level. It is our opinion that to the extent that the percentage allocation is low, the budget as proposed is weak and needs to grow progressively towards the 10% mark.

### 2.4. 2016 Plateau State Agriculture Budget Versus Maputo/Malabo ECOWAP/CAADP Benchmarks

Nigeria is a signatory to the Maputo Declaration of 2003 and by extension the Malabo Declaration (2014) and the Comprehensive African Agricultural Development Program (CAADP) framework that set a target of investing 10% of national budget to agriculture for achieving 6% annual growth rate in agricultural productivity for African States. Since the state's investment contribute to the overall national investment level, Plateau ought to allocate at least 10% to its own agriculture sector in line with the frameworks but to the extent that it has committed only 2.16% to the agriculture sector, it has fallen short of the benchmark and needs to start increasing its commitment to the sector progressively over the coming years to be able to meet the benchmark by 2025 as Malabo Commitment expects.

The commitment to increasing investment in Plateau's agricultural sector is fundamental to growth because over 50% of the state population depends on agriculture for their livelihoods. Greater investment especially for the capital component would mean more fertilizer, seeds, loans, equipment and machinery being available to SSFs who drive the state's food security and are responsible for over 95% of food production in the state.

### 2.5. Per Capita Investment

Based on 3.05% growth rate of Nigeria's 2006 population census figures, the National Population Commission estimates the Plateau State population in 2016 to be 4,173,300. Looking at the proposed budgetary allocation to agriculture sector (NGN3,322,483,000), it implies that each citizen of Plateau State is entitled to only about NGN796.13k as per capita investment to the agric sector. Reviewing

the capacity or sufficiency of this investment level to suffice in meeting the Sustainable Development Goal (SDG) 2 which seeks to "end hunger, achieve food security and improved nutrition and promote sustainable agriculture" the further implication is that the amount cannot be able to put in place practical measures and materials to meet the food needs of the state.

The obvious truth is that from experiential reality it is absolutely impossible to feed a person at that rate (NGN796) for a year even with existing infrastructure and programme interventions in the sector. If agriculture is to be used as a means for achieving this SDG in Plateau State, greater investment is required for the sector. The recommendation therefore is that the sector needs to be sufficiently financed in line with the Maputo requirement.

### 2.6. Plateau State Agriculture Budget Implementation



Rejuvenation agriculture through project and policy implementation

The 2015 budget was 30% implemented for reasons such as non-passage of the budget by the PSHOA; 7 months strike of the civil servants; huge domestic debt profile; low revenue from internally generated revenue and Federation Account; and numerous uncompleted projects. However, when budgets are implemented below 100%, they hinder the attainment of the level of development planned for the economy and specific sectors involved. The much this work can opine is that the State takes the issue of budget implementation seriously if it must make the most of its projects and programmes for 2016.

### 2.7. Review of Plateau State Agriculture Budgetary Provisions

| Year          | Total State Budget (A) (N'Bn) | Expected Agriculture Budget in line with Maputo Benchmark (B) (10% of A) | Actual State Agriculture Budget (C) | Percentage of (A) that is (C) | Budgetary gaps in agriculture (B-C) |
|---------------|-------------------------------|--|-------------------------------------|-------------------------------|-------------------------------------|
| 2015          | 215,465,835,418               | 21,546,583,541.8   | 942,843,092 <sup>1</sup>            | 0.43%                         | 20,603,740,449.8                    |
| 2016 proposal | 154,072,570,442               | 15,407,257,044.2   | 3,322,483,000                       | 2.16%                         | 12,084,774,044.2                    |

Table 3: showing Plateau State budgetary allocations to the agriculture sector for 2015 and 2016

<sup>1</sup>This is just an estimate based on available data

The Table above shows budgetary investment to agriculture for 2015 and 2016. As can be seen for both years, percentage allocation to the sector is less than 10%. The State is advised to increase its allocation progressively from this 2016's 2.16% if it must attain high growth rate in the agriculture sector.

## 2.8. Budget Related Challenges Potentially Facing Plateau Agriculture

Beyond the traditional (usual) and well known challenges facing agriculture, there is need to identify pertinent issues that relate to the budget and which may hinder the agricultural sector from being fully developed as it ought to. However, since this is the first review of Plateau State agriculture budget, we can only draw from the experiences from the federal level and present them as potential challenges that Plateau state needs to avoid.

### 2.8.1. Gap between Annual Budgets and SSFs



Increased financial support for small scale farming can make the difference

There is a huge gap between the annual budget allocations and small scale farming in the country and this should be avoided in Plateau state. Most of the population is engaged in different types of farming activities with more of these engaged at small scale levels. About 95% of food produced in the state is also produced through farming at the small holder farms but these small scale farmers (SSFs) in rural communities hardly feel the impact of the annual budgets. As most SSFs are illiterate, they are neither able to comprehend budget technicalities nor demand any interventions. They are thus left at the mercy of market forces and competition over farming inputs with the fewer, richer, more educated and powerful 'political farmers' taking greater advantage of any agricultural improvement interventionist policies.

If agriculture is to play the role of major driver of the economy for the state, the inputs required by

producers of 95% of the food consumed by Plateau people must not be left to sheer market forces. Every economic, social and physical barrier to SSFs' access to farm inputs such as fertilizers and improved varieties of propagation materials must be dismantled. This implies conscious efforts on the part of Plateau State Ministry of Agriculture and Rural Development, relevant Departments and Agencies in the sector and all Local Government Areas (LGAs) to subsidize the cost of critical inputs such as fertilizer and make sure they reach small scale farmers timeously.

### 2.8.2. Budget Release, Cash-backing and Implementation Capacity

Budget release, cash-backing processes as well as the implementation capacity of the Ministry and related Departments and Agencies is critical for success. The reasons advanced by the Governor for 2015 poor budget performance show the factors that affect implementation of various projects and programmes and the government is advised to act proactively to forestall their reoccurrence in 2016. But beyond the issue of due process and timing, knowing what to do and how to do them (technical capacity) is equally important. Given the huge gaps between capital budget allocations and utilization rates, the budget implementers (MDAs) in Plateau state would need to step up their capacities.

### 2.8.3. Low Budgetary Allocation

At the risk of over-flogging the investment size issue, the relatively low budget for the agriculture sector is another issue for worry. The budget for agriculture (2.16%) did not attain the Maputo Benchmark that stipulates 10% of total budget allocated to agriculture. Elsewhere<sup>2</sup> NANTS has argued with empirical evidence that the fertilizer needs of the State<sup>3</sup> amounted to about N12,972,972,973 and that to achieve the desired food security and growth of economy through agriculture, that amount ought to be set aside for fertilizer procurement and distribution in 2016. To the extent that this is not done through the budget or any specialised funding mechanism, the state's hope of food security may be a farce.

### 2.8.4. Effect of Overhead Budget

Though the greater focus of this piece is on the capital budget because it translates to socio-economic development when implemented, however, the recurrent budget of the State Ministry of Agriculture needs a comment because overhead budget size

<sup>2</sup>Boosting the Nigerian Economy through Adequate Budgetary Resources for Agriculture in 2013

<sup>3</sup>Total needs for Nigeria was 480million. To arrive at that of state we divide the national with 37

affects the amount ultimately available for capital investment. The allocation to the recurrent expenditure is N47,000,000 and has lines such as local travel and transport: Training (N2,000,000) (2015:NGN3,000,000); local travel & transport: others (N1,500,000) (2015: NGN2,000,000); office stationaries/computer consumables (N700,000) (2015: NGN700,000); local Training/workshops (N1,500,000) (2015:NGN2,500,000); and maintenance of motor vehicle/transport equipment (N2,000,000) (2015: NGN2000,000). One impression that is conveyed with these examples is that Plateau 2016 budget is reflective of the dwindled revenue and has thinned down on some 2015 line items or maintained the 2015 values. While we must accept these proposals since it the first intervention of this work, we caution that the state avoids inefficient and wasteful implementation of the budget votes. Savings made from such efficient management of resources could be channelled to capital budget for agriculture thus increasing capacity for achieving more in the sector and also making progress towards the investment benchmark.

