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FISCAL UPDATE ISSN: 2141-1654

The Newsletter of the Fiscal Responsibility Project of Centre for Social Justice
Volume 1, Number 2, July – December 2009.

What's Going On?

This is the second edition of *Fiscal Update*, the newsletter of the Fiscal Responsibility for Social and Economic Accountability Project (Project). Since the last edition in June 2009, there have been a lot of fiscal developments. The perennial problem of poor capital budget implementation continued to haunt the federal capital budget. The second quarter budget implementation report (which was the last, published in the year 2009) gave the figure as under 50% notwithstanding the fact the recurrent expenditures were fully drawn down and in some instances, exceeded.

The MTEF 2010-2012 was the first MTEF sent to the legislature for approval. It was sent very late in the year. The MTEF appears to be a product of a learning process considering that it did not adequately address a number of issues. There was no link between the Fiscal Strategy Paper (FSP) and the economic objectives of Government contained in section 16 of the 1999 Constitution as demanded by section 11 (3) (b) (iv) of the Fiscal Responsibility Act (FRA). It contained no concrete proposals to grow the economy and reduce poverty while it proposed huge deficits over a four year period.

Governments at all levels continued to borrow in violation of the FRA which mandated borrowing to be only for capital expenditure and human development, on concessional terms with low interest rates, subject to long periods of amortization. The Project wrote to all bank managing directors pointing out the illegality of continued bank lending to governments and wrote another letter to the Central Bank Governor urging him to use banking supervision to implement the provisions of the FRA.

A *diagnostic study* on the implementation of the FRA by the Project revealed a lot of gaps, challenges and actionable violations. There was a gulf between revenue and expenditure forecasts in MTEFs and appropriations while different government agencies were reporting different figures and statistics on budgetary performance. The social sector and the growth drivers received little or no attention in budgetary allocations while capital budgets were poorly implemented. Civil society had no representative on the Fiscal Responsibility Commission, etc. The diagnosis ended with some strong recommendations.

Within the review period, the Appropriation Bill was presented to the National Assembly. It is based on the following macroeconomic assumptions: oil production capacity of about 2.088mb/d; oil price benchmark of US$57/barrel; Joint Venture Cash (JVC) call of US$5billion; average exchange rate of N150 to the US dollar; target inflation rate of 11.2% and targeted real Gross Domestic Product (GDP) growth rate of 6.1%. The projected expenditure is N4,079 trillion expected from the following major sources: Opening or Unspent Balance brought over from 2009 fiscal year (N300 billion); 48.5% FGN Share of Federation Account (1,831.08 billion); 14% FGN Share of Value Added Tax (70.51 billion); and Estimated FGN's Balance of Special Accounts as at December 2009 (15.48 billion) Naira respectively. A deficit of N1,562.60 trillion is proposed. The N4,079 trillion is to be disbursed as follows: Statutory Transfers (180.28 billion); MDAs Recurrent Non-Debt Expenditure (1,361.7 billion); Capital Expenditure (1,370.82 billion); Debt Service (517.1 billion); and Consolidated Revenue Fund Charges (649.8 billion) respectively. In overall terms, the proposed bill represents a 31.5% increase over 2009 estimates. The project made inputs into the consideration of the Bill by the Legislature.

The Project held a FRA Forum which brought together the FRC, legislative committees, government agencies and civil society to exchange ideas on the implementation of the FRA. The report of the diagnostic study was presented to the Forum for their inputs and validation.

The electronic mail listserv pem_ngr@yahoo.com continued the daily dissemination of information on public expenditure management with specific emphasis on the FRA and public procurement.

The project continued the production of quarterly reports documenting infractions, successes and best practices emanating from the implementation of the FRA. Further, the media were engaged to ensure that FRA issues were brought to the front burner of national discourse.

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CSJ through the Project will continue to engage the PEM system and wishes our esteemed readers a democratic, prosperous and happy new year.

Eze Onyekpere Esq.
Lead Director

ISSUES IN THE 2010 -2012 MEDIUM TERM EXPENDITURE FRAMEWORK

In This Presentation, CSJ Reviews The Critical Issues In The 2010-2012 MTEF And Makes Recommendations On The Way Forward.

1. INTRODUCTION

This Review focuses on the key areas of the Medium Term Expenditure Framework (MTEF) necessary to guarantee the realization of the promises of the Fiscal Responsibility Act ("FRA"), the economic and social objectives of the 1999 Constitution ("Constitution") and other pertinent laws. It makes recommendations anchored on the need to grow the economy, improve living standards and enhance fiscal governance.

2. WE WELCOME THE FOLLOWING

- the submission of the MTEF to the legislature although at a date later than the FRA anticipated;

- the admission that previous Fiscal Strategy Papers (FSP) revenue (oil and non oil revenue) and growth forecasts were ambitious and were not met and previous forecasts grossly underestimated inflation; as such, the need for realistic and achievable revenue, growth and inflation forecasts crystallizes;

- the recommended $50 oil benchmark price derived from the moving average of the price of oil over the last ten years thereby de-linking the price from short to medium term fluctuations in the market price of oil.

3. ISSUES

A. Deficits: Increased fiscal deficit forecast from N836.60 million in 2009 to N1,026.04 billion in 2010 represents an increase in the deficit from -3.02% of GDP to -3.28% of GDP. Also the target of 2011 spending being -3.10% of GDP is worrying. These are not signs of fiscal progress. Compare the foregoing with the provisions of sections 12 (1) and (2) of the FRA:

Mansur Mukhtar - Minister of Finance

The estimates of-

(1) aggregate expenditure and the aggregate amount appropriated by the National Assembly for each financial year shall not be more than the estimated aggregate revenue plus a deficit, not exceeding three percent of the estimated Gross Domestic Product or any sustainable percentage as may be determined by the National Assembly for each financial year.

(2) aggregate expenditure for a financial year may exceed the ceiling imposed by the provisions of subsection (1) of this section, if in the opinion of the President, there is a clear and present threat to national security or sovereignty of the Federal Republic of Nigeria.

The MTEF has stated Government's intention to borrow to fund the deficit. The provisions of section 41 (1) (a) of the FRA should be constantly reflected in borrowing decisions:

> *Government at all tiers shall only borrow for capital expenditure and human development, provided that such borrowing shall be on concessional terms with low interest rate and with a reasonably long period of amortization…*

Also the MTEF states that the proceeds of privatization, uncollected signature bonuses and revenues from the implementation of public private partnerships may be used to fund the deficit. But their use in funding recurrent expenditure is barred by section 53 of the FRA:

> *The proceeds derived from the sale or transfer of public properties and rights over public assets shall not be used to finance recurrent and debt expenditure, provided that such proceeds may be used to liquidate existing liabilities directly charged against such properties or assets.*

From the 2009 budget, the above sources of funding the deficit were mentioned. With the exception of borrowing from the domestic market, little or nothing has come from the other sources to fund the deficit. Thus, they are unreliable sources of funds.

B. The Oil Economy: A good part of the MTEF is dedicated to the study, review and projections of the volatile and undulating price movement of oil. So many years after diversifying the economy has become the national mantra, there is nothing in the MTEF concretely pointing in the direction of weaning the economy from dependence on oil over the medium term. By the projections, the non-oil revenue as a percentage of total revenue accounts for 57.22%, 43.53%, 39.50% and 38.23% in the years 2009, 2010, 2011 and 2012 respectively. Essentially, instead of appreciating, non-oil revenue is decreasing over the medium term. This is not a sustainable path for economic growth. These projections are made at a time when developed nations are concentrating on finding alternatives to fossil fuel.

C. The Niger Delta Challenge: Allied to the mono-culture oil economy is the challenge of development in the Niger Delta which supplies the bulk of the oil. Previous projections from 2005 to date have missed their targets and there has been a steady decline in oil production due to shut-ins and instability in the region. Thus, there is no guarantee that the current projections of 2.088mbpd, 2.275mbpd and 2.443mbpd in 2010, 2011 and 2012 will be realized as long as the region's problems remain unresolved. The projected capital expenditure for the region in the indicative envelope does not inspire hope that the region's challenges would be effectively tackled. This may lead the region back to instability despite the amnesty programme.

D. Reduced Capital Expenditure: The reduced capital expenditure projections from N1,022.26 billion in 2009 to N860 billion in 2010 calls for concern. The reduction of capital expenditure as a percentage of total expenditure from 32.96% in 2009 to 27.54% in 2010, 27.36% in 2011 and 27.21% in 2012 does not match the stated desire of government for rapid transformation of the economy. Despite this unwarranted reduction, considering the poor absorptive capacity of Ministries, Departments and Agencies ("MDA"), the capital votes may not be fully expended – spending has averaged less than 70% of the capital budget over the last 3 years.

Essentially, the implication of the foregoing is that improvements in infrastructure promised under the 7-Point Agenda, Vision 2020 and the Millennium Development Goals ("MDGs") may not materialize. The National Economic Empowerment and Development Strategy ("NEEDS") reforms had articulated the ratio of recurrent to capital spending to be 60%-40% from the year 2007 and onwards. Apparently the MTEF estimates are retrogressive.

E. Tension Between Monetary And Fiscal Policy: There is tension between monetary and fiscal policy whereby a 20% depreciation of the value of the naira will lead to improved fiscal deficit as a proportion of GDP. Under the current projection of oil benchmark price of $50, it will reduce the deficits to -2.55% of GDP in 2010 while a 20% appreciation of the naira will increase the fiscal deficit to -4.01% of the GDP. Ideally, Nigeria should strive to improve the value of its currency from its current value. The above trend analysis may tempt the government to further devalue the naira to achieve fiscal objectives which may end up enhancing inflation.

Further to the last paragraph, the insistence of the authorities to maintain the naira USD exchange rate at N147 to 1USD instead of working to revert to previous rates of N117 and N125 respectively used for the budgets of 2008 and 2009 appears not in the best interest of the nation.

