

TAX & JUSTICE

TACKLING EMERGING ISSUES IN NIGERIA'S
INFORMAL SECTOR TAXATION (2019)

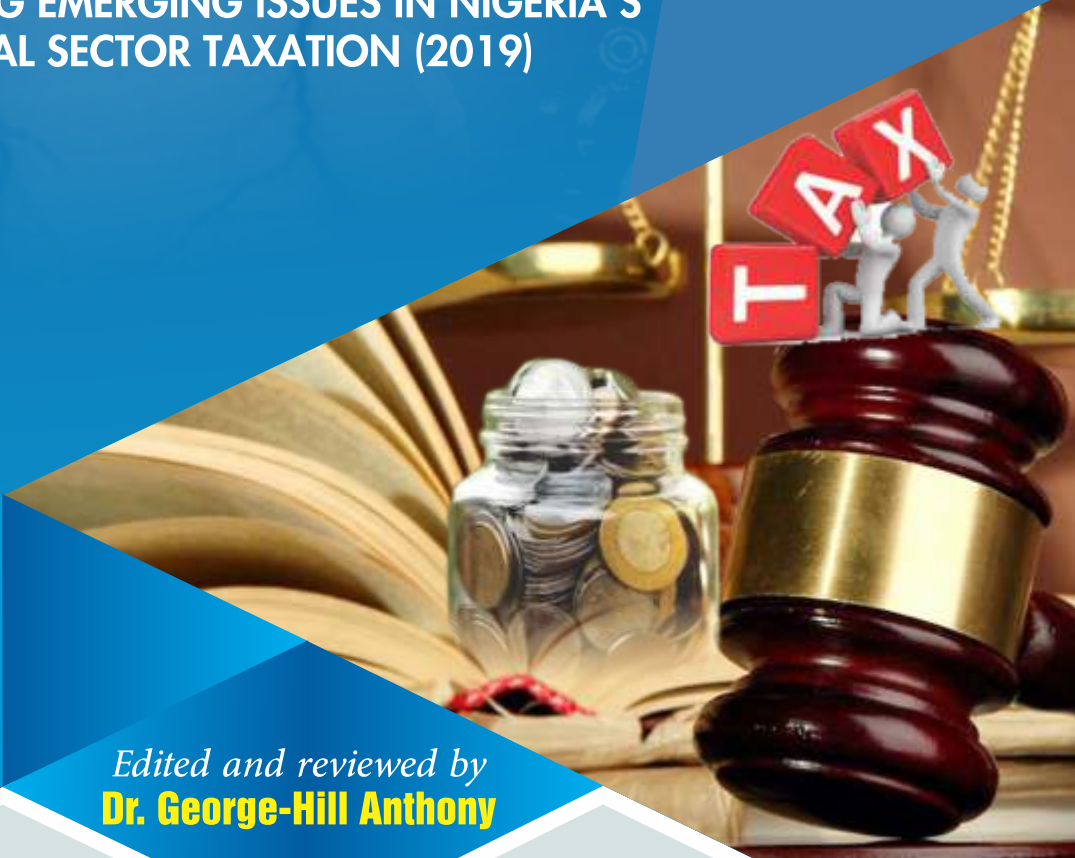
Edited and reviewed by
Dr. George-Hill Anthony



NDEBUMOG
REGIONAL ACCOUNTABILITY CENTRE

NDEBUMOG

SHADOW
BUDGET
GROUPS



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BUDGET
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@NDEBUMOG 2019

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NDEBUMOG's Strategic Objectives

To strengthen community-based structures for transparency and accountability. With targeted actions, NDEBUMOG will mobilize and empower communities to take practical steps to eliminate corruption in public expenditure through budget tracking, sensitizations, mobilization, trainings, alongside, anti-corruption campaigns and promotion of inclusivity and participatory governance. For effectiveness and long-term sustainable basis, NDEBUMOG has established several community-based Shadow Budget Groups, among others.

NDEBUMOG increases public awareness on relevant laws and policies of combating corruption in the private sector. Most private sector players lack information on laws and policies that relates to fiscal governance, as well as, procedures for doing business with government. In addition, private sector players have, often, been reported, as willing payers of bribes, without evaluating negative impacts of such vices on the business environment in general and theirs, in particular.

NDEBUMOG seeks improve business practices and principles for combating corruption in public-private activities. Small, medium and large businesses in Nigeria faces, almost daily, pressure to pay bribes to do business with government. Unfortunately, they are in a weak position to resist such pressures.

NDEBUMOG has established effective framework for monitoring of political parties financing and tracking the use of state administrative resources during campaigns by candidates. Transparency by Political Parties and election financing is critical in the democratization processes, as well as, ensuring good governance. Money in politics and Political Parties financing, if not tackled, poses serious risks, such as, uneven playing field, which gives some actors, undue advantage over others. Those, who donate funds could equally influence politicians, seeking for rewards through contracting tenders and favourable policies for their private interests. Uses of public funds to fund partisan political campaigns breeds political corruption and state capture. This include abuse of state (administrative) resources during campaigns by political parties and political office holders.

NDEBUMOG'S work reduces risk of state capture (political corruption) through citizens demand for political finance transparency. Empowerment of citizens to carry out their constitutional mandates and obligations of safeguarding public resources by ensuring monies are not used to bias outcomes of elections. The public, should, therefore, must be at the forefront of any reform that reverses trendtowards state capture. Being a situation, where moniesare wrongly used by politicians to buy their way into public offices and in return, serves their personal interests.

NDEBUMOG enhances transparency and accountability in the extractive industry.Over the years, NDEBUMOG, has developed experience in promoting transparency and accountability in extractive industries through extensive involvement and engagements with Nigeria Extractive Industries Transparency Initiative (NEITI). As part of the strategies for the implementation of NDEBUMOG's strategic plan, we will implement actions that will constantly promote transparency and accountability in the oil sector and gas sector. Before now, citizens, civil society organizations and other stakeholders were unable to effectively participate in promoting transparency and accountability in extractive industries, due to lack of information, capacity, and political risks to do so. It is from this background that NDEBUMOG, hopes, to continue to intervene to expand the space.

NDEBUMOG through partnership and collaborations with Bureau of Public Procurement engages and builds capacity of stakeholders (communities, schools, government agencies, contractors, and consultants) in public procurement processes, particularly, in understanding Nigeria's Public Procurement Act. These activities shall reinforce NDEBUMOG's anticorruption campaigns and tracking of IFFs through collaborations with Economic and Financial Crimes Commission (EFCC), BPP, NEITI, OAGF, alongside, other ACAs and anticorruption CSOs/Coalitions.

NDEBUMOG empowers women and marginalized groups through sensitizations on agricultural value chain of government and direct empowerment of women and communities through livelihood programs, which enhances their sustainable livelihood, mobility for self-empowerment and budget tracking of public expenditures from these livelihood programs' turnovers.

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LIST OF ACRONYMS AND ABBREVIATIONS

ACAs:	Anti-Corruption Agencies
ACD:	Acting Country Director
AfCFTA:	African Continental Free Trade Area
AfDB:	African Development Bank
AIDS:	Acquired Immunodeficiency Syndrome
ALGON:	Association of Local Governments of Nigeria
ANCOR:	Anti-Corruption Revolution Campaign
ASM:	Artisanal and Small-Scale Mining
ASO:	Analogue Switch Off
BECOLIN:	Better Community Life Initiative
BEL:	Basic Economic Literacy
BHCPF:	Basic Healthcare Provision Fund
BIR:	Board of Internal Revenue
BIRS:	Board of Internal Revenue Service
BMPIU:	Budget Monitoring & Price Intelligence Unit
BMS:	Block Management System
BPO:	Business Process Outsourcing
BPP:	Bureau of Public Procurement
BOF:	Budget Office of the Federation
BOI:	Bank of Industry
BVN:	Bank Verification Number
CAC:	Corporate Affairs Commission
CATEIFFN:	Coalition for Accountability and Transparency in Extractive Industries, Forestry and Fisheries in Nigeria.
CBN:	Central Bank of Nigeria
CBOs:	Community Based Organizations
CCT:	Conditional Cash Transfer
CEO:	Chief Executive Officer
CGT:	Capital Gains Tax

CISLAC:	Civil Society Legislative Advocacy Centre
CIT:	Company Income Tax
CITA:	Personal Income Tax Act
CITN:	Chartered Institute of Taxation of Nigeria
CLEP:	Commission on Legal Empowerment of the Poor
CKD:	Completely Knocked Down
CNG:	Compressed Natural Gas
COAs:	Chart of Accounts
CODAF:	Community Development Advocacy Foundation
COVID-19:	Coronavirus Disease of Year 2019
CRA:	Consolidated Revenue Account
CRAFT:	Capacity for Research and Advocacy for Fair Taxation
CRCTPAOY:	Citizens Report Card on Tax Payment and Administration in Oyo State
CREP:	Centre for Rehabilitation of Exceptional Persons
CRII:	Commitment to Reduce Inequality Index
CSOs:	Civil Society Organizations
DAP:	Development Animation Program
DELT4SLOG:	Deepening Expenditure Line Tracking for States and Local Governments in Nigeria
DG:	Director-General
DfID:	Department for International Development
DPR:	Department of Petroleum Resources
DSO:	Digital Switch Over
EBIR:	Ebonyi Board of Internal Revenue
EBIRB:	Ebonyi Board of Internal Revenue Board
EBSTJ&GP:	Ebonyi State Tax Justice & Governance Platform
ECOSOC:	Economic and Social Council
ECTG:	Enugu Capital Territory Group
EDT:	Education Tax
EFFC:	Economic and Financial Crimes Commission
EITI:	Extractive Industries Transparency Initiative
EnBIRS:	Enugu Board of Internal Revenue Service
EPAs:	Export Processing Agreements
ERA:	Environmental Rights Action
ERGP:	Economic Recovery and Growth Plan
ESC:	Economic Sustainability Committee
ESP:	Economic Sustainability Plan

FAAC:	Federation Account Allocation Committee
FBOs:	Faith Based Organizations
FCCPC:	Federal Competition and Consumer Protection Commission
FCT:	Federal Capital Territory
FCTA:	Federal Capital Territory Administration
FERMA:	Federal Roads Rehabilitation and Maintenance Agency
FG:	Federal Government
FBGs:	Faith Based Groups
FGDs:	Focus Group Discussions
FGG:	Fiscal Governance Group
FGN:	Federal Government of Nigeria
FIRS:	Federal Inland Revenue Service
FISON:	Fisheries Society of Nigeria
FM:	Frequency Modulation
FTM:	Fair Tax Monitor
F4D:	Financing for Development
GB:	Great Britain
GDP:	Gross Domestic Product
GIRS:	Ghanaian Internal Revenue Service
GIZ:	German Agency for International Cooperation
GOEs:	Government-Owned Enterprises
GPFS:	General Purpose Financial Statements
GPRTU:	Ghana Private Road Transport Union
GRA:	Government Reserved Area
GRA:	Gambia Revenue Authority
GWMA:	Ga West Municipal Authority
HIV:	Human Immunodeficiency Virus
HoA:	Head of Administration
HoA:	House of Assembly
HoD:	Head of Department
ICT:	Information and Communications Technology
ICWECD:	International Centre for Women Empowerment & Child Development
ID:	Identification
IDASA:	Institute of Democratic Alternative of South Africa
IDP:	Internally Displaced Persons
IFFs:	Illicit Financial Flows
IFRS:	International Financial Reporting Standards

IGT:	Identifiable Grouping Taxation
IGR:	Internally Generated Revenue
IGRS:	Internally Generated Revenue Service
ILO:	International Labour Organization
IMF:	International Monetary Fund
IPSAS:	International Public Sector Accounting Standard
IPSASB:	International Public Sector Accounting Standard Board
IPPIS:	Integrated Personnel and Payroll Information System
ISPO:	Irrevocable Standing Payment Order
IRB:	Internal Revenue Board
JDPC:	Justice Development and Peace Commission
JTA:	Joint Treasury Account
JTB:	Joint Tax Board
JV:	Joint Venture
JVA:	Joint Venture Agreement
KHIs:	Key Informant Interviews
LFN:	Laws of the Federation of Nigeria
LGAs:	Local Government Areas
LGCs:	Local Government Councils
LGRA:	Local Government Revenue Authority
LIRS:	Lagos Internal Revenue Service
LLTNs:	Long Lasting Insecticide Treated Nets
LPG:	Liquified Gas
LSMS:	Living Standards Measurement Study
MDAs:	Ministry, Department and Agencies
MDGs:	Millennium Development Goals
MEAL:	Monitoring, Evaluation and Learning
M&E:	Monitoring and Evaluation
MNDA:	Ministry of Niger Delta Affairs
MOU:	Memorandum of Understanding
MOSOP:	Movement for the Survival of Ogoni People
MSMEs:	Micro, Small and Medium Enterprises
MTAP:	Medium Term Expenditure Plan
MTEF:	Medium Term Expenditure Framework
NAFDAC:	National Agency for Food and Drug Administration and Control
NASENI:	National Agency for Science and Engineering Infrastructure
NBA:	Nigerian Bar Association

NBC:	National Broadcasting Corporation
NBS:	National Bureau of Statistics
NCC:	Nigerian Communications Commission
NCS:	Nigeria Customs Service
NDBDA:	Niger Delta Basin Development Authority
NDDC:	Niger Delta Development Commission
NDEBUMOG:	Niger Delta Budget Monitoring Group
NEHF:	National Emergency Health Fund
NEITI:	Nigeria Extractive Industries Transparency Initiative
NEXIM:	Nigerian Export Import Bank
NGEP:	National Gas Expansion Programme
NGO:	Non-Governmental Organization
NITDF:	National Information Technology Development Fund
NIWA:	Neighborhood Initiative for Women Advancement
NLC:	Nigerian Labour Congress
NLNG:	Nigeria Liquefied Natural Gas Limited
NNPC:	Nigerian National Petroleum Corporation
NPK:	Fertilizer
NSCDC:	Nigeria Security and Civil Defence Corps
NSIA:	Nigeria Sovereign Investment Authority
NSITF:	Nigeria Social Insurance Trust Fund
NTA:	Nigerian Television Authority
NTP:	National Tax Policy
NYSC:	National Youth Service Corps
OAGF:	Office of Accountant-General of the Federation
ODSTJ&GP:	Ondo State Tax Justice & Governance Platform
OECD:	Organization for Economic Cooperation and Development
OGSIRS:	Ogun State Internal Revenue Service
OML:	Oil Mining Licence
OOSC:	Out of School Children
OGP:	Open Governance Partnership
OSSAP:	Office of the Senior Special Assistant to the President
OSIRS:	Ondo State Internal Revenue Service
OSIWA:	Open Society Initiative for West Africa
OXFAM:	Oxford Committee for Famine Relief
OYBIRS:	Oyo Board of Internal Revenue Service
PAYE:	Pay As You Earn

PEWASH:	Partnership for Expanded Water Supply, Sanitation and Hygiene
PM&E:	Participatory Monitoring and Evaluation
PFI:	Presidential Fertilizer Initiative
PFEM:	Public Finance Expenditure Management
PIT:	Personal Income Tax
PITA:	Personal Income Tax Act
PMO:	Project Management Office
PPD:	Public Private Dialogue
PPP:	Public Private Partnerships
PLWD:	Persons Living with Disabilities
PPT:	Petroleum Profit Tax
PR:	Proportional Representation
PSA:	Production Sharing Agreement
PSC:	Production Sharing Contract
PSEs:	Public Sector Entities
PSF:	Private Sector Federation
PTDF:	Petroleum Technology Development Fund
PWD:	Persons with Disability
P4R:	Payment for Results
R & D:	Research and Development
REDISSE:	Regional Disease Surveillance Systems Enhancement
RITCS:	Road Infrastructure Tax Credit Scheme
RRA:	Rwanda Revenue Authority
SA:	Special Assistant
SAIPZ:	Special Agro-Industrial Processing Zones
SC:	Service Contract
SEC:	State Executive Council
SDGs:	Sustainable Development Goals
SHAROW-MIP:	Stakeholders Assisted Right of Way -Maintenance Intervention Programme
SHFS:	Small Holders Farmers
SIFTAS:	States Fiscal, Transparency, Accountability, and Sustainability
SMART:	Specific, Measurable, Achievable, Timebound
SME:	Small and Mid-Size Enterprises
SPP:	Strategic Partnership Program
SPP1:	Strategic Partnership Program Year 1
SPP4:	Strategic Partnership Program Year 4

STAND:	Strengthening Transparency and Accountability in the Niger Delta
STD:	Stamp Duties
STEM:	Science, Technology, Engineering and Mathematics
TETFUND:	Tertiary Education Trust Fund
TIF:	Tax Issues Forum
TJNA:	Tax Justice Network Africa
TJ&GP:	Tax Justice & Governance Platform
TMs:	Tax Monitors
ToT:	Training of Trainers
TSA:	Treasury Single Account
TTC:	Total Transfer Cost
TTO:	Tanker Take Over
TTT:	Tanker-to-Tanker Transfer
TUC:	Trade Union Congress
T4S:	Tax for Service
UBEC:	Universal Basic Education Commission
UNMC:	United Nations Millennium Campaign
US:	United States
USAID:	United States Agency for International Development
USD:	United States Dollars
VAT:	Value Added Tax
VOL:	Volume
VT:	Voluntary Tax Monitors
VTC:	Voluntary Tax Compliance
VTM:	Voluntary Tax Monitors
VTJM:	Voluntary Tax Justice Monitors
WAPA:	Women Affairs and Poverty Alleviation
WASH:	Water, Sanitation and Hygiene
WHO:	World Health Organization
WHT:	Withholding Tax
WRAG:	Women Rights Action Group



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However, views expressed in this book by respective Tax Justice & Governance Platforms or host organizations, resource persons, researchers, presenters, consultants, institutional associates, volunteers, and members of NDEBUMOG's Shadow Budget Groups, among others, do not represent official position or views of Niger Delta Budget Monitoring Group (NDEBUMOG). Importantly, none of opinions, views or theories expressed in this publication represents position nor opinions of Oxfam that graciously supported this F4D's Strategic Partnership Program. We thank all Niger Delta Budget Monitoring Group's partners, allies, associates, and networks that has supported our

FOREWORD

There is no better time, than now, to redirect attention to tax revenues, particularly, in Nigeria, as oil revenues has been dwindling in recent past. The faith of oil has been compounded by increasing global call for alternative energy sources. Breakthrough recorded in the use of solar energy is one thing that has broken the Camel's back, weighing the oil dominance for decades.

Oil revenues has relegated importance of tax proceeds in Nigeria. This may be attributed to leadership problems, and effects of poverty ravaging Nigeria's society. Oil producing countries like Norway, USA, Saudi Arabia, etc. still give tax revenue its rightful place, while oil revenue is used to boost foreign reserve and capital development. Ironically, some of our leaders have not been aggressive in this line of thought but rather struggle to clear the treasury in the spirit of looting for self-centeredness. Again, the level of poverty seems to have dehumanized Africa's rulership's psychology to the extent that little oil revenue is taken as a big achievement, even when developmental demands outweighs the “little oil revenue” considered as a big achievement. Our society seems to be getting used to poverty. It is worthy of note that the little peace, we enjoy today, despite pillaging by most of our leaders, may have been possible, because bulk of revenues stolen were not from taxes. Taxes engender demand for transparency and accountability on the part of taxpayers, who wants to see value for money.

Rising importance of tax revenues', calls for a proper analysis and understanding economic and social implications. This book has dwelled on taxes from different perspectives. The book opened the political angle, the economic angle, alongside, the need to strike a balance. It further throws light on the informal sector and the need for tax Justice and fiscal equity. The book delved into history of tax contributions to Internally Generated Revenue (IGR) of Nigeria's Federal Government. The current burning issue, such as, COVID-19 was not left out, as impact of COVID-19 is fully discussed in the book. Going through the book, it is a good tool for fiscal reengineering and administration in Nigeria.

From chapter 1 to 10, the book is full of insights to support administrators, academicians, public office holders, non-governmental organizations, researchers, and students of social sciences. This book will also guide in formulation of fiscal

policies, with emphasis, on getting value for money and public buying of policies, before adoption, to avoid negative public reactions.

In order not to repeat what has been documented in the executive summary of this book, I throw my weight behind this book, and recommend that civil society groups, public servants, students, lecturers and NGOs, should have a taste to ignite the urge for more. A taste will convince you!

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EXECUTIVE SUMMARY

Political economy accepts that taxation and democracy, often, interacts beneficially. Tax and governance are literally and structurally related. Dictatorship or popular democracies cannot flourish without taxation. Governance have effects on those, who votes and unto those, who do not! Individuals might regard democratic decision-making as a tool for the majority to exploit the minority. But the burden of democratic leadership switches this theory, where, minority taxpayers could reduce tax revenue collection targets against service delivery for the benefits of majority that voted at an election.

Internationally, the notion of “congruence” or “equivalence” comes under additional strain. Why do most countries allow citizens abroad to vote without inference to tax, while resident aliens are subjected to tax but without the right to vote? In recent years, tax contests have wielded additional pressure within democratic discourse, far more than human rights or lopsided EPAs. Is the “exit” option for individuals a source of irritation for democratic tax legislation or is it rather, a useful device to protect individuals against being overtaxed? To what extent, shall outside investors consider redistributive policies of states? These issues do not only challenge the traditional balance of taxation and democracy. They also challenge our views, on how, we perceive the state and how society sees community of taxpayers as agents of social justice, conformers, and economic enablers. In tax law, the borderline, between “us” and “them” must be addressed, since unlimited tax liability involves a notion of solidarity that is hard to capture in a globalized world. Therefore, this book's chapter one explores constitutional framework of taxation and democracy in a comparative fashion. It presents two major pathways for the protection of individual in fiscal matters. These are protection by “content” (material tax principles) and protection by “consent” (voting rights) as they have evolved, since the days of Hobbes and Locke. While United Kingdom and the United States, largely, rely on protective value of democratic consent, countries in Europe and Latin America have resorted to hard-wired constitutional constraints on tax legislation that ensures a high degree of judicial review by constitutional courts. This constitutional framework comes under increased pressure, once a country opens itself to the globalized world. It remains to be seen to what extent, material principles – like the principle of equality – are in the position to restrain a country's engagement in international tax competition. **Chapter 1** provides an analytical summary of works in political science and political

economics, alongside, politics of taxation across democracies. For scholars, the widespread presence of democratic institutions reinforces the desire to understand democratic politics of taxation, both in positive theory and in new empirical instances. There was a survey that focuses on hard-won insights about the workings of political institutions, clearly formulated models of economics and politics, and innovative research strategies that are captured under chapter one essay's necessity of this book.

Chapter 2 of this book is an introduction to informal taxation within a global perspective. According to the chapter, in the last 50 years, unprecedented population growth, urbanization and economic development, particularly, in developing countries, failed to generate enough employment and expected incomes, compelling, unaccounted labour force to supplement its own means of employment, which affects the survival of the informal sector. Key characteristics within the informal sector are open-ended entries of enterprises into the sector, dependence on local resources, family proprietorship, micro- scale operations, low productivity, and non-adaptation to technology by many of these enterprises. Unregulated competitive markets, lack of governmental support and multiplicity of levies also weighs down the growth of this informal sector. Dynamic character, alongside, instrumentalistic roles toward bettering employment and driving developing economies towards growth and prosperity are among rallying requirements of the informal sector.

Interestingly, theoretical studies of different aspects of this sector is equally necessary, especially, on formulation of appropriate policies, which is what, among others, Oxfam in Nigeria's support to Tax Justice Platforms' aims to achieve. Though various writers have published academic papers about the informal sector, very few books try to reconcile realities within the informal sector in a pragmatic framework with realities about informal actors on the ground. In this book, we have given insight into diverse nature of informal sector's complexities, its role in the context of fiscal equity, economic freedom, human rights, and gender justice, among others. Chapter two of this book tries to expound on the contradictions of formal and informal taxation within Nigeria, broadening on policy parameters that may be relevant in Nigeria's complex economic scenarios, as the meaning of informal sector, may be contested by many. The concept is ambiguous, though popular, because it incorporates interest and diversity of broader groups through socioeconomic clusters, either, in micro or macro business settings.

Chapter 3 gives narrative details about Nigeria's Tax Justice and Governance Platforms. Particularly, these platforms activities in year 2019, as supported by Oxfam, through the Financing for Development (F4D)-Strategic Partnership Program. F4D is an initiative of Oxfam country office in Nigeria. Oxfam has supported these Platforms, through the Financing for Development's (F4D) program that commenced in 2016. NDEBUMOG is one of the implementing partners of Oxfam's F4D Program in Nigeria.

In the F4D's theory of change, tax and budget, seeks to empower civil society and non-state actors to undertake research and advocacy that promotes fair and progressive tax, through engagements with governments at all levels. The engagements are expected to influence tax policies, participatory budget, alongside, addresses unfair tax practices, inequality, protection of citizens and marginalized groups, including, women. Engagements are mainstreamed to regional, national and global networks, such as, the Fair Tax Monitor (FTM), which reinforces Commitment to Reducing Inequality Index (CRII) and effective Public Finance Expenditure Management (PFEM). **Chapter 4** presents detailed reports from Multi-Stakeholders Tax Dialogue, alongside, Capacity Building workshop for CSOs on Taxation, which were conducted under the F4D's program in 2019. The chapter also encapsulates proceedings from SPP's Impacts Harvesting Gathering of September 2019 at Uyo, whilst **chapter 5** is a compilation of reports from markets' sensitizations across some states, including, reports from monitoring of Tax Justice and Governance Platforms. Lessons from monitoring visits, especially, as it concerns Tax-for-Service models are also shared in chapter five.

Interestingly, **chapter 6** is republication of IGRs that accrued to States of the federation and FCT in 2019, as was published by Nigeria's National Bureau of Statistics (NBS). It is republished for emphasis to engender citizens interest towards monitoring of inflows and outflows to the three tiers of government, especially, IGRs accruable to States across Nigeria and the FCT, since citizens are lamenting about inability to know these (IGR) figures. According to Nigeria's National Bureau of Statistics, 36 States and FCT's IGRs grew to N1.33trillion in 2019, compared to N1.17trillion recorded in 2018. This indicates a growth of 20.92%. Similarly, on Q4 2019, States and FCT's Internally Generated Revenues was N346.20billion, compared to N294.11billion recorded in Q3 of 2019. This indicated growth of 17.71% quarterly. Lagos state has the highest Internally Generated Revenue of N398.73billion recorded, closely followed by Rivers, with N140.40billion, whilst Taraba State recorded the least Internally Generated Revenue. Data, such as, IGRs statistics made available by the Federal Government through NBS should interest members of the public and fiscal governance researchers. The book's **chapter 7** and **8** are vital information from Nigeria Extractive Industries Transparency Initiative (NEITI), followed by another economic related publication from Office of Nigeria's Vice President. Nigeria Extractive Industries Transparency Initiative's (NEITI) publication are analysis of First Quarter 2020 FAAC Disbursements and Impact of COVID-19 on revenues for the rest of year 2020. This analysis by NEITI removed the burden of analyzing impacts of COVID-19 from NDEBUMOG in this book, being something that NDEBUMOG had planned to do. Though a publication from a non-governmental entity are always necessary for comparative gauge, NEITI's publication reproduced in this book are inclusive of comparative computations and analysis with empirical data that we have considered necessary for public consumption in this book. Nigeria's Economic Recovery Plan is reproduced in **chapter 8**, as Fiscal and Monetary Measures proposed in the government's ESP

interrelate with factors in this book.

Chapter 9 captured recommendations and **10** provides institutional details about Niger Delta Budget Monitoring Group (NDEBUMOG). This publication is NDEBUMOG's contribution to fiscal equity campaigns viz a viz with economic justice literature. We strongly recommend this book to state actors, non-state actors, researchers' students of economics, law, and political science. Quoting from the foreword of this book, “a taste will convince you”.

1

INTRODUCTION TO DEMOCRACY AND TAXATION

Political economy accepts that taxation and democracy, often, interacts beneficially. Tax and governance are literally and structurally related. Dictatorship or popular democracies cannot flourish without taxation. Governance have effects on those, who votes and unto those, who do not. Individuals might regard democratic decision-making as a tool for the majority to exploit the minority. But the burden of democratic leadership switches this theory, where, minority taxpayers could reduce tax revenues collection targets, against service delivery for the benefits of majority that voted at an election.

Internationally, the notion of “congruence” or “equivalence” comes under additional strain. Why do most countries allow citizens abroad to vote, without inference to tax, while resident aliens are subjected to tax, without the right to vote? In recent years, tax contests have wielded additional pressure within democratic discourse, far more than human rights or lopsided EPAs. Is the “exit” option for individuals a source of irritation for democratic tax legislations or is it rather, a useful device to protect individuals against being overtaxed? To what extent, shall outside investors consider redistributive policies of states? These issues do not only challenge the traditional balance of taxation and democracy. They also challenge our views, on how, we perceive the state and how society sees community of taxpayers as agents of social justice. In tax laws, the borderline, between “us” and “them” must be addressed, since unlimited tax liability, involves a notion of solidarity that is hard to capture in a globalized world.

Therefore, this book explores constitutional framework of taxation and democracy in a comparative fashion. It presents two major pathways for the protection of individual in fiscal matters. That is, protection by “content” (material tax principles) and protection by “consent” (voting rights) as they have evolved, since the days of Hobbes and Locke. While United Kingdom and the United States, largely, rely on protective value of democratic consent, countries in Europe and Latin America, have resorted to hard-wired constitutional constraints on tax legislations, ensuring, a high degree of judicial review by constitutional courts. This constitutional framework comes under increased pressure, once a country, opens itself to the globalized world. It remains to be seen to what extent, material principles – like the principle of equality – are in the position to restrain a country's engagement in international tax

competition.

This chapter provides an analytic summary of works in political science and political economics, alongside, politics of taxation across democracies. Citizens and politicians, alike, care about tax revenues, collection techniques and distribution of tax burdens, which vary widely over time and across cases. For scholars, recently widespread presence of democratic institutions reinforces the desire to understand democratic politics of taxation, both in positive theory and in new empirical instances. There was a survey that focuses on hard-won insights about the workings of political institutions, clearly formulated models of economics and politics, and innovative research strategies. Nevertheless, more work remains to be done on how citizens and legislators work and modify core institutions of democracy and taxation.

The literature on the politics of taxation addresses, three main types of dependent variables: revenue, methods of collection, and incidence. Revenues are important to scholars concerned with the overall size of government and to scholars interested in fiscal performance ([Roubini & Sachs 1989](#), [Alesina et al. 1997](#), [Lieberman 2002](#)). Methods of collection, such as, tax rates and types, which captures the attention of researchers that are focused on tax laws. Such focused, permit questions about the complexity versus simplicity of tax legislations ([Steinmo 1993](#)), reform episodes ([Brownlee 1996](#), [Zelizer 1998](#)), and the use of special incentives ([King 1993](#), [Howard 1997](#)). Bottom-line question for many scholars is: Who pays? This question inspires scholars to measure progressivity versus regressivity ([Slemrod 1994](#), [Bradford 1995](#)). The contributions of various tax instruments (tax on wages, income, sales, etc.) and shares of their respective bases, gross domestic products, or total government revenues ([Campbell & Allen 1994](#), [Williams & Collins 1997](#)) and comparisons of rates on capital and labor incomes ([Tanzi 1995](#)), etc. Choices, among these dependent variables, contributes to diversity, within this literature.

This essay, examines, a stylized view of policy making, being a sequence of setting key objectives, making laws, and implementing policies. For each stage, we identify the main actors and institutions involved...Another section reviews the leading governmental and political-economic theories of fiscal policy, with the aid of a heuristic typology. We argue that recent advances have been made by researchers, using theories that hypothesize representational and governance effects of political institutions, and examine, in greater detailed, some of the leading models, which researchers derive hypotheses about how institutions influence policies. Comparison of these models focuses on main assumptions, testable implications (including empirical confirmations, et al) and other issues that remains unsettled. We limit ourselves to studies, that include, both theory and empirical testing. For broader surveys of political economics, see [Drazen \(2000\)](#), [Persson & Tabellini \(2000\)](#). For a general introduction to the politics of taxation, see [Peters \(1991\)](#).

Phases in Tax Policies

Political institutions or calculations shapes fiscal policies at different levels of the policy-making chain. By policy making, this paper means, an episode of political authorities, acting within a formal or informal process to make a binding decision for collective good of society. To facilitate a review of the roles played by institutions, stages heuristic model that organizes decision-making processes into three general phases: design, law making, and implementation were used. What follows is a brief discussion of how the literature treats institutions at each stage. The design stage refers to specifying policy goals, establishing priorities, among them, and comparing the means of achieving them. Economists and political scientists, studying fiscal policy in developing countries have made fiscal policy design a primary focus, whereas, its processes are generally understudied in other fields of political science and policy studies.

Tax reform requires governments to address several issues simultaneously, including, the breadth and scope of reform, revenue goals, equity goals, resource allocation goals, and timing ([Gillis 1989a](#)). Fiscal policies involve inherent trade-offs, among administration, efficiency, equity, political acceptability and revenues ([Burgess & Stern 1993](#)). Policy design in the context of development, in particular, allows observation, in clear terms, the evidence of the clash of values or objectives in the drafting process ([Goode 1990](#)). Given this context, observers debate the strengths and weaknesses of comprehensive ([Gillis 1989a](#)) versus incremental ([Jenkins 1989](#)) reform in achieving desired results. The literature also suggests that, people, facing the dilemma of trade-offs vary. In developed countries, accountants, economists, lawyers, policy analysts, professional lobbyists, and even regular citizens can provide input during the design phase of a tax law. Developing-country cases involves far fewer actors ([Gordon & Thuronyi 1996](#)). However, in these cases, international actors are likely to be involved [e.g., technical assistants from international financial institutions ([Tanzi 1994](#))]. Designers can anticipate law-making and implementation stages. Legally articulated principles, such as, equality, fair play, proportionality, ability to pay, nonretroactivity, and other possible legal limitations (e.g., a tax payer bill of rights or international agreements) may constrain legislative options ([Vanistendael 1996](#)). There may also be constraints on the extent, which the legislature can delegate tax law-making authority. In addition to these institutional constraints, language and local techniques in drafting contributes to variation in law designs ([Thuronyi 1996a](#)).

However, many studies of designs, omit important issues. The highly descriptive nature of these works gives little indication, as to why, certain principles and objectives are chosen over others in the trade-off scenarios. Elections are often inappropriately disregarded as a determinant, which trade-offs occur. There are much to be learnt about how actors involved in policy designs anticipate challenges that arises in subsequent stages. Law making, includes, the official drafting and proposing

fiscal legislations, resulting debates through the media or formal public hearing, the attachment of amendments, voting, and signing into law. What differentiates each stage from the design stage, where multiple debates can take place, is who controls access.

Law making begins when an item becomes part of institutional agenda in the legislature or executive. Two broad types of institutions frame the law-making stage: exogenous and endogenous institutions. Exogenous institutions are those rules and procedures that cannot legally be changed by a legislature (Cox 2000) or executive acting alone, such as, the division of power and often the electoral and party systems. These institutions have been explored for their ability to explain variations in decision making and policies (Alesina et al. 1999, Hallerberg & von Hagen 1999). Endogenous institutions can be changed by a unilateral act of one branch; examples, include choices regarding proposal and amendment rights and committee systems, within a legislature and choices regarding fiscal contracts, et al (Hallerberg 1999). It was viewed that work on interaction of exogenous and endogenous institutions, the choices, among endogenous institutions, were promising.

Perhaps the boldest declaration regarding implementation asserts, “tax administration is tax policy” (Casanegra 1987, p. 25). Analysts developed two themes. First, some suggest that reform-minded legislators, should assume problems of implementation and write legislation accordingly. The World Bank insists that reformers ensure that “changes in tax policy are compatible with administrative capacity” (1991, p. 51); on the same subject, Bird cautions that “policy change without administrative change is nothing” (1991, p. 39). Policy analysts often call for straightforward reforms to address administrative constraints. They claimed that rationalizing state bureaucracies through computerization, better taxpayer registration, auditing techniques, and constructing appropriate penalty structures, can accomplish this (Bird & Casanegra 1992, Casanegra et al. 1992). Others disagree with the notion that weak administrations can easily be fixed. Limited administrative capacity, is more likely, the function of more profound conditions, than the simple lack of proper incentives and techniques (Bird 1989). In sum, anticipated administrative (in)capacities are conceptualized, as yet, another institutional constraint on the policy-making process (Bird & Oldman 1990).

Investigations into bureaucratic drift that separates lawmakers' intentions from actual administrative behavior, demonstrates how interests on each side, affects policy choices (McCubbins et al. 1987, 1989, Calvert et al. 1989, Bawn 1995). Scholars are now developing a comparative theory of delegation, in which legislators, wrestle with the trade-offs, between giving bureaucrats a great deal of discretion in implementation, allowing, bureaucrats to collect valuable information, while exercising their expertise, or writing detailed statutes that allows for little discretion, resulting in administrative delays and less information for elected policy makers (Huber et al. 2001). Like the design phase, implementation phase, merits more work to understand

its political dynamics. Research agendas, exploring general administrative constraints are highly descriptive within implementation procedures, and too often, focuses on prescribing policy in response. There is little analysis on how politics of implementation explains observed policy choices. Applications of principal-agent theories can be tested, with developing-country experiences that can be oriented in explaining, why a reform policy, was chosen, over alternative choices.

The above overview suggests ways to improve understanding of how political institutions affects policies. Scholars can develop research strategies that incorporate stages of designs implementation, theoretically and empirically, employing evidence that is balanced between new and old democracies, devoting further attention to actors' use and modifications to decision-making procedures.

Political Clarifications for Taxation

Many scholars agree that taxes involve politics. Yet, leading explanations on taxation employs different analytic perspectives and generates different hypotheses about roles of political institutions. One dimension, which explains differently, is whether researchers, should adopt a predominantly top-down perspective. The outcomes are major determinants of tax policies, or a predominantly bottom-up perspective, with the main determinants, emerging from fundamental society. Another dimension is, whether, a researcher employs a micro-analytic perspective that specifies individual motivations and how they aggregate in settings to generate behavioral predictions, or a macro-analytic perspective, which begins with regularities about collectivities and shows how they combine to produce broader generalizations. The combination of these two dimensions yields four basic types of explanations and associated hypotheses. Such are inclusive of analytic perspectives and hypothesized roles for political institutions in theories with fiscal policies. Explanations above focused on fiscal goals, within macro-analytic perspectives.

The basic logic is that an organized group of people that collects taxes can be seen as a unitary actor that pursues a basic goal, such as, maximizing revenues, security, or efficiency; the label for this actor is the overall organization (e.g., the state) or its head (the ruler). Schumpeter coined the label “tax state” to summarize the centrality of the modern state's fiscal needs and to express his concern that revenues demand of the tax state, could go far to undermine capitalism itself ([1991 \[1918\]](#), p. 100). More recently, [Brennan & Buchanan \(1980\)](#) develop what they term the Leviathan model, in which the ruler seeks, simply to maximize revenue. Also, in this category are benevolent-dictator models, in which, the rulers maximize a variable that is more positively evaluated by analysts. For example, in optimal taxation models, a benevolent social planner sets tax rates to maximize the welfare over time of a representative consumer in the society ([Barro 1979](#), [Lucas & Stokey 1983](#)).

The generality of the top-down, Leviathan, and benevolent-dictator models diminishes their usefulness in developing explanations for cross-national or temporal

differences. Rulers may want to maximize revenues or efficiency. But they do so, under constraints that remains to be specified. This is the path taken by [Levi \(1988\)](#). Although, she starts with the assumption that rulers maximize revenues under constraints, the explanatory work is done by the constraints (the ruler's bargaining power vis-à-vis society, transaction costs, and the ruler's discount rate). For example, Levi contends that representative institutions have reduced transaction costs by publicizing the fairness of the system and by assuring taxpayers that funds will be used as intended.

In these explanations, policies emerge out of underlying societal conditions, and political institutions are hypothesized to be structurally determined. Peters argues that political culture explains the “stable clustering's of taxation patterns among groups of industrialized democracies that persisted, even with economic and political change” ([1980](#), p. 6; [1991](#)). [Haycraft \(1985\)](#) argues that the anti-statist values of many French and Italian citizens explains in part, why their states' respective tax systems are highly dependent on indirect taxation. In the development literature, scholars investigate cultural barriers to tax reforms ([Newbery & Stern 1987](#), [Bird & Oldman 1990](#), [Burgess & Stern 1993](#)). Political culture is often only the starting point of an investigation that turns to a more detailed study of how (regime) institutions mediate social norms. Other research agendas explore how economic structures and geopolitical context affects taxation. For example, [Tarschys \(1988\)](#) describes how each of the basic means of revenue extraction (tributes, tariffs, taxes, and trade) emerged at a different phase of economic development. [Tilly \(1990\)](#) similarly, points to the monetarization of economies, as an important factor for explaining fundamental changes in taxation. He also emphasizes that geopolitical settings and war exerted varying pressures on rulers to extract the resources, necessary, to compete successfully.

Theoretical lacunae characterize demand-driven models, especially, when applied to democratic politics, for they leave out crucial steps, between demands generated in the society and the outputs produced in the political process. Do all political systems, equally and fully, translate demands into outputs? If not, which institutions select the expression of various demands and with what effects? Are there variations in the supply of public goods across political systems? Why do some political systems produce decisive action, whereas, others seem to be stuck with an undesirable status quo? These are the questions that pure demand models cannot address on their own. To answer them, analysts develop explanations that incorporate how demands are expressed, aggregated, and balanced against each other.

Through several versions of the equivalences, regime institutions filter out some demands, so that they cannot affect formation of fiscal policies that amplifies other demands to enable them to have more say in decision making. The primary institutions that are thought to have these filtering and amplifying effects are associated with elections, the central way that mass preferences work their way into

the decision-making of governments and ultimately into policy outputs. Thus, scholars emphasize characteristics of elections, variations in the right to vote and turnout, majoritarian versus proportional rules for converting votes into legislative seats, rules for election scheduling, and two-party versus multiparty systems.

The filtering and amplifying effects of institutions are observed in empirical works from diverse theoretical traditions. For the United States, [Hansen \(1998\)](#) takes advantage of the single distribution of underlying public preferences that is projected into government through three different rules for aggregating preferences via the House, Senate, and Presidency. With a natural experiment created by different institutions in the same country, Hansen explores, how different rules of aggregation explains the different positions of these three governing institutions in fiscal policy debates of the 1980s. Cross-national research on governments and opinion in advanced industrial democracies finds that majoritarian systems, produce governments, distant from the preferences of the median voter, whereas, proportional systems produce governments more consistently close to the preferences of the median voter ([Huber & Powell 1994](#), [Powell 2000](#)). Scholars of comparative political economy, contends that proportional systems (along with other institutions, such as, organized labor) grant voices to diffuse societal interests, rather than to privileged and narrow special interests, as in majoritarian systems, and that this broader interest representation yields more redistributive public policy ([Birchfield & Crepaz 1998](#), [Steinmo & Tolbert 1998](#), [Wilensky 2002](#)). Spatial models of voting fits within this group of explanations and are widely employed as a foundation for explanations of fiscal policies.

The main research hypotheses examined whether, varied institutions, alter the calculations of actors, thereby, influencing the final policy. Institutions that figure prominently in these models, include, constitutions and party systems that affects the number of actors involved and their possible actions. For example, [Laver & Schofield \(1990, p. 248\)](#) contend that single-party governance entails partisan cycles, rapid policy making, and quick fiscal adjustments. Coalition governments, they argue, avoid partisan cycles, and produces a long-lived status quo, even in the face of new external conditions. Many scholars finds that multiparty and divided governments ran larger deficits than single-party and unified governments ([Roubini & Sachs 1989](#), [Alesina & Rosenthal 1995](#), [Alesina et al. 1997](#). Please see [Borelli & Royed 1995](#)). Constitutions and other institutions specify what happens, if no new policy is adopted and which political actors have the rights to draw up, propose, and amend new revenue legislations. Research hypotheses building on [Romer & Rosenthal's \(1978\)](#) agenda-setter model, therefore, investigates, whether varied assignments of these rights lead to different policy choices.

By contrast, and despite their important contributions, pure Leviathan, benevolent-dictator, and demand models are too broadly drawn to help answer the questions that currently motivates research in political science and political economics. In seeking

explanations for variation across countries, over time, researchers can turn to theories that permit them to model constraints on maximization and the deviations from optimal performance. Similarly, rather than assuming that demands are satisfied, researchers can explain, how individual preferences enter political processes and consider, whether, they are differentially influential. In addition, some research questions effectively, presupposes the possibility that institutions matter. Does democracy affect taxation? Do the varieties of democratic decision-making institutions have fiscal implications? These are hard but tractable questions. The next section examines leading research strategies for answering these questions.

Weighing on Models of Policy Determination

This section considers how researchers derive and test hypotheses about roles of institutions. As we have seen, many scholars, view elections, as the core institution that determines policies. Other scholars are more interested on problems of governance, after elections. So, this paper looks at post-electoral governance and models of decision-maker interactions with post-electoral politics. Wherever possible, here compares empirical findings associated with various models. This may not make direct contrasts. However, because the models frequently, do not try to explain the same dependent variables, and not all models may have been used to guide empirical (systematic) research.

Spatial Voting

In spatial models, elections translate public preferences into government policies. Several assumptions are common to most spatial models applied to fiscal politics. Each voter cares about his/her own post-tax, post-government spending income and considers candidates' announced policies from this point of view. Each voter chooses the candidate, who puts forward the policy that is best for her own situation. A candidate has some knowledge of the electorate and announces a policy platform to maximize some goal, such as, gaining office or ensuring the best policy. Each candidate knows that any other candidate is also announcing a platform. The strategic policy selections of the candidates, thus, introduce elements of top-down analysis that focused on elites. Nevertheless, the main empirical emphasis is from the bottom up, as electorate's characteristics determine, which candidate (and platform) wins. With emphasis on electorate characteristics in mind, researchers, can use a spatial model to generate policy predictions from observable features of societies and their electoral behavior, such as, overall income, inequality, and turnout.

Median Voter

The median voter theorem is the spatial model, most widely, applied to fiscal politics. This approach assumes the existence of (only) one manipulability element of tax policy (the first such applications are [Romer 1975](#), [Roberts 1977](#)). In the influential formulation of [Meltzer & Richard \(1981\)](#), society has one-dimensional policy choice of

setting a linear income tax rate. Candidates know with certainty, electoral implications of selecting a tax rate and care only about holding office. It can be shown that candidates converge on the same policy platform in equilibrium. (Additional assumptions, include that all tax revenue goes to transfer payments in equal lump sums to individuals, that the budget is balanced, and that voters, know the costs and benefits of the redistribution they demand, including, incentive effects on works and consumptions.

The regime institutions that are hypothesized to matter are those that increase (decrease) turnout and therefore, typically, select a voter relatively low (high) on the income distribution to occupy the median position. Such a voter wants more (less) taxing and spending. [Meltzer & Richard \(1981, 1983\)](#) test a model with time-series data on the United States (1937–1940, 1946–1976) and the United Kingdom (1953–1979). Elaborations of the model and pooled time-series analyses cover OECD (Organization for Economic Co-operation and Development) countries ([Franzese 2002](#)) and 65 countries ([Boix 2001](#)). Among OECD democracies, Franzese finds that higher rates of voter participation were associated with higher demands for taxing and spending. This turnout effect is magnified by greater income inequality. [Boix \(2001\)](#) finds that public sectors grew in parallel to structural changes associated with economic development under democratic regimes, though in authoritarian regimes, the size of the public sector remained smaller (but see [Cheibub 1998](#) for contrasting results). Boix also finds a turnout effect and relatively small effects on the size of the state from varied constitutional arrangements (presidentialism exerts a negative indirect effect by suppressing turnout; proportional representation exerts an indirectly positive effect by enhancing turnout; federalism has a small indirect and direct effect).

Notwithstanding the simplicity of its premises and its explanatory power for certain questions, the median voter model has limitations. One problem is the restrictive condition that the fiscal decision concerns only one dimension. In practice, policy makers consider multiple tax instruments and multiple tax bases. Tax incidence involves multiple dimensions as well, especially, the balance between regressivity and progressivity of the tax system, in addition to the overall burden of taxation. Unfortunately, the unidimensional policy assumptions, does not provide a starting point for explaining different ways that states collect revenue or the different patterns of incidence. Purely self-serving candidates do not square with partisans, who care about policies. The equilibrium prediction of policy convergence is difficult to match with competing candidates, who offer dissimilar campaign platforms. An observational limit to the model is that characteristics of the median voter are highly correlated with characteristics of other voters, and thus, most tests of the model cannot distinguish between median voter–driven results and results that are driven by voters in other areas of the distribution. Finally, the model abstracts away intraparty and intragovernmental bargaining and provides few insights into how campaign

platforms become laws.

Probabilistic Voting

Probabilistic voting models permit analysts to incorporate many-sided political issues into analysis and derive hypotheses about complex policy choices. A key assumption is that candidates do not know for certain, electoral implications of their platforms (see [Austen-Smith 1991](#) for a critique). Each voter, not just the median voter, has, at least, some positive probability of voting for a given candidate. With this, a candidate seeking to maximize vote plurality (or likelihood of winning) needs to direct programmatic adjustments to the vote choices of all voters. According to the representation theorem (analogous to the median voter theorem), probabilistic voting in a multidimensional policy space yields an equilibrium prediction in which competing candidates, converge on the same (multidimensional) policy.

With candidates converging on the same platform in probabilistic models, research problem similarly becomes a bottom-up question of ascertaining the electorate's demands for taxation. For example, in a comparative analysis of state and local taxation in the 50 US states, [Chernick & Reschovsky \(1996\)](#) seek to explain differences in progressivity and regressivity of tax structures. [Volkerink & de Haan \(1999\)](#) seek to explain variation in the mix of tax instruments (personal income taxation, public pension contributions, and consumption taxes) across OECD countries from 1965 to 1995. Nevertheless, the difficulty of imputing interests to fiscal interest groups, partly, due to individual mobility across income groups over time, and other obstacles have limited successful empirical applications of probabilistic voting to explaining tax structures.

A probabilistic spatial voting approach to fiscal politics is fully elaborated by Winer and Hettich ([Winer & Hettich 1998](#), [Hettich & Winer 1999](#)). They model the minimal conditions, which the optimal political platform of a governing party has important features of actual tax systems observed in advanced democracies, namely, multiple rates, bases, and special exemptions. Such realistically complex tax platforms emerged from electoral struggles, between parties that must propose fiscal policies that cost-effectively, distinguishes, among economically or politically heterogeneous taxpayers. A simple and provocative statement that no party, hoping to win a general election in a democracy, would ever propose a real flat tax, because, more revenue can be raised with less political opposition, if the party proposes varied rates across individuals.

The limitations of probabilistic voting model of fiscal policy require further attention. First, the model's current formulation, does not yet offer predictions about how institutions, other than elections, produce varied fiscal calculations, nor does it include, any room for policy making, apart from campaign positioning. Hettich & Winer, informally examined how constitutional separation of powers in the United States, compared, with the parliamentary system in Canada, contributes to observed

differences in tax policies and tax policy-making processes. Fully in the spirit of this essay, they call for researchers to model the effects of such institutions on measured economic variables. Second, it is difficult to reconcile the central assertion that every feature of tax policy is an equilibrium choice of the incumbent party, with the potential for political market failure. In other words, a researcher, using the probabilistic model alone cannot determine, if a policy rule, indeed emerge from a fiscal-political calibration. Only a detailed historical reconstruction of a given policy decision can rule out other possibilities, such as, that a policy developed, as a trade-off for some other non-fiscal policy (such as a regulation) or even from a failed drive for efficiency. Third, in many cases, competing models of policy determination produces observationally equivalent predictions, more problematically, the probabilistic model employs hard-to-measure independent variables (such as, the weights assigned to each voter and the detailed calculations of costs and benefits that each type of voter receives under various policies). Although some general predictions can be sustained, researchers using the model have not yet produced a full range of empirically testable implications ([Poterba 1999](#), p. 431). Fourth, the reliance on policy convergence, may not satisfy scholars, impressed by persistent divergence among political parties.

Partisan Competition

A formal treatment of economic and political equilibria, which competing parties, offer different policies can be found in the partisan competition model. This model avoids purely venal candidates and takes a different view of party formation. The first two factions are familiar opportunists, who seek office ([Downs 1957](#)) and reformers, who seek the best attainable policy outcomes, under present circumstances ([Wittman 1973](#)). The third faction is new to formal modeling, although well-known to most political observers. This third group contains militants, who places no value on winning current election, nor on influencing the next government's policy. Instead, militants seek publicity for their ideal policy, so that voters, eventually, will adopt that policy as their own model, as well. Another way to conceive of reformers and militants is that both care about policy but at different discount rates. The model assumes multidimensional policy choices, as inputs, as well as, uncertainty, among parties, about electoral implications of policy platforms. Bargaining among the factions within each party crucially reduces acceptable policy space for each party, and thus, goes a long way toward generating stable pairs of policies offered by competing parties. Each party offers a platform, which its three factions, do not unanimously wish to deviate, given the platform of the other party, which defines a party unanimity and equilibrium.

Several stylized facts about democratic politics fits the model. In particular, candidates, generally make crucial divergent policy proposals during political campaigns. The campaigns typically generate debates that simultaneously involves many dimensions, such as, taxes, deficits, social spending, defense spending and

additional non-fiscal issues, including, religion, nationalism, and citizenship. Moreover, parties are indeed uncertain about the outcome of elections, which even with modern polling techniques, cannot predict unfailingly, the electoral implications of any party's policy pronouncements. This partisan model also offers novel explanations for important puzzles. Why do political parties (on both the left and right of the political spectrum) support progressive taxation? Why do the poor not expropriate the rich? Each has been answered before, and Roemer's answers involved complex computations. It is, nevertheless, laudable that a single theory resolves (and others), without resort to ad hoc amendments.

Post-Electoral Governance

For sustained attention to policy-making processes, scholars can turn to several models of post-electoral governance. The basic insight is that decision making in democracies, frequently involves several elected officials. Policy can be seen to emerge from strategic interactions. Like other micro-analytic, actor-centered approaches, such models, require making certain assumptions about who is involved, their preferences, available options, and the sequence, which these choices are made.

Veto Players

A veto players model is one of the two predominant post-electoral governance models. [Tsebelis \(1995a, b\)](#) builds on collective choice theory to construct the basics of this type of model. A veto player is a person or group, whose agreement is required for a new policy to be adopted. Each player is assumed to have preferences over possible policies. When a player is a group, the decision rule for that group (e.g., unanimity, super-majority, majority) must be specified. The status quo is the location of the current policy within the policy space (of one or more dimensions). The winset of the status quo is defined, as the set of policies that can defeat the status quo, according to institutional voting rule in place for these veto players. (For example, in a three-party coalition government deciding by unanimity, the winset of the status quo, is the set of all policies, that all three parties prefer to the status quo.) In the veto players model, policy stability, does not decrease, as the number of players increases with diverge policy preferences.

Who or what counts as a veto player in an empirical analysis? The coding procedures depend on constitutional structures and parties. In a parliamentary-ministerial system, each party in the government coalition counts as one (partisan) veto player. In a congressional-presidential system, each branch controlled by a different party counts as one (institutional) veto player, whilst in a multi-cameral system, each chamber controlled by a different party counts as one (institutional) veto player. Given relatively frequent changes governing coalitions and partisan control of varied institutions, measures of veto players, exhibit greater variability, over time, than measures of constitutional and party systems alone.

Comparative research tests the proposition that multiple veto players, lead to stable tax policy. For example, the number of veto players in advanced industrial democracies was associated with sticky statutory tax rates in the late 1980s ([Hallerberg & Basinger 1998](#), [1999](#), [Wagschal 1998](#). See [Ganghof 1999](#)). The consequences of multiple veto players can accumulate over time. [Boix \(2001\)](#) finds that presidentialism (compared with parliamentarism) has a strongly negative effect on government revenues, through a status quo bias, in an otherwise upward-trending series.

With the aid of additional information, beyond the number of veto players, this type of model can also generate finely grained hypotheses about the nature of change and its timing. In particular, the analyst needs information about the precise preferences of the players and about the nature of the status quo policy outcome ([Bawn 1999](#), p. 708). For example, Bawn's analysis of German fiscal policies from 1961 to 1989 (on the spending side) shows that policies changed in response to shifts in the partisan composition of government, but only, when a winset analysis predicts policy change.

Agenda Setter

Agenda setter models allow scholars to explore the impact of different distributions of proposal and amendment rights, among decision makers. In these models, an institution, such as a committee, has the right to propose new legislation; where this right is exclusive, the committee exercises monopoly agenda control or perfect gate-keeping ability. Another institution, such as the whole chamber, then has the right to vote the (amended) proposal up or down against the status quo. The actors in both institutions have preferences over policies. The strategic interaction of the actors can be examined by working backward from the last move: The chamber will approve any policy it prefers to the status quo and will vote down any policy that it does not prefer to the status quo. On the first move, the agenda setter anticipates what will unfold later by proposing the policy nearest to its own ideal that the chamber will approve. [Baron & Ferejohn \(1989\)](#) developed an influential Rubenstein-Stähl bargaining model of this type for the US Congress. [Diermeier & Feddersen \(1998\)](#) elaborate a model, which agenda setting is valuable to explain, why legislators in parliamentary-ministerial systems vote more cohesively with other legislators (even across party lines) than legislators do in congressional-presidential systems.

Applications of agenda setter models to national fiscal policy have little to say about different types of elections, parties, or constitutions. But instead, concentrate on the legislative decision rules that most types of models ignore. The main hypothesis of agenda setter models of fiscal policy is that restrictive proposal and amendment rules enhance agenda control by the majority. A testable implication is that, agenda control, should lead to a status quo bias, especially, when the preferences of the chamber have changed, more than the preferences of the committee. [Stewart \(1991\)](#) develops such an explanation for the absence of major tax reform in the United States in the post–World

War II period, up through the early 1980s.

[Huber's \(1996\)](#) analysis of the package vote procedure in the French National Assembly, develops an agenda setter model in a comparative context, supported by evidence, regarding debates over fiscal legislation. Under the package vote procedure, government requires the assembly to consider a bill and government-sponsored amendments, as a single package in an up-or-down vote, without further amendments. This procedure, thus, reflects a strong monopoly agenda and amendment control by the government. The hypothesis is that, the governing coalition, uses the package vote to protect bargains among governing parties from subsequent log-rolls. Huber finds empirical support for two tests implied by the main hypothesis. Primarily, distributive bargains, such as, those involved in tax legislation, received package protections, more frequently, than the non-distributive bargains of other types of legislation. Secondly, complex bargains received more frequent protection than simple bargains ([1996](#), pp. 92–96).

The origins of decision rules are not settled by generic agenda setter models. In this area, scholars can expect new findings in the future. Scholars of the US Congress debate the relative merits of partisan ([Binder 2001](#)), informational ([Krehbiel 1998](#)), and median voter ([Schickler 2000](#)) explanations. For France, [Huber \(1996\)](#) provides historical and analytic accounts of how restrictive voting procedures emerged. [Powell \(2000\)](#) contends that the majoritarian versus proportional balance in decision rules tends to match the majoritarian versus proportional balance in electoral laws, although there are important exceptions and the theory on this question is not yet fully developed. [Hallerberg & von Hagen \(1998, 1999\)](#) explains the choice of varied executive decision rules, as alternative resolutions of the common-pool resource problem that governments confront in allocating spending authority over tax revenues. Hallerberg & von Hagen contend that multi-party coalition governments, employ fiscal contracts, whereas, single-party governments delegate to strong finance ministers. Such explanations, view decision rules, not as fixed constraints on policy makers, but rather, as solutions to problems (moral hazard, time inconsistency, informational asymmetry, and so on) that emerge, while governing.

Research on post-electoral bargaining, confirms that tax policies are slower to change in the short run, when there is more than one veto player involved in decision making. This status quo bias is in turn associated with slower growth in tax revenues. Some agenda setter research finds that strong agenda control is associated with stability in tax policies. However, broader empirical testing of agenda setter models is necessary to bolster this finding. Agenda setter and veto player models share the characteristic that they have been, most successfully, applied to the United States and to comparative studies of other advanced democracies. A limiting condition is that veto players can be identified, only when, parties are unitary actors. Scholars of new democracies may have to situate their models rigorously on the choices of individual legislators, rather than party groupings. With a focus on legislators, analysts can treat

party and majority formation endogenously. In addition, for many post-electoral models to be useful, institutions that are asserted to be influential in policy making, must exercise that influence practically.

Most post-electoral governance models omit citizen responses to policy making and the formation of elite actors' policy preferences. One author's statement about his own analysis applies to many. "Electoral competition is not modeled In order to focus on the process of governance, the time until the next required election, is initially, assumed to be infinite" ([Baron 1998](#), p. 595). Exogenous citizen preferences campaigns and voting results, simplify these models.

Elections and Governance

A few recent models integrate electoral competition and governing. In these models, candidates select platforms, citizens vote in elections, winning candidates become elected officials and negotiate policies, and then the sequence repeats. [Huber \(1996\)](#) develops a model of post-electoral policy making, which the decision makers seek higher office and reelection. This model usefully builds on the desire of French National Assembly deputies in the majority to support their governing coalition's policy compromise, while signaling their ideal policy positions to voters. Deputies achieve these twin aims, when they force the Prime Minister to invoke confidence votes on such legislative compromise. [Persson et al. \(1997, 2000\)](#) and [Persson & Tabellini \(2000, pp. 251–73; 2001\)](#) present several abstract models that integrate elections and governing. [Austen-Smith \(2000\)](#) formally explores tax rates and post-tax incomes under two typical institutional combinations of elections and governance (proportional elections with legislative bargaining versus majoritarian elections with winner-take-all legislative decision making), although systematic empirical testing remains to be done.

Integrated models, such as these, should help us to make sense of both top-down governance effects and bottom-up representation effects that are implicit in the core findings of empirical studies. [Gould \(2001\)](#) observes a difference in revenue levels across OECD democracies that uses proportional representation (PR), even controlling for other political and economic factors. PR countries, with at least, one large party, collected more tax revenues than PR countries, with only small parties (confirming [Steinmo & Tolbert 1998](#)). Theoretical and empirical work is needed to test the top-down explanation that large parties count on stable governments and make long-term, high-yield fiscal bargains, whereas, small parties alone foresee frequent coalition changes and strike short-term, low-yield fiscal policies. Another finding is that majoritarian democracies collect lower revenue than PR democracies ([Steinmo & Tolbert 1998](#), [Gould 2001](#), [Persson & Tabellini 2001](#)). Constituents of majoritarian parties that expect to govern alone, may support beggar-thy-neighbor competitive taxation that in the long run, produces lower revenues, whereas, constituents of parties that expect to govern in coalition favors broader revenue bases. In this case, we need to

test a bottom-up account. Whatever is the ultimate status of these explanations, stronger theory, should help scholars' sort through complex empirical patterns of association.

Integrated models, usefully, recognizes that voters and politicians, alike, respond to institutional incentives. One argument for integrated models is that a model's assumptions about actors, should be consistent across actors. Accordingly, a rational-actor-based explanation for institutional effects should be consistent with rational voters. A second argument focuses on completing the modeling shift from candidate to policy maker. Candidates in most election models, seek office and their platforms' pushes policy, whereas, the elected officials in most governance models, seek policies according to given preferences. Neither the election-based models nor the governance-based models sufficiently explain how office holders running for reelection balance demands of policy and office. Consistent elaborations of complete electoral and governing models suitable for applications to fiscal politics have the potential to produce compelling results than currently available.

Chapter's conclusion

Democratic institutions affect taxation at every stage of policy-making processes. The outlines of policy reform are frequently established in design stage, and analyses of this stage emphasize varied institutions and actors. For democracies, the design stage of tax policy, includes, elections. Campaign platforms have tax implications, even if essential details remain to be elaborated. Most importantly, elections determine success or failure of candidates and their tax platforms, thereby, selecting, who will exercise rights of proposal, amendment, and veto in the legislative phase. Legislation is at the core of this review, and many political scientists and political economists consider their analytic work to be finished, once, a policy proposal becomes law. Yet the implementation stage is not solely the province of applied policy research. Rather, political scientists, who employ principal-agent models of the legislature and tax administration, can study efforts of legislators to structure incentives for bureaucrats in the writing of statutes and in the establishment of bureaucratic procedures. Joint models of elections and governance can help researchers incorporate key elements from all three stages of policy making and specify their effects on policy choices.

Advocating for joint models of elections and governing is simply to provide stronger tests for ideas about the impact of democratic institutions. Hypotheses about institutional effects will be more analytically persuasive and amenable to empirical testing, if they can be derived from models that make a consistent assumption about citizens, candidates, legislators, and members of executives. All of them can respond to political and economic incentives. Such integrated models can be evaluated with information from a broader range of democracies. It is a research strategy recommended. Several databases permit cross-national, time-series studies that goes

beyond the OECD democracies ([Alvarez et al. 2000](#), [Beck et al. 2000](#), [Gould 2001](#), [Persson & Tabellini 2001](#)). Using such broader evidence is not only feasible but desirable, because researchers, who wish to investigate and develop positive theories of democracy, can fully evaluate their hypotheses with evidence from all democracies. Many of these rules are not fully constitutionalized but are instead endogenous to legislations and government formation. Moreover, a decision to employ a previously established decision rule or even a constitutionally mandated decision rule, is virtually, always endogenous to a policy-making episode. A promising way to understand decision rules is the product of politicians' attempts to resolve problems through collective decision making.

2

INTRODUCTION TO INFORMAL TAXATION (GLOBAL PERSPECTIVES)

In the last 50 years, unprecedented population growth, urbanization and economic development, particularly, in developing countries, failed to generate enough employment and expected incomes, compelling, unaccounted labour force to supplement its own means of employment, which affects the survival of the informal sector. Key characteristics within the informal sector are open-ended entries of enterprises into the sector, dependence on local resources, family proprietorship, micro- scale operations, low productivity, and non-adaptation to technology by many of these enterprises. Unregulated competitive markets, lack of governmental support and multiplicity of levies also weighs down the growth of informal sector. Dynamic character, alongside, instrumentalistic role towards bettering employment dynamics and driving developing economies toward growth and prosperity are among rallying necessities of informal sector.

Interestingly, theoretical studies of different aspects of this sector is equally necessary, especially, on formulation of appropriate policies, which is why, among others, support of Oxfam in Nigeria to Tax Justice and Governance Platforms aims to be achieved. As you may wish to know, Oxfam is an international confederation of 17 affiliates, with (Oxfam Novib-) SAWA among members of the confederation and part of Nigeria's Country office. These Oxfam's affiliates are networked across 94 countries, as part of a global movement for *change*. Oxfam propagates, a *vision* for a just world without poverty. A world, which people, including, informal sector players can influence decisions that affects their (daily) lives, enjoy immutable rights and assumes their responsibilities as responsible citizens of a world, where, all humans are valued and treated *equally*. Realizing this *vision*, means, overcoming a huge human complexities and developmental challenges in an ever- *volatile world*. Oxfam have a conviction, that, people can build a *livelihood* (of their own) without poverty, once, they are given the chance and opportunity to do so. Therefore, Oxfam supports local projects' and platforms, such as, tax justice & governance platforms, among others in developing countries, such as, *Nigeria*. Oxfam constructively lobbies the government and private sector companies to consider interests of the poorest people. Oxfam's campaigns involved (inclusiveness) of both men and women in developmental processes, together, with other Oxfam's affiliates and local partners. These are geared to increase impacts of development's dynamics globally. In Nigeria, Oxfam works with civil society (partners, including: the Niger Delta Budget Monitoring Group (www.nigerdeltabudget.org) and others, in areas, such as,

Economic Justice/Livelihood, Basic Social Services, Humanitarian Programming, Gender Justice / Female Leadership, Good Governance and adopting a right based approach to governance.

Though various writers have published academic papers about the informal sector. Very few books try to reconcile realities within the informal sector in a pragmatic framework that encapsulates (practical) informal actors on ground. That is what this book tries to do! In this book, we have given insight into diverse nature of informal sector's complexities, its role in the context of fiscal equity, economic freedom, human rights, democratic participation, and gender justice. Importantly, as NDEBUMOG tries to expound on the contradictions of formal and informal taxation in Nigeria, broadening on policy parameters that may be relevant to Nigeria's complex economic scenarios. We do hope, policy formulators and fiscal engineers finds the narrative of this book interesting at reshaping informal sector's policies toward fiscal equity, economic freedom, and human rights.

What is Informal Sector? Conceptual Analysis

The meaning of informal sector may be contested by many. The concept of informal sector is ambiguous, though popular, because it incorporates interest and diversity of broader groups through socioeconomic clusters, either, in micro or macro business settings. According to Keith Hart, who originally proposed the concept in 1973, it was initially referred to employment outside of formal labour markets. The idea was to distinguish businesses in their 'degree of rationalization, or embodiment of impersonal principles of social organization' (Kenyon, [2007:2](#)). In the 1970s, the International Labour Organization (ILO) took up the concept and mainly used it for small and micro enterprises that were outside the purview of government regulation and taxation ([ILO,1972](#)). These were businesses in the subsistence economy. The term was reinterpreted, when de Soto ([1989](#)) identified the informal sector, as a source of dynamism and growth, held back, only by inappropriate government regulation. The concept of the informal sector, thus, moved to a focus on the legal status of businesses, either, registered and complying with relevant legislation. It is this legal definition that have widespread uses today (Gerxhani, [2004](#); Kenyon, [2007](#)).

In Nigeria, the history of origins of the concept highlights several issues that are pertinent to our concern with taxation. Primarily, the term initially described labour conditions. Its current uses encompass informal wages, the self-employed and informal sector's firms. Furthermore, the term 'informal sector' is often used to describe a dichotomy existing between the formal and informal sectors. Practically speaking, the (diverse) dichotomy of formal and informal sectors, may be misinterpreted by many. Such misinterpretations are demonstrated through inappropriate processes that taxes and levies are imposed on informal sector, even as the formal sector benefits from tax holidays, waivers and incentives in ways and manners that violates economic justice, social equity, and human rights. As evident from surveys of businesses in Nigeria and the *developing* world, there is a gamut of trades' types from informal (struggling-businesses) to the most formal (tax-paying,

law-abiding, and formal businesses).

Depending on the context, businesses often moves along this dynamic. Some of these businesses seeks formalization, whilst others, could prefer informality for costs benefits of avoiding the tax- net. In fact, while some firms may escape national taxation, they are often burdened by several types of fees, levies and unregulated charges paid to national and sub-national governments. Broadly, the literature on private sector's development has extensively highlighted that the formal and informal economies are complicatedly linked. Formal businesses often use inputs produced by the informal economy and are frequently involved in complex subcontracting arrangements with them, for example, advancing credits in the form of materials (Hays-Mitchell, [1993](#)). At the same time, many street vendors and small traders operate on behalf of larger and medium-sized businesses. Retailers in Africa, often, engaged informal sector's operators to sell their goods on the streets.

Among key functions of any government is to finance social infrastructure and effective service delivery. Taxation is a major fiscal motion, where government mobilizes funds. In many developing countries, direct taxation of households, could be limited, comprising only 18% of total tax revenues on average, compared with 45% in developed countries ([Roger Gordon and Wei Li 2009](#)). In some countries, agricultural sectors are often entirely exempted from taxation and local taxation is generally constrained ([Richard M. Bird 1990](#); [Robin Burgess and Nicholas Stern 1993](#)).

Substantial anecdotal evidence, however, suggests that local residents in many communities throughout the developing world, do contribute substantially – outside the formal tax system – to the construction and maintenance of local public goods (e.g., [Elinor Ostrom 1991](#)). People pay in both money and labor to these projects, with often, complex arrangements that determines how much each household should pay and what penalties apply for those who refuses. Many countries and communities even have specific terminologies to describe these systems, such as *gotong royong* in Indonesia, *harambee* in Kenya and *Etiibe* in Ibibio Nigeria.

The above, though, some levies, refers to these mechanisms of financing for local communal goods as “informal taxation.” It could be defined as informal tax system of local people, coordinated by community or public officials. But enforced, socially, rather than through the formal legal system. Distinction between formal and informal (legal versus social enforcement) parallels the use of these terms in the informal indemnification literature (e.g. [Robert Townsend 1994](#)). The involvement of public officials, discussed in detail below, distinguishes, informal taxation, from, for example, support for public goods and humanity by charities or non-governmental organizations.

In this book, NDEBUMOG developed a systematic macro-evidences, distributional tax implications, side by side, other forms of informal taxation, using data collected, analyzed and shared by Tax Justice Platforms across twelve states of Southern Nigeria (namely; Ogun, Imo, Ondo, Anambra, Bayelsa, Delta, Oyo, Lagos, Enugu,

Edo, Ebonyi and Rivers state). These platforms came under the management of NDEBUMOG in January 2019, through Oxfam's (Nigeria) mandate.

Informal Taxation Evidentiality Versus Community Levies

Informal taxation is a system for financing for local public goods, characterized by social enforcement through the involvement of public officials. Qualitative evidence suggests that informal taxation is a common form of local finance for the construction and maintenance of social infrastructure, such as, roads, schools, and water systems throughout developing world (e.g., [Ostrom 1991](#)), although formal empirical evidence on informal taxation remains fairly limited. A range of studies have documented the presence of informal taxation in various countries across Latin America, Africa, and Asia. Several patterns are emerging from the range of anecdotes and studies of informal taxation or community levies. Payments do not appear to be chosen by households, individually. Rather, expected payments are generally coordinated by community leaders or a project committee. Households may be expected to provide a given monetary payment, as in the case of school fees in Kenya ([Miguel and Gugerty 2005](#)) or provide a certain number of days of labor ([Ostrom 1991](#); [Sharon R. Roseman 1996](#)). In some cases, there may be, a choice, between paying in labor or in money ([Njoh 2003](#)). Many of these studies, document the existence of non-contributors and described a range of punishments that may be imposed on such individuals. In Nigeria, these levies are imposed by several clusters of “community leadership”, such as, chiefs, women leaders, youth leaders, security committees, vigilante groups or neighborhood associations, et al. Interestingly, [Miguel and Gugerty \(2005\)](#) provided several anecdotal of social sanctions in the context of school financing in western Kenya. A common sanction is the public announcement of the names of parents, who are late with fees. Other forms of sanctions, include “sending letters to the homes of parents that are late with fees, asking local church leaders to encourage payment, during sermons and making personal visits to individual homes of debtors accompanied by the local Chief” ([Miguel and Gugerty 2005](#)). Other examples of punishments, include, fines ([Ostrom 1991](#)) and denial of access to communal resources, such as, the use of a cattledip ([Thomas 1987](#)). It is possible that punishments, could also include, exclusion from community credit, risk-sharing arrangements, or other types of social enforcement, as in the informal insurance and microfinance literatures.

In 2002, a village, where one of the researchers was staying, received 29 drums of raw asphalt from the district government. To make use of the raw asphalt to resurface a road, the village needed to raise funds for additional materials (e.g., finely crushed gravel, coarse gravel, sand), as well, as labor. To solve this problem, the village head called a meeting in the neighborhood, where the road would be built. At that meeting, the village head, neighborhood head and an informal community leader (a local schoolteacher) went around the room “assigning” payments to each household. These payments increased with income: poorer households, would be asked to pay a small amount (usually a few days of labor), whereas, wealthier households, were asked to pay in money, with the wealthiest households, asked to pay the most. The

meeting did not specify what sanctions would be for non-payment. However, given that, payments were assigned in a public meeting, one can presume social pressure will be applied to those, who failed to meet their assigned payment level.

In view of the above, quantitative work on the distribution of informal tax burdens has focused on two countries mentioned above, being, Indonesia and Kenya, though this book has integrated lessons and emerging issues about informal taxation from Nigeria and elsewhere. [Beard \(2007\)](#) finds that Indonesian households, with more assets or more education, pay more in labor and money toward informal taxation, whilst those with high household expenditure pay less. Note that these effects are not unconditional, as regressions, include all these factors as independent variables. In surveys of particular communities in Kenya, [Thomas \(1987\)](#) finds that labor payments are widespread and that the rich are likely to make cash payments than the poor. [Barkan and Holmquist \(1989\)](#) finds that participation and labor payments tend to follow an inverse U-shape, with respect to landholding, while payments in cash are increasing in landholding. Similarities may be different in other countries.

There are surveys that could be cited. For example, over 100 household were surveyed, including, (but not limited to) every publicly available World Bank Living Standards Measurement Study (LSMS) survey. To be included in data sampling, a survey needed to elicit information, specifically, about payment towards provision of local public goods. A typical example of a study question was, “In the last 12 months, did you personally or any other member of the household participated in any of the following ... in the collective construction of community works (roads, schools etc.).” Sampling includes every household survey that met this criterion.

In addition to these pre-existing datasets, there was a design of a special survey module on informal taxation for the Health and Education Service Survey in Indonesia. This survey module included, detailed questions on labor and monetary payments, as well as, questions on the decision-making process and enforcement of informal taxation not available on other surveys. The Indonesia survey was conducted by Gadjah Mada University and the World Bank, as a baseline survey for a poverty-alleviation program. The survey took place in 5 provinces from June-September 2007 and covered a total of 12,000 households in over 2,300 villages. More details about the survey can be found in [Benjamin A. Olken, Junko Onishi, and Susan Wong \(2008\)](#). Types of community works mentioned on these surveys, included roads, water and sanitation systems, schools, health centers, dams and irrigation systems, electricity systems, and cleaning of public roads and areas, among others.

There are surveys that sampled households from 10 countries: Albania, Ethiopia, Guatemala, Indonesia, Nigeria, Nicaragua, Panama, the Philippines, Vietnam, and Zambia. A potential concern with these sampling countries was that, relevant survey questions are likely to be included in countries, where the phenomenon were prevalent. However, it was discovered that informal taxation is not geographically isolated to a region of the world. Other sampling contains countries from Europe, Latin America, Africa, and Asia. In addition, anecdotal evidence indicates that

informal taxation is common in many countries...