## 2.9. Agriculture Highlights in the State Agricultural Policy

Plateau State is yet to develop an agricultural policy or if already done was not accessible to this work. That being the case, we ought to evaluate its proposals against the national Agricultural Transformation Agenda which has projects and programmes planned for 2011 - 2015 with far reaching expected results. But given also that the lifespan of the ATA has expired, there will be no policy base to use in conducting such evaluation. All that remains is to advise that the state quickly develops an agricultural policy that derogates from that at the national level.

## 2.10. Agriculture Budget Compared to Other Social Sector Budgets

| Sector          | Allocation (N'Bn) |
|-----------------|-------------------|
| General Admin   | 14.42             |
| Economic        | 40.83             |
| Law & justice   | 0.67              |
| Social services | 23.14             |

Table 4: Agriculture Budget Compared to Other Social Sector Budgets

From the table above, it can be deduced that of all the sectors, Economic sector (to which agriculture belongs) received the biggest allocation which suggests that the government is taking the sector and agriculture rather seriously. What remains though is to ensure that the allocations are implemented as budgeted so that it could translate to gains for the sector, the economy and socio-economic lives of citizens

## 2.11. Gender Analysis of the Budget

Ideally, this work ought to analyse the capital projects in the sector with the gender lens, to determine whether or not specific projects or programmes are focused on SSFs, women or youths. The challenge is that the capital projects planned for the sector were not available to this work and we have therefore chosen not to attempt on the basis of guess work. We adopt the usual advice that government should ensure that projects are gender sensitive since projects and programmes affect SSFs, women and youth farmers differently.

## AN APPRAISAL OF BENUE STATE 2016 AGRIC BUDGET



Chief Dr. Samuel Ioraer Ortom, the Governor of Benue State in his budget presentation to the state assembly

## 3.0. INTRODUCTION

On the 29th of May 2015, the administration of His Excellency, Chief Dr. Samuel Ioraer Ortom as Executive Governor of Benue State was sworn in to lead the socio-economic development of the State for the next four years. The administration being of the All Progressives Congress (APC) political party came with a change mantra implying a difference in the way things were done previously. Prior to accession to power, the State government had been severally accused of abandoning the agriculture sector which is deemed as its comparative advantage. In his inaugural speech, the governor appreciated the efforts of previous administrations but went on to acknowledge that the state is far from reaching its potentials. He outlined 5 policy thrusts of the administration to include:

- Good governance and revenue security;
- Agricultural-Driven Industrialization;
- Science, Technology, Engineering, Arts and Mathematics (STEAM)-Based Education and Health Services;

- iv. Investment in critical infrastructure; and
- v. Promoting gender equality and empowering women, youth, sports, and persons with disabilities.

These policy thrusts require resources to translate them into practical results and benefits to the people of Benue state and the resources are scarcer than needs of the state, implying that some prioritization must be effected in resource allocation usually through the budget. Given that agriculture is the second in ranking of the policy thrusts, it is expected that the budget will reflect the prioritization of agriculture. The extent to which that is the case will be a major analytical point for this work. Civil society organisations interested in monitoring agriculture budgets have always been challenged to apply their lens more on the states and local governments than on the federal government as the states are closer to the farmers than the federal government. It is this call that NANTS is responding to and in doing so has chosen to begin from the food basket of the Nation. The 2016 Budget as the first by the administration will form the genesis of the scrutiny which is hoped to continue over the coming years.

This analysis on Benue State budget shall not only consider an overview to see the various key components of the overall and sector budget, but establish its perceived strengths and weaknesses, consider the sectoral allocation against international benchmarks, conduct a gender appraisal to see how much of the needs of men and women farmers are differently planned for in the budget and how much of projects that have capacity to impact SSFs especially youths are accommodated in the budget, analyse the budgetary process at the state level of government to identify entry points for stakeholders' advocacy and potentials and of course make recommendations for improving the process and outcome of agricultural budgeting in the state.

### 3.1. Overview of the Benue State 2016 Budget

| Item   | Value           |
|--|-----------------|
| Total Budget                                       | 133,394,092,610 |
| Recurrent Expenditure                              | 65,961,996,470  |
| Capital Expenditure                                | 67,432,096,140  |
| % of capital to total budget                       | 50.55%          |
| % of recurrent to total budget                     | 49.50%          |
| Revenue Projection                                 | 133,394,092,610 |
| Deficit  | 0.00            |
| Total allocation to MANR (Agriculture)             | 6,276,655,000   |
| Personnel to MANR (Agriculture)                    | 649,000,000     |
| Overhead to MANR (Agriculture)                     | 224, 655,000    |
| Recurrent to MANR (Agriculture)                    | 873,655,000     |
| capital to MANR (Agriculture)                      | 5,403,000,000   |
| % of agriculture to the total budget               | 4.7%            |
| % of personnel to Agriculture total budget         | 10.33%          |
| % of overhead to Agriculture total budget          | 3.57%           |
| % of capital to Agriculture total budget           | 86.08%          |
| % of Agriculture capital to overall capital budget | 8.01%           |

Table 5: showing the highlights of the 2016 total and agriculture budget for Benue state

The table above shows that out of a total budget of NGN 133,394,092,610 agriculture sector got a total allocation of NGN 6,276,655,000 representing 4.7%. In the agriculture budget, (NGN649,000,000) is planned for personnel costs, (NGN 224, 655,000) for overheads while the hugest chunk amounting to NGN 5,403,000,000 (86.08%) is proposed for capital expenditure.

### 3.2. Strengths of the 2016 Benue State Agriculture Budget

There are many things that could be said to be going potentially well for the Benue State proposed 2016 agriculture budget. The first among them is that budget for capital projects is greater than that of recurrent expenditure indicating serious commitment of government to improve the infrastructural condition (more equipment and other inputs) which eventually promote agriculture and therefore socio-economic development.

The second is that the budget proposes the completion of ongoing agricultural projects to the tune of 73.04% of the capital budget and only 26.96% reserved for new projects. Part of this ongoing project is the Growth Enhancement Scheme (GES) which has made fertilizer more accessible to the small scale farmers. To this extent, the budget could be said to be looking at the direction of SSFs. In addition, this in our opinion, is a positive departure from the norm where incoming administrations embark on new initiatives and abandon that which their predecessors began. This portends good continuity culture rather than the abandoned project tradition.

The third is that the budget speech promises on page 33 that gender, women, youths and people with disabilities (vulnerable sector) will be a core pillar in the administration's blueprint. A gender policy that addresses the challenges of women is expected and it is hoped that this will extend to women farmers. Perhaps the last of these strengths is a related development announced by the State Governor that grants will be made available for CSOs and women groups to access and complement efforts for state development. This is an excellent development model which seeks participatory interplay between State and Non State Actors in the development process. These may imply that the stakeholders' matrix will be broadened and the economic and social sectors including agriculture may be better for it.

### 3.3. Weakness of the Benue State 2016 Agriculture Budget

While the increase in allocation to agriculture as a nominal value from 725million in 2015 to 6,276,655,000 in 2016 is commendable as is the allocation of 86.08% of the agriculture budget to capital projects, the budget as proposed is still very weak in that it is still a very far cry at 4.7% from the international benchmarks set for African countries investment to the sector for optimal development. While recognizing that Benue is only a state and not a nation, its performance in meeting the 10% investment benchmark will impact on meeting the allocation benchmark at the national level.

### 3.4. 2016 Benue Agriculture Budget Versus Maputo/Malabo ECOWAP/CAADP Benchmarks



CAADP Implementation Support Programme can take more people out of poverty

Arising from the foregoing, it is important to note that Nigeria is a signatory to the Maputo declaration of 2003 and the Comprehensive African Agricultural Development Programme (CAADP) framework that set a target of investing 10% of national budget to agriculture for achieving 6% annual growth rate in agricultural productivity for African States. Since the states investment contribute to the overall national investment level, Benue ought to allocate at least 10% to its agriculture sector in line with the frameworks but to the extent that it has committed only 4.7% to the sector, it has fallen short of the benchmark and needs to start increasing its commitment to the sector progressively over the coming years.