F. Economic Growth: The Government's Vision 202020 targets a minimum growth rate of 13% per annum to achieve the vision of Nigeria joining the 20 most developed countries by the year 2020. However, the reality of the MTEF is different from the outcome of the visioning process with projected economic growth figures of 2.68% in 2009, 2.61% in 2010, 4.89% in 2011 and 5.83% in 2012. This is a decline from the average economic growth figure of 6.7% between 2004 and 2008. Thus, there is no connection between the vision and the real world of Nigeria. Further, there is no mention of a fiscal policy framework to encourage investments in the sectors where the nation has comparative advantage.

The Government's Vision 202020 targets a minimum growth rate of 13% per annum to achieve the vision of Nigeria joining the 20 most developed countries by the year 2020.

G. Fiscal Strategy And The Economic Objectives Of Government: The provision in the MTEF 2010-2012 which seeks to explain how the financial objectives, strategic economic, social and developmental priorities and fiscal measures of the Federal Government relate to the economic objectives in section 16 of the Constitution (as demanded by section 11 (3) (b) (iv)) did not explain how the Federal Government intends to meet its minimum core obligations on the economic and social rights of the people. The MTEF states inter alia:

> *The fiscal policies outlined in this paper should over the medium term, ameliorate the negative impact of the global recession on Nigeria's economy and ensure positive rates of economic growth. The Fiscal Policies of Government also prioritise and increase spending in line with the development priorities of this Administration as encapsulated in the 7-Point Agenda, the Millennium Development Goals and the Vision 20:2020 national planning framework. Specifically, the rolling Medium Term Sector Strategies, which underpin the expenditure framework and the annual budgets, have been*

conceived against the backdrop of these high level policy documents. This spending should reduce poverty....

But when this statement is juxtaposed with the indicative capital expenditure ceilings, a different picture emerges. The envelopes for education and health as shown in Table 1 compared to previous years speak for themselves.

Table 1: Indicative Envelopes for Education and Health 2010-2012 MTEF Compared to Previous Envelopes

MDA	2008 Budget in =N=bns Capital including MDGs	2009 Budget in =N=bns Capital including MDGs	2010 Budget in =N=bns Capital including MDGs	2011 Budget in =N=bns Capital including MDGs	2012 Budget in =N=bns Capital including MDGs
Education	50.5	40	39.6	34.2	37.1
Health	54.5	50.8	37.9	29.8	32.3

Considering the poor outcomes in education and health under the current capital investment structure, declining capital investments is not the best way to maintain existing poor standards. It will also not propel the system to higher standards. At this rate of investment, we will neither meet the targets of the MDGs, Vision 2020 or the demands of Chapter 2 of the Constitution.

4. RECOMMENDATIONS

A. Submission And Approval Of MTEF: The timely submission of subsequent MTEFs by the President to the legislature in August to provide opportunities for robust debates and analysis of the MTEF by the legislature. The thrusts of the FSP should be considered separately from the indicative envelopes by the legislature and once a decision is reached on its general and specific thrusts, the allocations to specific MDAs will be easier based on the priorities of the FSP.

B. Deficit Financing: Borrowing whether internally or externally, to fund the 2010 deficit of N1,026.04 billion should not be used to fund recurrent expenditure - only capital and human development expenditure. The Government should:

- ensure the strict enforcement of sections 21 to 23 of the FRA on the payment of 80% of the operating surplus of Scheduled Corporations to Consolidated Revenue Fund. Funds from this source will help to reduce the deficit;

Considering the poor outcomes in education and health under the current capital investment structure, declining capital investments is not the best way to maintain existing poor standards. It will also not propel the system to higher standards. At this rate of investment, we will neither meet the targets of the MDGs, Vision 2020 or the demands of Chapter 2 of the Constitution.

- ensure that all Internally Generated Revenue of MDAs are paid into the Consolidated Revenue Fund;

- before the middle of 2010, embark on a comprehensive public expenditure review which will identify areas of waste and refocus government spending to align with the stated roles of the state in the economy;
- re-organise its revenue generating agencies to ensure efficient and enhanced collection of non oil revenue.

C. Grow The Economy: The gulf between the MTEF and Vision 20:2020 needs to be reduced. The legislature should enact laws to ensure the growth of the economy and GDP. This will help reduce the deficit in the medium term since projected expenditure will be a smaller percentage of the GDP. As a minimum, the legislature should ensure that:

- it reviews all pending bills and prioritise the passage of selected bills that would contribute most to economic growth and development. This recommendation comes from the background that there is less than two years to the end of the legislative tenure and the 2011 elections is fast approaching;
- ensure the enforcement of rules and regulations for the disbursement and management of special and autonomous funds and levies such as those managed by the National Automotive Council and the Sugar Development Council;
- budgeted sums are tied to measurable results, enhanced service delivery and spent according to appropriation;
- local refining of petroleum products in sufficient quantities to satisfy local demand and over time for export purposes;
- agriculture is prioritized and voted funds are tied to improved production, increased food availability and reduced food import bills;
- ministers and accounting officers that fail to implement at least 60% of their annual capital votes are removed by the President.

Also, blocking the leaking pipes of corruption through oversight will release more funds for improvements in service delivery to grow the economy. The MTEF should devise policies to encourage local and international investments in the areas of the nation's comparative advantage.

D. Addressing the Niger Delta Challenges: The Niger Delta region produces the bulk of our income and instability in the region has diminished oil income. It is imperative that sufficient funding be set aside to implement the socio-economic components of the amnesty programme of Government. This will improve oil production and invariably the volume of resources available to implement the national budget. The recommendations from the report of the Ledum Mittee Technical Committee set up by the President on the Niger Delta should be implemented to ensure that instability becomes a thing of the past in the region.

E. Increasing Capital Expenditure: For Nigeria to realise the MDGs, fulfill the constitutional economic and social objectives of Government, the capital expenditure vote should be maintained at the level of the 2009 budget. The infrastructure deficit which holds back economic growth has not been resolved and it is clear that a good part of the 2009 capital budget has not been implemented and will be returned to the Treasury at the end of the year. Thus, the unspent funds of 2009 should be added to the projection of 2010 to ensure increased capital expenditure and as a minimum, maintain the 2009 level of expenditure. The caveat is that votes should be made for ongoing projects before new ones. The 2010 Appropriation is the last opportunity for this government to deliver on its promises. Not much is expected in 2011, being an election year.

The bulging overhead expenditure of government should be reduced. It is illogical for MDAs that fail to implement capital votes to have large overhead votes which they fully draw down before the end of the year.

F. Linking Fiscal Strategy And The Economic Objectives Of Government: The legislature in accordance with section 11 (3) (b) (iv) of the FRA should demand from the President clear and concise linkages between the FSP and the implementation of the economic objectives of Government in section 16 of the Constitution. General statements devoid of specificity should not satisfy the legislature but clear, concrete and targeted steps linking fiscal strategies to improved results in the standard of living. The current statements in the MTEF are unsatisfactory. The indicative envelopes to be approved by the legislature in a bid to link the MTEF to the economic objectives of Government should prioritise human development and capital expenditure.

G. Converging Monetary And Fiscal Policy: Enhanced collaboration between the fiscal and monetary authorities should delink the value of our national currency to the deficit GDP ratio. Growing the economy through enhanced productivity will grow the GDP and as such, increased Government spending will not negatively impact on the deficit GDP ratio.

H. Confirmations: There is the need for the Legislature to confirm from the Minister of Finance if the current envelopes include:

- provisions for the new negotiated packages of the Academic Staff Union of Nigerian Universities and other unions in other sectors who recently signed agreements with the Federal Government;
- demands of labour for a realistic minimum wage;
- provisions made to ensure that Nigerians do not pay more for imported refined petroleum products;

The sums needed to implement these demands will alter the entire trajectory of the projections and strategy if they have not been provided for.

5. CONCLUSION

The foregoing recommendations have been made by Centre for Social Justice with a view to improving the living standards of Nigerians and aligning government's stated policy objectives with the MTEF and its FSP. In the medium term, the goal is to make the Government more credible and responsive to the needs of Nigerians.

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FRA AND THE ECONOMIC AND SOCIAL SECTORS

In this article, Eze Onyekpere Esq. and Dr. William Fonta review the performance of the social sector (2005-2008) against the promises of the Fiscal Responsibility Act (FRA).

1. LEGAL ISSUES

The economic objectives which the FRA seeks to promote[1] are found in the constitutional Fundamental Objectives and Directive Principles of State Policy ("FODPSP") which are stated by section 6 (6) (c) of the Constitution to be non justiciable. However, the National Assembly is empowered under item 60 of the Exclusive Legislative List of the Constitution to make laws for the establishment and regulation of authorities for the Federation or any part thereof for the promotion and enforcement of the FODPSP. It has been stated by the Supreme Court as follows[2]:

> *The Constitution itself has placed the entire Chapter 2 under the Exclusive Legislative List. By this, it simply means that all Directive Principles need not remain mere or pious declarations. It is for the Executive and the National Assembly, working together, to give expression to anyone of them through appropriate enactment as occasion may demand.*

The Court further stated that the meaning of the word "establish" is clear enough and requires no further elaboration. It is however imperative to construe the expressions "regulate", "promote" and "enforce" to determine their functions in item 60 (a). To regulate means to control, govern and direct the affairs of the authorities set up by the National Assembly to promote and enforce the observance of the FODPSP.

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To promote means enacting such laws and activities as will advance, further and contribute to the enlargement and growth of the FODPSP. To enforce means to execute, make effective and compel obedience to the Fundamental Objectives and Directive Principles[3]. Essentially, by the force of the FRA, the provisions in the economic objectives of the Constitution have derived some measure of enforceability.

How have the FRA reforms impacted on the economic and social sectors particularly on health, education and unemployment? The preparation of the MTEF/MTSS is hinged on policy objectives contained in high level policy documents of the government and international standards adopted in Nigeria[4]. The Constitution as the supreme law of the land will lead the high level

[1] See the long title to the FRA and the functions of the Commission in section 3 of the Act.

[2] Per Uwaifo J.S.C. in *Attorney General Ondo State v Attorney General Federation* (2002) 9 N.W.L.R. (Pt.772) 222 at 391.

[3] See Sasegbon's *Encyclopedia of Nigerian Law and Practice*, First Edition, Vol. 4 Paragraph 185 at page 113.