Surveys were conducted between 1997 and 2007, and sampling sizes range from approximately 1,500 to 30,000. These surveys were nationally represented, with the exceptions of Ethiopia, Indonesia, and the Philippines, which were conducted in rural areas only. Indonesia and the Philippines focused on a poorer-than-average selection of rural areas, since both surveys, were conducted as baseline surveys for poverty alleviation programs. All surveys contained information on in-kind labor payments toward public goods and monetary payments. Note that the recall period, varies across surveys, whilst most surveys asks about payments over the past year, one survey (Philippines) asks only about the previous six months. Two surveys (Nicaragua and Zambia) asks about the previous 5 years. Informal taxation is prevalent in all surveyed countries, with exception of Albania. Participation rates are 20% or higher in all countries and exceed 50% in Ethiopia, Indonesia, and Vietnam. Across the sampling, participation rates were between 27% (Vietnam) and 183% (Guatemala) higher in rural areas, than in urban areas.

More Studies on Informal Sector Taxation, Anambra State, Nigeria

Study Goals and Objectives

Anambra state Tax Justice Platform conducted a research, which was to provide a report on status of tax policies and practices in informal sector of Anambra state.

Specific objectives of the study were:

- To understand administration of taxes on informal sector in Anambra State, especially, as it affects all players in the sector, e.g., small scale artisans, traders, women, and subsistence businesses.
- To provide CSOs and government with evidence on effects of taxation on the informal sector in Anambra state, which will guide CSOs to develop advocacies for policies review.
- To empower workers in the informal sector of their tax liabilities and mobilize citizens for right based approach to tax issues.
- To increase awareness about tax issues in informal sector in Anambra state, encourage voluntary tax compliance and demand accountability in revenue management.

Background of Anambra State Tax Justice Platform's Study

Over the years, studies on taxation has revealed the existence of a huge tax gap because of estimated untaxed population in Nigeria. It also revealed that a major contributory factor of low tax to GDP ratio is high in informal sector, as substantial number, may not have been captured into the tax net. Findings informed reasons for

interventions from supply and demand sides. Capacity building for citizens' groups, awareness creation, alliance building and advocacies to relevant government agencies has been part of interventions by Anambra State Tax Justice Platform. This strategy, which is important for strengthening informal sector taxation is considered extensive, especially, across 16 states of southern Nigeria that have the highest concentration of informal sector's activities. Informal sector is complex and has presented challenges of revenue mobilization to tax authorities. Some informal sector's businesses could avoid tax. This, among other challenges in the sector are acknowledged in Nigeria's National Tax Policy (NTP), which states that compliance is a major problem in Nigeria's tax system. The policy further mentioned administrative burden of applying tax laws as cumbersome. Therefore, efforts should be made to effectively and efficiently deal with these issues to increase compliance.

Informal sector, which is also referred to, as a “hard to tax sector”, lacks a cohesive policy for taxation. Tiers of governments, especially, at the sub-national and local government levels are bedeviled with multiple tax generating agencies. Such has contributed to escalation of poverty and widening of inequality gap, as informal sector players-artisans, subsistence workers and market women bear heavy burdens of arbitrarily imposed (multiplicity) taxes, levies, rates and outrageous charges collected, through collection methods that are dehumanizing and causes bodily harm.

The above are usually among strategies employed to encourage informal sector businesses to formalize and come into the tax net. However, archaic methods in tax collection ignores social, cultural, and historical antecedents that have made some informal sector's activities operate perpetually at informal level, almost consequentially, making informal business methods a permanent feature among economy of modern society. As service delivery pressure rises on government, revenue mobilization at all levels also surges for the informal sector. Studies showed that, unless revenue mobilization is done with caution, it could be counterproductive, as it could stifle businesses, create unemployment with resultant poverty, alongside, widening inequality gaps.

Scope of Study

This study was conducted in Anambra state. It covered three senatorial districts in the state. Using a participatory sampling technique, two Local Government Areas were selected per senatorial district, with one community/city representing a senatorial zone and LGA, respectively. Though Anambra North had additional LGAs and communities, which was justified through informal activities gauged. Research questionnaire was constructively designed to guide the study. The rural communities and cities were identified, using developmental tool of the state, either, on policy, regulatory reforms, and citizens perception about taxation.

Table 1: Selected Communities and Justification for Selection

S/N	SENATORIAL ZONE	LGA	COMMUNITIES
1	Anambra North	Anocha	Neni
2	Anambra North	Idemili North	Nkpor
3	Anambra South	Nnewi North	Nnewi Town
4	Anambra Central	Onitsha North and South	Fegge and Main Market

Anambra's Study Methodology

Data for this study were collected from primary and secondary sources. Primary data were obtained through key informant interviews and Focus Group Discussions (FGDs) through used of questionnaires. By shape and content, this study also involved some desk review of different documents and reports that were related to Anambra state. The state's development plan and related fiscal documents that concerns taxation were equally desk reviewed.

Justification for Key Informant Interviews (KIIs), Focus Group Discussion (FGD) and Questionnaires Sampling

Experiences from previous studies have shown that civil servants, especially, in Nigeria, may not respond adequately to questionnaires, if interviewed publicly. Sometimes, questionnaires may not be responded to completely. if questionnaires are completed, all questions may not be responded to, relevant documents may not be submitted. Key informant interviews are qualitative (in-depth) interviews with people, who knows what is going on around them. The purpose of key informant interviews for this study was to sampled information within a wide range of people, such as, community leaders, business owners, professionals, or residents, who have knowledge of issues in their locality.

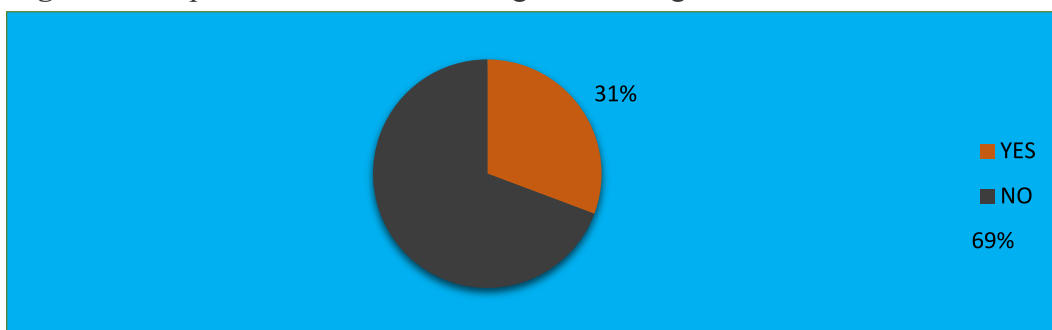
Analysis of Questionnaires and Findings

This section presents analysis done, alongside, data generated from the survey in line with the blueprint of the study. Recall that overall goal of the study was about issues around informal sector taxation in Anambra State in South East, Nigeria. Responses from various areas were analyzed as qualitative data. Data collection were carried out within specified timeframe. In total, 135 questionnaires were sampled through stakeholders, which included, traders, commercial drivers, parks' managers, local farmers, community leaders, Persons with Disabilities (PWD), artisans, Local Government Councilors, among others. Some questions in the questionnaires were:

Q. Are you aware of existing tax laws in the state and its applicability on citizens of the state?

31% of respondents agreed on existence of State (tax) laws, while 69% of respondents disagreed.

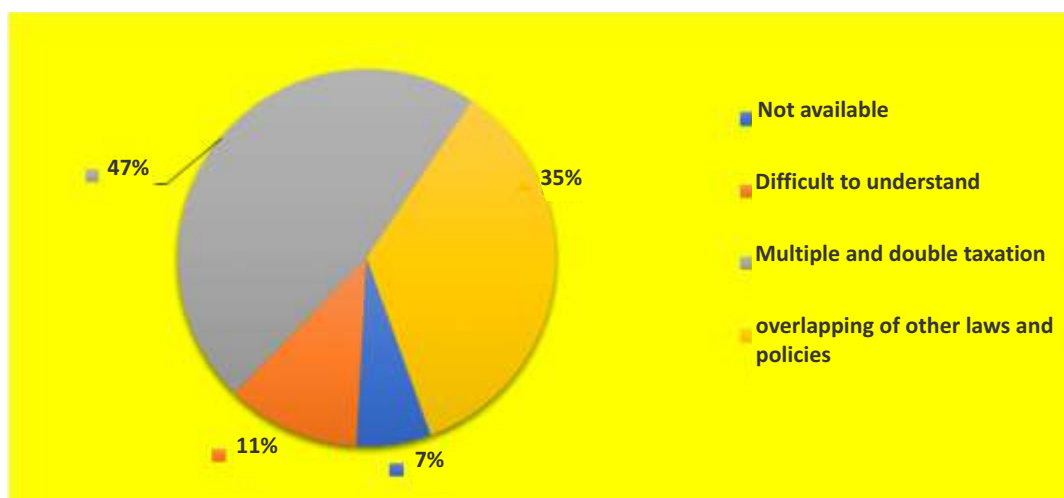
Figure 1: Graphical details of knowledge of existing tax laws in Anambra State



Q. What are the issues you have with tax laws and policies in the state?

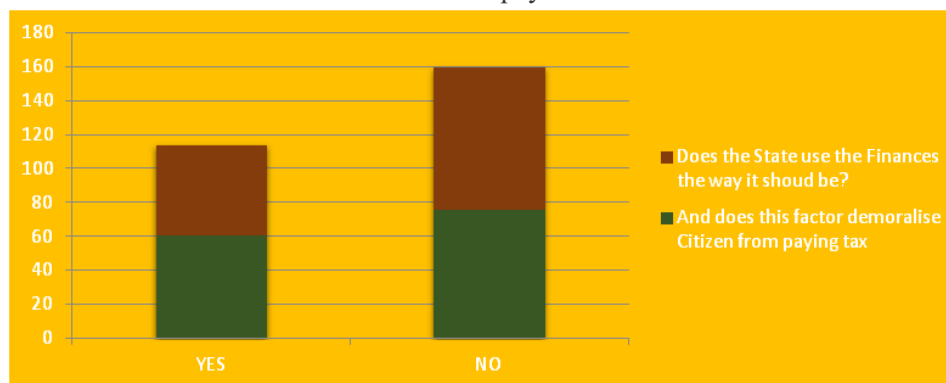
47% of respondents agreed that multiple taxation is the main issue they have with payment of taxes. Some respondents argued about difficulty to understand, overlapping rates and other taxes that discourages them... Another set of respondents, lamented over taxes on public parking spaces, shop fees, development levies, environmental fees, security fees, among others, paid but with services not available.

Figure 2: Graphical illustration of issues citizens' have with tax laws and policies in Anambra state



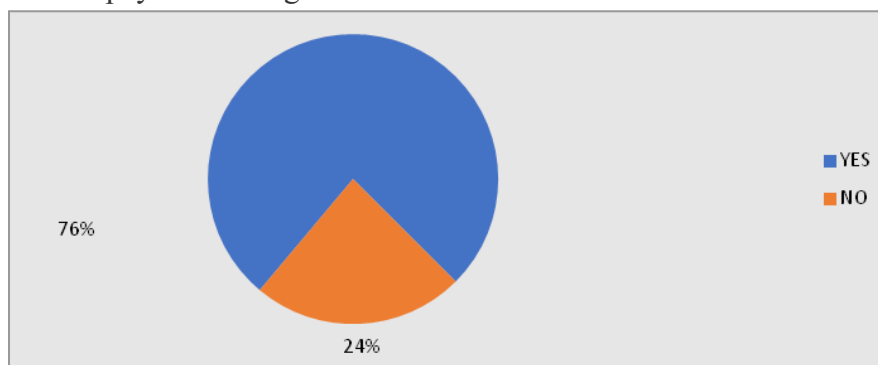
Q. Does the state use her finances the way it should be used and does this factor demoralize citizens from paying tax?

Figure 3: Graph showing citizens impression on the used of Anambra's finances and if this factor demoralizes citizens from payment of taxes?



Q. If the State were to be accountable, would you be willing to pay higher rate of tax?

Figure 4: Graphical sampling of outcome of citizens impression of accountability and payment of higher taxes.



Benefits of Equitably Taxing the Informal Sector

As previously noted, attention to increased taxation of the informal sector, which leveraged in its potentiality for fiscal mobility, growth, and sustainable governance. The weights of argument for aggressive informal sector taxation is based on direct/indirect benefits, notably, prospects of accelerated growth and the possibility for governance gains. Nigeria's Tax Justice researches reviewed this intricated element, vis a vis, methods of taxing the informal economy, with results, shared in another chapter of this book. Interestingly, in a country, like Nigeria, reconciling democratic freedom, economic and social equity, versus, aggressive or suffocative taxes, with poor service delivery has compounded collective gains, which tolerable tax regimes, could have ventilated for democratic gains.

Democratic Equity- Versus- High Revenues Target: Implications for Democratic Governance

Globally, the debate on the costs and benefits of taxing the informal sector has largely focused on direct revenues and equity implications. On the surface, taxing the informal economy appears to be potentially important on revenues mobilization, as the informal sector, holds a large, and in many countries, reasonable share of the GDP. Practically, revenues are likely to be comparatively uncertain, in view of wide gaps on tax-returns' against untaxed entities. Individual incomes within the sector may not be justifiably measured, as corresponding filing of PAYE taxes by micro-informal entities have several gaps, whilst undocumented collections in terms of levies are very high, owing to archaic and undemocratic nature of collections, either, through revenue-agents, tax consultants or firms mandated to collect on behalf of the government. In some cases, these collections revolve around political patronage (reward) system for a country, like Nigeria. Fair taxation within informal economy also raises equity concerns. Operators of informal sector's outfits are, mostly, low, or medium-income earners and taxation of such firms are regrettably regressive. Efforts to tax these informal sector's entities also increases the risk of bullying, intimidation, or corrupt behavior by tax officials. For these reasons, several tax experts are skeptical in evaluating their judgement for or against formal or informal sector.

Therefore, revenues and equity arguments for informal sector's taxation expansion rest on economic justice, fiscal equity, democratic equality, and human rights. Among arguments are that taxation of small informal sector's firms, yields little revenues in the short term but serves to bring firms into the tax net and ensures higher tax compliance and expansion of the net in the long-term. It builds up a culture of tax compliance. Fair tax campaigns turn tax- equity argument on its head. Suggesting, the failure of informal firms to pay taxes can be viewed by formal firms as being 'unfair'. This can lower general tax morale and discourage tax compliance among larger firms (Alm et al., [2003](#); Terkper, [2003](#); Torgler, [2003](#), [2005](#)). Fair tax campaigns may be argued from incentives proportion for formalization, which increases tax equity by offering small firms a measure of predictability and protection from arbitrary state and related racketeering action.

Arguably, while both claims (above) are spontaneous, evidences do not march the theory in developing countries. It could be widely believed that taxing small firms, may build a culture of tax compliance. However, there is no methodical evidence on long-term impacts of small businesses taxation through payment attitudes among these firms. Meanwhile, evidence that informality can lead to reduced tax morale is limited to cross-country correlations, with corresponding difficulties in asserting causation (Torgler & Schneider, [2007](#)). Power inequities between the state and small enterprises imply that, while formalization may offer protection and predictability to some firms, it may equally, make firms vulnerable to unequal treatment and harassment by making them more visible to state authorities. These risks have been

highlighted by recent research into informal sector's trading in border areas and conflict-affected states (Schomerus & Titeca, [2012](#); Titeca, [2009](#)). This research noted the potential benefits of formalization, or at least, recognition. Potential pitfalls of formalizations, if it disrupts precarious livelihoods or exposes traders to new forms of vulnerabilities were also highlighted (Tegera & Johnson, [2007](#); Titeca & Kimanuka, [2012](#)).

Connection Between Economic Growth and Informal Sector

Implications of expanded taxation for the growth of micro-enterprises are as important as immediate revenue implications. The concern for many tax experts is that increased taxation of small firms, may ultimately, hinder growth. Therefore, the cost could far outweigh revenue benefits. The thinking is that small firms opt into informality, precisely, because they believe, such informality will benefit them, in view of the burdens of business formalization. However, a growing body of research suggests that formalization – with entry into the tax net is a central component for business growth and access to government incentives, where it exists. Though informality encourages firms' to avoid certain costs, it may also, preclude access to certain opportunities available to formal firms, including, greater access to credit, increased opportunities to engage with large firms and government contracts, reduced harassment by revenue contractors, municipal officials and provides access to broader training, waivers and other supports. There are evidences that business formalization may lead to rapid growth, faster than informal firms. However, there are several unanswered questions about this notion...

A handful of recent studies has begun to provide robust and empirical evidence about the causal impact of formalization through unmeasured trends of firms or by employing other experimental methods. Drawing from the data on micro firms in Mexico and controlling for a wide range of firms' characteristics for economic potentials, Fajnzylber et al. ([2009a](#)) finds out that formalization, through access to credit, training, tax payments and participation in business associations has positive effects on turnovers and survival and allows firms' to reach their optimal growth level. Rand and Torm ([2012](#)) explore the impact of formalization on small and medium enterprises (SMEs) in Vietnam by employing a matched double difference approach and finds a positive impact on profits, investments and the formality of labour contracts. McKenzie and Sakho ([2010](#)) examine micro firms in Bolivia, using distance from the tax office as an instrument for informality in an effort to establish the causal role of formalization. They find that formalization in the form of registration with the tax authorities, increases firms' profitability, but only for mid-sized firms. McCulloch et al. ([2010](#)) similarly, employed instrumental variables in looking at small firms in Indonesia and found that the impact of formalization on sales is heterogeneous across firms, with the primary benefits for mid-sized firms and higher levels of employment. Remarkably, they attributed an important part of these gains to *reduced* tax payments and exposure to corruption after formalisation, thus,

highlighting the risk of harassment faced by informal firms. Moving beyond panel's data techniques, Fajnzylber et al. (2009b) used a regression discontinuity design in order to exploit a natural experiment offered by reforms that was introduced in Brazil in 1996, which made it easier for small firms to formalize. They, again, find a positive impact of formalisation on revenues and profits. They attributed these gains to the adoption of more permanent production techniques and staffing. De Mel et al. (2012) employ a controlled experiment in Sri Lanka, in which they randomized the availability of incentives for small firms as attraction to formalization. They find that a small group of these firms experience significant income benefits, though, most firms experience no significant changes in income.

Evidence has proven that formalisation of informal businesses can promote economic gains, though there are significant uncertainty, whether, smallest micro firms, could likely, be beneficiaries. Uncertainties about business varieties and channels, may also discourage gains from formalisation. It must be recognized that actual outcomes for firms – harassment or reduction in harassment, predictability or new opportunities varies and are shaped by power relations and political networks that links the state and individual firms contextually.

How Informal Taxation Affects Women

In Nakonde, Zambia, ActionAid conducted a focus group discussion with market traders, 90% of whom were women. There was no running water in the market. Women must pay US\$0.2 to use the toilet facility (prices for men are the same but men made less use of it), and US\$0.1 for a ten-liter container of water, as well as, other market fees. This often means, women go home for water, which reduces their incomes, as they must close their stalls.

In 2017, ActionAid Ghana carried out a study in Ga West Municipal Authority (GWMA), a rural area of Ghana, near Accra. Most women there were engaged in informal business activities, such as, market trading, hairdressing, soap-making, or dressmaking. The women paid a national 'tax stamp' (displayed in shops, by those, who have paid). It was a flat fee aimed at informal sector businesses, grouped according to business sizes and types. The tax stamp raised 1% of national-level revenues collected from the area. The local taxes included licensed fees and market tolls, which were levied on informal, as well as, formal businesses. The threshold for paying personal income tax in Ghana was ₵2,592 (US\$541). Some of the informal traders made more than this and some less. For many, it was impossible to say, as they did not keep records. Nevertheless, they all had to pay the tax stamp and local market tolls. A focus group in the GWMA area discussed issues of taxation of the informal sector. The group had 17 participants, which 13, were women and 4 were men. Observations included: they questioned why the revenue authority and the Municipal Assembly do not determine their incomes in a participatory way, before imposing taxes on their businesses. They said, some businesses that made little profit were

taxed heavily. They raised objections to the perceived arbitrary nature of presumptive taxes. (They are supposed to register for the tax stamp, which could mean less arbitrary assessment, but they were unaware of this.). They did not feel they were seeing much in terms of development and service delivery in return for their taxes. They have no advance notice of the tax collectors' visits, meaning, they sometimes must borrow to pay. In a wider survey (where most of the participants were also women), they felt, it was right to pay tax. But that, they had paid too much, whereas, they did not see development or service improvement.

Evolution of Tax to Service Agreement

An important factor motivating recent interest in taxing the informal economy is the possibility that payment of taxes by firms in the informal economy, may promote good governance, tax for services reward and political accountability through related service delivery channels. In order to encourage quasi-voluntary tax compliance, a state, may be more responsive and accountable to groups that pay taxes (Bates & Lien, [1985](#); Levi, [1988](#)). Citizens are likely to make demands for responsiveness and accountability, if they are paying taxes and will develop a sense of ownership over government activities (Bird & Vaillancourt, [1998](#), pp. 10–11; Prichard, [2009](#), [2010a](#)). Efforts to tax informal sector operators could catalyze collective action and political engagement by informal sector associations, providing a foundation for expanded bargaining (Joshi & Ayee, [2008](#); Prichard, [2009](#)). In Anambra state, Nigeria, the State's Tax Justice and Governance Platform, informed NDEBUMOG, that, through media campaigns by the platform, government in state found out that revenue contractors, were collecting, more than the amount, which they were permitted to collect by the state government. Upon realization of this by the government, the state government, immediately, directed (through public announcement) that the excess (collected), should be refunded back to taxpayers that has paid excess amount.

Interestingly, in view of emerging models, particularly, on tax to service that is evolving around business actors in Nigeria, traders across various markets in Akinyele LGA of Oyo state, converged and advocated for **tax to service** agreement between the Local Government Authority and Markets' operatives in the Local Government Area. Present at the meeting was the Director of Finance of Akinyele LGA, who emphasized the need for market operators and citizens to pay taxes. The LGA's representative, said, Akinyele LGA is prepared to see that taxpayers get justice for their payment through improvement in infrastructure within the LGA and markets. She enjoined participants to pay advocacy visits to relevant agencies of government and lobby prominent personalities on matters of interest across various markets.

Opportunity was given for markets' leaders and operators of micro-businesses to express their opinion and challenges on tax matters during the meeting. Some issues and challenges mentioned, were:

1. Bad road network, which is a major challenge, as it hinders shop owners from conveying their farm produce to the market. Inherently, extra cost incurred, as they struggle to convey their goods are borne by the buyers, thereby, adding to increase cost of living. They pleaded for the government to see that roads and other social infrastructures are improved.
2. Another market leader, complained that, although they have been paying taxes, they are yet to benefit infrastructurally from government. He expressed his frustrations about injustices within the system. The leader also expressed dissatisfaction over promises made by different groups that have visited the markets to urge the traders to pay their taxes, bemoaning that several promises, made, has gone unfulfilled.
3. There was a worrisome complaint about absence of public toilets across markets in the area, as few toilets available in the markets were built by the traders from self-imposed contributions and levies. This, they (traders) said, is highly inconveniencing, as more toilets are needed to be built across various markets.
4. On water supply, markets' leaders, complained about poor water supply in the markets. They asked the government to come to their aid by building, at least, two boreholes for markets.
5. Concerning drainages to prevent erosion, some leaders, complained that markets have been experiencing erosion. They suggested construction of a central drainage system.
6. Demand for streetlights was strong. The traders, said, if streetlights are installed, activities of criminals, who operates, mostly at night, will be curtailed and their goods protected.
7. One trader complained about challenges with the presence the of middlemen for tax collections. He said, the traders are constantly harassed, goods seized, even with injuries inflicted to some those unable to pay levies... Traders equally complained about multiplicity of levies that they are subjected to pay. They appealed to the government to help them with actions to overcome these inhuman acts. They complained, further, that some illegal tax collectors, have “some receipts”, which they issue to payers for monies, which may not go into government coffers.
8. Traders made request for additional stores and complained about injustices from the government, from a situation, after individuals, must have built their shops, government moves in to collect levies and taxes for new stalls the government never built.
9. Market leaders appealed for a building of a standard waste disposal system

for the markets, as existing one was poorly constructed and not environmentally healthy.

To tackle some of the complaints above, among others, Oyo State Tax Justice Platform, embarked on advocacy visit to this OYBIRS. The Platform was received warmly by the newly appointed Chairman of OYBIRS, Aremo John Adeleke, alongside, the Director of Informal Tax, Mr Adetokunbo Bello. Issues discussed at the advocacy meeting, included, tax justice that berthed the platform in Oyo state, citizens education/sensitization on Voluntary Tax Compliance, harmonization of tax laws to reduce multiplicity/double taxation, automation of tax payment system (keeping it simple and accessible), transparency and accountability in tax administration and government responsiveness on service delivery to the people through adoption of **Tax to Service** model, being a model to give back to citizens and build public trust. These key points were noted for action. The model of “**Tax to Service**” was pushed to the government's team for possible consideration and acceptance. Information sharing to markets' leaders on compulsory tax payment and automation of payment was deliberated, whilst mutual trust was solidified by both parties. “**Tax to Service**” and removal of oppressive tax collection methods through agents and tax contractors were also discussed.

In Edo state, according to the State's Tax Justice Platform's coordinator, “taxation must not be arbitrary, rather, it has to be negotiated”. Moreover, the tax justice coalition in Edo state, wants to talk to groups and organizations that works in the city to collaborate with them to push for **Tax for Service** agreement. What that means is that, those, who pay taxes within a neighborhood, should benefit from, at least, one or two services that government provides, which should be an incentive and support for their business. Where there is conflict, there should also be a means of resolution and a feedback mechanism between informal business owners and government.

Ebonyi state Tax Justice Platform, informed NDEBUMOG that **Tax for Service** and provision of amenities are part of what they intend to discuss with tax authorities and agencies of government in the state, during stakeholders meeting scheduled for Wednesday, 27th November 2019.

The above factors, suggest, if pursued in a comparatively manner that taxes can stimulate equitable growth. (Moore, [2008](#)). Moreover, taxation in the informal economy, could become, an important stimulus for expanding political voice, among, relatively marginalized groups. However, there are also grounds for skepticism, as informal sector firms are usually poorly organized, faces collective problems, lacks political power, and may fear reprisals from the state in response to demands. Given these challenges, Meagher and Lindell ([2013](#), p. 67) ask: 'Does taxing informal traders strengthen public accountability or just to create new avenues of predation?' There is some, albeit limited, evidence that taxation of the informal sector can lead to improved economic mobilization and accountability. Joshi and Ayee ([2008](#)), showed

that government efforts in Ghana to tax informal sector firms resulted, in, at least, some bargaining between informal sector associations and the government (see also Prichard, [2009](#)). In a similar circumstance, Prichard ([2010b](#)) finds that expanded taxation of small firms in Ethiopia triggered public engagement and prompted the government to include greater business involvement in overseeing the presumptive tax regime. De Mel ([2012](#)) finds that in Sri Lanka, formalisation of firms, including, entrance into the tax net, fostered expanded trust in the state, even, where the firms did not increase their profitability.

Nevertheless, potentials for further marginalization of micro-business entities could also be high. A variety of studies in contexts of conflict and fragility emphasizes the weakness of informal sector organizations and fundamental power imbalanced that characterizes their relationship with the state (Titeca [2009](#); Titeca & Kimanuka, [2012](#)). Indeed, broader literature that has looked at the political benefits of the informal sector, highlights the complexity of potential outcomes. Lindell's ([2010](#)) review of unequal forms that political agency exercised on informal operators, which highlights divergent outcomes, ranging from, cooperative bargaining with the state to fragmentation of political voices. Similarly, Meagher and Lindell ([2013](#), p. 68) noted that political action by informal associations frequently creates both winners and losers, potentially, fostering fragmentation of interests and marginalization of certain groups. What is critical is the 'situated analyses of who, where and when formal–informal engagement [as these] are central to understanding the selective character of incorporation and the interests they served'.

Policy Dynamics for Taxing Informal Sector: Case Studies from Nigeria's Tax Justice Platforms

Policy derivatives about the informal sector diverges around socioeconomic contestations and benefits thereto. For example, in Ondo state, South Western, Nigeria, efforts by Ondo state Tax Justice Platform, showed different dynamics and approached through fair tax campaigns of Ondo state Tax Justice Platform for impartial tax mobility in the state. Tax Justice Platform in Ondo and other states across Nigeria embarked on the following activities.

Research- New issues on taxes was introduced in Ondo State, which necessitated a research work to measure the effects on the people. Land Use Charge in the state is a new law passed in 2014, but came into effect in 2018, though the state government commenced processes toward operationality in 2017. There was also the harmonization or domestication of the Federal Tax Laws by the Ondo State House of Assembly in 2018. The essence of the conducted research was to sampled public awareness on evolving tax processes in Ondo state, with a view to determining its effects on the taxpayers and tax administrators. Around 150 questionnaires were administered across three 3 Local Government Areas in the state and within the three Senatorial Districts. In the final analysis, 82 respondents were females, whilst 68

were males.

Advocacy visits- Consequent upon outcomes from Ondo state Tax Justice Platform's researched work, the platform paid advocacy visits to Ondo state Ministry of Commerce and Industry, alongside, Ondo state Internal Revenue Service. These visits were to seek clarifications on tax issues and to draw attention of the government to matters and methods of tax collections that are not in tandem with acceptable democratic norms. Visits addressed lots of issues about informal businesses in Ondo state and helped draw attention of the leadership of the two agencies to some innovations that could aid smooth tax operations with fairness. Data of majority of businesses in the informal sector across the state, information on business premises dues, approaches on collection of taxes and levies, among others, were matters discussed. These advocacies, provided, avenues for synergies in fashioning out best democratic approaches for tax administration within Ondo state. Another advocacy visit was carried out by Ondo's Tax Justice Platform on the 12th of December 2019. The visit was to the Caretaker Chairman and management team of Okitipupa LGA. Another visit was also made to Akoko North- East LGA Caretaker Chairman and his management team on the 18th of December 2019. These advocacy visits were an eye opener on tax issues at the local government level. Caretaker Chairmen, senior officials of LGAs and (Tax) Rate Officers were mobilized to attend these meetings.

Equally, there was an advocacy visit on the 8th January 2020 to the Clerk of Ondo state House of Assembly. Visit to Ondo state House of Assembly was an opportunity to examine various laws, particularly, efforts of the State House of Assembly towards domesticating and harmonizing of Personal Income Tax Laws in Ondo state. During the visit, the Assembly's Clerk, promised to facilitate a meeting with the leadership of the state's Assembly, with a view, to enhanced harmonious relationship, between the platform and the Assembly. Issues relating to appropriate taxes by LGAs were discussed, as well as, issues of the state government taking over some responsibilities of LGAs with respect to tax and levies, alongside, other challenges. These meetings provided a mutually shared ideas with officials of government on ways to effectively carry out their responsibilities on taxation with social equity's sensitivity, human rights, and economic justice. Local Governments' operators were informed that they can effectively relate with informal sector players and local communities, without inflicting unnecessary hardship on the people...

Tax Education Sensitization- In line with Ondo state Tax Justice Platform's major objective of educating and sensitizing the public on tax issues, the platform, in conjunction, with the state Board of Internal Revenue embarked on sensitization exercises, aimed at educating tax payers, particularly, those in the informal sector towards understanding what to do in respect to tax and human rights. These sensitizations and tax awareness campaigns were attended by the leadership of artisans, traders, trade associations, private school owners and other interest groups. Representatives of Chartered Institute of Taxation of Nigeria (CITN), Ondo state

government and management of Ondo state Internal Revenue Service were all in attendance. Furtherance to this, on the 19th of December 2019, a community level sensitization was held at Bolorunduro in Akure North Local Government Area. It was geared at mobilizing all heads of markets, women and men, artisans, and traditional rulers in adjoining communities to educate and inform them about tax issues. It provided an opportunity for stakeholders to asked questions concerning tax issues. The presence of a traditional ruler at one of the events was significant, as the King gave his support and further admonished the people to comply with the laws on taxes.

Although the value of prioritizing taxation in the informal sector remains a recurring debate, there is agreement about the need to improve existing policies and practices. So far, the bulk of existing research has focused on techniques and structural nature of appropriate policies. Most of the studies were based on theoretical models or instantaneous experience from people affected. Notwithstanding, the main policy strategies can be divided into three taxation pathways: taxing indirectly, through trade taxes, expanding the tax nets of major formal sector players and developing specialized presumptive tax regimes.

Indirect Taxes in Informal Sector

The simplest way to tax the informal sector is indirectly through taxing the goods and services that revolves in the sector. Obviously, through Value Added Tax (VAT), which is not refunded to enterprises that are not registered for VAT and on import and export duties (Keen, [2007](#)). Here, 'indirect' implies that informal sector firms are not (themselves) registered as taxpayers but are, nonetheless, taxed by virtue of taxes paid on goods and services higher up and lower down national economic value chain. With practicalized originality, this is a predominant form of taxing informal sector businesses, as it does not require any active informal sector participation in the tax system (such as filing annual or tax returns), and does not come up against the difficulties of high compliance costs or limited capacity within the informal sector. Important sources of indirect tax revenues in developing countries, like Nigeria, are VAT, tax penalties, offshore assets' returns, among others. Largely, on the premised that VAT revenues are economically steadfast and less distorting to shocks, except, for situations, such as, COVID 19 that ravaged the world and reduced consumptions, due to national lockdown and international travel restrictions. Besides being able to tax a wide range of economic chains, important benefits of VAT are its ability to create positive incentives from informal sector firms or prospective dealings with formal sector firms that revolves within the formal tax system in order to claim tax credits, where this applies.

Despite the shift towards VAT, import and export taxes have remained an important component of developing countries tax revenue gradients, particularly, in low-income countries, even, as tax rates have declined in recent decades. Gordon and Li ([2009](#)) developed a theoretical model that shows how this behavior could be a good

strategy for dealing with tax evasion by potential taxpayers that are outside the banking system. The traditional economic argument against import taxes is that they prevent countries from fully exploiting their comparative advantage, and may, thus discourage growth. Agreeably, this hypothetical argument is weakened by the difficulties in taxing the informal sector. Dasgupta and Stiglitz (1974) showed that limitations on imposition of domestic taxes, could justify trade taxes (tariffs). Heady and Mitra (1987) showed how an untaxable agricultural sector, could justify taxation of imported fertilizer. Emran and Stiglitz (2005) have developed a theoretical model that shows, how a non-taxable informal sector makes tariffs potentially welfare-enhancing and relative to shift toward VAT.

Dependence on Existing Taxes on Formal Sector Firms

An obvious alternative to relying on taxing firms indirectly is to extend the reach of shared formal sector taxes through enhanced enforcement and compliance (for example, Bird & Casanegra, 1992; Bird & Wallace, 2003, pp. 7–8; Terkper, 2003). Additional incentives for compliance, such as, reduced rates or rewards to small firms that maintains effective records, can help, though both measures, can increase the overall complexity of the tax system and create incentives for small firms to remain, or appear to remain, small (International Tax Dialogue, 2007; Loeprick, 2009). Strengthening the enforcement of formal sector taxes, may be appropriate for larger firms within the informal sector, for very small firms, the administrative costs for the government are likely to be extremely high and present the risk of harassment and abuse.

Among resultant effects from the above are many developing countries that established relatively high thresholds for both VAT and income taxes, targeted, to exclude most small and micro businesses, which are instead, captured by presumptive tax regimes (discussed below). In contrast, the use in some countries of withholding taxes, enables taxes to be levied on small firms, without raising compliance issues (Keen, 2007). These taxes are extremely widespread and make up an appreciable share of total revenue collections in some cases, with governments or larger firms, withholding taxes on transactions with small businesses that may not be tax compliant. Withholding taxes are like taxing indirectly but with important difference that these taxes can be credited against the tax liability of tax compliant firms, thus, providing an incentive for non-compliant firms to become tax compliant. Keen (2007) argues that, such taxes, can be highly efficient: a withholding tax on imports, acts, like a tariff on non-compliant firms, whilst it is credited back to compliant firms, thus, increasing revenues from the informal sector, without distorting trade. Nonetheless, experience suggests that withholding taxes can become administratively burdensome. Such can introduce a high degree of incoherence to the overall system, while requiring cooperation from withholding firms, and, most importantly, an effective system for crediting those firms from which taxes are withheld (IMF, 2011, p. 40; James, 2009).

Presumptive Taxes

The most common method of taxing small informal firms is through presumptive taxes. Taxing small informal sector firms is hindered by two factors, which are: high compliance costs for small taxpayers and high costs of collection for tax administrators (Loeprick, [2009](#)). Presumptive taxes could resolve these problems by using a simplified indicator of a tax-base to simplify recordkeeping for firms and estimation of tax liabilities by tax collectors.

Within this structure, designs are highly variable across countries (Bird & Wallace, [2003](#)). The main variations are the following:

- Allowing a simplification of the generally applicable tax base, such as, the use of cash rather than accrual accounting. IMF ([2011](#), p. 41) supports this approach, noting that 'the difficulty is not that small traders cannot keep simple accounts – it is persuading them to share them'
- Using some other financial measure, as tax- base, rather than net profit or net value-added. Loeprick ([2009](#)) highlights turnover, as a widely used measure, while Sadka and Tanzi ([1993](#)) argued for the use of a tax on gross assets.
- Using a non-financial indicator of tax liability, such as, floor area or number of employees. This is the simplest approach that allows the estimation of tax liabilities by tax collectors, even in the absence of accounts. This also have obvious drawbacks.

Presumptive tax regimes differ across countries with specific features. In Ethiopia, instead of being subject to income tax and VAT, mid-sized firms are required to pay a presumptive tax on income, as well as, a 2 per cent tax on turnover. Kenya levies a 3 per cent flat rate on turnover to replace both income tax and VAT. Tanzania operates a scheme, which taxes are progressively increased on proportions of turnover and those without adequate records pay a larger amount. In Ghana, the government operates a flat rate turnover tax of 3 per cent for small firms to replace standard VAT, while micro- businesses are covered by a tax stamp regime... (Prichard, [2009](#), [2010b](#)).

There is an important trade-off between simplicity and equity in the choices of presumptive systems. The motivation for adopting a presumptive regime, lies in adopting a tax base that is simpler to measure and monitor, thus, reducing the compliance burden on the firms. However, the further the presumptive tax base is from the generally applicable tax base, the greater the risks of horizontal inequity and of creating incentives for firms to stay in the presumptive tax regime, rather than graduate (Bird & Wallace, [2003](#), p. 21).

Complications with Tax Incentives, Politics and Human Rights

Despite the well-developed theory on policy options outlined above, attention to the

intricacies of tax incentives viz a viz respect for economic equality and human rights cannot be downplayed. Research into violations of human rights through tax incentives are relatively limited. This reflects continuous uncertainty about merits and demerits of tax incentives and waivers, which could be largely abuse in countries with weak institutional frameworks or poor fiscal oversights. However, there is doubt about the importance of reforming and strengthening existing practices to make them more equitable and efficient to evolving policies on taxation, which is critical for economic growth and democratic sustainability. Consequently, there is a need to better understand fiscal mechanics, politics of taxation, economic derivatives, incentives, and electoral restitutions that political leaders and administrators faces in making taxation decisions democratic, fair, and accountable.

Incentive Intricacies and Collective Action

Given their small sizes, mobility and potential political influence, effective taxation of informal sector's businesses, depends on encouraging greater quasi-voluntary compliance. The likelihood of such quasi-voluntary compliance is linked to the broader questions of benefits of formalisation described earlier (Perry et al., [2007](#)). Consequently, it is the small but growing literature on formalisation that offers the greatest insights into strategies for quasi-voluntary compliance. This literature can be usefully broken into three parts: a cost-benefit approach, underpinned by a legalistic perspective that views informality as a choice; an empowerment approach, underpinned by the dualist view that sees subsistence businesses forced into informality, due to lack of capacity or access to services; and an approach that emphasizes the importance of collective action and state–society bargaining (Kenyon, [2007](#); Zinnes, [2009](#)).

Looking at the competitive context of this narrative, why then, are waivers and incentives granted to formal players at the expense of informal actors, even as, many within the informal sector also contributes to economic governance through taxation and growth? The argument is placed through doubtful capacity question, which regulators, sees micro-businesses, as lacking in capacity for expansion and mobilization for sustainable growth. Collective democratic actions are needed in engaging the government and players for a level playing field through equitable policies and nondiscriminatory waivers, incentives desirability or otherwise and advocacy to compel the government to recognize tax waivers and incentives as a tool, which could be used to promote inequality and human rights abuses. Factors, such as, abuses in tax waivers and incentive can also promote bad governance through political campaign financing by formal businesses, who in return, benefits through massive patronage, waivers and incentives gains from financing of political parties and candidates, thereby, undermining democratic competition and systematic weakness of the state. Some government could go, as far, as giving *right to first refusal* to formal businesses interest that funds its electoral interest. That is, a right to first refused opportunity, before anyone else could bid, either, through competitive bid or

compete for government's trade or competitive business opportunities. For example, in 2007, certain intricacies had played out that culminated for the 2007 Mini -Oil Blocs Bidding Rounds in Nigeria. Before then, Nigeria recovered some oil blocs and had put these blocs into the “market” for oil industry's competitors. Nigeria's Department of Petroleum Resources had conditionalized the bids, technically and financially, through a template that spelt out oil blocs-activation timelines set for (bids) winners. The Chinese benefitted immensely through this bidding arrangement, as advantage was placed in the competitive process through “right to first refusal” granted to Chinese interest. Such a sequential privileged given to the Chinese could attract interference in political campaign financing, especially, as non-state-actors in Nigeria are yet to pay (serious) attention to tracking of political campaign financing or abuse of state administrative resources during electioneering campaigns. This point is illustrated to show how waivers and incentives may be applied by authorities, with formal business actors benefiting more, whereas, informal businesses are chase around for taxes and levies and may not enjoy waivers and incentives comparable to formal actors.

Any Cost-Benefits for Formalization and Tax Compliance

Dominant feature from various research, sees formalisation of businesses in informal sector as a rational choice. Enterprises will formalize, if the benefits of formalisation outweighs the costs. Costs of formalisation, include, cost of registration or getting a license, cost of tax compliance, and cost of following labour laws and other regulations. Benefits are usually access to credit, capital markets, government procurement contracts, access to external markets and state-provided services and facilities. Benefits may also include, reduced needs to pay bribes, provide free services or relocate/shut down in order to avoid taxes (Foreign Investment Advisory Service, [2008](#), McCulloch, et al., [2010](#)). Significantly, research in this area finds that tax evasion is generally not the primary reason for being informal (Friedman et al., [2000](#)) but avoiding costly regulation is often the motivation (de Soto, [1989](#); Ngoi, [1997](#)) for informal businesses not formalize. Encouraging firms to enter the tax net may depend on addressing these broader costs and benefits of formalisation.

Among the earliest studies, like in the work of Djankov, La Porta, Lopez-de-Silanes and Shleifer ([2002](#)), who reported cross-country econometric evidence that higher costs of formalisation were associated with larger informal sectors across sampling in 85 countries. This result has recently been reechoed by Kus ([2010](#)) over a larger range of countries, though, he argues that this relationship, does not hold, where law enforcement is weak – in most low-income countries – thus, suggesting that other factors are also relevant contextually. While these cross-country studies provide a starting point, there are inevitable limitations on the ability to capture the shades of these processes. Other empirical surveys have contributed to understanding these cost-benefit- calculations, though studies focused disproportionately on costs. For example, a survey in Tanzania, found that a poor Tanzanian entrepreneur, would spend 32,216 days waiting for approval for various permits and pays over USD180,000 in income and fees over the 50-year life of a business (Institute for

Liberty and Democracy, 2005, as cited in Garcia-Bolivar, [2006](#)). Surveys in Sierra Leone, Liberia, and Madagascar, showed that a significant proportion of informal firms, have at some point, attempted to become formal, but were deterred by the cost of doing so (Everest-Phillips, [2008](#)). Less conventional cost lies in the complexity of tax legislation. Bonjean and Chambas ([2004](#)) summarize a survey evidence that non-compliance, often results, from ignorance of tax legislation, rather than a deliberate evasion. Costs of formalisation may be higher, and the benefits less accessible, where governance is weak. Jonasson ([2011](#)) employs cross-sectional econometric analysis that demonstrates that informality in Brazil is negatively associated with the quality of local governance, though, he cannot confidently establish causation. Qualitative evidence from conflict areas, likewise, highlights significant barriers and limited benefits of formalisation, where states are weak (Titeca & Kimanuka, [2012](#)). Ultimately, policy makers have sought to use these varied tax surveys to help identify potential policy entry points to support formalisation and tax compliance (Coolidge, [2010](#); Everest-Phillips, [2008](#); Gerxhani, [2007](#)).

The primary policy implication of such an approach has been an attempt to encourage formalisation by reducing costs, for example, simplified registration, through business environment reforms (World Bank, [n.d.](#)). The most important recent studies have correspondingly focused on assessing the impact of simplification and cost reducing reform programmes on formalisation. Early studies focused on the retrospective evaluation of such reform programmes, thus, offering suggestive, but imperfect, evidence. In Kenya, significant attention has been given to the creation of a simplified 'single business permit' for small firms. Consistent with expectations, Devas and Kelly ([2001](#)) report that these efforts encouraged some degree of formalisation and improved conditions overall for small firms. Sander ([2003](#)) reports the results of a similar pilot project in Entebbe, Uganda, where reforms that reduced the costs of formalisation were followed by a 43 per cent increase in compliance with the requirement to register. However, in both the Kenyan and Ugandan cases, the absence of follow-up research results poses an incomplete picture of the long-term impact of reform, while in Kenya, subsequent research has noted that newly-registered firms, have in some cases, continued to be subjected to corruption and harassment by public officials. Similarly, Garcia-Bolivar ([2006](#)) reports the results of reducing the costs of formalisation in Bolivia, which resulted in a 20 per cent increase in the number of firms' registration, and he reports similar increases in Vietnam.

In recent years, two significantly robust studies, based on experimental evidence, have provided a clearer picture of the complex impacts of reduced registration costs on formalisation. Jaramillo ([2009](#)) reports the results of a field experiment in Lima, Peru, in which a randomly-selected group of firms were offered free business licenses and support with the registration process. He reports that only one in four firms was willing to formalize, even with registration costs, largely eliminated. He attributed this to the recurrent costs of being formal, along with the low perceived benefits of

formalisation, limited growth ambitions and low trust in government. De Mel et al. (2012) report the results of a similar experiment, in which, randomly-selected firms were offered positive financial inducements to formalize. They find that a financial offer equivalent to one-half to one month's median profits, induced registration of about 20 per cent of firms, while a financial offer equivalent to two months' profits led to 50 per cent of firms registering.

Lessons from these studies appear to be twofold. On one hand, there is little doubt that reduced costs of registration have led to expanded formalisation among, at least, a significant minority of firms. On the other hand, even extreme reductions in costs failed to encourage compliance among majority of informal firms, owing to low benefits, limited ambitions, mistrust of governments and the possibility of high recurrent costs of formalisation (Zinnes, 2009). This is consistent with arguments that the focus on registration costs emphasized historically by many donors are inadequate, as it neglects the need for proactive support for small firms (Altenburg & von Drachenfels, 2006; Arruñada, 2007).

Examining Small Firms Pattern

In contrast to dominant cost-benefit approach, some scholars, perceived informality, primarily, as a problem of power and capacity, rather, than of choice (Abor & Quartey, 2010; Kanbur, 2011; Zinnes, 2009). In this view, despite willingness, firms may be unable to register formally, due to problems of capacity (illiteracy, limited skills), transience of their business, prevalence of cash transactions or general uncertainty. The broader environment, is often, not enabling and is characterized by lack of trust in government and lack of easy access to a range of services, including information, accountancy, security, justice, and insurance. Thus, even if aware of the potential benefits of formalisation, businesses tend to remain in the informal economy. This approach, thus, stresses the involuntary nature of informality, as opposed to the rational calculations of the cost-benefit approach.

Policy advice that follows are focused on what the Commission on Legal Empowerment of the Poor (CLEP) (2008, as cited in Zinnes, 2009) calls, the four pillars of legal empowerment: strengthening access to justice; assuring property rights; ensuring safe working conditions, including for women and children; and increasing economic opportunities, such as credit, markets, and investment. However, no single policy mix is likely to fit into all contexts (Kanbur, 2011). This analysis seems most appropriate to the subsistence end of the informal economy's spectrum, in which illiteracy, lack of accounting skills, poor information and mistrust of government prevails.

Implications of this approach for taxation purposes are twofold: a need to adapt tax regimes to the characteristics of informal firms (such as illiteracy, lack of trust, and information); and a need to supplement business environment reform policies (such

as, reducing the costs of registration) with other supplementary policies, such as, securing property rights (which are often the cause of transience), improving security (safety from theft or harassment), establishing dispute resolution mechanisms and affordable accountancy services. These can help micro-businesses to view taxation as a one step toward empowerment and eventual formalisation. Unfortunately, however, we are not aware of any research that has systematically assessed the effectiveness of these types of policies in encouraging formalisation and tax compliance.

Demand and Supply Interface: Windows for Growth

Complementing the approaches outlined above, a third approach, seeks to focus additional attention on politics and the nature of relationship, between the state and informal sector operators (Daly & Spence, [2010](#); Kenyon, [2007](#); Tandler, [2002](#)). To this end, Kenyon ([2007](#)) argues that, beyond simple cost-benefit analysis, formalisation policies need to acknowledge and address three key strategic problems: information, credibility, and coordination.

The importance of this fact is that many intended beneficiaries in the informal economy, simply, are not aware of programmes targeted for their benefits or do not understand the requirements of formalisation. A desk study (by Niger Delta Budget Monitoring Group) of allocations in Nigeria's national budget to this sector has proven this fact right. While this problem varies from one context to another, it is surprisingly prevalent, with a significant consequent for states to adopt strategies that focuses on outreach and taxpayer services (for example, Jaramillo, [2009](#)).

Credibility reflects from facts that firms need assurances, that the government, will uphold their part of any bargain (reduced tax rates, provision of benefits, legal protection), if firms formalizes. This is what has evolved advocacies concerning Tax for Service (T4S) by Tax Justice Platforms in Nigeria. Surveys indicated that fear of predation is a significant deterrent to successful formalisation policies (Jaramillo, [2009](#)), driven by a pervasive lack of trust in government. In Bangladesh, for example, the government encouraged the registration of businesses through tax fairs that reduced costs but found that many firms feared that registration might expose them to subsequent harassment by the state. This also is the situation with Nigeria... Notwithstanding, it is in the interest of firms to formalize, if they are certain, a critical mass of competitors, will also do so. Joshi and Ayee ([2008](#)) finds that the existence of collective actors, who can bargain with policymakers around taxes is essential to arriving at policy solutions that are acceptable to both sides. This, he explained, exemplified by the experience of associational taxation in Ghana. However, they equally note that such outcomes are uncertain, though collective actions by informal sector operators can facilitate bargaining and agreement. It can also lead to informal sector actors, being able to block effective taxation entirely. The challenges situate by inability to promote constructive bargaining, between state and society. An

interesting, though very preliminary experience comes from Shanghai, where, the municipal authorities contributed to creating informal labour associations, which informal businesses and labour could organize. Technically, these associations remain outside the formal economy, received government assistance through trainings, preferential tax treatment and subsidized credit in order to encourage growth and eventual formalisation (Howell, [2002](#)). Additional research into how to support constructive bargaining, between informal associations and governments are still needed.

Strengthening Commitment with Responsive Tax Incentives

While the preceding discussion highlights factors that may shape incentives for firms to formalize, it is equally important to consider incentives for governments and the state, which will make taxing the informal sector a priority. Constructive negotiation between the state and informal operators, depends, not only on collective action, among firms, but also on the willingness and ability within the state to bargain with multiple micro actors through diverse interests. More broadly, without reform champions, who wields sufficient political influence to overcome entrenched resistance, successful reforms are unlikely (Boesen, [2004](#); Heredia & Schneider, [2003](#)). Although these issues are receiving some attention within relevant literature (for example, Daly & Spence, [2010](#); Kenyon, [2007](#); Tandler, [2002](#)), including in this book, on a balance, they have remained peripheral to most debates.

Political incentives

Although research has been limited, there are powerful reasons to expect that political leaders may be flexible with incentives or abuse incentives for political gains. Incentives to informal businesses could be dicey. The simple version is taxing the informal economy, will raise limited revenue, is administratively challenging and potentially (politically) unpopular; better to leave them alone. For example, as Kloeden ([2011](#), p. 26) points out, in Africa, small and micro enterprises generate, at most, 10 per cent of revenues, even though, they comprised up to 90 per cent of taxpayers. Political logic prevents politicians with short time horizons from alienating large constituencies by trying to impose taxes that raise little revenue. Therefore, many politicians, may decide to leave incentives or play incentive cards for political machinations.

The more complex version of this argument, suggests that, it is in the interest of politicians to keep the informal economy, the way it is, as a source for votes capture. In what Tandler ([2002](#)) calls a 'devil's deal', politicians make an unspoken agreement with informal sector operators: 'if you vote for me [...] I won't collect taxes from you, I won't make you comply with other tax, environmental or labour regulations and I will keep the police and inspectors from harassing you' (Tandler, [2002](#), p. 99). This dynamic has long been observed in the literature on informal settlements and land markets and, in fact, some argue that it is the reason, why, such settlements are

provided services only incrementally (Baross, [1990](#); Cross, [1998](#)). Once formalized or provided with full benefits, politicians lose their hold over these groups, who are then free to vote as they want. Once the deal is made, it is difficult to break, as it serves the interests of all involved: firms like the universalist, burden-reducing, support that implies with respect to regulations and taxes; state officials like it, as it does not disturb their rent-seeking activities; and politicians are unwilling to take risks associated with other strategies of gaining electoral support.

Experience with reform in other arenas suggests that these challenges are not insurmountable. Intuitively, reform will be politically feasible, if it enjoys, greater buy-in from informal sector firms themselves. As discussed earlier, informal sector businesses, appear willing to pay taxes when: the benefits, outweigh the costs; they are sufficiently empowered; and there are effective institutional channels for facilitating collective action and bargaining (Roever, [2005](#)). As such, adopting such reforms, would not only be welcomed by many informal sector firms, but may shift political calculus for reformers. There are, surprisingly, little literature about political incentives; none of the studies reviewed for this paper present politicians' perspectives, either, through interviews or through public statements. A Ghanaian case, presented earlier, suggests that mutually beneficial outcomes are possible. Negotiations between the government in power and informal sector associations produced modest revenue gains, improved conditions for informal sector actors and created strong alliances between political parties and informal sector associations. The result was an arrangement that, though imperfect, helped to generate a tax-paying culture that could contribute to state-building in the long run (Joshi & Ayee, [2008](#); Prichard, [2009](#)).

Of course, while getting a buy-in from informal sector is critical, it is also possible that other reform constituencies may emerge or may be fostered by reform leaders. There is some evidence that formal sector firms facing competition from the informal sector, could mobilize support for reforms. In Kenya, formal sector businesses, became a key interest group that supports government efforts to expand taxation and formalisation, going, as far as, to support strengthening of informal sector associations directly in order to facilitate bargaining (Prichard, [2010b](#)). This suggests the possibility that sources of shifting political incentives, may be diverse, even as alternative sources of reform pressure may yield different types of outcomes, either, coercive, divisive, collaborative, and constructive.

Administrative incentives

Irrespective of policy choices, the success of any tax regime, depends on the effectiveness of implementation: 'tax administration *is* tax policy' (Casanegra de Jantscher, [1990](#)). This is likely to be particularly true of informal sector taxation, as regular, unmonitored interaction between tax collectors and tax payers expands scope for non-enforcement and/or corruption by tax collectors, who are effectively

street level bureaucrats (Lipsky, [1980](#)). Meanwhile, tax administrators themselves, can be powerful collective actors, able to block reform or sabotage its implementation.

There are, at least, two reasons, why tax administrators face weak incentives in taxing of informal economy. First, revenue gains are relatively modest. For tax administrators under pressure to meet revenue targets, it is much easier to focus attention on large taxpayers, rather than to invest in painstaking collection from many small taxpayers. Second, for individual tax administrators, enforcing compliance, among small operators, is an unfulfilling task. It is poorly rewarded, offers few opportunities for rent seeking, and is widely viewed as, at best, lacking prestige, or, at worst, degrading. In Ghana, educated tax collectors resented having to interact with illiterates, poor, and sometimes, violent operators in the informal economy. A task, they viewed, as not being 'professional' (Joshi & Ayee, [2008](#), p. 190). One relatively straightforward possibility for shifting incentives is the development of performance benchmarks that are more diverse and nuanced than the current reliance on the simple meeting of revenue collection targets (Bird & Vazquez-Caro, [2011](#)). An ambitious approach is institutional reforms that rewards informal sector tax collection. Recent attention to potential advantages of segmental organization of tax administration, with specialized units for small, medium, and large taxpayers, is potentially consistent with this goal (IMF, [2011](#), p. 20; McCarten, [2005](#)).

Another option is greater use of technology to facilitate informal sector taxation. This is also the position of Oyo state Tax Justice Platform in Nigeria, NDEBUMOG and others. Of particular interest, is the use of mobile banking to make tax payments (Loeprick, [2009](#)). Such approach has immediate benefits of reducing interaction between tax officials and taxpayers and consequent risks of harassment, collusion, and corruption. Moreover, it could help to make the banking system accessible to exceedingly small firms, while reducing fears that registration will result in expanded harassment. It may, similarly, increase support among tax administrators, by not only reducing the cost of collection but perhaps, makes work of collection less unattractive and painstaking.

Another radical option is to decentralize responsibility for informal sector taxation from national to sub-national governments. At present, local governments, usually, grant business licenses and collect fees, while other taxes on small firms are under central control. Whereas, national authorities, may view informal sector taxation as unrewarding, administratively difficult, and politically costly. Local authorities may have stronger incentives to collect taxes and bargain with local associations, while administrative buy-in is increasingly recognized as essential to successful reform.

Table 2: List of Taxes of the Federal Government of Nigeria

For literary purpose, below are some taxes collected by the three tiers of government in Nigeria:	
TAXES OF FEDERAL GOVERNMENT OF NIGERIA	
1.	Companies Income Tax
2.	Withholding tax on companies, residents of the Federal Capital Territory and non-resident individuals.
3.	Petroleum Profit Tax
4.	Value Added Tax
5.	Education Tax
6.	Capital Gains Tax on the residents of the Federal Capital Territory, bodies corporate and non-resident individuals
7.	Stamp Duties on bodies corporate and residents of the Federal Capital Territory
8.	Personal Income Tax in respect of:
a.	Members of the Armed Forces of the Federation
b.	Members of the Nigerian Police Force
c.	Residents of the Federal Capital Territory; and
d.	Staff of the Ministry of Foreign Affairs and non-resident individuals
9.	National Information Technology Development Levy
10.	Others.
TAXES OF STATE GOVERNMENTS IN NIGERIA	
1.	Personal Income Tax in respect of Individuals resident in the State
(a)	Pay-As-You-Earn (PAYE); and
(b)	Direct taxation (self-assessment)
2.	Withholding Tax (Individuals only)
3.	Capital Gains Tax (Individuals only)
4.	Stamp Duties on instrument executed by individuals
5.	Pools betting, lotteries gaming and casino taxes
6.	Road Taxes
7.	Business premises registration fee in respect of urban and rural areas, which includes registration fees and per annum for the renewals as fixed by each state.
8.	Development Levy (individuals only) not more than N100 per annum on all taxable individuals
9.	Naming of street registration fees in the state capital
10.	Right of Occupancy fees on lands owned by the State Government in urban areas of the state.
11.	Market Taxes and Levies, where state finance is involved
12.	Land use charge, where applicable
13.	Hotel, Restaurant or Event Centre Consumption Tax, where applicable.
14.	Entertainment Tax
15.	Environmental (Ecological) fee, where applicable.
16.	Mining, Milling and Quarrying Fee, where applicable
17.	Animal Trade Tax, where applicable
18.	Produce Sales Tax, where applicable

19. Slaughter or Abattoir Fees, where applicable
20. Infrastructure Maintenance Charge or Levy, where applicable
21. Fire Service Charge
22. Property Tax, where applicable
23. Economic Development Levy, where applicable
24. Social Services Contribution Levy, where applicable; and
25. Signage and Mobile Advertisement, jointly collected by States and Local Governments
26. Others
TAXES OF LOCAL GOVERNMENT OF NIGERIA
1. Shops and Kiosks rate
2. Tenement rates
3. On and Off License fees
4. Slaughter slab fees
5. Marriage, birth, and death registration fees
6. Naming of streets registration fees, excluding any street in the state capital
7. Right of Occupancy fees on lands in the rural areas, excluding those collectibles by the Federal and State Governments.
8. Markets taxes and levies, excluding any market, where state finance is involved
9. Motor park levies
10. Domestic animal license fees
11. Bicycle, truck, canoe, wheelbarrow, and cart fees, other than mechanically propelled truck.
12. Cattle tax payable by cattle farmers only.
13. Merriment and road closure.
14. Radio and television license (other than fees (other than radio and television transmitter)
15. Vehicle radio license
16. Wrong parking charges
17. Public convenience, sewage, and refuse disposal fees
18. Customary burial grounds permit fees
19. Religious places establishment permit fees
20. Signboard and Advertisement permit fees
21. Wharf Landing Charge, where applicable.
22. Others

Reorganizing Tax Administration: Segmentation

Straightforward strategy for improving informal sector taxation is to reorganize tax administration, strengthen monitoring services and incentives for administrators. A recent push towards segmental organization of tax administration, with separate departments to deal with small, medium, and large firms, respectively, is one such strategy. It would allow services to be specifically tailored to the needs and realities of specific types of firms (including the informal economy), and ensure adequate incentives for tax administrators to focus on these firms, despite, potentially low revenue yields (IMF, [2011](#), p. 20).

See table of Nigeria's Annual States' Viability Index (2017) shown below, including, internally generated revenues (IGR) of subnational governments across the country for 2017:

Table 3: Nigeria's Annual States' Viability Index (2017)

Annual State Viability Index (ASVI) 2017 Ranking of States by Internally Generated Revenue (IGR) Compared to Federation Account Allocation (FAA) in 2017				
S/N	Beneficiaries	Federation Account Allocation (FAA) 2017	Internally Generated Revenue (IGR) 2017	Percentage
		=N=	=N=	%
1.	LAGOS	201,935,552,551.53	333,967,978,880.44	165%
2.	OGUN	69,806,564,590.45	74,835,979,000.51	107%
3.	RIVERS	178,328,738,893.36	89,484,983,409.10	50%
4.	EDO	75,715,459,387.89	25,342,829,212.22	33%
5.	KWARA	61,394,781,199.17	19,637,873,512.22	32%
6.	ENUGU	69,884,925,596.37	22,039,222,902.86	32%
7.	KANO	143,181,313,100.55	42,418,811,470.64	30%
8.	DELTA	175,897,252,584.64	51,888,005,338.33	29%
9.	KADUNA	98,694,047,144.51	26,530,562,880.89	27%
10.	CROSS RIVER	68,998,495,756.17	18,104,562,225.62	26%
11.	ANAMBRA	75,137,599,081.37	17,365,385,830.51	23%
12.	OYO	101,142,709,311.51	22,448,338,824.61	22.19%
13.	ABIA	69,329,972,730.91	14,917,141,805.80	21.51%
14.	PLATEAU	71,970,021,474.20	10,788,283,409.45	14.98%
15.	BENUE	84,933,625,192.32	12,399,414,557.79	14.59%
16.	KOGI	78,660,645,696.30	11,244,260,974.75	14.29%
17.	ONDO	85,680,368,282.10	10,927,871,479.76	13%
18.	SOKOTO	81,239,767,306.71	9,018,844,307.29	11%
19.	NASARAWA	59,004,672,943.01	6,174,136,952.59	10%
20.	GOMBE	57,725,224,701.66	5,272,273,408.28	9.13%
21.	ZAMFARA	66,037,409,094.96	6,023,994,930.94	9.12%
22.	BAYELSA	138,571,777,686.42	12,523,812,450.59	9.03%
23.	EBONYI	57,815,805,583.07	5,102,902,366.82	8.82%
24.	TARABA	66,198,618,626.85	5,764,251,233.85	8.70%
25.	ADAMAWA	72,996,987,973.33	6,201,369,567.23	8.49%
26.	OSUN	76,733,567,695.38	6,486,524,226.45	8.45%
27.	EKITI	59,275,570,522.58	4,967,499,815.79	8.38%
28.	AKWA IBOM	197,851,042,041.29	15,956,354,035.30	8.06%
29.	IMO	85,427,916,949.27	6,850,796,866.07	8.01%
30.	JIGAWA	85,752,782,248.73	6,650,200,980.11	7.75%
31.	NIGER	87,683,488,432.89	6,517,939,033.07	7.43%
32.	KATSINA	103,851,360,745.59	6,029,850,857.76	5.80%
33.	KEBBI	76,088,182,321.67	4,393,773,965.39	5.77%
34.	BORNO	92,060,789,546.03	4,983,331,049.24	5.41%
35.	YOBE	67,435,211,152.17	3,598,131,936.59	5.33%
36.	BAUCHI	85,046,042,841.92	4,369,411,450.27	5.13%
37.	FCT	23,089,734,242.20		
	Total	3,350,578,025,229.06	931,226,905,149.13	28%

Table computed and designed by the Economic Confidential Magazine
www.EconomicConfidential.com

The above table excludes revenues/levies from Local Government Areas in Nigeria and other charges collected from informal businesses in semi-urban and rural areas across the country. Reorganizing the tax structure to capture revenues/levies from LGAs is necessary, in line with the digital age of taxation through ICT.

Tanzania took strategic approach, as part of broader reforms targeted at micro and small firms, since 2002. The country, introduced, a Block Management System (BMS), aimed at promoting compliance and registering all eligible traders within a geographic area. The BMS was set up, so that, main market areas are mapped and divided into small and manageable blocks based on logical geographic boundaries. A BMS team, with the mandate to perform relevant tax functions (identification, registration, assessment, and accounting) move block by block to identify, register, educate, and interact with taxpayers, particularly, those within the informal economy. Each block set a target for registration and revenue collection, with presumptive taxes, used for assessment purposes. The BMS system attempts to use scarce administrative resources in a targeted fashion by rotation. Existing evidence suggests that this BMS model has resulted at increasing the number of businesses that are registered with tax administration. The initiative came, as part of the tax authority's efforts to broaden the tax base, part of the push, was from formal firms, who were being undercut by informal sector businesses. Whether increased revenue collections were accompanied by greater bargaining for services or became, largely, coercive remains to be assessed.

IPSAS, Budget and Informal Taxation

With the evolution of information and communications technology (ICT), governments around the world are integrating ICT into operational mechanism of government, either, through wholly e-governance or with segmented technological tool, such as, IPSAS that budgets are link for effective monitoring and evaluation. As budgets are tailored to IPSAS chart of accounts, revenue collections, through e-tax, should also be linked, equally, alongside, audits. All these combined, shall promote fiscal discipline and reduction of corruption. The Federal Government and several states in Nigeria have developed revenue collection portals. However, much are still needed at consolidating this technological bridge with ICT, even as, mobilization of informal businesses into this technological reality may take ages, especially, in Africa.

IPSASs aims to improve the quality of general-purpose financial reporting by public sector entities, leading to better informed assessments for resource allocation decisions that are to be made by governments, thereby, increasing transparency and accountability. The International Public Sector Accounting Standards Board (IPSASB) issues accounting standards and recommended practice guides for financial reporting needs of national, regional, and local governments, alongside, constituencies they serve. The International Public Sector Accounting Standards (IPSAS) issued by the IPSASB represents a comprehensive set of authoritative

international financial reporting standards for governments and other public sector entities. This in effects, should capture, inflows and outflows, hence, it should be of interest to informal sector players that may want to formalize their business. As these charts of accounts, are invariably, link to collectible revenues, budgets, audits, monitoring and evaluation. The political will of a government to implement the above is the challenge.

Necessarily, Accrual Basis IPSAS is a principles-based system for fair presentation of accounting framework that is developed and maintained by the International Public Sector Accounting Standards Board (IPSASB). Accrual Basis IPSAS, requires, an entity to prepare and present financial statements that includes the following components:

- Statement of financial position.
- Statement of financial performance.
- Statement of changes in net assets/equity.
- Cash flow statement.
- When an entity makes available, its approved budget, a comparison of budget and actual amounts, either, as a separate additional financial statement or as a budget column in the financial statements.
- Notes, comprising, the summary of significant accounting policies and other explanatory items and comparative information in respect of the preceding period.

IPSASs consist of International Financial Reporting Standards (IFRSs), which are updated to meet the needs of the public sector's players. Public sector tailored IPSASs are also developed to address the following:

- Disclosure of financial position on the general government sector
- Revenue from non-exchange transactions (taxes and transfers)
- Presentation of budget information in financial statements
- Service concession arrangements - grantor
- Examination of accrual basis
- Linking of public sector's audits.

Financial statements, may be, described, as complying with Accrual Basis IPSAS, if such significantly comply with relevant requirements, including, additional disclosures, where necessary to achieve a fair presentation. There are different purposes for preparation of financial statements.

General purpose financial statements are prepared in accordance with a general-purpose accounting framework. General purpose accounting frameworks are accounting frameworks that are designed to meet financial needs of a wide range of users. Examples of general purpose accounting frameworks are: [International Financial Reporting Standards \(IFRSs\)](#) and [International Public Sector Accounting Standards \(IPSASs\)](#).

Special purpose financial statements are financial statements, which are prepared in accordance with special purpose accounting framework. Special purpose accounting framework is an accounting framework that is designed to meet the needs of specific users. Among examples of special purpose accounting frameworks are:

- Tax basis of accounting for a set of financial statements that accompanies an entity's tax return.
- Cash receipts and disbursements, which an entity, may be requested to prepare for creditors.
- Financial reporting provisions that are established by a regulator to meet specific requirements of the regulator.
- The financial reporting provisions for a contract. Maybe, a loan agreement or a project's grant.

Public sector accounting framework that have purpose of reporting back to a funder, how an approved budget was spent, could be considered a special purpose accounting framework. In Nigeria, there is a central tool for use by Office of Accountant-General of the Federation (OAGF) to benchmark efforts of Federal, States and Local Governments on IPSAS implementation. Some of the OAGF's evaluation tool for IPSAS has been reproduced in this section from FAAC's Sub-committee on IPSAS Implementation and Report on the Monitoring and Evaluation of Implementation of IPSAS Cash Basis Accounting and the Level of Preparedness for Commencement of IPSAS Accrual Basis of Accounting by the FGN, Federal Capital Territory Administration, 36 States Government and 774 Local Government Areas across Nigeria, published in June 2016.

Table 4: Basis of Ranking – IPSAS Accrual Basis of Accounting

S/N	Questions	Maximum Score (%)
1.	Awareness of Nigeria migrating to IPSAS Accrual Basis of Accounting by 1 st January, 2016	4
2.	Awareness about the Governance Structure of IPSAS implementation in the Establishment	4
3.	Constitution of IPSAS implementation Committee as approved in the Governance Structure	15
4.	Awareness that PSEs are expected to commence the process for identification and documentation of PPE and Liabilities	4
5.	Commencement of the process for identification and documentation of PPE and Liabilities	10
6.	Training of the Officers on IPSAS Accrual Basis of Accounting	16
7.	Awareness that Establishments are expected to prepare its own GPFS in line with National Treasury Circular	4
8.	Commencement of IPSAS Accrual Basis of Accounting by the Establishment by 1 st January, 2016	10
9.	Awareness that Establishments in Nigeria are expected to undertake annual stock-taking by 31 st December of every year with effect from 2015	4
10.	Setting up of the team for the stock taking for December 31 st 2015	15
11.	Awareness that PSEs are expected to prepare Opening Statement of Financial Position by 1 st January, 2016	4
12.	Preparation of Opening Statement of Financial Position by 1 st January, 2016	10
	Total	100

Table 5: Outcome of Responses – IPSAS Cash Basis of Accounting (FGN & States)

S/N	States	i	ii	iii	iv	V	Total (%)
1	Kaduna	10	20	20	20	30	100
2	Enugu	10	20	20	20	30	100
3	Yobe	10	20	20	20	25	95
4	FGN	10	20	20	10	30	90
5	Gombe	10	20	20	20	20	90
6	Abia	5	20	20	20	25	90
7	Akwa Ibom	10	10	20	20	30	90
8	Kogi	10	20	20	20	20	90
9	Kwara	10	5	20	20	30	85
10	Plateau	10	20	20	20	15	85
11	Bauchi	10	0	20	20	30	80
12	Ebonyi	10	10	20	20	20	80
13	FCTA	10	20	20	20	10	80
14	Edo	10	10	20	20	15	75
15	Bayelsa	5	10	20	20	15	70
16	Ogun	5	5	20	10	30	70
17	Osun	0	0	20	20	30	70
18	Oyo	5	10	20	20	15	70
19	Rivers	5	0	10	20	30	65
20	Ondo	5	15	20	20	0	60
21	Lagos	10	10	0	10	30	60
22	Adamawa	10	10	10	20	0	50
23	Borno	10	0	20	20	0	50
24	Benue	10	0	0	10	30	50
25	Anambra	5	10	10	10	15	50
26	Taraba	10	5	20	10	0	45
27	Kano	10	0	0	20	15	45
28	Zamfara	10	15	0	20	0	45
29	Niger	10	5	10	20	0	45
30	Imo	10	0	0	20	15	45
31	Jigawa	10	10	0	20	0	40
32	Nasarawa	10	0	20	10	0	40
33	Kebbi	10	0	0	20	0	30
34	Cross River	0	10	0	20	0	30
35	Delta	0	10	0	20	0	30
36	Katsina	10	5	10	0	0	25
37	Sokoto	10	0	0	10	0	20
38	Ekiti	0	0	0	20	0	20

Most of the PSEs in the FGN's and states were able to implement IPSAS Cash Basis of Accounting at various levels in accordance with the Roadmap and guidelines designed by the Sub-Committee.

Table 6: Outcome of Responses – IPSAS Cash Basis of Accounting (LGCs based on State)

S/NO.	States	i	ii	iii	Iv	V	Total (%)
1	Lagos	10	15	10	20	30	85
2	Kwara	10	2.5	20	20	30	82.5
3	Ogun	10	10	20	15	22.5	77.5
4	Ebonyi	10	5	20	20	15	70
5	Ekiti	5	2.5	15	15	30	67.5
6	Ondo	7.5	0	20	20	30	67.5
7	Kogi	10	7.5	20	20	7.5	65
8	Benue	10	0	15	20	15	60
9	Abia	5	0	20	20	15	60
10	Niger	10	2.5	5	20	15	52.5
11	Kaduna	10	5	10	20	7.5	52.5
12	Kano	10	5	15	15	7.5	52.5
13	Sokoto	10	2.5	10	20	7.5	50
14	Bayelsa	2.5	5	20	15	7.5	50
15	Gombe	10	2.5	20	15	0	47.5
16	Bauchi	10	0	20	15	0	45
17	Oyo	0	5	20	20	0	45
18	Yobe	10	0	5	20	7.5	42.5
19	Katsina	10	5	0	20	7.5	42.5
20	Nasarawa	10	0	15	15	0	40
21	Imo	10	0	5	20	5	40
22	Cross River	7.5	0	10	15	7.5	40
23	Adamawa	10	5	5	10	7.5	37.5
24	Borno	10	0	0	20	7.5	37.5
25	Zamfara	10	0	0	20	7.5	37.5
26	Osun	2.5	0	0	20	15	37.5
27	Kebbi	10	0	5	20	0	35
28	Jigawa	10	0	0	20	0	30
29	Taraba	10	0	5	5	7.5	27.5
30	Akwa Ibom	2.5	0	5	20	0	27.5
31	Delta	0	5	5	10	7.5	27.5
32	Rivers	2.5	0	10	10	0	22.5
33	Plateau	2.5	0	5	10	0	17.5
34	Enugu	2.5	0	10	5	0	17.5
35	Edo	2.5	0	0	15	0	17.5
36	Anambra	0	0	0	0	0	0

The level of implementation of IPSAS Cash Basis of Accounting at the LGCs is not high as compared to PSEs at the FGN and States.

Table 7: Outcome of Responses – IPSAS Accrual Basis of Accounting (FGN & States)

S/NO.	States	i	ii	iii	iv	v	vi	Vii	viii	ix	X	xi	xii	Total (%)
1	FGN	4	4	15	4	10	16	4	10	4	15	4	0	90
2	Kaduna	4	4	15	4	10	8	4	10	4	15	4	5	87
3	Enugu	4	4	15	4	10	16	4	0	4	15	4	5	85
4	Ogun	4	4	15	4	5	16	4	5	4	15	4	5	85
5	FCTA	4	4	12	4	7	15	4	9	4	13	2	2	80
6	Lagos	4	4	15	4	10	16	4	0	4	0	4	10	75
7	Osun	4	4	7.5	4	10	8	4	5	4	15	4	5	74.5
8	Delta	4	4	15	4	10	16	4	5	4	0	4	0	70
9	Bauchi	4	4	15	4	5	16	2	5	2	7.5	4	0	68.5
10	Ondo	4	4	15	4	5	16	4	5	0	0	4	5	66
11	Benue	4	4	15	4	10	8	4	0	4	7.5	4	0	64.5
12	Bayelsa	4	4	7.5	4	5	16	4	5	2	7.5	4	0	63
13	Yobe	4	4	15	4	0	16	2	0	4	7.5	2	0	58.5
14	Rivers	4	4	15	2	0	16	4	0	4	0	4	5	58
15	Zamfara	4	4	7.5	4	10	8	4	0	4	7.5	2	0	55
16	Gombe	4	4	15	4	5	8	0	0	4	7.5	2	0	53.5
17	Ekiti	4	4	7.5	4	5	8	2	0	4	15	4	0	53.5
18	Katsina	4	4	15	4	0	8	4	0	4	7.5	2	0	52.5
19	Abia	4	4	7.5	4	0	8	4	5	4	7.5	4	0	52
20	Kogi	4	4	15	4	0	16	4	0	0	0	4	0	51
21	Anambra	2	2	7.5	2	5	8	2	5	2	7.5	2	5	50
22	Cross River	4	4	15	4	0	8	2	0	2	7.5	2	0	48.5
23	Akwa Ibom	4	4	7.5	4	0	16	4	0	4	0	4	0	47.5
24	Kwara	4	2	15	4	0	8	4	0	4	0	4	0	45
25	Sokoto	4	2	7.5	2	5	8	2	5	2	7.5	0	0	45
26	Niger	4	2	7.5	4	0	16	2	0	4	0	4	0	43.5
27	Jigawa	4	4	7.5	2	0	16	2	0	4	0	4	0	43.5
28	Kebbi	4	2	15	2	0	16	2	0	0	0	2	0	43
29	Imo	4	4	15	4	0	8	4	0	0	0	4	0	43
30	Ebonyi	4	2	7.5	4	0	8	4	0	4	0	4	0	37.5
31	Oyo	4	0	15	4	0	8	2	0	0	0	2	0	35
32	Nasarawa	4	2	7.5	2	0	8	2	0	2	0	2	0	29.5
33	Adamawa	4	4	7.5	2	0	0	2	0	2	0	2	5	28.5
34	Borno	4	2	0	4	0	16	0	0	2	0	0	0	28
35	Plateau	4	2	0	2	5	8	1	0	0	0	0	0	22
36	Taraba	4	2	0	2	0	8	2	0	2	0	2	0	22
37	Kano	4	2	7.5	0	0	8	0	0	0	0	0	0	21.5
38	Edo	4	2	0	4	0	0	2	0	2	0	2	0	16

The Table above shows that most PSEs in the FGN and States are at various levels of commencement of implementation of IPSAS Accrual of Accounting in accordance with the Roadmap and Guidelines as designed by the Sub-Committee.