The commitment to increasing investment in Benue's agricultural sector is fundamental to growth because over 80% of the state population depends on agriculture for their livelihoods. Greater investment especially for the capital component would have meant more fertilizer, seeds, loans, equipment and machinery being available to Small Scale Farmers (SSFs) who drive the state's food security and are responsible for over 95% of food production in the state.

### 3.5. Per Capita Investment

Based on 2.3% growth rate of the 2006 population census figures, the National Population Commission estimates the Benue State population in 2016 to be 5,195,078. Looking at the proposed budgetary allocation to agriculture (NGN 6,276,655,000) what amount per Benue citizen is the state investing in the agricultural sector? The per capita investment is N1208.19k, but since the investments at the local governments<sup>4</sup> are not included in this analysis, the investments are definitely greater than that. But for the purposes of this review, it may be fairly assumed that agriculture investments of all the local governments added to the state's bit may bring the per capita agriculture investment to be N2000.00k.

Linking this assumption to the sustainable development goal (SDG) 2 which seeks to "end hunger, achieve food security and improved nutrition and promote sustainable agriculture" is the sum able to put in place practical measures and materials to meet the food needs of the state? The obvious answer is NO because on face value it is absolutely impossible to feed a person at that rate for a year even with existing infrastructure and programme interventions in the sector. If agriculture is to be used as a means for achieving this SDG in Benue State, greater investment is required for the sector. The recommendation is that the sector needs to be sufficiently financed, at least in line with the Maputo Declaration.

### 3.6. Agriculture Budget Implementation

Data to determine the extent of agriculture budget implementation is not available to this work. However, from experience in budget analyses, when budgets are implemented below 100%, they hinder the attainment of the level of development planned for the sector. The much this work can opine is that the state takes the issue of budget implementation seriously.

<sup>4</sup>Not available at the time of this review

### 3.7. Review of Agriculture Budgetary Provisions

| Year          | Total State Budget (A) | Expected Agriculture Budget in line with Maputo Benchmark (B) (10% of A) | Actual State Agriculture Budget (C) | Percentage of (A) that is (C) | Budgetary gaps in agriculture (B-C) |
|---------------|------------------------|--|-------------------------------------|-------------------------------|-------------------------------------|
| 2015          | 135,395,916,602        | 13,539,591,660.2   | 725,000,000                         | 0.53%                         | 12,814,591,660.2                    |
| 2016 proposal | 133,394,092,610        | 13,339,409,261   | 6,276,655,000                       | 4.70%                         | 7,062,754,261                       |

Table 6: showing budgetary allocations to the agriculture sector for 2015 and 2016

It can be observed from table 5 above that for the 2 years, percentage allocation to the sector increased from 0.53% in 2015 to 4.70% in 2016 suggesting that the State is making progress towards achieving the Maputo Benchmark. This is commendable and the state is advised to sustain this progressive trend if it must attain high growth rate in the agriculture sector and remain the food basket of the nation that it adopts as its slogan.

### 3.8. Budget Related Challenges Potentially Facing Benue Agriculture



Beyond the traditional (usual) and well known challenges facing agriculture, there is need to identify pertinent issues that relate to the budget and which may hinder the agricultural sector from being fully developed as it ought. However, since this is the first review of Benue State Agriculture budget, we can only draw from the experiences from the federal level and present them as potential challenges that Benue needs to avoid.

Firstly, there is a lacuna between the annual budget allocations and small scale farming in the country and this should be avoided in Benue. Most of the population is engaged in different types of farming activities with more of them engaged at small scale levels. About 95% of food produced in the state is also produced through farming at the small holder farms but small scale farmers (SSFs) in rural communities hardly feel the impact of the annual budgets. As most SSFs are illiterate, they are neither able to comprehend budget technicalities nor demand any

interventions. They are thus left at the mercy of market forces and competition over farming inputs with the fewer, richer, more educated and powerful 'political farmers' taking greater advantage of any agricultural improvement interventionist policies. If agriculture is to play the role of major economy driver for Benue state, the inputs required by producers of 90% of the food consumed by Benue people must not be left to sheer market forces. Every economic, social and physical barrier to small scale farmers' access to farm inputs such as fertilizers and improved varieties of propagation materials must be dismantled. This implies conscious efforts on the part of Benue State Ministry of Agriculture and Rural Development and relevant MDAs in the sector and all LGAs to subsidize the cost of critical inputs such as fertilizer and make sure they reach small scale farmers timeously.

Secondly, budget release, cash-backing processes as well as the implementation capacity of the Ministry and related departments and agencies is critical for success. The reasons imagined by this evaluation for delays in funding of projects could be the time consuming procurement process that the various projects and programmes undergo. While following due process in procurement has led to savings of public funds, its impact of delay in timely execution of projects seems to cancel out the benefit. The Benue State Ministry of Agriculture and other sector MDAs should find ways of ensuring due process and yet timely project execution of capital projects. But beyond the issue of due process and timing, knowing what to do and how to do them (technical capacity) is equally important. Given the huge gaps between capital budget allocations and utilization rates, the budget implementers (MDAs) need to step up their capacities.

Thirdly, at the risk of over-flogging the investment size issue, the relatively low budget for the agriculture sector is another issue for worry. The budget for agriculture (4.7%) did not attain the Maputo Benchmark that stipulates 10% of total budget allocated to agriculture. Elsewhere<sup>5</sup> NANTS has argued with empirical evidence that the fertilizer needs of the State<sup>6</sup> amounted to about N12,972,972,973 and that to achieve the desired food security and growth of economy through agriculture, that amount ought to be set aside for fertilizer procurement and distribution in 2016. To the extent that this is not done through the budget or any specialised funding mechanism, the state's hope of food security may be a farce. As a state, Benue needs to put its money where its mouth is (agro led economy).

<sup>5</sup> Boosting the Nigerian Economy through Adequate Budgetary Resources for Agriculture in 2013

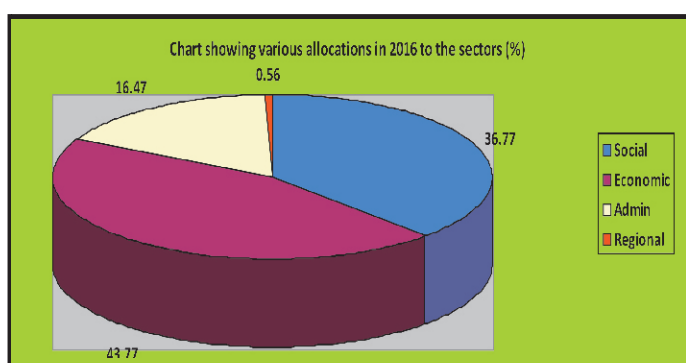
<sup>6</sup> Total needs for Nigeria was 480million. To arrive at that of state we divide the national with 37

Fourthly, though the greater focus of this piece is on the capital budget because it translates to socio-economic development when implemented, the recurrent budget of the State Ministry of Agriculture and Natural Resources needs a comment. The allocation to the recurrent expenditure is N224,655,000 and has lines such as local travel and transport: Training (N10,000,000); local travel & transport: others (N10,000,000) Electricity charges (N500,000); Internet Access charges (N300,000); Water Rates (N200,000); office stationaries/computer consumables (N2,500,000); Uniforms and other clothing (N1,000,000); Maintenance of office building/residential quarters (N5,000,000); local Training (N45,000,000); International Training (NGN65,000,000) security services (N3,000,000); and food stuff/catering services (N235,000). While we may not evaluate the appropriateness and efficiency of these proposals, we can only caution that the state avoids inefficient and wasteful line items and votes.

### 3.9. Agriculture Highlights in State Agricultural Policy

Benue State is yet to develop an agricultural policy in which case we ought to evaluate its proposals against the national ATA which has projects and programmes planned for 2011 -2015 with far reaching expected results. But given also that the lifespan of the ATA has expired, there will be no policy base to use in conducting such evaluation. All that remains is to advise that the state quickly develops an agricultural policy.

### 3.10. Agriculture Budget Compared to Other Social Sector Budgets



From the chart above, it can be deduced that of all the sectors, economic sector to which agriculture belongs received the biggest allocation. Though within the economic sector bracket, agriculture received less than urban and rural roads and electrification, awarding the sector the highest percentage suggests that the government is taking the sector and

agriculture rather seriously. In any case, rural infrastructure such as rural roads and electrification are agents or stimulants of agric-based development.