[4] Article 2 of the International Covenant on Economic, Social ad Cultural Rights ratified by Nigeria comes into play.

policy documents; the MDGs, NEEDS and the 7- Point Agenda will also come to play. The FSP as part of the MTEF is supposed to contain an explanation on how the financial objectives, strategic economic, social and developmental priorities and fiscal measures of the Federal Government relate to the economic objectives in section 16 of the Constitution[5]. The posers are: how far has the FRA process ensured that *suitable and adequate shelter, suitable and adequate food, reasonable national minimum living wage, old age care and pensions and unemployment, sick benefits and welfare of the disabled are provided for all citizens.* How far has the implementation of the FRA guaranteed that *the material resources of the nation are harnessed and distributed as best as possible to serve the common good and the control of the national economy in such a manner as to secure the maximum welfare, freedom and happiness of every citizen on the basis of social justice and equality of status and opportunity[6].*

There is an interesting bill pending before the National Assembly. It is the Fundamental Objectives and Directive Principles Implementation Bill which will require the President to give a yearly address and account to the legislature on the steps taken by the government to implement the Fundamental Objectives and Directive Principles of State Policy. The idea is to focus the attention of the President on the implementation of state aspirations because currently, they appear to be ropes of sand in the mind of the executive. Stakeholders should support the passage of this important Bill which will facilitate the realisation of the objectives of the FRA.

THE MTEF-2010-2012

The provision in the draft MTEF 2010-2012 which seeks to explain how the financial objectives, strategic economic, social and developmental priorities and fiscal measures of the Federal Government relate to the economic objectives in section 16 of the Constitution is demonstrative of the lip service approach of the Federal Government to meeting the minimum core obligations of the State. It states inter alia:[7]

> *The fiscal policies outlined in this paper should over the medium term, ameliorate the negative impact of the global recession on Nigeria's economy and ensure positive rates of economic growth. The Fiscal Policies of Government also prioritise and increase spending in line with the development priorities of this Administration as encapsulated in the 7-Point Agenda, the Millennium Development Goals and the Vision 20:2020 national planning framework. Specifically, the rolling Medium Term Sector Strategies, which underpin the expenditure framework and the annual budgets, have been conceived against the backdrop of these high level policy documents. This spending should reduce poverty....*

But when this statement is juxtaposed with the indicative expenditure ceilings, a different picture emerges. The envelopes for education and health as shown in Table 2 compared to previous years speak for themselves.

The idea is to focus the attention of the President on the implementation of state aspirations

[5] Section 11 (3) (b) (iv) of the FRA.
[6] See section 16 of the Constitution.
[7] At page 37.

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Considering the poor outcomes in education and health under the current capital investments structure, declining capital investments is not the best way to maintain existing poor standards. It will also not propel the system to higher standards.

Article 2 (1) of the international Covenant on Economic, Social and Cultural Rights ratified by Nigeria states that "*Each State Party to the Present Covenant undertakes to take steps individually and collectively and through international assistance and cooperation especially economic and technical, to the maximum of its available resources, with a view to achieving progressively the full realization of the rights recognized in the present Covenant by all appropriate means including particularly the adoption of legislative measures*".

According to official statistics[8], unemployment rate has continued to increase from about 11.9% in 2005, to 13.7% in 2006 and eventually to about 14.6% in 2007. Similarly, life expectancy at birth remained constant all through the period at 54.0%. For poverty incidences, the figure stood also at 54.0% against a project estimate of about 35.0%.

Using the federal public spending and situation assessment in two sectors; health and education to assess improvements since the FRA, will further reveal retrogression. Fiscal prudence is expected to free up resources for investment in these critical sectors. The situation assessment indicates that at the tertiary education level, there has been a harvest of strikes since the FRA. The strikes have also extended to the primary and secondary school levels. As at the end of September 2009, 19 states had their primary schools closed for about a month while the universities were closed for about three months. All the strikes have focused on the remuneration, poor teaching and learning outcomes and conditions of service of staff.

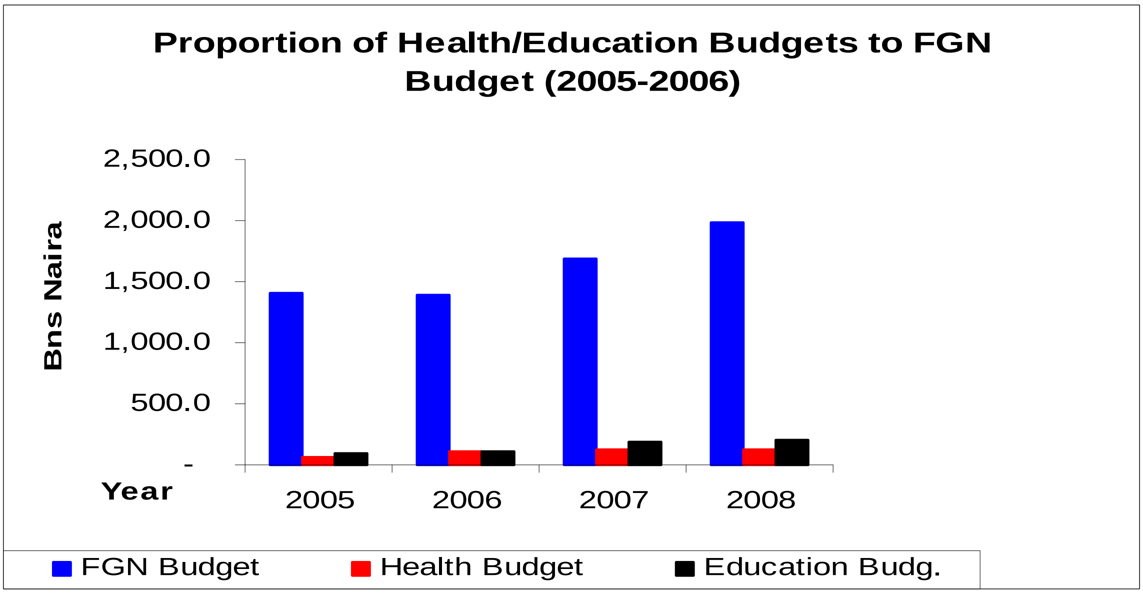
International standards recommend public spending on health and education to be 15% and 26% respectively of the entire national budget. Table 2 suggests that the averages for the entire reviewed period hardly exceeded 5.3% for health and 8.3% for education respectively.

[8] CBN Statistical Bulletins for the review period.

Table 3: FGN Budget on Health and Education in Nominal Billions Naira (2005 -2008)

Year	2005		2006		2007		2008	
Sector	**Health**	**Educ.**	**Health**	**Educ.**	**Health**	**Educ.**	**Health**	**Educ.**
Budget Est.	**71.6**	**120.0**	**105.6**	**165.1**	**122.4**	**185.8**	**135.5**	**196.0**
Actual	**70.0**	**98.1**	**106.9**	**166.6**	**118.0**	**185.0**	**130.0**	**200.0**
Variance	-1.6	-21.9	1.3	1.5	-4.4	-0.8	-5.5	4.0
% of Budgt. (Est.)	5.0	8.3	6.9	10.8	6.9	10.5	6.1	8.9
% of Budgt. (Act.)	5.0	7.0	7.7	12.0	7.0	10.9	6.5	10.1

Figure 1: Proportion of FGN Health/Education Budgets to the National Budget (2005-2008)



The implication of the foregoing Table and Figure is that Nigeria is not using the maximum of its available resources for the realisation of the rights to health and education. Initially, moving away from the negotiation table with ASUU by the federal government was also a failure to take steps to resolve the problems in education.

3. MILLENNIUM DEVELOPMENT GOALS

The Mid-Point Assessment on the Implementation of the MDGs is also another milestone to be used in assessing governmental performance under the FRA. The Mid-Point Assessment is captured below in Table 4.

Table 4: Mid-Point Assessment of MDGs in Nigeria

GOAL	PROGRESS	ACHIEVABLE AT CURRENT LEVELS OF INVESTMENT?	CHALLENGES	GOVERNMENT POLICY RESPONSES
1- Eradicate Extreme Poverty & Hunger	Among every ten Nigerians, five still live in poverty	May not be achievable without exceptional government efforts	Lack of modern technology in agriculture, creating economic and employment opportunities.	Commercial Agricultural Development Plan, Infrastructural investment in rural areas, NAPEP Conditional Cash Transfers
2- Achieve Universal Primary Education	9 out of 10 eligible children in school due to UBE interventions and private schools	Achievable	Completion and literacy rates remain low, gender and regional inequality, inadequate teacher capacity	Initiatives, such as National Teacher's Corps. Comprehensive policy is a work in progress
3- Promote Gender Equality	For every 10 boys in school, there are 9 girls in school	Achievable	Social, economic and cultural factors, e.g. early marriage	National Gender Policy, Child Rights Law to be passed at State-Level, passage of CEDAW bill
4- Reduce Child Mortality	While substantial improvements have been recorded for 2007, the trend is still worrying and mortality rates are still very high	Not Achievable	Reluctant health-seeking behaviour	Integrated Material and Newborn Child Health Strategy (IMNCHS) National Health Bill being harmonized
5- Improve Maternal Health	No recent data, but the trend in maternal mortality appears to be worsening and the proportion of births attended by skilled health personnel is improving too slowly	Not Achievable	Poor state of health infrastructure, lack of skilled manpower, unwillingness of health workers to work in rural areas	IMNCHS, NHIS, Safe Motherhood Programme
6- Combat HIV/AIDS, Malaria & other Diseases	HIV/AIDS prevalence rate has dropped from 5% to 4%. Malaria rates have dropped but still account for an annual average of 300,000 deaths	Achievable	Restricted acceptability of insecticide treated bed nets, malaria drug-resistance, high cost of ARVs	National Health Policy being harmonized, NHIS

7- Ensure Environmental Sustainability	Mixed; access to safe water has risen from 54% to 60% but access to sanitation fell from 43% to 39%	Achievable	Gas flaring, forest cover and access to sanitation are yet to see significant progress	Ministry for the Niger Delta. Revision of Housing Policy
8- Develop a Global Partnership for Development	Rapid increases in ICT access and teledensity, many regional initiatives (NEPAD, ECOWAS etc.) ODA rose but from a very low base and primarily as debt relief	Achievable	Poor infrastructure, poor security networks. Unwillingness to scale up funding from development partners	Economic Partnership Agreements

Unfortunately, the Mid-Point Assessment showed no discernible improvements over the situation recorded for the years 2005 and 2006. The Office of the Senior Special Assistant to the President on MDGs (OSSAP-MDGs) states that between 2006 and 2008, a total of N321 billion was appropriated for investment in MDGs which amounts to 16% of the cumulative federal capital budget over the period. However, only 68% of the funds were expended[9]. An independent report commissioned by government comprising consultants and civil society indicated that for the year 2006, performance levels of projects varied between sectors and zones but overall national average was 54.1 percent[10]. The implication of these developments is that the realisation of the MDGs has been partly held back, not by lack of resources but by the low absorptive capacity of the agencies responsible for the expenditure. Thus, the Federal Government has not been using the maximum of available resources for the realisation of MDGs.