Table 8: Outcome of Responses -IPSAS Accrual Basis of Accounting (LGCs based on State)

States	i	ii	iii	iv	v	vi	vii	Viii	ix	x	xi	xii	Total (%)
Ondo	4	4	15	4	10	16	4	10	4	15	4	7.5	97.5
Osun	4	4	11.25	4	7.5	16	4	10	4	15	4	5	88.75
Oyo	4	4	15	4	10	16	4	2.5	4	15	4	2.5	85
Bauchi	4	4	11.25	4	7.5	12	4	7.5	3	11.25	4	7.5	80
Niger	4	4	11.25	3	5	12	3	7.5	3	15	4	7.5	79.25
Nasarawa	4	4	15	4	5	13	3	7.5	3	11.25	3	5	77.75
Ogun	4	3	7.5	4	10	8	4	5	4	15	4	5	73.5
Kebbi	4	4	15	4	2.5	16	4	10	4	3.75	4	0	71.25
Gombe	4	4	0	3	5	16	4	5	4	15	4	5	69
Benue	4	4	11.25	3	5	16	3	5	3	7.25	3	2.5	67
Ekiti	4	4	0	4	10	16	4	7.5	4	7.5	4	0	65
Lagos	4	4	7.5	4	7.5	12	3	2.5	4	7.5	4	5	65
Kwara	4	4	15	4	10	12	4	2.5	4	0	4	0	63.5
Borno	4	4	3.75	4	7.5	12	4	7.5	4	0	4	7.5	62.25
Zamfara	4	3	11.25	2	5	16	3	0	2	7.5	2	2.5	58.25
Kaduna	4	2	3.75	3	5	16	3	2.5	3	7.5	2	5	56.75
Bayelsa	4	3	7.5	4	2.5	12	4	0	3	3.75	4	2.5	50.25
Adamawa	4	3	11.25	4	2.5	12	4	0	3	3.75	2	0	49.5
Taraba	4	4	11.25	4	2.5	0	4	0	4	3.75	4	5	46.5
Sokoto	4	1	3.75	4	2.5	16	3	7.5	2	0	2	0	45.75
Cross River	4	4	7.5	4	0	12	4	0	4	0	4	0	43.50
Imo	4	4	7.5	4	2.5	4	4	2.5	3	0	4	2.5	42
Akwa Ibom	4	3	0	3	5	12	4	2.5	3	0	3	0	39.50
Abia	4	4	0	4	0	8	4	2.5	4	0	4	2.5	37
Ebonyi	4	1	3.75	3	5	8	3	2.5	2	3.75	2	0	36
Edo	4	1	0	2	5	8	2	2.5	2	3.75	2	2.5	34.75
Yobe	4	1	11.25	1	0	12	1	2.5	1	0	0	0	33.75
Katsina	4	3	3.75	1	0	16	1	0	1	0	1	2.5	33.25
Plateau	2	2	7.5	2	2.5	4	2	2.5	2	2.5	2	0	31
Delta	2	2	3.75	2	5	4	2	2.5	2	3.75	2	0	31
Kano	4	2	3.75	1	2.5	8	1	2.5	1	0	2	2.5	30.25
Rivers	2	1	3.75	1	0	8	1	0	1	3.75	1	2.5	25
Jigawa	4	3	0	0	0	11.25	1	0	1	0	0	0	20.25
Enugu	2	1	0	1	0	8	0	0	2	0	2	0	16
Kogi	1	2	3.75	0	0	4	1	2.5	1	0	0	0	15.25
Anambra	0	0	0	0	0	0	0	0	0	0	0	0	0

It can be deduced from the above Table that most LGCs have commenced the process of implementation of IPSAS Accrual Basis of Accounting in accordance with the Roadmap and guidelines as designed by the Sub-Committee.

Over the years, various countries have defined and set standards of financial reporting across their countries. However, globalization has brought about collaborations, trade agreements and blocs, among countries of the world. This calls for urgent needs for universality in standards that guides financial statements for operators, globally. The need for unified accounting standards is facilitated by International Public Sector Accounting Standards (IPSAS) for public sector's financial reporting. Formal business entities across the world are moving toward International Financial Reporting Standards (IFRS), even as governments harmonizes fiscal frameworks with International Public Sector Accounting Standards (IPSAS). International Public sector Accounting Standard governs accounting by public sector entities, with the exception on government enterprises.

Cash basis accounting is observed to be a commonly used tool in public sector's accounting, though with setbacks that affects financial transactions, such as, poor budget implementation, mismanagement of public funds, among others. This can be traced to the fact, in using cash basis of accounting, there may be no attempt to match expenses with revenues generated by government, hence, the importance of this chapter. This takes us to findings and recommendations published by Nigeria's OAGF Monitoring and Evaluation of Implementation of IPSAS Cash Basis Accounting and the Level of Preparedness for Commencement of IPSAS Accrual Basis of Accounting by the FGN, Federal Capital Territory Administration, 36 States Government and 774 Local Government Areas across Nigeria, published in June 2016 and reproduced below.

The subcommittee came out with the following findings and recommendations:

- I. There is general awareness on adoption of IPSAS in Nigeria by most officers involved in budgeting, accounting, auditing, and reporting across the three tiers of government.
- ii. The officers in the three tiers of government acknowledged that the Sub-Committee had undertaken series of trainings and capacity on both IPSAS Cash and Accrual Basis of Accounting.
- iii. It was noted that the percentage of officers trained were inadequate.
- iv. It was observed that most PSEs did not undertake further trainings outside the ones done by the subcommittee.
- v. Most officers involved in PFM appreciated the documents and the Roadmap developed by the subcommittee.
- vi. All PSEs in the three tiers of Government are aware of the implementation timelines.

- vii. The FGN had developed software that is IPSAS Cash Basis of Accounting compliant and is also Accrual Basis of Accounting ready. However, only a few States and LGCs had deployed software for budgeting and accounting that is IPSAS compliant.
- viii. It was noted that the FGN and its PSEs have commenced IPSAS Accrual Basis of Accounting with clear guidelines to PSEs through the issuance of a Treasury Circular on the implementation process. However, most States and LGCs have not fully commenced the implementation process.
- ix. There is enough political will to implement IPSAS by the FGN, but the reverse is the case in a few States.
- x. It was noted that there was inadequate funding for the seamless implementation of IPSAS in the three tiers of government.
- xi. Security challenges in the North East greatly affected the level of IPSAS implementation in the affected States.

In the light of the findings above, the subcommittee, hereby, makes the following recommendations.

- i. There should be sustained political will for IPSAS implementation in Nigeria.
- ii. There should be continuous post implementation support to PSEs in the three tiers of government by FAAC.
- iii. More efforts should be made by the FGN, States and LGCs Implementation Committee to ensure full implementation of IPSAS.
- iv. Respective PSEs should take full ownership of the implementation of IPSAS.
- v. There should be continuous and adequate funding for IPSAS Project by the three tiers of government.
- vi. More human capital development should be carried out by all PSEs.
- vii. Hiring/engagement of more qualified hands to ensure effective implementation.
- viii. All PSEs should consider deployment of IPSAS compliant accounting software to ease implementation.
- ix. There should be strict adherence to all National Treasury Circulars pertaining to IPSAS implementation and other publications issued by the subcommittee.

Associational Taxation

An alternative is to directly address issue of collective action, negotiation, and dialogue between the state and the informal sector. Research undertaken by Joshi and Ayee (2008) focused on one of such example: the development of 'associational' taxation in Ghana from 1987 to 2003. Under this system, the Ghanaian Internal Revenue Service (GIRS) delegated responsibility for collecting income tax to informal sector's associations. It is a strategy called Identifiable Grouping Taxation (IGT). The arrangement originated in the politics of the corporatist relationship, between the largest passenger transport union, the Ghana Private Road Transport Union (GPRTU) and the Rawlings regime (1981-2000) and continued, after the electoral victory of the opposition (Joshi & Ayee, 2002, 2008). Following the success in the early years, the arrangement was extended to associations in 32 other informal sector's activities. IGT was credited with increasing revenues generated from the informal sector (Joshi & Ayee, 2009).

The arrangement overcame some of the problems associated with tax collection from micro businesses. From the perspective of the tax administration, IGT reduced collection costs to a fixed 2.5 per cent, which was paid to the associations for their work in collection. From the perspective of the associations, becoming tax compliant granted them legitimacy, and helped to protect them from arbitrary harassment by public officials and police. The downside was that informal associations, were often, not internally democratic, and extracted revenues from members, without handing over full collection to the revenue authority. From the perspective of government, the associations came to be viewed as tax havens for larger enterprises, which could avoid paying full liabilities by claiming to fall under IGT.

Despite these drawbacks, one of the primary achievements of IGT was to inculcate a culture of taxpaying among informal sector businesses. This proved important, when the government, decided to shift to a common presumptive tax regime, which was introduced, without any significant resistance from firms that actually welcomed a shift from the once popular, but increasingly problematic, IGT's system (Prichard, 2009, 2010b). This example highlights the benefits of strengthening collective negotiation, between the state and informal sector associations, while also pointing out the importance of local political context in identifying potential entry points that works with the grain of existing state–society relations.

Emphasizing Transparency and Engagement in Tax Matters

Another factor is to emphasize transparency in tax matters and services, which will foster quasi-voluntary compliance, among small firms. While there is little systematic research on this topic, some recent cases have offered preliminary insights.

Explicit earmarking (as compared to overall transparency in public expenditure) is one strategy, with an advantage for building stronger trust, among, taxpayers, which

will deliver, well-defined benefits. A recent example, comes from Sierra Leone, where Jibao and Prichard (2013) found that the Bo City Council, gives support for local tax collections (in part) by communicating revenue and expenditure information to the public, including, informally linking revenue increases to specific public expenditures. That is the **tax for service** model, already discussed in another section of this book. Similarly, Korsun and Meagher (2004) found in Guinea that the collection of market taxes doubled, after they were linked explicitly to the construction of new market facilities. Earmarking, however, has the disadvantage of reducing budget flexibility and creating expectations that taxes should function on a fee-for-service basis.

A slightly different strategy is in strengthening taxpayer services and tax authorities around the world, appears to be making a gradual shift. The Gambia Revenue Authority (GRA) has put in place, a variety of measures, aimed at improving customers' interface, decentralized tax offices, cost-effective tax tribunals, tax clinics to help with the filing of taxes, and a taxpayer education programme that allows direct exchanges between GRA and taxpayers. The impact of this type of measure is yet to be carefully studied, and implementation remains important for follow up.

An important strategy is for revenue authorities to proactively foster the development of informal sector associations, alongside, effective negotiations and dialogues, between them and the state. This is a key strategy for Nigeria's Tax Justice Platforms. As noted earlier, municipal authorities in Shanghai have pursued such a strategy in an effort to improve tax compliance (Howell, 2002). The Rwanda Revenue Authority (RRA) has similarly cooperated with the Private Sector Federation (PSF)—an umbrella organization for all kinds of business—and local governments to improve dialogue with smaller firms. The RRA established the Tax Issues Forum (TIF) in dialogue with the PSF, as an open platform for discussion of tax issues, while the PSF conducts a business census that is then used by the RRA to identify unregistered taxpayers. Technical committee meetings are held to help the RRA to better understand industry issues, including profitability, constraints to growth, and service needs, while the PSF, uses the forum to understand taxpayer rights and obligations and filter them to its members. Research into the creation of such durable and inclusive institutions, can offer greater insights, into the politics of business—viz a viz state interactions around taxation.

Control Over Tax Intricacies at Local Governments

A radical option for reforming taxation within the informal sector, is to decentralize responsibility to sub-national governments. Bodin and Koukpaizan (2008) suggest four possible benefits to such a strategy: local governments, have greater need of resources, and will have stronger incentives to pursue taxation in the informal economy; tax collections, will be closer to, and thus responsive to, local conditions; local governments are better placed to negotiate productively with informal sector actors, and respond by supplying relevant services; may encourage greater

coherence, as there are, at present, frequently, large and harmful overlaps, between taxes, levied by different levels of government. On the other hand, there are important risks, as local governments, may lack necessary capacity. There is a risk of wasteful tax competition between localities. Local government, may in some cases, be particularly arbitrary and coercive in their tax practices (Fjeldstad & Therkildsen, 2008; Moore, 2008) and disconnecting local taxation from the national level, may complicate the transition of firms into the formal tax system (Loeprick, 2009).

In Cameroon, there has been recent discussion of ceding responsibility for the collection of such taxes to local governments. The national revenue authority has limited interest in this sector, with low levels of organization and revenue potential. By contrast, several local mayors have actively demanded such responsibilities. To overcome capacity concerns and improve coordination, the local office of the budget administration has been asked to support the process. Experience in Ethiopia has followed a similar path, with small business taxation, controlled by regional governments, rather than the federal, state small firms, subject to a presumptive tax on income and a 2 per cent tax on turnover. Interestingly, following unhappiness with the tax, regional authorities, included business representatives on tax assessment committees, thus, increasing the perceived legitimacy and fairness of the system. Subsequently, public engagement by firms, subject to small business taxations, emerged as an important issue in the wake of the contested 2005 elections, highlighting the potential benefits of bringing small business taxation closer to taxpayers (Prichard, 2010b).

Auctioning Tax Collection Rights

Perhaps the oldest strategy is the privatization of tax administration, with individual firms, bidding for tax collection rights, and retaining any additional revenues collected. In principle, privatization provides clear incentives for the maximization of collections. But in practice, it has been prone to corruption, while doing little to encourage negotiation, voluntary compliance, or more productive interaction, between state and society (Stella, 1992).

Experience with privatization of informal sector taxation is poorly documented, though not uncommon, particularly, in relation to sub-national market taxes. Iversen, Fjeldstad, Bahiigwa, Ellis and James (2006) in Uganda, Fjeldstad, Katera and Ngalewa (2009) in Tanzania, documented relatively prominent examples of privatized tax collections at the local government level. Both concluded that privatization has, sometimes, led to greater and more predictable revenue collections. However, they also showed problems with contracting, as the price paid for tax collection rights by private collectors, is often, far below actual revenue potential, leading to limited government revenues and high profits for tax collectors.

Similarly, in the city of Patna, India, city authorities have long auctioned rights to tax collections from street vendors. Successful contractors exploit their position and often over-tax street vendors, who are largely illiterate and not aware of the rates or

their rights. An instance, cited from Anambra state, South East, Nigeria in this book, corroborated this fact. Moreover, collusion among contractors and between municipal officials and contractors, has led to reduced revenues compared to potential. Iversen et al, (2006) argued that, such contracting problems, are not a result of asymmetric information but generally, reflects, politicization and corruption. Thus, while privatization, may solve some incentive problems, it also creates others.

Chapter's conclusion

Recent literature proposes that taxation of the informal sector, may produce, significant benefits in long-term revenue collections, economic growth and on quality of governance. However, evidence on these connections, generally, remains limited. There is some cross-sectional evidence that taxing informal sector operators, can build tax morale and a culture of tax compliance. However, there is need for evidence that captures the impact of tax reforms and formalisation on attitudes toward compliance and overall tax morale. Furthermore, there is growing evidence that taxing the informal sector can enhance the growth of SMEs. Yet, questions remain about how large these effects are, whether, smaller firms are likely to benefit, who may be disadvantaged, and which specific policies, may be most important. Recent attention has been paid to the potential for informal sector taxation to prompt state–society bargaining. However, evidence remains limited, hence, the need for research into barriers for collective actions and constructive bargaining.

With respect to compliance, recent work has shed light on the potential for reducing costs of compliance and formalisation but has said less about how to provide positive incentives for formalisation. Here, three big questions need attention. Firstly, what type of positive inducements to compliance matters to micro and small firms? Secondly, how can states and governments effectively promote collective actions, among informal sector operators and create legitimate institutional channels for engagement? Thirdly, what is the magnitude of costs and benefits of informal sector taxation across the population, especially, for women or ethnic minorities and how do current practices, and potential reform, affects them (for example, Caroll, 2011)?

At a broad level, there is a need to study episodes of successful reforms and innovation to understand the conditions, which governments and administrators have embraced and implemented reforms. This book suggests that adoption of policies, aimed at increasing voluntary tax compliance and facilitating collective actions by informal sector associations, may be useful at improving prospects for reforms. These strategies are attractive, because, they hold potentials to simultaneously strengthen political incentives for reforms, expand prospective benefits for businesses and improve long-term governance in the informal sector.

3

DOCUMENTING ACTIVITIES OF TAX JUSTICE AND GOVERNANCE PLATFORMS IN NIGERIA WITH SUPPORT FROM OXFAM IN NIGERIA'S FINANCING FOR DEVELOPMENT (F4D)-STRATEGIC PARTNERSHIP PROGRAM (SPP), 2019

Tax Justice and Governance Platforms in Nigeria is an initiative of Oxfam's country office in Nigeria. Whereas Financing for Development (F4D) is Oxfam's supported program. It is implemented in Nigeria by civil society partners, including, Niger Delta Budget Monitoring Group (NDEBUMOG) as one of the implementing partners.

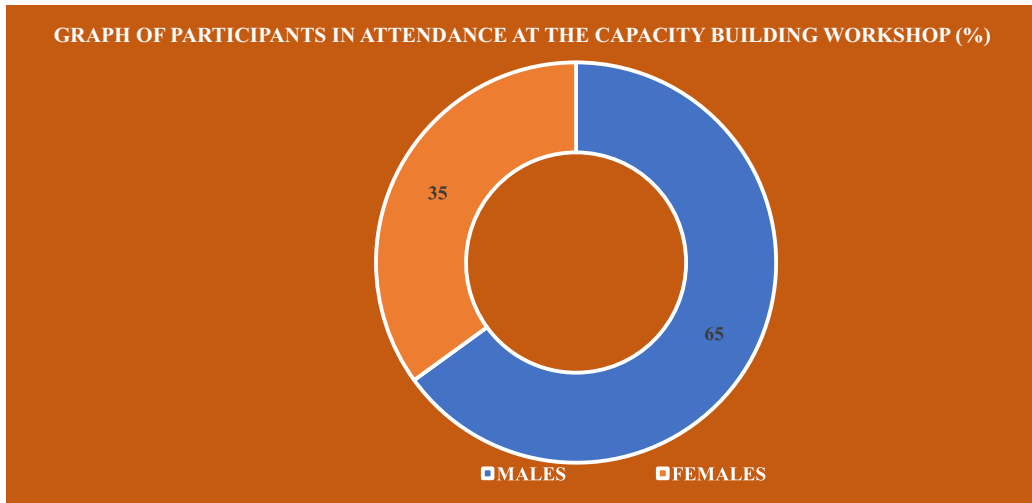
In the F4D's theory of change, tax, and budget, seeks to empower civil society and non-state actors to undertake research and advocacies that promotes fair and progressive tax, through engagements with governments at all levels. These engagements were expected to influence tax policies, participatory, budget, alongside, addresses unfair tax practices, inequality, protects citizens, especially, marginalized groups, including, women. These engagements are mainstreamed to regional, national, and global frameworks, such as, the Fair Tax Monitor (FTM) and reinforces Commitment to Reducing Inequality Index (CRII) and effective Public Finance Expenditure Management (PFM).

Realizing that Nigeria is a nation with federating units, where, majority of the citizens live in States and Local Government Areas, NDEBUMOG and Oxfam, is convinced that the impact of the F4D's project, shall be better felt at the grassroots through mobilizing civil society groups to engage at that level. Therefore, to compliment campaign activities of the Steering Committee of National Tax Justice and Governance Platform at the national level, decision was taken on the need to establish Tax Justice Platforms in each of the 16 States of Southern Nigeria, which were the Focal States for the CRAFT's project.

In view of the need for easy mobilization of impacts, alongside, close monitoring of expected activities, Oxfam in Nigeria, facilitated NDEBUMOG's takeover of the management and monitoring of these (Tax Justice) Platforms in January 2019. Specifically, NDEBUMOG's mandate covers (only) the aspect that relates to Oxfam funding and support to these platforms. The platforms are loose coalitions, with memberships made up of individuals and corporate bodies.

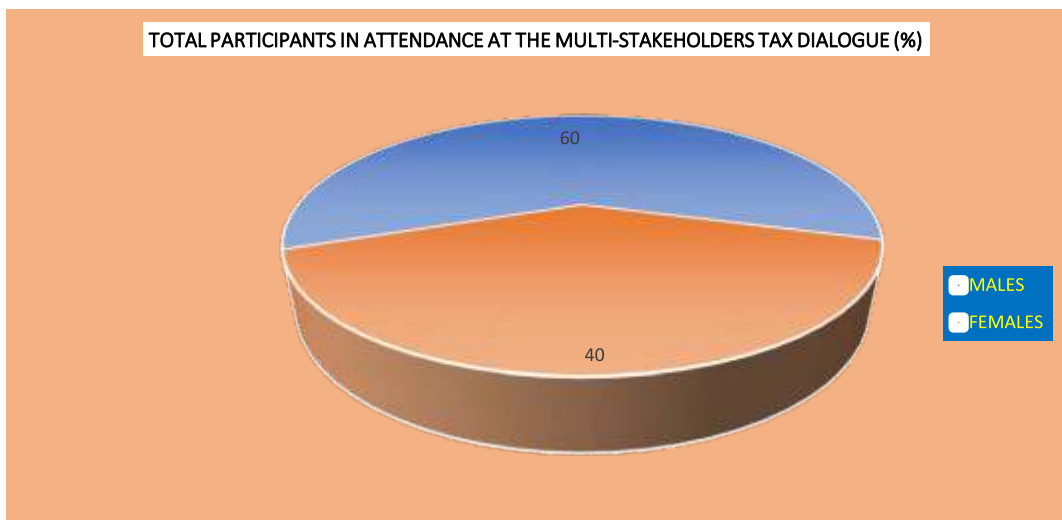
Leveraging on the above mandate, the Niger Delta Budget Monitoring Group, as part of its SPP's activities, organized a Capacity Building Training on Taxation for leaders of these Tax Justice Platforms, other civil society stakeholders, government agencies, trade unions and community groups.

Figure 5: Graph of participants in attendance at the capacity building workshop on taxation for CSOs.



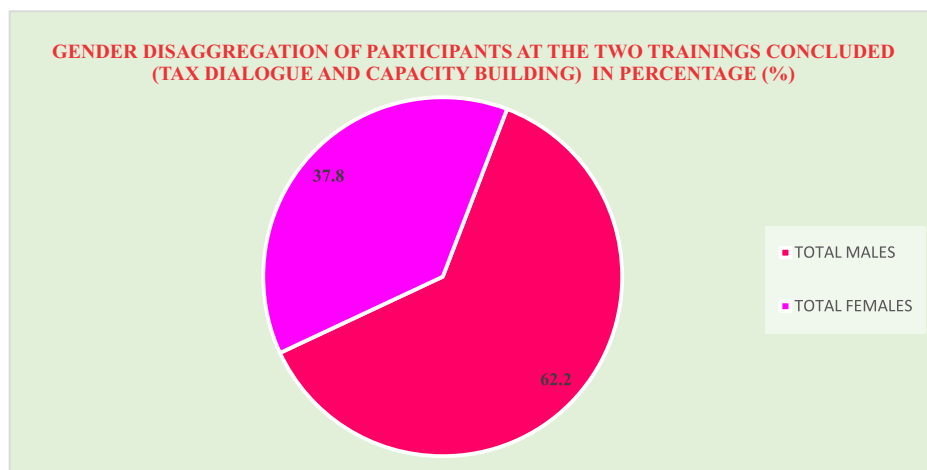
A Multi-stakeholders Dialogue on Taxation was equally organized by NDEBUMOG. Some stakeholders, particularly, selected leaders, across these Tax Justice and Governance Platforms and other stakeholders were invited. At these trainings, tax experts were invited to facilitate sessions related to taxation. Invited experts, exposed participants to knowledge of taxation, as one of the ways, which government generates funds used to manage the economy and social infrastructure. Participants were also exposed to the nitty-gritty of taxation and why CSOs, should, encourage citizens to live up to their tax obligations, even as the government is expected to be accountable to her citizens. Participants had the opportunity to ask questions and received satisfactory responses.

Figure 6: Total participants in attendance at the Multi-Stakeholders Dialogue on Taxation



Following the above trainings for platforms, an MOU, which introduces NDEBUMOG, as the new manager of platforms was circulated and consummated.

Figure 7: Gender disaggregation of participants at the multistakeholders' tax dialogue and capacity building workshop on taxation.



These Platforms were also involved in their distinctive activities, during 2019 SPP's year. Below is the summary of all beneficiaries from activities of these Platforms as at January 2020. As one may notice, the table, does not present a perfect guide to measure impacts of these activities per state. It is a tabular result on what each state has submitted in its report, including, how many people these platforms were able to reach (directly) through the social media. NDEBUMOG understands the peculiarities of each institution anchoring activities of a (particular) state platform and has taken into consideration, such, peculiarity.

Table 9: Summary of Beneficiaries Reached with Information About Taxation

S/N	States	Number reached directly and through social media
1.	Delta State	28
2.	Bayelsa State	1,284
3.	Edo State	0
4.	Lagos State	100
5.	Ogun State	114
6.	Ondo State	240
7.	Oyo	103
8.	Imo State	69
9.	Enugu State	9
10.	Anambra State	59
11.	Ebonyi	6
	Total	2,012

Table10: SPP 4 (2019) Programmatic Disaggregated Data

Those who acted in fiscal processes (tax & budget)	MEN	WOMEN
	65	87
Those who attended events (tax and budget)	730	646
Number of public events organized by NDEB UMOG and Tax Justice Platforms	NDEBUMOG	Tax Justice & Governance Platforms
	3	73
Estimated number of listeners in radio programs	6,500,000	

Figure 8: Programmatic Reached by TJ&GP During SPP 4 (2019)

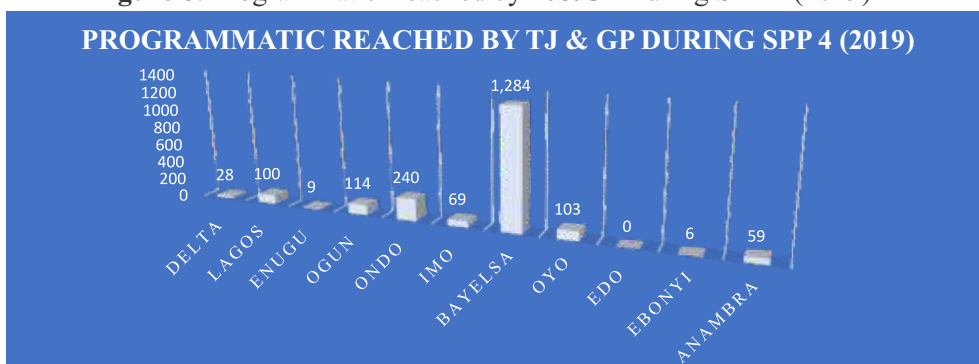


Figure 9: Graphical Details of All Participants in Attendance at Capacity Building on Taxation and Multi Stakeholders Tax Dialogue

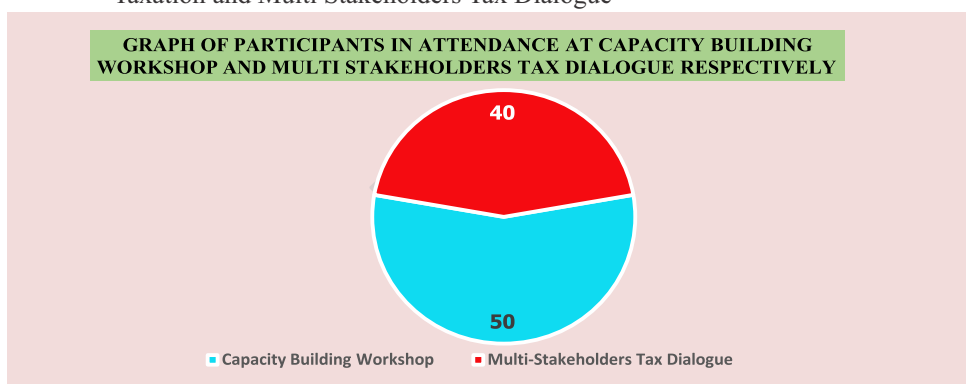


Figure 10: Actual number of males and females' participants in attendance at both capacity building workshop and Multi-Stakeholders Dialogue

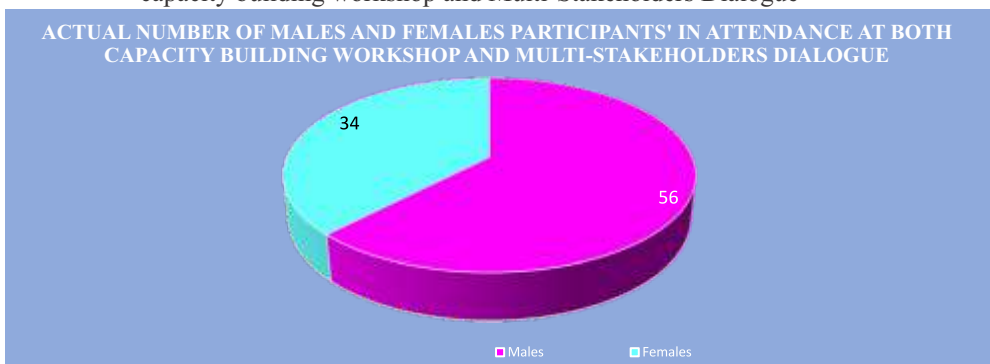


Figure 11: Graph of total participants in number that attended Multi-Stakeholders Dialogue on Taxation

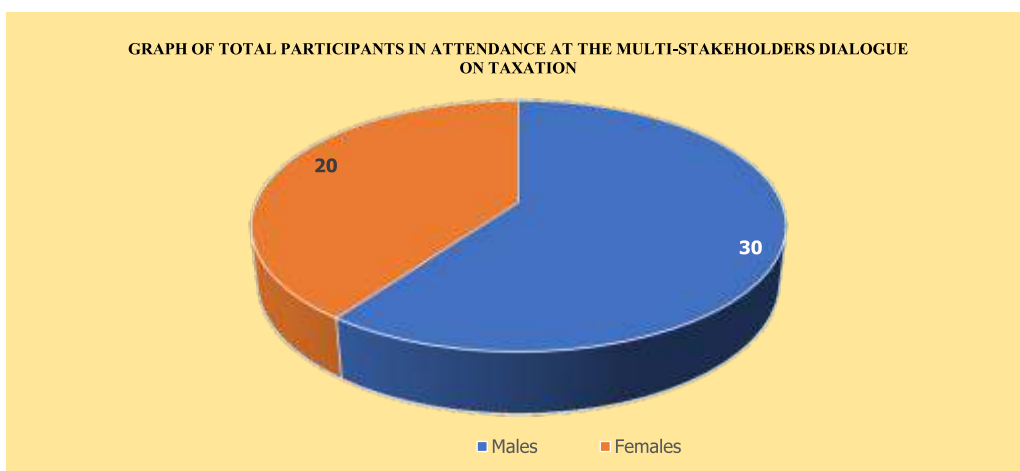
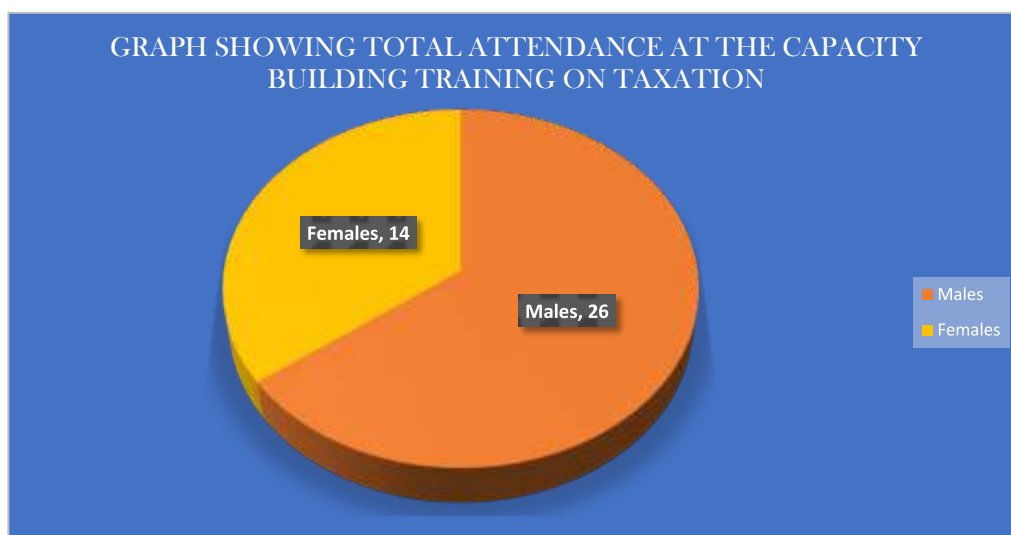


Figure 12: Graph showing total attendance at the capacity building training on taxation



Additionally, radio programs were aired across some states. **In Imo state**, it was at Heartland FM, Owerri- (100.5FM) of Radio Nigeria on Friday 20th September 2019. The program was aired for 30 minutes and featured two members of the platform, who discussed activities of the platform and some of their interventions for tax justice in Imo state. The two discussants were: Mr. Chibundu Uchegbu (state coordinator) and Mr. Basil Ejigini. Two callers made inputs into the live radio program, while one, complained that only civil servants are overtaxed. The other decried the fact, taxes paid, are used to reward political thugs. The discussants emphasized the importance of awareness creation that are needed on tax matters.

Ondo Tax Justice Platform's radio program was aired on 3rd of October 2019. The

state coordinator, Mr. Oyegoke Olakunle, was present at the studio, together, with Mrs. Olamide Falana. Both offered their expertise on tax sensitization to the public. This Ondo live radio program was conducted at Breeze FM. This station's frequency covered four states of Ondo, Edo, Ekiti and Osun. Six callers supported the discourse during the one-hour radio program. Issues discussed resonated around enlightening and sensitizing taxpayers on fair tax issues, policies, tax administrations and activities of Ondo State Tax Justice Platform.

For **Ogun state**, the platform's one-hour sensitization (radio) program, was at the studio of Family FM (88.5) on Thursday 3rd October 2019. It was conducted with moral support from Niger Delta Budget Monitoring Group's team that visited from Port Harcourt. The team from NDEBUMOG, was present in the state to monitor activities of Ogun State Tax Justice Platform and took part in the live radio (sensitization) program. Other guests that featured during the radio program were Asojuoba Michael Adesanya, who is the chairman of the State Tax Justice and Governance Platform, Ms. Folashade Abubakar Tawakalitu (NDEBUMOG) and Miss Peace Peter of NDEBUMOG. This (radio) sensitization was done in Yoruba and English languages, with questions, received from callers on how the **tax-to-service** model can be beneficial to shop owners, apart from those in markets. The platform's chairman in Ogun state, in his response, considered an advocacy visit to the State's Commissioner for Commerce in Ogun state, as the way forward.

Lagos State Tax Justice Platform's radio program was carried out at the Radio House of Radio (Nigeria) One, Lagos. The live program, had in attendance, a team from Niger Delta Budget Monitoring Group (NDEBUMOG), who were in Lagos, during the period of NDEBUMOG's monitoring of the South-West Tax Justice Platforms. Those present in the studio were, Mr. Felix Obanubi, Lagos State Tax Justice Platform's coordinator, Mr. Mike Alade, Secretary of Lagos State Tax Justice Platform and Miss Peace Peter of NDEBUMOG. Issues discussed (at the radio program) revolved around educating citizens on the benefits of tax payments for the supply and demand side. The program also enlightened citizens on activities of the Tax Justice and Governance Platform in Lagos State. Few calls were received and questions from callers were addressed by the discussants. Tweets were also read and addressed during the live radio program. The program lasted for 30 minutes and was useful. Mrs. Yemisi Dada of Radio (Nigeria) One suggested, as part of the sensitization, that, the platform, can do a jingle, which will be aired at intervals to promote activities of the platform in Lagos state.

Oyo State Tax Justice Platform also conducted their radio program at Metropolitan Radio House on 2nd of October 2019. NDEBUMOG's officials were present at the program. It was a one- hour radio program. This one-hour radio program had in attendance, Assistant Coordinator of Oyo State Tax Justice Platform- Mrs. Deborah Salami and Oyo State Platform's Secretary. The public was sensitized on the need to pay their taxes and the responsibility of the government to enter into a **tax-to-service** agreement, being one of the ways to effectively ensure that tax monies are put into

efficient use for the benefits of the populace.

Although **Rivers** State Tax Justice Platform was (only) recently re-inaugurated by NDEBUMOG, the State's Tax Justice Platform considered it necessary to do a radio program. It was to sensitize the public, considering, the highly commercial nature of the state, as sensitizations on taxation matters are important in any political setting. In this spirit, a one-hour radio program was held at Wave FM, 91.7 Port Harcourt. Discussants in the studio were Mr. George Ajumogobia, member- Chartered Institute of Taxation of Nigeria (CITN), who is also a tax practitioner. He is among the newly elected member of the steering committee of the Rivers State Tax Justice Platform. Others in the studio, were, Miss Peace Peter and Miss Abubakar Folashade of NDEBUMOG. Discussions resonated around ensuring that people pay their taxes and that tax monies be used to fund development projects and programs for the benefits of all. **Anambra** Tax Justice Platform equally had their radio program at Blaze FM.

Bayelsa State

Bayelsa State Tax Justice and Governance Platform commenced activities, under SPP 4 (2019), after the approval of the workplan submitted to NDEBUMOG. Bayelsa's platform is coordinated by Comrade Princess Egbe of Global Rescue, an NGO based in Bayelsa State. The platform had four activities planned and executed for the period, between July to December 2019. Some of the approved activities for Bayelsa State Tax Justice Platform, were: Intensive Sensitization of Market Women / Tax Monitors on their tax rights and obligations, alongside, inauguration of Tax Monitors, which was targeted to reached 70 persons at two markets sensitization programs, a Town Hall Meeting to Educate/Sensitize Market Groups/Heads of Associations, Artisans, Road Transport Unions in collaboration with Bayelsa State Board of Internal Revenue, Local Government Revenue Committees and other targeted groups. Bayelsa Platform equally have 1.3K followership on social media, who are demanding fair taxation with the Hashtag **#fairtaxationofrevenue**. These activities were proposed to run for the duration mentioned. Other planned programs were advocacy/visits to State House of Assembly, Judiciary, FIRS, BIRS, NTA, among others. Periodic review meetings were also planned with TMs toward addressing specific issues. Bayelsa State Tax Justice Platform carried out intensive sensitizations of market women and for tax monitors on their rights and obligations. Three markets were covered in Yenagoa LGA, being, Swali, Okaka and Kpansia markets. A total of 157 stakeholders were reached with these sensitizations and other programs carried out.

Tax Monitors were also inaugurated to follow up on the successes, improvement and challenges from these activities delivered. The social media handle created was used to pass messages on taxation to the public, especially, for persons, who may not have the opportunity to be part of tax sensitizations and other programs carried out at various markets. **#fairtaxationofrevenue**.

Table 11: Activities conducted by Bayelsa State Tax Justice Platform, during SPP 4 (2019)

S/N	Description of Activities Proposed.	Number of Participants	Outcomes	Results	Challenges/ Lessons Learnt
1.	Intensive sensitization of market women/tax monitors on their rights and obligations/inauguration of tax monitors	157	Stronger and wider alliance and increased awareness on fair tax, governance, and promotion of tax-to-service model.	Stronger and wider alliance, increased awareness on fair tax, governance, and promotion of tax-to-service model. Increased citizens voice on social media with the #fairtaxationofrevenue handle.	<ul style="list-style-type: none"> ➤ The rains almost marred proposed activities. But project team were not deterred. ➤ The markets' executive saw the project's team as a threat; hence, they were not friendly. ➤ The target group were not ready to listen, because they think the team was there to collect taxes. ➤ There were multiple and unnamed taxes in the markets. ➤ Continuous sensitization and awareness creation is key towards achieving tax justice and good governance.
2.	1.3 followership on social media that demands for fair taxation with Hashtag #fairtaxationofrevenue.	1,127 followers	Increased citizens voice.	Target groups are more enlighten and awareness has been created about their rights and obligations as taxpayers.	
3.	Advocacy/visits to State House of Assembly, Judiciary, FIRS, BIRS, NTA, etc.	Not carried out.	Not carried out.	<p>Tax monitors were inaugurated in three markets visited during the intensive markets' women sensitization.</p> <p>Market union was formed in two markets visited at Kpansia and Okaka markets.</p>	

Imo State

Imo State Tax Justice Platform was formed on 15th July 2015. After the inauguration, a 5-man executive emerged, with Chibundu Uchegbu, as the Coordinator. At inception,

the platform, has 32 members, drawn from NGOs, market unions, youth organizations, transport unions, NBA, NLC, etc. The platform had carried out series of advocacies to different government institutions and agencies in a bid to advanced fair tax campaigns. The platform carried out sensitizations and awareness to communities, informal sector players and encouraged stakeholders' mobilization into (a formal) tax net.

These programs were targeted at informal sector players, which are, mostly, the market people. In pursuance of their trading businesses, several traders encountered abuses and extortions from tax agents. These traders are subjected to several taxes/levies in form of rents, business premises permits, among others, even, when there are no social amenities (proportionately) for these payments.

During SPP's year 4, five activities were in Imo's workplan. These were: General Meeting with Platform members, Advocacy Visit to Board of Internal Revenue's Chairman, formation of Tax Monitors at Ogbaku Market in Mbaitolu LGA, Town Hall Meeting and Tax Awareness Campaign in Mbaitolu LGA and review meeting with Tax Monitors across several markets...

In view of these planned activities, Imo Tax Justice Platform conducted activities enumerated below:

1. Meeting of Platform members, which was conducted on the 9th of July 2019. The meeting had in attendance of 21 members, including, representatives of NLC, NBA, Youth Council, NGOs, and Markets Union.
2. Establishment of Tax Monitors at Ogbaku Market. This was done on the 15th of August 2019. A 5-Man Tax Monitors was also formed at Ogbaku Market in Mbaitolu LGA. The Tax Monitors team is headed by the chairman of the market.
3. Advocacy visit to Imo State Commissioner for Finance, Prof. Uche Uwaleke was on 16th of September 2019. During this visit, the Platform advocated for elimination of double/multiple taxation in the state, consolidation of (various) revenue agencies into one and digitalization of revenue collection system. The Commissioner, promised, to set up Internally Generated Revenue Review Committee to be chaired by him. This committee is expected harmonize revenue collections to eliminate double taxation.
4. Interface meeting with Amaegbu Youth Leaders. It was held on 30th of October 2019. The meeting was to harmonized toll collections in the market, which is considered as multiple taxation. Youth leaders from two communities were claiming right over toll collections in the market.
5. Sensitization at Ogbaku Market in Mbaitolu LGA. This sensitization took place on 12th of November 2019 at Ogbaku. In attendance were the leaders of the market, tax monitors and other persons, who represented various (interest) groups.

6. Review and experience sharing meeting with leaders of tax monitoring teams across 5 markets. The meeting was held on 20th of November 2019 at Imo State Tax Justice Platform's secretariat. Each tax monitoring leader shared his strengths and challenges. In view of the challenges shared, tax monitoring exco was formed to tackle such challenges. It is headed by Mr. Chris Akalazu of Ogbaku market.

Imo's radio program was aired at Heartland FM, Owerri- (100.5FM) of Radio Nigeria on Friday 20th September 2019. It was for 30 minutes and featured two members of the platform, who enlightened the public about activities of the platform, alongside, other interventions in the state. The two discussants were Mr. Chibundu Uchegbu and Mr. Basil Ejigini.

Table12: Tabular explanation of Imo's SPP 4 activities explained above

S/N	Activity	Objectives	NUMBER OF PARTICIPANTS		Outcome	Results	Challenges/ Lessons Learnt
			M	F			
1.	Platform Meeting held	1.To inform platform members about the new manager of the Platform, covering 16 states. 2. To brief members about activities lined up between July and November 2019			1.Members were informed on who the new manager of the Platform is, being, Niger Delta Budget Monitoring Group. 2. Members were updated about the workplan drawn for implementation in Imo state, between July and November 2019	Two results were achieved in this process: A 5-man Tax Monitors was formed at Ogbaku market in Mbaitolu LGA Internally Generated Revenue Review Performance Committee was set up and approved by Imo State Executive Council (SEC). This was following advocacy visit to the Commissioner of Finance, Prof Uche Uwaleke to advocate for the harmonization of revenue collections by different agencies and organs of government, including, stoppage of double taxation in the state. The Committee is headed by the Finance Commissioner.	1. Rains marring some meetings, due to the season 2. Difficulty in meeting some tax administrators 3. Reluctance of some members to attend meetings.
2.	Formation of Tax Monitors (TMs) in Ogbaku Market in Mbaitolu LGA	1.To report cases of extortion, double/multiple taxes in the market 2. To step up campaigns toward influencing LGAs chairmen to sign Tax 4 Service agreements 3. To be part of fair tax campaigns.		3	5-man Tax Monitors was formed and inaugurated. Challenges were identified (communal tussle for the control and ownership of the market) during formation of tax monitors. Commitment to carry out advocacy to address challenges observed was secured		Lesson learnt Working with people at the rural areas afford platform's opportunity to carry out necessary reforms and advocacies.
3.	Advocacy visit to Commissioner of Finance, Prof Uche Uwaleke.	1.To harmonize revenue collections in the state 2.To digitalize revenue collection processes that will eliminate corruption and leakages 3. To stop double/multiple taxation	7	1	IGR Performance Review Committee chaired by the Commissioner for Finance was set up to harmonize revenue collection and stop double/multiple taxation.		Recommendation A special court should be set up to try those, who violate Nigeria's National Tax Policy.
4.	Interface meeting with youth leaders of Okwu-Ogbaku.	To harmonize multiple taxes/tolls/levies that youths from three communities across Ogbaku collects in the market 2. To create a channel of collection to minimize the use of force and intimidation	5	1	The chairman of Amaegbu community, Mr. Obinna Dimgba and his team agreed with harmonization process. He promised to convene a meeting with youth leaders of other two communities to harmonize toll/levies collections in the market, which will reduce multiple taxation		
5.	Market Sensitization/Tax Awareness at Ogbaku market.	1.To create the culture of tax payment among informal sector players 2. To build voluntary tax			Secured commitments to comply with Nigeria's National Tax Policy from the		

		compliance in the consciousness of informal sector players 3. To sensitize markets inhabitants on their tax rights and responsibility 4. to eliminate multiple taxation, forceful collection, and intimidation.			informal sector players in the Ogbaku Market 2. Market people and leaders were properly sensitized on their tax rights and responsibilities.	
6.	Experience sharing meeting with leaders of different Tax Monitors across 5 markets, where they have been established.	1 To evaluate progress done in the period under-review 2. To know how tax right and responsibility are followed or scaled-up 3. To familiarize with one another 4. To know, where there are challenges			Tax Monitors (TMs) Exco was formed to frequently share ideas in confronting common challenges 2. TMs teams agreed to intervene in Eke Isu Market, where Tax Officers from Ngor Okpala LGA were threatening the head of TM, because he mobilizes and sensitized members of the market to chase them away on mission of collecting illegal taxation	

Ondo State

Ondo State Tax Justice and Governance Platform (ODSTJ&GP) was inaugurated in 2013. The aimed was to undertake activities focused on promotion of fair and equitable tax system and protection of people with economic vulnerabilities, particularly, women, who are victims of injustices, through suppressive tax regimes. ODSTJ & GP kick-started implementation of SPP/F4D, Phase II, Year IV program, with renewed vigor and commitment to ensure realization of overall objectives, working, with the new manager - NDEBUMOG. After the approval of the work plan by NDEBUMOG, activities commenced with passion and workable strategies, particularly, drawing inference from various trainings acquired from the platforms' new manager-NDEBUMOG.

Ondo State Tax Justice and Governance Platform is made up of members from different Non- Governmental Organizations, Community Based Organizations (CBOs), Public Sector, Faith Based Organizations, Professional Associations, Trade Associations, Media, and relevant stakeholders. Ondo State's Platform is currently hosted by Centre for Rehabilitation of Exceptional Persons (CREP), a Nigeria based Non-Governmental organization that focuses on rehabilitating all forms of exceptional persons, which includes; persons with disabilities, aged persons, people with chronic illnesses and diseases , (such as, HIV/AIDS, tuberculosis, hypertension, stroke, diabetes, cancer) etc. CREP is also involved in fiscal governance, probity, and accountability in governance through sustainable partnerships. Currently, Mr.

Olakunle Oyegoke of CREP is the state coordinator of Ondo State Tax Justice Platform.

Upon completion of inception activities, ODSTJ & GP undertook four major activities, which included: bi-monthly meetings that discussed and reviewed activities of the platform, capacity building/start up workshop to bring platform members to speed with realities of taxation matters, research in 3 LGA to evaluate outcomes on harmonization of taxes by the State House of Assembly and on Land Use Charge introduced by the State government in 2018. The platform also planned advocacy visits to selected stakeholders that are involved with tax administration in Ondo state.

ODSTJ&GP has worked with several stakeholders in the state on tax issues, educating the public on fiscal matters and advocating for improvement in the state's IGR and compliance with contemporary requirements on tax administration. The platform commenced SPP 4 activities with absolute calmness and co-operation of all members.

Table13: Some of the executed activities of Ondo's platform were:

S/N	Activities	Objective	Participants/ Geographical Spread	Results	Challenges/Lessons Learnt.	Resolution/Recommendat ions
1	Technical and Strategic Meetings of the Platform	To appraise activities of the platform. To carry out strategic plan for the execution of approved activities	20 members across Ondo State were selected. Male-13 Female-7	1. The meeting improved performance of our platform members and achieved overall objectives. 2. Capacity building training improved members understanding of taxation and other contemporary issues	1. Limited financial resources impeded operations 2. Bureaucratic nature of government actors slowed down pace of attaining targets.	1. Strategic action plans were unanimously agreed upon 2. Responsibilities were assigned to platform members.
2	Capacity Building/ Workshop	To enhance and enrich knowledge of members of the platform for effective and efficient performance	Platform members were 20.	3. Research activity revealed hidden truths about the land use charge through the harmonized tax law. These findings were instrumental for further engagements	1. Tax administrators also needs capacity building , as they are not always up to date on tax issues 2. Interface between Tax Administrators and Taxpayers is necessary , as it will facilitate mutual understanding 3. The taxpayers were yearning for avenue to engage government actors and in addressing fundamental issues about informal sector's taxation.	1. Needs for step down training were identified 2. Participants' capacity were enhanced
3	Research on Land Use Charge and Harmonization of Federal Laws in Ondo State	This is to enable the platform to have basic information on the effect of new laws and policy in Ondo state, with a view to intervene at where need be.	9 Participants were mobilized to administer one hundred and fifty 150 questionnaires across 3 LGAs through the 3 Senatorial Districts of Ondo state	4. Sensitization programs allowed participants to express their grievances about tax administration in the state. It also exposed citizens to the importance of tax payment as a civic responsibility.		1. Sensitization of all tax actors on attaining overall objectives 1. Provisions should be made for additional capacity for all relevant tax actors
4	Sensitization and Tax Education	To educate taxpayers in informal sector on tax issues for the purpose of providing information on what to pay and who is expected to be collected within the ambit of the law, etc.	230 participants, drawn from artisans , market women and men, business owners, trade associations, private school owners and other stakeholders, including representative of government, office of the Governor, CITN,	5. Advocacy visits provided an opportunity for the platform to influence and make positive contributions that brought changes in the operations of the OSIRS. At the state HoA, advocacy visit provided opportunity to examine efforts of the House towards domesticating Personal Income Tax laws. The Clerk promised to enhance better relationship between the platform and the House leadership.		2. Advocacy visits should be a continuous exercise to ensure sustainability of initiative with the government, who are susceptible to transfer and bureaucratic change. 3. There should be provision to replicate activities in the LGAs that has not been covered.
5	Advocacy Visits	To engage the tax administrators on outcome of research findings and reach a common ground on issues that are germane to all stakeholders	Commissioner of Commerce and Industry and his team , Chairman of ODIRS and management team. Other advocacy visits were paid to local government administrators in Okitipupa LGA, Akoko North -East LGA and to the Clerk of Ondo State House of Assembly.			

Ogun State

Ogun State Tax Justice and Governance Platform (the Platform) is comprised of members from Community Based Organizations (CBOs), Non-Governmental Organizations (NGOs), Public Sector organizations, Faith Based Groups, Professional Associations, Trade Associations, Media, and relevant stakeholders. Ogun State Tax Justice Platform is passionate at enshrining Tax Justice, fairness, equity, and campaigning for effective tax system in Ogun State. The platform is currently coordinated by Asojuoba Micheal Adesanya of Business Development Community Network, which equally, is the host organization of the platform in Ogun State.

At inception of SPP 4 activities, the platform proposed to embarked on the following: technical and strategic meeting, which was aimed to appraised activities of SPP III, developing implementation strategy for the current year, planned capacity building, advocacy visits toward the passage of Ogun State Tax Harmonization Bill, advocacy review meeting and outcomes/outputs harvesting.

Remarkably, all these activities were executed successfully, with effective attendance, deliverables and take home for all stakeholders. At the end of each activity, Ogun State Tax Justice and Governance Platform harnessed all thoughts, suggestions, contributions, submissions, and recommendations given during the events for consideration and intervention by the platform.

The platform also organized a one-hour radio sensitization program, at the studio of Family FM (88.5) on Thursday 3rd October 2019, with support from Niger Delta Budget Monitoring Group.

Prior to the radio program, the visit by NDEBUMOG's team, also coincided, with an advocacy visit to the Clerk of the House of Assembly. Highpoints of discussions during the visit to the Clerk were:

1. That government, must, stop the use of consultants to collect taxes and should block the leakages associated with the use of consultants for tax collection to boost revenue accruable to the state and local governments.
2. Taxes payable, should be made known to every citizen. Tax rates, should be published and be made public
3. Tax payment processes, should be eased, to encourage citizens to pay taxes through debit cards or through online payment platforms
4. Tax policies should be shaped in a way it encourages and support growth of the informal sector.
5. Multiple taxation affects micro and small enterprises growth. Therefore, efforts should be made to eradicate it.

6. The principle of fair tax should be employed in taxing the bottom of the pyramid and vulnerably poor. Every business cannot be taxed equally; hence, equitable scale should be used.
7. Only trained (formal) states/local governments tax collectors, should be used for collection of taxes.
8. Government should develop and put in place, requisite infrastructure that would encourage and motivate citizens to pay their taxes promptly.
9. Different groups parading markets and harassing innocent traders, should be banned from the markets, with their activities criminalized.
10. Point of sales payment system, should be introduced in the markets, where traders, would easily pay their taxes, tolls, and levies, without molestation.
11. A Treasury Single Account (TSA), should be set up for tax collection at the local government level to forestall leakages
12. A redress mechanism should be established to handle issues of abuse and wrongful acts of state agents involved with tax collections at markets.
13. Equity approach should be adopted in taxation. High net-worth individuals should pay commensurate taxes.

A side meeting between Ogun State Tax Justice Platform and NDEBUMOG's representatives took place, after the visit to Ogun State House of Assembly. NDEBUMOG's team was able to understand strengths and challenges of the Platform during visit of NDEBUMOG's team to Ogun state. Success stories were shared by Platform's members, beside the fact, the Platform is pushing a bill for harmonization of taxes in the state House of Assembly. Advocacy visit to State's Assembly and to other governmental entities were considered far reaching, as there may not be any relevant official within Ogun State's tax administration that has not been visited by the Platform. NDEBUMOG's team was informed that the media has been involved in activities of the Platform. At one time, the General Manager (GM) of the state's television authority was a guest speaker in one of the gatherings of the Platform.

A news report published by the Voice Magazine, showed that Ogun State Tax Justice and Governance Platform has admonished governments, at all levels, to find democratic means to curb multiple (ceaseless) taxation on citizens of the country. Wide-spread media coverage of activities of the Platform, shows, there are increasing awareness about the Platform's activities in Ogun state.

Table 14: Tabular summary of some activities of Ogun State Tax Justice Platform that were executed during SPP 4 (2019)

S/N	ACTIVITIES	OBJECTIVE	PARTICIPANTS/ GEOGRAPHICAL SPREAD	RESULTS	CHALLENGES/LESSONS LEARNT	RESOLUTIONS/OUTPUTS
1.	Technical and Strategic Meetings of the Platform	To appraise activities of the platform and to carry out strategic plan for the execution of approved activities	28 Members across Ogun State were selected. Male-22 Female-6	It was discovered that LG revenue collectors has no basis for assessment. It was observed that tax clearance from FIRS takes one week, while that of OGSIRS takes between 1 to 2years. The need to facilitate the passage of the tax harmonization bill is a collective responsibility	<ul style="list-style-type: none"> Limited financial resources impede the step ping down of the capacity training to Local Government areas Transport allowance was rationed for the participants who attended the Public Private Dialogue, as the participants were more than the invited guests There is need to replicate the PPD/Community outreach in all the 20 LGAs in Ogun State 	<ol style="list-style-type: none"> Strategic action plan was unanimously adopted. Responsibilities were assigned to members
2.	Capacity Building/ Workshop	To enhance and enrich knowledge of members of the Platform for effective and efficient performance	26 Participants Male – 19 Female-7			Needs for step down training were identified Participants capacity are enhanced
3	Public-Private Dialogue /Community Outreach for Stakeholders across the 3 Senatorial Districts	This will promote Tax for service, get feedbacks, views, prospects, and challenges facing the taxpayers and administrators, as well as, generate data for engagement with appropriate authority	60 Participants Male- 41 Female- 19		Proper management of interface between Tax Administrators and Taxpayers. Time management from PPD where participants have so many questions and contributions to make. Gender mainst reaming: The need to integrate gender perspective was taken seriously in the implementation of activities.	It was discovered that LG revenue collectors has no basis for assessment. Tax clearance for FIRS takes one week, while tax clearance for state takes years. The SIRS made commitment to ensure speedy issuance.

Enugu State

Enugu State Tax Justice and Governance Platform has, about, fifteen organizational membership at inception in year 2017. Presently, the number has increased more than 17. These groups are interested in engaging on issues relating to tax justice and promoting a fair, equitable and progressive tax regime in Enugu State. Enugu State Tax Justice and Governance Platform sees the informal sector, as complex, with related challenges for revenue mobilization. Some business clusters, successfully, evade taxes, whilst others are overtaxed, due to inordinate tax estimations or method of collections.

Among activities executed by Enugu State Tax Justice and Governance Platform was a meeting, which engaged the stakeholders, e.g., NLC, TUC, EnBiR to get their buy-in for the reformation of tax collections and payment system in Enugu state. Nine (9) participants were drawn from State's Board of Internal Revenue (SBIRS), Nigeria Labour Congress (NLC), Trade Union Congress (TUC), Budget and Planning, alongside, Tax Administrators that attended the meeting.

A collaborative meeting with Enugu Board of Internal Revenue, ALGON, the media, NLC, TUC, Enugu Capital Territory and MoT, Youths and Tax Monitors was organized in December 2019.

Table15: Some of results and challenges from engagements in Enugu State are highlighted below:

Results	Challenges
I. Stakeholders promised to support the idea of creating tax courts in the State	Inadequate funds to carry out activities as contained in the work plan, bank charges, communications (phone and internet, office supplies/stationeries/consumables) were also not taken care of...
I. Enugu Capital Territory Group (ECTG) of traffic workers formed by Enugu State Government. Bank account was opened, which will be managed by the EnBiR and the Ministry.	
II. Nigeria Labour Congress and Trade Union Congress (TUC) agreed to join hands for the harmonization of taxes in Enugu State	
III. Advocacy visits yielded some win-win results that led to the moderation of tax collection system in the state.	
IV. Stakeholders agreed to form a platform that will comprise of both CSOs and government actors in the State	
V. Stakeholders agreed to strengthen collaborations with District Society and Chartered Institute of Taxation of Nigeria, as this will provide a cordial relationship between tax authority and taxpayers.	
VI. Maintenance of Treasury Single Account was suggested, including, creation of tax stations in the markets, where lodgments will be made by taxpayers	

Anambra State

Anambra State Tax Justice Platform is currently hosted by Justice Development and Peace Caritas (JDPC), Nnewi Diocese and is coordinated by Ms. Ugochi Ehiaturike. Anambra State Tax Justice and Governance Platform embarked on some activities during SPP 4. These programs were: meeting with platform's members for review of previous activities and introduction of the new activities, training of tax monitors (TMs) on research and data collection, production of questionnaires for tax data collection, advocacy to Commissioner of Finance, Commissioner for Communications, Special Adviser to the State Governor on Internally Generated Revenue, policy briefs, media/social media engagements to share results, etc.

During these meetings, the State Coordinator, Ms. Ehiaturike Ugochi, highlighted the aims and objectives of the F4D's project, protection of taxpayers' rights, gender sensitivity in tax matters, promotion of fair taxation and how best to work with the new manager, moving forward!

Tax monitors in Anambra State, equally, shared their experience, thus:

- Two cases were currently in a Magistrate Court, which is between new business owners and Nnewi South LGA. This litigation was because of unclear rates given to market women, which resulted in the unions' refusal to comply with the payment and their goods were seized. The case was stalled because the Presiding Magistrate handling the matter was transferred. There were advocacy campaigns for the recall of (Presiding) Magistrate to come and give judgment, and thereafter, return to new (transferred) jurisdiction.
- Tax monitors from Nnobi, Oyi, Ekwusigo and Nnewi experienced difficulties with the Local Government Chairmen in the mentioned Areas.
- Representative of people with disabilities, shared an experience, about a deaf person that was building a house, with the house marked with “stop work” by the local authority. The inscription was to force him to pay land duty. Interventions was done, resulting to the handicapped man, asked to pay 1/3 of the land duty only.
- In Onitsha, traders pay, what is called traders tax and traders levy each.
- At Urum Community, it was observed that some men move around as government revenue contractor to collect monies from people... A Tax Monitor advised community members, not to pay anything to the “revenue contractor”. But rather, should go to tax offices for payments.

Lagos State

Lagos State Tax Justice and Governance Platform is made up of advocacy groups and civil society organizations that seeks to support the growth of internally generated revenues in Nigeria, including, promotion of tax education and compliance by all citizens. The Platform also monitors IGRs for judicious spending geared at improving the lives of all citizenry. Although Lagos State has made giant strides at increasing its internally generated revenues, despite this achievement, experience shows that many residents and some businesses in Lagos State are not capture in the tax net. In view of this, there is need to widen the tax net, promote tax education and compliance by all citizens. Importantly, adequate monitoring of tax revenues (through the budget) and demand for accountability, are among, objectives of Lagos State Tax Justice Platform. Lagos Platform is currently under the coordinatorship of Mr. Felix Obanubi.

Under SPP 4 support by Oxfam through NDEBUMOG to Lagos State Tax Justice Platform, some activities carried out were; strengthening Platform's internal structures and systems, expanding of Platform's functionalities and strategies for systematic operations, as well as, strengthening LGAs and markets' stakeholders interface to enhance citizens' voices and improve service delivery across (selected) 3 LGAs (Ikeja, Orile-Agege and Ikorodu) in Lagos State. Citizens, especially, markets' stakeholders, were mobilized through tax justice advocacies, which enable them to effectively participate and influence issues of tax justice and inclusive budget.

Some activities considered for implementation by Lagos State Platform, were:

- a. Meetings,
- b. Focus group discussions
- c. Letter writing via e-mails, hard copy presentations, text messages, and telephone conversations.
- d. Courtesy and advocacy visits to targeted stakeholders
- e. Sensitization campaigns to LGAs and respective markets in the selected locations
- f. Others

Table 16: Table showing activities of Lagos state TJ platform, as captured during (SPP 4) midterm report

S/N	Description of Activities	No. of Participants		Results	Lessons learnt	Challenges/Recommendations
1	<p>Strengthening internal structures, systems and expanding of Platform (meetings and in-house internal strengthening:</p> <p>i. To instill easy to use and functional internal systems, procedures, and strategies for systematic operations and effectiveness for monitoring, etc.</p> <p>ii. To open a separate platform's bank account by last week of July 2019</p>	M	F	<p><u>Internal Strengthening of the Platform:</u></p> <ul style="list-style-type: none"> Internal systematic governance and procedures reviewed into functional, platform's vision, mission, core values and focus review. Organizational members shared responsibilities with the host member. Internal control systems put in place. Separate account opened with two signatories New host for the platform appointed, more members were admitted, including, media, professionals and government officials interested joined with 2 other networks brought in for wider reach. <p><u>Sensitization</u></p> <ul style="list-style-type: none"> 18 markets women and men identified for Training of Trainers (TOTs) workshop, from the 3 selected LGAs in Lagos State. They will become champions of change in tax justice at their respective markets and communities. 25 LGAs' personnel identified for Training of Trainers (TOTs) from the 3 selected LGAs in Lagos State, who will become champions of change in tax justice in their respective markets and communities 43 participants participated in the TOT training from September 11- 18, 2019 in Lagos state Increased number of citizens' willing to be involved in tax justice issues was realized 	<ul style="list-style-type: none"> Involvement of additional members and expansion of membership with shared responsibilities, improved actions, and results Strengthening of internal governance and systems of the platform enhances transparency, accountability and secures confidence, interest, and commitment of members On-going reflection, reviews of work (tasks/activities) and processes, with in-built mechanism for flexibility in approaches based on outcome s of review/reflections that engenders ability to change strategies and achieve better results Running with (few) committed members to execute activities that enhances quick wins and thus attracts attention of others, leading to inclusion of hands and increased results. Recognizing and building existing and functional institutional structures, which promotes ability to institutionalize engagements, thereby, leading to attainment of ownership, more participation and sustainability of processes and outcomes. Learnt to flow with only stakeholders that are willing, interested and rooted in demand-driven engagements, programs and activities always' 	<ul style="list-style-type: none"> Critical stakeholders' commitments are difficult to be secured, including the media, when financial incentives are not directly involved. Getting attention of Iyaloj (Markets' Leader) has proof almost impossible. This is because the platform and its activities, does not have direct political undertone. Some local governments and their officers are not approachable, not interested and not willing to participate Some members of the platform are never available to participate in technical details of platform's activities leaving bulk of the work for few individuals
2.	Expansion of Platform through invitation of relevant stakeholders (courtesy visits to (identified) relevant stakeholders, creation of awareness and adoption of Platform's core values, vision and mission)	6	5			<p>RECOMMENDATIONS</p> <ul style="list-style-type: none"> It is highly recommended that mechanism be put in place to ensure regular reflection, reviews of work (tasks/activities) processes with in-built mechanism for flexibility in approach, based on outcome of reviews/reflections that engenders ability to change strategies and achieve better results. Recognizing and building on existing / functional institution and structures that yield results It is hereby recommended institutionalization of engagements, thereby, leading to attainment of ownership, more participation and sustainability in processes and outcomes

Delta State

Delta State Tax Justice and Governance Platform, under the coordination of International Centre for Women Empowerment and Child Development (ICWECD), embarked on series of trainings for identified tax monitors.

The report below, shows progress of work done, through establishment and inauguration of Tax Monitors in Ughelli, Warri and Agbor, respectively. Ughelli Tax Monitors were inaugurated, after the training on Thursday 19th September 2019 at the Conference Hall of Community Development Advocacy Foundation (CODAF), an Ughelli based NGO. The event was carried out by Int'l Centre for Women Empowerment and Child Dev. (ICWECD), which organized the event in collaboration with Niger Delta Budget Monitoring Group (NDEBUMOG) and Value Rebirth and Empowerment Initiative. Inauguration and training of Ughelli Tax Monitors was the second in series of activities contained in SPP 4 workplan approved for ICWECD.

Activities in the workplan were, expansion of tax monitors, consolidation, strengthening and revitalization of Delta State Tax Justice and Governance Platform, with support from Oxfam, through NDEBUMOG that seeks to revitalize Tax Justice and Governance Platform in Delta State. It was expected to be implemented between September and October 2019. The inauguration and training of Warri Tax Monitors took place on Wednesday 11th September 2019. It was the first, among, activities executed by ICWECD and its partners under the project.

Other activities scheduled for implementation under the project included, inauguration and training of tax monitors for Agbor, as well as, meeting of stakeholders on taxation in the informal sector, together, with a meeting of the members of Delta State Tax Justice Platform. With a composition of eight members, comprising three males and five females, Ughelli Tax Monitors were drawn from traders and small-scale enterprises in Ughelli. There was selection and constitution of Agbor Tax Monitors, which was carried out one week, before, inauguration. Agbor Tax monitors were trained on their role and responsibilities as tax monitors and inaugurated on Tuesday, March 31st, 2020 at Boji-Boji Market, Garage, Agbor. Inauguration and training of Agbor Tax Monitors was carried out by Int'l Centre for Women Empowerment and Child Dev. (ICWECD), which organized the event in collaboration with Niger Delta Budget Monitoring Group (NDEBUMOG) and Value Rebirth Empowerment Initiative. Agbor Tax Monitoring team is comprised of thirteen members, made up of traders and small-scale entrepreneurs, drawn from different parts of Agbor. There was equally two persons from ICEWCD and official in charge of Market Revenues in Ika North East LGA and one person from Rural Linkage Network, Agbor.

Objectives to be pursued from inaugurated activities are:

- To track and report anomalies, abuses and malpractices associated with informal sector taxation in Ughelli, Warri and Agbor.
- To promote understanding about taxation and its importance among monitors.
- The monitors are to educate traders on their role and responsibilities and on how to carry out their tasks to check abuses in the administration of taxes and collections.

Participants (i.e. the monitors) lamented that they are over-taxed and over levied, with often maltreatment by tax collectors. They narrated instances, where, they were levied for items and services not delivered. Tax Monitors were enlightened on their responsibilities and urged to take their tasks seriously at ensuring irregularities and abuses associated with taxation in the informal sector within their communities are minimize and be reduced to the barest minimum. The monitors pledged to carry out their tasks with utmost sincerity, commitment, and efficiency.

Table 17: Tabular illustration of Delta Platform's activities

SN	Description of Activities	No. of Participants	Outcomes
1	Inauguration and Training of Ughelli Tax Monitors	14	Tax monitors have been identified and trained
2	Inauguration and Training of Warri tax Monitors	14	Tax monitors have been identified and trained
3.	Inauguration and Training of Agbor Tax Monitors	13	Tax monitors have been identified and trained.
	Total	41	

Oyo State

Implementation of Phase II, year IV of Oxfam's F4D activities, commenced with the new management- Niger Delta Budget Monitoring Group. Oyo's Platform is currently hosted by Women Rights Action Group (WRAG). Mrs. Deborah Salami, the Deputy State Coordinator in Oyo's overseer of the platform. Oyo's platform signed an MOU with its new manager and proposed activities that were to be carried out in line with F4D's objectives. The approval of these activities by NDEBUMOG strengthened Oyo's platform visibility and relevance.

Some of Oyo's previous engagements included:

- (1) Capacity building /training of platform members on taxation and policies.
- (2) Research into tax payment and administration tagged “Citizens Report Card on Tax Payment and Administration in Oyo State” (CRCTPAOY).
- (3) Tax Education/Market Sensitization in not less than six major markets across 33 LGAs in Oyo State on tax to service technicalities.

- (4) Selection and training of tax monitors across six markets in Oyo State.
- (5) Advocacy engagement with OYO BIRS on fair taxation to reduce double/multiple taxation, through harmonization of tax laws.
- (6) Media roundtable/meeting with print and electronic media, which culminated into radio talk shows and interviews
- (7) Posters and stickers campaign in major towns and cities of Oyo State.

Oyo State Platform's was one of the platforms that benefited from NDEBUMOG's training in Lagos, which took place, immediately, when NDEBUMOG became 16 Tax Justice Platforms' manager. Oyo platform was equally strengthened by NDEBUMOG through an invitation to Multi-Stakeholders Tax Dialogue in Lagos. This resulted into request for work plan and budget that was approved by NDEBUMOG. Activities undertaken by Oyo's platform were:

1. Critical Stakeholders Planning/Strategy Meeting

Members were invited to a critical meeting, where the platform host, Mrs. Deborah Salami intimated members of the change in Platforms' management. At the meeting, it was emphasized that the changed was initiated by OXFAM. The meeting equally received inputs from members into agenda setting for work plan. Seven Platform's members were in attendance. The commitment to work with NDEBUMOG was secured from members at this meeting.

2. Platform's Knowledge Step Down Training/Project's Meeting

In line with the mandate from the new manager that step – down capacity building training be done, after two trainings in Lagos. This (exactly) was what Oyo state Platform did. Oyo's Platform project meeting was held to develop strategic plan. Twenty-two people were in attendance.

The meeting achieved dual purposes.

- (i) The step-down knowledge increased capacity of platform members.
- (ii) Project's meeting component focused on delineation of project's areas to members, who were divided into six strong teams to carry out planned activities. The meeting also afforded members the opportunity to strategically select two markets in two local government areas, across the 3 Senatorial Districts (2by3=6markets sensitization) as indicated below:

Oyo South Senatorial District.

- (i) Ibadan North Local Government Bodija Market
- (ii) Ibarapa Central LGA – Eruwa Market

Oyo Central Senatorial District

- (iii) Akinyele LGA – Moniya Market
- (iv) Ogo Oluwa LGA – Odo Oba Market

Oyo North Senatorial District

- (v) Olorunsogo LGA - Oja Oba Market
- (vi) Ogbomoso South LGA - Arada Market

3. Markets Sensitization Across 3 Senatorial Districts

Activities were slated to take place in 2 markets in each Senatorial District. The platform commenced market sensitization through pre-markets' sensitization meetings with markets' leaders. This strategy was to engage market leaders to ensure that they buy-in to the project. These (markets) leaders were expected to step down knowledge to different markets under their leadership. Issues discussed, included:

- (1) **Voluntary tax compliance and tax to service technicalities-** Market leaders and executives are considered greater voices and are held in high esteem by their members. They have the native intelligence and carries their members along, hence, knowledge through them, shall drop down to many traders and others.
- (2) **Market sensitizations** were carried out across some markets. Officers of relevant Local Government Areas and Revenue Officers were in attendance. Representatives of Board of Internal Revenue were part of markets sensitization. Attendance of Revenue Officers was to provide a feedback to state actors for harmonization of tax laws in the state and in solving problems of infrastructure in the markets. At Moniya Farmers (Joint) Traders Association, 15 markets' leaders (8 females and 7 males) attended the meeting. Attendees represented about 13 different markets within Moniya axis. Stickers made in Yoruba language that emphasizes the need to pay taxes and demand accountability from the government, were handed over to the secretary of the Association for distribution across 27 Markets. The Joint Markets Association in Moniya Farmers Market housed 27 major markets in the Akinyele Local Government Area of Oyo State.

4. Advocacy Engagements with State Actors

In Oyo state, a new (political) administration was sworn in on the May 29, 2019, after the general elections. Advocacy engagements were needed to strengthen the civic space through engagements with new Commissioners, Chairman of OYBIRS, the state Legislature and Executive Governor of the state. In view of this, letters of introduction and request for advocacy visits were distributed to the following offices.

- (I) Office of the Executive Governor of Oyo State
- (ii) Office of the Speaker/relevant House of Assembly's Committee on Commerce and Fiscal Matters
- (iii) Oyo State Board of Internal Revenue

Commissioners and Chairmen of Boards/Agencies were sworn into office on the 15th August 2019.

Advocacy visit to OYBIRS

Advocacy visit to OYBIRS was successful. The Platform was received by the newly appointed Chairman- Aremo John Adeleke, with the agency's Director of Informal Tax, Mr. Adetokunbo Bello in attendance. Issues discussed at the advocacy visit were; issues of citizens education/sensitization on voluntary tax compliance, harmonization of tax laws to reduce multiplicity/double taxation, automation of tax payment system (keeping it simple and accessible), issue of tax haven, transparency and accountability in tax administration, government responsiveness on service delivery, adopting of **tax to service** model to give back to the citizens and build public trust. All these were noted for actions. At the meeting, the platform was formally invited to join Inter-Switch team that oversees installation of automated payment system in the state. The model of “**Tax to Service**” was sold to OYBIR's team. They acknowledged the concept as a laudable...

Follow- Up on Letter to Oyo State House of Assembly

A follow up visit was made to Oyo State House of Assembly. During the period, Oyo State House of Assembly members were on recess, though, members were recalled for deliberations and amendment of the State's 2020 budget. Persons assigned met with the Clerk of the House, Mrs. Foluke Felicia Oyedirin and Mr. Olatundun Leke Gabriel, Legislative Aide to the Speaker of the House. Follow up meetings were promised with the Legislators, as soon as, the Assembly's resume sittings.

Oyo State Tax Justice and Governance Platform draws members from NGOs, CBOs FBOs, Traders/Markets' Associations, Professional Associations, Media, and Public-Spirited Individuals, etc. Major pre- occupation of Oyo's Platform is to be involved

with relevant stakeholders towards influencing critical reforms in tax practices and administration in Oyo State. The Platform, equally, mobilizes market women, men, and others in the informal sector for voluntary tax compliance.