### 3.11. Gender Analysis of the Benue State Budget

Viewing with the gender lens, the 2016 Benue State agriculture budget there is NO gender disaggregation of the projects or programmes. To be very clear, this analysis did not find any specific project that focuses on SSFs, women or youths. This signifies that gender may not be a priority concern to the sector officials. And this then makes the gender related strength of the budget as mentioned in section 3 practically untrue. If the budget speech makes commitment to such gender sensitivity, then the projects and programmes should show how women, youths and men are impacted.

### AN APPRAISAL OF NASSARAWA STATE 2016 AGRIC BUDGET



Alhaji Umaru Tanko Almakura presenting the 2016 Budget proposals to the State House of Assembly

### 4.0. INTRODUCTION

The administration of His Excellency, Alhaji Umaru Tanko Almakura as Executive Governor of Nasarawa State has lasted since 2011 under the political platform of All Progressives Congress (APC). In presenting the 2016 Budget proposals to the State House of Assembly (SHoA) the administration came with a change mantra implying a difference in the way things were done previously. In his inaugural speech, the Governor said the overriding principle for the budget will be poverty eradication, citizens' wellbeing and social integration while making education, health, job creation, solid minerals and agriculture priority areas for the budget.

These priority areas require resources to translate them into practical results and benefits to the people of Nasarawa state and the resources are scarcer than needs of the state implying that some prioritization must be done in resource allocation usually through the budget. Given that agriculture is among the priority areas, it is expected that the budget will reflect the prioritization of agriculture. The extent to which that is the case will be a major analytical point for this work.

This appraisal shall not only consider an overview to see the various key components of the overall and sector budget, but establish its perceived strengths and weaknesses, consider the sectoral allocation against international benchmarks, conduct a gender appraisal to see how much of the needs of men and women farmers are differently planned for in the budget and how much of projects that have capacity to impact SSFs especially youths are accommodated in the budget, analyse the budgetary process at the state level of government to identify entry points for stakeholders' advocacy and potentials and of course make recommendations for improving the process and outcome of agricultural budgeting in the state.

#### 4.1. Overview of the Nassarawa State 2016 Budget

| Item  | Value          |
|---|----------------|
| Total Budget                                      | 77,916,130,000 |
| Recurrent Expenditure                             | 42,905,810,000 |
| Overhead expenditure                              | 16,284,737,500 |
| Capital Expenditure                               | 34,581,214,460 |
| % of capital to total budget                      | 44.4%          |
| % of recurrent to total budget                    | 55.6%          |
| Revenue Projection                                | 63,619,550,000 |
| Deficit   | 14,296,580,000 |
| Total allocation to Ministry of Agriculture (MoA) | 1,257,844,546  |
| Personnel to MoA                                  | 317,993,546    |
| Overhead to MoA                                   | 183,751,000    |
| Recurrent to MoA                                  | 501,744,546    |
| Capital to MANR (Agriculture)                     | 756,100,000    |
| % of agriculture to the total budget              | 1.61%          |
| % of personnel to Agriculture total budget        | 25.28%         |
| % of overhead to Agriculture total budget         | 14.61%         |
| % of capital to Agriculture total budget          | 60.11%         |

Table 7: showing the highlights of the 2016 total and agriculture budget for Nasarawa State.

The table above shows that out of a total budget of NGN 77,916,130,000, the Ministry of Agriculture (MoA) got a total allocation of NGN 1,257,844,546 representing 1.61%. In the agriculture budget, (NGN317,993,546) is planned for personnel costs, (NGN 183,751,000) for overheads while the largest chunk amounting to NGN 756,100,000 (60.11%) is proposed for capital expenditure.

#### 4.2. Strengths of the Nasarawa State's Proposed 2016 Agriculture Budget

There are many things that could be said to be going potentially well for the Nasarawa State's proposed

2016 agriculture budget. The first among them is that budget for capital projects is greater than that of recurrent expenditure indicating serious commitment of government to improve the infrastructural condition (more equipment and other inputs) which eventually promote agricultural and therefore socio-economic development.

The second is that the budget allocates costs that seem reasonable on face value to both capital and overhead line items. For example, we find items like books with budgets of NGN20,000. Similarly, some items that were provided for in 2015 which may not have been completely expended were not budgeted for in 2016. For example, software charges and licenses was charged NGN200,000 in 2015 but not allocated any costs in 2016. This kind of resource allocation on the bases of actual need is commendable as it frees up resources for meeting areas of current needs.

#### 4.3. Weakness of the Nasarawa State 2016 Agriculture Budget

The allocation of NGN1,257,844,546 representing 1.61% to the State MoA is still a very far cry from the continental benchmarks set for African countries investment to the sector for optimal development. While recognizing that Nasarawa is only a state and not a nation, its performance in meeting the 10% investment benchmark will impact on meeting the allocation benchmark at the national level. To the extent that the percentage allocation is low (even if we add all the allocations to other agriculture related MDAs)<sup>7</sup>, the budget as proposed is weak and needs to grow progressively towards the 10% mark.



Secondly, there is no gender disaggregation of projects and programmes planned in the budget.

<sup>7</sup>As with most of our budget analysis, we focus on the lead agency in the sector to highlight issues, draw lessons and make recommendations which are usually applicable to the whole sector and even the whole economy.

Though there is a programme under Miscellaneous titled ‘Young Farmers Club’ with a planned expenditure of NGN200,000, its adequacy in terms of addressing the gender sensitivity that a budget as a financial management tool requires is in doubt. The Club does not attend to all the young farmers in the state nor does it sound adequate to encourage youths sufficiently to enter and remain active in the farm. Most of the farmers are small holders and nothing was specifically planned for them nor was any programme or project designed to impact on women farmers who are the major farmers. Lumping projects often seem to make women access and participation a challenge for them because not only are they less educated but they are culturally disadvantaged in competing with men farmers for any resource incentive. It becomes strategic therefore to allocate specific initiatives for women or to SSFs or to young farmers or physically challenged farmers and tag them appropriately in the budget.

#### 4.4. 2016 Nasarawa Agriculture Budget Versus Maputo/Malabo ECOWAP/CAADP Benchmarks

Nigeria is a signatory to the Maputo declaration of 2003 and the Comprehensive African Agricultural Development Program (CAADP) framework that set a target of investing 10% of national budget to agriculture for achieving 6% annual growth rate in agricultural productivity for African States. Since the States investment contribute to the overall national investment level, Nasarawa ought to allocate at least 10% to its agriculture sector in line with the frameworks but to the extent that it has committed only 1.61% to the MoA, it has fallen short of the benchmark and needs to start increasing its commitment to the sector progressively over the coming years.

The commitment to increasing investment in Nasarawa’s agricultural sector is fundamental to growth because over 60% of the state population depends on agriculture for their livelihoods. Greater investment especially for the capital component would have meant more fertilizer, seeds, loans, equipment and machinery being available to Small Scale Farmers (SSFs) who drive the state’s food security and are responsible for over 95% of food production in the state.

#### 4.5. Per Capita Investment

Based on 3.05% growth rate of the 2006 population census figures, the National Population Commission estimates the Nasarawa State population in 2016 to

be 2,439,536. Looking at the proposed budgetary allocation to agriculture Ministry (NGN 1,257,844,546), what amount per Nasarawa citizen is the State investing in the agricultural sector? The per capita investment is NGN 515.61k but since the investments at the local governments<sup>8</sup> or other departments and agencies are not included in this analysis, the investments are definitely greater than that. But for the purposes of this review, it may be fairly assumed that agriculture investments of all the Local Governments and other added to the state’s Ministry’s bit may bring the per capita agriculture investment to be N800.00k.

Linking this assumption to the sustainable development goal (SDG) 2 which seeks to “end hunger, achieve food security and improved nutrition and promote sustainable agriculture” is the sum able to put in place practical measures and materials to meet the food needs of the state? The obvious answer is NO because on face value it is absolutely impossible to feed a person at that rate (NGN800) for a year even with existing infrastructure and programme interventions in the sector. If agriculture is to be used as a means for achieving this SDG in Nasarawa State, greater investment is required for the sector. The recommendation is that the sector needs to be sufficiently financed in line with the Maputo Declaration.