It appears that the major challenge bedevilling the realisation of the economic and social objectives of the Constitution and indeed the MDGs is the absence of an entitlement mechanism that defines the rights and duties of the relevant stakeholders - the government as a primary duty holder and the benefiting citizens. Further, monitoring service delivery in terms of the actual services delivered to the people has been replaced by the sheer volume of contracts awarded, new structures built and general expenditure patterns that fail to measure value for money. Also alleviating poverty, providing for basic existential rights and wealth creation cannot proceed properly in an economy where industrial and trade policies are de-linked from poverty reduction. Importing and distributing Keke-NAPEP and Insecticide Treated Nets can never be a sustainable option to poverty reduction. It enriches the countries, producers of these items while impoverishing Nigeria.

[9] Presentation by OSSAP-MDGs at the State House April 21, 2009 to the Presidential Committee on the MDGs .

[10] Presentation by OSSAP-MDGs at the State House November 27, 2008 to the Presidential Committee on the MDGs.

REVIEW OF THE 2010 APPROPRIATION BILL

CSJ Presents A Snapshot Of Its Review Of The 2010 Appropriation Bill

a. Introduction: This Analysis focuses on the key areas of the Revenue and Expenditure Profile and the underpinning assumptions of the budget. Centre for Social Justice is reviewing this budget from the perspective of ensuring compliance with extant laws including the realization of the promises of the Fiscal Responsibility Act, the economic and social objectives of the 1999 Constitution and other pertinent laws. It also compares the provisions of the budget with best practices in budget formulation. It makes recommendations anchored on the need to grow the economy, improve living standards, enhance fiscal governance especially fiscal discipline and increase operational and allocative efficiencies. The Analysis further seeks to harmonize the policy thrusts of the budget with actual appropriations and to ensure that the 2010 budget proposal is pro-poor and meets the aspirations of Nigerians.

The Appropriation Bill is based on the following macroeconomic assumptions: oil production capacity of about 2.088mb/d; oil price benchmark of US$57/barrel; Joint Venture Cash (JVC) call of US$5billion; average exchange rate of N150 to the US dollar; target inflation rate of 11.2% and targeted real Gross Domestic Product (GDP) growth rate of 6.1%. The projected expenditure is N4,079 trillion expected from the following major sources: Opening or Unspent Balance brought over from 2009 fiscal year (N300 billion); 48.5% FGN Share of Federation Account (1,831.08 billion); 14% FGN Share of Value Added Tax (70.51 billion); and Estimated FGN's Balance of Special Accounts as at December 2009 (15.48 billion) Naira respectively. A deficit of N1,562.60 trillion is proposed. The N4,079 trillion is to be disbursed as follows: Statutory Transfers (180.28 billion); MDAs Recurrent Non-Debt Expenditure (1,361.7 billion); Capital Expenditure (1,370.82 billion); Debt Service (517.1 billion); and Consolidated Revenue Fund Charges (649.8 billion) respectively. In overall terms, the proposed bill represents a 31.5% increase over the 2009 estimates.

David Mark-President of the Senate

The Analysis notes that the planned deficit is excessive, in breach of many provisions of the FRA and will eventually take Nigeria back to the debt overhang situation that existed before the debt relief in 2005. It reviews the plans and sources for deficit financing and the forecasts for inflation and growth, debt stock and expenditure payment arrears. The Analysis further reviews the revenue profile, MDAs (non debt) recurrent expenditure and the capital expenditure. It undertakes sectoral analysis in agriculture, education, health, works, housing and urban development, environment, commerce, etc. It recommended a number of law and policy issues and realignments of funding proposals. The key recommendations from the entire Analysis include the following.

b. Preliminary Issues: The following preliminary issues should be considered: The Minister of Finance should immediately publish the MTEF as approved by the National Assembly and upload it to the website of the Budget Office of the Federation and the Ministry of Finance. With the poor implementation of the 2009 capital budget, the Legislature should ensure that all unspent funds are returned to the Treasury. Such funds would definitely exceed N300billion stated in the Appropriation Bill. The Legislature should dispassionately consider and verify the computation of the figures for Joint Venture Cash Calls as a basis of determining the veracity of the claims by NNPC and oil companies. At budget defence sessions, MDAs should be required to demonstrate the link between their sector goals and targets in the MTSS and the funding requests in the Appropriation Bill.

c. Deficit Management and Financing: The Legislature should approve expenditure not more than 3.28% of the GDP as originally proposed in the MTEF 2010-2012. Borrowing whether internally or externally, to fund the 2010 deficit of over -N1,562.6 trillion should not be used to fund recurrent expenditure - only capital and human development expenditure. The Legislature and the Executive should: Ensure the strict enforcement of sections 21 to 23 of the FRA on the payment of 80% of the operating surplus of Scheduled Corporations to Consolidated Revenue Fund. Funds from this source will help to reduce the deficit; Ensure that all Internally Generated Revenue of MDAs are paid into the Consolidated Revenue Fund; Raise revenue bonds for capital projects that tie repayment to the income streams of the investment; Demand for a full list of all capital projects to be funded through borrowing and review and approve the cost benefit analysis before giving the borrowing approval; Ensure that deficit funding sources do not include expectancies which may not likely materialize, such as expectancies from the proceeds of sale of government properties and privatization; Mandate the executive before the middle of 2010, to embark on a comprehensive public expenditure review which will identify areas of waste and refocus government spending to align with the stated roles of the state in the economy; and Re-organize its revenue generating agencies to ensure efficient and enhanced collection of non oil revenue.

d. Debt Management: It is important for the Legislature to mandate the Debt Management Office (DMO) to clearly disaggregate, present and report what the government expects to spend on debt servicing, amortization, interests falling due and other records so that the government can have an idea of its debt obligations in the next 3 to 4 years. The dynamics of the rising domestic debts profile and costs to the government of servicing such debts should also be analyzed and properly reported in the budget as prescribed by international best practices on debt management. A moratorium should be placed on the procurement of all non concessional debts including non revenue bonds.

e. Sectoral Funds Adjustment-Increase the Capital Vote: For Nigeria to realize economic and social rights, the MDGs and fulfill the constitutional economic and social objectives of Government, the capital expenditure vote should be raised to the 40% benchmark set by NEEDS 1. The emphasis should be on developmental capital rather than administrative capital. Funds should therefore be moved from the latter to the former. The infrastructure deficit which holds back economic growth has not been resolved and it is clear that a good part of the 2009 capital budget was not implemented and would be returned to the Treasury at the end of the year. Thus, the unspent funds of 2009 should be added to capital projections of 2010 rather than treated as unspent balance to ensure increased capital expenditure to NEEDS 1 40% benchmark. Similarly, sectors such as Environment, Education and Health that are grossly under funded (particularly the capital estimates) should benefit from expenditure cuts in other sectors of the appropriation. The 2010 Appropriation is the last opportunity for this government to deliver on its promises. Not much is expected in 2011, being an election year. The bulging overhead expenditure of government should be reduced. It is illogical for MDAs that fail to implement capital votes to have large overhead votes which they fully draw down before the end of the year.

f. Inflation and Deregulation: The Legislature should provide policy guidance and resource support to ensure that the deregulation policy of government does not unduly increase prices and escalate inflation. If this decision is not made by the Legislature, poverty will deepen and the expected results of the budget will not be realised.

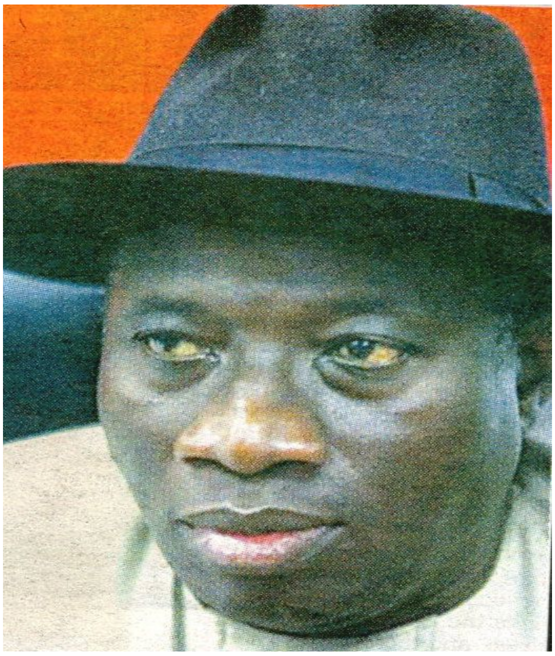
g. Enhanced Funding of Growth Drivers: The Legislature should enhance the funding of growth drivers particularly agriculture and all facets of infrastructure. The emphasis should be on the sectors that beyond generating growth will also generate employment.

h. Reducing Leakages in the Appropriation and Funding the Proposed Increases: A number of areas were identified for reduction to fund increases proposed elsewhere without undermining the entire budget. There are a number of omnibus provisions in the appropriation that could help reduce the huge deficit of over -N1,562.6 trillion without undermining the budget's performance. Reductions and savings from these provisions could also be reassigned to other more important sectors. These include for instance: Presidency (maintenance services - N2.465billion, miscellaneous – N1.5 billion, capital projects that are administrative in nature – N3.7billion, National Sports Commission – 10 billion, purchase of 4 number aircrafts – N23.4 billion); SGF (Miscellaneous – N2.6 billion, on-going capital projects N2.1billion, total goods and non-personnel service – N3.8billion, National Identity Management Commission with total budget estimate of N7.6 billion; Committee on Land Reforms – N3 billion); National Assembly (materials and supply – N1 billion, miscellaneous 1 – N1.3 billion, other miscellaneous – N0.91billion, on-going capital projects – N1.7 billion; Senate travel – N5.1 billion, Senate miscellaneous 1 – N16.8 billion, other miscellaneous – N15.1billion, maintenance of motor vehicles – N430 Million; House of Reps (HOR) travel and transport general – N22.8 billion, HOR travel and transport training – N0.776 billion, HOR materials and supplies – N3.8 billion, HOR maintenance services – 1.5billion, HOR miscellaneous 1 – N16.9 billion and other miscellaneous – N13.5billion, HOR purchase of Legislative and Legal Books -0.350 billion), Library books and periodicals -N355.143m, etc. These proposals should be reviewed and made more realistic to accommodate savings. The miscellaneous expenditure of most MDAs is over-bloated and should be reduced.