Table 18: Activities of Oyo's Platform carried out during SPP 4 presented in a tabular form below:

S/N	Activities	Objectives	Venue	Date/Carried Out	Resolutions/ Outputs	Participants' geographical distribution
1	Planning/ Strategy Meeting.	For assessment of platform's activities to get feedback from the field. To update members with change in the management of the platform, To draw up strategic work plan for proposed activities under F4D's Phase II, Year IV.	Platform's host organization office, Adegbayi Ibadan.	6 th August, 2019.	Oyo State Platform's members visited markets to get feedback on fair taxation from (a) Adalabu Adegoke Market, Ibadan (b) WASOBIA Market in Ogbomosho (c) Karinkakpo Market in Oluyole. Platform members received news of changed in management and expressed readiness to work with the new manager-NDEBUMOG. The work plan and budget on proposed activities were drawn and agreed. Members agreed on meetings timeline for appraisal of workplan and implementation of programs.	7 members drawn across 3 Senatorial Districts of the State attended.
2	Step Down Knowledge/ Project's Planning Meeting.	To disseminate knowledge and resources shared by NDEBUMOG, which is to further strengthen members' capacity to push for fair tax. To deploy members to specific responsibilities and assignment for a successful execution of proposed activities.	Maria Egun Foundation Building	22 nd August, 2019.	Members knowledge and capacity widened and strengthened. Project's teams for activities were selected	22 members were drawn across 3 Senatorial Districts. It comprised of 12 females and 11 males.
3	Advocacy engagement with relevant state actors.	To present the mandate/activities of the platform to the new administration in Oyo State. To get state actors buy-in on citizens sensitization, harmonization of tax laws in the state, automation of payment system and adoption of tax to service to cater for social/ infrastructural needs across markets.	Oyo House of Assembly Revenue House, OYBIRS Office of the Governor	3 rd Sept. 2019	Commitment was given by the new Chairman OYBIRS to work with Oyo Tax Justice platform on its fair tax agenda. The platform was invited to work with inter switch's team on public sensitization for informal sector's taxation. We got commitment of the Clerk of the House to facilitate invitation of the platform to the House of Assembly, as may be required with relevant House Committees.	6 participants attended, being, 2 females and 4 males. Another set of participants, which were 2 males and 2 females attended.
4	Market Sensitization (Interventions) for Tax to Service	This activity was to promote voluntary tax compliance among market women and men. To raise awareness on fair tax. To promote "tax to service" and engender citizens participation in government. To engender infrastructural development, among taxpayers.	A. Moniya Farmers Market Moniya, Akinyele LGA. B. Obada Market Odo-Oba in Oluwa LGA C. Bodija Market D. Eruwa Market	Wednesday 2 nd October 2019. Thursday 3 rd October, 2019	Markets' leaders held meetings with their members and expressed readiness to voluntarily pay taxes. Each market, enumerated, at least, one to two needs that requires government attention under " Tax to Service ". Market Tax Monitors were elected and presented to work with platform's members.	A. 26 participants, made up of 14 females and 12 males. B. 45 participants, made up of 25 females and 20 males.
5	Printing of IEC materials	These materials will form parts of advocacy tools. Shall promote visibility of F4D's goals and objectives. Shall be used to sensitize citizens on their duties and responsibilities, which shall raise awareness on fair and pro poor taxes. To give credit to supporters of fair tax and inclusive prosperity - OXFAM and NDEBUMOG and Oyo Platform.	All venues for of activities	July - December and beyond	Smart messages on stickers to awakens traders to their responsibilities and call on government to wake up to her responsibility of effective service delivery. Information on fliers conveyed tax policies briefly Banners drew attention of people to Platform's activities across various venues.	

Result:

1. Feedback gathered from markets' outreaches, alongside, decision to hold meetings with tax monitors in some markets to get firsthand information from monitors in the markets.
2. Dissemination of information on change in platforms' management from former (manager) to NDEBUMOG. Commitment to support the new manager (NDEBUMOG) was secured from stakeholders.
3. Strategic work plan was drawn, which proposed F4D's Phase II activities, covering 3 senatorial districts in Oyo State, with involvement of critical stakeholders across the state.
4. Shared responsibilities, among platform's members and officers was achieved, through assigning of members into working teams.

Edo State

Edo state Tax Justice and Governance Platform got approval for its workplan and budget from NDEBUMOG in June 2019. This was after, an approved workplan, that captured activities, such as, advocacy visits, sensitization workshops to promote tax-to-service model, and a rally for the establishment of a Complaint Desk for unfair tax practices at relevant government offices in Edo state. From report received at NDEBUMOG's Headquarters, Edo state Tax Justice Platform organized a workshop that centered around strategizing on ways to ensure a fair tax system that engenders development and viable feedback mechanism, between the citizens and government.

Edo Platform's sought for talks with groups and organizations, who does business in the city and sought collaborations with them to push for tax for service agreement. What that means, is that, for those, who pay taxes within a neighborhood, there should be some social amenities that government should put in place to support that business environment. Where there is conflict, there should be a means of resolution, through a feedback mechanism between business owners and government. At the meeting, it was agreed that a coalition (Tax Justice Platform in Edo), will carry out advocacy visits to Oredo Local Government Chairman and to the LGA's Revenue Office, Edo State Internal Revenue Service, Public Welfare Guard and Edo State Transport Management Agency, among others.

Ebonyi State

Ebonyi state Tax Justice and Governance Platform got support from NDEBUMOG, just as, several other Platforms. Ebonyi Platform carried out advocacy visit to the State Board of Internal Revenue. Advocacy visit of Ebonyi State Tax Justice and Governance Platform (TJ&GP) to Chairman of Internal Revenue Board took place on the 7th of October 2019 at the Internal Revenue Board's Complex, Abakiliki. The

aim of the meeting was to get commitment from new Board's Chairman and members for improvement in tax practices, collate available policies, laws, and regulations, among others.

At the meeting, were six (6) persons. 3 from Ebonyi's IRB and 3 TJ&GP members. The Board Chairman was just six (6) months in office at the time of the visit.

Discussions during the meeting centered on:

- a. Receiving draft copies of Ebonyi State Tax Harmonization document
- b. Informed discussion with the Board
- c. Commitment to strengthen partnership, between IRB and TJ&GP.

Ebonyi IRB showed (high) interest for collaborations with TJ&GP in Ebonyi state and mandated two staff of the Board to ensure regular sharing of information with the platform.

Ebonyi state Tax Justice Platform requested that the National TJ&GP (in Abuja) should assist Ebonyi State IRB in reviewing available Tax Laws in the state and come up with a simplified version, which shall be used in public education and awareness creation.

Table 19: Summarized outcome of Ebony Tax Justice Platform's activities

ACTIVITY	DESCRIPTION OF ACTIVITY	NUMBER OF PARTICIPANTS IN ATTENDANCE	OUTCOMES	RESULTS	CHALLENGES
<p>Advocacy Meeting</p>	<p>Advocacy meeting with Chairman, Board of Internal Revenue, relevant Committees of the State House of Assembly, Perm Sec, Local Government Chairmen/revenue committees, Economic Planning and Budget, SA to Governor on Tax for data collection and collation on available Tax Laws, policies and regulations, reconciliation with national tax policy and to negotiate for tax to service agreement.</p>	<p>6 Persons (3 IRB members and 3 TJ&GP members)</p>	<ul style="list-style-type: none"> Collection of Ebonyi State Draft Tax Harmonization Document. IRB's setting up of committees to ensure continuous sensitization of the public. These committees meet weekly and visit their clients appropriately. EBIRB refers to taxpayers as clients, which helps to build relationship between government and taxpayers. Regular clients site visits by IRB staff for discussions on the need to pay taxes and finding out challenges, facing clients in their day to day business. Two (2) key staff of EBIRB were assigned to ensure they communicate with EBTJ&GP about the Board's meetings and decisions for clients' participation and contribution, towards educating the public to ensure justice. Commitment by IRB Chairman to eliminate touting in revenue generation across Ebonyi State. Automation of tax payment system and expansion of tax nets in the state to take in uncaptured clients. 	<ul style="list-style-type: none"> IRB set up committees to ensure continuous sensitization of the public. These committees transcend beyond weekly meetings and visits their clients. EBIRB refer to taxpayers as clients to build a relationship between both parties. Regular clients' site visits by the IRB staff for discussions on the need to pay taxes, share challenges facing clients in their day to day business. Two (2) staff of EBIRB were assigned to ensure they communicate with EBTJ&GP of EBIRB Board's meetings decisions for conveying to clients and educating the public to ensure justice. Commitment by IRB's Chairman to eliminate touting in revenue collection across Ebonyi State. Automation of tax payment system and expansion of tax nets to capture additional clients 	<ul style="list-style-type: none"> Directive for assignment at various places for majority of the government officials that were to participate at the meeting. <p>LESSONS LEARNT</p> <ul style="list-style-type: none"> Continuous engagement with government and citizens, will improve governance and reduce touting. State's tax laws are available to the Board's Committee. There is need to increase advocacy and awareness, concerning tax laws in the state Revenue base of the state is low, as most rich people may not be paying appropriate taxes.

4

REPORT OF MULTI STAKEHOLDERS DIALOGUE ON TAXATION, ORGANISED BY NIGER DELTA BUDGET MONITORING GROUP (NDEBUMOG), WITH SUPPORT FROM OXFAM IN NIGERIA, FROM 21ST TO 24TH OF MAY 2019 AT CYNERGY SUITES LIMITED (ROYALE), AJAH, LAGOS, AS PART OF OXFAM'S STRATEGIC PARTNERSHIP PROGRAM (YEAR IV).

DAY ONE: A Multi Stakeholders Dialogue on Taxation was organized by Niger Delta Budget Monitoring Group (www.nigerdeltabudget.org) from May 22nd to 23rd of May 2019 at Cynergy Suites Limited (Royale), Ajah, Lagos. It was part of Oxfam's (Financing for Development's) Strategic Partnership Program. The dialogue was aimed at the following:

- a. To bring together, tax policy framers, tax actors, tax preachers, tax collectors, tax enforcers, tax reconcilers, operators of tax tribunals/tax appeal courts, mobile tax courts at the Federal, States and Local Governments to dialogue on tax issues, proffer solutions to nagging problems of unfair and duplicated taxes, mobilize citizens for equitable tax returns, including effective service delivery that justifies taxation.
- b. Use the dialogue as mobilization enabler for Nigeria's Tax Justice and Governance Platforms and encourage citizens to key into fiscal processes, as tax advocates and champions for fair and equitable taxes.
- c. Connect Shadow Budget Platforms with Tax Justice and Governance Platforms and use the process to expand the network of fiscal watchdogs at the grassroots.
- d. To deepen capacity and reduce tax illiteracy, among stakeholders, particularly, Tax Justice and Governance Platforms' members, activists and change agents, leveraging their understanding on tax education for effective tax justice, amongst the populace.
- e. Use the dialogue as a bridge to connect relevant fiscal platforms with TJ&GP and stimulate synergies, collaborations and linkages, which, with time, shall create a sensitive mass of activists that could easily mobilize and connect each other across states of Nigeria's federation for constructive fiscal interventions on taxation, annual budgets, audits, civic space, democratic freedom and monitoring of service delivery and human rights.
- f. The dialogue is considered as a platform to mobilize – the social mass of

tax justice and budget activists, fiscal influencers, impact evaluators, change-bearers and social equality campaigners, who can use SPP's influencing model to advocate for fair taxation, human rights, fiscal (tax) justice, service delivery for communities and non-state actors into budgetary and national tax derivatives (for example: medium term sector strategies, medium term revenue plans/ sessions etc) particularly, at the sub-national level to accelerate fair tax compliance, sustainable development, access to justice and social freedom through democratic windows for reporting unfair tax practices that discourages voluntary tax compliance and resource mobilization, upon efforts at the national level to reduce oppressive (duplicative) taxes by the Joint Tax Board and National Council of States.

Participants were drawn from (selected) Tax Justice Platforms', Shadow Budget Groups, private sector players, tax experts, government functionaries, CSOs, academia, the media, religious bodies, among others.

The dialogue commenced around 9.35am, after composition of service-table. Opening prayers followed. Thereafter, ground rules were also set, thus:

All phones should be on silence, no loitering, no side talk, no-interruption during session, except, recognize by moderator. Everyone must pay attention to time management, no noise making, etc.

There was opening remarks by Dr **George-Hill Anthony**, CEO of Niger Delta Budget Monitoring Group (NDEBUMOG). He welcomed government representatives, tax practitioners, gentlemen of the press, other participants, and associates of NDEBUMOG to the two days Multi Stakeholders Tax Dialogue. Dr. George-Hill informed the audience that he was pained about the fact, Nigeria, was at a crossroad, due to increased poverty, which is exacerbating insecurity and violent crimes across the country. He, however, urged invitees to honour their civic responsibility by paying their taxes, which is a psychological vehicle that engenders demand for accountability. Dr. **George-Hill**, said, tax injustice, inequity and misplaced (tax) waivers, should bother stakeholders, as the dialogue, according to him, is to brainstorm about tax systems and processes in Nigeria and proffer solutions, where there are gaps. He lamented about Nigeria's slithering into suffocative tax system, even with poor service delivery, coupled with inadequate transparency and accountability. He re-echoed the fact, government may increase VAT and other (consumption) taxes, as the search for avenues by government to generate more revenues gets belligerent. (<https://www.vanguardngr.com/2019/03/fg-plans-50-increase-in-vat-other-taxes/>, <https://punchng.com/vat-will-be-increased-in-2019-says-finance-minister-as-fg-introduces-new-revenue-initiative/>, <https://tribuneonlineng.com/197904/>, <https://news.bloombergtax.com/daily-tax-report-international/nigeria-to-raise-vat-to-7-5-from-5-in-2020-ex-minister-says>,

<https://www.legit.ng/1245437-fg-increase-vat-by-2020-ex-finance-minister.html>),

Dr. **George-Hill** implored *demand side actors* to demand accountability always. He concluded his remarks by encouraging stakeholders invited to the dialogue to feel free during the dialogue to discuss problems and solutions around taxation in Nigeria, including, the nexus between tax, budget, and audits. He went ahead to *declare* the *dialogue* open.

Goodwill messages:

There were goodwill messages from Pastor **Adeleke Adeniyi**, who represented Lagos State Government. Others were from Dr **Peter Oti**-University of Calabar, **Alao Abiodun**-Amuwo Odofin Local Government Area. Prof. **E. E. Williams**-Principal Lead-Egghead Group of Companies and **Henry Ushie** of Oxfam in Nigeria.

Speaking on behalf of the government of Lagos State (the host state), Pastor **Adeleke**, welcomed participants to Lagos state. He highlighted the importance that Lagos attaches to taxation. Pastor Adeleke said, Lagos state's slogan is, *have you paid your tax!* He said, the government, uses tax and other revenues accruing to the state to work for the citizen. He urged participants, who were not residents of Lagos to relocate to the state, provided, they can bear the stress of endless gridlocks. Pastor Adeleke, commended Oxfam and NDEBUMOG, on what both organization (Oxfam and NDEBUMOG) have done developmentally for Lagos and beyond. He acknowledged, such, has impacted on the state, positively. He disclosed that the State House of Assembly, may liaise with Oxfam and its partners, because of positive impacts of the organization's work in Lagos state.

In his remarks, Dr **Peter Oti**, a Tax Expert and Associate Professor at University of Calabar, emphasized the importance of the tax dialogue by NDEBUMOG. He said, the word, “*tax*”, often elicit changes in peoples' countenance from taxpayers and collectors of taxes, wherever, such are mentioned. He encouraged non-state actors to demand for accountable (responsive) fiscal system, where taxes (collected), can be tracked and be accounted for...



Picture 1: Some participants and resource persons at the Multi Stakeholders Tax Dialogue

Alao Abiodun, a Senior Accountant with Amuwo Odofin Local Government Area of Lagos State, disclosed that revenues accruing to Federal Government from oil and other sources are pooled together and shared from Federal Government's Consolidated Revenue Account (CRA) to the three tiers of government. He elaborated on Local Governments' revenues, saying, revenues generated by Local Governments, are either, from fines, tenement rates, etc. The states, in turn, according to **Abiodun**, shares some revenues with the LGAs under a Joint Treasury Account (JTA) regime, which is a system that revenues are deductible and are distributed at source. He said, prior to 2016, the accounting system of Local Government Areas was on cash basis... “Whenever, we issue a bill or demand notice, we collect at source. International Public Sector Accounting Standards (IPSAS) has been introduced, which has helped the Government in Lagos state to link revenues through a trackable (IPSAS) charts of account codes”.

For Prof. **Ezekiel Williams**, who was represented by Ms. **Victoria Okokon**, conveyed greetings from Prof. **Williams**. She informed the gathering of the Professor's apology for his absence, which she said, was due to a commitment in United States of America. She affirmed her principal's delight to be part of the gathering, in view of taxation, being issue that affects everyone in society.

Henry Ushie of Oxfam in Nigeria capped up goodwill messages by thanking previous good wishers. He welcomed participants on behalf of Oxfam and informed his audience about Oxfam Nigeria's Acting Country Director's unavoidable absence,

due to circumstances beyond his (Oxfam ACD's) control. **Ushie** emphasized the importance of fiscal governance, which he said, is a key component of Oxfam's work in Nigeria. (<https://nigeria.oxfam.org/what-we-do-active-citizenship/promoting-transparency-and-accountability-private-and-public-sectors>) A reason, he reemphasized, is why issues around taxation is critical to Oxfam's programmatic targets in Nigeria. **Henry**, lamented that revenues available for government's work is small, compared to the population and developmental needs of the country. He compared the budget of Cambridge University to that of Nigeria, which is about 8 trillion naira annually, with a population of about 200million people. A development gap, he bemoaned, was generationally too wide, (https://www.cam.ac.uk/system/files/uoc_annual_report_2018.pdf,<https://www.budgetoffice.gov.ng/index.php/2019-budget>) between a developed country's university and a third world country's population, such as, Nigeria. He noted that payment of taxes is a civic duty of citizens (<https://www.iep.utm.edu/soc-cont/>,https://en.wikipedia.org/wiki/Social_contract). Henry pointed out that payment of taxes gives citizens' authority to demand accountability and service delivery from government. When such is done, Nigerians, will begin to demand for judicious uses of government's revenues, he argued. He spoke well about Lagos tax model. Something, he urged, other States' in Nigeria to emulate. Henry's comment ended opening formalities at about 10.23am and was followed by group's photograph and tea break.

Technical Session

Technical session commenced around 11.01am. The session involved paper presentations, plenary discussions, comments, questions, interventions, and responses. Resource persons adopted participatory-learning method in their (technical) presentations.

First presentation was by Pastor Adeniyi Adeleke. His paper was captioned: **Subnational Taxation: Lessons from Lagos State**. In the paper, the presenter, disclosed that about 123,840 persons visits Lagos State daily. Pastor Adeniyi, maintained, such influx, adds, to the pressure on the state's (social) infrastructure daily. As Lagos battles with increased population, tax drive is considered important for the government of Lagos state and infrastructural survival, among others. <https://allafrica.com/stories/200503080219.html>,[https://www.researchgate.net/publication/320755290 ELECTRONIC TAXATION AND TAX EVASION IN NIGERIA A STUDY OF LAGOS STATE](https://www.researchgate.net/publication/320755290_ELECTRONIC_TAXATION_AND_TAX_EVASION_IN_NIGERIA_A_STUDY_OF_LAGOS_STATE).

Pastor Adeniyi, said, with a population of about 20million people in Lagos, the state is moving from a *Mega City* to a *Smart City*. He shared a brief history of how Lagos state moved from a paltry monthly non-oil revenue of N6million to N3.6billion between 2005 and 2007. That is, from era of Senator Bola Tinubu's administration as Governor to that of Governor Raji Fashola, who moved Lagos

State's IGR from N18.9billion (annually) in 2008 to N29.9billion in 2012. Governor Ambode's tenure leveraged receipt from N30billion in 2017 to about N34billion in 2019. <http://www.lirs.gov.ng/assets/docs/Lagos-State-Revenue-Administration-Law.pdf>. Please read more about Lagos State's revenue collections through these links: <https://www.premiumtimesng.com/regional/ssouth-west/266158-lagos-generates-n103-5-billion-revenue-in-q1-2018.html>. <https://www.vanguardngr.com/2018/04/lagos-govt-records-n141-96bn-revenue-q1-2018-official/>.



Picture 2: Pastor Adeniyi Adeleke, speaking at the Multi Stakeholders Tax Dialogue

Pastor **Adeniyi**, through his presentation, established the importance of taxation, which is a vital tool for resource mobilization and sustainable development. From the paper, Lagos State generates around 70 percent of its annual income through taxation. The facilitator shared information about a shakeup that took place in 2005. He explained, the shake up, was a product of thoughtful calculation that revolutionized tax administration in Lagos State. The year 2005 revolutionized tax regime in Lagos State, created easy access for payment of taxes in Lagos State through enabling laws enacted to institutionalized tax payment system, which places tax collections in the hands of professionals. Other reforms, rewards, and innovations, brought up by the new tax reforms are:

- ❖ There was increased employment
- ❖ There are scientific methods for computing taxes, using oracle computer software

- ❖ Tax collectors were trained to professionally relate with the public
- ❖ Taxpayers were enlightened
- ❖ There was transparency
- ❖ Receipts are issued promptly

Pastor **Adeniyi**, elaborated on challenges encountered, while overhauling tax collections structure in Lagos State. Such, he said, were:

- Tax evasion
- Double taxation, some, unintentional...
- Unscrupulous attitude of some revenue agents
- Under assessment of some taxpayers
- Politicization in some cases
- General economic situation.
- Others

He stated, as good as, intention of government may be on taxation, with, resultant increases in revenues viz a viz infrastructural improvement, it may not be a perfect system. This means, there are rooms for improvement.

Questions and comments, followed, thereafter, as he ended his session.

A participant from Ondo State, Olakunle Oyegoke, concurred with the presentation, particularly, on revamping of tax collections structure in Lagos State, which he referred to as good, though could always be abused by politicians, which at times, politicizes the system for their own interest. He wondered, if there is a way of replicating the Lagos model for other states in Nigeria to learn from...

A government official (invited) from one of the Local Government Areas in Lagos State to the tax dialogue, lamented about processes of making a law to back up tax collections in Lagos state. As he observed, Lagos State may have encroached into tax jurisdiction and territories meant for LGAs on collections of tax revenues. He said, such, has led to conflicts between the two tiers of government, as he pondered about conflict of jurisdictions and how that can be resolved? Political will, as well as, the need to bring more people into the tax net, were parts of the lessons drawn from Pastor **Adeniyi's** session. Double- taxation was identified as a challenge. Tax boundary, between Lagos and Ogun State, was equally, identified as a problem that should be investigated. A situation, where people are compelled to pay taxes to Ogun and Lagos State (at the same time) because of confusion over tax jurisdiction/boundary. This was identified as a serious issue, with a solution requested from Lagos State government.

Responding, Pastor **Adeleke** summated on the Lagos model, which, he reechoed to

the next session by Professor E.E. Williams (through his representative) was introduced.

The Third presentation (for the day) by Professor Ezekiel William, was titled: **Complexities of Nigeria's Tax System; Imperative for Justice and Harmonization**. Professor Williams session was facilitated by Ms. Victoria Okokon, who represented the Professor.

Okokon commenced her session with a brief definition of *tax*. She said, *tax* is simply, a charge imposed on citizens by the state. She identified, policy, administration, and laws, as tripod, which the Nigerian tax system stands. She informed her audience that tax systems are (supposed to be) guided by principles of equity and fairness. She agrees, Nigerian tax system, may be fair, but not yet convenient. She lamented about inadequate flows of information to taxpayers and access to government's information. Her presentation listed (about) ten (10) laws, including (Nigeria's) Constitution that cites taxation in Nigeria. Among these, the presenter, said, Federal Government collects nine (9) different forms of taxes, states have twenty-five (25), while LGAs have twenty-one (21).



Picture 3: Ms. Victoria Okokon facilitating a session on behalf of Prof Ezekiel Williams.

In explaining tax justice system in Nigeria, **Okokon** emphasized the role, which the judiciary can play within the tax (justice) system to effectively emplaced fair tax processes and conducive environment for doing business. Other processes, she explained, are issuance of demand notice, and if acceptable to the person, he/she will proceed with (tax) payment. If you do not accept (*sic*), you write within 30 days, stating reasons, why you are contesting. If government, does not agree with your protest, you will be given notice of rejection of your protest and more reasons given

be worthy for emulation by other states through a political will, as politicization, must be avoided. The model from a state, will cascade into the Local Governments system. He agreed that (some) LGAs could have been mis-mapped by the state government by encroachment into their (LGAs) tax jurisdiction. He assured that Lagos is a responsive government and will not intentionally encroach into LGAs jurisdictional corridor for taxation, assuring that the issue can be resolved by necessary organ of the government, if true. He lamented about (some LGAs) Chairmen, may have signed away their (jurisdictional) areas, as a result of ignorance, even as state government, decided to give back to LGAs, some monies collected from LGAs for transactional tax mixed up. The audience was informed that such monies collected (in error) were pooled together and shared (reversely) among LGAs in the state. Pastor Adeniyi was applauded for his enlightening session, even as he constructively marketed Lagos State during his session. Indeed, Pastor Adeniyi is a good ambassador of Lagos State.

The second presentation was by Henry Ushie of Oxfam in Nigeria. It was titled: **Influencing for Impacts**. Henry introduced his paper through participatory method. He asked his audience to share their thoughts on what Influencing means. Responses from the audience, were:

- ✓ Making things happen!
- ✓ Motivating for something!
- ✓ Seeing the need to do something!
- ✓ Moving from fixed mindset to growth mindset...
- ✓ Being a role model to other people...
- ✓ Inspiring ability to push from one level to another!
- ✓ Cause change, positively or negatively...
- ✓ There is power and authority. But influencing is the central thing!

Henry agreed with above characteristics of influencing. He, added that power, connotes force and coercion. But authority have legitimacy! He projected a power analysis slides to his listeners, alongside, Oxfam's definition of influencing, which he outlined, as factors, that can be used to get people to pay taxes. He proceeded to share strategies for (effective) influencing.

Through context analysis summation, Henry, recognized the tax space from government's perspective. He sees the space, as open, as government prefers everybody to be involved. However, fiscal governance (space) seems to be closed, because government, do not want citizens to participate. He added, in influencing, people should work as a coalition or in groups, rather, than individually. Henry's paper was rounded up with questions and comments from participants. Thereafter,

for you to pay, which are clearly stated (legibly) in the letter from the tax authority. However, if the government considers your protest legitimate, you may be told to pay the uncontested portions, whilst the contested portions, may be re-assessed.

Challenges, she identified, were:

- a Lack of robust framework
- a Fragmented database of taxpayers and weak structures (BVN, National ID Card forms part of Nigeria's (tax) database)
- a Inordinate drive by all tiers of government
- a Lack of clarity on taxation - powers of each tier of government
- a Poor accountability of tax revenues
- a Insufficient capacity
- a Use of aggressive/unorthodox methods for tax collection
- a Non-regular review of tax laws/legislations.

There were questions and comments. A participant requested a practical example about tax jurisdiction. He was informed that tax (jurisdictional) conflicts around border towns, between Lagos and Ogun state, where, in some cases, residents pay taxes to both states, was a clear issue about tax jurisdiction. Other questions and comments, were, are there evidence of collections of withholding tax? Are such documented? Participants were informed that payment of withholding tax are documented with evidence of payment, including, certificate and payment advice.



Picture 4: Dr. George-Hill Anthony, Chief Executive Officer of NDEBUMOG, speaking during the event.

The fourth paper at the event was presented by Dr George-Hill Anthony. It was titled: **Analyzing Federal Government's Budgetary Stream and Connections to Taxation.**

During the session, the facilitator tried to expound on links between taxation, budget, and audit. He noted importance role parents can play on budgeting, which starts from home. Dr. George-Hill emphasized the importance of welfare responsibility that government owes its citizens. He said, such expectations, cannot be met by the government, without a (responsive) budget, as monies, not appropriated in the budget cannot be spent by the government. He went further to say, such was the reason, recovered (looted) funds that is domiciled in special accounts (by the Federal Government) cannot be spent without re-appropriation. As recovered looted funds, must be (re) appropriated by the National Assembly through the fiscal chain, part, which is the budget. He illustrated on fiscal projections surrounding Nigeria's 2019 Budget Bill, which was at Nigeria's National Assembly. Adding that, in budgeting, government ministries, departments and agencies are categorized within Nigeria's bureaucratic template. The size of envelope an agency gets, depends on (political) interpretation of the template...He spoke about sources of non-tax revenues for the government, including, revenues from sale of crude oil, NNPC JV Cash Calls, Crude Oil and Gas Profits, NNPC JV royalties, EF crude oil, profit oil, PSC's on crude oil, gas flare royalty, concessional rentals, exchange gains, etc. He lamented about corruption in the system, which has affected the management of government revenues. Dr **George-Hill** bemoaned lack of tracking of these (oil) revenues and expenditures. Something, he said, is becoming a complex process. He urged members of Tax Justice Platforms and Governance Platforms to prioritize the following:

- Equitable tax campaigns
- Monitoring extractive revenues
- Tracking internally generated revenues
- Seeking justice for victims of human rights abuse, due to unfair taxation or uncivil means of tax collections
- Campaign against tax inequality, due to arbitrary issuance of tax waivers to the rich, whilst goods of peasant traders are seized, with offices/shops of low/medium income traders locked, because of excessive tax assessment and imposition of levies.
- Mobilization of international pressure, through sustained campaigns (globally) for responsive tax regime, which should be seen, as a human rights obligation of state parties in line with United Nations Covenants and Conventions and through peer reviews.

General recommendations in Dr. George-Hill presentation's, were:

- “ Mobilize more citizens (either: government, private and corporate

bodies) into Tax Justice Platforms across the country.

- “ Use constructive approach to tackle unfair tax practices
- “ Appoint Voluntary Tax Justice Monitors (VTJM) across Nigeria
- “ Seek for tax collection violations and remediation windows with all tiers of government and appropriate MDAs
- “ Carry out advocacy programs and campaigns to enlighten citizens about responsive taxation
- “ Demand accountability and effective service delivery, which will serve, as a booster for Voluntary Tax Compliance
- “ Reform Nigeria's Tax Justice Platform beyond being a loose coalition, which will make it (futuristically) sustainable, beyond Oxfam's SPP
- “ Introduce innovations into the platforms, among others.

DAY TWO: Thursday, May 23, 2019. Proceedings commenced at about 9.33AM, with opening prayers by a Muslim and a Christian. Communiqué Drafting Committee was (thereafter) constituted. It was followed by recap of previous day's activities. The recap was participatory, as participants, were requested to write (in a sheet of paper), what they learnt from previous day's presentations. Papers were collated, some were recited by the compere. Views lifted from submitted papers, were:

- ❖ Tax collectors, should be given orientations,
- ❖ Withholding tax is legal, but unpopular
- ❖ Mobilization for tax justice, should be intensified
- ❖ There should be reorganized system for revenue collections

The above was followed by Dr Peter Oti's presentation, which was titled: **Nigerian Tax Regime, Federal, States and Local Governments- Perspectives on IGRs and Tracking Roles of CSOs.**

The Associate Professor from University of Calabar, noted, many people are usually unhappy about paying of taxes. Just like churches, will always justify, why their collections, should not be taxed. Dr. **Oti** traced the origin of tax to the Bible, through Biblical references: Mathew 17 vs 24 – 26; 22 vs 15 – 21; Romans, 13 vs 1 – 2; 6 – 7. Exodus 30 vs 13 to 13. He shared additional information about Nigeria's tax regime

and computations, where he noted, Nigeria's tax system has not been able to achieve its stated objectives. The need to grow IGRs has led to arbitrary exercising of powers by revenue agents. Other challenges enumerated in his paper, included:

- a Poor accountability of tax revenues
- a Insufficient capacity
- a Governors find it difficult to comply with budgetary provisions.
- a What can CSOs do to ensure compliance? He asked!
- a CSOs were told to step up campaigns against corruption.

He listed several roles for CSOs, including, monitoring, evaluation, and tracking.



Picture 5: Dr. Peter Oti of University of Calabar delivering his paper at the Tax Dialogue

There were comments from participants, thus:

- § Governors has crippled Local Government Areas.
- § Governors do not allow LGAs to be autonomous.
- § Participants said, they prefer effective LGAs, as they (LGAs) are closer to the grassroots.

After a tea break, which ended by 11.57AM, **Victoria Okokon**, made a presentation on **Tax Complications and Realities: Dissecting Applicable Taxes Between FGN, States and LGAs**. Her presentation elicited excitement among participants. Applicable taxes within Nigeria, as well as, the complex nature of Nigeria's tax system featured extensively in her presentation. She said, taxes paid in Nigeria are numerous, as it makes cost of doing business high. She presented a list on tax

categorization, which are to be paid from part(s) 1, 2, 3 and 4. In addition to numerous taxes collected from citizens and corporate bodies by Federal, States and Local Governments, she noted other illegal taxes collected across many states. She alluded to some taxes considered as duplicated, with slight changes in names attached to them from place to place. Some of these taxes, she said, may be, in conflict with Nigeria's constitution.

She charged CSOs to begin sensitization of LGAs at reforming some aspects of tax laws that conflicts with Nigeria's constitution. She argued that tax laws, should be placed, side by side, with the constitution to weigh areas that should be weeded out, therefore, bringing (these) tax laws to tandem with Nigeria's constitution. She said, lawyers should always be ready to challenge conflicting tax laws. Issues of multiplicity of taxes, encroachment of states into Local Governments' tax jurisdictions, were, among issues, highlighted in her presentation.

Multi Stakeholders Tax Justice Dialogue's Deliverables

Participants commended Oxfam and NDEBUMOG for the intellectually impacted dialogue. They (participants) acknowledged enhancement of their knowledge-based, which were equipped with lots of information on taxation during the program. They pleaded for more of such gatherings from time to time. Other outcomes, were:

- Political will are needed to effect changes.
- States should have economic plans.
- Revamping of the tax system, using the Lagos model, are essential.
- Tax collectors and revenue agents' needs democratic capacity building that will align their approach to economic justice and human rights.
- A stakeholder from Lagos state (government) promised to follow up to correct encroachment into jurisdiction of Local Government Areas for tax collections.

Immediate Outputs

- μ Capacity of 50 participants were enhanced on tax issues.
- μ Communiqué was presented and duly adopted.
- μ Some Shadow Budget Groups were synergized with Tax Justice and Governance Platforms

Vote of thanks was offered by **Henry Ushie** on behalf of Oxfam in Nigeria. He commended participants and resource persons for their patience with audience-questions, observations, and contributions during presentations, as tax discussions

are usually interesting, albeit, controversial. He urged participants to ensure they put knowledge acquired into effective uses, as they get back. He admonished participants to align themselves to Tax Justice Platforms within their localities for effective tax justice campaigns.

The event ended by 5.02PM

COMMUNIQUE ISSUED AT THE END OF MULTI-STAKEHOLDERS DIALOGUE ON TAXATION, ORGANISED BY THE NIGER DELTA BUDGET MONITORING GROUP (NDEBUMOG) AT THE CYNERGY HOTELS AND SUITES LIMITED, AJAH, LAGOS STATE ON 22ND – 23RD MAY 2019.

Niger Delta Budget Monitoring Group (NDEBUMOG), with support from Oxfam's Financing for Development program, organized a Multi Stakeholders Dialogue on taxation, as part of its Strategic Partnership Program's (SPP4) consolidated (MEAL) workplan.

Objectives of the Tax Dialogue included, but was not limited to, enhancing multi stakeholders' knowledge on fair and inclusive taxation, revenues tracking, public finance expenditure monitoring, evaluation and influencing, among others. Participants for the Tax Dialogue were drawn from stakeholders across civil society, private sector, academia, community groups, shadow budget platforms and (selected) members of Nigeria's Tax Justice and Governance Platforms, among others. Below are important observations and recommendations, produced during the dialogue.

Observations:

1. There is absence of political will to enforce Nigeria's National Tax Policy.
2. There is multiplicity of taxes across all the States of Nigeria's federation.
3. There are systemic confusion and collection-conflicts over tax jurisdictions.
4. Use of touts and revenue contractors for tax collection constitutes problems for taxpayers.
5. Three tiers of government in Nigeria, have not lived up to expectation on service delivery.

Recommendations:

1. More tax awareness education and sensitizations should be carried out across the country.
2. Review and adoption of policies, reviews, and tax reforms model of Lagos state for adoption and domestication by various states' tax administrators to improve domestic (resource) mobilization.

3. Need to streamline and outline statutory taxes for informal sectors, with appropriate tax collection entities at various levels and dissemination to citizen to address issues of multiple taxation, alongside, awareness to tackle tax-borders encroachment within sub national collection boundaries.
4. The need to deploy processes, such as, 'Influencing for Impact' with respect to identifying appropriate influencing cycle, power, and context analysis in designing intervention strategies for consideration was emphasized.
5. Simplifying budgetary provisions and tax information for effective and wider sensitization was equally underscored.

Participants commended NDEBUMOG and Oxfam Nigeria for the program and solicited for more interventions in this direction.

A motion for adoption of this communique was moved by Victor Arokoyo of ChristianAid Nigeria and was seconded by Folasade Odunukan of Lagos State Tax Justice and Governance Platform.

REPORT OF A TWO-DAY CAPACITY BUILDING WORKSHOP ON TAXATION FOR CIVIL SOCIETY GROUPS, ORGANISED BY NIGER DELTA BUDGET MONITORING GROUP, WITH SUPPORT FROM OXFAM IN NIGERIA, WHICH HELD ON THE 8TH AND 9TH MAY 2019 AT CYNERGY SUITES LIMITED (ROYALE), AJAH, LAGOS STATE.

DAY ONE (1)

The training commenced by 9AM on Thursday, 8th of May 2019, with opening formalities. Dignitaries were introduced for recognition and were invited to the service- table. Among dignitaries, were:

- Dr. George-Hill Anthony, Executive Director/ CEO of Niger Delta Budget Monitoring Group (NDEBUMOG)
- Henry Ushie of Oxfam in Nigeria.
- Chinedu Bassey of Civil Society Legislative Advocacy Centre (CISLAC), which is the secretariat of the Steering Committee of Nigeria's Tax Justice and Governance Platforms.
- Pastor Adeniyi Adeleke, Assistant Director Lagos State Ministry of Budget & Economic Planning
- Mrs. Dabiri Raji, HoD WAPA, Amuwo-Odofin LGA, Lagos State
- Mr. Sambo Oto Obong, Director of Evaluation, Akwa Ibom State Ministry of Economic Planning & Ibom Sea Port

a Smart City. The presenter shared a brief history of how Lagos state moved from a paltry monthly (non-oil) revenues of N6million to N3.6billion between 2005 to 2007. That is, from era of Senator Bola Tinubu's administration to Governor Fashola, who further moved Lagos State's IGRs from N18.9billion annually in 2008 to N29.9billion in 2012. Governor Ambode's era took it from N30billion in 2017 to N34billion in 2019. <http://www.lirs.gov.ng/assets/docs/Lagos-State-Revenue-Administration-Law.pdf>. Please read more about Lagos state's revenue generation through these links: <https://www.premiumtimesng.com/regional/ssouth-west/266158-lagos-generates-n103-5-billion-revenue-in-q1-2018.html>. <https://www.vanguardngr.com/2018/04/lagos-govt-records-n141-96bn-revenue-q1-2018-official/>.

Pastor **Adeniyi** posited that taxation is an essential tool for revenue generation and Lagos State generates about 70 percent of its annual income through (IGRs) taxation. To achieved this, he explained, that "a big shake-up" was done in Lagos State's Ministry of Finance in 2005. The shake-up, according to him, was a product of studious political calculation, which revolutionized tax administration in Lagos state and provided a template for other states' in the country to follow. He said, some countries outside, Nigeria, were also interested to understudy how Lagos State emerged as a top revenue-generating archetypical model for the whole of Africa". The presenter, provided, a detailed analysis on how institutionalization of effective revenues collection regime succeeded in Lagos. Adeniyi said, in 2006, Lagos state House of Assembly, passed enabling law, which (effectively) makes Lagos State's Board of Internal Revenue, an autonomous and self-accounting agency, with necessary structures for Lagos State's sustainable future.



Picture 6: Pastor Adeniyi presenting his paper at NDEBUMOG's Capacity Building training for CSOs.

- Prof. E. E. Willams-Principal Lead, Egghead Group of Companies

Other persons recognized, were:

- Elder Essang Edet, Director of PRS, Akwa Ibom State House of Assembly
- Comrade Elizabeth Egbe of Bayelsa NGOs Forum
- Leader, Enugu Shadow Budget Group

There were opening prayers by a Christian and another by a Muslim. It was followed by opening remarks by the Chief Executive Officer of Niger Delta Budget Monitoring Group (NDEBUMOG), Dr George Hill Anthony.

In his opening remarks, NDEBUMOG's CEO, noted, that Lagos, being the hub of private sector's businesses was what informed its choice for hosting of the workshop. He added that, the event was strategic for two reasons; (1) Several Africans are subjected to tax injustices, and (2) African countries are further accumulating unimaginable debts for generations yet unborn, these debts, according to Dr. George-Hill, are, either on PPPs or loans, which are not subjected to proper public scrutiny. He lamented about seeming gaps on loans and agreements, particularly, from China. He urged the public to pay adequate attention to fiscal realities and projections from the government, which is a faster way to fight corruption and track IFFs. He informed the audience that OXFAM has appointed NDEBUMOG as the new manager of Nigeria's Tax Justice and Governance Platforms (TJGP), being Platforms' spread across 16 States. Saying, among essentialities of the workshop was to connect taxes, budgets with audits.

On behalf of OXFAM in Nigeria, Henry Ushie, presented a goodwill message from the Acting Country Director of OXFAM in Nigeria, who was unavoidably absent. In his remarks, Henry, emphasized importance of the workshop, which is a co-learning event that has brought tax and budget stakeholders together. He mentioned that OXFAM in Nigeria is delighted to link formal and informal players together. He implored TJ&GPs steering committee to come up with strategies that will engender fair tax results. He said the meeting was meant to reposition Tax Justice Platforms for better impacts and skills reawakening through NDEBUMOG, which is the new manager of the Platforms. There were goodwill messages from other dignitaries, which was followed by group's picture.

Technical Session

The first paper to be presented was, “**Sub- national Taxation; Lessons from Lagos state**”. It was presented by Pastor Adeleke Adeniyi, who is an Assistant Director with Lagos State Ministry of Budget and Economic Planning. Pastor Adeniyi, commenced his session with a pictorial display of Lagos ambience to his audience. He added that, such alluring environment was evidence of taxpayers' monies at work. He mentioned that with a population of over 20million people, Lagos is moving from a Mega City to

Participants were informed that the level of tax compliance in Lagos State is significantly encouraging and is bolstering the state's budgetary projections for effective service delivery through taxes collected from residents of Lagos State. Infrastructural renewal, with improved social amenities throughout the state has reassured taxpayers that taxes are worth paying for (reciprocity) service-delivery. Notwithstanding this huge improvement, Pastor **Adeniyi**, underlined the fact, there are evidence that Lagos State had not captured all accruing taxes and revenues. He went further to share names of various agencies in the state that generate revenues from their various activities. It turned out that (almost) every Ministry, Department and Agency (MDAs) generate revenues in Lagos State. Participants applauded attainment of the feat!

Pastor Adeniyi tagged Lagos State's Internal Revenue Services (LIRS), as "Tax Professionals" saddled with the responsibility of collecting taxes. He listed some of the taxes and levies the agency's collects to include:

- Personal Income Tax (PIT),
- Capital Gains Tax (CGT),
- Stamp Duty and Business Registration Fees,
- Hotel Occupancy and Restaurant Consumption Tax
- Withholding Tax
- Among others.

The audience was informed that the state government, through LIRS, have carried out strategic tax reforms, through professional and ingenious ways of collecting and administering taxes in Lagos State. Such, he said, includes:

- Taxpayer Education and Enlightenment
- Coordinated Payment Processes
- Transparency and Convenience
- Introduction of Self-Assessment
- Bringing Tax Payment Closer to the People
- Creation of New Operational Units
- Effective Enforcement
- Block/Reduce Leakages
- Tax Relief and Conflict Resolutions
- Others

The presenter, however, observed that although Lagos State records impressive amounts from IGR, there exists some challenges in the taxation process, which needs room for improvement. Some of these problems, could be, tax evasion, double taxation, among others. He argued that a government, without effective tax system,

may not attract sustainable development. He reminded citizens to contribute their quota through taxation to engender sustainable development.



Picture 7: Some Officers of Tax Justice & Governance Platforms from Lagos, Bayelsa, Enugu and Edo state in photograph with Pastor Adeniyi.

Second Paper: Henry Ushie (representing Oxfam) presented the second paper, titled “**Connecting Informal Sector Taxation to Formal through CRII | FTM| PFM**”. Henry, introduced his presentation by explaining the concept of what Oxfam's *strategic partnership* (SP) is all about... A concept, he said, was to build and strengthen influencing dynamics in some developing countries, where OXFAM have presence.

The presenter, said, Oxfam's work covers three thematic areas in Nigeria, namely:

- Right to food
- Conflict and fragility
- Financing for Development (F4D)

Henry, added, that the focus of this capacity building is on Financing for Development (F4D), which is aimed at changing fiscal and financial systems to increase finance for development and empower citizens to monitor how public resources are spent. He urged participants to pay attention to tax component viz a viz budget, all, which connects Oxfam's Even It Up Campaigns. The audience was informed that *Even It Up Campaign* is the meeting point for all OXFAM's programs under F4D. The presenter, described, three basic global frameworks of OXFAM, regionalized in some countries, while others have subscribed internally. These frameworks are:

- Commitment to Reducing Inequality's Index (CRII)
- Fair Tax Monitor (FTM)
- Public Finance Management (PFM)

Explaining CRII, **Henry**, noted with dismay, that Nigeria was rated among countries at the bottom, out of 159 countries in the global inequality report for 2018. <https://wir2018.wid.world/files/download/wir2018-full-report-english.pdf>. According to him, from the report, there are *three pillars* used to measure each country's performance. These are: *progressive taxation, labour rights/ minimum wages and equitable land*. West African subregion considered their own peculiarities and complexional context by adding two more pillars, such as, *social spending and agriculture*. Each pillar has various key-points to underscore performance. Summatively, these made the pillars five, thus:

1. Social spending
2. Progressive taxation
3. Labour rights and minimum wage
4. Agriculture, and
5. Equitable land

Henry's session tackled extensively, matters of *progressive taxation*, with four indicators, namely: *progressivity of tax structure, incidence of tax on inequality, tax collection and harmful tax policies*. He urged stakeholders from Tax Justice and Good Governance Platforms to engage on these four points.



Picture 8: Henry Ushie of Oxfam facilitating a session on Fair Taxation at the workshop.

Ushie explained, what FTM and PFM stands for... He said, Fair Tax Monitor (FTM), is a research and advocacy tool, developed jointly, by Oxfam Novib and Tax Justice Network, Africa (TJNA). Participants were informed that FTM country teams, developed these policy recommendations and influencing strategies, which are used to advocate for a fairer tax system, that will help to ventilate prosperity from the richest in society to the poorest of the poor. This was done by identifying intractable bottlenecks, inequality, and barriers to revenue collections. PFM was expatiated, as a project's structure with comparative analysis of public spending from three of Nigeria's south -south states and Nigeria's Federal Government. The result showed poor effectiveness and inefficiency in public finance expenditure management, as well as, low transparency and accountability within the fiscal structure.

Concluding his facilitation, Henry, mentioned roadmap that can be used to move tax and budget agenda to the next level, through citizens' mobilization, enlightenment, capacity building for CSOs, networking and alliance building. He recommended that CSOs, should always monitor public finances, which (reasonably) evolved from taxation into the budget within a fiscal realism.



Picture 9: Some participants attentively listening during CSOs Capacity Building Workshop on Taxation.

Third Paper: Dr George-Hill Anthony, Chief Executive Officer, Niger Delta Budget Monitoring Group, presented the third paper, titled “**Analyzing FGN's Budgetary Stream and Connectors to Taxation.**” Dr George-Hill in his thought-provoking presentation, informed his audience that government have several streams for revenues generation. He shared Federal Government's oil revenue and MTEF's

projections (from 2018 as passed by National Assembly, up to 2019-2021), including non-oil revenue and federally funded upstream projects proposed into Federal Government's budget till year 2021. These revenues constitute parts of what funds the budget, alongside, other sources, as may be considered by Nigeria's National Assembly.

Dr George-Hill mentioned several items on the list of Federal Government's revenue projections, as he spurred attention of civil society actors towards interrogation to situate realistic fiscal dynamics for the country. For example, he said, gas flaring penalty- which are infinitesimal and had encouraged offenders (being extractive companies) that finds it cheaper to flare gas, instead of such companies building gas fired electricity stations. Regrettably, it is happening in a country of about 200 million people that struggles to generate 3000 megawatts of electricity but flared gases that constitutes health risk and reduces life expectancy.

Dr. **George-Hill** enumerated costs of oil production in Nigeria, either, *for cost* or *profit oil*, and lamented that oil production costs in Nigeria is among the highest globally. <https://knoema.com/rqaebad/cost-of-producing-a-barrel-of-crude-oil-by-country>. Such bloated costs, he said, may seemingly be fraught with irregularities and fiscal atrocities, which makes it difficult for citizens to follow the money. <https://shipsandports.com.ng/high-cost-oil-production-nigeria/>. Dr **George-Hill** expressed dismay about docility of a section of Nigeria's citizens, who pays no attention to socio-economic rights. He said, Nigerians are the easiest people to (politically) govern, irrespective, our folks' mixes politics with religion and do not ask (necessary) questions nor take appropriate political remediation steps that addresses socio-politics and economic rights. Eloquently, he enumerated terminologies used in processes of crude oil liftings, such as: TTT, TTC or TTO, et al, that citizens should understudy to follow extractive industry's dynamics, rather, than waiting for God to come down from heaven to do infrastructural work for Nigeria or come down to manage Nigeria's economy, without reasoning that God was never a physical construction worker in developed society or angels from heaven being fiscal engineers in Europe. It is ironic that many sees God's given human head with related intelligence, as something, to be used in carrying physical loads as demonstrated by loaders across markets...Forgetting, native intelligence and strategic thinking enhances sustainable human survival and prosperity.

Some Federally funded upstream projects captured in the budget, which (FG) anticipated to bring “economic prosperity” were also expounded during the session. Inexhaustibly, in the list of these projects, were, *pipeline security and maintenance cost*. Something, the presenter, said, are nonsensicalities and irrelevant in today's world. As it translates to eating tomorrow's cake today. Dr George-Hill informed participants that developed countries are moving gradually (away) from oil to alternative energy, in view of problems, e.g., terrorism, among others, that oil, has fueled in the world, upon the cost. According to him, paying youths to sit in a place to

watch over oil pipelines, will not bring development, but rather, to protect today's economy and destroys the future of Nigerian youths. He said, what the government needs to do, was to build human capital, rather, than ruining lives of youths with cheap money by paying them to watch over what's surviving Nigeria's today economy, instead of investing in (youths') education and human capital. Dr. **George-Hill** cogitated about what will happen to lives of such folks in future, when oil becomes irrelevant, with the development of electric cars and solar economy evolving globally...



Picture 10: Dr. George-Hill Anthony facilitating his session during the training for CSOs on Taxation.

He shared expenditure side of the budget to show high percentage in recurrent expenditure, compared to low percentage in capital expenditure. A factor, he lamented, was abnormal for national development. The facilitator referred fiscal governance stakeholders to Nigeria Extractive Industries Transparency Initiative's (NEITI) recent policy brief, titled "1993 PSCs: The Steep Cost of Inaction", that exposes huge revenue losses, due to Nigeria's lack of political will and reluctance to review moribund Production Sharing Contracts (PSCs). In this referenced report, NEITI regretted Nigeria's outdated PSCs. According to NEITI, moribund PSCs drains government resources through Joint Venture Agreements (JVAs) and contributes to significant revenue losses for the country. NEITI's compiled data from seven offshore fields centered on *oil production, oil prices, cost of development, operating costs, decommissioning costs, and applicable fiscal regimes*. These are adopted financial modeling and standard measuring tool in the industry for estimation of revenues. NEITI's analysis showed, if a review were done, using 2005 fiscal

regime, revenue for Nigeria, would have increased from \$73.78 billion to \$89.81 billion. This implies a difference in revenue by \$16.03 billion. Also, revenue would have increased from \$73.78 billion to \$102.39 billion, if the review had been done, using 2005 fiscal regime that government shared in profit oil from OML 127 and OML 130 (PSA). This implies, a difference of \$28.61 billion.

In summary, between 2008 to 2017, lost revenues for the Federation, owing by failure to review PSC terms was between \$16.03 billion and \$28.61 billion. These losses could have funded Port Harcourt - Maiduguri Railway line (with a lower threshold) or 99% of the proposed Federal Government's budget for 2019...

Noting complications on oil revenues calculation, a factor that calls for civil society actors to follow the money. Dr. **George-Hill** mentioned that CSOs are not doing what is required of them to uproot corruption in Nigeria's extractive industry.

To conclude his paper, he recommended, among others, that Tax Justice Platforms, should demand accountability in the extractive sector, and effective service delivery to serve as a booster for Voluntary Tax Compliance.

Fourth Paper: The fourth paper for the day, titled “**Our Campaign for Tax Justice in Nigeria: The Journey- So Far**” was presented by Chinedu Basse of Civil Society Legislative Advocacy Centre (CISLAC). He began his presentation by explaining operationality of Nigeria's Tax Justice and Governance Platforms to his audience. He mentioned that Tax Justice and Governance Platforms (TJGP), is a loose coalition of individuals and groups interested in engaging on issues related to tax justice, equality, equitable and progressive tax regime in Nigeria. According to Chinedu, the platforms are mandated to work with all fiscal and tax stakeholders' through mobilization of available resources to influence tax reforms in Nigeria, especially, as it concerns the informal sector, women, and low-income earners. He further, shared other objectives to include:

- To facilitate the development of effective legal system that promotes fair, progressive, and transparent tax system in Nigeria.
- To carry out research and evidence-based campaigns against all forms of harmful tax practices.
- To undertake campaigns that promotes efficient, accountable, and transparent management of tax revenues for sustainable development at all levels.
- To sensitize citizens on tax justice and build a societal mass of informed citizens that will engage Nigeria's tax system.

Chinedu informed participants that a major opportunity for Tax Justice Platform are the existence of enabling laws and democratic space for engagement. He said, the platforms have recorded successes during their work. Some of the successes recorded

are through increased citizens' awareness on their rights and duties with regards to tax, increased confidence in informal sector's demand for accountability from government, bridging tax information gaps between citizens and the government, etc. He said, that, information abounds in right places about taxation, which is why, nobody should be deceived by hearsay roaming the streets with wrong information about taxes. **Chinedu**, also identified key issues militating against improvement in the sector. He regretted abuses on tax incentives given to the rich that are satirical towards the poor. This is because of lack of clear framework for the informal sector's taxation in Nigeria, coupled with leakages within the tax system, lack of accountability and poor awareness for tax compliance. Other issues mentioned were, unmonitored tax incentives given to companies, need to amend extant laws to address loopholes, among others.

Concluding, Chinedu, recommended a reduction of human interface in the collection of taxes, expand advocacy on policy improvement, improve tax education and integration of budget monitors into sub-national Tax Justice Platforms to engender monitoring of taxable resources that flows into the budget. This is a strategy for expansion and engagement for greater impact, he said.

DAY TWO (2)

The first paper was titled: **Complexities of Nigeria's Tax System (Federal, State and Local Governments); Imperative for Justice and Harmonization**. It was presented by Akpanobong Umoh. He began his presentation by informing participants that issue of tax is a dicey one. As tax issues started, a very long time ago, before Christ. He gave a biblical narrative about how Joseph, in a bid to get his TIN number had traveled with his pregnant wife all the way to Bethlehem. Quoting the Webster's (English) Dictionary, the presenter, defined tax as "a mandatory and compulsory charges, imposed by governmental authority on properties, individuals or transactions to raise money for public purposes".

Umoh, described Nigerian Tax System, as standing on the tripod of *tax policy, tax laws and tax administration*. He said, the tax system, should always support sustainable growth and development, creating wealth and employment, and at the same time, should promote social, political, and economic development. All taxes (existing and future) are expected to align with Nigerian tax system, which has guiding principles, such as:

- Equity and fairness
- Low cost of administration
- Flexibility
- Sustainability
- Etc.

Tax policy provides fundamental guidelines for orderly development of Nigeria's Tax System, hence, any tax policy, without equity and fairness is a failure from the start. Tax Laws in other hand, covers rules, regulations and laws that oversees tax processes. According to Akpan Obong, some of the Tax Laws applicable in Nigeria are:

- Tax Administration (Self-Assessment Regulations 2011, as amended to date)
- Federal Inland Revenue Service Act, 2007
- Companies Income Tax Act, 2004
- Value Added Tax Act

The presenter went further to say that tax administration involves, management, conduct, direction, supervision, execution and administration by country or state's taxation laws and related statutes. He enumerated various tax authorities responsible for the collection of relevant taxes. These are:

- Federal Inland Revenue Service (FIRS)
- State Internal Revenue Service's Board
- Local Government Revenue Committee
- Joint State Revenue Committee
- Joint Tax Board (JTB)

Schedule of taxes and levies (being, approved list for tax collections) was also shared. The list includes: Taxes and Levies to be collected by Federal Government through FIRS, Collectable Taxes from State Government through States Internal Revenue Services and Local Governments through the Local Government Revenue Committees (LGRC). Akpan Obong, added, that the Judiciary have a role to play in interpretation of tax statutes, as tax disputes, will (usually) arise, between taxpayers and tax administrators, since tax laws are entirely statutory.

He said, there are no common law on taxation, hence, no general principle of law, can displace true meaning and effects of tax statutes, validly passed. As a result of this, he added that key issue in tax disputes are, whether, words from tax statutes, covers alleged subject in taxation. On the other hand, the Joint Tax Board (JTB) plays the role of harmonizing tax administration/implementation. The powers and duties of the JTB, are spelt out in section 86 (9) of PITA 2004. Members of the (JTB) are:

- The Chairman of FIRS, who shall be the Chairman of the Board
- One member from each state of the Federation, nominated by the Governor of the state (this nomination is evidenced through a written notice by the

Governor to the Secretary of the Board).

- A legal adviser, who also doubles, as the Secretary of the Board.

Concluding his presentation, Akpan Obong, listed challenges affecting Nigerian Tax System, thus:

- Fragmented database of taxpayers and weak structure for the exchange of information between taxpayers and tax authorities.
- Inadequate framework for taxation of informal sector and highly placed individuals. This has limited revenue base and created ambiguity.
- Excessive drive by all tiers of government to grow Internally Generated Revenue, has led to erratic exercise of regulatory powers for revenue purposes.
- Encroachment on powers of one level of government on another.
- Lack of clarity on each level of government on taxation
- Insufficient information available to taxpayers on tax compliance requirements and poor accountability on tax revenues.
- Inadequate capacity of revenue officials has led to the delegation of their duties to third parties, use of aggressive and unorthodox method for collection of taxes.
- Lack of strict adherence to the direction and procedural guidelines on tax policy and non-regular review of tax legislations.

Finally, Umoh, gave some recommendations, below:

- Nigeria's National Tax Policy should be (wholly) implemented.
- Tax Laws should be reviewed to meet contemporary economic realities.
- There should be an overhaul of tax administration to encourage voluntary compliance by taxpayers
- There should be proper reporting through deployment of appropriate technology and highly motivated workforce.
- Tax intelligence should be carried out by stakeholders in collaboration with Tax Justice Platforms, as the government, may not, (voluntarily) amend laws to favor the people, except, there are advocacies.
- At all times, relevant tax authorities, should compare Nigeria's tax system with what is obtainable elsewhere.

Second Paper: The second lecture titled “Nigeria's Tax Regime: Federal, States and Local Governments with Perspectives on IGRs and Tracking Role of CSOs”. This was presented by O. T. Adeoti. The presenter in his introduction, agreed with previous speakers on shifted emphasis towards increase Internally Generated

Revenues (IGR) by various tiers of government. Most importantly, now that oil revenues, which is responsible for bulk of revenues shared from the Federation Account is on downward trend. He recognized ongoing reforms in the tax sector, which is targeted at generating more revenues for the government. By implication, “we are witnessing new tax regime all over, he said! Activities and happenings in the economy determines tax laws and policies that government may put in place. Adeoti, defined a tax regime, as a government policy or philosophy that is geared towards realization of economic growth and development through tax instrument. He went further to list different types of tax regime- (progressive, proportional, and regressive tax regimes), including their advantages and disadvantages.

He concurred with earlier papers that taxes are collected by Federal, States and Local Governments, as indicated in the Constitution of the Federal Republic of Nigeria. However, he mentioned that, there are revenues, shared to the three tiers of government, which does not constitute part of Internally Generated Revenues of Local, States and Federal Government. These revenues, according to him, include: Companies Income Tax (CIT), Petroleum Profit Tax (PPT), Value Added Tax (VAT), Educational Tax (EDT), Stamp Duties (STD), Capital Gains Tax (CGT) and National Information Technology Development Fund (NITDF) Levy. Others are: Oil & Gas Royalties, Mining Royalties, Excise Duty, Import Duty, Export Duty and Fees, Personal Income Tax (PIT), Withholding Tax (WHT), Levies and Licences. There are also fees, investment incomes, etc. IGR for states, may include, PAYE, WHT, Fees, Licences, Development Levy, Capital Gains Tax on Taxpayers' Resident in a State, etc. While IGR for Local Governments, may include, Licences (for market, etc.) Fees, Levies, and various charges.

Meanwhile, **Adeoti**, revealed that in Nigeria, there is a link between tax regime and policies of the government in power, which could be targeted to tackle funds mobilization problems on ground. He went further to say that the present government seems to be focused on increasing tax revenues, in a way, it may not increase the tax burden of taxpayers with increases in tax rates. Other areas of focus for the government are tax policies that attracts foreign investors. This is pursued to ease pressing unemployment problems in the country. There may also be increased in import duties for items considered as luxury. **Adeoti** was worried that as the revenue from oil drops by each day, the focus, should be on how to boost Internally Generated Revenues by all tiers of government. He highlighted key hindrances to revenue generation to include; corruption, among revenue collectors and taxpayers, as anti-corruption campaigns has not been seen by some as all inclusive, tax evasion, in some cases, are not taken as a serious offence to deter further violation, high poverty level is a concern, as imposition of taxes, may worsen the situation, including, fear of losing popularity by the ruling party or government of the day, which often affects enforcement of tax policies / laws.

On this note, he described the need for tracking government revenues and the roles

that civil society could play in all these, since civil society, is a catalyst for economic development through CSOs campaigns for transparency, equality, socioeconomic rights, good policies, fairness, etc. He explained that tracking in this sense, should be all inclusive. This means, influencing policy formulation, monitoring information, data collection from taxpayers, government agents, and comparing same with government revenue declarations. Civil society groups, should also ensure fairness in tax revenue payments and fairness in the use of revenue generated for economic development in conformity with fiscal equity in the application of tax policies, etc.

While playing these roles, he said, civil society groups, are likely to face challenges, such as: inadequate access to revenue information, alongside, belated information, absence of tracking links or system, lack of transparency by some agencies of government, difficulty in getting attention from government, threats from vested interest groups, etc. However, the presenter, suggested ways at overcoming these challenges. He opined that civil society groups with similar objectives / focus, should develop a network, where information is shared to all members. They should have a good understanding of the right agencies of government that handles respective cases to direct observations to appropriate quarters. They should undergo regular training in other to develop competence and understanding of all government revenues. Equally, they should develop good understanding of government structure and operations and articulate their observations to reflect a neutral and non-bias approach to get audience from government, with a data base of observations from beginning to conclusions.

To conclude his presentation, Adeoti noted that, CSOs have big roles to play in revenue tracking and admonished them not to be confrontational but to work together with the government for a better Nigeria. He also said, that “tracking, should include giving useful tax and fiscal intelligence to government on how to boost revenues, without impoverishing the masses”, he concluded.

Third Paper: Victoria Okokon, presented the last paper, titled “**Tax Complications & Realities; Disserting Applicable Taxes' Between Federal, States & LGAs- the Legal Perspectives.** Victoria presented her paper with a lot of passion that drew her audience to her. She started by informing her audience that Nigeria currently have over fifty-five taxes and levies collectable by the Federal (9), States (25) and Local Governments (21). She said, these can be found both in the constitution and on the Taxes and Levies (Approved List for Collection) Act, Cap. T2, LFN as amended. These taxes and levies have significant cost implications for businesses (and individuals) and creates uncertainty for businesses and intending investors. It also creates a hostile business environment and reduces Nigeria's global competitiveness. Ironically, it is also a significant contributor to poor ranking of Nigeria on the World Bank's ease of doing business index. (Nigeria currently ranks 157 out of 190 countries on the global ease of paying taxes index for 2019) and 146 in overall ranking.

<http://www.mondaq.com/Nigeria/x/752344/property+taxes/World+Bank+Doing+Business+Report+2019+Nigeria+Records+Mixed+Fortunes>.
<https://tradingeconomics.com/nigeria/ease-of-doing-business>. She noted that the effects of these taxes and levies affects every sector of Nigeria's economy.

Victoria, stressed that, no person, other than appropriate tax authority, shall assess or collect, on behalf of the government, any tax or levy listed in the Schedule to this Decree. And that, members of the Nigeria Police Force, shall only be used in accordance with the provisions of the tax laws. No person, including a tax authority, shall mount a roadblock in any part of the Federation for the purpose of collecting any tax or levy. She went on to share various tax laws, its offence, and the penalties.

Meanwhile, she shared an elaborate list of taxes and levies to be collected by each of the 3 tiers of government, as stated in the schedule. On issue of harmonization of taxes and levies, **Victoria**, mentioned that members of the Joint Tax Board (JTB) are to advise the Minister of Finance at determining amounts payable and at reviewing applicable rates from time to time, with due cognizance to changes in economic trends around the country. While collection of the taxes and levies listed in the Schedule are to be harmonized by States and Local Governments, where applicable, for example, Wharf Landing Fees collected by a State, where there are facilities to administer such fees, which may be jointly administered by the States and Local Governments, with proceeds from collections shared in line with agreeable proportion. Single Inter-State Road Taxes' sticker for any vehicle within Nigeria, which shall be designed by the Joint Tax Board for all the States, shall be appropriately administered by relevant tax authorities.

Finally, Victoria, noted that there are key areas that needs to be addressed by the three tiers of government, being; lack of robust data base, illegal charges by the three tiers of government, introduction of new taxes, items in the tax and levies (approved list of collection) that are seriously open ended, vague and encourages tax touting, etc. She said, though the amendment of the Taxes and Levies Act has made some achievements, it has also expanded the list of taxes and levies collected by different tiers of government, which has created uncertainty, inability to plan or make business decisions and have increased costs of doing business in Nigeria.

At the end of each paper, participants, were giving opportunity for questions and contributions. A communique was issued and adopted at the end of the event, after interventions and intellectual feeders from co- facilitators. See communique for this event below.

COMMUNIQUE ISSUED AT THE END OF A TWO-DAY CAPACITY BUILDING WORKSHOP FOR CIVIL SOCIETY ORGANISATIONS ON TAX JUSTICE AND FISCAL ADVOCACY IN NIGERIA, HELD AT CYNERGY SUITES LIMITED (ROYALE), AJAH, LAGOS STATE FROM 8TH-TO-9TH MAY 2019

DAY ONE

Preamble:

Niger Delta Budget Monitoring Group, NDEBUMOG, with support from OXFAM in Nigeria, organized a 2-day capacity building workshop for civil society organizations, including, members of Tax Justice Platforms and related groups. The workshop seeks to improve capacity of participants on taxation, revenue tracking, fair taxation, public finance expenditure monitoring, expenditure evaluation, advocacy and influencing. The workshop was part of NDEBUMOG's Financing for Development (F4D) project, under OXFAM's strategic partnership program's Consolidated (MEAL) workplan. Participants were drawn from 16 states and the FCT, namely, Abia, Imo, Enugu, Lagos, Delta, Akwa Ibom, Anambra, Ebonyi, Cross River, Bayelsa, Edo, Ondo, Ogun, Ekiti, Oyo and Rivers state. The sessions were participatory, with participants, sharing practical experiences. After exhaustive deliberations on various thematic issues, the following observations and recommendations were made:

Observations:

1. Lack of coordination of tax justice efforts in the formal and informal sectors of the economy has led to reduced results
2. The current tax regime seems to be widening inequality gap
3. The Nigerian tax system is too complex and unwieldy, leading to abuse and the reduction of optimal benefits to both taxpayers and the government
4. Nonadherence by tax administrators to the national tax policy
5. Leakages in tax collection processes
6. Some foreign nationals working in Nigeria, may not be in the tax net. Such could lead to huge tax losses for Nigeria.
7. Continuous use of consultants and touts for tax collection is antithetical to national tax policy
8. There are persistent and preponderance instances of multiple taxation in the system
9. Poor knowledge of Nigerians about taxation, provides avenue for citizens exploitation by agents of the state.
10. Taxpayers are not motivated to pay taxes in Nigeria, because of absence of commensurate infrastructural development

11. There is gross abuse of tax incentives and it only favors the rich
12. Aggressive tax collection processes persist, especially, in informal sector
13. Unavailability of robust data base for Federal, States and Local Governments taxpayers, leads to complications on tax collections at each level.
14. Vague and open-ended nature of some items on approved Taxes and Levies list, leaves room for exploitation of the poor and widening of the inequality gap.

Recommendations:

1. CSOs, the media and participants, must escalate, advocacy to reduce human interference in tax collection processes.
2. CSOs should expand and deepen advocacy on tax policies improvement, which will deepen commitment to reducing inequality.
3. CSOs should aggressively deepen advocacy and sensitizations amongst vulnerable groups, especially, women in the informal sector to reduce harassments and overburden tax payments.
4. We recommend massive deployment of technology in tax collections to ensure transparency and block leakages.
5. The Joint Tax Board should speed up harmonization of taxes across the federation and streamlining of collection points to avoid multiple taxation and extortions.
6. Government should review existing tax laws to meet contemporary economic realities, as well as, ensure achievement of voluntary compliance by taxpayers.
7. CSOs and the media should track internally generated revenues at both the national and sub-national levels to guarantee fairness, equity, and justice in tax administration across the country.
8. There is strong need to strengthen and capacitate tax monitors, especially, at the sub-national level
9. Absolute respect for the rights and privileges of taxpayers must be respected.
10. CSOs and the media in Nigeria, should continue to advocate and put pressure on governments at all levels to develop the political will to fight corruption and stop impunity by enforcing rule of law in their domains on tax collection processes.
11. Governments at all levels must ensure establishment of effective fair tax

compliance desks to redress unfair taxation or methods.

12. There is need for precision and specification of taxes that are collectable.
13. Governments at all levels should strengthen institutions and capacity of tax officials to be effective in tax administration, rather than, resorting to extra-governmental persons and entities for tax collections.
14. CSOs and other stakeholders should collaborate and create synergy in their activities for advocacy and tax education of citizens, including, ongoing reforms to empower citizens to engage on tax issues effectively and build critical mass that will bring about required changes in tax policies to favor the poor, therefore, narrowing inequality gaps.
15. Tax Justice Platform should encourage citizens to ask questions about uses of tax monies, as it will promote transparency, accountability, and judicious spending of taxpayers' money.

Conclusion:

Participants expressed their appreciation to NDEBUMOG for the (capacity building) workshop. Participants equally thanked Oxfam Nigeria for providing support for the training.

NARRATIVE REPORT OF SPP'S CIVIL SOCIETY IMPACT HARVESTING AND CO -LEARNING GATHERING, HELD AT UMNEAK HOTEL LIMITED, PLOT 9, BLOCK A, OKON UDOH, OSONGAMA ESTATE, UYO, AKWAIBOM STATE 12TH – 13TH SEPTEMBER 2019

Commencement (Day One):

At about 9:25am, 99% of expected participants were duly registered and seated for the event. There was introduction of NDEBUMOG's Chief Executive Officer, in the person of Dr. George Hill Anthony, the Clerk of Akwa Ibom State House of Assembly, who was represented, Director of PRS in Akwa Ibom State House of Assembly, Director of M&E Akwa Ibom State Ministry of Economic Planning and Ibom Sea Port, Sam Otobong, renowned Tax Consultant- Prof E. E. Williams, Finance Advisor of NDEBUMOG, Team Leaders of Shadow Budget Groups, invited State Coordinators of Tax Justice Platforms, among other dignitaries in attendance.

There was an opening prayer, followed by opening remark by Dr. George Hill, who recognized the presence of dignitaries and secretariat officials (from NDEBUMOG's headquarters). Thereafter, he spoke briefly, about OXFAM's partnership with NDEBUMOG. Dr George-Hill, said, Oxfam in Nigeria has supported the Strategic Partnership Program's (SPP)-Financing for Development (F4D) concept- , which

envisages to create sustainable impact, whereby, more Nigerians, especially; women, are empowered to participate in decision making processes, contributes to nation's building as active citizens, and benefits from better living standards, through increased availability of essential services. The concept's results, are projected, to be achieved through improved (fiscal) policies, responsive (democratic) practices, alongside, a private sector that is envisaged to reduce poverty and extreme inequality, through effective and efficient management of Nigeria's (tremendous) resources, alongside, increased citizens' participation.

He enumerated Oxfam's *pathways* to change, planned at 5 levels, namely: **Improved Policies of Government, Improved Policies of Private Sector, Strengthening of CSOs, Increased Citizens' Voice** and finally, **Building Stronger and Wider Alliances**, through (strategic) influencing modules. The beneficiaries are mainly, the **Nigerian people**. That is; workers, civil society organisations, local communities, market women, small scale farmers, artisans, traders, local governments, national and sub-national parliaments, Ministries, Departments and Agencies (**MDAs**), the private sector, et al. He mentioned that this impact harvesting event was planned to harvest (participating) stakeholders co-learning knowledge through impactful testimonies about taxation, revenue tracking, fair/equitable tax monitoring, public finance expenditure evaluation, fiscal influencing knowledge they garnered, gender-equity effects, among others.

Participants were informed that the event is further aimed to connect and consolidates Nigeria's future programmatic blueprints to the listed (programmatic) harvests, through (consolidated) fiscal equilibrium and interdependent linkages on taxation, budgets, and audits. Stakeholders at this event were coalesce from previous participants of SPP's activities from commencement in 2016.

Dr. George-Hill, went further to say, Oxfam is an international confederation of 17 affiliates, with (Oxfam Novib-) SAWA, as a member of the confederation and part of Nigeria's (Oxfam) Country office, which are networked (together) in 94 countries, as part of a global movement for *change*. Oxfam propagates a *vision*, for a just world, without poverty. A world, which people, can influence decisions that affects their (daily) lives, enjoy immutable rights, and assume their responsibilities as accountable citizens of a just world, where, all humans, are valued and treated *equally*. Realizing this *vision*, means, overcoming human developmental challenges in an ever- *volatile world*. He said, Oxfam, have a conviction, that people, are capable of building a *livelihood* (of their own) without poverty, once, they are given the chance and opportunity to do so, which is why, Oxfam supports local projects' in developing countries, such as, *Nigeria*, and lobbies governments' and private sector companies to consider interests of the poorest people. Participants were informed that Oxfam's campaigns involved (participatory inclusiveness) of both men and women, together; with other Oxfam's affiliates and local partners, which are geared to

increase impacts of development's dynamics, globally.

In Nigeria, Oxfam works with civil society (partners, including: Niger Delta Budget Monitoring Group (www.nigerdeltabudget.org) and others, in areas, such as: *Economic Justice/Livelihood, Basic Social Services, Humanitarian Programming, Gender Justice / Female Leadership, Good Governance* and adopting a right based approach to governance.

Overview of Impact Harvesting Gathering

Overview about this event was done by Mrs. Bibian Amadi, a member of NDEBUMOG's Enugu Shadow Budget Group. She informed the audience about the purpose of the gathering, stating, most participants at this event had attended NDEBUMOG SPP's events and learnt usefully about needs assessment, transparency, accountability, gender justice, taxation and others, which may have positively impacted on invitees that may have testimonies to share, co-learn, relearn and ask questions, where necessary, towards contributing for a prosperous and better society.

First Session:

Introduction of Participants and Commencement of Technical Session

There was brief introduction of all participants. It was followed by **Influencing for Impacts** presentation's by Stiv Obodoekwe. The presenter spoke about key goals and questions to ask, when strategizing for influencing, context analysis, power analysis and key strategies for desired results. He described influencing, as a systematic effort to change *policies, laws, regulations, practices, attitudes, and beliefs* in a way it promotes a just society. He described influencing, as a cycle that starts with what pushes *you* first, which is goals & motivation, followed by actions from power analysis, then strategies, design, planning, implementation, result, lessons, and moving forward. He stated that there are questions to be asked, when strategizing. The questions, may be:

- What do you want to *change* and why is this necessary?
- What is *blocking anticipated* changes (policies / practices / attitudes or beliefs)?
- Which *actor(s)* do you need to *target* to change these policies, practices and / or attitudes & beliefs?
- What are the *strategies* that you will use to put pressure on your target(s)?
- What is a *cost-effective mix of activities* to implement these strategies?
- Analysis of the problem (root causes & effects)

At analysis stage, he mentioned, factors to be vigilant against as:

- Information about local context

- Research on problem and solutions
- Prior work and lessons to be learnt
- What is blocking change:
 - Policies, laws, or regulations
 - Practices
 - Attitudes and beliefs
- He included cross cutting issues below:
 - Gender dimensions
 - Civil society space
 - Conflict and fragility

Obodoekwe, emphasized the importance of influencing and insisted, key actors, must, always consider, who can make concrete decisions and *change* to happen. Power must be analysed, as embedded in this question. Which actors (people!) holds power?

For things to *change*, he concluded the topic, by saying, participants should keep their power analysis up to date! During his session, there were discussions around access to power, identifying audiences, celebrities and coalition partners to work with, in order, to achieve desired objectives, using, key strategies, like lobbying, campaigning, media coverage and coalitions building.