#### 4.6. Agriculture Budget Implementation



Data to determine the extent of agriculture budget implementation is not available to this work. However, from experience in budget analyses, when budgets are implemented below 100%, they hinder the attainment of the level of development planned for the sector. The much this work can opine is that the State takes the issue of budget implementation seriously if it must make the most of its lofty projects and programmes.

<sup>8</sup>Not available at the time of this review

#### 4.7. Review of Agriculture Budgetary Provisions

| Year          | Total State Budget (A) (N'Bn) | Expected Agriculture Budget in line with Maputo Benchmark (B) (10% of A) | Actual State Agriculture Budget (C) | Percentage of (A) that is (C) | Budgetary gaps in agriculture (B-C) |
|---------------|-------------------------------|--|-------------------------------------|-------------------------------|-------------------------------------|
| 2015          | 107,904,891,045               | 10,790,489,104.5   | NA                                  | NA                            | NA                                  |
| 2016 proposal | 77,916,130,000                | 7,791,613,000  | 1,257,844,546                       | 1.61%                         | 6,533,768,454                       |

Table 8: showing budgetary allocations to the agriculture sector for 2015 and 2016

The Table above shows budgetary investment to agriculture for 2015 and 2016. Though the amount of investment in 2015 is not immediately available to this work, combined knowledge from other years' trends and that of 2016 suggest that percentage allocation to the sector is less than 10%. The State is advised to increase its allocation progressively from this 2016's 1.61% if it must attain high growth rate in the agriculture sector.

#### 4.8. Budget Related Challenges Potentially Facing Nasarawa State's Agriculture

Beyond the traditional (usual) and well known challenges facing agriculture, there is need to identify pertinent issues that relate to the budget and which may hinder the agricultural sector from being fully developed as it ought. However, since this is the first review of Nasarawa State Agriculture budget, we can only draw from the experiences from the federal level and present them as potential challenges that Nasarawa needs to avoid.

Firstly, there is a gap between the annual budget allocations and small scale farming in the country and this should be avoided in Nasarawa. Most of the population is engaged in different types of farming activities with more of them engaged at small scale levels. About 95% of food produced in the state is also produced through farming at the small holder farms but small scale farmers (SSFs) in rural communities hardly feel the impact of the annual budgets. As most SSFs are illiterate, they are neither able to comprehend budget technicalities nor demand any interventions.



They are thus left at the mercy of market forces and competition over farming inputs with the fewer,

richer, more educated and powerful 'political farmers' taking greater advantage of any agricultural improvement interventionist policies. If agriculture is to play the role of major economy driver for the state, the inputs required by producers of 90% of the food consumed by Nasarawa people must not be left to sheer market forces. Every economic, social and physical barrier to SSFs' access to farm inputs such as fertilizers and improved varieties of propagation materials must be dismantled. This implies conscious efforts on the part of Nasarawa State Ministry of Agriculture and relevant departments and agencies in the sector and all LGAs to subsidize the cost of critical inputs such as fertilizer and make sure they reach small scale farmers timeously.

Secondly, budget release, cash-backing processes as well as the implementation capacity of the Ministry and related departments and agencies is critical for success. The reasons imagined by this paper for delays in funding of projects could be the time consuming procurement process that the various projects and programmes undergo. While following due process in procurement has led to savings of public funds, its impact of delay in timely execution of projects seems to cancel out the benefit. The Nasarawa State Ministry of Agriculture and other sector departments and Agencies should find ways of ensuring due process and yet timely project execution of capital projects. But beyond the issue of due process and timing, knowing what to do and how to do them (technical capacity) is equally important. Given the huge gaps between capital budget allocations and utilization rates, the budget implementers (MDAs) in Nasarawa state would need to step up their capacities.

Thirdly, at the risk of over-flogging the investment size issue, the relatively low budget for the agriculture sector is another issue for worry. The budget for agriculture (1.61%) did not attain the Maputo Benchmark that stipulates 10% of total budget allocated to agriculture. Elsewhere<sup>9</sup> NANTS has argued with empirical evidence that the fertilizer needs of the State<sup>10</sup> amounted to about N12,972,972,973 and that to achieve the desired food security and growth of economy through agriculture, that amount ought to be set aside for fertilizer procurement and distribution in 2016. To the extent that this is not done through the budget or any specialised funding mechanism, the state's hope of food security may be a farce.

Fourthly, though the greater focus of this piece is on the capital budget because it translates to socio-

<sup>9</sup>Boosting the Nigerian Economy through Adequate Budgetary Resources for Agriculture in 2013

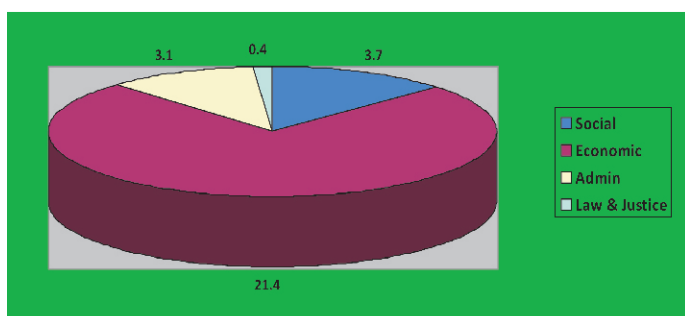
<sup>10</sup>Total needs for Nigeria was 480million. To arrive at that of state we divide the national with 37

economic development when implemented, the recurrent budget of the State Ministry of Agriculture needs a comment. The allocation to the recurrent expenditure is N42,905,810,000 and has lines such as local travel and transport: Training (N800,000) (2015: NGN1,500,000); local travel & transport :others (N1,500,000) (2015: NGN2,000,000); Internet Access charges (N0.00) (2015:NGN200,000); Water Rates (N0.00) (2015: NGN100,000); office stationaries/computer consumables (N500,000) (2015: NGN600,000); local Training (N1,000,000) (NGN1,000,000); and security services (N70,000) (NGN70,000). One impression that is conveyed with these examples is that Nasarawa 2016 budget is reflective of the dwindled revenue and has thinned down on some 2015 line items. All the same, we caution that the state avoids inefficient and wasteful implementation of the budget votes.

#### 4.9. Agriculture Highlights in Nasarawa State Agricultural Policy

Nasarawa State is yet to develop an agricultural policy or if already done was not accessible to this work. That being the case, we ought to evaluate its proposals against the national Agricultural Transformation Agenda which has projects and programmes planned for 2011 -2015 with far reaching expected results. But given also that the lifespan of the ATA has expired, there will be no policy base to use in conducting such evaluation. All that remains is to advise that the state quickly develops an agricultural policy. However it lists some capital projects in the budget that are worthy of mention: purchase of utility vehicles (NGN6,000,000) (2015:NGN0.00); purchase of agro-chemicals &equipment (NGN2,000,000)(2015: NGN2000,000); purchase of buffer grains & chemicals (NGN5,000,000) (2015: NGN0.00); and Agricultural Empowerment Scheme (NGN50,000,000) (2015: NGN0.00) showing that capital expenditures are planned for items that potentially can contribute to improving agriculture and that they look reasonable, non-repetitious and efficiently laid out.

#### 4.10.Agriculture Budget Compared to Other Social Sector Budgets (N'bn)



From the chart above, it can be deduced that of all the sectors, Economic sector which agriculture belongs received the biggest allocation which suggests that the government is taking the sector and agriculture rather seriously.

#### 4.11.Gender Analysis of the Budget

Viewing with the gender lens, the 2016 Nasarawa State agriculture budget there is NO gender disaggregation of the projects or programmes. To be very clear, this analysis did not find any specific project that focuses on SSFs, women or youths except for the Young Farmers Club mentioned under section 4. This signifies that gender may not be a priority concern to the sector officials or that they lack capacity to mainstream gender in the budget.