The legislature should enhance the funding of growth drivers particularly agriculture and all facets of infrastructure. The emphasis should be on the sectors that beyond generating growth will also generate employment.

i. Addressing the Niger Delta Challenge: The Niger Delta Region produces the bulk of our income and instability in the region had diminished oil income in the past. It is imperative that sufficient funding be set aside to implement the socio-economic components of the amnesty program of Government. This will improve oil production and invariably the volume of resources available to implement the national budget. The recommendations from the report of the Ledum Mittee Technical Committee set up by the President on the Niger Delta should be implemented to ensure that instability becomes a thing of the past in the region. Of equal importance is the need to include the Niger Delta in the 1% distribution of Special Fund and VAT as the case with the FCT.

j. Sanctions for Non Implementation of the Capital Budget: The Legislature should insist that the executive sanctions accounting officers and Ministers who have consistently failed, refused and neglected to implement the capital budgets of previous years. Administrative and other sanctions are available and the PPA's provisions should be activated.



Goodluck Jonathan - Vice President

k. Addressing Accountability Challenges: The National Assembly should, through appropriate clauses, enhance oversight over the implementation of the 2010 Appropriation Act when passed into law. Effective budget monitoring would also help address accountability challenges.

Similarly, sectors such as Environment, Education and Health that are grossly under funded (particularly the capital estimates) should benefit from expenditure cuts in other sectors of the appropriation. The 2010 Appropriation is the last opportunity for this government to deliver on its promises.

DIAGNOSIS ON THE IMPLEMENTATION OF THE FISCAL RESPONSIBILITY ACT

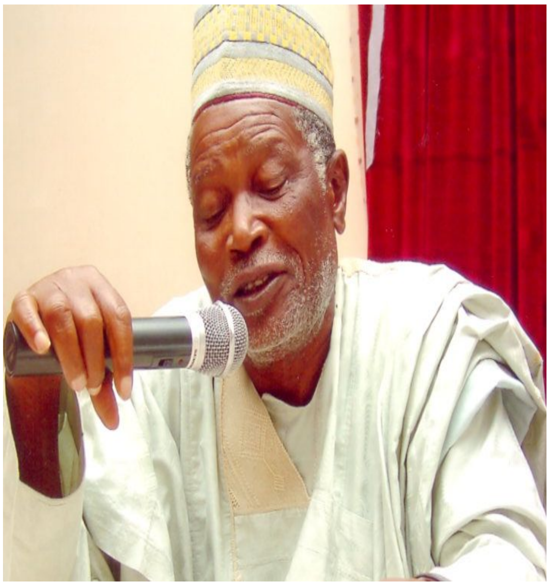
CSJ Undertook A Diagnostic Study On The Implementation Of The FRA. Below Is The Summary Of The Main Issues Covered By The Study

Chapter One is the introduction and discusses the background to the Study, objectives, strategies, report structure and limitations. Specifically, the Study has the objectives of determining;

- What are the best practices that have emerged that can be replicated?
- What are the weak points and greatest challenges?
- What can be done to surmount these challenges?

In Chapter Two, the Fiscal Responsibility Commission and its work are reviewed. Its specific functions in section 3 of the Act and how the Commission has gone about implementation form the bulk of the chapter. It is noted that the Commission was constituted over a year after the law became operative. The representatives of the geopolitical zones and the chairman are full time members while the representatives of other stakeholder groups are part time members. The Commission's budgetary appropriation for the year 2009 is stated to be inadequate for the commencement of work and to meet the teething problems facing the FRC. The Commission has started holding interactive sessions with MDAs but has not started full sensitization, awareness raising and capacity building programmes. In terms of enforcement of the consolidated limits on borrowing by all the three tiers of government, it is noted that the Commission is yet to start work in this area.

Chapter Three focuses on transparency and accountability. The first part of the chapter deals with the little openings that emanated from the implementation of the FRA but also notes the major opaque transactions. The executive and the legislature under the FRA are mandated to open up government's fiscal business and to publish fiscal reports.



Alhaji Aliyu Yelwa – Chairman, FRC

The experiences of trying to access information from various government agencies is documented although exceptions to the rule were noted. The extant MTEF process and its openness to popular participation is reviewed and the little improvements that have been recorded over the years are noted. The National Assembly and the Budget process comes next and the Study notes that very few opportunities exist for popular inputs into budgets and MTEFs at the National Assembly. For civil society organizations, the chapter notes the fact of their lack of engagement of the Act although recent activities indicate that they have woken up from their slumber.

Chapter Four reviews the process, implementation and results achieved since the commencement of the MTEF in Nigeria. The oil price budgeting benchmarks over the years, inflation rates, interest rates and revenue collection rates are reviewed. The key assumptions and targets underpinning FGN budgeting between 2005 -2008 are detailed in Table 1. Budgetary performance analyses the budgeted and actual performances in terms of revenue and expenditure and the outturns arising from the exercise. The necessary conditions needed for a strong MTEF to succeed are reviewed along with the promises of the MTEF. Essentially, the promises recall the postulations in literature of the intended benefits that should arise from the practice of the MTEF. When this is compared to the performance of the MTEF in Nigeria, a dismal picture emerges. Strong disarticulations are apparent. First, the poor revenue and expenditure forecasting system, contrasting performance figures coming out of the mills of different agencies of government, weak expenditure control mechanisms, etc. Recommendations are made in the concluding part of the Chapter and these include strong political commitment from the topmost echelons of government to the reform agenda, capacity building, enhanced reporting and oversight, etc.

Chapter Five is on borrowing and debt management. The first part states the worries over the sustainability of the national debt arising from the caveats in the recent 2009 Debt Sustainability Analysis undertaken by the DMO. Three scenarios have been used by the DMO in the DSA vis; the Baseline Scenario, the Country Specific Optimistic Scenario and the Country Specific Pessimistic Scenario. In all of these scenarios, the country is advised to be cautious with less concessional sources of financing. Generally, Nigeria's debt profile is stated to be sustainable. At the sub-national level, the concern is not about their external debts which are sustainable. The concern is about their domestic debts from banks and other financial institutions and the capital market. There appears to be no reliable record of their levels of indebtedness to these institutions. As such, the relevant agencies including the National Planning Commission, National Bureau of Statistics and the CBN are taking steps to lay the groundwork for the verification of these debts which will position the DMO to conduct DSAs for the states in the future. Part of the task of these aforementioned bodies is to come up with reliable statistics to enable states measure their GDP. Bond floatation and proposals to float are discussed in respect of Imo, Bayelsa, Lagos and Ogun states.

Fiscal prudence should lead to savings to be invested in the more critical sectors like education and health.

The chapter discusses the recent debts contracted by the executive from the World Bank without due process and details the recent credit transactions between the Bank and Nigeria. It also discusses the continuation of non concessional borrowing by governments in Nigeria from local banks.

Chapter Six is on FRA, the social and economic sectors. The constitutional obligations in Chapter 2 of the 1999 Constitution particularly section 16 come to the fore. The Act in its long title, affirmed in the functions of the Commission, is partly anchored on the need to give effect to the provisions of the Directive Principles of State Policy. Fiscal prudence should lead to savings to be invested in the more critical sectors like education and health. The posers include; how far Nigeria has gone in enhancing the standard of living of its people since the FRA. The budgetary allocations to education and health are reviewed and they do no meet international standards while the situation assessment in education indicates poor learning outcomes and falling standards. The Mid-Point Assessment of Nigeria's performance in the MDGs is also reviewed and there appears to be no discernible improvements since the FRA.

Chapter Seven is headed; specific issues of interest and covers a wide array of subjects from virements to the annual cash plan, disbursement schedule, restrictions on the utilization of the proceeds of the sale of public assets, the Nigeria Deposit Insurance Corporation and the demand of 80% of the operating surplus of scheduled corporations to be paid into the Treasury, clarity of roles and responsibilities between the legislature and the executive in the budgeting process, the Excess Crude Account, the challenges of a budget calendar and other related legislation.

Clear instructions should be given to the bureaucracy on access to fiscal information as dictated by the provisions of the Act.

Chapter Eight is on conclusions and recommendations. The enactment of the Act, the establishment of the Commission and the steps so far taken by the executive and the legislature in the implementation of the Act are steps in the right direction. However, there is room for improvement. The political will for the full implementation of the FRA will develop from the insistence of the legislature and civil society for the executive to respect the law. The legislature may also facilitate the implementation of the law through new legislation on access to official information. The legislature should also open up its processes to public participation and scrutiny.

Capacity building, awareness raising and sensitization in MDAs and all the tiers of government are very crucial for the realization of the expected regime of fiscal prudence. Civil society should wake up from its slumber and start a vigorous engagement of the fiscal authorities. There is a role for every stakeholder and changes should be made in line with the recommendations made below.