Second Session:

Legislative Influencing, Through Constructive Partnership by Mrs. Mandu Umoren-Clerk of Akwa Ibom State House of Assembly, who was represented by Elder Essang Edet.

The facilitator started with an outline for the session and began in earnest with the following:

Legislative Partnership for Sustainable Development

Essang defined sustainable development to mean, growth, which meets the needs of today's world, without compromising the ability of generations to come to meet their own desires and development. He emphasized the need for collective governance, which can only evolve(d), through a democratic system, where, a legislature, derives its powers. Therefore, the legislature, either; at the local, state, or at national level, have important role to play in pursuits and attainment of sustainable development.

Influencing through partnerships-legislative and civic benefits: This, he said, NGOs/CSOs/Community Based Organizations, can also interface with states legislatures, through formal processes, such as:

- ✓ Attendance of Public Hearings for Bills
- ✓ Policy Reviews
- ✓ NGOs/CSOs, with expertise on relevant matters, may also, be invited to investigative hearings.

In conclusion, he recommended that:

- ▶ NDEBUMOG, should attract opportunities to Akwa Ibom Legislature, in view of the organization's collaborative synergies with the state's assembly.
- ▶ The legislature, also welcomes, ideas and civic engagements, especially, on budget bills and policy reviews, among others. Such are welcome from local/international NGOs and multilateral agencies.
- ▶ That CSOs can encourage communities to engage with the assembly democratically and constructively, through (their) elected representatives or directly, especially, on matters of collective (democratic) benefits to society.

Third Session

Connecting SPP'S Impact to Nigeria's Fiscal Architecture, through Monitoring and Evaluation Model by Dr. George Hill Anthony.

Session's Methodology

The facilitator informed all that his paper, will be delivered, through a mixed of interactive facilitation and theoretical outlays, The following featured, extensively, during his presentation.

- Internalizing national development's legitimacy/sustainability
- Monitoring and evaluation- essential tool for sustainable development
- Differences between M and E. He referred to **Monitoring** as routine tracking of programs and activities to help in measuring progress. Monitoring answers implementation questions, whilst, **Evaluation** is a specific study that helps determine programs achievement and lessons learnt.

Questions answered during the presentation, were:

- Why should we learn M and E?
- Why do we need M and E Plan?

Dr George-Hill listed key steps for developing an M and E Plan to include:

- a. Begin planning for M and E at the outset of an intervention
- b. Define the purpose of the M&E and performance objectives
- c. Describe existing and expected sources of funding
- d. Identify indicators, methodological approach, and data sources

- e. Develop implementation structure, data dissemination and post plan
- f. Compile and write the M&E plan.
- g. Use data for decision-making and review of M&E plan.

Other factors that featured in his session, were:

- The logic model & logical framework
- Developing indicators, which should always be watched, to see, where you are, which way, you are going, how close / far are you, from where, you expected to be (desired objective), provide benchmarks for demonstrating achievements. You must shine your eyes always, he said!
- Kinds of information that are valuable for indicators
- Characteristics of indicators
- Factors that influences selection of indicators
- Need for participatory monitoring and evaluation
- Benefits of PM&E
- Communicating your findings
- Things to consider in reporting / communicating:
- Challenges of M&E

He concluded that, whatever, one must achieve, it must be clearly understood through blending wisdom that connects with patience, as monitoring and evaluation, needs extensive patience. Monitoring deals with ongoing interventions, continuous and frequent questions, capacity tracking, weighing relevance and strategy, whilst evaluation, focuses on impact.

Questions/Comments/Answers

1. On working with children and youth? The facilitator responded that NDEBUMOG's work have connectors to women and children, with information about that available at the organization's website.
2. He said, evaluation must start internally and within. As such, will help anyone to make creative decision about life, projects, and programs.

Harvesting the Impact on Fiscal Governance: Budget Monitoring and Evaluation: By Pastor Sam Otobong.

The explained through a template, how evaluation and monitoring relates to each other. Other elements from Otobong's presentation, featured benefits and advantage of monitoring and evaluation to him. He elaborated on these to include:

- Improvement on service delivery
- Meeting with key stakeholders and gatekeepers, with all amount of boldness
- Helps in budget tracking
- Helps in desk review and proper documentation
- Otobong, added, that NDEBUMOG's trainings he has attended, supplemented what he already knows and what to do during field visits.

At this juncture, the floor was opened for contributions, comments, and co-learning testimonies

AMADI Bibian-Enugu Shadow Budget Group, said:

- M&E training helps improved passion for her job
- Motivated her work in the LGA against high morbidity rate from malaria
- Went for random sampling in all 20 wards of her LGA and came up with a survey, got responses, which informed decisions about programming on LLITNs.

Pius DUKOR-Port Harcourt Shadow Budget Group

- He said, after trainings on shadow budgeting, they picked some capital projects for monitoring
- They looked out for levels of completion across different years in the budget,
- Discovered different roads were not constructed, as were captured in the budget
- Sent reports to appropriate quarters on observations
- Quality monitoring and evaluation, getting pre and post pictures that enhances result
- Monitoring Federal Government's budget was the beginning of knowledge...

Mrs Ebere Chikezie

- Thought budget was an official document, which cannot be gotten by anybody. However, it was given to her, when she demanded for it from the budget office, after she attended a training organized by NDEBUMOG and learnt about approaches to access the budget.
- Need assessment conducted with a LG Chairman about projects in the community, after attending a needs assessment training organized by NDEBUMOG. Needs were deliberated with the chairman, with water, as the community's basic need... There is good water source in the community now.

Gertrude Amadi-Enugu Shadow Budget Group

I attended 3 trainings and went back and advocated for the inclusion of women in the village council. As at today, percentage of women in the village council is 40-60 (women and men).

Sabena Uju Igweanyi - Team Leader, Enugu Shadow Budget Group

- After attending a (GBB) training for women planning officers, which was strategic, she partook in budget development for her LGA.
- Located a gender-based budget, conducted needs assessment and saw that, a health center, needed a good toilet. She facilitated the process of building a good toilet and succeeded.

Coordinator- Anambra State Tax Justice Platform/ JDPC Nnewi

- After attending a fiscal governance related training on taxation organized by NDEBUMOG, she has been chosen to be a member of Anambra state's committee on bilateral projects. It is a committee that interfaces on budget discussions with different MDAs.
- She is also a member of state budget monitoring group, which does, drafting, monitoring, tracking and implementation.
- She follows up than before with PLWDs and on gender sensitive programs
- Influences constructive thinking towards budget development and PLWD inclusions in fiscal programs

Ikemba Joel Agbo: LGA Planning Officer, Awgu LGA, Enugu State

- After the Town Hall Meeting at Awgu, I did my work with ease
- Gather needs assessment among communities
- Analyze and prioritized needs for chairman's approval, where necessary

Pastor Edet Raymond- Coordinator- Akwa Ibom Shadow Budget Groups

- I am proud of women, after trainings of NDEUMOG they attended, they have formed themselves into budget tracking and livelihood groups
- Bought lands, planted, harvested, and made inflows to be used for budget tracking
- Switches livelihoods between farming and poultry, which are in progress

Abigail Raymond-Uruan Shadow Budget Group

I attended training on gender sensitivity. The training has greatly helped me in self-programming and community development. I now volunteers for other organizations

and used the knowledge gained to do gender programming e.g, distributions of school books to female adolescents, etc.

Osakue Joy-Team Leader, Agbor Shadow Budget Group

Joy Osakue is a health worker. After the training in Lagos, she was able to do needs assessment in the hospital that she works and discovered, a resuscitating machine, was extremely needed at the facility. She advocated for it but also discovered, there was budgetary approval for this machine... She followed up on the matter and got the machine supplied to the hospital.

Ugbo Chika, Enugu Shadow Budget Group

- She now has clearer understanding of monitoring and evaluation
- Now interested in budgeting
- She added that, she can monitor women activities, very well, now

Deborah Salami-Host/Dep Coordinator-Oyo State Tax Justice Platform

- She started with a quote thus” TRAIN A WOMAN AND BUILD A NATION”
- She said, being trained, will encourage her to always be involved and be focused
- That all women, should be involved in monitoring and evaluation

Pauline Ekiyor- Port Harcourt Shadow Budget Group

She mobilized others and went to meet a member of House of Assembly to discuss needs assessment for the community. Now, the project in her community is completed, because of the follow up she did with knowledge from NDEBUMOG's training.

Peace Peter- NDEBUMOG's staff/Obio/Akpor Shadow Budget Group

She enumerated the following benefits from being, NDEBUMOG staff:

- Learning and growing in the process of working
- Adequate knowledge on gender equality- she demands for her right, nowadays, even within a cultural setting that marginalizes women.
- She is bold and courageous
- She has been trained on self-development, which guides her on meeting the demands of life.

Day one workshop ended with a word of prayer at exactly 6.19pm. Closing was followed by series of meetings between team leaders and members of Shadow Budget Groups with the Chief Executive Officer of NDEBUMOG and others in

attendance.

DAY TWO

There was introduction of key persons that were not available during opening formalities for day one. Thereafter, the day started in earnest with a recap of day one activities by the compere. Participants discussed extensively on the previous day's topics and things that were new to them.

Some of what featured in the recap, included, but not limited to:

- Budgeting for family, community, or government
- Exploring SMART's objectives for learning
- Carry out self-evaluation at the end of the day and being able to put things right
- Knowledge gained through series of trainings
- Influencing community- based assessment
- Not doing things at random
- Others

The session on impacts harvesting, continued, with **Hannah David from Uruan Shadow Budget Group** taking the lead. She says “I want to thank NDEBUMOG for what they have done in my life...NDEBUMOG gave me knowledge, which is more than getting into a university level. With these lectures on monitoring and evaluation, among others, my knowledge has increased....

Emem Ekom Effiong from Ibesikpo Shadow Budget Group, said, she learnt a lot from NDEBUMOG, as follows:

- Budgeting as individuals, household, and government
- Learnt about gender equality
- Community needs assessment
- Monitoring and evaluation, which is not only to establish businesses but being able to monitor effectiveness towards achieving desired result
- I want to thank NDEBUMOG, because through NDEBUMOG, women, were able to hire land and had planted vegetables, waterleaf, and cassava, etc.
- NDEBUMOG gives women a sense of belonging

First Technical Session was by Victoria Okokon. It was on **Methods and**

Approaches of Influencing for Fair Taxation

She started her session with a positive testimony, on how, she has been impacted through the SPP. She confessed that, seeing significant number of people impacted by NDEBUMOG and being overwhelmed with testimonies, she now offers to be a volunteer for the organization at offering her quota for societal development, irrespective, the organization invited her as an expert/resource person. Victoria session's outline, included, introduction and justification for taxation (*why taxation?*), systems of taxation, understanding what influences taxpayer's behavior? Fair taxation and influencing for change, conclusion, and references.

The facilitator, added, that there were two forms of taxes, indirect and direct tax. She explained **direct tax**, which the burden or effect is borne directly by the person, upon whom, it is charged. Examples are: Personal Income Tax, Companies Income Tax, Capital Gains Tax, Education Tax and Petroleum Profit Tax. Whilst an **indirect tax** is that tax, whose burden, or effect is felt by another person, who is usually, the consumer. This method of tax is imposed on commodities, before getting to the consumer, who eventually, pays them, not as taxes, but as part of the selling price of the commodity. Indirect tax, can affect, the cost of living, as they constitute taxation on expenditure. She stated that, the major distinction, between direct tax and indirect tax, is that, direct tax is imposed on the income or property of the person paying the tax; whereas, in indirect tax, the payer, is different from the person, who bears the burden of the tax. Indirect taxes on goods and services, are usually, passed to the ultimate consumer of such goods and services in form of higher prices.

PRINCIPLE OF TAXATION- she discussed, extensively, the following principles:

- a. Equity (ability to pay), which are:
- b. Certainty
- c. Convenience
- d. Economy

Afterwards, she said, owing to vigorous nature of Nigeria's economy, two more ideologies of taxation (not by Adam Smith), also apply and they are:

Elasticity (or Flexibility): - making sure that the system of taxation is flexible, as to provide for an increase revenues that aligns with tax policies, while **Sufficiency (or Productivity)**, requires that taxes, should be of various kinds and must yield an amount of revenue, sufficient to meet expenditure of the government.

She went further to discuss factors that influences taxation, which are:

1. **Economic factors**, which include, financial burden, cost of compliance, disincentives, and incentives.
2. **Behavioral factors**, which consist of individual differences, perceived inequity, as explained by other facilitators, who believed 'the system' is unfair

or who have personal experiences of 'unfair' treatment.

3. **Perception** of minimal risk. If a taxpayer has opportunity, not to comply and thinks that there is only a minimal risk of being detected, he or she, will take the risk.
4. Some people, view **tax avoidance**, as a game to be played and won. They like to test their skill in avoiding their obligations and avoiding, being caught.

The facilitator also discussed recognizing effects of the tax system, taken from her presentation, that difficult or ambiguous law, creates increased opportunities for taxpayers to behave in ways that were unintended by the law.

In many ways, good law underpins tax authority's ability to deliver procedural fairness in the conduct of its administration. If the community perceive the law to be unjust or inappropriate, then, inevitably, there is an increased risk of non-compliant behavior. On fair taxation and influencing for change, she said, tax administration is to make it easy for willing taxpayers to comply. E.g. paying attention to new businesses, by clearly, advising them of their tax obligations at the commencement of their business lives. Making it easy to comply, can, potentially, include all the initiatives, which an authority, might take to improve service delivery. Authorities should increase efforts to simplify administrative requirements for all categories of taxpayers.

She concluded the session by saying, it is obvious that, a fundamental issue for our government, is to decide on the structure and purpose of the tax system, to communicate the rationale behind individual taxes to citizens in a clear manner, as well as, to strengthen the revenue authorities continuous and consistent efforts required to educate/encourage Nigerians to embrace a tax payment culture, especially, people in the informal sector at entrenching fairness in the system, as a culture, through fair tax campaigns. Only then, can the citizens possess the moral right to engage government effectively on equitable tax rights.

Questions and answers on Ms. Okokon's Session

Que-when should one begin payment of taxes?

Ans- only when the business is up to one year of existence

Que- why is government interested in taxation?

Ans- because, it is a good source of income for any government

Que- where should rural dwellers be directed to pay taxes?

Ans- they should pay their taxes, first, by recognizing the office and obtaining forms, conduct self-assessment, get to identified bank and make payment and then go with teller to FIRS/BIRS to get receipts

Que- does NGO pay tax

Ans- yes, they pay tax indirectly, as far as they have staff, whose taxes are deducted.

Finally, she calculated percentage of tax payments to the participants.

Second session for the day began in earnest with Olasunkanmi Adeoti, as Facilitator. Topic was: **SPP's Impact to Nigeria's Fiscal Architecture: Pragmatic Approaches, Through Evolving Monitoring and Evaluation Model in Taxation.**

He outlined his session, thus:

- Explaining fiscal architecture
- Taxation, as an instrument of fiscal management
- Knowledge expectation from civil society
- Government expenditure
- Monitoring and evaluation
- SPP's impacts on Nigeria's fiscal architecture
- Conclusion

Adeoti, described strategic partnership, as an arrangement, between 2 parties to work or help one another, so that, it is easier for them to achieve things they aimed to achieve together. This means, it must be beneficial to both parties. Forms it takes, could be, research, distribution, supply, outsourcing and projects' programming, etc. He added that taxation is key and stable source of revenues to any government. He mentioned processes of taxation as sensitive and needs buy-in from stakeholders. Adeoti said, CSOs must have knowledge expected, particularly, understanding of policy objectives to criticise constructively. Constructive criticism helps governments in planning and adjustment of blueprints.

He listed knowledge required, before criticising as:

- Previous policies, including, demonstration of knowledge.
- Issues arising from previous policy
- Up to date with current policies
- Intended corrections expected from the new policy
- Constructive thoughts
- Alternative solutions.

On monitoring of taxation processes, he said, such requires, good understanding of tax policies and structure. **Key steps, he mentioned, includes:**

- Understand existing government tax policies
- Ascertain and monitor operations of tax management agencies for new

policies

- Ascertain new policies
- Establish reasons for changes
- Evaluate the changes
- Submit suggestions and follow up.

In summary, he highlighted SPP's impacts on Nigeria fiscal architecture, which are not limited to the following:

- He said, SPP has helped to increased knowledge and activities of civil society groups in Nigeria. This has created consciousness on the part of government.
- Successful execution of important developmental projects, which may have been abandoned.
- Improved voices of civil society, thereby, helping to create attention to messages from CSOs
- Some of SPP's international synergies has helped at mounting pressure on government to do what are rights.
- SPP builds foundation for technological development through training and retraining.
- SPP has shaped fiscal policies of government through inputs received from civil society. This was made possible through partnership with Oxfam and others.

Conclusion, Adeoti said, the vibrancy of civil society (CSOs) in Nigeria is not unconnected with the strategic partnership from Oxfam and other donor agencies. He emphasized that, CSOs has influenced policies in area of taxation, government expenditures and development.

There was lunch break, presentation of communique, corrections /adoption of communique.

The Chief Executive Officer of NDEBUMOG Dr. George Hill Anthony, appreciated all participants, once again for their time and participation at the event. Thereafter, there was a joint meeting between Tax Justice Platforms and Shadow Budget Groups.

At exactly 5:45PM, everything came to a closed, with a word of prayer, followed by another in-house meetings (separately) by respective fiscal governance groups (Tax Justice Platforms, Shadow Budget Groups, and others).

END.

COMMUNIQUE ISSUED AT THE END OF A TWO-DAY IMPACT HARVESTING GATHERING AND CO-LEARNING EVENT BY NIGER DELTA BUDGET MONITORING GROUP, HELD AT UMNEAK HOTELS LIMITED, PLOT 9, BLOCK A, OKON UDOH, OSONGAMA ESTATE, UYO ON 12TH & 13TH SEPTEMBER 2019

Introduction:

Niger Delta Budget Monitoring Group (www.nigerdeltabudget.org), with support from Oxfam in Nigeria (www.oxfam.org/nigeria), conducted a two (2) day Impact Harvesting and Co-learning- Shared Experience Gathering at Uyo on the above mentioned dates. The event was part of NDEBUMOG's SPP IV programmatic responsibility. This event was considered strategic and was targeted to bring together, selected SPP's stakeholders and participants that were coalesced from previous (SPP's) activities. The gathering had a blend of fiscal stakeholders, especially, budget and taxation. Other fiscal derivatives, such as, gender sensitivity and fiscal justice, impacts' dynamics, monitoring, evaluation, among others, were also deliberated, alongside, harvested testimonies. Importantly, the gathering was a shared co-learning exercise, through (participatory) experience- sharing with fiscally harvested testimonies that could shape future's development equilibrium, especially, for development managers and researchers.

Oxfam's Strategic Partnership Program was specifically structured to be fiscally useful to Nigeria and was envisaged to create sustainable impact. Whereby, more Nigerians, especially; women, are empowered to participate in decision making processes, contributes to nation's building, as active citizens, and benefit from better living standards, through increased availability of essential services. The concept's results are projected to be achieved through improved (fiscal) policies, responsive (democratic) practices, alongside, a private sector, envisioned towards reduction of poverty and extreme inequality through effective and efficient management of Nigeria's (tremendous) resources with increased citizens' participation.

After deliberations and testimonies. Below, were matters raised by stakeholders:

CONCERNS:

1. That citizens should participate in all strata of fiscal governance, from tax, budget, and audits, among others.
2. Neglect of education by tiers of government, has brought additional burden on the people, as parents are forced to send their wards to private schools at exorbitant costs.
3. Failure of government to address infrastructural shortcomings has created a burden for the government in mobilizing taxpayers towards their civic responsibilities.

4. There is no enabling environment and motivations for informal sector to be encouraged to pay their taxes.
5. VAT increase is scary and shall bleak citizens' expectations on economic freedom.
6. Rising insecurity in the country is of serious concern and a wakeup call for citizens to be involved in budget monitoring, as budget monitoring could reduce insecurity.

RESOLUTIONS/RECOMMENDATIONS:

1. Government should involve (fiscal governance) NGOs/CSOs/Community Based Organizations into fiscal circles at the National, States and Local Governments, through formal processes, such as;
 - ✓ Attendance of Public Hearings for service delivery and pro-poor related Bills
 - ✓ Policy Reviews
 - ✓ Budgetary investigations and oversights
 - ✓ Investigative hearings.
2. State government should domesticate and simplify Nigeria's tax laws, encourage implementation through effective service delivery and make public, tax laws and policies that can facilitate fair tax education.
3. All governmental transactions in Nigeria, should follow due process, accountability, transparency, and value for money.
4. CSOs should be focused on budget tracking and monitoring, being a tool for ensuring good governance
5. The gathering implores states to launch and support **OPEN GOVERNANCE PARTNERSHIP (OGP)**, to fast track development through participatory democratic accountability.
6. Federal government should reform security apparatuses for effectiveness, which will provide enabling environment for a thriving economy.
7. Rather than increased VAT, government should block leakages, track illicit financial flows, capital flight in all sectors, alongside, stimulating citizens-interest in anti-corruption crusade.
8. CSOs were urged to build their capacity on International Public Sector Accounting Standards (IPSAS) for better understanding of budget processes and real-time monitoring and evaluation through service delivery indicators that could be integrated to IPSAS CoAs.

Participants commended OXFAM for providing support for the gathering and for supporting Nigeria's nation building.

Adopted at Uyo this 14th day of September 2019.

On behalf of Strategic Partnership Program's Impact Harvesting Gathering.

1. Dr. George-Hill Anthony-ED/Chief Executive Officer-Niger Delta Budget Monitoring Group
2. Olakunle Oyegoke-Ondo State Tax Justice & Governance Platform
3. Ugochi Ehiahuruke-Anambra State Tax Justice Platform
4. Ogunjobi Olalekan-Ogun State Tax Justice Platform
5. Stiv Obodoekwe-Port Harcourt Shadow Budget Group
6. Mfon Esua-Uyo Shadow Budget Group

5

REPORT OF SPP 4 RADIO PROGRAMS AND MARKETS SENSITIZATION FOR FAIR TAXATION AND VOLUNTARY TAX COMPLIANCE/MONITORING ACTIVITIES OF TAX JUSTICE AND GOVERNANCE PLATFORMS BY NIGER DELTA BUDGET MONITORING GROUP'S HEADQUARTERS.

REPORT OF: OYO STATE RADIO PROGRAM/MARKET SENSITIZATION ON FAIR TAXATION AND VOLUNTARY TAX COMPLIANCE/MONITORING OF OYO STATE TAX JUSTICE AND GOVERNANCE PLATFORM, HELD ON WEDNESDAY 2nd OCTOBER 2019.

As Tax Justice and Governance Platforms consolidates its activities in Nigeria in Oxfam SPP's year 4, through series of activities, which were geared to bring taxpayers to speed on tax development across Nigeria. This was necessary, as benefits of taxation, expectedly, should touch on lives of those paying taxes. It was for this and other reasons that Oyo State Tax Justice and Governance Platform, organized markets sensitization programs, as part of its activities for 2019.

A team from Niger Delta Budget Monitoring Group's headquarters, paid a visit to Oyo state. It was part monitoring of Tax Justice Platforms across the country. NDEBUMOG's team for the visit had comprised of Peace Peter and Folashade Abubakar Tawakalitu. The team from NDEBUMOG was received by the Deputy Coordinator of Oyo State's Platform, Mrs. Deborah Salami. The visit was planned to coincide with a live radio program in Ibadan. At the radio studio (of Metropolitan Broadcasting Services Limited), Ibadan, Oyo State, a one-hour radio sensitization took place. NDEBUMOG's team was introduced to a few members of Oyo state's platform, including the secretary, Comrade Oluwabukola. The radio program lasted from 9am-10am on Wednesday, October 2, 2019. It featured talks on the controversiality concerning proposed Value Added Tax increase by the Federal Government, harmonizing of taxes and responsibility of government to use taxpayers money to serve needs of the people.

After the radio program in Ibadan, the team proceeded to Moniya Farmers Market in Akinyele LGA, where the Platform organized a market sensitization program. The team met a gathering of heads of various markets across the Local Government Area, that were already seated inside the market's hall of Moniya Market. An unfortunate incidence, which claimed the life of the son of the Chairman of Moniya Market, led to the absence of the market's chairman.

The market's meeting commenced by 11am, with registration of participants, followed by introduction of participants by Mr. Samuel Okewoye of Oyo State Tax Justice and Governance Platform. Participants from NDEBUMOG's headquarters were also introduced. Although there are about 23 major markets in the LGA, the meeting recorded a good attendance for the fair tax sensitization program.

Agenda for the program was to educate traders in the market on fair taxation and voluntary tax compliance. Much of the discussions was done in native Yoruba dialect. The deputy coordinator of the platform, Mrs. Salami Deborah, in her speech, introduced taxation and its benefits both for the government and for traders in the market. She added that the chairman of the state's Board of Internal Revenue has reiterated his commitment in seeing that taxpayer's money works for the people. She said, the Board's chairman, has said, taxes will be imposed on affordable terms for the citizens, and that, his administration as Board's Chairman, will ensure eradication of middlemen in informal sector's tax collection to curb illicit taxation and blocking of leakages. Mrs Deborah, added, the chairman of the BIR has given commitment for establishment of a central/unified account for payment of taxes to ensure accountability. This, she said, is likely to be done in collaboration with Interswitch Corporation. 2019.

Miss Peace Peter of Niger Delta Budget Monitoring Group (Platforms' manager) addressed participants on the need to pay their taxes, which was, after introducing the organization that she (Miss Peace Peter) represented, which is the new manager of Tax Justice & Governance Platforms'. Ms. Peter explained the role of NDEBUMOG as platforms' manager and solicited for support from markets' leaders for the Tax Justice and Governance Platform in Oyo state. She enjoined all participants present to ensure that traders at various markets are responsive to governance by paying their taxes, which will bolster them to ask questions, when there are perceived irregularities in public expenditure. She thanked participants for making out time to attend the sensitization. She added that Oyo state's TJ & GP intends to inaugurate tax monitors in some markets across the state. The Tax Monitors, she said, will follow up on activities of tax agents, tax consultants and revenue contractors and reporting irregularities to the state's TJ & GP for redress of unfair tax issues to relevant bodies/revenue agencies of the government.

Equally present at the meeting was Mrs. Sanusi, who represented the Director of Finance of Akinyele LGA. Mrs. Sanusi explained to participants the importance of paying their taxes. She reiterates her LGA's preparedness to see that taxpayers get justice for their payment by way of improvement in infrastructure within the LGA and markets. She enjoined participants to pay advocacy visits to relevant agencies of government and lobby prominent personalities on matters of interest at their various markets.

An opportunity was given for market leaders at the meeting to express their

grievances and challenges related to tax matters. Some issues and challenges enumerated, were:

1. Bad roads network, which they consider, among, major challenges. As such, hinders shop owners from conveying their farm produce to markets. Inherently, extra costs incurred the in course of struggles to convey their goods to these markets are borne by buyers of these produce, thereby, adding to increases in cost of living. They pleaded with the government to see that roads and other social infrastructures are improved within the Local Government Area.
2. Another market leader, complained, that although they have been paying taxes, they are yet to see benefits on taxes they pay. He expressed his frustration concerning injustices within the system. The Market Leader, also expressed discouragement over promises made by different groups that came in the past to encouraged traders to pay their taxes, bemoaning, none of such promises were unfulfilled.
3. More worrisome was complained about absence of public toilets in the markets. He said, few existing toilets in the markets were built by traders from self-imposed contributions and levies. This, they said, is highly inconveniencing, as what they built are not enough, with more toilets needed to be built at various markets.
4. On water supply, market leaders, complained about inadequate water supply across markets. They requested government to come to their aid in building, at least, two boreholes for each market.
5. Poor drainages and erosion are equally a major problem. They suggested a better way to overcome the challenge through building of additional drainage system. According to the complainant, request for drainages were made at the council's office without a positive respond yet.
6. On streetlights, request for streetlights was strong, as they consider lighting of markets vital, since that will minimize activities of criminals, who operates, mostly at nights and will provide safety for their goods.
7. Traders frowned about the use of middlemen for tax collection, which they said, was one of their greatest challenge. They lamented about constant harassments, with their goods seized, and injuries inflicted on some of those unable to meet up with imposed levies/taxes. Traders also complained about multiplicity of levies, which they are subjected to pay. They appealed to government to help them to overcome these inhuman acts. They complained about illegal tax collectors that visit markets with fake receipts, which are issued to payers. Regrettably, such monies collected by fake revenue agents, does not go to coffers of government.
8. Traders bemoaned about injustices, whereby, after individuals, must have built their shops, revenue collectors appeared from nowhere to collect levies and taxes

for self-funded stalls that traders built. They pleaded with government to come to their aid.

9. Market leaders appealed for provision of proper waste disposal system, as current poor waste management situation in the market is not good for physical and environmental health for market users.

After the session, Miss Peace Peter of Niger Delta Budget Monitoring Group, was given an opportunity to respond to comments raised. She commended participants for their frankness/interventions. She said, although NDEBUMOG, may not have encompassing solutions to all problems enumerated, it was good that, a government's representative was present at the meeting. She urged (the government's representative, being Akinyele Local Government's Head of Finance) to see that some requests across markets are considered in subsequent budget of the council to help ameliorate the situation. She emphasized the importance of **tax-to-service** agreement, which should be taken seriously, as it is beneficial to the government and for the people. The Deputy Leader of the platform in Oyo state and host, Mrs. Deborah Salami, equally, thanked participants for their presence and patience at the meeting. Closing prayer was offered.

After the market sensitization, the team from NDEBUMOG had a side discussion with Oyo's Tax Justice Platform members, which was part of the monitoring assignment. In the discussion, Miss Peter, asked critical questions, which was responded to. The session started with a statement of appreciation by NDEBUMOG's representative, who reechoed that NDEBUMOG holds Tax Justice teams across South Western Nigeria in high esteem. She said, commitment of Tax Justice Platforms in the zone was encouraging. She also thanked Mrs. Salami for roles she has played in the success of the radio program, alongside, in the management of Oyo State's Platform. The platform members used the opportunity to share some of their successes and challenges. Some included, having been able to do pre-market sensitizations at some markets and able to carry out (major) market sensitization, such as, the one, NDEBUMOG's team participated. Mrs. Salami mentioned that, although, the impact and benefits of taxation is spreading, most people, are still against payment of taxes, as they complained of government frivolities with public spending and mismanagement of taxable revenues.

The chairman of the platform, added, that they are impressed with the support received from Oxfam through NDEBUMOG but solicited for more support. He also said the platform chose to allow the deputy to run its affairs, as she was more knowledgeable in development matters and praised her effort in doing some stepdown activities from every engagement and trainings of NDEBUMOG that she attended. Another challenge, she mentioned, was about members of the group, who choose to stay away from activities of the platform. To overcome this challenge, the platform members were divided into different teams/committees.

REPORT OF VISIT BY NIGER DELTA BUDGET MONITORING GROUP TO EBONYI STATE TAX JUSTICE AND GOVERNANCE PLATFORM IN ABAKILIKI, EBONYI STATE. THE MEETING WAS HELD AT NIWA'S OFFICE, THE PLATFORM HOST.

The meeting started at 4:35pm and it took place at Neighborhood Initiative for Women Advancement (NIWA) office in Abakiliki-Ebonyi state.

An introduction was offered by Ebonyi State Tax Justice Platform's Coordinator. Four (4) members of the platform and two (2) officials from NDEBUMOG's headquarters, being, Stiv Obodoekwe and Abubakar Folashade Tawakalitu, were present. NDEBUMOG's team was welcomed by the platform's host, who introduced them to some members of EBSTJ&GP. Majorly, issues concerning programmatic challenges, took reasonable part of the meeting. NDEBUMOG's team was informed about advocacy visit, planned by Ebonyi State Tax Justice Platform, under the leadership of NIWA. NDEBUMOG's team was informed about deployment of fair tax monitors to monitor revenue collections around key areas and some markets in the state. NDEBUMOG was informed about issues with multiple taxation, said, to be dominant, from reports from Fair Tax Monitors (FTM) in the field.

Ebonyi Tax Justice Platform, informed NDEBUMOG about **tax for service**, and provision of amenities, being part of what they (Ebonyi Platform) intend to discuss with tax authorities and relevant agencies of government in the state at a stakeholders meeting scheduled for Wednesday, 27th November 2019. Another meeting of Tuesday, 26th November 2019, which NDEBUMOG's team, narrowly missed, was a feedback- meeting, which monitors shared experiences on what Tax Monitors saw in the field during their fair tax monitoring. It was expected that the field monitoring reports, would form bedrock for discussions at the stakeholders' meeting.

NDEBUMOG was informed that advocacies have yielded (some) results, such as:

- The board of internal revenues, now, updates the platform, regularly.
- There is an established online system, where tax information, could be accessed in Ebonyi State.
- There is a unified payment system, whereby, tax- payers, can pay into a common and designated purse in Ebonyi State.
- Relationship between tax- payers and authorities is extensively cordial, as both parties, tries, as much, as possible, to avoid coercion in Ebonyi State.

Challenges: Challenge has been on how to get the platform's members to attend meetings/activities, as there is no budget for refreshments and transport. Notwithstanding, the platform in Ebonyi have a good relationship with the Board of internal Revenue in the state.

REPORT OF A MEETING OF ENUGU TAX JUSTICE PLATFORM WITH OFFICIALS FROM NDEBUMOG'S HEADQUARTERS AND ENUGU SHADOW BUDGET GROUP ON WEDNESDAY 27TH NOVEMBER 2019.

Venue: JDPC'S Office, Catholic Church, Holy Ghost Cathedral, Enugu

NDEBUMOG'S ATTENDEES:

Dr. George-Hill Anthony, Stiv Obodoekwe, Abubakar Folashade Tawakalitu, S. U. Igweani- Enugu State Shadow Budget Group, I. A. Gertrude-Treasurer, Enugu Shadow Budget Group, among others.

JDPC'S ATTENDEES:

Three officials represented JDPC at this meeting.

Agenda:

1. Project's implementation,
2. Results,
3. Reporting,
4. Challenges.
5. Connecting tax, budget, and audits, through NDEBUMOG Shadow Budget Groups in Enugu State.

Commencement

The meeting was to familiarize Fiscal Governance Groups (FGGs) in Enugu State, build linkages between budget monitoring groups, tax, and audits and to find out challenges they (Tax Justice Platform in Enugu) may be encountering during their activities. The meeting was also used to introduced NDEBUMOG's affiliates (Shadow Budget Groups in Enugu state) to Enugu State's Platform, as NDEBUMOG tries to connect Tax Justice Platforms' with other fiscal groups, particularly, budgets, taxes, audits, and livelihood.

Challenges: On Enugu's Platform planned activities, NDEBUMOG was informed, there is no provision for platform members' transports, which has hindered organizing of meetings. On this, NDEBUMOG's team informed the host to consider reducing external participants to make space for additional platform members to participate, which will create room for meeting(s) at the same time. Logistics for platform's meeting was handled through this suggestion. There was issue of communications and bank charges. Platform's host was mandated to build communications into State Platform's budget, whilst bank charges will be burdened by NDEBUMOG's headquarters. On communications with NDEBUMOG, Enugu's platform, said, they have no issue or challenge about communications with NDEBUMOG. Communications are smooth, they said!

At this juncture, affiliates members' of NDEBUMOG's Shadow Budget Groups in Enugu state, present, were introduced to the State Tax Justice Platform. They were informed, it is important for them (platform and shadow budget group) to collaborate, even as it was not an imposition but mutually voluntary, as it pleases each party.

The Platform's coordinator, promised to carry NDEBUMOG's affiliates' in the State along, where possible, especially, as from observation, NDEBUMOG's affiliates also have values that they could contribute to work of the platform in Enugu state.

REPORT OF A MEETING BETWEEN NDEBUMOG AND ANAMBRA STATE TAX JUSTICE PLATFORM, VENUE, OUR LADY OF ASSUMPTION CATHEDRAL, NNEWI. WEDNESDAY, NOV. 27, 2019.

Anambra Tax Justice Platform was represented by Sam Ololo, Anaju Ncheolu, Primus Okwanba, whilst NDEBUMOG was represented by Obodoekwe Styvn. Meeting's focused on activities, reporting and challenges.

Styvn explained that the meeting was necessitated on the need for both parties to get acquainted with each other. He noted that (NDEBUMOG), being the new manager of the platform, it is important NDEBUMOG's headquarters understands how each (active) platform was faring, alongside, challenges they face in the course of their work.

On activities, Anambra's Tax Justice Platform, said, they have implemented activities earmarked at the first stage. Activities carried out were, research, monitoring tax implementation in selected areas, including, markets. The platform said, they usually received feedbacks from fair tax monitors. Anambra's Platform, equally, carried out a radio program, which yielded remarkable impacts. NDEBUMOG was informed, that, through tax justice radio program, government has found out that revenue contractors were collecting more than what they (revenue contractors) were permitted by the government to collect from taxpayers. Government, therefore, announced that the excess, should be refunded to the payers.

Challenges: In Anambra state, major challenge is difficulty in accessing revenue contractors. The Platform has good relationship with government agencies, although, collection of revenues is contracted to contractors. Some of the revenue- contractors, intermittently, infringe on human rights of people. There are fears of clashes between these contractors and touts, as the later sees them (contractors) taking the space they (touts) have hitherto enjoyed through collection of illegitimate monies from people. There is evidence of shrinking civic space against fair taxation, if attacks on fair tax monitors happens... However, during an advocacy engagement with the Board of Internal Revenue, it was disclosed that, a website has been opened, where citizens can get information on what to pay and how to pay. Notwithstanding, the Platform, said, awareness is extremely low, as many citizens, do not want to hear about payment of

taxes. Perhaps, due to lack of **tax for service** agreement or lack of social amenities. There is need to step up tax awareness in the state.

Strength: NDEBUMOG was informed that platform members are eager to work, as the JDPC's (Reverend Father) always ensured, members get stipends for transport, as well as, refreshments, when they attend meetings/events. NDEBUMOG commended Anambra's Tax Justice Platform for work they (Anambra's Platform) has been doing. Representative of the platform thanked NDEBUMOG for the meeting. Saying, it was particularly useful and enriching.

REPORT FROM A LIVE RADIO PROGRAM WITH MONITORING OF THE OGUN STATE TAX JUSTICE & GOVERNANCE PLATFORM AND ADVOCACY VISIT TO DEPUTY CLERK OF OGUN STATE HOUSE OF ASSEMBLY OF THURSDAY 3RD OCTOBER 2019.

As part of sensitizing citizens on their tax obligations and responsibilities, Niger Delta Budget Monitoring Group (NDEBUMOG), as manager of Tax Justice and Governance Platforms' in collaboration with Ogun State Tax Justice Platform, organized some programs, as part of activities that concurred with the visit of Platforms' manager (NDEBUMOG) to Ogun State's Platform.

NDEBUMOG's visit to Ogun State was undertaken by two officials from headquarters of the organization in Port Harcourt, in person of Miss Folashade Abubakar Tawakalitu and Miss Peace Peter. Both were received by the Ogun State Tax Justice Platform's Coordinator, Asujuoba Michael Adesanya, Secretary, Mr. Olalekan Ogunjobi and Treasurer of the Platform. A short meeting was held on Wednesday 2nd October 2019 to planned for the proceedings of the next day.

The visiting team was picked up by the trio on Thursday 3rd October, 2019 for an advocacy visit to the Deputy Clerk of Ogun State House of Assembly, Mr. Adedeji Adeyemo, whom in the course of the team's visit, created an opportunity for the team to meet with the Speaker of the State House of Assembly, Hon. Olakunle Suraj and submitted a copy of the advocacy visit's speech to his office. At the office of the Deputy Clerk of Ogun State House of Assembly, it was gathered that, members of the State Tax Justice and Governance Platform were no visitors, as they had paid regular visits to the office, prior to this advocacy visit, in a bid, to ensure fair tax practices and equitable tax harmonization.

Eight (8) persons delegation arrived the office of the Deputy Clerk at about 9.20am and was warmly received. An introduction of all the members was done by Mr. Olalekan Ogunjobi, who also introduced officials from NDEBUMOG's headquarters.

Major highlights of the advocacy visit and recommendations, were:

1. That government, must stop, the use of consultants to collect taxes. Stoppage will block leakages associated with the use of consultants for tax collection and shall boost revenue accruable to the state and local governments for effective service delivery.
2. Government should make taxes that are payable known to every citizen. Tax rates should be published and be disseminated widely.
3. Payment of taxes should be eased through virtual means to encourage citizens to pay taxes through payment cards or at online payment platforms.
4. Tax policies should be shaped, in a way that encourages and support growth of the informal sector of the economy.
5. Multiple taxation affects micro and small enterprises negatively. Efforts should be made to eradicate it.
6. Principles of fair tax should be employed in taxation from the bottom of the pyramid to vulnerable poor. Every business cannot be taxed the same.
7. Only trained state/local government employees, should be used to collect taxes.
8. Government should develop and put in place, requisite infrastructure that would encourage and motivate citizens to pay their taxes promptly.
9. Different groups, parading markets, and harassing traders, should be banned from the markets with their activities criminalized.
10. Point of sales payment system should be introduced in the markets, where traders, would easily pay their taxes, tolls, and levies, without molestation.
11. A Treasury Single Account (TSA), should be set up for tax collection at the local government level to block leakages.
12. A redress mechanism should be established to handle issues of abuse and wrongful acts of state agents, involved with tax collection at markets.
13. Equitable approaches must be adopted in taxation. High net-worth individuals should pay commensurate taxes.

The team leader, Asujuoba Adesanya, thanked the Deputy Clerk of the House of Assembly for making out time from his busy schedules to meet with the team and also requested that he uses his good office to do the needful at ensuring a fair and just tax system.

Miss Peace Peter of Niger Delta Budget Monitoring Group, in addition, thanked the Deputy Clerk for giving a listening ear to a matter that concerns ordinary citizens. She

mentioned that the idea about fairness in tax administration was coming through support received from Oxfam, whereas, Niger Delta Budget Monitoring Group, has been mandated to oversee/manage tax justice platforms across the states to ensure a better Nigeria. She called on the Deputy Clerk to help ensure the passage of Tax Harmonization Bill in the state that will reduce the burden on poor taxpayers, create an enabling environment for businesses and ensure a better environment for informal sector players.

In his response, Mr. Adedeji, thanked the team for a good work and mentioned that the Bill on Tax Harmonization in Ogun State, was under consideration. After the meeting, the team proceeded to GIZ office for another meeting with platform members.

OGUN STATE TAX JUSTICE PLATFORM'S MEETING WITH REPRESENTATIVES FROM NDEBUMOG HEADQUARTERS.

The meeting started at about 10.30am, with an opening prayer by one of the members of Ogun State Fair Tax Monitors at the gathering. The meeting was attended by some members of the Ogun Tax Justice and Governance Platform, being an initiative of members of Ogun State Platform's Steering Committee, geared at strategizing for future engagements. Participants introduced themselves and were given an opportunity to share concerns, alongside, their strengths for a better working relationship.

In the introduction, Asujuoba Adesanya, formally welcomed the team from NDEBUMOG's headquarters. He also gave a brief history of Ogun State's engagement with previous manager to NDEBUMOG. Fair Tax Monitors present were introduced. Asujuoba Adesanya, added, that they (tax monitors) evolved from markets across the state. He informed NDEBUMOG's team about some trainings and sensitizations for citizens, including, tax monitors at both states and catchment levels. He said, the trainings had yielded impacts for the government, as well as, for taxpayers, as tax collections are better handled nowadays. Among impacts, he mentioned, a **tax-to-service** agreement with a LGA in Ogun state, even as Ogun Platform's plans to expand the concept to cover other LGAs in the state.

After the coordinators' speech, he requested other participants and members to make their contributions to the discussion. One member of the platform informed the team about some trainings conducted, where tax monitors, were beneficiaries. He said, among these are chief tax monitors, who did more (step down) trainings to other tax monitors at grassroots level. He added that as part of efforts to follow up with commitments, they normally go back to the markets, where they previously did tax sensitization to ensure that commitments are yielding results, especially, in areas of **tax-to-service** agreement.

Asojuoba Adesanya, highlighted some achievements of the platform in the state. He emphasized that, currently, more communities have gotten to understand the need for them to pay their taxes promptly. NDEBUMOG's team was informed that advocacy visits have been far reaching in the state, as there were no relevant official within Ogun state tax administration system that has not been visited. He said, the media, has also been involved in activities of the platform, which, at one time, the general manager of the state's television was a guest speaker at one of the meetings of the platform. NDEBUMOG's representative thanked them for their efforts for successful visits and commended them for working hard towards a fair tax society.

In response to some pressing comments, Ms. Peace Peter, mentioned, that although support funds, may be small and are in tranches, there is hope of improvement. Thereafter, The State coordinator, thanked Platform's members present for their time, support and for recognizing funding challenges. He commended members for making personal contributions to ensure success and survival of the Platform.

Mr. Ogunjobi, the Platform's Secretary, drew attention of the team to geographical peculiarities of Ogun State, where most members are spread in locations that are extremely far. So, transportation, after each event, becomes a challenge. Although, he said, these differences were highlighted in the budget preparation. However, some aspects were cut down, making it difficult for them to work effectively. In response to this, Miss Peace, advised that in formulation of future's budgets, Ogun TJP, should clearly, highlight such areas. Mr. Ogunjobi hopes that going forward, budget approval, should be more favorable to cover peculiar circumstances.

Importantly, Mr. Ogunjobi, who expressed the State's TJP interest to replicate NDEBUMOG's Shadow Budget Groups' model in Ogun state, as part of Ogun state's activities. Ogunjobi, said, this demand is coming, because of the positive lessons learnt about Shadow Budget Groups, during NDEBUMOG's trainings. He emphasized the importance of establishing such grass-root based groups to monitor statutory allocations to LGAs, since LGAs now get their allocations directly from Federal Government, which need citizens monitoring. The state coordinator of the platform supported the comment, adding, it is essential, since tax funds constitute what forms the budget.

In her response, Ms. Peter informed the meeting that the request for establishment of Tax Justice Platforms for Ogun State TJP has since been communicated to Oxfam, with feedback awaited, though establishment of shadow budget groups, being NDEBUMOG's structural initiative, funding supports are needed from Oxfam or any INGO/funder willing to support the process.

AN ADVOCACY VISIT TO THE CHAIRMAN OF OGUN STATE HOUSE COMMITTEE ON JUSTICE AND PUBLIC COMPLAINTS, HON. SOLOMON OSHO OKE-MOSAN AT HOUSE OF ASSEMBLY COMPLEX, ABEOKUTA, OGUN STATE, NIGERIA, HELD ON THURSDAY, 3RD OF OCTOBER 2019.

Introduction

Tax remains the most reliable source of revenue for financing of sustainable development. However, issues of multiple taxation, levies and rates remained extensively unaddressed for informal businesses. Till date, the informal sector is referred to as “gray economy” leaving them to all forms of vulnerability, since there are no definitive frameworks for efficient tax collections for the sector. Lack of social services, poor infrastructure, poverty, inequality, and failure of small enterprises remains pervasive, due to multifaceted challenges confronting the sector.

Ogun State Tax Justice and Governance Platforms has reported strategic interventions, which they have put in place, against incidences of arbitrary imposition of multiple taxes, levies and rates, including, the use of unethical methods to extort monies from citizens in the informal sector. These multiple taxes have affected market women, artisans, traders, and small-scale entrepreneurs, who forms greater percentage of economic players in the sector. Ogun State Tax Justice and Governance Platform is constituted with members made up from community based organizations (CBOs) Non-Governmental Organization (NGOs), public sector, Faith Based Groups (FBGs), Professional Associations, Private Sector, Trade Associations, Media, State and Local Government Revenue Officers. The State Platform is passionate towards enshrining tax justice, fairness, and equity towards ensuring efficient and effective tax system in Ogun State. Platform in Ogun State is actively involved in tax policies, procedures, laws, and administration.

Over the years, Ogun state Platform, has equally, worked with GIZ, previous manager and now, Niger Delta Budget Monitoring Group (NDEBUMOG) to implement various fair tax interventions and activities in Ogun State. Such are:

1. Tax education and Public -Private Dialogue for all stakeholders on tax matters in Ogun State. The programme was tagged “Fair **Tax for Service and Development**”
2. Step down of Tax education and Public-Private Dialogue, mentioned above, to all the twenty (20) Local Governments in Ogun State
3. Advocacy visit to Permanent Secretary- Ministry of Local Government and Chieftaincy Affairs (who is now the Head of Service of Ogun State)
4. Appointment and training of Fair Tax Monitors across twenty (20) Local Government Areas in Ogun State.

5. Public-Private Dialogue/ Community Outreach on Tax Justice and fairness conducted across Senatorial Districts in Ogun State.
6. Conducted tax operationality research, which weighs, on tax administration across 20 LGAs in Ogun State.

Key Findings

1. One of the reasons why taxpayers are reluctant to pay taxes is because of its perceived burdensomeness
2. The ways and manners that taxes are collected can reduce economic dynamism and impose additional burden on already vulnerable groups.
3. Taxes are collected by consultants, especially, at the Local Government level, whilst tax officials are left redundant and completely not part of tax collection processes.
4. The use of consultants to collect revenue works at cross purposes.
5. Tax rates are known only to the consultants and tax collectors, who fixes the rates according to their whims and caprices, thereby, making tax payment a huge burden
6. There are areas of losses of revenues, because of the use of consultants for tax collection
7. Instances of multiple and illegal taxes are widespread in the state, especially, across some markets and rural communities. Some of these illegal taxes and levies are, community levy, youth levy, as well as, association or union levy, among others.
8. There was no central byelaw on taxation across LGAs in Ogun State
9. At the markets, tolls and sanitation levies are collected daily, without commensurate sanitation of the markets
10. When there are seeming delays by traders in payment of daily tolls or levies, apparently, due to lack of sales, traders' wares are seized, trashed, and stomped upon.

MINUTES OF EMERGENCY MEETING OF RIVERS STATE TAX JUSTICE AND GOVERNANCE PLATFORM, HELD ON TUESDAY, 24TH SEPTEMBER 2019 AT AZNY EVENTS CENTRE, GRA, PORT HARCOURT.

An emergency meeting of Rivers State Tax Justice Platform was held on Tuesday, 24th September 2019 at Azny Events Centre, Abacha Road, GRA, Port Harcourt. The meeting was scheduled to start by 10AM. However, meeting did not commence, as scheduled, until at about 10.50AM, due to late arrival of majority of invitees.

The meeting was chaired by Dr. George-Hill Anthony, Chief Executive Officer of

Niger Delta Budget Monitoring Group. After introduction of members, the chairman of the meeting, declared the meeting opened and offered a welcome remark. He commended all participants, who turned up, though most of them late, but for honoring the invitation, upon the short notice. He informed members, present, that, the meeting was convened to resolve controversies associated with the headship and hosting organization for Rivers State Tax Justice Platform. He said, NDEBUMOG, being the new manager of the Platform, considered such a resolution of the crisis as important, hence, the organization has taken the responsibility to do so.

Dr. George-Hill, observed, that other states, has consummated Memorandum of Understanding (MoUs) with NDEBUMOG, except, for a few, including, Rivers State Tax Justice Platform. He went on to say that NDEBUMOG will be delighted to see Rivers State Tax Justice Platform back on board and active with others, nationwide. Rivers State, being where NDEBUMOG's headquarters is located, further makes it necessary that the matter be resolved, since charity, they say, “should always begin at home”. He, however, cautioned, if effort towards the resolution fails, posterity will judge NDEBUMOG, positively. He wondered, if the meeting, could proceed, as a formal meeting, given the low turnout, which may not be enough to form a quorum for decisions to be taken...

At this juncture, floor was opened for comments, observations, and interventions from members, present! The first to speak, was, Pius Dukor, who reemphasized the importance of the meeting and commended NDEBUMOG for the initiative. He suggested, the meeting, should proceed, formally, considering the importance of the issue. He said, it is unfair to those, who has sacrificed their time to be at the meeting and time that the organizers (NDEBUMOG) has spent, including resources deployed at convening the meeting.

Gauging the above development, Dr George-Hill, suggested that another date, should be taken for an elaborate meeting, in view of seriousness of the issue. He said, members, should be mobilized within Rivers Tax Justice's fold to attend the next meeting, to avoid anyone, blaming absence of majority for such a decision.

In conclusion, Pius Dukor, was mandated to mobilize members for another meeting on Thursday, 26th September 2019. NDEBUMOG's headquarters volunteered to facilitate mobilization through necessary support. Membership list was also handed over to Comrade Pius Dukor for mobilization of members for the meeting for September 26th, 2019.

Vote of thanks was given by Dr George-Hill in appreciation for all in attendance.

At the second meeting of September 26th, 2019, all issues were resolved, with new leadership democratic elected and sworn into office at the 2nd meeting. Rivers State Tax Justice and Governance Platform, therefore, was able to join the league of Nigeria's active Tax Justice Platforms.

Internally Generated Revenue At State Level (Q4 2019 & FULL YEAR 2019)



Report Date: May 2020

Data Source: National Bureau of Statistics (NBS)



EXECUTIVE SUMMARY

The National Bureau of Statistics Published Internally Generated Revenue at State level for Fourth Quarter and Full Year 2019.

The 36 states and FCT IGR figure hits N1.33trn in 2019 compared to N1.17trn recorded in 2018. This indicates a positive growth of 20.92% year on year.

Similarly, the Q4 2019 states and FCT IGR figure hits N346.20bn compared to N294.11bn recorded in Q3 2019. This indicates a positive growth of 17.71% quarter on quarter.

Lagos state has the highest Internally Generated Revenue with N398.73bn recorded, closely followed by Rivers with N140.40bn while Taraba State recorded the least Internally Generated revenue.

INTERNALLY GENERATED REVENUE AT STATE - Q4 2019 & FULL YEAR 2019

ABIA STATE



Land Area: 2,440 sq mi

Total Revenue Available 2018

N70,161,217,967.64

FAAC 2019

N52,039,868,624.86

Total Revenue Available 2019

N66,809,176,283.42

YoY
2018 on 2019
Growth % **-4.78**

% FAAC Contribution
to Total Revenue
Available 2019 **78**

% Share of
FAAC 2019 **2.10**

% Share of
IGR 2019 **1.11**

% IGR Contribution
to Total Revenue
Available 2019 **22**

INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

Q1	Q2	Q3	Q4	Total Tax 2019
N4,059,982,019.86	N3,852,614,312.19	N2,695,809,294.50	N4,160,902,032.01	N14,769,307,658.56
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %		Q on Q Change (Q4 on Q3 2019) Growth %

2019 FOURTH QUARTER IGR COLLECTION **N4,160,902,032.01** TOTAL IGR

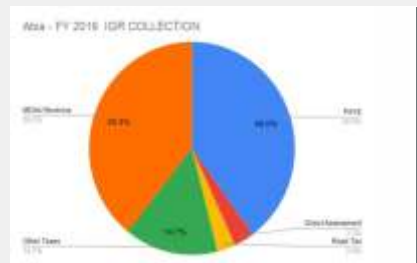
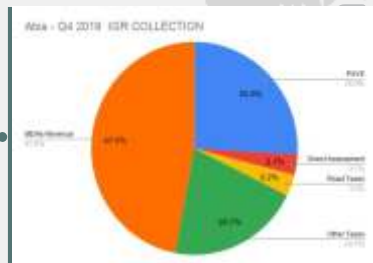
PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MIDAs Revenue
N1,078,584,551.71	N130,102,985.86	N134,951,550.00	N860,016,991.29	N2,203,656,078.86	N1,957,245,953.15

Share to Total
Growth % **1.11**

TOTAL IGR **N14,769,307,658.56**

2019 FULL YEAR
IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MIDAs Revenue
N5,905,155,132.15	N465,883,488.65	N425,906,571.16	N2,170,964,181.78	N8,967,909,373.74	N5,801,398,284.82



Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE - Q4 2019 & FULL YEAR 2019 ADAMAWA STATE



Land Area: 14, 254 sq mi

Total Revenue Available 2018
N55,715,083,240.01

FAAC 2019
N48,338,702,097.28

Total Revenue Available 2019
N58,043,362,282.70

YoY 2018 on 2019 Growth % **4.18**

% FAAC Contribution to Total Revenue Available 2019 **83.28**

% Share of FAAC 2019 **1.95**

% Share of IGR 2019 **0.73**

% IGR Contribution to Total Revenue Available 2019 **16.72**

INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

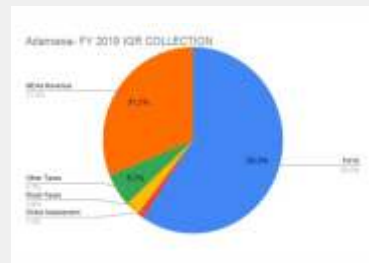
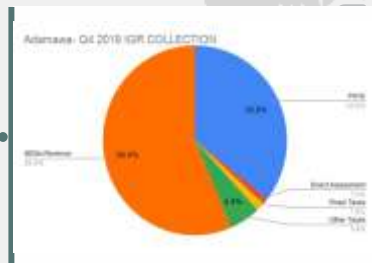
Q1	Q2	Q3	Q4	Total Tax 2019
N1,612,649,398.43	N3,402,158,452.24	N1,801,910,925.02	N2,887,941,409.73	N9,704,660,185.42
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %		Q on Q Change (Q4 on Q3 2019) Growth %

2019 FOURTH QUARTER IGR COLLECTION **TOTAL IGR N2,887,941,409.73**

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N1,028,362,887.86	N29,332,052.76	N43,487,690.00	N156,858,314.39	N1,258,040,945.01	N1,629,900,464.72

Share to Total Growth % 0.73 **TOTAL IGR N9,704,660,185.42** 2019 FULL YEAR IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N5,751,781,494.62	N118,856,369.70	N249,593,415.00	N556,974,166.14	N6,677,205,445.46	N3,027,454,739.96

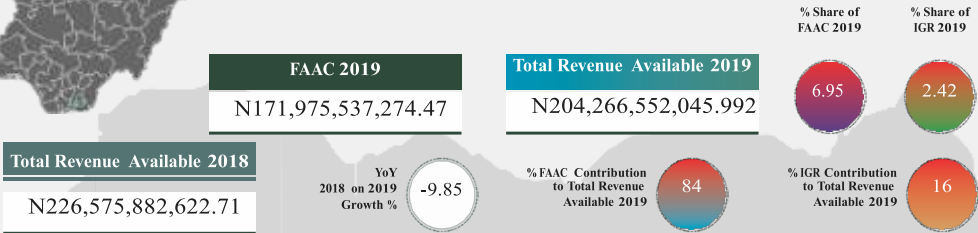


Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE - Q4 2019 & FULL YEAR 2019 AKWA IBOM STATE



Land Area: 2,734 sq mi



INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

Q1	Q2	Q3	Q4	Total Tax 2019
N6,574,351,082.08	N13,890,256,151.33	N6,150,553,510.00	N5,675,854,028.11	N32,291,014,771.52
YoY (Annual) 2018 on 2019 Growth %		YoY (Quarterly) Q4 2018 on Q4 2019 Growth %		Q on Q Change (Q4 on Q3 2019) Growth %



PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N3,714,302,363.38	N33,359,719.90	N96,761,875.00	N943,528,111.77	N4,787,952,070.05	N887,901,958.06

Share to Total Growth % 2.42 TOTAL IGR N32,291,014,771.52 2019 FULL YEAR IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N24,640,620,075.97	N282,115,834.07	N380,133,180.00	N3,331,751,269.20	N28,634,620,359.24	N3,656,394,412.28



Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019

ANAMBRA STATE



Land Area: 1,870 sq mi

FAAC 2019 N53,893,862,221.01	Total Revenue Available 2019 N80,263,058,085.90	% Share of FAAC 2019 2.18	% Share of IGR 2019 1.98
Total Revenue Available 2018 N74,555,213,544.25	YoY 2018 on 2019 Growth % 7.66	% FAAC Contribution to Total Revenue Available 2019 67	% IGR Contribution to Total Revenue Available 2019 33

INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

Q1	Q2	Q3	Q4	Total Tax 2019
N4,528,819,102.03	N4,158,279,214.18	N8,171,092,757.15	N9,511,004,791.53	N26,369,195,864.89
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %		Q on Q Change (Q4 on Q3 2019) Growth %

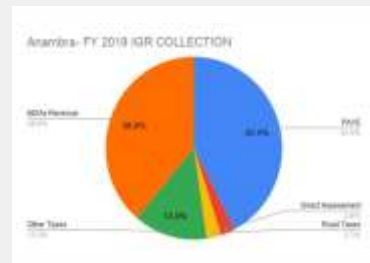
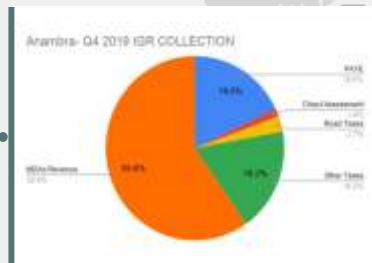
2019 FOURTH QUARTER IGR COLLECTION

TOTAL IGR N9,511,004,791.53

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N1,708,499,891.95	N131,924,521.24	N256,748,975.00	N1,730,254,656.01	N3,827,428,044.20	N5,683,576,747.33

Share to Total Growth % 1.98 TOTAL IGR N26,369,195,864.89 2019 FULL YEAR IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N11,186,201,113.59	N679,424,931.30	N712,261,535.00	N3,554,911,041.19	N16,132,798,621.08	N10,236,397,243.81



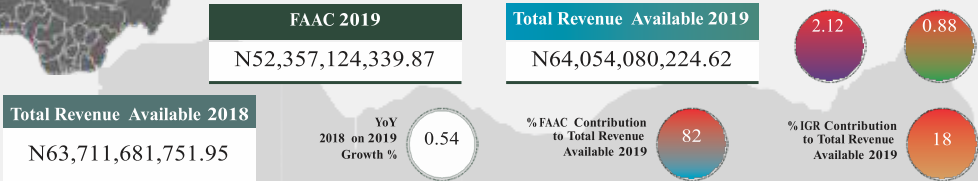
Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019

BAUCHI STATE



Land Area: 18,965 sq mi



INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

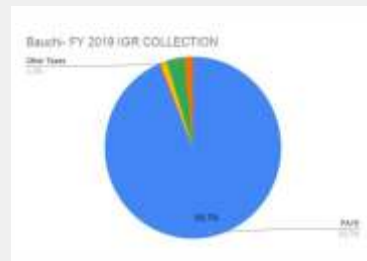
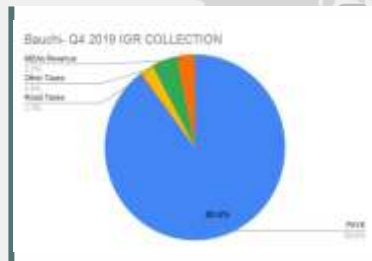
Q1	Q2	Q3	Q4	Total Tax 2019
N2,646,492,463.86	N5,622,215,674.33	N1,748,257,254.48	N1,679,990,492.08	N11,696,955,884.75
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %	-36	Q on Q Change (Q4 on Q3 2019) Growth %



PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N1,504,575,816.54	N3,861,900.00	N39,396,450.00	N78,089,595.17	N1,625,923,761.71	N54,066,730.37

Share to Total Growth % 0.88 TOTAL IGR N11,696,955,884.75 2019 FULL YEAR IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N10,957,758,055.43	N29,864,538.49	N136,706,647.77	N390,617,015.29	N11,514,946,256.98	N182,009,627.77



Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STA - Q4 2019 & FULL YEAR 2019 BAYELSA STATE



Land Area: 8,150 sq mi

FAAC 2019 N140,129,363,936.74	Total Revenue Available 2019 N156,472,126,468.72	% Share of FAAC 2019 5.67	% Share of IGR 2019 1.22
Total Revenue Available 2018 N166,741,411,990.33	YoY 2018 on 2019 Growth % -6.16	% FAAC Contribution to Total Revenue Available 2019 90	% IGR Contribution to Total Revenue Available 2019 10

INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

Q1	Q2	Q3	Q4	Total Tax 2019
N2,998,592,900.29	N2,876,925,918.38	N2,494,884,003.39	N7,972,359,709.92	N16,342,762,531.98
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %	12.1	Q on Q Change (Q4 on Q3 2019) Growth %

2019 FOURTH QUARTER IGR COLLECTION: **N7,972,359,709.92**

TOTAL IGR: **N7,972,359,709.92**

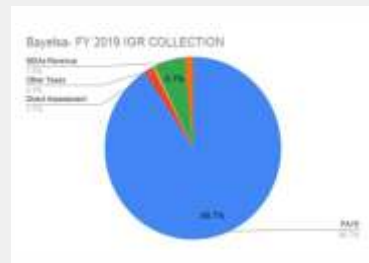
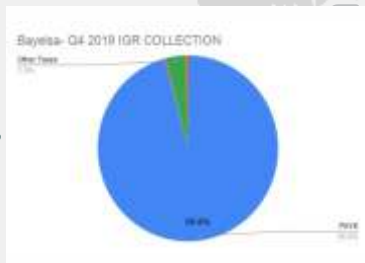
PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N7,633,726,149.31	N17,190,790.81	N5,747,371.37	N276,517,338.14	N7,933,181,649.63	N39,178,060.29

Share to Total Growth %: 1.22

TOTAL IGR: **N16,342,762,531.98**

2019 FULL YEAR IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N14,825,487,528.45	N283,581,024.00	N59,152,675.64	N927,723,389.79	N16,095,944,617.88	N246,817,914.10

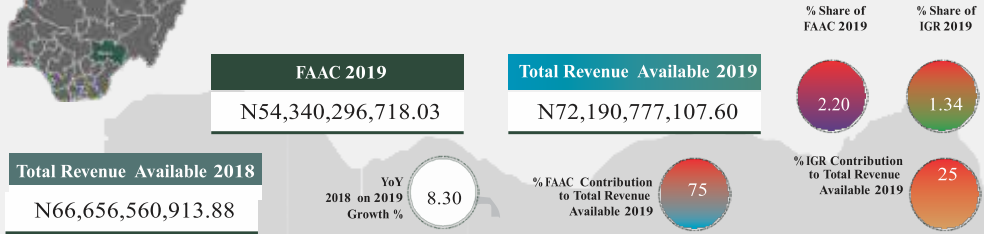


Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019 BENUE STATE



Land Area: 13,150 sq m



INTERNALLY GENERATED REVENUE OF STATES

Q1	Q2	Q3	Q4	Total Tax 2019
N2,827,145,731.90	N9,304,626,234.34	N2,799,585,180.17	N2,919,123,243.16	N17,850,480,389.57
YoY (Annual) 2018 on 2019 Growth % 59.16	YoY (Quarterly) Q4 2018 on Q4 2019 Growth % 3.25	Q on Q Change (Q4 on Q3 2019) Growth % 4.27		

2019 FOURTH QUARTER IGR COLLECTION

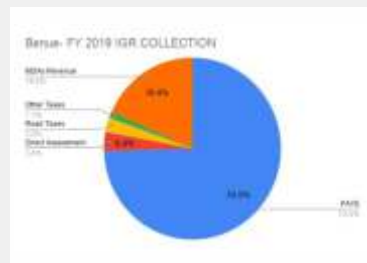
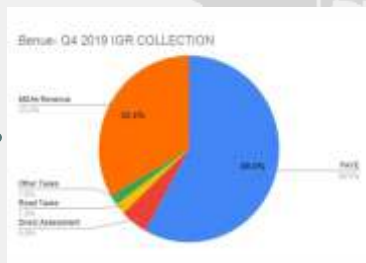
TOTAL IGR N2,919,123,243.16

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N1,694,084,568.47	N142,549,620.59	N56,284,130.00	N52,327,991.57	N1,945,246,310.63	N973,876,932.53

Share to Total Growth % 1.34 TOTAL IGR N17,850,480,389.57

2019 FULL YEAR IGR COLLECTIONS

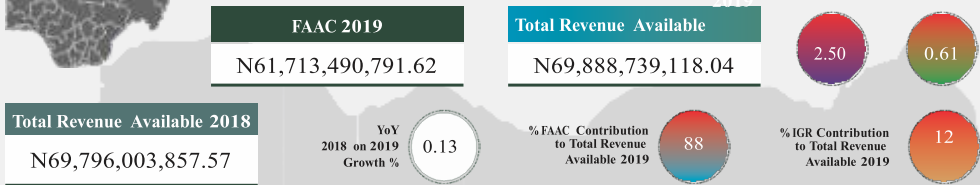
PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N13,306,462,021.08	N610,811,500.50	N457,188,304.00	N196,888,522.14	N14,571,350,347.72	N3,279,130,041.85



INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019 BORNO STATE



Land Area: 22, 316 sq mi



INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

Q1	Q2	Q3	Q4	Total Tax 2019
N1,901,227,718.09	N2,016,620,356.48	N2,123,242,839.00	N2,134,157,412.85	N8,175,248,326.42
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %	12	Q on Q Change (Q4 on Q3 2019) Growth %

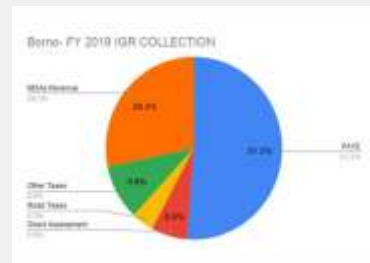
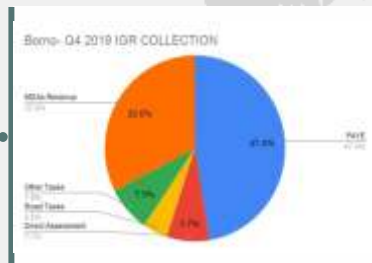
2019 FOURTH QUARTER IGR COLLECTION

TOTAL IGR N2,134,157,412.85

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N1,011,664,628.62	N163,282,427.23	N95,128,486.00	N168,987,398.00	N1,439,062,939.85	N695,094,473.00

Share to Total Growth % 0.61 TOTAL IGR N8,175,248,326.42 2019 FULL YEAR IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N4,189,761,148.23	N540,030,198.11	N330,389,410.00	N804,282,502.06	N5,864,463,258.40	N2,310,785,068.02



Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE - Q4 2019 & FULL YEAR 2019 CROSS RIVER STATE



Land Area: 7,782 sq mi

FAAC 2019 N36,312,879,237.96	Total Revenue Available 2019 N58,909,943,120.51	% Share of FAAC 2019 1.47	% Share of IGR 2019 1.69
Total Revenue Available 2018 N54,506,799,760.22	YoY 2018 on 2019 Growth % 8.08	% FAAC Contribution to Total Revenue Available 2019 62	% IGR Contribution to Total Revenue Available 2019 38

INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

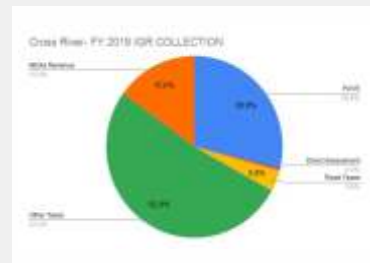
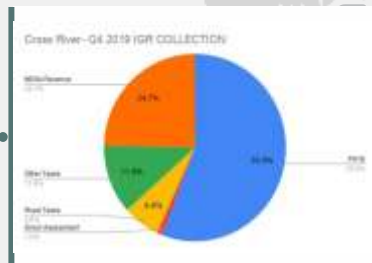
Q1	Q2	Q3	Q4	Total Tax 2019
N3,227,417,722.92	N13,504,007,770.85	N2,884,355,555.33	N2,981,282,833.45	N22,597,063,882.55
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %	-3.4	Q on Q Change (Q4 on Q3 2019) Growth %

2019 FOURTH QUARTER IGR COLLECTION: TOTAL IGR N2,981,282,833.45

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N1,665,457,692.41	N28,641,153.23	N195,886,755.11	N356,029,809.28	N2,246,015,410.03	N735,267,423.42

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N6,503,997,209.51	N106,572,646.32	N850,364,527.74	N11,746,317,956.34	N19,207,252,339.91	N3,389,811,542.64

Share to Total Growth % 1.69 TOTAL IGR N22,597,063,882.55 2019 FULL YEAR IGR COLLECTIONS



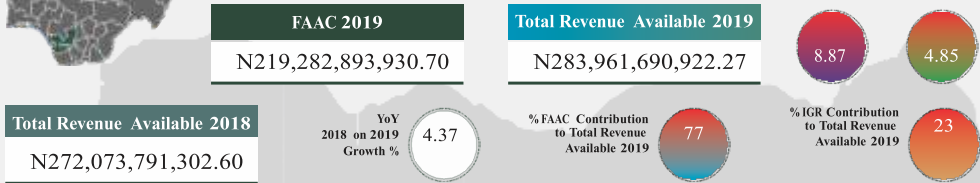
Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019

DELTA STATE



Land Area: 6,833 sq mi



INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

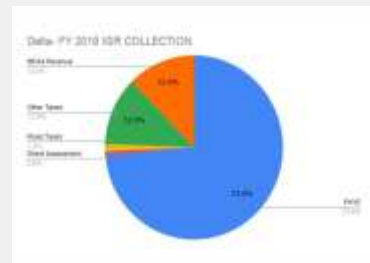
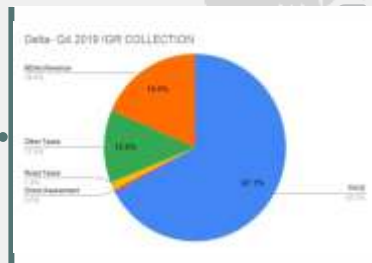
Q1	Q2	Q3	Q4	Total Tax 2019
N17,487,284,334.79	N18,903,405,587.09	N13,119,344,029.20	N15,168,763,040.49	N64,678,796,991.57
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %	-2	Q on Q Change (Q4 on Q3 2019) Growth %

2019 FOURTH QUARTER IGR COLLECTION: TOTAL IGR N15,168,763,040.49

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N10,173,254,849.32	N69,875,216.89	N209,224,930.25	N1,903,620,818.83	N12,355,975,815.29	N2,812,787,225.20

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N47,702,984,808.00	N385,348,647.73	N790,122,854.90	N7,790,133,121.95	N56,668,589,432.58	N8,010,207,558.99

Share to Total Growth %: 4.85
TOTAL IGR: N64,678,796,991.57
2019 FULL YEAR IGR COLLECTIONS



Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019

EBONYI STATE



Land Area: 2,136 sq mi

FAAC 2019
N44,627,158,742.33

Total Revenue Available 2019
N52,082,453,418.92

% Share of
FAAC 2019

% Share of
IGR 2019

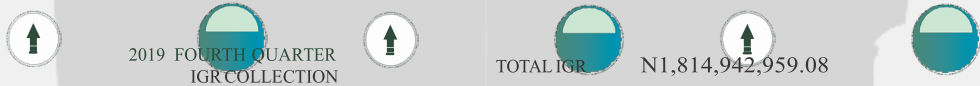


Total Revenue Available 2018
N51,099,596,507.94



INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

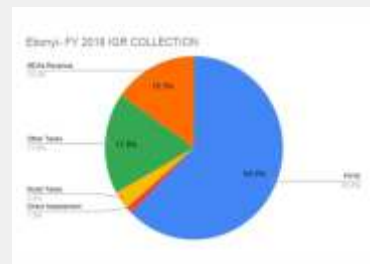
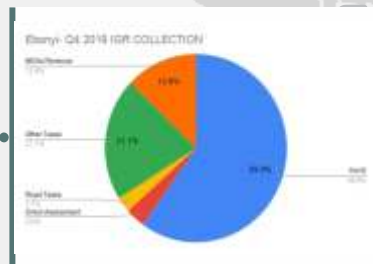
Q1	Q2	Q3	Q4	Total Tax 2019
N1,634,095,811.46	N2,281,715,517.33	N1,724,540,388.72	N1,814,942,959.08	N7,455,294,676.59
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %		Q on Q Change (Q4 on Q3 2019) Growth %



PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N1,087,882,109.89	N62,643,767.71	N48,632,260.00	N383,525,778.87	N1,582,683,916.47	N232,259,042.61

Share to Total Growth % 0.56 TOTAL IGR N7,455,294,676.59 2019 FULL YEAR IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N4,654,497,907.18	N93,324,825.43	N238,401,030.00	N1,330,066,456.36	N6,316,290,218.97	N1,139,004,457.62



Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019

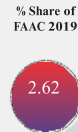
EDO STATE



Land Area: 6,873 sq mi

FAAC 2019
N64,679,690,145.36

Total Revenue Available 2019
N94,158,096,169.67



Total Revenue Available 2018
N97,595,143,525.59



INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

Q1	Q2	Q3	Q4	Total Tax 2019
N7,231,168,738.92	N8,210,580,135.58	N6,823,190,688.52	N7,213,466,461.29	N29,478,406,024.31
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %		Q on Q Change (Q4 on Q3 2019) Growth %



2019 FOURTH QUARTER IGR COLLECTION



TOTAL IGR N7,213,466,461.29



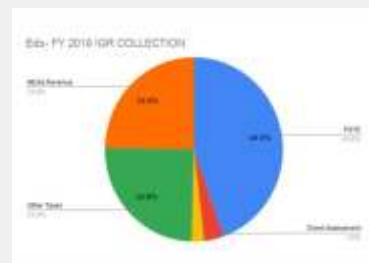
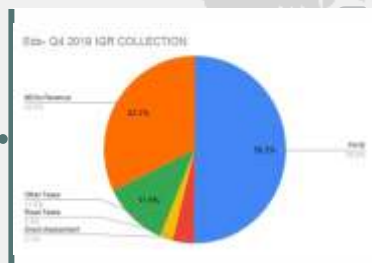
PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N3,620,823,855.82	N269,027,095.41	N169,123,360.66	N828,349,498.94	N4,887,323,810.83	N2,326,142,650.46

Share to Total Growth % 2.21

TOTAL IGR N29,478,406,024.31

2019 FULL YEAR IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N13,144,168,252.48	N1,048,070,372.43	N664,308,259.68	N7,324,600,911.11	N22,181,147,795.70	N7,297,258,228.61



Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019 EKITI STATE



Land Area: 2,453 sq mi

FAAC 2019 N41,286,185,929.89	Total Revenue Available 2019 N49,833,061,578.13	% Share of FAAC 2019 1.67	% Share of IGR 2019 0.64
Total Revenue Available 2018 N45,791,036,144.28	YoY 2018 on 2019 Growth % 8.83	% FAAC Contribution to Total Revenue Available 2019 83	% IGR Contribution to Total Revenue Available 2019 17

INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

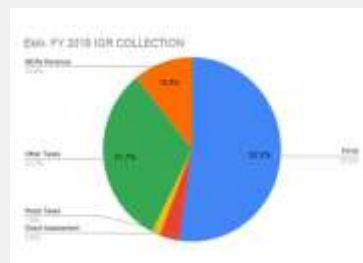
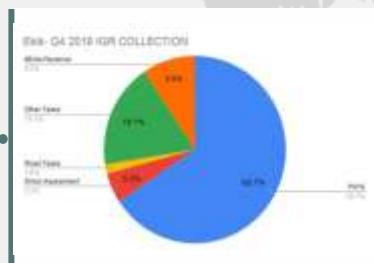
Q1	Q2	Q3	Q4	Total Tax 2019
N1,602,486,579.41	N1,730,141,204.15	N3,250,913,566.97	N1,963,334,297.71	N8,546,875,648.24
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %	-21	Q on Q Change (Q4 on Q3 2019) Growth %

2019 FOURTH QUARTER IGR COLLECTION: TOTAL IGR N1,963,334,297.71

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N1,289,603,186.58	N101,421,498.94	N31,774,715.00	N354,971,764.66	N1,777,771,165.18	N185,563,132.53

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N4,474,115,200.14	N303,892,108.94	N127,766,609.95	N2,712,938,440.99	N7,618,712,360.02	N928,163,288.22

Share to Total Growth %: 0.64
TOTAL IGR: N8,546,875,648.24
2019 FULL YEAR IGR COLLECTIONS

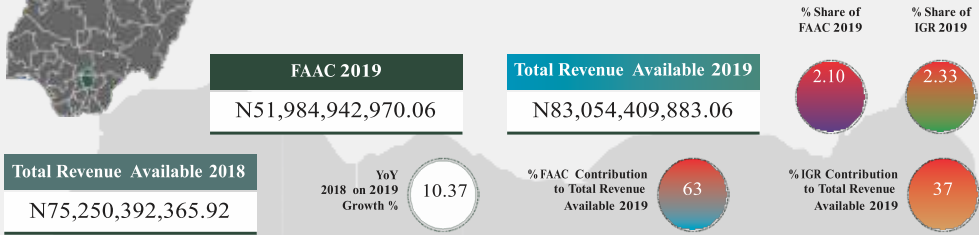


Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019 ENUGU STATE



Land Area: 2,765 sq mi

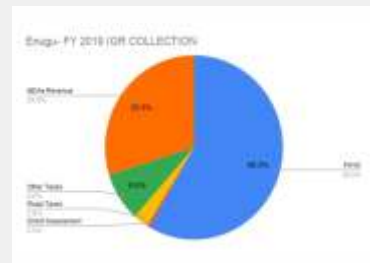
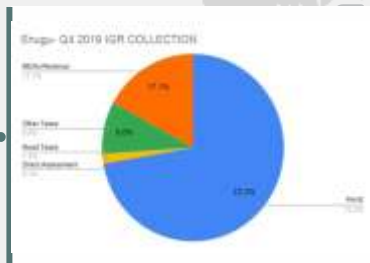


INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

Q1	Q2	Q3	Q4	Total Tax 2019
N5,914,842,131.00	N4,784,207,653.00	N4,184,671,523.00	N16,185,745,606.00	N31,069,466,913.00
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %	18.3	Q on Q Change (Q4 on Q3 2019) Growth %
2019 FOURTH QUARTER IGR COLLECTION		TOTAL IGR N16,185,745,606.00		

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N11,681,026,520.00	N15,795,944.00	N269,488,775.00	N1,457,012,078.00	N13,423,323,317.00	N2,762,422,289.00

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N18,109,354,171.00	N153,691,242.00	N859,519,750.00	N2,661,603,257.00	N21,784,168,420.00	N9,285,298,493.00



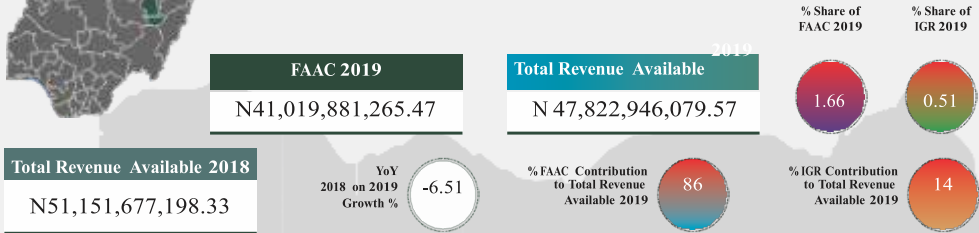
Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019

GOMBE STATE



Land Area: 7,246 sq mi



INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

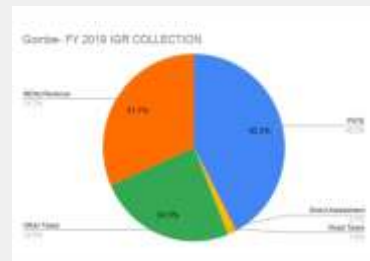
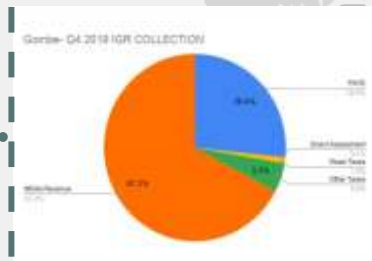
Q1	Q2	Q3	Q4	Total Tax 2019
N1,047,489,602.33	N 1,039,941,528.09	N 2,152,817,576.04	N2,562,816,107.64	N6,803,064,814.10
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %	-30	Q on Q Change (Q4 on Q3 2019) Growth %

2019 FOURTH QUARTER IGR COLLECTION: TOTAL IGR N2,562,816,107.64

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N682,284,971.10	N2,024,030.06	N25,399,600.00	N127,868,397.24	N837,576,998.40	N1,725,239,109.24

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N2,870,000,110.21	N8,560,411.48	N106,653,925.00	N1,663,734,745.57	N4,648,949,192.26	N2,154,115,621.84

Share to Total Growth %: 0.51
TOTAL IGR: N6,803,064,814.10
2019 FULL YEAR IGR COLLECTIONS



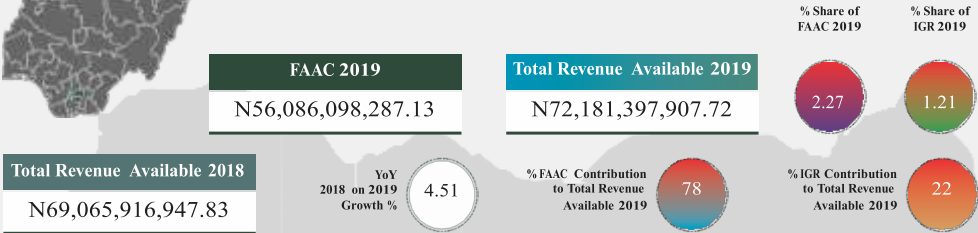
Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019

IMO STATE



Land Area: 2,140 sq mi



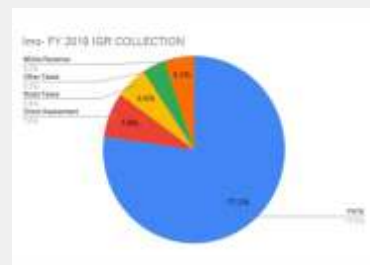
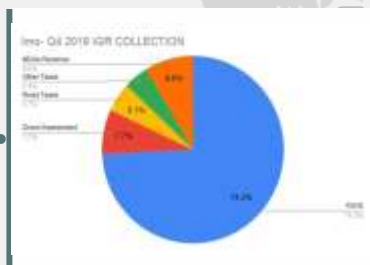
INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

Q1	Q2	Q3	Q4	Total Tax 2019
N3,363,389,990.73	N7,186,998,160.57	N2,556,557,822.38	N 2,988,353,646.91	N16,095,299,620.59
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %	-1.2	Q on Q Change (Q4 on Q3 2019) Growth %

2019 FOURTH QUARTER IGR COLLECTION: TOTAL IGR N2,988,353,646.91

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N2,218,545,849.35	N229,408,333.60	N151,091,600.80	N132,429,997.02	N2,731,475,780.77	N 256,877,866.14

Share to Total Growth %	1.21	TOTAL IGR	N16,095,299,620.59	2019 FULL YEAR IGR COLLECTIONS	
PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N12,421,874,604.41	N1,258,033,759.64	N901,847,432.36	N672,758,319.12	N15,254,514,115.53	N840,785,505.06



Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019 JIGAWA STATE



Land Area: 8,940 sq mi

FAAC 2019 N58,858,181,316.18	Total Revenue Available 2019 N71,784,839,462.47	% Share of FAAC 2019 2.38	% Share of IGR 2019 0.97
Total Revenue Available 2018 N69,574,177,146.68	YoY 2018 on 2019 Growth % 3.18	% FAAC Contribution to Total Revenue Available 2019 82	% IGR Contribution to Total Revenue Available 2019 18

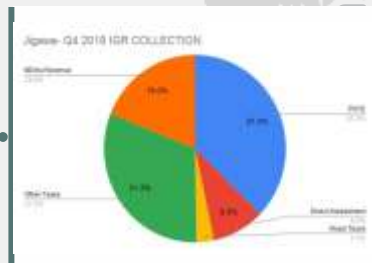
INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

Q1	Q2	Q3	Q4	Total Tax 2019
N3,050,962,933.41	N2,318,790,162.42	N3,688,887,463.32	N3,868,017,587.14	N12,926,658,146.29
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %	84	Q on Q Change (Q4 on Q3 2019) Growth %
2019 FOURTH QUARTER IGR COLLECTION			TOTAL IGR N3,868,017,587.14	

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N 1,442,879,625.82	N360,224,210.82	N120,320,414.61	N1,211,496,352.52	N3,134,920,603.77	N733,096,983.37

Share to Total Growth %	0.97	TOTAL IGR	N12,926,658,146.29	2019 FULL YEAR IGR COLLECTIONS
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PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N4,744,937,169.74	N776,224,822.63	N341,279,362.07	N4,653,357,825.77	N10,515,799,180.21	N2,410,858,966.08

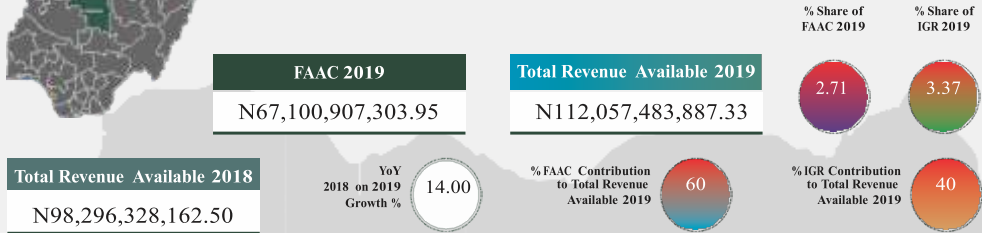


Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019 KADUNA STATE



Land Area: 17,781 sq mi



INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

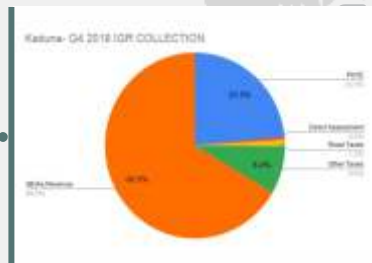
Q1	Q2	Q3	Q4	Total Tax 2019
N8,363,902,329.17	N16,930,950,458.29	N 6,284,148,242.41	N13,377,575,553.51	N44,956,576,583.38
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %	79	Q on Q Change (Q4 on Q3 2019) Growth %



PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N3,139,178,349.34	N64,334,355.14	N155,652,037.00	N1,123,324,642.46	N4,482,489,383.94	N8,895,086,169.57

Share to Total Growth % 3.37 TOTAL IGR N44,956,576,583.38 2019 FULL YEAR IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N11,692,318,351.28	N 232,321,229.04	N509,535,162.00	N 13,510,968,162.82	N25,945,142,905.14	N19,011,433,678.24



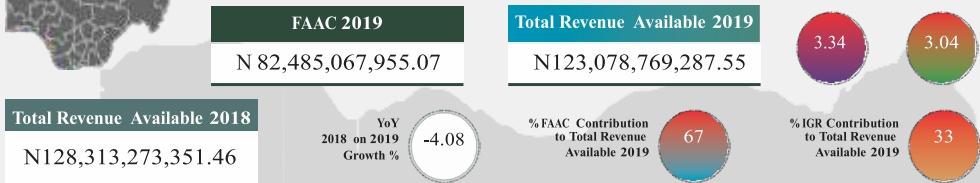
Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019

KANO STATE



Land Area: 7,773 sq mi



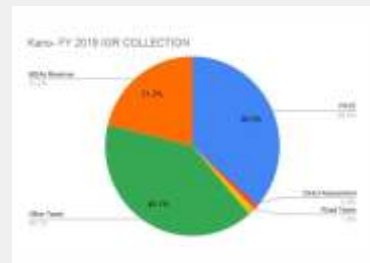
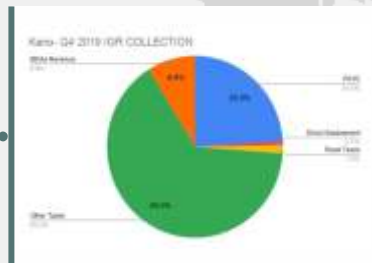
INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

Q1	Q2	Q3	Q4	Total Tax 2019
N7,465,493,878.69	N11,099,052,225.67	N7,240,785,320.08	N14,788,369,908.04	N40,593,701,332.48
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %	-15	Q on Q Change (Q4 on Q3 2019) Growth %
↓	↓	↓	↑	↑

2019 FOURTH QUARTER IGR COLLECTION: N 14,788,369,908.04

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N3,551,833,327.75	N98,591,768.35	N220,478,003.30	N9,613,661,630.03	N13,484,564,729.43	N1,303,805,178.61

Share to Total Growth %	TOTAL IGR	2019 FULL YEAR IGR COLLECTIONS			
3.04	N40,593,701,332.48				
PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N14,805,541,623.51	N356,818,583.20	N545,446,262.76	N16,273,348,599.96	N31,981,155,069.43	N8,612,546,263.05



INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019

KATSINA STATE



Land Area: 9,341 sq mi

FAAC 2019
N63,256,905,564.21

Total Revenue Available 2019
N71,753,647,683.21

% Share of
FAAC 2019



% Share of
IGR 2019



Total Revenue Available 2018
N68,613,353,789.57



INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

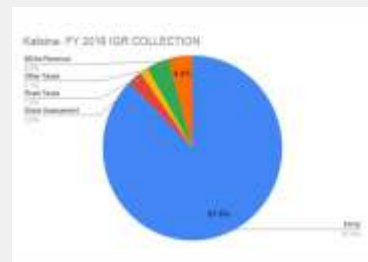
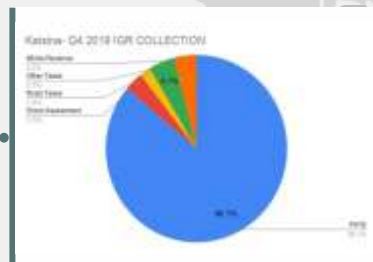
Q1	Q2	Q3	Q4	Total Tax 2019
N1,769,760,638.00	N3,037,310,443.00	N 1,802,476,407.00	N1,887,194,631.00	N 8,496,742,119.00
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %		Q on Q Change (Q4 on Q3 2019) Growth %



PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N1,625,701,638.00	N61,791,754.00	N36,298,470.00	N88,084,754.00	N1,811,876,616.00	N75,318,015.00

Share to Total Growth % 0.64 TOTAL IGR N8,496,742,119.00 2019 FULL YEAR IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N7,441,156,095.00	N213,914,364.00	N123,899,889.00	N347,111,339.00	N8,126,081,687.00	N 370,660,432.00



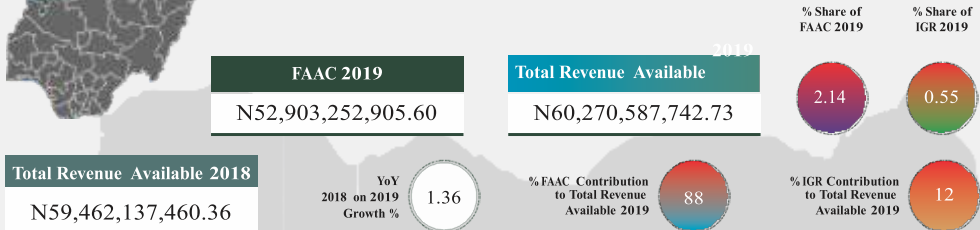
Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019

KEBBI STATE



Land Area: 14,200 sq mi



INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

Q1	Q2	Q3	Q4	Total Tax 2019
N1,461,294,729.82	N3,294,206,612.27	N1,204,820,823.22	N1,407,012,671.82	N7,367,334,837.13
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %		Q on Q Change (Q4 on Q3 2019) Growth %



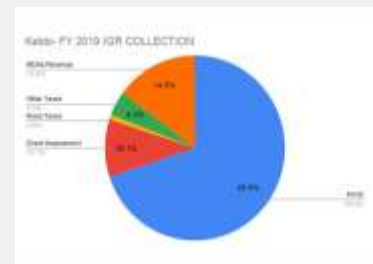
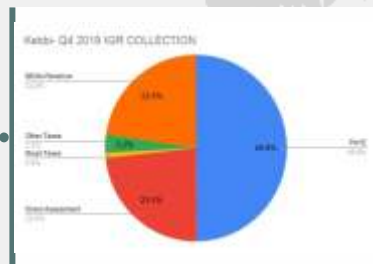
PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N701,172,698.41	N330,192,658.41	N12,407,480.00	N44,757,817.00	N1,088,530,653.82	N318,482,018.00

Share to Total Growth % 0.55

TOTAL IGR N7,367,334,837.13

2019 FULL YEAR IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N 5,151,544,695.55	N742,641,589.18	N59,138,323.00	N318,587,146.77	N6,271,911,754.50	N1,095,423,082.63



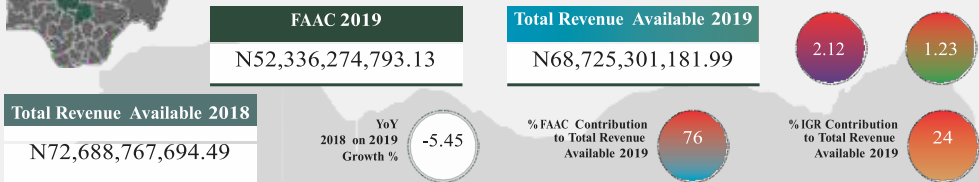
Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019

KOGI STATE



Land Area: 11,519 sq mi



INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

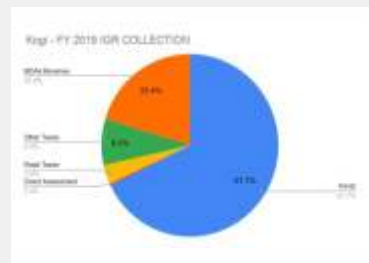
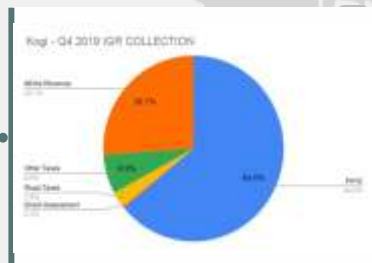
Q1	Q2	Q3	Q4	Total Tax 2019
N3,176,106,520.69	N3,507,701,544.01	N5,899,029,785.47	N3,806,188,538.69	N16,389,026,388.86
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %		Q on Q Change (Q4 on Q3 2019) Growth %



PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N2,434,149,982.97	N 8,945,033.79	N109,534,500.00	N 261,058,317.37	N2,813,687,834.13	N992,500,704.56

Share to Total Growth % 1.23 TOTAL IGR N16,389,026,388.86 2019 FULL YEAR IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N11,098,952,761.14	N62,204,945.57	N552,617,800.00	N1,339,883,902.52	N13,053,659,409.23	N3,335,366,979.63



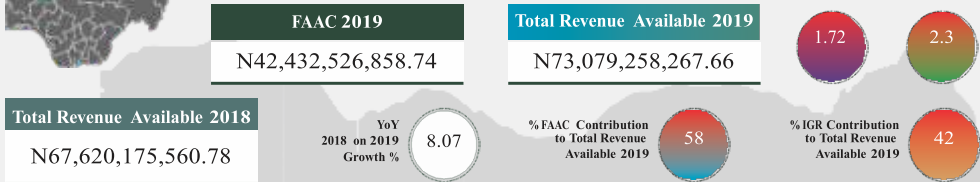
Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019

KWARA STATE

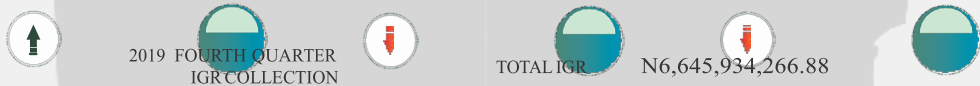


Land Area: 14, 218 sq mi



INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

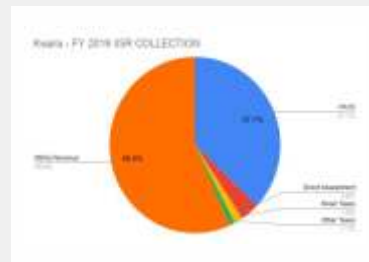
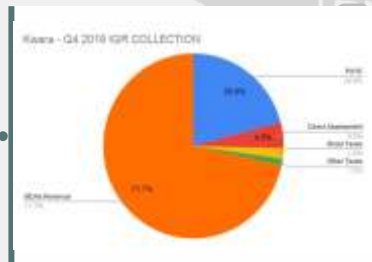
Q1	Q2	Q3	Q4	Total Tax 2019
N6,276,779,069.16	N9,813,594,473.77	N7,910,423,599.11	N6,645,934,266.88	N30,646,731,408.92
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %		Q on Q Change (Q4 on Q3 2019) Growth %



PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N1,388,815,223.40	N299,410,493.00	N124,147,215.47	N 69,026,492.22	N1,881,399,424.09	N 4,764,534,842.79

Share to Total Growth % 2.3 TOTAL IGR N30,646,731,408.92 2019 FULL YEAR IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N11,364,149,817.33	N1,093,196,719.50	N494,512,711.04	N342,454,288.80	N13,294,313,536.67	N17,352,417,872.25

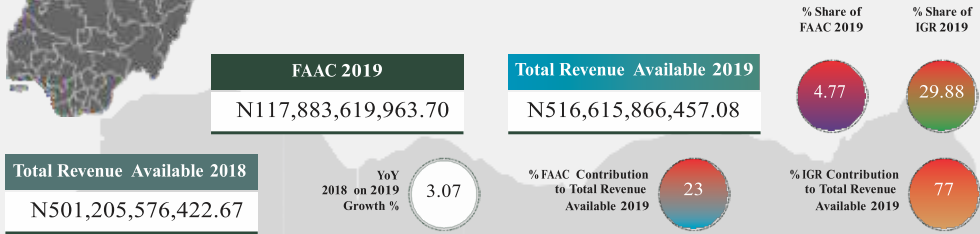


Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

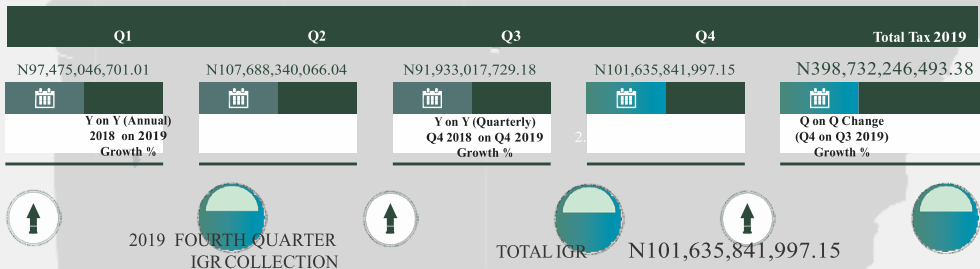
INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019 LAGOS STATE



Land Area: 1,381 sq mi



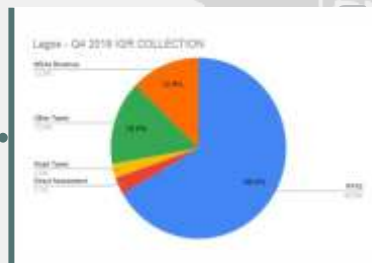
INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)



PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N67,679,491,595.21	N 3,135,546,515.63	N2,591,399,530.95	N15,267,257,845.41	N88,673,695,487.20	N12,962,146,509.95

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N269,962,755,085.02	N16,023,351,961.60	N9,760,460,786.87	N63,577,475,171.62	N359,324,043,005.11	N39,408,203,488.27

Share to Total Growth %: 29.88 TOTAL IGR: N398,732,246,493.38 2019 FULL YEAR IGR COLLECTIONS

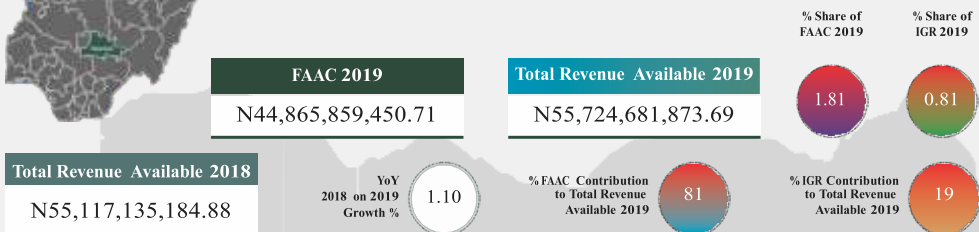


Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019 NASARAWA STATE



Land Area: 10, 470 sq mi



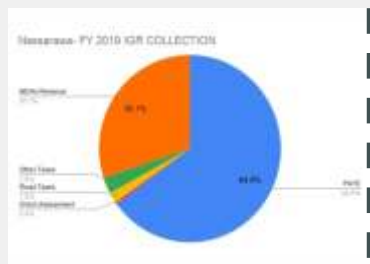
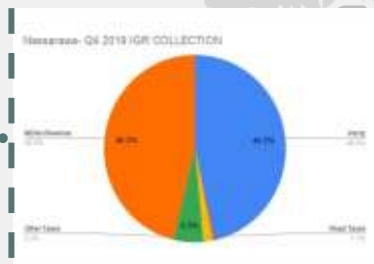
INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

Q1	Q2	Q3	Q4	Total Tax 2019
N1,714,704,933.63	N3,127,608,188.55	N3,006,864,232.06	N3,009,645,068.74	N10,858,822,422.98
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %	38	Q on Q Change (Q4 on Q3 2019) Growth %



PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N1,398,974,940.52	N 9,767,980.22	N50,753,458.25	N158,544,185.52	N1,618,040,564.51	N 1,391,604,504.23

Share to Total Growth %	0.81	TOTAL IGR	N10,858,822,422.98	2019 FULL YEAR IGR COLLECTIONS	
PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N7,048,363,079.71	N 46,537,742.52	N192,113,145.25	N 304,143,208.34	N7,591,157,175.82	N3,267,665,247.16



Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019 NIGER STATE



Land Area: 29, 484 sq mi

FAAC 2019 N56,447,911,750.79	Total Revenue Available 2019 N 69,212,946,723.09	% Share of FAAC 2019 2.28	% Share of IGR 2019 0.96
Total Revenue Available 2018 N67,953,800,532.59	YoY 2018 on 2019 Growth % 1.85	% FAAC Contribution to Total Revenue Available 2019 82	% IGR Contribution to Total Revenue Available 2019 18

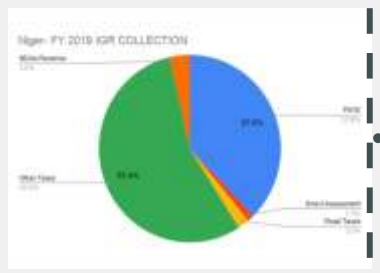
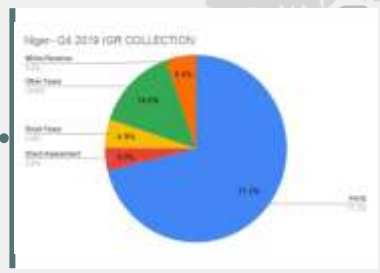
INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

Q1	Q2	Q3	Q4	Total Tax 2019
N1,768,201,722.47	N7,358,548,571.42	N2,140,043,248.37	N1,498,241,430.04	N12,765,034,972.30
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %	-6	Q on Q Change (Q4 on Q3 2019) Growth %
2019 FOURTH QUARTER IGR COLLECTION			TOTAL IGR N80,823,759.06	

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N1,066,941,161.37	N 58,746,150.90	N73,549,732.00	N218,180,626.71	N1,417,417,670.98	N80,823,759.06

Share to Total Growth %	TOTAL IGR	2019 FULL YEAR IGR COLLECTIONS
0.96	N12,765,034,972.30	

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N 4,802,022,733.11	N166,113,602.82	N261,140,003.00	N7,072,556,375.19	N12,301,832,714.12	N 463,202,258.18

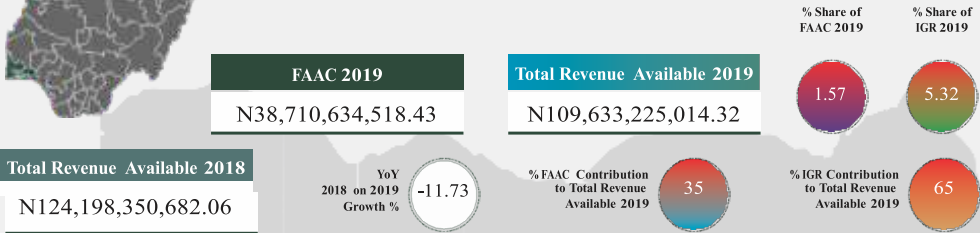


Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019 OGUN STATE



Land Area: 6,556.23 sq mi



INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

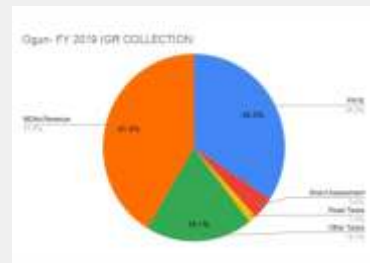
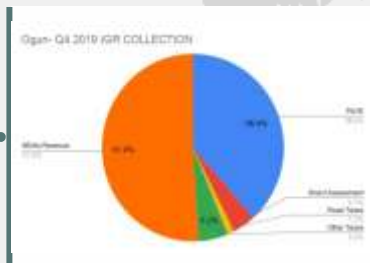
Q1	Q2	Q3	Q4	Total Tax 2019
N14,296,414,373.45	N15,287,065,065.39	N23,286,494,298.58	N18,052,616,758.47	N70,922,590,495.89
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %	-15.73	Q on Q Change (Q4 on Q3 2019) Growth %

2019 FOURTH QUARTER IGR COLLECTION: TOTAL IGR N18,052,616,758.47

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N6,941,431,071.46	N 741,439,200.05	N214,350,713.27	N947,583,308.06	N 8,844,804,292.84	N9,207,812,465.63

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N 24,301,801,617.66	N 2,755,655,556.12	N 976,746,375.85	N13,516,553,938.07	N41,550,757,487.70	N 29,371,833,008.19

Share to Total Growth %: 5.32
TOTAL IGR: N70,922,590,495.89
2019 FULL YEAR IGR COLLECTIONS

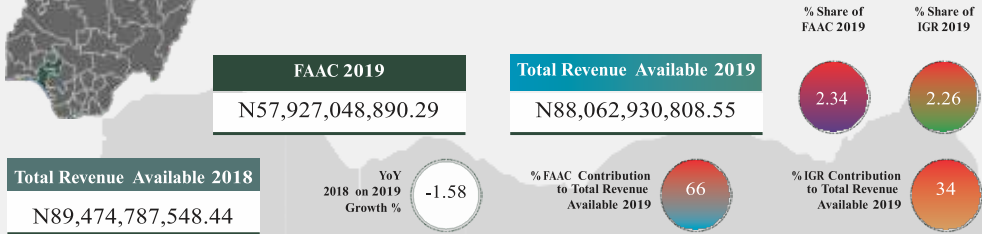


Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019 ONDO STATE



Land Area: 6,000 sq mi



INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

Q1	Q2	Q3	Q4	Total Tax 2019
N5,198,098,998.27	N13,803,464,648.47	N5,534,717,016.79	N5,599,601,254.73	N30,135,881,918.26
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %		Q on Q Change (Q4 on Q3 2019) Growth %



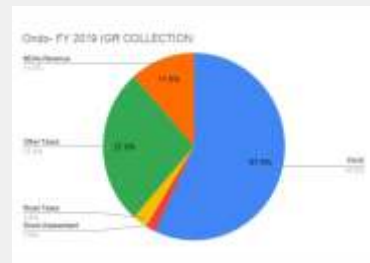
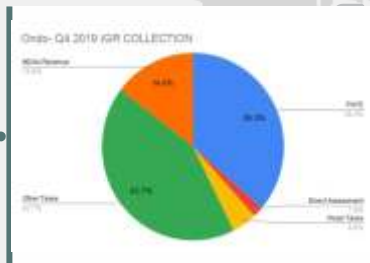
PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N2,034,952,963.17	N103,781,101.95	N248,767,225.46	N2,391,809,812.67	N4,779,311,103.25	N820,290,151.48

Share to Total Growth % 2.26

TOTAL IGR N30,135,881,918.26

2019 FULL YEAR IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N17,178,310,537.41	N548,108,654.34	N790,423,949.31	N8,142,724,357.18	N26,659,567,498.24	N3,476,314,420.02



Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019 OSUN STATE



Land Area: 3,572 sq mi

FAAC 2019 N24,222,272,968.41	Total Revenue Available 2019 N42,144,667,491.84	% Share of FAAC 2019 0.98	% Share of IGR 2019 1.34
Total Revenue Available 2018 N33,218,969,112.52	YoY 2018 on 2019 Growth % 26.87	% FAAC Contribution to Total Revenue Available 2019 57	% IGR Contribution to Total Revenue Available 2019 43

INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

Q1	Q2	Q3	Q4	Total Tax 2019
N4,755,285,019.49	N5,667,935,795.36	N3,730,731,770.44	N 3,768,441,938.14	N17,922,394,523.43
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %		Q on Q Change (Q4 on Q3 2019) Growth %

2019 FOURTH QUARTER IGR COLLECTION

TOTAL IGR N3,768,441,938.14

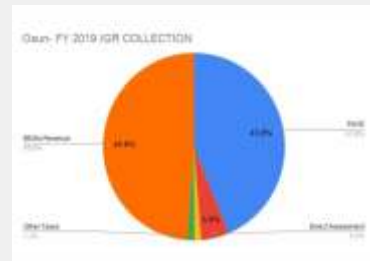
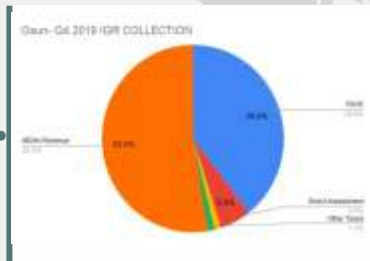
PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N1,487,512,553.76	N208,389,293.50	N42,718,858.00	N50,761,224.43	N1,789,381,929.69	N1,979,060,008.45

Share to Total Growth % 1.34

TOTAL IGR N17,922,394,523.43

2019 FULL YEAR IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N7,841,155,969.76	N897,206,841.86	N 205,690,159.24	N224,307,325.30	N9,168,360,296.16	N 8,754,034,227.27



Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019 OYO STATE



Land Area: 10,986 sq mi

FAAC 2019
N55,800,604,161.25

Total Revenue Available 2019
N82,547,064,397.18

% Share of FAAC 2019

2.26

% Share of IGR 2019

2.00

Total Revenue Available 2018
N83,924,234,062.99

YoY 2018 on 2019 Growth %
-1.64

% FAAC Contribution to Total Revenue Available 2019
68

% IGR Contribution to Total Revenue Available 2019
32

INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

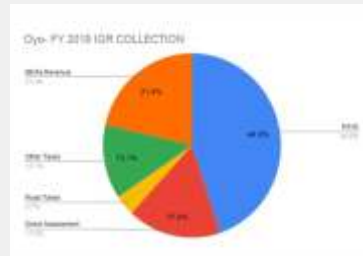
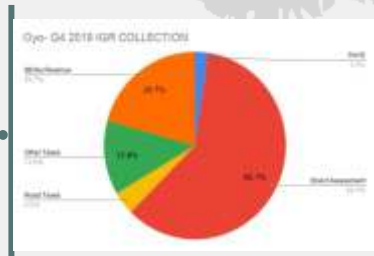
Q1	Q2	Q3	Q4	Total Tax 2019
N6,623,203,309.61	N7,437,482,668.54	N5,943,668,543.02	N6,742,105,714.76	N26,746,460,235.93
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %		Q on Q Change (Q4 on Q3 2019) Growth %



PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N157,587,268.06	N4,053,366,392.43	N270,576,369.76	N863,162,083.47	N5,344,692,113.72	N1,397,413,601.04

Share to Total Growth % 2.00 TOTAL IGR N26,746,460,235.93 2019 FULL YEAR IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N12,007,973,015.97	N4,539,854,753.30	N981,300,598.11	N3,490,555,728.05	N21,019,684,095.43	N5,726,776,140.50

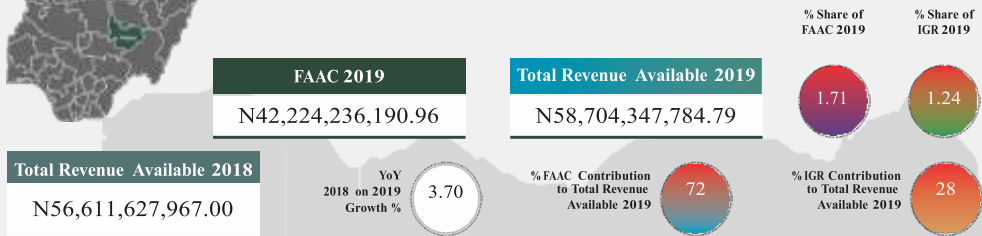


Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

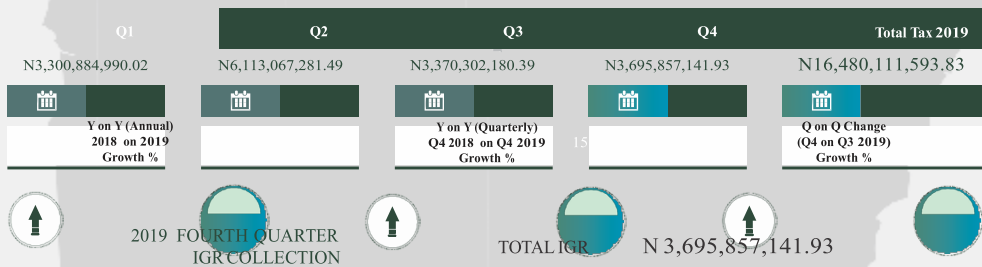
INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019 PLATEAU STATE



Land Area: 11, 936 sq mi

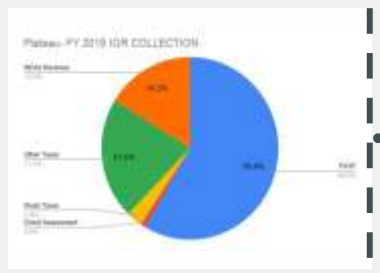
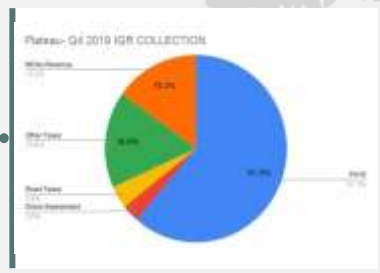


INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)



PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N2,265,594,439.96	N 112,239,073.90	N 144,120,275.00	N613,931,792.53	N3,135,885,581.39	N559,971,560.54

Share to Total Growth %	1.24	TOTAL IGR	N16,480,111,593.83	2019 FULL YEAR IGR COLLECTIONS	
PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N9,629,425,996.38	N 153,169,104.94	N477,912,025.00	N 3,546,973,852.04	N13,807,480,978.36	N2,672,630,615.47

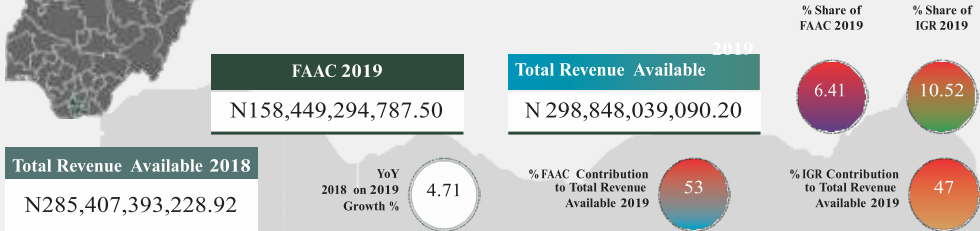


Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019 RIVERS STATE



Land Area: 4,277 sq mi



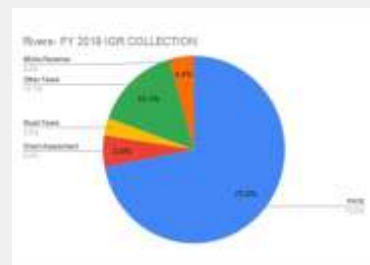
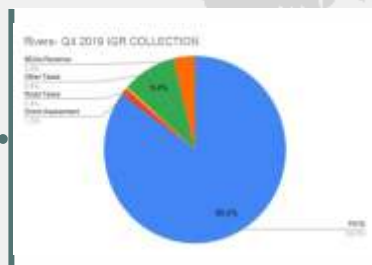
INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

Q1	Q2	Q3	Q4	Total Tax 2019
N39,261,075,833.45	N 36,713,460,862.54	N31,051,532,678.27	N33,372,674,928.44	N 140,398,744,302.70
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %	15	Q on Q Change (Q4 on Q3 2019) Growth %



PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N28,359,317,983.01	N429,716,261.61	N139,022,839.15	N3,139,155,037.14	N32,067,212,120.91	N1,305,462,807.53

Share to Total Growth %	10.52	TOTAL IGR	N140,398,744,302.70	2019 FULL YEAR IGR COLLECTIONS

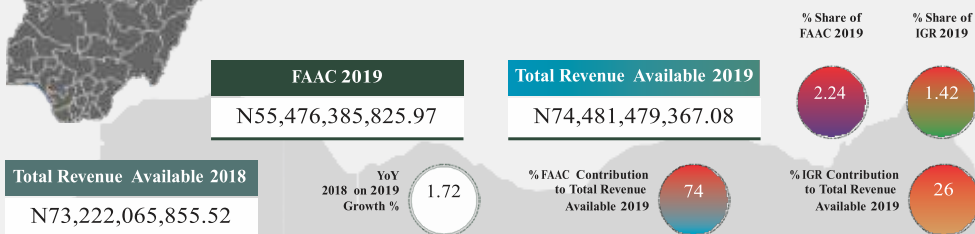


Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

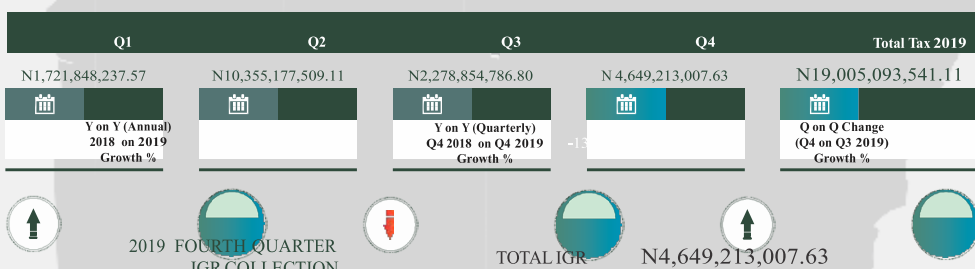
INTERNALLY GENERATED REVENUE AT STATE - Q4 2019 & FULL YEAR 2019 SOKOTO STATE



Land Area: 10,028 sq mi

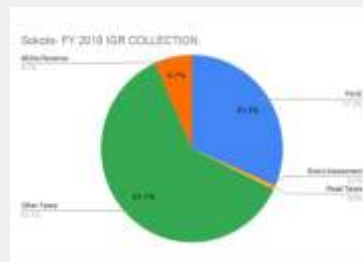
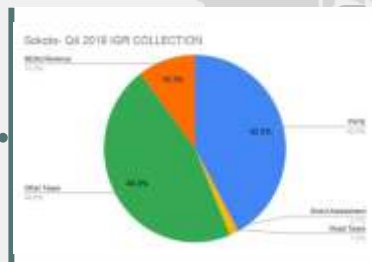


INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)



PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N 1,954,238,721.73	N5,898,821.25	N71,572,378.95	N 2,138,781,591.72	N4,170,491,513.65	N478,721,493.98

Share to Total Growth %	1.42	TOTAL IGR	N19,005,093,541.11	2019 FULL YEAR IGR COLLECTIONS	
PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N 5,954,451,999.79	N43,276,921.25	N 120,386,173.95	N11,608,663,715.29	N17,726,778,810.28	N1,278,314,730.83



Internally Generated Revenue At State - Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019

TARABA STATE



Land Area: 21, 032 sq mi

FAAC 2019
N46,515,352,151.03

Total Revenue Available 2019
N53,048,458,598.30

% Share of
FAAC 2019

1.88

% Share of
IGR 2019

0.49

Total Revenue Available 2018
N53,846,611,045.27

YoY
2018 on 2019
Growth %
-1.48

% FAAC Contribution
to Total Revenue
Available 2019
88

% IGR Contribution
to Total Revenue
Available 2019
12

INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

Q1	Q2	Q3	Q4	Total Tax 2019
N1,400,198,737.81	N 1,872,018,802.05	N1,449,988,510.85	N 1,810,900,396.56	N 6,533,106,447.27
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %		Q on Q Change (Q4 on Q3 2019) Growth %



2019 FOURTH QUARTER
IGR COLLECTION



TOTAL IGR N 1,810,900,396.56



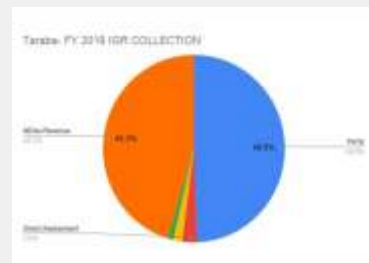
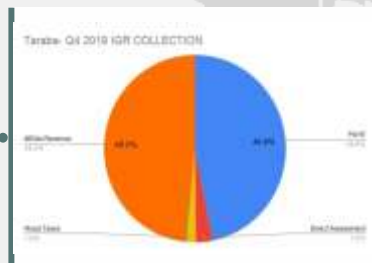
PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N 848,291,275.78	N54,521,710.81	N29,796,250.00	N5,212,852.26	N937,822,088.85	N873,078,307.71

Share to Total
Growth % 0.49

TOTAL IGR N 6,533,106,447.27

2019 FULL YEAR
IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N 3,232,292,703.54	N168,822,443.75	N103,225,400.00	N 67,554,279.50	N3,571,894,826.79	N 2,961,211,620.48



Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019

YOBE STATE



Land Area: 17, 568 sq mi

FAAC 2019 N 51,606,083,679.10	Total Revenue Available 2019 N60,050,717,778.19	% Share of FAAC 2019 2.09	% Share of IGR 2019 0.63
Total Revenue Available 2019 N57,257,208,718.97	YoY 2018 on 2019 Growth % 4.88	% FAAC Contribution to Total Revenue Available 2019 86	% IGR Contribution to Total Revenue Available 2019 14

INTERNALLY GENERATED REVENUE OF STATES (Q1-2019)

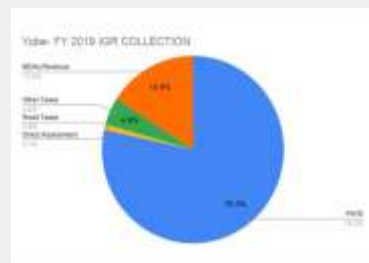
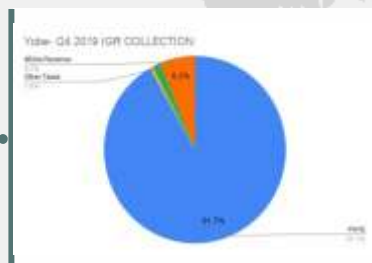
Q1	Q2	Q3	Q4	Total Tax 2019
N1,220,712,367.51	N985,594,923.76	N1,136,975,201.59	N5,101,351,606.23	N8,444,634,099.09
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %	240	Q on Q Change (Q4 on Q3 2019) Growth %

2019 FOURTH QUARTER IGR COLLECTION ↑ TOTAL IGR N5,101,351,606.23 ↑

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N4,680,257,380.15	N 1,732,063.45	N122,840,735.00	N79,331,853.68	N4,784,162,032.28	N317,189,573.95

Share to Total Growth %	TOTAL IGR	2019 FULL YEAR IGR COLLECTIONS
0.63	N8,444,634,099.09	

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N6,615,566,901.17	N6,346,451.31	N78,147,145.00	N401,931,822.19	N7,101,992,319.67	N1,342,641,779.42



Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

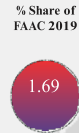
INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019 ZAMFARA STATE



Land Area: 15,352 sq mi

FAAC 2019
N41,762,298,726.55

Total Revenue Available 2019
N57,178,342,126.31



Total Revenue Available 2018
N49,038,520,686.74



INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

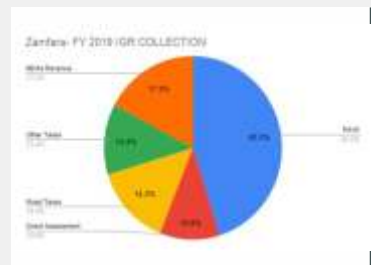
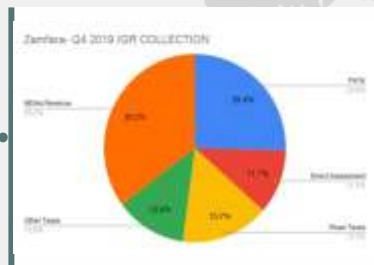
Q1	Q2	Q3	Q4	Total Tax 2019
N2,366,586,564.59	N4,843,475,689.64	N3,382,897,683.87	N4,823,083,461.66	N15,416,043,399.76
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %	28	Q on Q Change (Q4 on Q3 2019) Growth %



PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N1,223,447,738.48	N537,319,321.33	N754,900,000.00	N607,706,320.30	N3,123,373,380.11	N1,699,710,081.55

Share to Total Growth % 1.16 TOTAL IGR N15,416,043,399.76 2019 FULL YEAR IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N6,965,260,319.96	N1,672,361,609.49	N2,196,928,000.00	N1,914,805,885.50	N12,749,355,814.95	N2,666,687,584.81



Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019

FCT



Land Area: 667 sq mi

FAAC 2019 N71,905,269,001.29	Total Revenue Available 2019 N146,469,449,836.60	% Share of FAAC 2019 2.91	% Share of IGR 2019 5.59
Total Revenue Available 2018 N138,689,593,595.34	YoY 2018 on 2019 Growth % 5.61	% FAAC Contribution to Total Revenue Available 2019 49	% IGR Contribution to Total Revenue Available 2019 51

INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

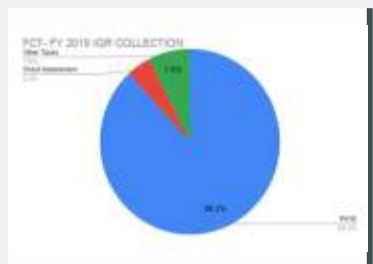
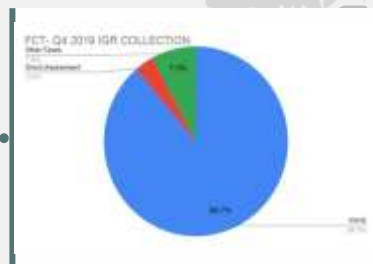
Q1	Q2	Q3	Q4	Total Tax 2019
N21,273,457,743.02	N17,297,437,207.25	N17,151,971,893.88	N18,841,313,991.16	N74,564,180,835.31
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %	15	Q on Q Change (Q4 on Q3 2019) Growth %

2019 FOURTH QUARTER IGR COLLECTION

TOTAL IGR N18,841,313,991.16

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N16,712,117,450.39	N643,987,406.93	N0.00	N1,485,209,133.84	N18,841,313,991.16	N0.00

Share to Total Growth %	5.59	TOTAL IGR	N74,564,180,835.31	2019 FULL YEAR IGR COLLECTIONS	
PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N65,747,514,380.56	N3,161,782,231.56	-----	N5,654,884,223.19	N74,564,180,835.31	-----



Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL - Q4 2019 & FULL YEAR 2019 TOTAL STATE



FAAC 2019
N2,473,237,965,275.64

Total Revenue Available 2019
N3,807,463,975,557.00

% Share of FAAC 2019



% Share of IGR 2019



Total Revenue Available 2018
N3,744,181,497,450.80

Growth % YoY 2018 on 2019
1.68

% FAAC Contribution to Total Revenue Available 2019
65

% IGR Contribution to Total Revenue Available 2019
35

INTERNALLY GENERATED REVENUE OF STATES (Q1 - Q4)

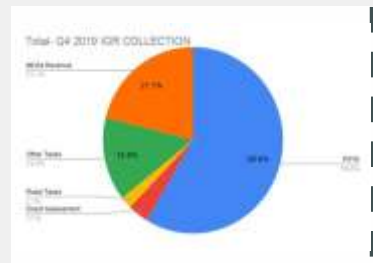
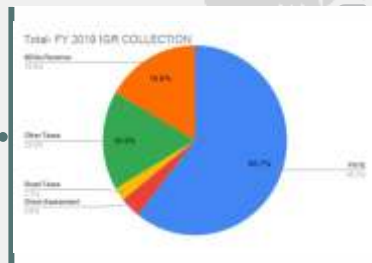
Q1	Q2	Q3	Q4	Total Tax 2019
N302,597,454,958.94	N391,316,977,069.17	N294,110,358,328.57	N346,201,219,924.68	N1,334,226,010,281.36
Y on Y (Annual) 2018 on 2019 Growth %		Y on Y (Quarterly) Q4 2018 on Q4 2019 Growth %		Q on Q Change (Q4 on Q3 2019) Growth %



PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N202,886,567,281.05	N12,750,382,625.70	N7,262,335,010.36	N50,188,426,212.52	N273,087,711,129.63	N73,113,508,795.05

Share to Total Growth % 100.00 TOTAL IGR N1,334,226,010,281.36 2019 FULL YEAR IGR COLLECTIONS

PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue
N809,317,881,456.04	N47,672,928,933.24	N30,270,487,488.80	N225,411,523,755.55	N1,112,672,821,633.63	N221,553,188,647.73



Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

INTERNALLY GENERATED REVENUE AT STATE LEVEL
- Q4 2019 & FULL YEAR 2019

STATES RANK BY IGR (FULL YEAR IGR SHARE TO TOTAL)



STATE	TOTAL - IGR	% SHARE	STATE	TOTAL - IGR	% SHARE
LAGOS	N398,732,246,493.38	29.88	KOGI	N16,389,026,388.86	1.23
RIVERS	N140,398,744,302.70	10.52	BAYELSA	N16,342,762,531.98	1.22
FCT	N74,564,180,835.31	5.59	IMO	N16,095,299,620.59	1.21
OGUN	N70,922,590,495.89	5.32	ZAMFARA	N15,416,043,399.76	1.16
DELTA	N64,678,796,991.57	4.85	ABIA	N14,769,307,658.56	1.11
KADUNA	N44,956,576,583.38	3.37	JIGAWA	N12,926,658,146.29	0.97
KANO	N40,593,701,332.48	3.04	NIGER	N12,765,034,972.30	0.96
AKWA IBOM	N32,291,014,771.52	2.42	BAUCHI	N11,696,955,884.75	0.88
ENUGU	N31,069,466,913.00	2.33	NASARAWA	N10,858,822,422.98	0.81
KWARA	N30,646,731,408.92	2.30	ADAMAWA	N9,704,660,185.42	0.73
ONDO	N30,135,881,918.26	2.26	EKITI	N8,546,875,648.24	0.64
EDO OYO	N29,478,406,024.31	2.21	KATSINA	N8,496,742,119.00	0.64
ANAMBRA	N26,746,460,235.93	2.00	YOBE	N8,444,634,099.09	0.63
CROSS RIVER	N26,369,195,864.89	1.98	BORNO	N8,175,248,326.42	0.61
SOKOTO	N22,597,063,882.55	1.69	EBONYI	N7,455,294,676.59	0.56
OSUN	N19,005,093,541.11	1.42	KEBBI	N7,367,334,837.13	0.55
BENUE	N17,922,394,523.43	1.34	GOMBE	N6,803,064,814.10	0.51
PLATEAU	N17,850,480,389.57	1.34	TARABA	N6,533,106,447.27	0.49
	N16,480,111,593.83	1.24			

Internally Generated Revenue At State Level - Q4 2019 & Full Year 2019

Schedule To The Taxes And Levies

Approved List for Collection) (ACT AMENDMENT) ORDER, 2015.

1. Taxes Collected by the Federal Government

- Company income tax.
- Withholding tax on companies, residents of the Federal Capital Territory, Abuja and non-resident individuals.
- Petroleum profits tax.
- Education Tax.
- Value Added Tax.
- Capital gains tax on residents of the Federal Capital Territory, Abuja, corporate and non-resident individuals.
- National Information Technology Development Levy
- Stamp duties on bodies corporate and residents of the Federal Capital Territory, Abuja.
- Personal income tax in respect of
 - a) Members of the armed forces.
 - b) Members of the Nigeria Police Force.
 - c) Residents of the Federal Capital Territory, Abuja; and
 - d) Staff of the Ministry of Foreign Affairs and non-resident individuals

2. Taxes and levies collected by the State Government.

- Personal income tax in respect of:
 - (a) Pay-As-You-Earn (PAYE);
 - (b) Direct taxation (Self-assessment)
- Withholding tax for Individuals
- Capital gains tax for individuals
- Stamp duties on instruments executed by individuals.
- Pools betting, lotteries, gaming and casino taxes.
- Road tax.
- Business premises registration
- Development levy for individuals
- Naming of street registration fees in State Capitals.
- Right of Occupancy fees on lands owned by the State Government.
- Market taxes and levies where State finance is involved.
- Hotel, Restaurant or Event Centre Consumption Tax, where applicable
- Entertainment Tax, where applicable
- Environmental (Ecological) Fee or Levy
- Mining, Milling and Quarry Fees, where applicable



METHODOLOGY

States IGR data is computed by the National Bureau of Statistics and the Joint Tax Board from official records and submissions by the 36 State Boards of Internal Revenue. These submissions are then validated and authenticated by the Joint Tax Board which is chaired by the Federal Inland Revenue Service and has the National Bureau of Statistics and the 36 State Boards of Internal Revenue as members.

MDAs Revenues

These relate to revenues generated administratively by State MDAs during the course of providing various services to residents in the State.

Direct Assessment

Direct Assessment may relate to a form of personal income tax used to assess tax for self-employed individuals. With the self-assessed tax, a new tax payer can assess him/herself, and pay the calculated amount. Direct assessment may also relate to those imposed on businesses especially (informal) by the state authorities based on the size of their activities.

Pay As You Earn (PAYE)

This is a form of personal income tax that refers to tax deducted directly from the wages and salaries of employees operating in the formal sector. All employers in Nigeria are responsible for deducting Pay As You Earn (PAYE) taxes from their employees' earnings.

Road Taxes

Road taxes are daily levies paid by commercial transporters operating within the states.

Other Taxes

These include various taxes such as levies on market traders, land registration and other land-related fees, development levies on individuals, pool betting/lottery/gaming fees, stamp duties on individuals etc.

- Animal Trade Tax, where applicable
- Produce Sales Tax, where applicable
- Slaughter or Abattoir Fees, where state finance is involved
- Infrastructure Maintenance Charge or Levy, where applicable
- Fire Service Charge
- Economic Development Levy, where applicable
- Social Services Contribution Levy, where applicable
- Signage and Mobile Advertisement, Jointly collected by States and Local Governments
- Property Tax
- Land use charge, where applicable.

3. Taxes and Levies to be collected by **Local Government**

- Shops and, kiosks rates
- Tenement rates
- On and off liquor license fees
- Slaughter slab fees.
- Marriage, birth and death registration fees.
- Naming of street registration fee, excluding any street in the State Capital
- Right of Occupancy fee on lands in rural areas, excluding those collectable by the Federal and State Governments.
- Market taxes and levies excluding any market where State Finance is involved.
- Motor Park levies.
- Domestic animal license fees.
- Bicycle, truck, canoe, wheelbarrow and cart fees, other than a mechanically propelled truck.
- Cattle tax payable by cattle farmers only.
- Merriment and road closure levy.
- Radio and television license fees (other than radio and television transmitter).
- Vehicle radio license fee (to be imposed by the local government of the State in which the car is registered.
- Wrong parking charges.
- Public convenience, sewage and refuse disposal fees.
- Customary burial ground permit fees.
- Religious places establishment permit fees.
- Signboard and advertisement permit fees
- Wharf Landing Charge, where applicable

INTERNALLY GENERATED REVENUE OF STATES (q1 - q4)									
State	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Total Tax 2019	Yron Yr Change (Annual) %	Yron Yr Change (Quarterly) Q4 2018 on Q4 2019 Growth %	Quarter on Quarter Change (Q4 on Q3 2019) Growth %	
Abia	4,059,982,019.86	3,852,614,312.19	2,695,809,294.50	4,160,902,032.01	14,704,307,658.56	-0.44	-13.81	54.35	
Adamawa	1,612,049,398.43	3,402,158,452.24	1,801,910,925.02	2,887,941,409.73	9,704,660,185.42	56.40	74.70	60.27	
Akwa Ibom	6,574,351,082.08	13,890,256,151.33	6,150,553,510.00	5,675,854,028.11	32,291,014,771.52	33.37	0.06	-7.72	
Anambra	4,528,819,102.03	4,158,279,214.18	8,171,092,757.15	9,511,004,791.53	26,369,195,864.89	36.59	16.88	16.40	
Bauchi	2,646,492,463.86	5,622,215,674.33	1,748,257,254.48	1,679,990,492.08	11,696,955,884.75	20.70	-36.55	-3.90	
Bayelsa	2,998,592,900.29	2,876,923,918.38	2,494,884,003.39	7,972,359,709.92	16,342,762,531.98	19.85	123.72	219.55	
Benue	2,827,145,731.90	9,304,626,234.34	2,799,585,180.17	2,919,123,243.16	17,850,480,389.57	59.16	3.25	4.27	
Borno	1,901,227,718.09	2,016,620,356.48	2,123,242,839.00	2,134,157,412.85	8,175,248,326.42	25.30	12.71	0.51	
Cross River	3,227,417,722.92	13,504,007,770.85	2,884,355,555.33	2,981,282,833.45	22,597,063,882.55	28.74	-34.85	3.36	
Delta	17,487,284,334.79	18,903,405,587.09	13,119,344,029.20	15,168,763,040.49	64,678,796,991.57	10.68	2.11	15.62	
Ebonyi	1,634,095,811.46	2,281,715,517.33	1,724,540,388.72	1,814,942,959.08	7,455,294,676.59	21.33	2.07	5.24	
Edo	7,231,168,738.92	8,210,380,135.58	6,823,190,688.52	7,213,466,461.29	29,478,406,024.31	3.70	-4.48	5.72	
Ekiti	1,602,486,579.41	1,730,141,204.15	3,250,913,566.97	1,963,334,297.71	8,546,875,648.24	32.19	-21.27	-39.61	
Enugu	5,914,842,131.00	4,784,207,653.00	4,184,671,523.00	16,185,745,606.00	31,069,466,913.00	40.29	183.85	286.79	
Gombe	1,047,489,602.33	1,039,941,528.09	2,152,817,576.04	2,562,816,107.64	6,803,064,814.10	-7.36	-30.45	19.04	
Jigawa	3,363,389,990.73	2,318,790,162.42	3,688,887,463.32	3,868,017,537.14	12,926,658,146.29	39.80	84.47	4.86	
Kaduna	8,363,902,329.17	16,930,950,458.29	6,284,148,242.41	13,377,575,553.51	44,956,576,583.38	52.67	79.62	112.88	
Kano	7,465,493,878.69	11,099,052,225.67	7,240,785,320.08	14,788,369,908.04	40,593,701,332.48	-7.97	-19.90	104.24	
Katsina	1,769,760,638.00	3,037,310,443.00	1,802,476,407.00	1,887,194,631.00	8,496,742,119.00	22.05	1.34	4.70	
Kebbi	1,461,294,729.82	3,294,206,612.27	1,204,820,823.22	1,407,012,671.82	7,367,334,837.13	50.91	-17.48	16.78	
Kogi	3,176,106,520.69	3,507,701,544.01	5,899,029,785.47	3,806,188,538.69	16,389,026,388.86	44.60	13.40	-35.48	
Kwara	6,276,779,069.16	9,813,594,473.77	7,910,423,599.11	6,645,934,266.88	30,646,731,408.92	32.98	-5.52	-15.99	
Lagos	97,475,046,701.01	107,688,340,066.04	91,933,017,729.18	101,635,841,997.15	398,732,246,493.38	4.33	2.95	10.55	
Nasarawa	1,714,704,933.63	3,127,608,188.55	3,006,864,232.06	3,009,645,068.74	10,858,822,422.98	43.50	38.73	0.09	
Niger	1,768,201,722.47	7,358,548,571.42	2,140,043,248.37	1,498,241,430.04	12,765,034,972.30	22.36	-61.74	-29.99	
Ogun	14,296,414,373.45	15,287,065,065.39	23,286,494,298.58	18,052,616,758.47	70,922,590,495.89	-16.12	-15.87	-22.48	
Ondo	5,198,098,998.27	13,803,464,648.47	5,534,171,016.79	5,599,601,254.73	30,135,881,918.26	21.57	-45.77	1.17	
Osun	4,755,285,019.49	5,667,935,795.36	3,730,731,770.44	3,768,441,938.14	17,922,394,523.43	72.64	31.32	1.01	
Oyo	6,623,203,309.61	7,437,482,668.54	5,943,668,543.02	6,742,105,714.76	26,746,460,235.93	8.57	5.80	13.43	
Plateau	3,300,884,990.02	6,113,067,281.49	3,370,302,180.39	3,695,857,141.93	16,480,111,593.83	29.49	15.11	9.66	
Rivers	39,261,075,833.45	36,713,460,862.54	31,051,532,678.27	33,372,674,928.44	140,398,744,302.70	24.49	15.11	7.48	
Sokoto	1,721,848,237.57	10,355,177,509.11	2,278,854,786.80	4,649,213,007.63	19,005,093,541.11	1.30	-13.15	104.02	
Taraba	1,400,198,737.81	1,872,018,802.05	1,449,988,510.85	1,810,900,396.56	6,533,106,447.27	9.45	-1.47	24.89	
Yobe	1,220,712,367.51	985,594,923.76	1,136,975,201.59	5,101,351,606.23	8,444,634,099.09	92.70	240.73	348.68	
Zamfara	2,366,586,564.59	4,843,475,689.64	3,382,897,683.87	4,823,083,461.66	15,416,043,399.76	87.85	28.48	42.57	
FCT	21,273,457,743.02	17,297,437,207.25	17,151,971,893.88	18,841,313,991.16	74,564,180,835.31	13.80	15.89	9.85	
Total	302,597,454,958.94	391,316,977,069.17	294,110,358,328.57	346,201,219,924.68	1,334,226,010,281.36	20.92	12.28	17.71	

2019 FOURTH QUARTER IGR COLLECTION

S/N	State	PAVE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue	Total IGR
1	Abia	1,078,584,551.71	130,102,985.86	134,951,550.00	860,016,991.29	2,203,656,078.86	1,957,245,953.15	41,600,902,032.01
2	Adamawa	1,028,362,887.86	29,332,052.76	43,487,690.00	156,858,314.39	1,258,040,945.01	1,629,900,464.72	2,887,941,409.73
3	Akwa Ibom	3,714,302,363.38	33,359,719.90	96,761,875.00	943,528,111.77	4,787,952,070.05	887,901,958.06	5,675,854,028.11
4	Anamra	1,708,499,891.95	131,024,521.24	256,748,975.00	1,730,254,656.01	3,827,428,044.20	5,683,576,747.33	9,511,004,791.53
5	Bauchi	1,504,575,816.54	3,861,900.00	39,396,450.00	78,089,595.17	1,625,923,761.71	54,066,730.37	1,679,990,492.08
6	Bayelsa	7,633,726,149.31	17,190,790.81	5,747,371.37	276,517,338.14	7,933,181,649.63	39,178,060.29	7,972,359,709.92
7	Benne	1,694,084,568.47	142,549,620.59	56,284,130.00	52,327,991.57	1,945,246,310.63	973,876,932.53	2,919,123,243.16
8	Borno	1,011,664,628.62	163,282,427.23	95,128,486.00	168,987,398.00	1,439,062,939.85	695,094,473.00	2,134,157,412.85
9	Cross River	1,665,457,692.41	28,641,153.23	195,886,755.11	356,029,809.28	2,246,015,410.03	735,267,423.42	2,981,282,833.45
10	Delta	10,173,254,849.32	69,875,216.89	209,224,930.25	1,903,620,818.83	12,355,975,815.29	2,812,287,225.20	15,168,763,040.49
11	Ebonyi	1,087,882,109.89	62,643,767.71	48,632,260.00	383,525,778.87	1,582,683,916.47	232,259,042.61	1,814,942,959.08
12	Edo	3,620,823,853.82	269,027,095.41	169,123,360.66	828,349,498.94	4,887,323,810.83	2,326,142,650.46	7,213,466,461.29
13	Ekiti	1,289,603,186.58	101,421,498.94	31,774,715.00	354,971,764.66	1,777,771,165.18	185,563,132.53	1,963,334,297.71
14	Enugu	1,681,026,520.00	15,795,944.00	269,488,775.00	1,457,012,078.00	13,423,323,317.00	2,762,422,289.00	16,185,745,606.00
15	Gombe	682,284,971.10	2,024,030.06	25,399,600.00	127,868,397.24	835,576,998.40	1,725,239,109.24	2,562,816,107.64
16	Imo	2,218,545,849.35	229,408,333.60	151,091,600.80	132,429,997.02	2,731,475,780.77	256,877,866.14	2,988,353,646.91
17	Jigawa	1,442,879,625.82	360,224,210.82	120,320,414.61	1,211,496,352.52	3,134,920,603.77	733,096,983.37	3,868,017,587.14
18	Kaduna	3,139,178,349.34	64,334,355.14	155,652,037.00	1,123,324,642.46	4,482,489,383.94	8,895,086,169.57	13,377,575,553.51
19	Kano	3,551,833,327.75	98,591,768.35	220,478,003.30	9,616,616,630.03	13,484,564,729.43	1,303,805,178.61	14,788,369,908.04
20	Katsina	1,625,701,638.00	61,791,754.00	36,298,470.00	88,084,754.00	1,811,876,616.00	75,318,015.00	1,887,194,631.00
21	Kebbi	701,172,698.41	330,192,658.41	12,407,480.00	44,757,817.00	1,088,530,653.82	318,482,018.00	1,407,012,671.82
22	Kogi	2,434,149,982.97	8,945,033.79	109,534,500.00	261,058,317.37	2,813,687,834.13	992,500,704.56	3,806,188,538.69
23	Kwara	1,388,815,223.40	299,410,493.00	124,147,215.47	69,026,492.22	1,881,399,424.09	4,764,334,842.79	6,645,934,266.88
24	Lagos	67,679,491,995.21	3,135,546,515.63	2,591,399,530.95	15,267,257,845.41	88,673,695,487.20	12,962,146,509.95	101,635,841,997.15
25	Nassarawa	1,398,974,940.52	9,767,980.22	50,753,458.25	158,544,185.52	1,618,040,564.51	1,391,604,504.23	3,009,645,068.74
26	Niger	1,066,941,161.37	58,746,150.90	73,549,732.00	218,180,626.71	1,417,417,670.98	80,823,759.06	1,498,241,430.04
27	Ogun	6,941,431,071.46	741,439,200.05	214,350,713.27	947,583,308.06	8,444,804,292.84	9,207,812,465.63	18,052,616,458.47
28	Ondo	2,034,952,963.17	103,781,101.95	248,767,225.46	2,391,809,812.67	4,779,311,103.25	820,290,151.48	5,599,601,254.73
29	Osun	1,487,512,553.76	208,389,293.50	42,718,858.00	50,761,224.43	1,789,381,929.69	1,979,000,008.45	3,768,441,938.14
30	Oyo	157,587,268.06	4,053,366,392.43	270,576,369.76	863,162,083.47	5,344,692,113.72	1,397,413,601.04	6,742,105,714.76
31	Plateau	2,865,594,439.96	112,239,073.90	144,120,275.00	613,931,792.53	3,135,885,581.39	559,971,560.54	3,695,857,141.93
32	Rivers	2,839,317,983.01	429,716,261.61	139,022,839.15	3,139,155,037.14	32,067,212,120.91	1,305,462,807.53	33,372,674,928.44
33	Sokoto	1,954,238,721.73	5,898,821.25	71,572,378.95	4,170,491,513.65	4,170,491,513.65	478,721,493.98	4,649,213,007.63
34	Taraba	848,291,275.78	54,521,710.81	29,796,250.00	5,212,852.26	937,822,088.85	873,078,307.71	1,810,900,396.56
35	Yobe	4,680,257,380.15	1,732,063.45	22,840,735.00	79,331,853.68	4,784,162,032.28	317,189,573.95	5,101,351,606.23
36	Zamfara	1,223,447,738.48	537,319,321.33	754,900,000.00	607,706,320.30	3,123,373,380.11	1,699,710,081.55	4,823,083,461.66
37	FACT	16,712,117,450.39	643,987,406.93	0.00	1,485,209,133.84	18,841,313,991.16	0.00	18,841,313,991.16
	Total	202,886,567,281.05	12,750,382,625.70	7,262,335,010.36	50,188,426,212.52	273,087,711,129.63	73,113,508,795.05	346,201,219,924.68

2019 FULL YEAR IGR COLLECTIONS ACROSS ALL STATES AND FCT IN NAIRA (NGN)

State	PAYE	Direct Assessment	Road Tax	Other Taxes	Total Tax	MDAs Revenue	Total	Share to Total
Abia	5,905,155,132.15	465,883,488.65	425,906,571.16	2,170,964,181.78	8,967,909,373.74	5,801,398,284.82	14,769,307,658.56	1.11
Adamawa	5,731,781,494.62	118,856,369.70	249,993,415.00	556,974,166.14	6,677,203,445.46	3,027,454,739.96	9,704,660,185.42	0.73
Akwa Ibom	24,640,620,075.97	282,115,834.07	380,133,180.00	3,331,751,269.20	28,634,620,359.24	10,656,394,412.28	32,291,014,771.52	2.42
Anambra	11,186,201,113.59	679,424,931.30	712,261,535.00	3,554,911,041.19	16,132,798,621.08	3,236,397,243.81	26,369,195,864.89	1.98
Bauchi	10,957,758,055.43	29,864,538.49	136,706,647.77	390,617,015.29	11,514,946,256.98	182,009,627.77	11,696,955,884.75	0.88
Bayelsa	14,825,487,528.45	283,581,024.00	59,152,675.64	927,723,389.79	16,095,944,617.88	246,817,914.10	16,342,762,531.98	1.22
Benue	13,306,462,021.08	610,811,500.50	457,188,304.00	196,888,522.14	14,571,350,347.72	3,279,130,041.85	17,850,480,389.57	1.34
Borno	4,189,761,148.23	540,030,198.11	330,389,410.00	804,282,502.06	5,868,463,258.40	2,310,785,068.02	8,179,248,326.42	0.61
Cross River	6,503,997,209.51	106,572,646.32	850,364,527.74	11,746,317,956.34	19,207,262,339.91	3,389,811,542.64	22,597,063,882.55	1.69
Delta	47,702,984,808.00	385,348,647.73	790,122,854.90	7,790,133,121.95	56,668,589,432.58	8,010,207,558.99	64,678,796,991.57	4.85
Ebonyi	4,654,497,907.18	93,324,825.43	238,401,030.00	1,330,066,456.36	6,316,290,218.97	1,139,004,457.62	7,455,294,676.59	0.56
Edo	13,144,168,252.48	1,048,070,372.43	664,308,259.68	7,324,600,911.11	22,181,147,795.70	7,297,258,228.61	29,478,406,024.31	2.21
Ekiti	4,474,115,200.14	303,892,108.94	127,766,609.95	2,712,938,440.99	7,618,712,360.02	928,163,288.22	8,546,875,648.24	0.64
Enugu	18,109,354,171.00	153,691,242.00	859,519,750.00	2,661,603,257.00	21,784,168,420.00	9,285,298,493.00	31,069,466,913.00	2.33
Gombe	2,870,000,110.21	8,560,411.48	106,633,925.00	1,663,734,745.57	4,648,949,192.26	2,154,115,621.84	6,803,064,814.10	0.51
Imo	12,421,874,604.41	1,258,033,759.64	901,847,432.36	672,758,319.12	15,254,514,115.53	840,785,505.06	16,095,299,620.59	1.21
Jigawa	4,744,937,169.74	776,224,822.63	341,279,362.07	4,653,357,825.77	10,514,799,180.21	2,410,858,966.08	12,926,658,146.29	0.97
Kaduna	11,692,318,351.28	232,321,229.04	509,535,162.00	13,510,968,162.82	25,945,142,909.14	19,011,433,678.24	44,956,576,583.38	3.37
Kano	14,805,541,623.51	356,818,583.20	545,446,262.76	16,273,348,599.96	31,981,155,069.43	8,612,546,263.05	40,593,701,332.48	3.04
Katsina	7,441,156,095.00	213,914,364.00	123,899,889.00	347,111,339.00	8,126,081,687.00	370,660,432.00	8,496,742,119.00	0.64
Kebbi	5,151,544,695.55	742,641,589.18	59,138,323.00	318,587,146.77	6,271,911,754.50	1,095,423,082.63	7,367,334,837.13	0.55
Kogi	11,098,952,761.14	62,204,945.57	552,617,800.00	1,339,883,902.52	13,053,659,409.23	3,335,366,979.63	16,389,026,388.86	1.23
Kwara	11,364,149,817.33	1,093,196,719.50	494,512,711.04	342,454,288.80	13,294,313,536.67	17,352,417,872.25	30,646,731,408.92	2.30
Lagos	269,962,755,085.02	16,023,351,961.60	9,760,460,786.87	63,577,475,171.62	359,324,043,005.11	39,408,203,488.27	398,732,246,493.38	29.88
Nasarawa	7,048,363,079.71	46,537,742.52	192,113,145.25	304,143,208.34	7,591,157,175.82	3,267,665,247.16	10,858,822,422.98	0.81
Niger	4,802,022,733.11	166,113,602.82	261,140,003.00	7,072,556,375.19	12,301,832,714.12	463,202,258.18	12,765,034,972.30	0.96
Ogun	24,301,801,617.66	2,755,655,556.12	976,746,375.85	13,516,553,938.07	41,550,757,498.70	29,371,833,008.19	70,922,590,495.89	5.32
Ondo	17,178,310,537.41	548,108,654.34	790,423,949.31	8,142,724,357.18	26,659,567,487.24	3,476,314,420.02	30,135,881,918.26	2.26
Osun	7,841,155,969.76	897,026,841.86	205,690,159.24	224,307,325.30	9,168,360,296.16	8,754,034,227.27	17,922,394,523.43	1.34
Oyo	12,007,973,015.97	4,539,854,753.30	981,300,598.11	3,490,555,728.05	21,019,684,095.43	5,726,776,140.50	26,746,460,235.93	2.00
Plateau	9,629,425,996.38	153,169,104.94	477,912,025.00	3,546,973,852.04	13,807,480,978.36	2,672,630,615.47	16,480,111,593.83	1.24
Rivers	101,088,167,770.00	7,644,956,906.47	4,209,268,089.15	21,266,417,312.42	134,208,810,078.04	6,189,934,224.66	140,398,744,302.70	10.52
Sokoto	5,954,451,999.79	43,276,921.25	120,386,173.95	11,608,663,715.29	17,736,778,810.28	1,278,314,730.83	19,005,093,541.11	1.42
Taraba	3,232,292,703.54	168,822,443.75	103,225,400.00	67,554,279.50	3,571,894,826.79	2,961,211,620.48	6,533,106,447.27	0.49
Yobe	6,615,566,901.17	6,346,451.31	78,147,145.00	401,931,822.19	7,101,992,319.67	1,342,641,779.42	8,444,634,099.09	0.63
Zamfara	6,965,260,319.96	1,672,361,609.49	2,196,928,000.00	1,914,805,885.50	12,749,355,814.95	2,666,687,584.81	15,416,043,399.76	1.16
FCT	65,747,514,380.56	3,161,782,231.56	-	5,654,884,223.19	74,564,180,835.31	-	74,564,180,835.31	5.59
TOTAL	809,317,881,456.04	47,672,928,933.24	30,270,487,488.80	225,411,523,755.55	1,112,672,821,633.63	221,553,188,647.73	1,334,226,010,281.36	100.00