#### AN APPRAISAL OF BAUCHI STATE 2016 AGRIC BUDGET



Mohammed Abdullahi Abubakar presents the reviewed 2016 budget at the State House of Assembly in Bauchi with his the state APC Chairman, Alihaji Uba Nana.

#### 5.0. INTRODUCTION

In his inaugural speech, His Excellency, Barrister Mohammed Abubakar of Bauchi State, decried the poor state of the treasury as handed over to him by the immediate past Administration. He pleaded with citizens to be patient as it would take time to 'correct all wrongs' which would not be an easy task. During the presentation of the 2016 Budget proposals to the State House of Assembly (SHoA), he laid more emphasis on developing the economic and social sectors implying intention to better the lots of the people of Bauchi State. From his budget speech, it could be inferred that the overriding principle for the budget will be poverty eradication, citizen's wellbeing and social integration while making education, health, and agriculture priority areas for the budget. These priority areas require resources to translate them into practical results and benefits to the people of Bauchi State and the resources are scarcer than needs of the state; implying that some prioritization must be done in resource allocation usually through the budget. Given that agriculture is the among the

priority areas, it is expected that the budget will reflect the prioritization of agriculture. The extent to which that is the case will be a major analytical point for this work.

This piece shall not only consider an overview to see the various key components of the overall and sector budget, but establish its perceived strengths and weaknesses, consider the sectoral allocation against international benchmarks, conduct a gender appraisal to see how much of the needs of men and women farmers are differently planned for in the budget and how much of projects that have capacity to impact SSFs especially youths are accommodated in the budget, analyse the budgetary process at the state level of government to identify entry points for stakeholders' advocacy and potentials and of course make recommendations for improving the process and outcome of agricultural budgeting in the state.

### 5.1. Overview of the Bauchi State's 2016 Budget

| Item                                       | Value           |
|--|-----------------|
| Total Budget                               | 119,303,100,010 |
| Recurrent Expenditure (non-debt)           | 58,476,058,629  |
| Recurrent (debt)                           | 7,021,949,827   |
| Personnel Expenditure                      | 25,182,118,675  |
| Overhead expenditure                       | 23,745,885,004  |
| Capital Expenditure                        | 53,805,091,554  |
| % of capital to total budget               | 45.1%           |
| % of recurrent (non-debt) to total budget  | 49.0%           |
| Total allocation to agric sector           | 6,367,629,191   |
| % of agriculture to the total budget       | 5.3%            |
| % of personnel to Agriculture total budget | 28.6%           |
| % of overhead to Agriculture total budget  | 6.3%            |
| % of capital to Agriculture total budget   | 65.1%           |

Table 9: showing the highlights of the 2016 total and agriculture budget for Bauchi state

The table above shows that out of a total budget of NGN 119,303,100,010, the Agriculture Sector through the Ministries, Departments and Agencies (State Ministry of Agriculture and Natural Resources; College of Agriculture; and Bauchi State Agricultural Development Programme) got a total allocation of NGN 6,367,629,191 representing 5.3%. In the agriculture sector budget, NGN1,818,343,380 is planned for personnel costs representing 28.6%; NGN399,604,000 for overheads (6.3%); while the hugest chunk amounting to NGN4,149,681,811 (65.1%) is proposed for capital expenditure.

### 5.2. Strengths of the Bauchi State 2016 Agriculture Budget



There are many things that could be said to be going potentially well for the proposed 2016 agriculture budget. The first among them is that budget for capital projects is greater than that of recurrent expenditure indicating serious commitment of government to improve the infrastructural condition (more equipment and other inputs) which eventually promote agricultural and therefore socio-economic development.

The second is that the budget allocates costs that seem to sustain the lofty initiatives of the previous administration for example subsidy for purchase of fertilizer for Growth Enhancement Support Scheme by State government worth NGN750,000,000. This ensures more fertilizer availability and direct farmers' access to the input.

Similarly, some items that were provided for in 2015 which may not have been completely expended were not budgeted for in 2016. For example, water rate of the MANR was allocated NGN100,000 in 2015 and NGN0.00 in 2016. This is commendable and exemplary because it does show that overheads not 100% spent on the year of allocation could be carried over to the next budgeting year and save funds for investment in critical economic and social sectors.

### 5.3. Weakness of the Bauchi State 2016 Agriculture Budget

The allocation of NGN6,367,629,191 representing 5.3% to the State agriculture sector is still a very far cry from the international benchmarks set for African countries investment to the sector for optimal development. While recognizing that Bauchi is only a state and not a nation, its performance in meeting the 10% investment benchmark will impact on meeting the allocation benchmark at the national level. To the extent that the percentage allocation is low, the budget as proposed is weak and needs to grow progressively towards the 10% mark.

Secondly, there is no gender or scale disaggregation of projects and programmes planned in the budget. Though there is a capital programme titled 'Purchase of 5000MT of Urea for MANR to blend NPK and distribute to Large Scale Farmers' with a planned expenditure of NGN100,000,000, it is obviously meant for large scale farmers and the resulting fertilizer may not be accessed by other classes of farmers. Most of the farmers are small holders and nothing was specifically planned for them nor was any programme or project designed to impact on women farmers who are the major of the Small Scale farmers. As in the other 170 planned capital projects of the MANR, lumping of projects often seem to make

women access and participation a challenge. This is because not only are they less educated but they are culturally disadvantaged in competing with men farmers for any resource incentive. It becomes strategic therefore to allocate specific initiatives for women or to SSFs or to young farmers or physically challenged farmers and tag them appropriately in the budget.

Thirdly, the budget crafters in Bauchi State seem to have adopted the negative example of their federal counterparts in introducing spurious budget line items that may siphon state resources. Many of such litter the Bauchi State budget as proposed. Examples include: local travel & transport (NGN28,000,000); office stationeries/computer consumables at NGN6,000,000 even when only 1.9% of the amount budgeted for the same items have been spent at the end of June 2015; food stuff/catering material supplies (NGN100,000,000); and refreshment & meals at NGN5,000,000. The last two portray further the insult which civil and public servants involved in this budget making criminality heap on citizens who pay their salaries and fund the budget through taxes. They are repetitious and over-bloated with the former looking like a hotel's annual budget for food stuff supplies (though the item under review is for MANR only). They introduce and inflate costs such as this knowing that the SHOA does not scrutinize the line items nor does it punish such criminal actions.

#### 5.4. 2016 Bauchi Agriculture Budget Versus Maputo/Malabo ECOWAP/CAADP Benchmarks



Nigeria is a signatory to the Maputo declaration of 2003 and the Comprehensive African Agricultural Development Program (CAADP) framework that set a target of investing 10% of national budget to agriculture for achieving 6% annual growth rate in agricultural productivity for African States. Since the states investment contribute to the overall national investment level, Bauchi ought to allocate at least 10% to its agriculture sector in line with the

frameworks but to the extent that it has committed only 5.3% to the sector, it has fallen short of the benchmark and needs to start increasing its commitment to the sector progressively over the coming years.

The commitment to increasing investment in Bauchi's agricultural sector is fundamental to growth because over 50% of the state population depends on agriculture for their livelihoods. Greater investment especially for the capital component would have meant more fertilizer, seeds, loans, equipment and machinery being available to Small Scale Farmers (SSFs) who drive the state's food security and are responsible for over 95% of food production in the state and certainly not the large scale farmers wrongfully targeted with a NGN100,000,000 project in the budget.

#### 5.5. Per Capita Investment

Based on 3.05% growth rate of the 2006 population census figures, the National Population Commission estimates the Bauchi State population in 2016 to be 6,072,251. Looking at the proposed budgetary allocation to agriculture sector (NGN6,367,629,191) what amount per Bauchi citizen is the state investing in the agricultural sector? The per capita investment is NGN1,048.6k but since the investments at the local governments are not included in this matrix, the investments are definitely greater than that but not significantly though. However, for the purposes of this review, it may be fairly assumed that agriculture investments of all the local governments added to the state's bit may bring the per capita agriculture investment to NGN1,300.00k.