A. THE PRESIDENT

i). Political commitment and endorsement at the highest level of governance is needed to make and abide by the difficult decisions likely to be involved in the restructuring of expenditures. Some ministries may need to scale back their activities so that more resources can be directed to higher priority sectors such as health and education.

ii). The President should without delay fully constitute the Commission to include the representatives of all stakeholder groups provided in the law as members of the Commission.

iii). As the leader of the executive, ensure that all public officers (appointed and career civil servants) perform their fiscal duties on time and in accordance with the law.

iv). A review of the rules to make the representatives of civil society, organized labour and the private sector permanent members of the Commission is imperative to ensure alternative voices in the debates of the Commission.

v). Clear instructions given to the bureaucracy on access to fiscal information as dictated by the provisions of the Act.

vi). Constitute the National Council on Public Procurement in accordance with the Public Procurement Act.

2. THE LEGISLATURE

i). The Legislature should use its oversight functions to ensure compliance with the provisions of the Act.

ii). Specifically, it should ensure:

- the timely preparation of all reports due from the Ministry of Finance and the Budget Office of the Federation;
- the appointment by the President of all the members of the Commission;
- the early submission of MTEFs for its approval;

- oversight over budget implementation in accordance with appropriation;
- budgetary appropriations to implement the economic and social objectives of government.

iii). The Legislature should expeditiously consider

- the establishment of a Budget and Research Office to facilitate its fiscal responsibility work and enhance its capacity;
- the establishment of a budget calendar for the early consideration and passage of the Appropriation Bill;
- the passage of the Freedom of Information Bill;
- the passage of the Fundamental Objectives and Directive Principles Reporting Bill.

3. THE FISCAL RESPONSIBILITY COMMISSION (FRC)

i). The Commission needs to invigorate the implementation of the Act through massive sensitization, awareness raising and capacity building in MDAs and the civil society. Enforcement actions which deter violators of the Act may be needed to show that disrespect for the law attracts sanctions.

ii). Specifically, the Commission should expeditiously commence the enforcement of the limitations on consolidated debts of federal, state and local governments.

iii). Beyond budgetary appropriations, the Commission should explore donor and alternative funding to ensure that it has adequate funds to carry out its operations.

iv). Embark on fiscal studies to provide an empirical basis for its interventions.

4. THE FEDERAL MINISTRY OF FINANCE (FMF) AND THE BUDGET OFFFICE OF THE FEDERATION (BOF)

i). Timely preparation of MTEFs and budgets in accordance with best practices should guide the MTEF and budget process.

ii). Specifically, MTEFs should be ready for the Federal Executive Council's endorsement before the end of the second quarter while it should go for legislative approval in early July. Appropriation Bills should be ready for presidential presentation to the legislature in early August preceding the budget year.

iii). Budget implementation reports should be prepared timely as stated by law and widely disseminated.

iv). The MTEF process and budget process should be more transparent and opened up to more stakeholders who have the capacity to make inputs into the process.

v). There is a need for a regular public expenditure and financial accountability performance assessment of all spending agencies in the federation. This is costly but it would surely improve overall budget performance in terms of credibility, comprehensiveness and transparency, policy-based budgeting, funds predictability and control in budget execution, accounting, recording and reporting, and finally in terms of external scrutiny and auditing. This is usually the first major step in reforming and continued reform of the PEM system. We recommend its repeated application to all the spending agencies if the MTEF process is to succeed.

vi). The Budget Office of the Federation needs capacity building in budget/policy costing, monitoring and evaluation of programme/policy while for spending agencies, capacity is needed in priority setting exercise; and for the cabinet and legislature in terms of reaching tough agreements and for setting national and sectoral priorities.

vii). Ensuring necessary commitments at setting broad expenditure allocations: this should involve identification of whole categories of public expenditure that should be phased out based on previously agreed policy priorities or role of government. It would also involve analyzing the functional classification of expenditures to ascertain inconsistencies between actual resource allocations and agreed roles for the public sector, use international comparisons for expenditure ratios for each sector, analyze underfunding or over-commitment, including composition of expenditures, e.g., the balance between personnel and operating expenditures, trends in real levels of salaries and of aggregate funding. It should also scrutinise the extent to which the development budget and aid projects have become disguised vehicles for bloated recurrent expenditure, review recurrent cost implications of capital expenditures, and finally; search for explicit or implied expenditure commitments not already factored into projections.

viii). There is need for improvements in expenditure control so that decisions are not always undermined by over expenditures and reallocation of funds during budget implementation.

ix). It is very important for the fiscal authorities to improve macroeconomic management and revenue collection so that revenue shortfalls do not necessitate adjustments to the budget estimates.

x). There is need for constant briefing, dialogue and interaction between elected officials in the legislature and executive and senior management during budget implementation.

xi). The whole system needs to be improved in terms of expenditure and results reporting. This requires regular mid-term reports made available to the general public and particularly, the CSOs – this would be useful for budget monitoring and expenditure tracking.

xii). Finally, drawing lessons and achievements from other countries practicing MTEF could assist the process in Nigeria.

5. THE DEBT MANAGEMENT OFFICE (DMO)

i). The maintenance of electronic database of the debt profile of sub-national governments will facilitate the implementation of the Act.

ii). Continued sensitisation of sub-national governments on the need for sustainable debt management practices will facilitate realisation of the objectives of the Act

iii). Develop a mechanism in collaboration with the National Assembly and Securities and Exchange Commission to check reckless borrowing by subnational governments and tying access to the bond market to revenue bonds whose income streams pay back the debt instead of the current appropriation funded Sinking Funds and Irrevocable Standing Payment Orders.

6. CIVIL SOCIETY

i). Engage in detailed studies and action research for the enhancement of the implementation of the Act.

ii). Mainstream advocacy against violations of the Act and disseminate best practices.

iii). Vigorously engage the FRA process and make full use of the *locus standi* provisions of the Act in section 51.

BUDGET IMPLEMENTATION - AN INSTRUMENT FOR SERVICE DELIVERY

Unongo Henry

The delivery of the dividends of democracy to the Nigerian masses is contingent upon the full implementation of the capital components of the budget. The budget is the instrument through which monies are statutorily appropriated and disbursed for the actualization of the policies and programmes of government. The present administration`s Seven Point Agenda and the Millennium Development Goals (MDGs) which are both anchored on poverty eradication, education for all, improved health care with emphasis on reduced child mortality and improved maternal health among others, depends on budgetary allocations to relevant Ministries, Departments and Agencies (MDAs) with a view to full implementation.

Over the years, the capital budget has been poorly implemented, with enormous amounts of money returned to the Treasury in the face of decaying infrastructure, shrinking economy, deepening poverty, unemployment and dwindling national fortunes. This development portrays an inherent incapacity on the part of the nation`s bureaucracy which ironically benefits from a large chunk of the budget in terms salaries, allowances and other benefits. The poser here is; what is the justification for paying salaries and allowances to civil servants, elected and appointed officials who by all standards lack the capacity to use monies allocated to them for the benefit of Nigerians?

There is a general decline in the educational sector as a result of poor facilities especially in government schools. The same can rightly be said of government hospitals. The private schools and hospitals that have the standard facilities charge exorbitantly, making it unaffordable for the ordinary Nigerian. How possible is it, in a scenario like this, for government to actualize its Seven Point Agenda and the MDGs? Definitely, reduced child mortality and improved maternal health as enshrined in the blue print of the MDGs can never be achieved without good medical facilities. Neither can education for all be realized without infrastructure and quality facilities.

The level of underdevelopment in Nigeria is not reflective of the abundance of the human and natural resources bestowed on the nation. Corruption seems to be the impediment to national development, even with the proliferation of anti-corruption agencies and legislations. With the Economic and Financial Crimes Commission, (EFCC), the Independent Corrupt Practices and Other Related Offences Commission (ICPC), the Code of Conduct Bureau, the Bureau of Public Procurement, among others, one wonders why corruption is thriving. The Siemens bribery scandal, the Halliburton saga, the National Independent Power Projects embezzlement scandal features names of Nigerians, some of whom have been promoted to higher positions of responsibility. The accused and suspected persons are parading the streets in uninterrupted freedom.

The present administration prides itself with zero tolerance for corruption, yet corruption is staring it in the face with impunity. The level of crime wave, political killings and kidnapping are products of a state that lacks the political will and commitment to the fight against corruption.

If the Seven Point Agenda and the MDGs are to see the light of day, then there has to be sincere efforts towards the execution of the capital components of the budget in strict compliance with the provisions of the Public Procurement Act. More stringent measures should be employed in dealing with MDAs who can not implement their capital projects. The anti-corruption agencies should be depoliticized for optimum performance.

OBJECTIVES OF MONITORING AND REPORTING FISCAL RESPONSIBILITY- Eze Onyekpere Esq.

The overall goal of monitoring and reporting fiscal responsibility is to improve the fiscal system and process for the purpose of enhancing value for money, Public Expenditure Management (PEM) reforms and ultimately the enhancement of the standard of living of the people who elected the government being monitored. The specific objectives are discussed hereunder.

A. To Determine Compliance With The FRA And Regulations Made Thereunder: Laws and regulations are made in the expectation that institutions and persons whose conduct the law intends to regulate will respect the law. Laws are also made to change the values and conduct of its addressees. In its utilitarian perspective, the FRA seeks to promote the economic objectives of government in section 16 of the Constitution under the Fundamental Objectives and Directive Principles of State Policy. Monitoring and reporting fiscal responsibility will facilitate a determination of whether institutions and individuals are complying with the law and how far section 16 of the Constitution is being respected. Also, MTEFs and budgets made under the FRA need to be complied with. Monitoring will facilitate the determination of whether there has been compliance or whether laws and regulations made thereunder have been placed on the shelf to gather dust.

B. To Determine Whether Expected Outputs And Outcomes Are Being Realised: With changed values and new ways of conducting fiscal affairs, a new set of fiscal outputs and outcomes are expected. It is possible that the law is being meticulously followed on paper, yet the outcomes fail to materialise. Law as an instrument of social engineering seeks to transform lives and solve societal problems. Essentially, a law is as good as the social problems, it solves. Thus, monitoring and reporting will facilitate the determination of whether expected outputs and outcomes are being realised. In the right to health for instance, monitoring will determine whether health indicators such as child and maternal mortality and morbidity are improving.