2019 FULL YEAR IGR SHARE TO TOTAL		
State	Total - IGR	Percentage Share (%)
Lagos	398,732,246,493.38	29.88
Rivers	140,398,744,302.70	10.52
FCT	74,564,180,835.31	5.59
Ogun	70,922,590,495.89	5.32
Delta	64,678,796,991.57	4.85
Kaduna	44,956,576,583.38	3.37
Kano	40,593,701,332.48	3.04
Akwa Ibom	32,291,014,771.52	2.42
Enugu	31,069,466,913.00	2.33
Kwara	30,646,731,408.92	2.30
Ondo	30,135,881,918.26	2.26
Edo	29,478,406,024.31	2.21
Oyo	26,746,460,235.93	2.00
Anambra	26,369,195,864.89	1.98
Cross River	22,597,063,882.55	1.69
Sokoto	19,005,093,541.11	1.42
Osun	17,922,394,523.43	1.34
Benue	17,850,480,389.57	1.34
Plateau	16,480,111,593.83	1.24
Kogi	16,389,026,388.86	1.23
Bayelsa	16,342,762,531.98	1.22
Imo	16,095,299,620.59	1.21
Zamfara	15,416,043,399.76	1.16
Abia	14,769,307,658.56	1.11
Jigawa	12,926,658,146.29	0.97
Niger	12,765,034,972.30	0.96
Bauchi	11,696,955,884.75	0.88
Nasarawa	10,858,822,422.98	0.81
Adamawa	9,704,660,185.42	0.73
Ekiti	8,546,875,648.24	0.64
Katsina	8,496,742,119.00	0.64
Yobe	8,444,634,099.09	0.63
Borno	8,175,248,326.42	0.61
Ebonyi	7,455,294,676.59	0.56
Kebbi	7,367,334,837.13	0.55
Gombe	6,803,064,814.10	0.51
Taraba	6,533,106,447.27	0.49

States	TOTAL REVENUE AVAILABLE TO STATES IN 2019					% Contribution to Total Revenue Available 2019		2019 ON 2018	
	FAAC 2019 (N)	IGR 2019 (N)	Total Revenue Available 2019 (N)	% Share of Total FAAC 2019	% Share of Total State IGR 2019	FAAC	IGR		Total Revenue Available 2018 (N)
Abia	52,039,868,624.86	14,769,307,658.56	66,809,176,283.42	2.10%	1.11%	77.89%	22.11%	70,161,217,967.64	-4.78%
Adamawa	48,338,702,097.28	9,704,660,185.42	58,043,362,282.70	1.95%	0.73%	83.28%	16.72%	55,715,083,240.01	4.18%
Akwa Ibom	171,973,537,274.47	32,291,014,771.52	204,266,552,045.99	6.95%	2.42%	84.19%	15.81%	226,575,882,622.71	-9.85%
Anambra	53,893,862,221.01	26,369,195,864.89	80,263,058,085.90	2.18%	1.98%	67.15%	32.85%	74,555,213,544.25	7.66%
Bauchi	52,357,124,339.87	11,696,955,884.73	64,054,080,224.62	2.12%	0.88%	81.74%	18.26%	63,711,681,751.95	0.54%
Bayelsa	140,129,363,936.74	16,342,762,531.98	156,472,126,468.72	5.67%	1.22%	89.56%	10.44%	166,741,411,990.33	-6.16%
Benue	54,340,296,718.03	17,850,480,389.57	72,190,777,107.60	2.20%	1.34%	75.27%	24.73%	66,656,560,913.88	8.30%
Borno	61,713,490,791.62	8,175,248,326.42	69,888,739,118.04	2.50%	0.61%	88.30%	11.70%	69,796,003,857.57	0.13%
Cross River	36,312,879,237.96	22,597,063,882.55	58,909,943,120.51	1.47%	1.69%	61.64%	38.36%	54,506,799,760.22	8.08%
Delta	219,282,893,930.70	64,678,796,991.57	283,961,690,922.27	8.87%	4.85%	77.22%	22.78%	272,073,791,302.60	4.37%
Ebonyi	44,627,158,742.33	7,455,294,676.59	52,082,453,418.92	1.80%	0.56%	85.69%	14.31%	51,099,596,507.94	1.92%
Edo	64,679,690,145.36	29,478,406,024.31	94,158,096,169.67	2.62%	2.21%	68.69%	31.31%	97,595,143,525.59	-3.52%
Ekiti	41,286,185,929.89	8,546,875,648.24	49,833,061,578.13	1.67%	0.64%	82.85%	17.15%	45,791,036,144.28	8.83%
Enugu	51,984,942,970.06	31,069,466,913.00	83,054,409,883.06	2.10%	2.33%	62.59%	37.41%	75,250,392,365.92	10.37%
Gombe	41,019,881,265.47	6,803,064,814.10	47,822,946,079.57	1.66%	0.51%	85.77%	14.23%	51,151,677,198.33	-6.51%
Imo	56,086,098,287.13	16,095,299,620.59	72,181,397,907.72	2.27%	1.21%	77.70%	22.30%	69,065,916,947.83	4.51%
Jigawa	88,858,181,316.18	12,926,658,146.29	101,784,839,462.47	2.38%	0.97%	81.99%	18.01%	69,574,177,146.68	3.18%
Kaduna	67,100,907,303.95	44,956,576,583.38	112,057,483,887.33	2.71%	3.37%	59.88%	40.12%	98,296,328,162.50	14.00%
Kano	82,485,067,955.07	40,593,701,332.48	123,078,769,287.55	3.34%	3.04%	67.02%	32.98%	128,313,273,351.46	-4.08%
Katsina	63,256,905,564.21	8,496,742,119.00	71,753,647,683.21	2.56%	0.64%	88.16%	11.84%	68,613,353,789.57	4.58%
Kebbi	52,903,252,905.60	7,367,334,837.13	60,270,587,742.73	2.14%	0.55%	87.78%	12.22%	59,462,137,460.36	1.36%
Kogi	52,332,274,793.13	16,389,026,388.86	68,725,301,181.99	2.12%	1.23%	76.15%	23.85%	72,688,767,694.49	-5.45%
Kwara	42,432,526,858.74	30,646,731,408.92	73,079,258,267.66	1.72%	2.30%	58.06%	41.94%	67,620,175,560.78	8.07%
Lagos	117,883,619,963.70	398,732,246,493.38	516,615,866,457.08	4.77%	29.88%	22.82%	77.18%	501,205,576,422.67	3.07%
Nasarawa	44,865,859,450.71	10,858,822,422.98	55,724,681,873.69	1.81%	0.81%	80.51%	19.49%	55,117,135,184.88	1.10%
Niger	56,447,911,750.79	12,765,034,972.30	69,212,946,723.09	2.28%	0.96%	81.56%	18.44%	67,953,800,532.59	1.85%
Ogun	38,710,634,518.43	70,922,590,495.89	109,633,225,014.32	1.57%	5.32%	35.31%	64.69%	124,198,350,682.06	-11.73%
Ondo	57,927,048,890.29	30,135,881,918.26	88,062,930,808.55	2.34%	2.26%	65.78%	34.22%	89,474,787,548.44	-1.58%
Osun	24,222,272,968.41	17,922,394,523.43	42,144,667,491.84	0.98%	1.34%	57.47%	42.53%	33,218,969,112.52	26.87%
Oyo	55,800,604,161.25	26,746,460,235.93	82,547,064,397.18	2.26%	2.00%	67.60%	32.40%	83,924,234,062.99	-1.64%
Plateau	42,224,236,190.96	16,480,744,302.70	58,704,347,784.79	1.71%	1.24%	71.93%	28.07%	56,611,627,967.00	3.70%
Rivers	158,449,294,787.50	140,398,744,302.70	298,848,039,090.20	6.41%	10.52%	53.02%	46.98%	285,407,393,228.92	4.71%
Sokoto	55,476,285,825.97	19,005,093,541.11	74,481,479,367.08	2.24%	1.42%	74.48%	25.52%	73,222,065,855.52	1.72%
Taraba	46,513,352,151.03	6,533,106,447.27	53,048,458,598.30	1.88%	0.49%	87.68%	12.32%	53,846,611,045.27	-1.48%
Yobe	51,606,083,679.10	8,444,634,099.09	60,050,717,778.19	2.09%	0.63%	85.94%	14.06%	57,257,208,718.97	4.88%
Zamfara	41,762,298,726.55	15,416,043,399.76	57,178,342,126.31	1.69%	1.16%	73.04%	26.96%	49,038,520,686.74	16.60%
FCT	71,905,269,001.29	74,564,180,835.31	146,469,449,836.60	2.91%	5.59%	49.09%	50.91%	138,689,593,595.34	5.61%
Total	2,473,237,965,275.64	1,334,226,010,281.36	3,807,463,975,557.00	100.00%	100.00%	64.96%	35.04%	3,744,181,497,450.80	1.69%

2019 FIRST QUARTER IGR COLLECTION										
S/N	State	PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue	Total		
1	Abia	1,442,590,359.20	48,319,298.68	52,234,000.00	329,859,739.31	1,873,003,397.19	2,186,978,622.67	4,059,982,019.86		
2	Adamawa	1,146,963,393.31	17,056,345.00	146,029,025.00	63,217,607.34	1,373,266,370.65	239,383,027.78	1,612,649,398.43		
3	Akwa Ibom	5,426,772,732.03	83,172,662.47	96,377,150.00	777,642,023.66	6,383,964,568.16	190,386,513.92	6,574,351,082.08		
4	Anambra	2,072,249,130.00	176,222,769.10	142,716,212.00	437,728,944.18	2,828,917,055.28	1,699,902,046.75	4,528,819,102.03		
5	Bauchi	2,431,810,527.24	14,058,506.06	19,725,044.74	146,423,418.64	2,612,017,496.68	34,474,967.18	2,646,492,463.86		
6	Bayelsa	2,549,504,446.82	87,291,386.63	22,655,652.00	204,895,865.17	2,864,347,350.62	134,245,549.67	2,998,592,900.29		
7	Benue	2,236,137,846.50	104,025,671.46	44,106,850.00	5,716,975.87	2,389,987,343.83	437,158,388.07	2,827,145,731.90		
8	Borno	1,162,322,733.11	101,414,782.07	39,984,390.00	98,979,702.40	1,402,701,657.58	498,526,060.51	1,901,227,718.09		
9	Cross River	1,737,997,008.38	28,384,972.19	247,530,074.16	191,886,624.87	2,205,798,679.60	1,021,619,043.32	3,227,417,722.92		
10	Delta	13,150,741,612.69	129,416,695.79	206,738,635.48	1,577,186,821.00	15,064,083,764.96	2,423,200,569.83	17,487,284,334.79		
11	Ebonyi	1,076,900,164.42	7,435,068.22	71,975,225.00	246,626,130.77	1,402,936,588.41	231,159,223.05	1,634,095,811.46		
12	Edo	3,382,805,208.80	290,261,940.71	117,997,944.79	2,705,086,191.56	6,496,151,285.86	735,017,453.06	7,231,168,738.92		
13	Ekiti	1,235,680,240.67	72,960,395.00	30,225,600.00	126,131,336.15	1,464,997,571.82	137,489,007.59	1,602,486,579.41		
14	Enugu	2,432,369,009.00	39,700,544.00	145,445,119.00	364,511,621.00	2,982,026,293.00	2,932,815,838.00	5,914,842,131.00		
15	Gombe	734,550,453.64	3,745,554.00	31,835,450.00	120,431,568.93	890,563,026.57	156,926,575.76	1,047,489,602.33		
16	Imo	2,260,497,533.65	402,892,457.08	350,000,000.00	150,000,000.00	3,163,389,990.73	200,000,000.00	3,363,389,990.73		
17	Jigawa	1,169,604,938.67	108,524,400.00	76,769,666.56	1,092,698,111.04	2,447,597,116.27	603,365,817.14	3,050,962,933.41		
18	Kaduna	2,766,891,624.62	76,381,818.55	112,168,265.00	496,785,057.23	3,452,226,765.40	4,911,675,563.77	8,363,902,329.17		
19	Kano	4,086,703,719.00	118,695,587.06	157,839,858.74	1,918,071,163.38	6,281,310,681.18	1,184,183,197.51	7,465,493,878.69		
20	Katsina	1,514,836,632.00	26,517,229.00	28,203,315.00	100,851,377.00	1,670,408,553.00	99,352,085.00	1,769,760,638.00		
21	Kebbi	812,527,278.53	116,975,997.26	4,140,700.00	112,662,376.02	1,046,306,351.81	414,988,378.01	1,461,294,729.82		
22	Kogi	1,757,479,636.47	11,815,475.89	145,221,600.00	266,798,828.23	2,181,315,540.59	994,790,980.10	3,176,106,520.69		
23	Kwara	1,608,876,285.79	215,816,407.49	124,289,367.00	161,408,851.58	2,110,390,911.86	4,166,388,157.30	6,276,779,069.16		
24	Lagos	68,399,812,746.63	4,471,557,754.99	1,800,872,811.37	15,586,224,731.48	90,258,468,044.47	7,216,578,656.54	97,475,046,701.01		
25	Nassaraawa	1,228,728,033.36	12,052,078.00	46,110,791.70	61,826,498.41	1,348,717,401.47	365,987,532.16	1,714,704,933.63		
26	Niger	1,245,246,170.33	25,005,557.23	57,160,940.00	274,427,752.91	1,601,840,420.47	166,361,302.00	1,768,201,722.47		
27	Ogun	5,819,385,861.32	602,639,701.95	259,033,531.03	1,098,700,420.85	7,779,759,515.15	6,516,654,858.30	14,296,414,373.45		
28	Ondo	1,891,950,745.89	193,719,636.49	91,275,816.92	2,280,308,410.92	4,457,254,610.22	740,844,388.05	5,198,098,998.27		
29	Osun	1,527,990,069.70	215,679,695.43	63,425,575.00	61,941,506.51	1,869,036,846.64	2,886,248,172.85	4,755,285,019.49		
30	Oyo	3,821,362,679.94	190,722,881.71	228,100,306.67	959,523,614.99	5,199,709,483.31	1,423,493,826.30	6,623,203,309.61		
31	Plateau	1,872,911,294.20	10,813,964.40	107,605,425.00	632,777,936.99	2,624,108,620.59	676,776,369.43	3,300,884,990.02		
32	Rivers	27,511,285,307.57	4,140,454,726.30	1,285,681,625.00	5,018,487,275.03	37,955,908,933.90	1,305,166,899.55	39,261,075,833.45		
33	Sokoto	1,312,877,534.01	12,168,900.00	12,412,815.00	243,669,566.10	1,581,128,815.11	140,719,422.46	1,721,848,237.57		
34	Taraba	530,816,494.32	26,426,180.14	23,078,175.00	41,390,644.82	621,711,494.28	778,487,243.53	1,400,198,737.81		
35	Yobe	668,449,158.79	1,697,110.81	21,579,135.00	79,070,842.06	770,796,246.66	449,916,120.85	1,220,712,367.51		
36	Zamfara	1,078,419,905.53	261,176,734.75	369,862,000.00	342,362,660.00	2,051,821,300.28	314,765,264.31	2,366,586,564.59		
37	FCT	19,395,653,666.55	930,542,486.29	0.00	947,261,590.18	21,273,457,743.02	0.00	21,273,457,743.02		
Total		194,501,702,232.68	13,375,743,372.20	6,780,408,092.16	39,323,574,139.58	253,981,427,836.62	48,616,027,122.32	302,597,454,958.94		

2019 SECOND QUARTER IGR COLLECTION										
S/N	State	PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MDAs Revenue	Total Tax	MDAs Revenue	Total
1	Abia	2,345,001,427.91	128,984,532.68	78,379,394.51	400,199,818.48	2,952,565,173.58	900,049,138.61	2,952,565,173.58	900,049,138.61	3,852,614,312.19
2	Adamawa	2,599,894,982.63	13,745,550.00	29,172,850.00	118,996,082.07	2,761,809,887.54	640,348,987.54	2,761,809,887.54	640,348,987.54	3,402,158,452.24
3	Akwa Ibom	12,081,190,434.56	68,043,949.70	93,134,750.00	724,390,919.77	12,966,760,054.03	923,496,097.30	12,966,760,054.03	923,496,097.30	13,890,256,151.33
4	Anambra	1,345,558,035.61	197,852,515.13	136,638,333.00	788,594,963.35	2,468,643,867.09	1,689,635,347.09	2,468,643,867.09	1,689,635,347.09	4,158,279,214.18
5	Bauchi	5,420,619,482.59	6,729,081.11	42,187,203.00	101,533,244.12	5,571,069,010.82	51,146,663.51	5,571,069,010.82	51,146,663.51	5,622,215,674.33
6	Bayelsa	2,398,909,028.26	108,280,821.97	18,376,471.46	314,950,814.19	2,840,517,135.88	36,408,782.50	2,840,517,135.88	36,408,782.50	2,876,925,918.38
7	Benue	8,016,895,387.61	201,899,862.49	139,864,878.00	36,110,184.00	8,394,769,312.10	909,856,922.24	8,394,769,312.10	909,856,922.24	9,304,626,234.34
8	Borno	1,115,289,337.51	119,225,961.40	96,998,417.00	158,198,971.31	1,489,712,687.22	526,907,669.26	1,489,712,687.22	526,907,669.26	2,016,620,356.48
9	Cross River	1,787,068,935.19	29,284,544.27	227,951,510.02	10,454,156,408.09	12,498,461,397.57	1,005,546,373.28	12,498,461,397.57	1,005,546,373.28	13,504,007,770.85
10	Delta	14,926,492,257.83	110,492,179.14	196,704,931.51	2,155,302,242.66	17,388,991,611.14	1,514,413,975.95	17,388,991,611.14	1,514,413,975.95	18,903,405,587.09
11	Ebonyi	1,419,036,976.55	7,521,724.00	57,299,775.00	286,583,590.98	1,770,442,066.53	511,273,450.80	1,770,442,066.53	511,273,450.80	2,281,715,517.33
12	Edo	3,008,631,502.55	286,858,863.68	174,162,023.75	2,810,743,524.93	6,280,395,914.91	1,930,184,220.67	6,280,395,914.91	1,930,184,220.67	8,210,580,135.58
13	Ekiti	1,132,648,175.82	60,971,292.00	31,778,520.00	138,005,577.43	1,363,403,565.25	366,737,638.90	1,363,403,565.25	366,737,638.90	1,730,141,204.15
14	Enugu	1,913,705,074.00	72,587,371.00	216,203,246.00	423,054,372.00	2,623,550,063.00	2,158,657,590.00	2,623,550,063.00	2,158,657,590.00	4,784,207,653.00
15	Gombe	657,582,142.51	1,771,988.00	26,636,000.00	142,110,944.01	828,101,074.52	211,840,453.57	828,101,074.52	211,840,453.57	1,039,941,528.09
16	Ino	6,329,407,822.61	322,896,482.96	320,000,000.00	120,000,000.00	7,092,304,305.57	94,693,855.00	7,092,304,305.57	94,693,855.00	7,186,998,160.57
17	Jigawa	725,472,821.14	7,035,834.00	11,304,300.00	1,041,206,125.51	1,785,019,080.65	533,771,081.77	1,785,019,080.65	533,771,081.77	2,318,798,162.42
18	Kaduna	2,855,794,830.69	65,473,735.98	112,769,965.00	11,369,203,230.96	14,403,241,762.63	2,527,708,695.66	14,403,241,762.63	2,527,708,695.66	16,930,950,458.29
19	Kano	3,742,555,998.15	79,674,180.52	28,309,976.43	4,204,812,822.31	8,055,352,977.41	3,043,699,248.26	8,055,352,977.41	3,043,699,248.26	11,099,052,225.67
20	Katsina	2,744,194,120.00	79,875,566.00	31,905,482.00	82,800,688.00	2,938,775,856.00	98,534,587.00	2,938,775,856.00	98,534,587.00	3,037,310,443.00
21	Kebbi	2,844,023,145.47	184,176,138.13	38,090,143.00	90,913,572.23	3,157,202,998.83	137,003,613.44	3,157,202,998.83	137,003,613.44	3,294,206,612.27
22	Kogi	2,192,375,097.19	18,623,510.02	195,180,400.00	238,596,238.21	2,644,775,245.42	862,926,298.59	2,644,775,245.42	862,926,298.59	3,507,701,544.01
23	Kwara	6,827,582,431.06	308,893,517.01	122,091,164.28	54,953,609.86	7,313,520,722.21	2,500,073,751.56	7,313,520,722.21	2,500,073,751.56	9,813,594,473.77
24	Lagos	73,531,618,835.54	5,231,716,014.30	2,352,078,242.47	16,429,063,307.24	97,544,476,399.55	10,143,863,666.49	97,544,476,399.55	10,143,863,666.49	107,688,340,066.04
25	Nassarawa	3,002,924,904.86	11,768,258.65	42,809,368.00	19,964,710.05	3,077,467,241.56	50,140,946.99	3,077,467,241.56	50,140,946.99	3,127,608,188.55
26	Niger	1,363,475,216.37	34,384,134.64	54,487,990.00	5,810,059,582.88	7,262,406,923.89	96,141,647.53	7,262,406,923.89	96,141,647.53	7,358,548,571.42
27	Ogun	5,357,694,349.31	661,529,432.11	266,254,993.75	1,010,569,403.69	7,296,048,178.86	7,991,016,886.53	7,296,048,178.86	7,991,016,886.53	15,287,065,065.39
28	Ondo	10,820,881,340.70	144,334,804.42	21,945,081.00	1,876,895,937.19	13,060,057,163.31	743,407,485.16	13,060,057,163.31	743,407,485.16	13,803,464,648.47
29	Osun	3,536,055,652.40	280,636,324.21	60,823,897.00	26,636,566.56	3,904,152,440.17	1,763,783,355.19	3,904,152,440.17	1,763,783,355.19	5,667,935,795.36
30	Oyo	4,163,399,980.34	151,418,132.01	238,910,195.83	1,056,934,661.33	5,610,662,969.51	1,826,819,699.03	5,610,662,969.51	1,826,819,699.03	7,437,482,668.54
31	Plateau	3,738,055,511.47	16,715,452.77	108,851,275.00	1,547,142,349.68	5,410,763,588.92	702,304,692.57	5,410,763,588.92	702,304,692.57	6,113,067,281.49
32	Rivers	22,682,729,159.77	2,332,797,874.21	1,684,196,550.00	7,748,545,124.19	34,448,268,708.17	2,265,192,154.37	34,448,268,708.17	2,265,192,154.37	36,713,460,862.54
33	Sokoto	1,297,667,149.54	13,671,600.00	11,689,423.00	8,886,425,960.15	10,209,454,132.69	145,723,376.42	10,209,454,132.69	145,723,376.42	10,355,177,509.11
34	Taraba	1,244,217,875.24	37,071,930.74	21,620,975.00	7,738,490.22	1,310,649,271.20	561,369,530.85	1,310,649,271.20	561,369,530.85	1,872,018,802.05
35	Yobe	528,254,119.20	1,631,406.00	16,299,900.00	97,215,246.30	643,400,671.50	342,194,252.26	643,400,671.50	342,194,252.26	985,594,923.76
36	Zamfara	3,457,600,168.97	338,715,019.24	354,966,000.00	451,888,209.50	4,603,169,397.71	240,306,291.93	4,603,169,397.71	240,306,291.93	4,843,475,689.64
37	FCT	14,646,868,911.52	857,491,223.75	0.00	1,793,077,071.98	17,297,437,207.25	0.00	17,297,437,207.25	0.00	17,297,437,207.25
Total		237,801,370,642.67	12,594,779,808.24	7,856,073,625.01	83,017,574,565.43	341,269,798,641.35	50,047,178,427.82	341,269,798,641.35	50,047,178,427.82	391,316,977,069.17

2019 THIRD QUARTER IGR COLLECTION										
S/N	State	PAYE	Direct Assessment	Road Taxes	Other Taxes	Total Tax	MSDs Revenue	Total		
1	Abia	1,038,978,793.33	158,476,671.43	160,341,626.65	580,887,632.70	1,938,684,724.11	757,124,570.39	2,695,809,294.50		
2	Adamawa	976,560,230.82	58,722,421.94	30,903,850.00	217,902,162.34	1,284,088,665.10	517,822,259.92	1,801,910,925.02		
3	Akwa Ibom	3,418,354,546.00	97,539,502.00	93,859,405.00	886,190,214.00	4,495,943,667.00	1,654,609,843.00	6,150,553,510.00		
4	Anambra	6,059,894,036.03	173,425,125.83	176,158,015.00	598,332,477.65	7,007,809,654.51	1,163,283,102.64	8,171,092,757.15		
5	Bauchi	1,600,752,229.06	5,215,051.32	35,397,950.03	64,570,757.36	1,705,935,987.77	42,321,266.71	1,748,257,254.48		
6	Bayelsa	2,243,347,904.06	70,818,024.59	12,373,180.81	131,359,372.29	2,457,898,481.75	36,985,521.64	2,494,884,003.39		
7	Benue	1,359,344,218.50	162,337,345.96	216,932,446.00	102,733,370.70	1,841,347,381.16	958,237,799.01	2,799,585,180.17		
8	Borno	900,484,398.99	156,107,027.41	98,278,117.00	378,116,430.35	1,532,985,973.75	590,256,865.25	2,123,242,839.00		
9	Cross River	1,313,473,573.53	20,261,976.63	178,996,188.45	744,245,114.10	2,256,976,852.71	627,378,702.62	2,884,355,555.33		
10	Delta	9,452,496,088.16	75,564,555.91	177,454,357.66	2,154,023,239.46	11,859,538,241.19	1,259,805,788.01	13,119,344,029.20		
11	Ebonyi	1,070,678,656.32	15,724,265.50	60,493,770.00	413,330,955.74	1,560,227,647.56	164,312,741.16	1,724,540,388.72		
12	Edo	3,131,907,685.01	201,922,472.63	203,024,930.48	980,421,695.68	4,517,276,784.10	2,305,913,904.42	6,823,190,688.52		
13	Ekiti	816,183,597.37	68,538,923.00	33,987,774.95	2,093,829,762.75	3,012,540,057.77	238,373,509.20	3,250,913,566.97		
14	Enugu	2,082,253,568.00	25,607,383.00	228,382,610.00	417,023,186.00	2,753,268,747.00	1,431,402,776.00	4,184,671,523.00		
15	Gombe	795,582,542.96	1,018,839.42	22,782,875.00	1,273,323,835.39	2,092,708,092.77	60,109,483.27	2,152,811,576.04		
16	Imo	1,613,423,398.80	302,836,486.00	80,755,831.56	270,328,322.10	2,267,344,038.46	289,213,783.92	2,556,557,822.38		
17	Jigawa	1,406,979,784.11	300,440,377.81	132,884,980.90	1,307,957,236.70	3,148,262,379.52	540,625,083.80	3,688,887,463.32		
18	Kaduna	2,930,453,546.63	26,131,319.37	128,944,895.00	521,653,232.17	3,607,184,993.17	2,676,963,249.24	6,284,148,242.41		
19	Kano	3,424,448,578.61	59,857,047.27	138,818,424.29	536,802,631.24	4,159,926,681.41	3,080,858,638.67	7,240,785,320.08		
20	Katsina	1,556,423,705.00	45,729,815.00	27,492,622.00	75,374,520.00	1,705,020,662.00	97,455,745.00	1,802,476,407.00		
21	Kebbi	793,821,573.14	111,296,795.38	4,500,000.00	70,253,381.52	979,871,750.04	224,949,073.18	1,204,820,823.22		
22	Kwara	1,538,875,877.08	269,076,302.00	123,984,964.29	57,065,335.14	1,989,002,478.51	5,921,421,120.60	5,899,029,785.47		
23	Lagos	60,351,831,907.64	1,417,735,200.97	3,016,110,202.08	16,294,929,287.49	82,847,403,073.89	9,085,614,655.29	91,933,017,729.18		
24	Nassarawa	1,417,735,200.97	12,949,425.65	52,439,527.30	63,807,814.36	1,546,931,968.28	1,459,932,263.78	3,006,864,232.06		
25	Niger	1,126,360,185.04	47,977,760.05	75,941,341.00	769,888,412.69	2,020,167,698.78	119,875,549.59	2,140,043,248.37		
26	Ogun	6,183,290,335.57	750,047,222.01	237,107,137.80	10,459,700,805.47	17,630,145,500.85	5,656,348,797.73	23,286,494,298.58		
27	Ondo	2,430,525,487.65	106,273,111.48	232,435,825.93	1,593,710,196.40	4,362,944,621.46	1,171,772,395.33	5,534,717,016.79		
28	Osun	1,289,597,693.90	192,501,528.72	38,721,829.24	84,968,027.80	1,605,789,079.66	2,124,942,690.78	3,730,731,770.44		
29	Oyo	3,865,623,087.63	144,347,147.15	243,713,725.85	610,935,368.26	4,864,619,528.89	1,079,049,014.13	5,943,668,543.02		
30	Plateau	1,752,866,757.65	13,400,613.87	117,335,050.00	753,121,772.84	2,636,724,187.46	733,577,992.93	3,370,302,180.39		
31	Rivers	22,534,835,319.65	741,988,044.35	1,100,367,075.00	5,560,229,876.06	29,737,420,315.06	1,314,112,563.21	31,051,532,678.27		
32	Sokoto	1,389,668,594.51	11,537,600.00	24,711,557.00	339,786,597.32	1,765,704,348.83	513,150,437.97	2,278,854,786.80		
33	Taraba	608,967,058.20	50,802,622.06	28,730,000.00	13,212,292.20	701,711,972.46	748,276,538.39	1,449,988,510.85		
34	Yobe	738,606,243.03	1,285,871.05	17,427,375.00	146,313,880.15	903,633,369.23	233,341,832.36	1,136,975,201.59		
35	Zamfara	1,205,792,506.98	535,150,534.17	717,200,000.00	512,848,695.70	2,970,991,736.85	411,905,947.02	3,382,897,683.87		
36	FCT	14,992,874,352.10	729,761,114.59	0.00	1,429,336,427.19	17,151,971,893.88	0.00	17,151,971,893.88		
	Total	174,128,241,299.64	8,952,023,127.10	8,371,670,761.27	52,881,948,838.02	244,333,884,026.03	49,776,474,302.54	294,110,358,328.57		

2018 Q1-Q4 IGR COLLECTION*						
States/FCT	Q1	Q2	Q3	Q4	2018 Full Year	
Abia	3,381,405,773.46	3,595,598,485.61	3,030,430,890.30	4,827,469,298.12	14,834,904,447.49	Abia
Adamawa	1,399,656,160.16	1,776,834,470.06	1,375,273,320.45	1,653,112,714.95	6,204,876,665.62	Adamawa
Akwa Ibom	6,855,267,611.13	4,977,247,121.06	6,705,753,013.33	5,672,542,357.20	24,210,810,102.72	Akwa Ibom
Anambra	3,645,115,621.49	3,422,277,924.47	4,100,593,261.98	8,137,280,839.00	19,305,267,646.94	Anambra
Bauchi	2,050,106,131.84	2,556,334,669.28	2,436,811,723.03	2,647,579,693.43	9,690,832,177.58	Bauchi
Bayelsa	4,083,007,547.77	2,791,232,271.86	3,198,838,226.76	3,563,467,690.39	13,636,545,716.78	Bayelsa
Benue	2,737,672,598.74	3,326,033,449.05	2,324,630,945.47	2,827,145,731.90	11,215,482,725.16	Benue
Borno	1,499,060,122.50	1,561,598,789.73	1,570,198,517.00	1,893,443,474.83	6,524,300,904.06	Borno
Cross River	3,763,830,682.53	5,993,972,546.50	3,218,254,451.35	4,576,055,256.71	17,552,112,937.09	Cross River
Delta	16,343,107,878.09	13,454,284,995.72	13,147,112,578.30	15,495,093,220.20	58,439,598,672.31	Delta
Ebonyi	1,541,367,369.29	1,504,987,769.20	1,320,081,796.37	1,778,150,130.79	6,144,587,065.65	Ebonyi
Edo	7,362,135,105.33	6,446,548,343.95	7,065,291,160.20	7,551,522,232.75	28,425,496,842.23	Edo
Ekiti	1,501,600,288.90	1,243,343,208.97	1,226,709,405.75	2,493,721,347.03	6,465,374,250.65	Ekiti
Enugu	8,728,877,176.00	3,569,520,979.00	4,145,288,837.00	5,702,250,224.00	22,145,937,216.00	Enugu
Gombe	1,103,922,873.08	1,290,819,099.33	1,263,807,376.28	3,685,000,272.84	7,343,549,621.53	Gombe
Imo	3,592,852,650.20	3,419,328,542.07	4,475,133,205.45	3,396,957,412.59	14,884,271,810.31	Imo
Jigawa	2,146,456,700.57	2,655,293,886.58	2,347,712,138.63	2,096,788,110.25	9,246,250,836.03	Jigawa
Kaduna	8,839,906,826.29	7,164,587,629.09	5,994,244,850.56	7,447,647,618.80	29,446,386,924.74	Kaduna
Kano	9,292,824,304.63	9,261,711,800.26	7,090,379,424.19	18,462,459,755.17	44,107,375,284.25	Kano
Katsina	1,789,685,111.00	1,697,153,343.00	1,612,747,634.00	1,862,284,241.00	6,961,870,329.00	Katsina
Kebbi	1,017,839,463.35	1,016,412,663.69	1,142,753,947.59	1,704,954,931.15	4,881,961,005.78	Kebbi
Kogi	2,528,461,175.41	2,919,134,200.71	2,530,079,917.46	3,356,438,449.97	11,334,113,743.55	Kogi
Kwara	6,389,122,276.67	3,654,056,177.04	5,969,556,705.15	7,034,209,136.73	23,046,944,295.60	Kwara
Lagos	96,236,288,416.78	100,158,876,856.91	87,063,625,667.81	98,722,757,685.63	382,181,548,627.13	Lagos
Nassarawa	2,439,646,825.99	1,366,814,370.59	1,591,041,429.22	2,169,418,031.11	7,566,920,656.91	Nasarawa
Niger	2,288,238,354.26	2,572,387,120.05	1,656,022,919.64	3,915,542,562.68	10,432,190,956.63	Niger
Ogun	21,340,297,222.14	21,178,967,207.23	20,577,479,637.32	21,457,455,526.98	84,554,199,593.67	Ogun
Ondo	3,609,802,072.11	5,807,617,736.66	5,044,484,827.83	10,326,155,088.93	24,788,059,725.53	Ondo
Osun	2,118,883,555.68	2,655,049,761.21	2,738,102,673.38	2,869,627,687.71	10,381,663,677.98	Osun
Oyo	5,405,584,026.96	6,974,296,229.10	5,882,490,179.75	6,372,703,638.68	24,635,074,074.49	Oyo
Plateau	3,098,544,664.05	3,171,114,653.27	3,260,734,080.98	3,196,086,150.11	12,726,479,548.41	Plateau
Rivers	37,476,154,780.33	23,430,626,831.97	22,881,421,444.74	28,992,160,856.19	112,780,373,912.23	Rivers
Sokoto	2,178,862,395.60	3,471,332,012.60	7,758,924,708.94	5,352,889,902.91	18,762,009,020.05	Sokoto
Taraba	1,199,006,773.57	1,414,242,067.81	1,517,681,391.48	1,837,879,350.25	5,968,809,583.11	Taraba
Yobe	832,216,819.29	788,458,715.08	1,264,409,501.02	1,497,174,420.66	4,382,259,456.05	Yobe
Zamfara	20,081,794,991.21	15,156,199,846.47	14,023,986,062.58	16,257,682,885.27	8,206,695,592.14	Zamfara
FCT	281,131,577,735.52	263,630,518,989.77	250,323,661,833.19	308,329,377,086.91	1,103,415,135,645.40	FCT
TOTAL	301,213,372,726.73	278,786,718,836.24	264,347,647,835.77	324,587,059,901.47	1,168,934,799,300.22	

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Analysis of Q1 2020 FAAC Disbursements and Impact of COVID19 on Revenues for Rest of 2020

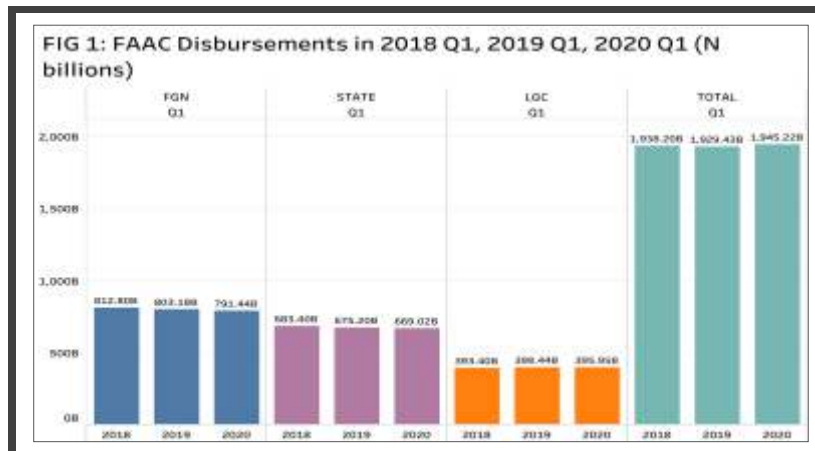
This review presents an analysis of disbursements from the Federation Accounts Allocation Committee (FAAC) to the three tiers of government in the first quarter of 2020. This has come in the midst of the Covid-19 pandemic which has had devastating consequences for the global economy.

The analysis conducted in this review makes use of data from the National Bureau of Statistics (NBS) and NEITI's data generated from attendance at FAAC meetings¹.

This review contains an additional special section on projections for government revenue arising from the Covid-19 pandemic. The Covid-19 pandemic has particularly hit oil producing countries hard, owing to the effects of global lockdowns which have drastically reduced demand for crude oil. This special section will analyse possible implications of this pandemic on government revenues, and consequently, future FAAC disbursements.

Total FAAC Disbursements in Q1 2020 were 0.82% Higher than Disbursements in Q1 2019 and 0.36% Higher than Disbursements in Q1 2018²

Total FAAC disbursements in the first quarter of 2020 were N1.945 trillion. This was 0.82% higher than the N1.929 trillion disbursed in the first quarter of 2019; and 0.36% higher than the N1.938 trillion disbursed in the first quarter of 2018. Figure 1 presents total FAAC disbursements to the three tiers of government in the first quarters of 2018, 2019 and 2020. The figure reveals small differences



Sources: National Bureau of Statistics, Fiscal Disbursements Division @ NEITI

¹This review focuses on months of disbursement rather than months of allocation. The FAAC allocations for any specific month are disbursed in the immediate succeeding month. However, since the allocations are not actually available for spending until they are disbursed in the next month, it is more important to analyse disbursement of funds. It is these disbursed funds that are available to the different tiers of government for expenditure in any month, rather than allocations for that month.

²Total FAAC allocations comprise gross disbursements to FGN, States, LGCs, 13% Derivation, Cost of Collection -NCS, Cost of Collection - FIRS, Cost of Collection - DPR, Refund - NCS, Refund - FIRS, Transfer to NEDC, Transfer to Excess Non-Oil Revenue.

HIGHLIGHTS



Total FAAC disbursements in the first quarter of 2020 were N1.945 trillion; comprising N791.44 billion to the Federal Government, N669.02 billion to state governments, and N395.95 billion to local governments;



The total FAAC Disbursements in Q1 2020 is the highest first quarterly disbursement since total disbursements of N2.030 trillion in Q1 2014;



Total net FAAC disbursements to states in Q1 2020 ranged between N6.44 billion in Osun State and N52.03 billion in Delta State;

N50.67 billion

Delta State's net FAAC disbursements were higher than the combined total net disbursements of N50.67 billion of the six lowest receiving states: Osun, Cross River, Plateau, Ogun, Ekiti, Gombe;



Combined net FAAC disbursement to the four highest receiving states higher than the combined net disbursements for the 17 states with lowest disbursements;



Falling oil demand and prices projected to result in considerably lower remittances into the Federation Account, thereby leading to lower FAAC disbursements in forthcoming months;



Negative effects also projected on other sources of government revenue, such as taxes and customs duties.



All tiers of government are projected to struggle with revenues, which combined with reduced economic activities from lockdown likely to negatively impact productivity

in the disbursements received by the three tiers of government over these periods. For the Federal Government (FG), disbursements in Q1 2020 were lower than disbursements in Q1 2019 and Q1 2018. Total disbursements to FG were N791.44 billion in Q1 2020. This was 1.46% lower than the N803.18 billion disbursed in Q1 2019, and 2.63% lower than the N812.8 billion disbursed in Q1 2018. For states, total disbursements in Q1 2020 were N669.02 billion. This was 0.91% lower than the N675.2 billion disbursed in Q1 2019, and 2.1% lower than N683.4 billion disbursed in Q1 2018. Total disbursements to local governments in the first quarter of 2020 were N395.95 billion. This was 0.62% lower than the N398.44 billion disbursed in Q1 2019 but 0.65% higher than the N393.4 billion disbursed in Q1 2018.

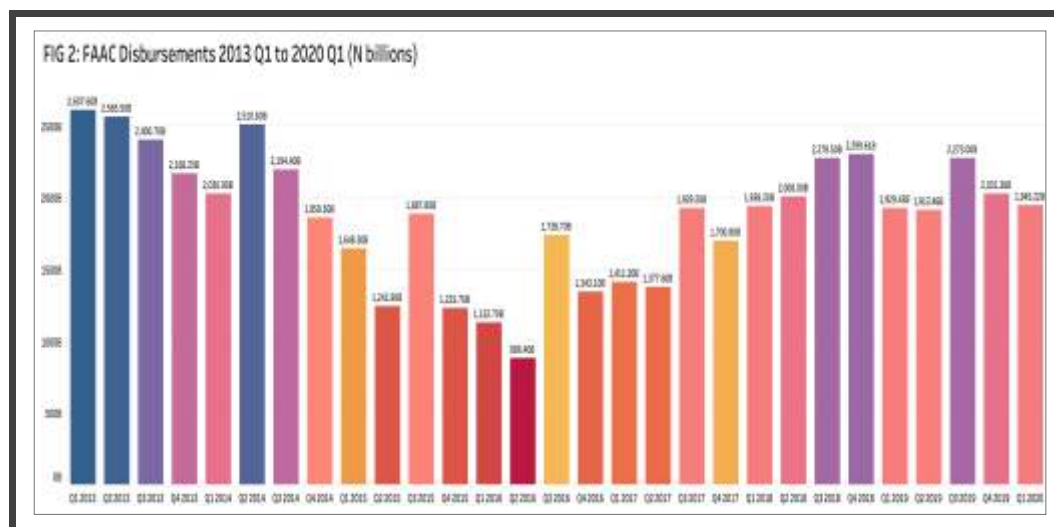
It is evident from Figure 1 that while total disbursements in Q1 2020 were slightly higher than Q1 2019 and Q1 2018, disbursements to the three tiers of government in Q1 2020 were slightly lower than Q1 2019 and Q1 2018. This is due to transfers to other accounts in Q1 2020 which were not done in either Q1 2019 or Q1 2018. These include allocations to the North East Development Commission and transfer to excess.



"With the exception of 2018, the general trend since 2015 has been that total disbursements fall in the second quarter, before rising in the third quarter. With the Covid-19 pandemic, it is almost certain that total disbursements will fall in the second quarter of 2020"

The Total FAAC Disbursements in Q1 2020 were the Highest for a First Quarter since Q1 2014

Figure 2 presents quarterly total FAAC disbursements from Q1 2013. The figure reveals that the N1.945 trillion disbursed in Q1 2020 is the highest first quarterly disbursement following total disbursements of N2.030 trillion in Q1 2014. Total disbursements were N1.648 trillion in Q1 2015, N1.132 trillion in Q1 2016, N1.411 trillion in Q1 2017, N1.938 trillion in Q1 2018, and N1.929 trillion in Q1 2019. With the exception of 2018, the general trend since 2015 has been that total disbursements fall in the second quarter, before rising in the third quarter. With the Covid-19 pandemic, it is almost certain that total disbursements will fall in the second quarter of 2020.



Sources: National Bureau of Statistics, Fiscal Disbursements Division @ NEITI

³ FAAC disbursements consist of two primary pools: the Federation Account Pool and the VAT Pool. Funds in the Federation Account Pool are shared as follows: FG (52.58%), States (26.72%), LG (20.60%). Funds in the VAT Pool are shared as follows: FG (15%), States (50%), LG (35%). Thus, while the FG receives the bulk form the Federation Account Pool, it receives the lowest form the VAT Pool. This explains why the total disbursements received by FG is below 52%.

Total Net FAAC Disbursements to States in Q1 2020 Ranged between N6.44 billion and N52.03 billion

Figure 3 presents total net FAAC disbursements and deductions for states in the first quarter of 2020. Osun State had the lowest net FAAC disbursement of N6.44 billion while Delta State had the highest net FAAC disbursement of N52.03 billion. This implies that Delta State's total net FAAC disbursements were eight times those of Osun State. Also, Delta State's net FAAC disbursements were higher than the combined total net disbursements of N50.67 billion of the six lowest receiving states (Osun, Cross River, Plateau, Ogun, Ekiti, Gombe).

Figure 3 shows that the four states with the highest net FAAC disbursements were all in the South-South geopolitical zone: Delta, Akwa Ibom, Rivers and Bayelsa. The combined total net FAAC disbursement of these four states was N167.76 billion. This figure is higher than the combined total of N159.99 billion received by the 17 lowest receiving states (Osun, Cross River, Plateau, Ogun, Ekiti, Gombe, Zamfara, Kwara, Nassarawa, Ebonyi, Taraba, Benue, Adamawa, Bauchi, Abia, and Kogi).

Figure 3 shows that most states (31 states) received less than N20 billion as total net FAAC disbursements in the first quarter of 2020. Eight states received less than N10 billion: Osun (N6.44 billion), Cross River (N8.01 billion), Plateau (N8.53 billion), Ogun (N8.76 billion), Ekiti (N9.45 billion), Gombe (N9.48 billion), Zamfara (N9.78 billion), Kwara (N9.95 billion).

23 states received between N10 billion and N20 billion: Nassarawa (N10.28 billion), Ebonyi (N10.49 billion), Taraba (N10.70 billion), Benue (N11.21 billion), Adamawa (N11.40 billion), Bauchi (N11.80 billion), Abia (N11.81 billion), Kogi (N11.90 billion), Ondo (N11.91 billion), Yobe (N12.00 billion), Enugu (N12.09 billion), Kebbi (N12.22 billion), Anambra (N12.33 billion), Oyo (N12.59 billion), Sokoto (N12.90 billion), Niger (N13.30 billion), Imo (N13.35 billion), Jigawa (N13.47 billion), Borno (N14.38 billion), Katsina (N14.47 billion), Edo (N14.91 billion), Kaduna (N15.81 billion), and Kano (19.38 billion).

Five states received more than N20 billion: Lagos (N26.23 billion), Bayelsa (N35.14 billion), Rivers (N39.99 billion), Akwa Ibom (N40.61 billion), and Delta (N52.03 billion).

Figure 3 also presents total deductions for the states in the first quarter of 2020. Lagos State had the largest deductions of N14.92 billion, while Yobe State had the lowest deductions of N820.18 million. There is wide disparity in the amounts deducted for the states. 15 states had total deductions in the first quarter less than N2 billion: Yobe (N820.18 million), Jigawa (N1.04 billion), Anambra (N1.10 billion), Enugu (N1.31 billion), Ebonyi (N1.39 billion), Sokoto (N1.40 billion), Kebbi (N1.48 billion), Borno (N1.51 billion), Katsina (N1.53 billion), Nassarawa (N1.62 billion), Adamawa (N1.72 billion), Taraba (N1.82 billion), Kwara (N1.83 billion), Kaduna (N1.91 billion) and Niger (N1.97 billion).

Total deductions were between N2 billion and N3 billion in seven states: Kano (N2.12 billion), Kogi (N2.29 billion), Abia (N2.34 billion), Edo (N2.35 billion), Ekiti (N2.35 billion), Rivers (N2.76 billion) and Gombe (N2.90 billion). 10 states had total deductions ranging between N3 billion and N5 billion: Imo (3.19 billion), Zamfara (N3.28 billion), Benue (N3.46 billion), Oyo (N3.70 billion), Bauchi (N3.75 billion), Akwa Ibom (N3.84 billion), Ogun (N4.17 billion), Delta (N4.24 billion), Bayelsa (N4.55 billion) and Ondo (N4.59 billion). Finally, total deductions were higher than N5 billion in four states: Cross River (N5.06 billion), Plateau (N5.18 billion), Osun (N5.87 billion) and Lagos (N14.92 billion).

Figure 4 presents the monthly net FAAC disbursements for the first quarter of 2020. The four states with the highest net disbursements (Delta, Akwa Ibom, Rivers, Bayelsa) all received more than N10 billion in each month. Lagos State had net disbursements higher than N10 billion only in January, but disbursements in February and March were N8.06 billion and N8.09 billion respectively.

Net FAAC disbursements to most states were below N5 billion per month. Monthly net FAAC disbursements were less than N5 billion in all three months in 25 states: Abia, Adamawa, Anambra, Bauchi, Benue, Cross River, Ebonyi, Ekiti, Enugu, Gombe, Imo, Kebbi, Kogi, Kwara, Nassarawa, Niger, Ogun, Ondo, Osun, Oyo, Plateau, Sokoto, Taraba, Yobe, Zamfara. For three states – Borno, Jigawa and Katsina – monthly net disbursements were higher than N5 billion in January, and fell below N5 billion in subsequent months. In two states – Edo and Kaduna - monthly net disbursements



N20 billion

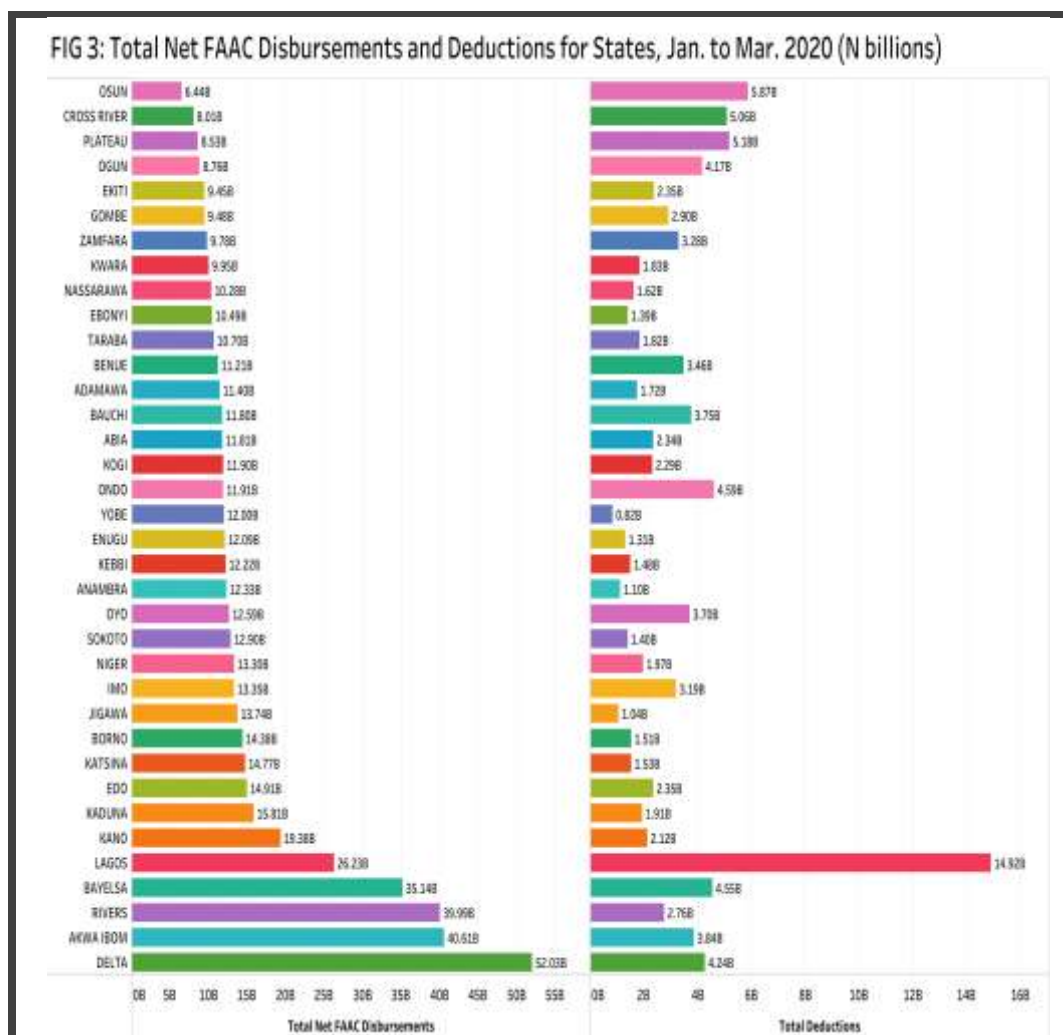
"Figure 3 shows that most states (31 states) received less than N20 billion as total net FAAC disbursements in the first quarter of 2020."

were higher than N5 billion in January and February, while they were less than N5 billion in March.

Table 1 presents total deductions expressed as a percentage of total gross disbursements for states in the first quarter of 2020. Wide disparities exist in this percentage between states. The table shows that total deductions as a percentage of gross disbursements ranged between 6.40% in Yobe State to 47.66% in Osun State. For most states (25), these percentages were less than 20%. The percentage of total deductions to gross disbursements was lower than 10% in 11 states: Yobe, Rivers, Jigawa, Delta, Anambra, Akwa Ibom, Katsina, Borno, Enugu, Sokoto and Kano. This percentage was between 10% and 20% in 14 states: Kaduna, Kebbi, Bayelsa, Ebonyi, Niger, Adamawa, Nassarawa, Edo, Taraba, Kwara, Kogi, Abia, Imo, and Ekiti. Six states had the percentage of deductions to gross disbursements between 20% and 30%: Oyo, Gombe, Benue, Bauchi, Zamfara, and Ondo. This percentage was between 30% and 40% in four states: Ogun, Lagos, Plateau and Cross River. Osun State was the only state with this percentage higher than 40%. For these states with higher percentages of deductions, their net disbursements from FAAC are lower, thereby impairing the resources available to them to undertake critical expenditure.

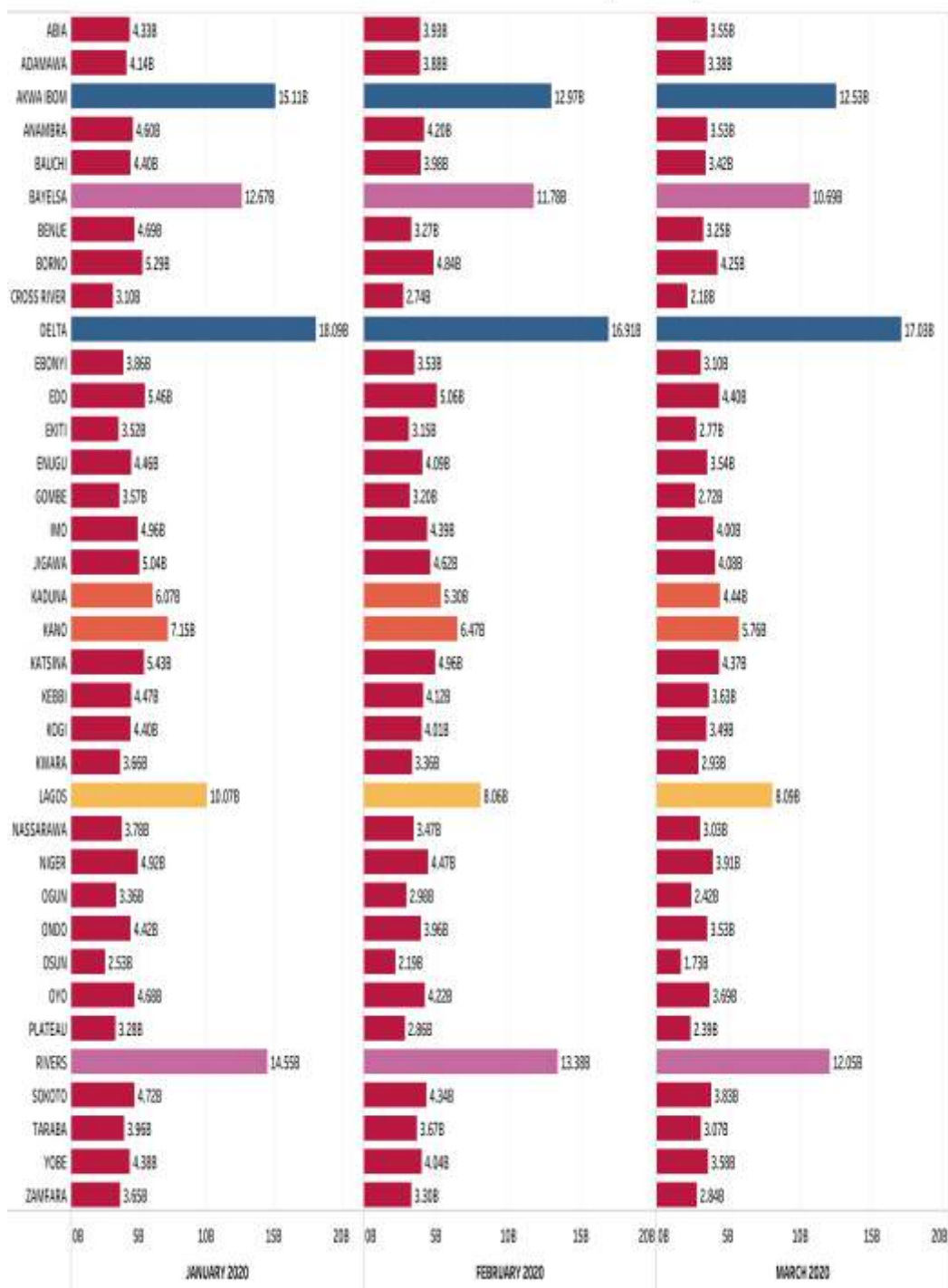


"The states with higher deductions naturally have lower net disbursements, which in turn constricts the resources available for them to fund their activities."



Sources: National Bureau of Statistics, Fiscal Disbursements Division © NETT

FIG 4: Total Net FAAC Disbursements to States, Jan. to Mar. 2020 (N billions)



Sources: National Bureau of Statistics, Fiscal Disbursements Division @ NEITI

Table 1: Total Gross and Net Disbursements, Total Deductions and Total Deductions as a Percentage of Total Gross Disbursements in Q1 2020

States	Total Gross Disbursements in Q1 2020 (N billion)	Total Net Disbursements in Q1 2020 (N billion)	Total Deductions in Q1 2020 (N billions)	Total Deductions as a Percentage of Total Gross Disbursements in Q1 2020 (%)
Abia	14.15	11.81	2.34	16.53
Adamawa	13.12	11.40	1.72	13.10
Akwa Ibom	44.45	40.61	3.84	8.64
Anambra	13.43	12.33	1.10	8.17
Bauchi	15.55	11.80	3.75	24.14
Bayelsa	39.69	35.14	4.55	11.46
Benue	14.66	11.21	3.46	23.57
Borno	15.90	14.38	1.51	9.52
Cross River	13.07	8.01	5.06	38.70
Delta	56.27	52.03	4.24	7.54
Ebonyi	11.88	10.49	1.39	11.71
Edo	17.26	14.91	2.35	13.60
Ekiti	11.80	9.45	2.35	19.93
Enugu	13.39	12.09	1.31	9.75
Gombe	12.38	9.48	2.90	23.43
Imo	16.54	13.35	3.19	19.26
Jigawa	14.77	13.74	1.04	7.02
Kaduna	17.72	15.81	1.91	10.77
Kano	21.50	19.38	2.12	9.86
Katsina	16.30	14.77	1.53	9.37
Kebbi	13.70	12.22	1.48	10.78
Kogi	14.19	11.90	2.29	16.14
Kwara	11.79	9.95	1.83	15.57
Lagos	41.15	26.23	14.92	36.26
Nassarawa	11.89	10.28	1.62	13.58
Niger	15.27	13.30	1.97	12.90
Ogun	12.93	8.76	4.17	32.28
Ondo	16.50	11.91	4.59	27.82
Osun	12.31	6.44	5.87	47.66
Oyo	16.29	12.59	3.70	22.73
Plateau	13.71	8.53	5.18	37.80
Rivers	42.74	39.99	2.76	6.45
Sokoto	14.30	12.90	1.40	9.81
Taraba	12.52	10.70	1.82	14.53
Yobe	12.82	12.00	0.82	6.40
Zamfara	13.07	9.78	3.28	25.12

Sources: National Bureau of Statistics, Fiscal Disbursements Division @ NEITI

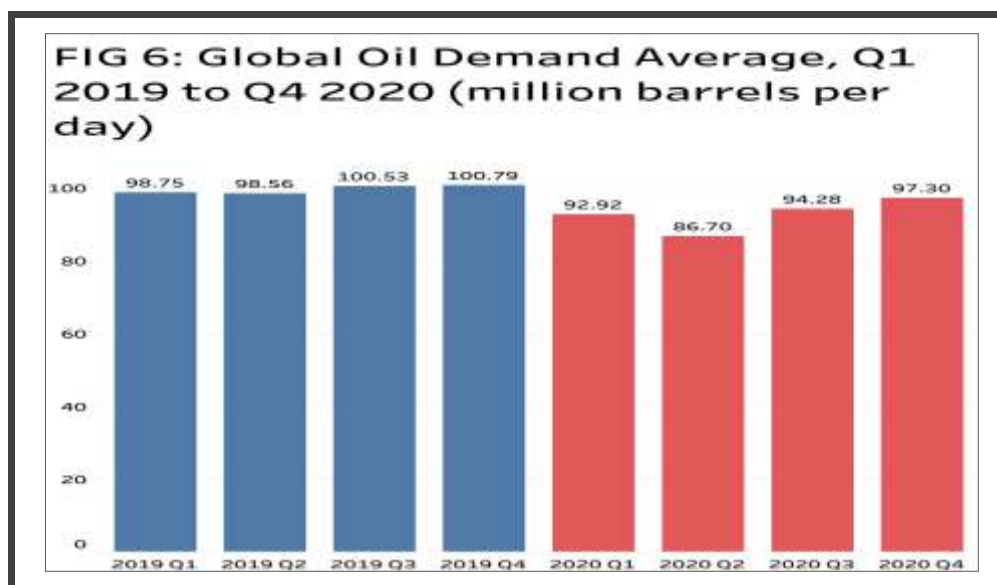
Projected impact of CoViD-19 Pandemic on Subsequent FAAC Disbursements

The coronavirus disease (COVID-19) was declared by the World Health Organisation (WHO) as a pandemic on March 11, 2020. Covid-19, a new respiratory disease that is highly contagious, has resulted in high casualties globally in a short space of time.

COVID-19 has distorted global health and economic systems due to the large number of infections and deaths. The high death rates led to many countries declaring lockdowns of either major epicentres of the disease or country-wide lockdowns. Such lockdowns have had devastating effects on the global oil market. Global oil demand has fallen as a result of lower activities in transportation and industrial sectors. This was first noticed in oil demand from China which was the first country to declare a lockdown. As more countries have instituted lockdowns, oil demand has continued to fall.

This is evident from Figure 6 which shows daily oil demand. In the whole of 2019, average oil demand was 99.67 million barrels per day (mb/d). The figure shows that oil demand was lowest in the second quarter of 2019 with 98.56 mb/d, while it was highest in the fourth quarter with 100.79 mb/d. The figure shows that oil demand is projected to fall considerably in 2020 compared to the 2019 figures. Projected global oil demand is 92.82 mb/d in 2020. Oil demand is projected to be lowest in the second quarter with 86.70 mb/d, while it is projected to be highest in the fourth quarter with 97.30 mb/d. Interestingly, the highest demand figure in 2020 will be lower than the lowest demand figure in 2019. Oil demand in Q1 2020 is 5.90% lower than in Q1 2019. Also, oil demand in Q2 2020 is projected to be 12.03% below demand in Q2 2019. Oil demand in Q3 2020 and Q4 2020 are projected to be 6.22% and 3.46% lower than demand in the respective quarters of 2019.

A key consequence of the reduction in oil demand has been the crash in oil prices. Figure 7 presents oil prices between January 2, 2020 and April 27, 2020. Oil prices were \$67.05 per barrel on January 2, 2020. They reached \$70.25 per barrel on January 4, but then started falling. Despite falling, oil prices remained above \$50 per barrel until March 9 when they crashed to \$35.33 per barrel. Oil prices were as low as \$9.12 per barrel on April 21.

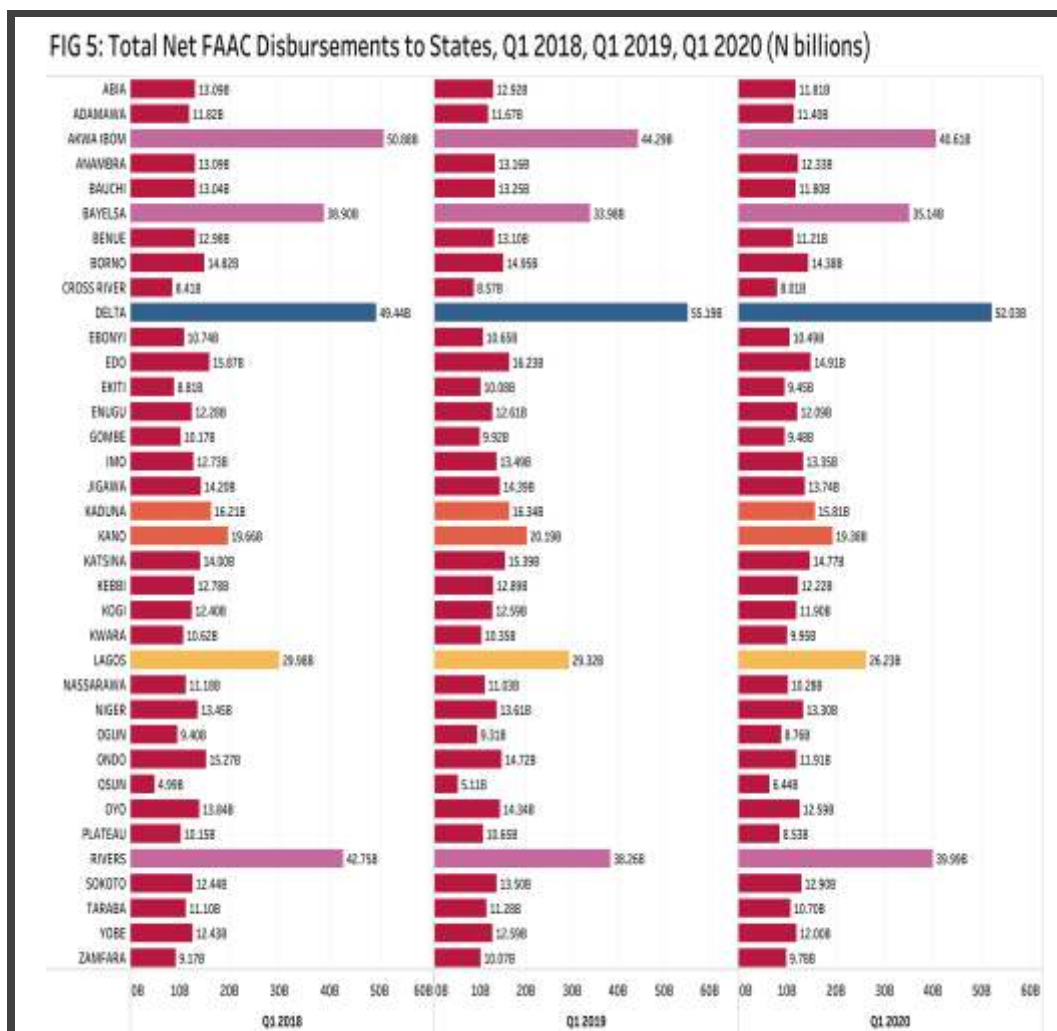


Source: OPEC Monthly Oil Market Report, April 2020

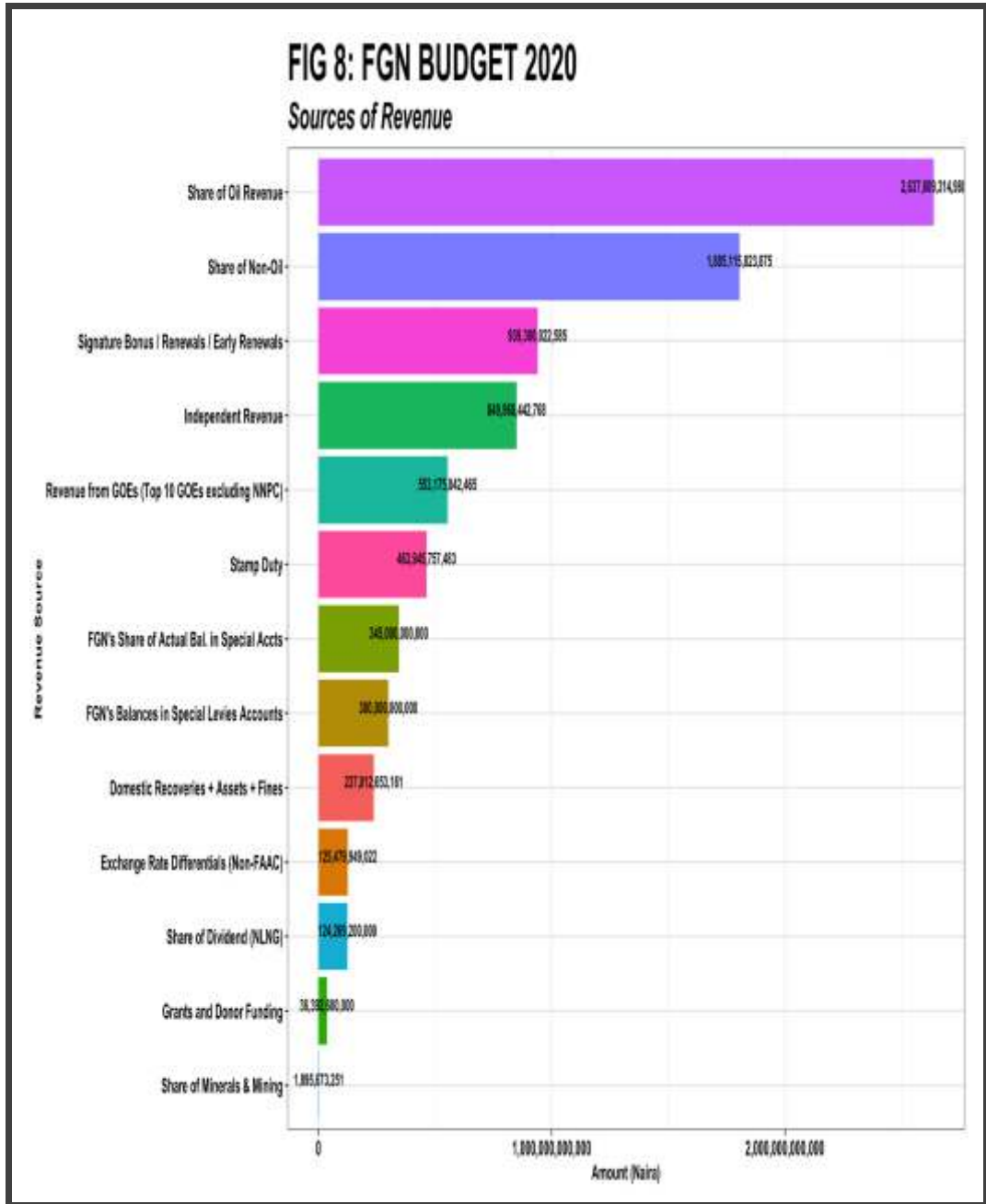
Total Net FAAC Disbursements were Lowest in Q1 2020 in 27 States, when Compared to Q1 2018 and Q1 2019

Figure 5 presents total net FAAC disbursements to states in Q1 2018, Q1 2019 and Q1 2020. Disbursements were lower for most states in Q1 2020 than in Q1 2018 and Q1 2019. 27 states had lower disbursements in Q1 2020 than in either Q1 2018 or Q1 2019. These are: Abia, Adamawa, Akwa Ibom, Anambra, Bauchi, Benue, Borno, Cross River, Ebonyi, Edo, Enugu, Gombe, Jigawa, Kaduna, Kano, Kebbi, Kogi, Kwara, Lagos, Nassarawa, Niger, Ogun, Ondo, Oyo, Plateau, Taraba, and Yobe States.

Only Osun State had disbursements in Q1 2020 higher than disbursements in Q1 2018 or Q1 2019. 23 states had disbursements highest in Q1 2019: Anambra, Bauchi, Benue, Borno, Cross River, Delta, Edo, Ekiti, Enugu, Imo, Jigawa, Kaduna, Kano, Katsina, Kebbi, Kogi, Niger, Oyo, Plateau, Sokoto, Taraba, Yobe, and Zamfara. Disbursements were highest in Q1 2018 in 12 states: Abia, Adamawa, Akwa Ibom, Bayelsa, Ebonyi, Gombe, Kwara, Lagos, Nassarawa, Ogun, Ondo, and Rivers States.

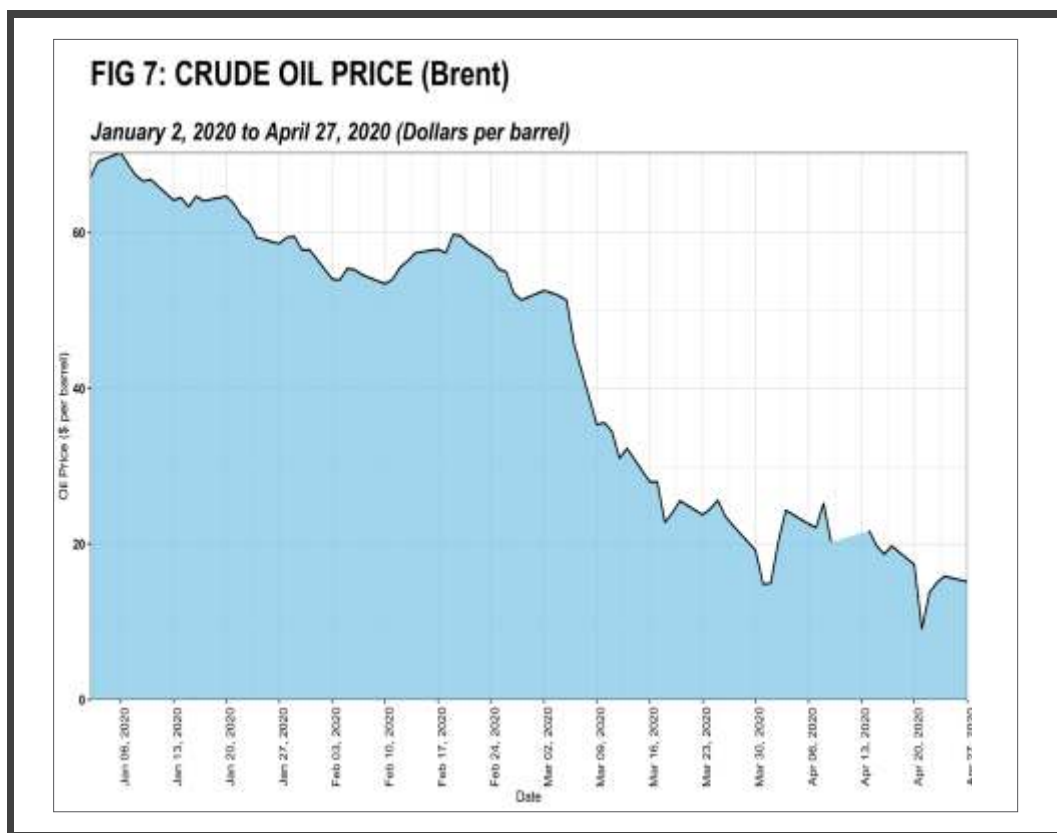


Sources: National Bureau of Statistics, Fiscal Disbursements Division @ NEITI



⁴These other sources include dividends, recoveries/ fines, independent revenue, and others.