Linking this assumption to the sustainable development goal (SDG) 2 which seeks to "end hunger, achieve food security and improved nutrition and promote sustainable agriculture" is the sum able to put in place practical measures and materials to meet the food needs of the state? The obvious answer is NO because on face value it is absolutely impossible to feed a person at that rate (NGN1,300) for a year even with existing infrastructure and programme interventions in the sector. If agriculture is to be used as a means for achieving this SDG in Bauchi State, greater investment is required for the sector. The recommendation is that the sector needs to be sufficiently financed in line with the Maputo Declaration.

#### 5.6. Agriculture Budget Implementation

A few examples show that Bauchi State MDAs do not implement 100% its planned budgets. One, in 2015,

NGN1,000,000 was budgeted for office stationeries and computer consumables but as at June 2015 when the budget ought to have been 50% implemented, the performance was only at 1.9%. Two, printing of non-security documents was planned for NGN2,000,000 in the same year 2015 but mid way into the fiscal year, only NGN10,000 representing 0.5% has been spent. Three, as at June 2015, the budget of NGN2,000,000 meant for fuelling motor vehicles belonging to the MANR in 2015 had enjoyed a meagre 2.7%. Data to determine the extent of agriculture capital budget implementation is not available to this work. However, from experience in the overhead budget implementation, the capital budget aspect wouldn't have been any better. Afterall, it is the overheads that facilitate the capital budget implementation. So for the overhead to be spent minimally there is no way the capital projects could have been maximally executed. When budgets are implemented below 100%, it hinders the attainment of the level of development planned for the sector. The much this work can recommend is that the State takes the issue of budget implementation seriously if it must make the most of its about 170 capital projects and programmes.

## 5.7. Review of Agriculture Budgetary Provisions

| Year          | Total State Budget (A) (N'Bn) | Expected Agriculture Budget in line with Maputo Benchmark (B) (10% of A) | Actual State Agriculture Budget (C) | Percentage of (A) that is (C) | Budgetary gaps in agriculture (B-C) |
|---------------|-------------------------------|--|-------------------------------------|-------------------------------|-------------------------------------|
| 2015          | 127,893,233,297               | 12,789,323,329.7   | 5,445,647,950                       | 4.25%                         | 7,343,675,379.7                     |
| 2016 proposal | 119,303,100,010               | 11,930,310,001   | 6,367,629,191                       | 5.3%                          | 5,562,680,810                       |

Table 10: Showing budgetary allocations to the agriculture sector for 2015 and 2016

The Table above shows budgetary investment to agriculture for 2015 and 2016. It is observed that the percentage allocation to the sector increased from 4.3% in 2015 to 5.3% in 2016, and this is commendable and should continue if the state must attain high growth rate in the agriculture sector.

## 5.8. Budget Related Challenges Potentially Facing Bauchi State Agriculture

Beyond the traditional (usual) and well known challenges facing agriculture, there is need to identify pertinent issues that relate to the budget and which may hinder the agricultural sector from being fully developed as it ought. However, since this is the first review of Bauchi State Agriculture budget, we can only draw from the experiences from the federal level and present them as potential challenges that Bauchi needs to avoid.

Firstly, there is a lacuna between the annual budget allocations and small scale farming in the country and this should be avoided in Bauchi. Most of the population is engaged in different types of farming

activities with most of them engaged at small scale levels. About 95% of food produced in the state is also produced through farming at the small holder farms but small scale farmers (SSFs) in rural communities hardly feel the impact of the annual budgets. As most SSFs are illiterate, they are neither able to comprehend budget technicalities nor demand any interventions. They are thus left at the mercy of market forces and competition over farming inputs with the fewer, richer, more educated and powerful 'political farmers' taking greater advantage of any agricultural improvement interventionist policies such as 'Purchase of 5000MT of Urea for MANR to blend NPK and distribute to Large Scale Farmers'. If agriculture is to play the role of major economy driver for the state, the inputs required by producers of 95% of the food consumed by Bauchi people must not be left to sheer market forces. Every economic, social and physical barrier to SSFs' access to farm inputs such as fertilizers and improved varieties of propagation materials must be dismantled. This implies conscious efforts on the part of Bauchi State Ministry of Agriculture and relevant departments and agencies in the sector and all LGAs to subsidize the cost of critical inputs such as fertilizer and make sure they reach small scale farmers timeously.



Climatic change affects farmers decisions to grow produce

Secondly, budget release, cash-backing processes as well as the implementation capacity of the Ministry and related departments and agencies is critical for success. The reasons imagined by this paper for delays in funding of projects could be the time consuming procurement process that the various projects and programmes undergo. While following due process in procurement may lead to savings of public funds, its impact of delay in timely execution of projects seems to cancel out the benefit. The Bauchi State Ministry of Agriculture and other sector departments and agencies should find ways of ensuring due process and yet timely project execution of capital projects. But beyond the issue of due process and timing, knowing what to do and how to do them (technical capacity) is equally important. Given the huge gaps between overhead budget allocations and utilization rates, and possibility of similar trends in the capital projects budget, the budget implementers (MDAs) in Bauchi state would need to step up their capacities.

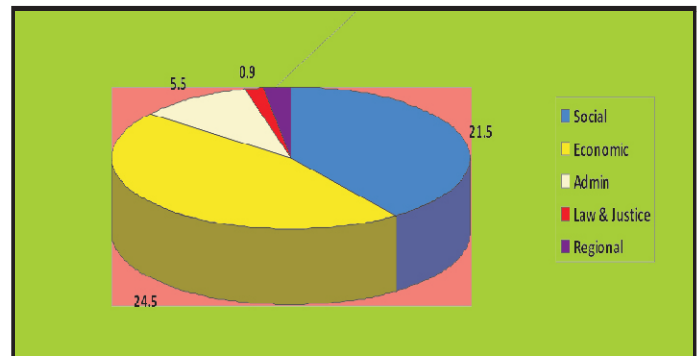
Thirdly, at the risk of over-flogging the investment size issue, the relatively low budget for the agriculture sector is another issue for worry. The budget for agriculture (5.3%) did not attain the Maputo Benchmark that stipulates 10% of total budget allocated to agriculture. Elsewhere<sup>11</sup> NANTS has argued with empirical evidence that the fertilizer needs of the State<sup>12</sup> amounted to about N12,972,972,973 and that to achieve the desired food security and growth of economy through agriculture, that amount ought to be set aside for fertilizer procurement and distribution in 2016. To the extent that this is not done through the budget or any specialised funding mechanism, the state's hope of food security may be a farce.

### 5.9. Agriculture Highlights in State Agricultural Policy

Bauchi State is yet to develop an agricultural policy or if already done was not accessible to this work. That being the case, we ought to evaluate its proposals against the national Agricultural Transformation Agenda which has projects and programmes planned for 2011 -2015 with far reaching expected results. But given also that the lifespan of the ATA has expired, there will be no policy base to use in conducting such evaluation. All that remains is to advise that the state quickly develops an agricultural policy.

However it lists some capital projects in the budget that are worthy of mention: purchase of land for fish market at Triwun (NGN3,000,000); purchase of motorcycle (NGN3,300,000); payment for technical services by the state government for the provision of 100 units of tractors to large scale farmers/cooperative societies under PPP arrangement (NGN50,000,000); purchase of first aid box for MANR (NGN300,000); purchase of fertilizer for Growth Enhancement Support by State government-25% subsidy contribution (NGN750,000,000); purchase of fertilizer for Growth Enhancement Support by federal government to MANR-25% federal subsidy contribution (NGN750,000,000) and purchase of agro-chemicals for MANR showing that capital expenditures are planned for items that potentially can contribute to improving agriculture and that some look reasonable. However some look repetitious and ambiguous such as the '25% subsidy contributions' and some are insultingly over-bloated for example the use of NGN300,000 for MANR first aid box where in a sane process, that amount can fund medical drugs for a general hospital for reasonable length of time.

### 5.10. Bauchi State's Agriculture Budget Compared to Other Social Sector Budgets (N'bn)



From the chart above, it can be deduced that of all the sectors, Economic to which agriculture belongs received the biggest allocation which suggests that the government is taking the sector and agriculture rather seriously.