C. To Determine Whether Human Rights Obligations Are Respected, Protected And Fulfilled: Nigeria is under obligation to respect, protect and fulfill its human rights obligations under various national laws and international treaties[11]. Monitoring the FRA will provide the opportunity to determine whether the government is:

- *Respecting human rights* - taking no action that interferes or violates already existing rights, for example engaging in forced evictions and demolitions of homes as happened in the Federal Capital Territory, Abuja under Minister el-Rufai.

- *Protecting human rights* - by preventing non state actors and third parties such as powerful

[11] See the International Covenant on Economic, Social and Cultural Rights.

corporations from violating entrenched rights.

- *Fulfilling human rights* - how far government has gone in taking proactive steps in policies, legislation, projects, budgetary appropriations and judicial mechanisms to ensure that the rights of citizens are fully guaranteed.

Further, monitoring will help to determine whether obligations of conduct are leading to obligations of results.

D. Evaluate How Realistic The FRA Is: The FRA appears good on paper but it may not be realistic within a given society. The monitoring process and its results will indicate popular perceptions and attitudes towards the law in terms of whether it is realistic and feasible to expect compliance with its provisions by persons and institutions whose conduct it is supposed to regulate. Popular respect for laws is sometimes tied to the effectiveness of the monitoring, enforcement and sanction mechanisms. If laws are made without effective enforcement and sanction mechanisms, they would be no more than moral adjurations. Monitoring and reporting will help reveal whether the law is realistic in this regard.

E. To Elevate Transparency And Accountability In FRA: Monitoring and reporting will illuminate the dark spots of the FRA. Transparency and accountability in fiscal issues will translate to enhanced ethics in governance since the fiscal transactions of government will be in the public domain. Adequate disclosure and regulation of fiscal activities are necessary prerequisites for controlling abuse of processes, corruption and misapplication of resources. Transparency and accountability will prevent the secret build up of illegal transactions, which will not meet the standards for public approval. Monitoring and reporting will increase public confidence in the fiscal system.

F. To Provide Information And Data For Evidence Based Advocacy For The Reform Of Fiscal Responsibility Laws And Regulations: Monitoring and reporting will provide evidence of the provisions of the law that attracts compliance and those that the institutions and officials breached; the reasons for compliance and non compliance, etc. It will identify the gaps, challenges and problems associated with the implementation of the law. The whole essence of monitoring is to collect evidence, not hearsay or anecdotal evidence. If circumstantial evidence must be used, it must be compelling and pointing in the direction of a single reasonable conclusion. The report of the monitoring will provide supporting data and evidence for the reform of laws and associated policy and implementation frameworks.

G. To Determine The Legality And Appropriateness Of The Use Of State Resources: State resources, except as permitted by law, are not to be converted for the personal use of any person or institution. Monitoring and reporting will provide the framework to determine whether there has been compliance with the laws in this regard.

how far has government gone in taking proactive steps in policies, legislation, projects, budgetary appropriations and judicial mechanisms to ensure that the rights of citizens are fully guaranteed?

LETTERS - CSJ recently wrote two letters on the implementation of the FRA. The first was a letter to the Finance Committees of the Senate and House of Representatives on the illegality of executive virement proposals which were before the National Assembly for their approval. The second letter addressed to the managing directors of all licensed banks dwelt on the illegality of continued lending to governments.

July 23 2009

THE ILLEGALITY OF RECENT PROPOSALS FOR VIREMENT

Recent reports in the media indicate that President Yar'adua has proposed the virement of monies from the budget of education and health in the Federal Capital Territory to the construction of highways and roads - Abuja Airport and Zuba Abuja highways. We note that construction and expansion of roads is a good investment but it should be done in accordance with the due process of law as stipulated in the Appropriation Act 2009 and the Fiscal Responsibility Act 2007. It should also not be done at the expense of the education and health budgets.

The 2009 Appropriation Act by section 3 states:

> *In the event that a need arises to vire amounts within heads of expenditure to which sums have been appropriated under this Act, such virement shall only be affected with the prior approval of the National Assembly.*(underlining supplied)

By section 27 (2) of the FRA:

> *…the Minister may in exceptional circumstances and in the overall public interest, recommend for the approval of the National Assembly virements from sub-heads under heads of account, without exceeding the amount appropriated to such head of account.* (underlining supplied)

The underlined words clearly show that virements are only permitted from amounts within heads of expenditure or from subheads under heads of account. A proposal for virement from education and health to roads is not within the contemplation of the foregoing cited law. It would therefore be unlawful and illegal for the legislature to approve such virement. What was contemplated by the law is movement of funds within subheads of a head of account. Pray, when did road construction become a subhead of account within the accounts of health and education? A budget of about N6 billion is made for roads; increasing it through virement by N25 billion slashed from education, health and others amounts to an amendment of the Appropriation Act. An amendment of the Appropriation Act can only be secured through another law - not by virement.

Centre for Social Justice therefore calls on the House of Representatives and the Senate to ensure that this virement is not approved because such approval will be a violation of the due process of law as stipulated in the 2009 Appropriation Act and the Fiscal Responsibility Act, 2007. Our position is further based on the near catastrophic indicators on education and health (child and maternal mortality and morbidity, poor learning outcomes, etc) which calls for enhanced funding and value for budgeted money rather than reductions of already appropriated sums.

We pray that your committee takes action on the side of the rule of law.

July 23 2009

The Managing Director,
…………………………
…………………………..

Dear Sir,

LENDING TO GOVERNMENTS UNDER THE FISCAL RESPONSIBILITY ACT

Centre for Social Justice Limited by Guarantee (CSJ) is a Nigerian charity dedicated to the mainstreaming of justice and fairness in all facets of public life. One of our core programmes is monitoring the implementation of the Fiscal Responsibility Act of 2007 ("the Act").

We are writing to draw your attention to some critical provisions of the Act governing lending by banks and financial institutions to the three tiers of government. These provisions appear to have been neglected and observed in the breach by both governments and the banks. However, their neglect may hurt the financial interests of banks in the long run. Specifically, we are referring to sections 41, 44 and 45 of the Act. It is imperative to reproduce the relevant parts of these sections with a few comments.

S.41 (1): The framework for debt management during the financial year shall be based on the following rules-

> *(a) Government at all tiers shall only borrow for capital expenditure and human development, provided that such borrowing shall be on <u>concessional terms with low interest rate and with a reasonably long amortization period subject to the approval of the appropriate legislative body</u> …; (underlining supplied for emphasis)*
>
> (2) *Non-compliance with the provisions of this section shall make the action taken an offence*.

Concessional terms" is defined in the interpretative section of the Act to mean that the terms of the loan must be at an interest rate not exceeding 3 percent. From available information, with the exception of facilities from international development agencies like the World Bank which do not *stricto sensu* have interest rates but service charges, no Nigerian bank loan or any other facility can come at 3 percent interest rate. The prevailing double digit interest rates cannot by any stretch of the imagination be described as low interest rates. Further, most of these bank facilities are short term and as such do not have reasonably long amortization periods. Thus, this provision bars Nigerian banks from lending to the three tiers of governments.

S.44 (1): Any Government in the Federation or its agencies and corporations desirous of borrowing shall, specify the purpose for which the borrowing is intended and present a cost-benefit analysis, detailing the economic and social benefits of the purpose to which the intended borrowing is to be applied.

(2) Without prejudice to subsection (1) of this section, each borrowing shall comply with the following conditions-

(a) the existence of <u>prior authorization in the Appropriation or other Act or Law</u> for the purpose for which the borrowing is to be utilized; and (underlining supplied for emphasis)

(b) the proceeds of such borrowing shall solely be applied towards long-term capital expenditures.

S.45 (1): <u>All banks and financial institutions shall request and obtain proof of compliance with the provisions of this Part before lending to any Government in the Federation</u>.

(2) <u>Lending by banks and financial institutions in contravention of this Part shall be unlawful.</u> (underlining supplied for emphasis)

Essentially, there is a positive obligation on banks and financial institutions to ensure that the provisions of this Act are complied with by governments before concluding a lending transaction. The implication of lending contrary to the Act is clearly spelt out - unlawfulness of the lending. This will definitely make it extremely difficult for the bank to recover its money in the event the state refuses to pay and contests the loan agreement in court. Even if the state refuses to contest the loan transaction, section 51 of the Act entitles every Nigerian to challenge the unlawful transaction in the following words:

S.51: A person shall have legal capacity to enforce the provisions of this Act by obtaining prerogative orders or other remedies at the Federal High Court, <u>without having to show any special or particular interest</u>. (underlining supplied for emphasis)

CSJ therefore draws your attention to these provisions of the Act in the hope that your bank will be properly advised in any future requests from governments for a loan. **Banks have been barred by the Act from any new loan transactions to governments as long as the interest rate remains above three percent.** Any new loans and interest rates in violation of this Act, as an unlawful transaction, will no longer be recoverable through an action in court.

With the assurance of our highest regards.

POSITION PAPER ON A BILL FOR AN ACT TO MAKE PROVISIONS FOR THE CREATION OF THE NATIONAL OFFICE OF GOVERNMENT PERFORMANCE, AUDIT AND ACCOUNTABILITY AND FOR OTHER MATTERS CONNECTED THEREWITH

Presented by CSJ at the House of Representatives Public Hearing on the Bill

1. The Title Of The Bill

Title is used in bills to highlight the principal object and spirit of the statute. It should be wide enough to cover the entire purpose(s) of the statute. Since this bill seeks to enact an Act of the National Assembly to ensure effective government performance and to create a National Office of Government Performance, Audit and Accountability and for other incidental matters, the title to the bill as it is in the proposed Bill did not foreshadow or aptly cover these objectives.

Recommendation: We suggest a redraft of the title of the Bill thus:

A Bill for An to Act to Monitor, Strengthen and Ensure Government Performance, Proper Audit and Accountability in Governance, And To Make Provision for The Creation of the National Office of

Government Performance, Audit and Accountability and for Matters Connected Therewith.

2. Preliminary Question

The central question which we considered is in the nature of a preliminary objection. It is whether we need this new Office and its bureaucracy. If we answer the question in the negative, then there will be no need to discuss the other sections of the bill apart from the functions and duties of the Office. But if it is positively resolved that we need this office, then we can proceed to discuss other sections of the law.

3. Functions Of The Office

The functions which the bill confers on the Office in Section 3 (1)-(3) of the bill relating to audit and examination is a duplication of the functions or duties of the Auditor-General for the Federation as conferred on him by Section 85 of the Constitution of the Federal Republic of Nigeria 1999, which duties he carries out directly (Section 85 (1) & (2) or indirectly (3) by providing a list of qualified Auditors to be appointed by the relevant government Statutory Corporation, Commission, Authorities and Agencies etc for the purpose of auditing the account of these bodies . Also in section 85 (4), periodic checks can be carried out by the office of the Auditor General for the Federation.

Since the foregoing duties in respect of the audit in section 3 (1)-(3) of the bill are directly conferred on the Auditor-General by the Constitution, any other Act that seeks to confer similar functions on any other body, as this bill seeks to do, should ensure that it avoids any conflict with the scope of duties constitutionally conferred on the Auditor-General. Performance and value for money audits are just examples of the types of audit which the Auditor General can carry out as the Constitution did not limit him to financial or a compliance audit alone.

The Bill has created this new body to assist legislative work but in strict construction of the Constitution, the Auditor General's work assists the legislature to hold the executive to account for public expenditure, value for money and general performance of the government. Thus, there may be no need for this new body if the Auditor General's office fully performs its constitutional duties.

The duties conferred in section 3 (4) and (5) of the bill to perform special examination, program evaluation and analysis are duties that could be more appropriately performed by the Auditor General's office. The Auditor General's report and opinion should determine whether federal government corporation systems and practices provide "a reasonable assurance that assets are safeguarded, resources are managed economically and efficiently, and operations are carried out effectively." And in conducting this examination, five years interval is too long. It should be reduced to two (2) years so that holders of such Offices with still be in Office within the period of the review to give account of their stewardship.

The duties conferred by section 3 (5), (6), (7) and 10 of the bill seem to be duties that can carried out under section 3 (1) of the Fiscal Responsibility Act 2007 and may only need the collaboration of the legislature with the Fiscal Responsibility Commission (FRC) to ensure that such duties are carried out. This is also in recognition of the fact that the FRC has investigatory powers under section 2 of the FRA and is under obligation to report to the legislature by section 10 of the FRA. The Public Complaints Commission (established by Cap. P37 of the Laws of the Federation) is also available to attend to reports on arbitrary, objectionable and capricious behavior of government officials.

The Nigeria Accounting Standards Board Act (Cap. N147 of the Laws of the Federation) has already been given powers in sections 6 and 7 of the enabling law to determine accounting standards and matters related thereto. Therefore section 3 (8) of the Bill may not be necessary or it may specifically need to amend Cap. N147.

It is doubtful if section 3 (9) can stand the test of fiscal federalism considering that states and the federal government have separate powers to enact laws on these issues and many states are already enacting or in the process of enacting fiscal responsibility and public procurement legislation and their attendant bureaucracies that deal with a good part of these issues. Including non governmental entities also makes the case for this subsection more objectionable. And many of these non governmental bodies like publicly quoted companies have regulatory agencies backed by law who are in a better position to supervise and coordinate efficiency and effectiveness issues.

4. Responding To The Poser

It is our considered view that the new Office will amount to a duplication of existing bureaucracy with no value added. It will save tax payers money if the aforementioned and discussed offices are enabled and strengthened to perform their duties instead of creating an entirely new duplicate for which there is no guarantee that it must fully fulfill its mandate. There is therefore no need to go into an analysis of other sections of the bill. In the light of the foregoing, CSJ is therefore unable to support the enactment of the bill into law.

Photo Speak- Faces at the CSJ-Legislature FRA Forum

Hon M. Ali Ndume who represented the Speaker declaring the Forum open; Left to right - Senator Iyiola Omisore, Hon. Mohammed Ashiru Isa and Hon. Leonard Dilkon.

Senator Iyiola Omisore delivering a keynote address at the Forum

A cross section of participants at the Forum

Commissioners of the Fiscal Responsibility Commission putting heads together; Left to right: Chairman, Alhaji Aliyu Yelwa, Alhaji Z.M. Sada and Alhaji Shuaibu Abdullahi Kore

Another cross section of participants at the Forum

Eze Onyekpere, Lead Director, CSJ and Hon. Leonard Dilkon making presentations at the Forum

SECOND QUARTER (2009) BUDGET IMPLEMENTATION REPORT- Budget Office of the Federation

Revenue from both oil and non-oil sources were below projections for the first half of 2009. The aggregate revenue available for distribution to the three tiers of government fell short of the projected estimate of N1, 791.7 billion by N461.33 billion (or 25.75%). At the Federal Government Budget level, oil revenue underperformed by N94.7billion (or 19.55%) relative to the projected level of N484.54 billion. Similarly, non-oil revenue underperformed by N205.23 billion relative to the projected level of N441.38 billion. The total revenue available for the implementation of the Federal Government Budget, (including the budgeted unspent balance of N150 billion for the first half of 2009 from the 2008 financial year), consequently fell short of its budgeted estimate of N1, 132.6 billion by N363.43 billion (or 32.09%). This development shows clearly the challenges of implementing the 2009 Budget in the first half of 2009.

The 2009 Budget allocated about 93.2% of the capital budget to priority sectors in line with the Administration's Seven-Point Agenda. Total releases for FGN budgetary expenditure in the first half of 2009 was N1.47 trillion. Of this amount, recurrent(non-debt) expenditure was N829.94 billion(or 56.46%), recurrent (debt) expenditure N100.04 billion (or 6.8%) while cash-backed capital expenditure and statutory transfers were N449.88 billion (or 30.06%) and N97.89 billion (or 6.6%) respectively. The FGN cash-backed releases in the first half of the year achieved about 95% of the budgeted amount.

The capital budget implementation averaged 42.92% in the first half of 2009 (i.e., N193.08 billion out of N449.88 billion cash–backed by the office of the Accountant-General). Although lower than expected, this represents a significant improvement over the first quarter performance of about 21%. Of the 44 MDAs assessed, 25 (or 56%) of the MDAs (including Works, Power, Police, Education and Transport) performed below the overall average while 6 (or 14%) of the MDAs performed at an average rate of between 42.92% and 70%. However, 12 of the MDAs (or 27%) utilized over 70% of the capital vote released to them. Of note in this category are the FCTA, Aviation and Niger-Delta Ministries which improved from below average performance in the first quarter to 70.85%, 77.25% and 100% respectively by the half year. Furthermore, a number of MDAs including Power, Police, Education and Transport whose performance is critical to the achievement of this administration's Seven Point Agenda have consistently performed below average.

In order to monitor and evaluate MDAs' implementation of the 2009 capital budget, officials from the Budget Office, in collaboration with the officials from selected MDAs, conducted field visits to review specific capital projects. This review revealed practices which are reported in more detail in this report.

In conclusion, due to the global economic crisis and the situation in the Niger Delta region, there has been a significant shortfall in oil and non oil expenditure. The Federal Ministry of Finance, its Budget Office and the Cash Management Committee have however worked in partnership with MDAs to ensure that the priority areas in the Seven Point Agenda receive significant funding.

Excerpts from pages 2 to 3 of the Report

FISCAL RESPONSIBILITY FOR SOCIAL AND ECONOMIC ACCOUNTABILITY

CSJ

RC:737676

- What is fiscal responsibility and its role in social and economic accountability?
- How can civil society contribute to the formulation of fiscal policies, the Medium Term Expenditure Framework (MTEF) and annual budgets, etc?
- Why do we need to ensure the implementation of the Fiscal Responsibility Act (FRA) and other relevant fiscal laws?
- When is the appropriate timing for civil society interventions in fiscal policy formulation, implementation, review and reporting?

Enter the Fiscal Responsibility for Social and Economic Accountability Project of Centre for Social Justice (CSJ). The specific objectives are:

- To provide a platform for support and learning between Civil Society Organizations (CSOs), federal legislative committees and the Fiscal Responsibility Commission in the oversight of FRA issues;
- To engage Ministries, Departments and Agencies in the preparation and review of their Medium Term Expenditure Framework;
- To build the capacity of civil society on the detailed provisions of the FRA and to support CSOs to improve on needed skills for monitoring, reporting and evaluation of the implementation of the FRA;
- To monitor, report and engage in action advocacy for the implementation of the FRA and to raise public awareness and sensitization on the FRA through the media.

Any CSO or individual interested in the realization of the above objectives should sign up and return the coupon below to *Unongo Henry* at CSJ, 17 Yaounde Street, Wuse Zone 6, P.O. Box 11418 Garki, Abuja; Or return electronically to censoj@gmail.com. Also join our Listserv at pem_ngr@yahoo.com for regular updates and discussions on the FRA and public expenditure management issues.

Name:…………………………………………………………………………………….

Address:………………………………………………………………………………….

Tel, Fax and Email:……………………………………………………………………

CSJ is a Nigerian non governmental organization with a **vision** of a Nigeria where social justice informs public decision making. Its **mission** is to mainstream social justice and fairness in all facets of public life. This project is supported by the Ford Foundation.

ABOUT CENTRE FOR SOCIAL JUSTICE (CSJ: RC: 737676)

Centre for Social Justice Limited by Guarantee (CSJ) is a Nigerian non governmental organization with a vision of a Nigeria where social justice informs public decision making. Its mission is to mainstream social justice and fairness in all facets of public life.

The main objectives are to:

- contribute to the development and implementation of national laws and policies on social rights and justice in accordance with international best practices;
- promote accountability, transparency and popular participation in public expenditure management;
- promote poverty reduction strategies as a tool for social justice;
- promote popular participation and gender mainstreaming in public decision making;
- broaden the constituency of professionals interested in development and poverty reduction by creating and maintaining a multi disciplinary network of professionals committed to work for the realization of these objects.

PROGRAMMES

The programmes of CSJ focus on a rights based approach to public expenditure management, power sector reforms, political finance reforms and constitutional reforms.

DIRECTORS

Eze Onyekpere (Lead Director), Dr Jane Francis Duru, Dr William Fonta and Dr Justin Achor

SECRETARIAT

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Fiscal Update is printed with the generous support of the Ford Foundation