### 5.11. Gender Analysis of the Bauchi State 2016 Agric Budget

Viewing with the gender lens, the 2016 Bauchi State agriculture budget there is NO gender disaggregation of the projects or programmes. To be very clear, this analysis did not find any specific project that focuses on SSFs, women or youths. This signifies that gender may not be a priority concern to the sector officials or that they lack capacity to mainstream gender in the budget.

## 6.0. CONCLUSIONS

After a critical review of the proposed 2016 Plateau State Agriculture sector budget it was found that the budget is weak in not reaching the Maputo benchmark of 10%. However, the economic sector to which agriculture belongs, received the highest allocation suggesting that Plateau State seems to be taking agriculture seriously.

Nonetheless, beyond budgeting, certain challenges hinder the full impact of the budget, and these include:

- The disconnect between SSFs and budgets;
- Poor release of appropriated sums;
- Inadequate technical capacity to spend capital budgets;
- Lower budgets than the Maputo benchmark;
- Spurious, over-bloated, ambiguous, and
- Repetitive capital and overhead items which Plateau needs to avoid in allocation and implementation.

<sup>11</sup>Boosting the Nigerian Economy through Adequate Budgetary Resources for Agriculture in 2013

<sup>12</sup>Total needs for Nigeria was 480million. To arrive at that of state we divide the national with 37

The review also observed that 2016 Plateau State agriculture budget as proposed could not be analysed for gender mainstreaming as the detailed projects and programmes were not available to this work. However, the importance of so doing was highlighted as planning for the people more as a collective than as specific groups can potentially result in none of the groups accessing the budget planned.

After a critical review of the proposed 2016 agric budgets of the 4 States, it is observed that all of the States Agriculture budgets are weak as the investments are far from reaching the Maputo benchmark of 10%. However, the economic sector to which agriculture belongs, received the highest allocation suggesting that all the States seem to be taking agriculture seriously.

The review also observed that the budgets as proposed (apart from the Nasarawa State's budget provision for Young Farmers Club), did not have clear gender sensitivity as projects and funds targeted at youths, women and SSFs are not very visible. The budgets planned for the people more as a collective than as specific groups which potentially can result in none of the groups accessing the budget planned.

## 7.0. GENERAL RECOMMENDATIONS

Having reviewed the respective agric budgets of the four States, there seem to be several similarities ranging from the allocation of more resources to capital projects to improved decency in the allocation of funds (line items). However, there are still certain issues herein identified as critical for the achievement of a pro-poor budget that would serve the interest of the people. Therefore, the following recommendations are itemized:

### 7.1. Timely Release and Cash-backing of Funds:

Although budget lines have been made available on paper and many of the items commended, however, State Ministries of Finance and the Office of the State Accountant General should identify bottlenecks associated with release and cash-backing of funds and create convenient strategies to enhance agriculture sector MDAs access to budgeted funds. Such release of funds must also be timely especially given that agriculture is seasonal business.

### 7.2. Need to Improve Implementation Capacity and Sanction Mechanism

Similarly, MDAs<sup>13</sup> must have their capacity to implement budgets increased through political will, trainings and supervision. MDAs officials with responsibility to implement but fail after being provided with the required capacity should be penalized for denying the State the opportunity of developing socio-economically.

### 7.3. States Require Clear cut Agric Policies for Effective Implementation

Agriculture is naturally implemented at the State and Local levels where farming takes place. For this reason, since budgets are provided for such actions and projects, the States need to develop their local Agricultural Policies which should have defined action plans to receive the budget. Such policies need to integrate specific programmes for SSFs, youths, and women. Based on the policy, gender friendlier budgets should be developed that will culminate in subsidized inputs such as fertilizer, seeds, herbicides for them which will lead to significant increase in state food production.

### 7.4. Proper Review of Overhead Budgets

State Houses of Assembly (State Parliaments) should review the overhead budget of MDAs, trim down or expunge all illegal, frivolous, and spurious or over-bloated budget line items as well as similar capital project budgets. They should channel the savings to capital budget of agriculture as the mainstay of the economy. Though the budgets for specific capital and overhead items appear reasonable, the implementation should be overseen closely by the House (the legislative arm).

### 7.5. Inclusive Monitoring of Agric Budgets

The monitoring and evaluation of agricultural capital projects is herein canvassed and should be made more robust by involving CSOs to conduct independent evaluations. Grants should be made available for CSOs and such CSOs involvement will give critical perspectives that will complement internal evaluation done by the State Ministry of Agriculture and Rural Development that will further lead to improvement in the sector.

<sup>13</sup>Ministries, Departments and Agencies of Government (MDAs)

## 7.6. Improved Budget Openness

From all indications, State Government budgets appear to be shrouded in secrecy and made very difficult to access. The tortuous route undergone in the process of accessing the respective budgets for review is a clear indication that only few citizens know about the existence of budgets in their various States and are therefore not able to make inputs in such important development framework concerning their livelihoods. For instance, none of the four State budgets could be found on their State websites, and both executive and parliamentary officials see the budgets as sacred documents that must not be seen or touched by any other except within the corner of power. We therefore call for State Budgets to be

placed at the public domain including websites of the individual States and be sent to various Local Governments for citizens to access.

## 7.7. Budgeting Processes and Entry Points for CSOs and Farmer Organizations

Reviewing the budget process at the State level shows that about 18 distinct processes exist in the course of budgeting cycle and that CSOs and farmer organizations can intervene especially at the public hearing stages in the State Assembly. Non State Actors should take cognizance of the following entry points for advocacy in order to make inputs in budgets.

| Budget Process  | Entry points for CSOs /Farmer Organizations | Strategies for influencing MDAs/Key Players  | Potential challenges with MDAs Engagement              | Mitigation strategies for challenges with MDAs          | Strategies for Influencing SHOA, Its Committees/key Players   | potential challenges with CSOs engagement with SHOA/key players                                    | Mitigation strategies for CSO challenges with SHOA, committees and key players                                 |
|---|---|--|--|---|---|--|--|
| MTSS formulation                                      | X   | Advocacy meetings  | Unwillingness of MDAs to take CSOs view on board       | Developing healthy semi-formal relations with officials |   |  |  |
| MTEF preparation                                      |   | Analytical inputs  |  |   |   |  |  |
| MTEF endorsement by SEC                               |   |  |  |   |   |  |  |
| MTEF Approval by SHoA                                 |   |  |  |   |   |  |  |
| Issuance of call circular                             |   |  |  |   |   |  |  |
| MDAs prepare estimates                                | X   | Drawing attention to gaps between policy and estimates   | Poor Technical capacity                                | Capacity Building                                       |   |  |  |
| MDAs defend estimates at MoF                          |   |  |  |   |   |  |  |
| MoF presents budget estimates to Governor through SEC |   |  |  |   |   |  |  |
| SEC approves  |   |  |  |   |   |  |  |
| Governor sends to SHoA                                |   |  |  |   |   |  |  |
| SHoA forms Sub Committees                             |   |  |  |   |   |  |  |
| Opens discussion on budgets /public hearings          | X   | Look out for frivolous estimates that need to be cut and resources mopped up for reallocation to social sector | Untimely publication of materials for CSO intervention | Advocating for timely release of budget information     | Advocacy visits Lobbying Memos at Budget Estimate Defence Special meetings with relevant committees | Only few CSOs are invited to budget review sessions SHoA not bound to take CSO inputs SHoA members | Send memo with analytical recommendations Use media to present your positions Cultivate good relationship with |

|   |   |   |  |                               |  |                               |                               |
|---|---|---|--|-------------------------------|--|-------------------------------|-------------------------------|
|   |   | capital projects                                      |  |                               |  | are sometimes evasive of CSOs | relevant committees over time |
| Budget defence organised by SHoA for MDAs |   |   |  |                               |  |                               |                               |
| SHoA Approval                             |   |   |  |                               |  |                               |                               |
| Governor's Assent                         |   |   |  |                               |  |                               |                               |
| Budget implementation by MDAs             |   |   |  |                               |  |                               |                               |
| Budget monitoring                         | X | Field visits to project sites/desk reviews of budgets | CSO poor access to information despite the Fol Act | Persistent use of the FOI Act |  |                               |                               |

Table 11: showing budgeting process and possible entry points for CSOs

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