⁴The figure of N2.64 trillion for oil revenue was based on the key assumptions of oil production of 2.18 million barrels per day and a benchmark oil price of \$57 per barrel.



Source: Energy Information Administration

This scenario, where both oil demand and oil prices have fallen, represents a ‘double whammy’ for revenue in Nigeria. This situation is further compounded as there are reports that the country is struggling to find buyers for its crude oil. There are reports that over 50 million barrels of Nigeria’s crude were unsold as at April 16³. This will ultimately have the effect of severely reducing government revenue from oil, considerably lower remittances into the Federation Account, thereby leading to lower FAAC disbursements in forthcoming months.

There will also be indirect effects on other sources of government revenue. Figure 8 presents the sources of revenue in the FG budget of 2020. Projected revenue for 2020 was N8.42 trillion, comprising oil revenue of N2.64 trillion, non-oil revenue of N1.81 trillion, and revenue from other sources of N3.97 trillion⁴. Oil revenue remained the dominant single source of revenue, with the figure of N2.64 trillion making up 31.35% of total projected revenue⁵.

The interesting point to note from Figure 8 is that while the share of oil revenue represents the direct revenue from oil there are also indirect sources of revenue from oil. These include signature bonus and renewals and share of dividend from NLNG. In addition, taxes and customs duties, which are based on economic activities, will suffer in light of the lockdown of the major activity hubs of the country. Thus, the overall effects (direct + indirect) of COVID-19 on government revenue will be quite large.



“Oil revenue remained the dominant single source of revenue, with the figure of N2.64 trillion making up 31.35% of total projected revenue”

³<https://www.spglobal.com/platts/en/market-insights/latest-news/oil/041620-nigerian-crude-in-dire-straits-gasping-for-buyers>

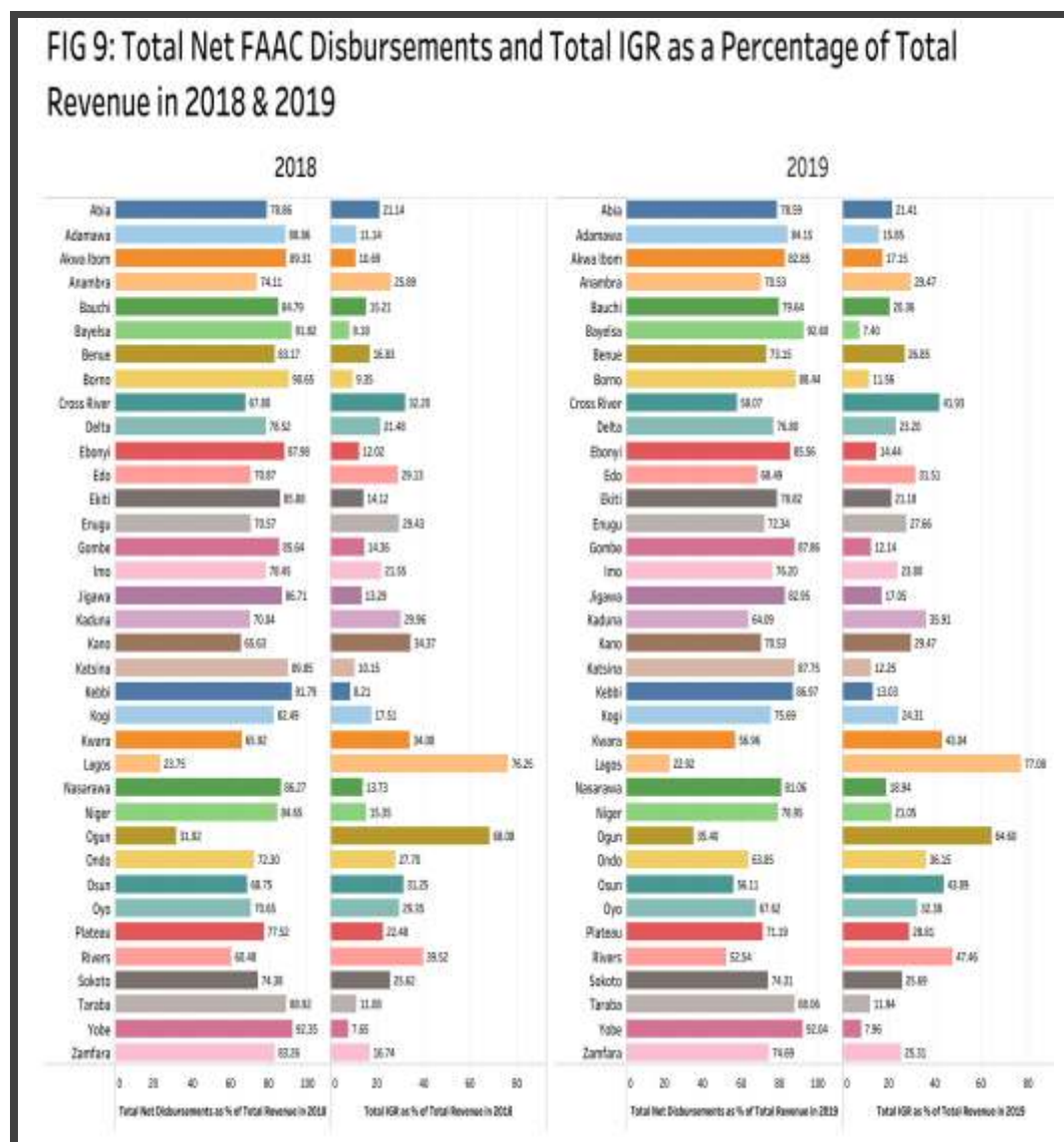
Faced with the prospect of lower disbursements from FAAC, it is imperative that all tiers of government make adjustments in their revenue and expenditure plans for 2020. The FG has been proactive in this regard. First, President Buhari, sensing possible declining FAAC disbursements to the sub-national governments, approved the withdrawal of \$150 million from the Stabilisation Fund of the Nigeria Sovereign Investment Authority. This amount will be used to support the June 2020 FAAC disbursements. Second, the President directed both the Federal Ministry of Finance and Central Bank of Nigeria to agree on modalities for states to benefit from debt and interest moratorium. Essentially, this means that states will stop paying interest and capital payments on their loans once average monthly FAAC disbursements fall below a specific threshold; and such payments will only resume if FAAC disbursements exceed the threshold. Furthermore, work is ongoing to amend the FG's 2020 Appropriation Act to reflect current realities. This amendment will see the reduction of the benchmark oil price from \$57 per barrel to reportedly \$20 per barrel; and oil production reduced from 2.18 mb/d to 1.4 mb/d. In addition, non-oil revenue projections will be revised downwards. Finally, the FG applied for \$3.4 billion to be provided under the International Monetary Fund's (IMF) Rapid Financing Instrument (RFI). This request was approved by the Executive Board of the IMF on April 28, 2020. Despite these pro-active measures at the federal level, it is projected that all tiers of government will struggle with their finances this year on account of the impact of COVID-19.

Following the lead of the FG, state governments will also need to revise their budgets and prepare for lower FAAC disbursements. The states might need to rely more on internally generated revenue (IGR) to service their budgets. However, it must be said that IGR depends largely on personal incomes, which will likely fall as the lockdown is prolonged and economic opportunities become scarce. All states, including Lagos that is the least exposed to FAAC disbursements, are projected to struggle with increasing or even maintaining their IGRs. States will have to be very innovative in this regard or rely more on slashing their budgets, which combined with the lockdown could also affect overall productivity.



"Faced with the prospect of lower disbursements from FAAC, it is imperative that all tiers of government make adjustments in their revenue and expenditure plans for 2020. The FG has been proactive in this regard."

Figure 9 presents net FAAC disbursements and IGR expressed as percentages of total revenue for states in 2018 and 2019. The figure shows that net FAAC disbursements accounted for over 70% of total revenue in 29 states in 2018, and 26 states in 2019. Thus, FAAC disbursements have been the dominant source of revenue for most states. The COVID-19 pandemic will also change the structure of expenditure of many states, as more resources will have to be channelled to the health sector to combat the pandemic. This will result in movement of funds from other sectors hitherto identified as critical in their budgets.



Sources: National Bureau of Statistics, Fiscal Disbursements Division @ NEITI

Conclusion

This review has conducted an analysis of FAAC disbursements to the three tiers of government in the first quarter of 2020. The review showed that total FAAC disbursements in the first quarter of 2020 were N1.945 trillion. Of this amount, total disbursements to the federal, states and local governments were N791.44 billion, N669.02 billion and N395.95 billion, respectively. This review also found that the total disbursements in Q1 2020 were 0.82% higher than the N1.929 trillion disbursed in the first quarter of 2019; and 0.36% higher than the N1.938 trillion disbursed in the first quarter of 2018.

Furthermore, the review found that the total FAAC disbursements in Q1 2020 of N1.945 trillion is the highest first quarterly disbursement following total disbursements of N2.030 trillion in Q1 2014. Total net FAAC disbursements to states in Q1 2020 ranged between N6.44 billion in Osun State and N52.03 billion in Delta State.

Finally, this review examined the prospects for FAAC disbursements for the rest of 2020. It was seen that in light of the 'double whammy' of declining oil demand and oil prices as a result of the COVID-19 pandemic, government revenue would likely continue to fall in subsequent months, as global crude oil prices plummet in the midst of the global oil supply glut arising from lockdown of economic activities in many countries of the world. It is projected that all tiers of government will struggle to fund their 2020 budgets. Diminished revenues and limited economic activities on account of the lockdown and wider impact of COVID-19 are also projected to negatively impact national productivity. There is thus the need for innovative and concerted actions by all tiers of government and other stakeholders to minimize the impact of COVID-19 not just on revenues but also on the economy as a whole.



"It is projected that all tiers of government will struggle to fund their 2020 budgets. Diminished revenues and limited economic activities on account of the lockdown and wider impact of COVID-19 are also projected to negatively impact national productivity.."



The NEITI Quarterly Review is an analytical review of topical issues designed to ensure transparent and accountable management of revenues from the extractive sector. It is one of NEITI's policy and advocacy tools.

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8

**BOUNCING BACK -NIGERIA ECONOMY
SUSTAINABILITY PLAN (2020)**



**BOUNCING BACK:
NIGERIA ECONOMIC
SUSTAINABILITY PLAN**



Executive Summary

Introduction

Following the health and economic emergencies caused by the COVID-19 pandemic, His Excellency, President Muhammadu Buhari established the Economic Sustainability Committee (ESC) on March 30, 2020.

Membership of the Committee

Membership of the Committee consists of:

- (i) His Excellency, the Vice President;
- (ii) Hon. Minister, Finance, Budget & National Planning;
- (iii) Hon. Minister of State, Budget and National Planning;
- (iv) Hon. Minister, Industry Trade & Investment;
- (v) Hon. Minister, Labour and Employment;
- (vi) Hon. Minister of State, Petroleum Resources;
- (vii) Governor, Central Bank of Nigeria;
- (viii) Group Managing Director, NNPC; and
- (ix) Permanent Secretary, Cabinet Office - Secretary

Other Ministers Co-opted:

- (i) Hon. Minister of Agriculture & Rural Development;
- (ii) Hon. Minister of Humanitarian Affairs, Disaster Management & Social Affairs;
- (iii) Hon. Minister of Works & Housing;
- (iv) Hon. Minister, Aviation;
- (v) Hon. Minister, Communication & Digital Economy;
- (vi) Hon. Minister, Education;
- (vii) Hon. Minister, Health;
- (viii) Hon. Minister, Interior;
- (ix) Hon. Minister, Science & Technology; and
- (x) Hon. Minister of Transportation.

Terms of Reference

- (i) Develop a clear Economic Sustainability Plan in response to challenges posed by the COVID-19 Pandemic;
- (ii) Identify fiscal measures for enhancing distributable oil and gas revenue, increasing non-oil revenues and reducing non-essential spending, towards securing sufficient resources to fund the plan;
- (iii) Propose monetary policy measures in support of the Plan;
- (iv) Provide a Fiscal/Monetary Stimulus Package, including support to private businesses (with emphasis on strategic sectors most affected by the pandemic) and vulnerable segments of the population;
- (v) Articulate specific measures to support the States and FCT;
- (vi) Propose a clear-cut strategy to keep existing jobs and create opportunities for new ones; and
- (vii) Identify measures that may require legislative support to deliver the Plan.

Consultation of Other Stakeholders

Consultation with the Presidential Economic Advisory Council (EAC)

Apart from the FEC Members and Agency CEOs consulted by the Committee, the ESC also met with the members of the Presidential Economic Advisory Council and subsequently exchanged correspondence with them on the policy thrust and some particular aspects of the draft Sustainability Plan, including its implementation strategy.

Briefing of State Governors

As members of the National Economic Council and major stakeholders, State Governors were fully briefed on how the implementation of the Plan would necessarily entail their full collaboration, especially the mass agriculture, mass housing, broadband connectivity, domestic solar projects, etc. The Governors also submitted their views and contributions to the development of the Plan.

Consultative Session with the leadership of the National Assembly

The Senate President and Speaker of the House of Representatives led principal officers of the National Assembly in meeting with members of the ESC. After the draft Sustainability Plan was presented to them, the legislators commended its strategic approach and made some recommendations, which are to be taken into consideration in implementing the plan.

Other Plans Incorporated in the Proposed Economic Sustainability Plan:

- (i) The Economic Recovery and Growth Plan (ERGP)
- (ii) Report of the Economic Crisis Committee (headed by the on. Minister of Finance, Budget & National Planning)
- (iii) The Finance Act 2019; and
- (iv) Central Bank of Nigeria (CBN) Proposals.



BASIS OF THE PLAN

Immediate Challenges of the COVID-19 Pandemic

The COVID-19 pandemic has created severe Economic consequences for all countries around the world. Nigeria has also been very badly hit. The lockdowns have frozen economic activities, causing massive job losses and supply chain disruptions. It has also depressed the demand for crude oil and precipitated an unprecedented oil price crash. Nigeria's dependence on oil for revenue and foreign exchange makes it particularly vulnerable in this situation.

It is expected that if oil prices average \$30 over the rest of the year, oil revenues (assuming Nigerian National Petroleum Corporation reduces Joint Venture operating costs by 20%), would amount to about N88.4 billion monthly. Assuming that non-oil revenues are sustained at the lower level projected in the revised budget estimates, the total allocations to FAAC for the rest of the year would then be around N485 billion a month. This time last year total allocations to FAAC was N669.9 bn monthly. The very steep decline in revenues available for sharing among governments of the federation will have serious implications for wages, overheads and capital expenditures at Federal, State and Local Government levels.

Unemployment rate which was 23.1% (or 20.9m people) at the end of 2018 is expected to rise to 33.6% (or 39.4 million people) at the end of 2020, if urgent steps

are not taken. The major problem with unemployment of a very large youth population is the hopelessness that gives rise to criminal activities and anti-social behavior, which can ultimately create potential recruits into the ranks of insurgents.

Even for those able to earn a living, the situation is dire. The NBS recently released a household survey of poverty in Nigeria, a five-year study which showed that over 40% of Nigerian households earn less than N137,000 per annum. This is barely N11,000 per month. With the COVID crisis, this poor income will drop much further.

Given these indices, the National Bureau of Statistics (NBS) projects that economic growth could fall by as much as minus 4.40% to minus 8.91% depending on the length of the lockdown period, the potency of the economic plans that are put in place, and, in particular, the amount of stimulus spending.

The time-tested approach to fighting a recession is a stimulus package. The size of the stimulus package will usually determine how shallow or deep the recession would turn out to be. We asked the NBS to give us a model of what the macro implications of four scenarios would be if we had the good fortune for oil prices to average at \$30 per barrel in 2020.

- (i) Scenario 1: With no stimulus, i.e., if we simply stick to our budget the economy will decline by minus 4.40% at best.
- (ii) Scenario 2: With a stimulus of just N500 billion, the economy will decline by minus 1.94%.
- (iii) Scenario 3: With a stimulus of N2.3 trillion, the economic decline will be lower at minus 0.59%.
- (iv) Scenario 4. With a stimulus of N3.6 trillion there will still be negative growth but only of -0.42%

Given our low level of revenues and the importance of monetary stability, we settled for a stimulus package of N2.3 trillion, which raises the question: How will this be funded? This amount will be funded by N500bn from Special Accounts, N1.11 trillion of CBN structured lending and N302.9bn from other funding sources.

The second issue is the strategy. We decided that the best way to beat the triple problem of very low foreign exchange, huge unemployment and negative growth is by focusing on Mr. President's mantra to produce what we eat and eat what we produce.

This meant focusing on agriculture, increasing the acreage under cultivation and engaging thousands of young people in farming and agro-allied jobs, with a scheme for guaranteeing off-take of farm produce. This ensures that farmers are assured of an income. Other signature programmes include mass social housing, using local materials, installing solar power in 5 million homes, and providing assistance to daily-paid and self-employed workers – petty traders, artisans like bricklayers, vulcanisers, and electricians as well as commercial drivers and barrow-pushers.

Many businesses have suffered severe losses due to the lockdowns and have had to decide on laying off staff, we have developed a strategy to ensure that as many as possible do not collapse and are able to retain their staff. For other businesses - aviation, hotels, private schools, restaurants, finding it difficult to continue making loan repayments to banks, we have developed a scheme for the restructuring of their loans. For the extremely poor and vulnerable, we have increased support available under the Social Investment Programme.

General Objectives of the Plan

- (i) To stimulate the economy by preventing business collapse and ensuring liquidity;
- (ii) retain or create jobs using labour intensive methods in key areas like agriculture, facility maintenance, housing and direct labour interventions;
- (iii) undertake growth enhancing and job creating infrastructural investments in roads, bridges, solar power, and communications technologies;
- (iv) promote manufacturing and local production at all levels and advocate the use of Made in Nigeria goods and services, as a way of creating job opportunities, achieving self-sufficiency in critical sectors of our economy and curbing unnecessary demand for foreign exchange which might put pressure on the exchange rate; and
- (v) extend protection to the very poor and other vulnerable groups – including women and persons living with disabilities - through pro-poor spending.

This plan is based on three pillars

The first pillar consists of "**Real Sector Measures**", and comprises a mix of project and policy approaches, which focus on the creation of jobs across the fields of agriculture and agro- processing, food security, housing construction, renewable energy, infrastructure, manufacturing and the digital economy. The aim is to safeguard existing micro, small and medium scale businesses while ramping up local productive capacity by encouraging opportunities for innovation in the various sectors.

The second, "**Fiscal and Monetary Measures**", outlines steps that will be taken to maximise government revenue, optimise expenditure and enshrine a regime of prudence with an emphasis on achieving value for money. The overriding objective is to keep the economy active through carefully calibrated regulatory interventions designed to de-risk the environment for local production and enterprise, galvanise external sources of funding, rationalise existing debt obligations and boost investments in strategic sectors affected by the COVID-19 pandemic, while supporting the financial viability of State Governments.



The "**third pillar is Implementation**". This is the key to the success of the plan. Each Minister will be responsible for supervising the implementation of plans situated in their Ministry through a ministerial implementation Committee chaired by the Minister. The Ministerial Committee will be responsible for ensuring synergy between stakeholders, especially the public and private sector. The Committees shall also drive the execution of specific projects, coordinate the entire sectorial value chain and ensure resolution of bottlenecks impeding implementation.

The Economic Sustainability Committee, which is an inter-Ministerial Committee, will be responsible for general oversight of implementation and will report to the President. Expenditure will be monitored through the National M&E Framework and the Budget Office of the Federation.

Proposed Key Projects

Key projects put forward by relevant Ministries to sustain economic activity, boost production, create the maximum number of jobs possible and save foreign exchange include –

(I) A Mass Agricultural Programme:



This is expected to bring between 20,000 and 100,000 hectares of new farmland under cultivation in every State of the Federation. The aim is to create millions of job opportunities, directly and indirectly, over a 12-month period. A significant number of Nigerians will be incentivised to engage in farming and agro-processing, as that is a field in which Nigeria has comparative advantage. The Hon Minister of Agriculture and the CBN Governor have agreed a detailed plan of action in this regard.

(ii) Extensive Public Works and Road Construction Programme (focusing on both major and rural roads)

As the country cannot afford to continue with the importation of bitumen for road construction, emphasis will now be on the use of locally available materials like limestone, cement and granite. Options have been explored for using these materials in major Federal highways. Similarly, a significant number of workers can be engaged in the construction of rural roads using stones and other materials available locally. The Hon. Minister of Works and Housing is developing the engineering concept and template for this approach in order to assist the Ministry of Agriculture and Rural Development, which is responsible for rural roads.

(iii) Mass Housing Programme:

This programme is expected to deliver up to 300,000 homes annually, engaging young professionals and artisans who form themselves into small and medium scale businesses within the construction industry. Such enterprises will use indigenous labour and materials working on dedicated housing sites. For instance doors, windows and other materials will be produced, finished or assembled at mass housing construction sites. Also, home designs can be standardised and costed with economies of scale in mind to ensure their affordability.



For the construction of houses to continue uninterrupted across the country, the Federal Ministry of Works and Housing, CBN and the Family Homes Fund (under the Ministry of Finance) are making arrangements for purchase through cooperatives and for warehousing of completed houses, which will then be mortgaged or let out on rent-to-own basis.

(iv) Installation of Solar Home Systems:

The proposed Solar Home Systems Project will cover up to 5 million households, serving about 25 million individual Nigerians who are currently not connected to the National Grid. In view of the scale of materials required, solar equipment manufacturers will be required to set up production facilities in Nigeria, thereby offering additional job opportunities to Nigerians. In addition, installation, servicing and payment collections are expected to provide thousands of other jobs.

(v) Strengthening the Social Safety Net:

This will be achieved through an increase in the number cash transfer beneficiaries, N-Power volunteers and sundry traders enjoying small and micro loans through the MarketMoni and TraderMoni schemes. The preexisting conditional cash transfer will be extended to cover mostly the rural poor. However, on account of the current lockdown, most of the urban poor, artisans, labourers, petty traders, street vendors, cart pushers, have become further impoverished.



(vi) Support for Micro, Small & Medium Enterprises

Implementation of a scheme to support business activities of MSMEs through guaranteed off take of items like personal protective equipment, face shields, face masks, hand sanitizers, shoecovers, soaps, etc. In this regard, we expect to catalyse

massive investments in light manufacturing, which will ensure that many common articles of everyday use are made in Nigeria to acceptable standard.

(vii) Reduction in NAFDAC registration fees Practical support has also been initiated for MSMEs as an immediate response to support resilience. In this regard, the National Agency for Food and Drug Administration and Control (NAFDAC) has implemented an 80% reduction of its product registration charges and total waiver of administrative charges for product license renewals.

(viii) Survival Fund:

This is to give payroll support to small and medium-sized enterprises so that they can keep their employees and help maintain jobs.

(ix) Promotion of Domestic Gas Utilisation:

To take advantage of Nigeria's abundant gas resources, which is also cheaper and more friendly to the environment, this project will promote indigenous manufacture of gas cylinders, building of gas filling stations and conversion of cars to promote the wide use of compressed natural gas in the domestic market.

(x) Digital Technology:

To foster a culture of innovation and create a wide variety of technology and ICT jobs, special attention will be paid to the promotion of technology hubs, call-centres for business process outsourcing and digitisation of processes, both in Government and within the private sector. Experience thus far indicates that, if well harnessed, this is a sector that can create jobs on a large scale and earn foreign exchange for the country.

Cross-Cutting Imperatives

It is further envisaged that a range of measures must be necessarily taken to undergird the implementation of the Plan, enhance service delivery and build resilience in the post- COVID-19 economy.

These measures include:

- (i) Digital identification of every Nigerian, this will help improve the provision of cash transfers and other benefits;
- (ii) Broadband connectivity to help school children access digital education across the entire country;
- (iii) Local production of all that we can: shoes, steel fabrication, ceramics, plastics, furniture and building materials;
- (iv) Promoting strategic investment in the local manufacture of generic medicines to reduce importation of expensive drugs;
- (v) To establish a national research fund for medicine and pharmaceuticals funded by contributions from TETFUND and Corporate Social Responsibility

expenditure of private companies;

- (vi) To promote the uptake of the FGN Savings Bond to encourage all Nigerians to save a portion of their income no matter how small.

OVERVIEW

Nigeria is currently faced with perhaps the most challenging economic downturn in its history just as the global economy is also confronting its sharpest reversal in a generation. With every country dealing with varying degrees of the same problem, there are few places to turn for help.

For Nigeria, this is a multilayered quandary: a health crisis, near total shut-down of economic activities, capital flow reversals and a fast increasing unemployment rate, fuelled by layoffs in almost all sectors of the economy.

Nigeria's status as an oil dependent developing economy also puts us in a particularly difficult place. Government revenues have declined significantly, first, on account of the fall in crude oil prices to as low as \$12 per barrel in April 2020, and then our inability at times to sell oil, despite its being priced below production cost, because of the shutdown in virtually every area of manufacturing, services and commerce all over the world.



Where this happens, it means that we get virtually no revenues from our oil.

There is also a glut in the global gas market, on account of which we are sometimes unable to sell our stock of Liquefied Natural Gas, potentially wiping out much of the dividends expected from NLNG. In effect, our major sources of foreign exchange are gravely threatened and our external reserves get little or nothing by way of augmentation. Rather, they are being depleted for external payments and importation.

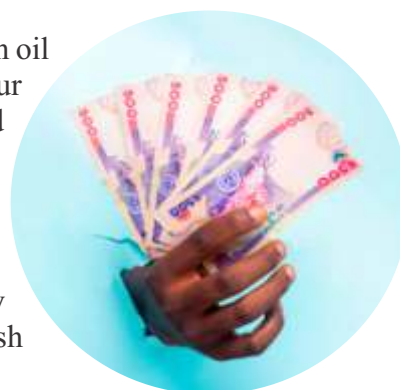
Non-oil revenue, largely made up of taxes, has also practically dried up. This is because, like several economies around the world, Nigeria is faced a paralysis of economic activities due to lockdown measures in the Federal Capital Territory and the key commercial and industrial centres of Lagos, Ogun and Kano States. In addition, several other State Governments took similar steps to slow the spread of COVID-19 in their respective territories. These have cumulatively resulted in supply chain disruptions, suspension of commercial activities and large-scale job losses.

The depletion of our dollar earnings have also depreciated the Naira, and pushed up prices, especially of imported goods. This is a cause for concern, coming at a time when the average household purchasing power is falling sharply on account of loss of income. Businesses that depend on importation for raw materials or other inputs for manufacturing are hampered by the sharp drop, by as much as 90%, in foreign exchange earnings and shutdowns in exporting countries. So, rather than expect taxes (CIT, PAYE or VAT), we should be prepared, at best, for companies reporting losses or seeking tax payment deferment, while government finds a way of shoring up businesses.

In the face of these emerging challenges, the onslaught of COVID-19 has also meant radically increased demand for resources in the health sector, to provide for mounting personnel costs, hazard pay, emergency equipment, such as personal protective equipment, ventilators, oxygen tanks, testing facilities, isolation centres and drugs. This means, for the appropriate level of response, we would have to significantly increase our health-care expenditure.

Structural Vulnerabilities

Prior to COVID-19, apart from a major dependence on oil for public revenues and foreign exchange earnings, our economy was susceptible to inflationary pressures and characterized by a high debt service ratio, a weak infrastructural base and unsatisfactory human capital development indices. Although, government has been making strenuous efforts to address these weaknesses, the current economic emergency threatens to reverse much of the achievements and push millions of our people below the poverty line.



THE CHALLENGE

The immediate challenge is that of business continuity, especially how we protect as many of our Micro, Small, and Medium Enterprises as is possible while keeping the economy competitive. We have a large informal workforce, usually daily wage earning, consisting of street vendors, petty traders, artisans, roadside motor mechanics, etc., who have now been deprived of their income.

With 40% of the population being already classified as poor, i.e., earning less than N137,000 per annum, the COVID-19 crisis is set to multiply the misery, if left unchecked.

The Response

In response to this unprecedented challenge, President Muhammadu Buhari established the Economic Sustainability Committee (ESC). Among other things, the ESC was to:

- (i) develop an economic sustainability plan, including recommendation of an appropriate stimulus package;
- (ii) devise measures to create more jobs while keeping safe the existing ones; and
- (iii) identify fiscal and monetary measures to enhance oil and non-oil government revenues, in order to fund the plan.

The Scenarios

In determining the level of response or stimulus appropriate for this situation, the ESC found it necessary to consider carefully some probable scenarios. For example, in terms of expected revenues, the fluctuation in global oil prices presages serious economic challenges for the rest of 2020. This is because crude oil accounts for 50% of consolidated government revenues, 30% of banking sector credit and 90% of export earnings. In the circumstance, we cannot but expect large budgetary and payments gaps.



The revenue outlook for the rest of 2020 is depicted in Tables I-IV, showing scenarios for oil prices at \$30 per barrel, \$25 per barrel, \$22 per barrel and \$14 per barrel,



respectfully. As the data reveals, if oil prices average \$30 over the rest of the year, estimated oil revenues (with NNPC concurrently reducing JV costs by 20%) would amount to N88.4bn monthly. At the same time, if non-oil revenues are sustained at the lower level projected in the revised budget estimates, then average monthly allocations to FAAC for the rest of the year would only be about N485bn a month. This would be a best-case scenario.

In the worst-case scenario of \$14 per barrel, we will incur a net loss of oil production revenues amounting to about \$11.8bn monthly. Non-oil revenue would similarly reflect the slowdown in economic activities. Monthly FAAC for the rest of the year, starting from May 2020, may therefore be no higher than N384bn.

Monthly FAAC for the rest of the year, starting from May 2020, may therefore be no higher than N384bn.



Neither the optimistic scenario nor the worst-case scenario is comforting, if compared to the average FAAC disbursement for the first three months of 2020, which was N669.9bn. This means that at a \$30 per barrel oil price, total monthly FAAC will be N184bn less every month, while if the price averages \$14 per barrel, the FAAC total will reduce by N270.9bn a month. This will have serious implications for personnel costs, overheads and capital expenditures at Federal, State and Local Government levels, especially coming at a time when resources are needed to pay for compelling counter-cyclical and pro-poor policies.

The National Bureau of Statistics has modelled macro scenarios which show that economic growth could fall by as much as -4.40% to -8.91% depending on the severity of the outbreak COVID-19, length of lockdowns and quantum of stimulus deployed by government.

In an optimistic scenario, with an average price of \$30 per barrel of crude oil in 2020 and a stimulus of up to N3.6tn, growth will still decline by -0.42% in 2020, possibly

rising to 3.03% in 2021 and 5.17% by 2025. A lower stimulus of N2.3tn or 1.5% of GDP at the same oil price of \$30 per barrel will result in a fall in output of -0.59% in 2020 and a resumption of growth to 2.54% in 2021.

A more cautious scenario of \$20 per barrel with a N3.6tn stimulus will result in negative growth of -2.42% in 2020 recovering to 1.19% in 2021 and 3.32% in 2025. At the same price level, a N2.3tn stimulus will result in an annual growth rate of -2.82% in 2020, and 0.95% in 2021.

In the pessimistic scenario, if oil prices level out at \$15 per barrel in 2020 due to a prolonged global recession or continued oil glut, then even with the stimulus of N3.6tn, the economy will decline by -3.01% in 2020 and only rise by 0.45% in 2021. At the same price level of \$15 per barrel, a N2.3tn stimulus will still result in a sharp decline of -3.66% in 2020. These figures, as well as those for inflation, reserves and external balance, are shown in Table V.

In the optimistic scenario, and reflecting the stimulus, inflation is expected to rise to 15% by the end of this year and only fall to single digits by 2023 while the cautious and pessimistic scenario will show more moderate inflation reflecting a generalised slowdown in economic activity.

With regard to external financing, the overall balance is expected to deteriorate from -\$2.1bn to -\$16.2bn, leaving a financing gap of \$14.1bn. Some of this can be met through concessional borrowing of about \$7bn from international financial institutions, but that will still leave a financing gap of \$7.1bn dollars (See Table VI). The external debt situation is also of concern. Nigeria is expected to pay \$165m as interest on its bilateral official debts (mostly to China) and will likely get some relief following the G20 agreement in this regard. But a greater problem will arise from interest payments due on outstanding Eurobonds, which amount to \$655.48m for the rest of 2020.

Averting a deep recession

In essence, we have to find ways to prevent or limit recession, and avert the accompanying prospects of business failures, job losses, and increased poverty. The generally accepted approach today is to deploy a stimulus package, an increase in government spending, tax discounts, loan re-payment deferments or re-structuring, all with a view to increasing aggregate demand by beefing up investments and consumer spending. The question then is not whether or not we should stimulate the economy but what size of stimulus package is capable of preventing a disastrous recession.



What we must do

It is clear that we must now take urgent steps to forestall a severe economic downturn and the largest unemployment situation yet in our history. Consequently, over the next twelve months, the Federal Government will work in close collaboration with State Governments and the private sector to stimulate the economy by preventing business collapse and ensuring liquidity; retaining and creating jobs using labour intensive methods in key areas like agriculture, housing, digital business services and direct labour interventions. We must also undertake growth enhancing and job creating infrastructural investments in roads, bridges, renewable energy, and communication technologies; and extend the protection of vulnerable groups – including women and persons living with disabilities - through pro-poor spending.

The Proposed Plan

The Economic Sustainability Plan aims to mitigate the effects of a deep recession, while ensuring social stability and addressing long-standing economic vulnerabilities as envisaged in the Economic Recovery and Growth Plan (ERGP). While a stimulus package is a good start, we recognise that merely spending without increasing production will only fuel inflation. We therefore need a simple but big vision that focuses on retaining and creating jobs and increasing productivity. Consequently, the Economic Sustainability Plan which will last for one year focuses on achieving mass employment and mass domestic production, which are not dependent on importation or foreign exchange expenditure.

Given our limited fiscal space and the scale of our economic challenge, the Federal Government has opted for the stimulus package of N2.3tn. It will obtain the resources for the stimulus from Special Accounts - N500bn; CBN structured lending – N1.11bn; as well as portions of the resources to be obtained from external bilateral/multilateral sources - N334bn and other funding sources – N302.9bn.



Fiscal and Monetary Measures

The Plan is based on several pillars. Fiscal and monetary measures will be taken to maximise government revenue and entrench a regime of prudence with an emphasis on achieving value for money. Our goal is to keep the economy active through carefully calibrated regulatory interventions designed to boost domestic value-addition, de-risk the enterprise environment, galvanise external investment and sources of funding while rationalising existing debt obligations and providing support to both the State Governments and business sectors negatively impacted by the COVID-19 pandemic. The role of government, (in the fiscal, monetary and real sectors) is to be the provider or facilitator of resources for private sector programmes, and ultimately to ensure offtake of whatever is produced in the designated sectors. This means that government will arrange offtake for work done, houses built, or goods produced.

Cross-Cutting Imperatives

There are a number of cross-cutting imperatives that must be implemented in order to build resilience in a post-COVID-19 economy.

1. We must ensure that every Nigerian has a unique digital identity. The lack of such identification was a key obstacle in giving support and palliatives during the lockdown.
2. Also important is broadband connectivity across the whole country, as that is our surest launch-pad to the modernisation of the Nigerian economy.
3. The pandemic has shown that research and development is vital and must be incorporated to enable national resilience and strengthen local production. The plan then is to create a special fund for medical and pharmaceutical research including by pooling funds from existing schemes such as in TETFUND and from adjustments to how corporate social responsibility is used for tax deductability.
4. In the same vein, as there are likely to be other serious outbreaks of infectious diseases, a national strategic investment in the manufacturing of generic medicines must be undertaken.
5. A national saving culture will be further developed by doubling participation in the FGN Saving Bond though enabling a wider reach and a use of innovation.

Real Sector Measures

The Real Sector Measures consist of a mix of project and policy approaches, which focus on the creation of jobs across the fields of agriculture, food security, housing construction, renewable energy, infrastructure, manufacturing and the digital economy. The aim is to safeguard and support existing micro, small and medium scale businesses while ramping up local productive capacity by maximising emerging opportunities for innovation in technology, agro-allied value-chains, garment production, information and communication technology, entertainment and tourism, among other sectors. The approaches chosen will help to reduce costs in a manner consistent with private sector development.

Preserving and Creating Jobs

There are four imperatives at the heart of our job creation drive. First, we must adopt a Mass Agricultural Programme. The agricultural value chain must start with a focus on smallholder farms, both to preserve existing livelihoods and enable them as lynchpin of the sector. Farming is of course a vocation most Nigerians are already familiar with or can easily adapt to through a more robust value chain supported by reliable access to energy for irrigation, agricultural production and refrigeration of goods to markets. Second is a national rural road construction programme. Third is a mass housing programme; and, while existing institutions continue to develop definitive solutions to the constraints in the on-grid power sector, the fourth aspect of the Plan will focus on the large scale installation of mini-grids and solar home systems in a minimum of 5 million households not currently on the grid.

Sourcing Local Materials

As a deliberate strategy, given foreign exchange constraints and the need to promote local value addition, all these programmes will strive to maximise the use of only local inputs. For roads, where we cannot afford to import bitumen or asphalt with our scarce resources, we will use limestone and rocks, which we have in abundance.

So all roads, especially those to be built through investments from national savings including pension funds will be designed to optimise the use of local materials. Mass housing will also use local materials, and of course local labour only.

A notable exception to our ‘minimal imports’ policy may be in our collaboration to provide solar power on a massive scale for 5 million households. This will require imports of solar panels in the short-run. However, there are indications that some of the world’s leading manufacturers are prepared to set up local manufacturing plants for producing necessary solar power components and appliances.

With a plan for 5 million homes to be delivered by the private sector, we have no doubt that they will be well motivated to do so within the shortest possible time.



Protecting the Most Vulnerable

Even as we focus on putting our dynamic and entrepreneurial population to work, we are mindful of the need to protect the most vulnerable segments of our society from the shocks inflicted by COVID-19 and the resultant economic upheaval. To this end, the existing Social Investment Programmes will be deepened and expanded to spread a broader umbrella of protection over our most vulnerable persons and communities.

In recognition of the fact that most people at the bottom of the pyramid are engaged as daily-paid and self-employed workers – like bricklayers, vulcanisers, general petty traders, electricians, bus drivers and barrow-pushers – whose livelihoods have been disrupted by the lockdown and who require assistance, we propose a credit facility to be disbursed through micro-finance and fin-tech credit providers. To ensure that all programmes achieve inclusion across all social groups, strategies to respond specifically to needs of women and girls will be deployed. Data shall be disaggregated to show the distribution of beneficiaries according to gender.

Fostering New Ways of Working

As a whole, the Economic Sustainability Plan seeks to foster new ways of working, producing, learning and managing public health and safety in the years to come. This includes building resilience across critical sectors, including aviation, education, healthcare, internal security, mining, water and sanitation.

Our ultimate aim is to transform adversity into advantage. Instead of the prospect of 30 million unemployed Nigerians staring us in the face, we can put up to 30 million Nigerians to work, even in the short term. This possibility requires a concerted whole-of-government and whole-of-society campaign to steer our nation through these difficult times. This document is an expression of our resolve to not only survive this emergency, but emerge from it thriving.

Delivery

Each Minister will be responsible for supervising the implementation of plans situated in his or her Ministry, through a Ministerial Implementation Committee chaired by the Minister. The Ministerial Committee will be responsible for ensuring synergy between stakeholders, especially the public and private sectors. The Committees shall also drive the execution of specific projects, coordinate the entire sectorial value chain and ensure resolution of any bottlenecks, which might impede implementation.

The Economic Sustainability Committee, an inter-ministerial Committee, which will work with the National Economic Council will be responsible for general oversight of implementation and will report regularly to the President. Project Monitors and the ESC Secretariat will support the ESC and Ministerial Implementation Committees. Expenditures will be monitored through the National M&E Framework and the Budget Office of the Federation.

Table I.

	\$30/bl Scenario (N'bn)	\$30/bl Scenario with 20% Cut on JV and Dom Gas Cost (N'bn)
NNPC Gross Revenue (JV+PSC)	3178	3178
Cost Deductions	2353	1995
Annual FAAC Remittance	824	1183
Amount Remitted to FAAC (Jan-Apr)	475	475
Estimated Remittance to FAAC (May-Dec)	349	707
Anticipated Monthly Remittance to FAAC (May-Dec)	44	88.4
Revised Budget	Monthly Avg 33(100%)	Monthly Average 80% (excluding Royalty)
Estimated Monthly Royalty from Others (JVs, PSCs, Independent and Marginal Fields)	39	39
Signature Bonus	47	38
Net Corporate Tax Distributable and Net VAT distributable	310	248
Net Customs Revenue Distributable	63	51
Net Revenue from Other Sources	23	21
Total Monthly Revenue from Other Sources (Royalties, CITA, VAT, Customs Revenue)	482.7	396.4
Grand Monthly Total Remittances to FAAC	526	485

Table II.

	\$25/bl Scenario (N'bn)	\$25/bl Scenario with 20% Cut on JV and Dom Gas Cost (N'bn)
NINPC Gross Revenue (JV+PSC)	2927	2927
Cost Deductions	2353	1995
Annual FAAC Remittance	574	932
Amount Remitted to FAAC (Jan-Apr)	475	475
Estimated Remittance to FAAC (May-Dec)	99	457
Anticipated Monthly Remittance to FAAC (May-Dec)	12.3	57.1
Revised Budget	Monthly Avg (100%)	Monthly Average 80% (excluding Royalty)
Estimated Monthly Royalty from Others (JVs, PSCs, Independent and Marginal Fields)	39	39
Signature Bonus	47	38
Net Corporate Tax Distributable and Net VAT distributable	310	248
Net Customs Revenue Distributable	63	51
Net Revenue from Other Sources	23	21
Total Monthly Revenue from Other Sources (Royalties, CITA, VAT, Customs Revenue)	48.7	396.4
Grand Monthly Total Remittances to FAAC	495	453

Table III.

	\$22/bl Scenario (N'bn)	\$22/bl Scenario with 20% Cut on JV and Dom Gas Cost (N'bn)
NINPC Gross Revenue (JV+PSC)	2777	2777
Cost Deductions	2353	1995
Annual FAAC Remittance	423	782
Amount Remitted to FAAC (Jan-Apr)	475	475
Estimated Remittance to FAAC (May-Dec)	-51.7	306
Anticipated Monthly Remittance to FAAC (May-Dec)	-6.5	38.3
Revised Budget	Monthly Avg (100%)	Monthly Average 80% (exc Royalty)
Estimated Monthly Royalty from Others (JVs, PSCs, Independent and Marginal Fields)	39	39
Signature Bonus	47	38
Net Corporate Tax Distributable and Net VAT distributable	310	248
Net Customs Revenue Distributable	63	51
Net Revenue from Other Sources	23.7	21
Total Monthly Revenue from Other Sources (Royalties, CITA, VAT, Customs Revenue)	482.7	396.4
Grand Monthly Total Remittances to FAAC	477	434

Table IV.

	\$14/bl Scenario (N'bn)	\$14/bl Scenario with 20% Cut on JV and Dom Gas Cost (N'bn)
NNPC Gross Revenue (JV+PSC)	2377	2377
Cost Deductions	2353	1995
Annual FAAC Remittance	23	381
Amount Remitted to FAAC (Jan-Apr)	475	475
Estimated Remittance to FAAC (May-Dec)	-452	-94.2
Anticipated Monthly Remittance to FAAC (May-Dec)	-56.5	-11.8
Revised Budget	Monthly Avg (100%)	Monthly Average 80% (excluding Royalty)
Estimated Monthly Royalty from Others (JVs, PSCs, Independent and Marginal Fields)	39	39
Signature Bonus	47	38
Net Corporate Tax Distributable and Net VAT distributable	310	248
Net Customs Revenue Distributable	63	51
Net Revenue from Other Sources	23.7	21
Total Monthly Revenue from Other Sources (Royalties, CITA, VAT, Customs Revenue)	482.7	396.4
Grand Monthly Total Remittances to FAAC	427	384

Source for Table I-IV: NNPC

Table V.

	GDP Growth %						Inflation %						Revenues \$ bn						External Balance \$bn				
	With stimulus		Without stimulus		With stimulus		Without stimulus		With stimulus		Without stimulus		With stimulus		Without stimulus		With stimulus		Without stimulus				
	3.C	2.1	0.5	3.C	2.3	0.5	3.C	2.3	0.5	3.C	2.3	0.5	3.C	2.3	0.5	3.C	2.3	0.5	3.C	2.3	0.5		
2020	-0.42	-0.59	-1.97	-4.40	15.03	14.01	11.99	10.64	33.46	33.17	31.87	31.09	-0.42	-1.01	-1.43	-0.37							
2021	3.03	2.54	0.54	1.68	10.95	10.33	10.33	11.11	37.28	36.21	33.27	25.29	1.50	1.95	0.97	-1.12							
2022	5.80	2.92	1.12	2.58	10.81	10.70	10.37	11.04	40.17	37.92	35.01	25.83	3.65	2.13	1.11	2.21							
2023	3.62	3.00	2.27	3.01	9.13	9.12	9.09	10.31	44.29	40.17	36.13	31.25	3.75	3.52	1.92	1.42							
2024	4.04	3.33	2.57	3.12	9.09	9.15	9.01	10.17	43.27	44.34	38.95	32.45	4.31	4.15	2.31	1.72							
2025	5.17	4.02	2.59	3.57	9.31	9.19	9.18	10.03	53.15	48.85	42.07	36.11	4.44	4.44	2.62	2.02							
2020	-0.42	-0.80	-3.15	-5.85	13.01	13	12.45	12.47	29.51	28.24	24.84	25.54	-0.74	-1.45	-0.72	-0.86							
2021	1.15	0.95	0.27	-1.13	11.93	11.9	11.75	12.03	30.47	29.21	24.42	25.19	1.10	1.25	-1.57	-1.91							
2022	2.37	2.23	0.89	0.67	12.11	11.98	11.65	11.93	33.14	35.92	25.01	25.11	0.67	1.11	-1.39	-1.97							
2023	2.48	2.35	2.01	1.56	10.87	10.56	10.39	10.81	42.43	40.02	26.23	30.03	1.55	1.51	0.81	-0.39							
2024	2.75	2.52	2.22	2.28	10.32	10.22	10.04	10.23	43.15	41.81	27.61	31.87	2.39	1.61	1.17	1.54							
2025	3.32	3.06	2.41	2.67	10.12	10.06	10.01	10.12	45.58	41.43	28.62	34.41	2.52	2.32	1.41	1.82							
2020	-0.01	-0.66	-4.24	-8.91	12.07	12.02	11.88	12.45	25.10	24.12	21.82	24.23	-2.91	-2.28	-3.01	-3.00							
2021	0.45	-2.49	-3.51	-5.34	11.13	11.11	10.92	12.05	24.59	24.13	22.55	22.07	-1.60	-1.49	-2.29	-2.27							
2022	1.17	-1.01	-3.01	-5.11	11.01	10.96	10.66	11.95	23.29	24.85	23.05	22.61	0.13	-0.77	-2.02	-2.22							
2023	1.84	0.65	0.11	-1.01	10.65	10.63	10.49	11.51	25.71	27.32	23.85	23.89	1.51	1.32	-2.07	-2.12							
2024	2.01	1.13	0.73	0.47	10.82	10.76	10.62	11.21	25.59	26.17	24.13	22.77	2.21	1.95	-1.08	-2.03							
2025	2.21	2.20	2.18	2.02	10.25	10.24	10.2	11.17	28.46	27.27	24.82	23.1	2.13	2.07	0.17	-1.01							

Table VI.

Nigeria: External Financing Gap 2020 (Billions of U.S Dollars, unless otherwise specified)			
	2019	Pre-COVID/19	RFI
Current Account Balance	-17.0	-5.4	-14.7
Trade Balance	2.9	14.4	-7.2
Exports	65.0	67.4	37.3
Oil & Gas	54.5	59.9	27.8
Imports	-62.1	-53.0	-44.5
Services (Net)	-33.8	-32.0	-25.7
Income (Net)	-12.5	-14.3	-7.5
Transfers (Net)	26.4	26.5	25.8
Financing	13.6	3.3	-1.5
Financial Account (Net)	13.6	3.3	-1.5
FDI	1.8	2.1	0.9
Portfolio Investment (Net)	9.0	7.6	-2.4
Other Investment (Net)	2.8	-6.4	0.0
Overall Balance	-5.5	-2.1	-16.2
Financing Gap			14.1
percent of gap			3.2
RFI			3.4
percent of gap			24.1
Other sources			
World Bank			2.5
African Development Bank			0.5
Islamic Development Bank			0.1
Afrexim Bank			0.5
Total other sources			3.6
percent of gap from other sources			25.5
Source: Federal Government and IMF			

Fiscal and Monetary Measures

1. Immediate Fiscal Measures

Objective	Mobilise resources to stimulate the economy and fund projects in the Economic Sustainability Plan.
Policies	<ul style="list-style-type: none"> - Unlock available funds in Special Accounts to create a N500bn intervention fund - Specific measures to support the Private Sector: - Activate the provisions of the Finance Act 2020 in support of MSMEs Structure and launch a Tax Resolution and Settlement Unit - Extend deadlines and suspend penalties for filing tax returns - Incentivise employers to retain and recruit staff during economic downturn (see Table 14 below) - Provide targeted tariff reduction and trade finance facilities to support strategic imports and serve as a boost to economic activity - Support strategic industries affected by the pandemic, such as the aviation, hospitality and road transport sectors • Measures to support the Health Sector - Convert World Bank REDISSE programme to support COVID-19 interventions in the states - Provide funding to pharmaceutical sector to support the procurement of raw materials and equipment required to boost local drug production - Provide N86bn intervention fund for health infrastructure - Accelerated procurement of health material and equipment - Develop incentive package for frontline healthcare workers • Accelerate Infrastructure Completion - Expand the scope of the Road Infrastructure Tax Credit Scheme (RITCS) - Accelerate the construction of 794.4km of approved roads and bridges under RITCS
Implementing Agencies	Federal Ministry of Finance, Budget and National Planning Central Bank of Nigeria
Timeline	12 months

2. Fiscal Measures To Safeguard Oil Revenues

Objective	Safeguard oil revenues
Policies	<ul style="list-style-type: none"> • Deregulate the price of refined petroleum products and establish a sustainable framework for maintaining the national strategic stock. • NNPC to ensure 100% remittance of royalty and taxes paid by companies in kind to the Federation Account and sustain periodic reconciliation with DPR and FIRS • NNPC to continue to rationalise deductions from oil sector revenue in order to maximise payments to the Federation Account. • Maintain the practice of NNPC paying commercial value for all its crude oil lifting going forward. • Reduce the average production costs of crude oil by at least 20% in the first instance.
Implementing Agencies	Federal Ministry of Finance, Budget and National Planning, Department of Petroleum Resources, NNPC
Timeline	12 months

3. Fiscal Measures To Mobilise and Preserve Non-Oil Revenues

Objective	Maximise government revenues and optimise expenditures
Policies	<ul style="list-style-type: none"> • Implement the VAT reforms in the Finance Act 2020, maintaining the increase in VAT rate to 7.5%. • Develop business continuity plans for tax and customs administration to provide services to citizens, taxpayers, and importers in case of widespread contagion (or mobility restrictions). • Rationalise ineffective tax incentives and exemptions. • Increase remittances and recovery of unremitted revenues from GOEs. • Immediate sign-off of guidelines of Significant Economic Presence (to capture revenues from cross-border business transactions). • Unlock value from FG assets that are lying idle or under-utilised. • Incentivise the use of up to N2 tn of pension funds for roads and housing development.
Implementing Agencies	Federal Ministry of Finance, Budget and National Planning

4. Fiscal Measures To Reduce Non-Essential Spending

Objective	Streamline all government expenditure and eliminate non-essential items
Policies	<ul style="list-style-type: none"> • Adopt a Financing Plan for the Power Sector Recovery Programme. • Eliminate non-critical and administrative capital expenditure. • Expand the biometric-based Integrated Personnel & Payroll Information System (IPPIS) to cover all MIDAs. • Rationalise government agencies.
Implementing Agencies	Federal Ministry of Finance, Budget and National Planning
Timeline	12 months

5. Monetary Policy Measures

Objective	Support the economy using monetary measures.
Policies	<ul style="list-style-type: none"> • Provide N1tn in loans to boost local manufacturing and production across critical sector. • Unify exchange rates to maximise naira returns to FAAC from foreign exchange inflows. • Manage the exchange rate in a sustainable manner. • Invoke partial risk guarantees for SMEs. • Grant additional moratorium of 1 year on CBN intervention facilities. • Reduce interest rate on intervention facilities from 9% to 5%. • Create N100bn target credit facility for affected MSMEs. • Grant regulatory forbearance to banks to restructure terms of facilities in affected sectors. • Improve foreign exchange supply to the CBN by directing oil companies and oil service companies to sell foreign exchange to the CBN rather than the NNPC.
Implementing Agencies	Central Bank of Nigeria
Timeline	12 months

6. Measures to Mobilise External Support and Funding

Objective	Mobilise external funding and seek debt relief.
Policies	<ul style="list-style-type: none"> Engage with multilateral and donor agencies to access additional funding for crisis response, i.e. IMF - \$3.4bn; World Bank - \$2.5bn; AfDB - \$0.5bn, African Export-Import Bank - \$0.5bn, IsDB - \$113m. Seek moratorium from official partners on bilateral and multilateral debt. Support arrangements to secure commercial debt relief.
Implementing Agencies	Federal Ministry of Finance, Budget and National Planning
Timeline	12 months

7. Measures to Collaborate with and support The States

Objective	Support financial viability of States.
Policies	<ul style="list-style-type: none"> Negotiate suspension of payments in respect of ISPO. Provide moratorium on deductions in respect of bailout loans. Develop guidelines to protect inter-state commerce. Encourage States to achieve SIFTAS and other World Bank programme actions in order to access external support. States should consider issuance of promissory notes to pay their construction debts. Collaborate with State Governments on Affordable Mass Housing, Agriculture and Off-grid Power Projects and other projects in the ESP.
Implementing Agencies	Federal Ministry of Finance, Budget and National Planning. Central Bank of Nigeria.
Timeline	12 months

8. Measures Requiring Legislative Support

Objective	Secure appropriate legislative basis for actions to achieve economic sustainability. Passage of:
Policies	<ul style="list-style-type: none"> • A Fiscal Stimulus Act. • Other provisions to backstop the Economic Sustainability Plan.
Implementing Agencies	Federal Ministry of Finance, Budget and National Planning Federal Ministry of Justice
Timeline	0 - 3 months

9. Cross Cutting Imperatives for A Post-Covid Economic Recovery

Objective	To build resilience into the architecture of government and society.
Policies	<ul style="list-style-type: none"> • Collaboration between government, the telecoms ecosystem and banking sector to provide a National Identification Number (NIN) to every Nigerian. • Promote strategic investment to make Nigeria a major hub for the manufacture of generic medicines. • Achieve broadband infrastructure across the country by 2023. • Create a special fund for medical and pharmaceutical research, pooling funds from existing schemes in TETFUND and from corporate social responsibility (CSR) contributions. • Promote a national savings culture by doubling participation in FGN Savings Bonds by reaching a wider set of people and using innovation. • Reform the NHIS to promote universal health coverage.
Implementing Agencies	FM of Science & Technology, FM of Communications & Digital Economy, FM of Education, FM of Health, FM Finance, Budget and National Planning, NIMC
Timeline	12 months

Real Sector Measures

**Details of all programmes in this
Section are contained in the
Annex to this Plan**

10. Food For All: Agriculture and Food Security

This project which will take place over a period of 12 months and is intended to expand existing production in the agricultural sector and stimulate the establishment of new farms in partnership with State Governments, the private sector and individual citizens. The intention is for the project to create 5 million jobs by focusing on increasing land under cultivation with State Governments contributing between 20,000 to 100,000 hectares from a combination of aggregated smallholder farms and utilisation of abandoned states farm settlements and agricultural projects.

The project will span the entire agricultural value chain, from 'farm to table' as it were. It will support small holder farmers directly or through outgrower schemes with services and inputs including land-clearing, ploughing, provision of seeds, saplings,

fertilisers, pesticides as well as extension services, storage to mitigate post-harvest losses and equipment. Farmers will also be linked to low-interest input financing.

The increased production will be purchased by private sector anchor purchasers (e.g. large conglomerates), agro-processors, commodity exchanges and procurement for government strategic reserves. In addition, any unsold produce will be purchased at a reserve price by relevant agencies on behalf of the Federal Government.

Also, to facilitate access to farms, there will be extensive construction of rural roads, using locally sourced materials like granites and rocks.

Objective	Create 5 million jobs in the agricultural sector while boosting agricultural production and guaranteeing food security.
Guiding Principle	Expand production and output by working closely with the private sector to address all issues along the value chain, including production, harvesting, storage, transporting, processing and marketing.
Project Elements	<ul style="list-style-type: none"> • Identify between 20,000 and 100,000 hectares of land per State for agricultural use. • Explore financing options so that small holder farmers can access interest-free credit with a small administrative charge. • Involve individual farmers and agricultural cooperatives to increase agricultural labour capacity nationally. • Partner with private sector to implement strategies to increase yield per hectare including through outgrower schemes and knowledge transfer protocols and greater access to energy for production and refrigeration. • Guarantee market and mitigate post-harvest losses for the products through a combination of private sector off-takers, commodity exchanges, a government buy-back scheme, strategic reserve purchases.
Implementation Structure	Presidential Task Force on Food and Jobs in Agriculture
Estimated Cost	N 634, 982,256,367.46
Timeline	12 months

11. Jobs Through Homes: Mass Housing Housing Strategy

The Mass Housing Strategy envisages the creation of 1.8 million jobs starting with the construction of 300,000 homes in the next 12 months. The strategy envisages a two-track approach.

The first track is aimed at easing bottlenecks in the delivery of social housing while the second track will deliver affordable homes through direct government interventions in house construction.

Track 1

In addition to the jobs created in the process of increasing the national housing stock, the strategy will also motivate increased domestic production of building materials.

Features of the strategy include developing standardised home design to streamline production methods and costs, engagement with States Government to provide suitable land banks and giving construction contracts with guaranteed off-take to a mix of established developers and consortiums of young professionals in the building sector (architects, engineers, quantity surveyors, accountants, etc.) as small and medium scale contractors. These groups will in turn generate the associated artisanal jobs.

In addition, construction sites will function like factories for the light manufacture of inputs for house construction, such as locks, keys, nails, doors, window frames, cement bricks, paint plants, etc. to be used on location. In order to create indirect jobs and save on costs, it is intended that all the materials to be used in the houses will be produced in Nigeria.

Financing will be arranged through the designation of a Homes' Warehousing Agent who will purchase the completed homes from the developer teams and from whom individual buyers will eventually purchase homes.

11. JOBS THROUGH HOMES: MASS HOUSING HOUSING STRATEGY

Track 2

In Track 2, between them, the Federal Housing Authority, the Federal Mortgage Bank of Nigeria and the Public Building and Housing Development Programme will support the creation of construction and associated jobs over the next 12 months. This will involve building 10,840 units of low, medium and high income units across the six geopolitical zones. Under the Public Building and Housing Development Programme, a further 12,008 houses

<p>will be built. Also, a programme of extensive rehabilitation and restoration of public buildings will be implemented all over the country. The Federal Mortgage Bank will also provide construction financing, for up to 2,667 housing units per year with arrangements for off-take being organised through a Cooperative</p>	<p>Housing Development Loan Scheme and a National Affordable Workers' Housing Scheme. An Executive Order to implement the National Public Buildings Maintenance Policy will be issued to facilitate the survey and maintenance work on public buildings.</p>
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Track 1

Objective	Build 300,000 homes across the country in 12 months in the first instance.
Guiding Principle	Utilise the job creation potential of the housing sector to create a lot of jobs at professional and artisanal levels using local materials while also providing homes for at least 1.5 million more Nigerian families across the country.
Project Elements	<p>Work with State Governments to identify land for housing construction in all Local Government Areas</p> <ul style="list-style-type: none"> • Target 100% local input for construction of 400 homes in each Local Government Areas. • Standardise design of homes for cost management and industrialisation of construction process. • Identify and select delivery partners formed by groups of professionals and artisanal builders as primary delivery channels. • Create a 'Homes Warehouse' to buy any completed homes from delivery partners, in the absence of ready off-takers. • Mortgage or sell homes to the public through the Homes Warehouse. • Encourage private sector involvement and facilitate maturity of the mortgage market that will cater to the needs of middle-class Nigerians while government addresses the needs of low-income earners and the poor.
Timeline	12 months

Track 2

Objective	Utilise existing institutions to build 25,515 affordable homes across the country in 12 months
Guiding Principle	Optimise the job creation potential of the housing sector to deliver affordable housing across the country.
Project Elements	<ul style="list-style-type: none"> • Work with States to identify land for housing construction. • Target 100% local input for construction. • Engage the housing industry supply chain in its entirety including mortgage banks, developers, builders and artisans. • Engage with off-takers in the private and public sector through employee cooperative. • Ensure use of local content in construction, rehabilitation and maintenance work. • Issuance of Executive Order on the implementation of the National Public Buildings Maintenance Policy.
Implementation Structure	Federal Ministry of Works and Housing, Federal Mortgage Bank of Nigeria, Federal Housing Authority
Estimated Cost	N 317,292,377,973.48
Timeline	12 months

12. Energy For All: Solar Power Strategy

<p>The Solar Power Strategy will support 250,000 jobs and impact up to 25 million beneficiaries through the installation of 5 million Solar Home systems and mini-grids. Provision of reliable electricity to health clinics will also be included as a priority.</p> <p>The project will swiftly increase the stock of affordable energy by providing solar power to rural communities that have little or no access to the national grid. Private sector installers of solar systems will be supported to access low-cost financing from</p>	<p>development finance institutions and the CBN in order to install solar systems at an affordable price. The project will also draw on the experience of the 'Energising Economies' project through which customers with low energy demand were provided with electricity on a monthly 'pay-as-you-go' basis by private sector operators.</p> <p>The project will also promote the local production of solar components and appliances, taking advantage of the work that has already been done in this regard by the NASENI and others.</p>
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Objective	Create 250,000 jobs in the energy sector while providing solar power to 5 million households by 2023.
Guiding Principle	Leverage private sector knowledge and finance as well as the demonstrated willingness of citizens to pay for reliable power supply to expand access to electricity nationally.
Project Elements	<ul style="list-style-type: none"> • Identify locations for solar installations working with state governments. • Identify prospective beneficiaries. • Facilitate the participation of private sector solar providers including SMEs in the deployment of solar power to 5 million households. • Encourage private sector financing for off-grid solar energy projects with a minimum Tier 2 (80W – 150W) system. • Attract investment of solar panel manufacturers into Nigeria, building on the work already done by NASENI and others.
Implementing Structure	Federal Ministry of Power, Rural Electrification Agency, Niger Delta Power Holding Company
Estimated Cost	N 240,000,000,000.00
Timeline	12 months

13. Jobs for Youths and Women Post Covid-19

This project brings together some of the key elements already existing in this Plan including road construction and maintenance, digital economy and education. It also contains additional elements such as the creation of a national public works programme to create 774,000 jobs (in all 774 local governments) and empowerment schemes designed to boost the capacity of women in artisanal employment and Micro, Small and Medium Enterprises (MSMEs).

The Jobs For Youth Project will support the creation of jobs through:

- Training in digital skills in partnership with private sector providers like Google, Microsoft, IBM and Cisco
- Direct labour in a National Public Infrastructure Maintenance project
- Provision of start-up capital and entrepreneurship skills for young Nigerians people and women

Objective	Create jobs for youths in relevant priority sectors.
Guiding Principle	Develop an enabling environment for the proactive engagement of the country's youth in priority sectors of the economy to promote the creation of a productive and inclusive society.
Project Elements	<ul style="list-style-type: none"> • Identify beneficiaries. • Ensure appropriate gender diversity in access to resources and empowerment opportunities. • Provide training in key digital skills in partnership with private sector, providers, including Google, Microsoft, IBM, Cisco where applicable • Provide start-up capital for participants of selected programmes where applicable. • Provide training in entrepreneurship skills for applicants. • Identify relevant National Public Infrastructure Maintenance projects. • Provide access to direct labour in a National Public Infrastructure Maintenance project. • Provide access to start-up capital for qualifying young Nigerian entrepreneurs where applicable. • Provide resources for training.
Implementing Structure	Federal Ministry of Labour and Productivity (Sub-Committee on Creation of Jobs for Youth and Women)
Estimated Cost	N 50,000,000,000.00 (for Direct Labour in National Infrastructure Projects)
Timeline	12 months

14. The Future of Work – Strategy For Jobs in Technology

The Strategy for Jobs in Technology will take advantage of opportunities in the digital economy to create 1 million jobs in outsourcing. It is intended to create jobs by training young Nigerians to take advantage of existing initiatives in the digital economy, including in education, entertainment, e-commerce, financial services and software development. Specifically, it intends to leverage the high job creation potential of the technology sector by using policy to deepen the provision of business support services, including business process outsourcing in the economy. For these purposes, this strategy incorporates the expansion of broadband connectivity to business services parks and locations.

Additional workspaces for private sector participants will be identified in partnership with State Governments to form technology parks and outsourcing centres. Service standards will be set for the private sector through regulatory agencies, e.g. NCC, FCCPC, CBN and for the government through the office of the SGF and the Head of Service. This will stimulate activity in the contact (call) centre and document digitisation sectors. By enhancing their customer service structure in compliance with minimum standards established by regulation, customer facing government agencies will be leading off-takers of these services in addition to major private sector entities like banks, telecommunications companies, satellite television services, airlines and e-commerce operators

Objective	Launch a national programme to create jobs in digital outsourcing.
Guiding Principle	Develop a national workforce for jobs of the future by enhancing the competence and capacity of Nigerian youth to participate in job intensive technology sectors.
Project Elements	<ul style="list-style-type: none"> • Identify sub-sectors for Nigeria's focus in BPO; such as Call/Contact Centres, Document Digitisation, Software Development and Troubleshooting, Paralegal Services, Book-keeping, etc. • Development of policy guidelines and regulations by relevant regulatory agencies establishing service standards for customer facing activities by both government and private sector entities, e.g. prescribing at least one call centre seat for every 1,000 customers. • Restart and execute the Government Contact Centre Project (in partnership with the private sector). • Develop enabling policy environment including incentives for the training, recruitment and retention of personnel. • Establish Data Processing and Document Digitisation as government policy so that government is a key off-taker of such services. • Provision of facilities to support BPO, including broadband access, and collaboration with the private sector to create suitable technology parks and workspaces. • Availability of low cost finance to support start-ups in the BPO sector.
Implementing Structure	Federal Ministry of Communications and Digital Economy
Estimated Cost	Not applicable
Timeline	12 months

15. National Gas Expansion Programme (NGEP)

Track 1

The National Gas Expansion Programme will accelerate the transition of Nigeria to a post-oil era, promote the domestic use of cleaner fuels, and prepare the CNG market for export opportunities.

The downstream sector will be engaged to develop modular Compressed Natural Gas refilling plants for the distribution of gas.

Track 2

The National LPG Expansion Implementation Plan will oversee and drive all the disparate efforts undertaken by industry stakeholders to promote LPG consumption in Nigeria. Working with private sector developers, the project will organise the sector to

support conversion from the use of traditional fuels like kerosene, wood etc. to the use of cleaner LPG fuel. The project will engage with private sector to promote the distribution and domestic manufacture of cylinders and other accessories to encourage expand the adoption and use of LPG.

Subsequently, a Presidential Inter-Ministerial Committee was constituted and saddled with the responsibility of coordinating the proposed interventions under this initiative, with the National Gas Expansion Programme Management Office (PMO) charged with the responsibility to coordinate the implementation of the expansion programme.

Track 1

Objective	Launch a national programme to promote domestic use of CNG and support the creation of 1 million jobs.
Guiding Principle	Maximise domestic use of CNG while reducing reliance on refined petroleum products like kerosene and PMS.
Project Elements	<p>The National Gas Flare Commercialisation Programme The National Gas Expansion Programme Compressed Natural Gas as Vehicular (Transportation) Fuel:</p> <ul style="list-style-type: none"> • Implement detailed CNG penetration plan. • Identify in-country firms for CNG conversion kits and OEM companies. • Provide incentives to reduce conversion costs of vehicles and equipment that use other forms of energy. • Roll-out programme for CNG utilisation on identified interstate routes, including Abuja. • Develop local content and capacity building initiatives with PTDF for CNG conversion. • Provide available gas resources along existing pipeline infrastructure. • Liaise with NEXIM, BOI and NCDMB for financing for private sector Conversion Garages and Gas Filling Stations. • Partner with relevant stakeholders on deployment of the pilot modular CNG refilling stations, conversion training and certification nationwide. • Mass sensitisation and public awareness across the country on the use of CNG including safety measures.
Implementing Structure	Federal Ministry of Petroleum Resources, Nigerian National Petroleum Corporation
Estimated Cost	N 90,000,000,000.00
Timeline	12 months

Track 2

Objective	Support the creation of 1 million jobs through the conversion of 30 million homes from dirty fuels (kerosene, charcoal and diesel) to LPG and achieve emissions reduction in greenhouses gases while also applying LPG in other sectors such as agriculture, power generation, transport, industry and technology
Guiding Principle	Maximise inland production of almost 5 million tonnes of gas to contribute to a reduction in the foreign exchange requirement for petroleum products.
Project Elements	<ul style="list-style-type: none"> • Implement an awareness and sensitisation campaign in partnership with state governments starting with 12 pilot states in the six geo-political zones. • Implement a Cylinder Injection Scheme through the provision of 5 – 10 million cylinders in the pilot states. • Promote the establishment of cylinder manufacturing plants for gas stoves and accessories. • Modify the National automotive policy to include gas for automobiles. • Engage OEMs to establish CKD factories locally. • Engage Agriculture, Telecoms and Power sectors in the use of LPG logistics (Agriculture), for captive power (industry and Telecoms). • Promote and incentivise more domestic supply sources from marginal field operators and reduction of exports from current exporters of LPG. • Seed capital required from FGN by the DFI's for the proposed LPG Fund with BOI acting as single obligor
Implementing Structure	Inter- Ministerial Committee on LPG
Estimated Cost	N23,400,000,000.00
Timeline	12 months

16. Supporting Small Businesses: Guaranteed Offtake Scheme for MSMEs; SME Survival Fund; SME Intervention Funds; MSME Regulatory Support

There are several tracks through which Government will be supporting micro, small and medium enterprises to enable them respond to the economic challenges of COVID-19.

TRACK 1

The purpose of the Guaranteed Offtake Scheme for MSMEs is to safeguard 300,000 existing jobs in 100,000 MSMEs (impacting 1,000,000 individuals) and sustain local production. The scheme will function by government making arrangements to purchase specific priority products made by MSMEs. To ensure value for money the process for such supplies will be a bidding process. The scheme will ensure that small businesses do not fail and thus ensure that the jobs in the MSME sector are not lost to the global and national slowdown in economic activity.

TRACK 2

Payroll support to designated sectors: The scheme is a conditional grant to support vulnerable SMEs in designated vulnerable sectors in meeting their payroll obligations and safeguard jobs from the shock of COVID-19. The scheme will seek to support 50,000 SMEs employing a minimum of 10 employees and a maximum of 50 employees each. Designated vulnerable sectors

include: hotels, creative industries, road transport, tourism, private educational institutions, etc.

Interest-free credit to artisans: In addition, a further scheme to support daily-paid and self-employed workers and artisans through the provision of interest-free credit to be disbursed through micro-finance and fin-tech credit providers.

Support to the Road Transport Sector: To cushion the effects of social distancing, further support will be provided to the road transport sector in the form of direct grants to transport workers and businesses to support this sector which enables significant proportion of commercial activity.

TRACK 3

This track is an initiative to be led by the Bank of Industry (BOI) to provide support to key sectors impacted by the pandemic such as: Healthcare; Agro Processing; Creative Industry; Oil & Gas; female-owned businesses.

Preliminary engagements have been undertaken with the private sector to identify interventions required. These include:

<ul style="list-style-type: none"> • Credit facilities that support their working capital and expansion of existing production facilities • Credit remediation support e.g. tenor extension, loan restructuring, moratoriums etc. • Support for working capital facilities and term loans to finance expansion requests. <p>Given its structure, BOI as fund manager is able to provide tailored lending solutions across the value chains of these affected</p>	<p>sectors i.e. to micro, small and medium enterprises as well as large corporates.</p> <p>TRACK 4</p> <p>This track is a practical and immediate response to micro and small businesses to support resilience and ensure continued local production and cushion the effects of the pandemic. The measures introduced will reduce product registration and renewal tariffs with the National Agency for Food and Drug Administration and Control (NAFDAC).</p>
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Track 1

Objective	Sustain 300,000 jobs in 100,000 MSMEs by guaranteeing off-take of priority products, such as processed food, Personal Protective Equipment, hand sanitisers, face-masks, face-shields, shoe covers, pharmaceuticals.
Guiding Principle	Safeguard existing small businesses to save jobs and ensure continued local production.
Project Elements	<ul style="list-style-type: none"> • Purchase identified items from small businesses. • Collaborate with private sector MSME associations. • Define the products, quantity required and the price for the identified products. • Solicit interest from MSMEs to participate in procurement. • Verify and screen the applications from bidding MSMEs. • Provide registration support with CAC for unregistered MSMEs. • Develop and sign contract with beneficiaries. • Make payments based on agreements. • Make arrangements for transparent purchase and distribution of procured items.
Implementing Structure	Federal Ministry of Industry, Trade and Investment
Estimated Cost	N 15,000,000,000.00

Track 2

Objective	Establish the SME Survival Fund to sustain at least 500,000 jobs in 50,000 SMEs.
Guiding Principle	Use payroll support to save jobs and ensure continued local production.
Project Elements	<ul style="list-style-type: none"> Identify beneficiary small businesses in designated sectors, viz: Hotels, Creative Industries, Road Transport, Tourism, Private Schools and Export-related businesses. Screen and verify applications using available company registration, tax registration. Identify, approve and disburse grants to beneficiaries through microfinance banks and financial technology credit providers. Identify eligible private transport companies and workers. Screen and verify applications of eligible Road Transport workers. Approve and disburse grants to beneficiaries.
Implementing Structure	Steering Committee on the MSME Survival Fund; Federal Ministry of Industry, Trade and Investment, Bank of Industry.
Estimated Cost	<p>N50,000,000,000.00 [payroll support] N200,000,000,000.00 [loans to artisans] N10,000,000,000.00 [support to private transport companies and workers]</p>
Timeline	0 - 3 months

Track 3

Objective	Support the creation jobs in priority sectors using BOI, NEXIM and other national development banks as fulcrums. Through the provision of: N50bn MSME de-risking facility N100bn Intervention Fund for the health sector N150bn Capitalisation Fund for priority sectors N50bn Export Expansion facility
Priority Areas	Healthcare, Agro Processing, Food Processing, Creative Industry, Local Oil & Gas, and Export Sector.
Guiding Principle	Support the resilience of existing businesses to respond to the shocks caused by the COVID-19 pandemic in identified priority sectors (of which 40% are female-owned) to retain and create jobs.
Project Elements	<ul style="list-style-type: none"> • Engage Deposit Money Bank partners. • Invite applications from intending beneficiaries. • Verify and screen the applications from bidding MSMEs. • Develop and sign contract with beneficiaries. • Make disbursements based on agreements.
Implementing Structure	Federal Ministry of Finance, Budget and National Planning, Federal Ministry of Industry, Trade and Investment, Bank of Industry (Programme Steering Committee)
Timeline	12 months
Estimated Cost	N350,000,000,000.00

Track 4

	Support continuing production of MSMEs in the food and drug sector during the COVID-19 era.
Guiding Principle	Support the resilience of existing businesses to respond to the shocks caused by the COVID-19 pandemic.
Project Elements	<ul style="list-style-type: none"> • Implement zero charges for first 200 micro and small businesses to register products. • Implement 80% reduction in charges for product registration of micro and small businesses for a period of 6 months (until November 2020). • Provide waivers on administrative renewal of expired product licences for micro and small businesses for 3 months.
Implementing Structure	National Agency for Food and Drug Administration and Control
Timeline	0 - 6 months

17. Moving People and Goods: Road Construction and Rehabilitation

Road construction and rehabilitation is essential to boost economic activity by easing the transportation of goods and persons.

Using a labour-intensive approach, this project will cover the construction and maintenance of federal highways, roads, and bridges as well as road interventions within federal tertiary institutions all across the country.

In addition, the Federal Roads Maintenance Agency (FERMA) will undertake interventions to maintain strategic roads nationwide; provide, maintain and manage connecting corridors with Special Agro-Industrial Processing Zones across the country; install and maintain street lighting to enhance highway security; as well

as ensure the structural integrity of bridges and hydraulic structures.

Other key FERMA interventions are the Stakeholders Assisted Right of Way Maintenance Intervention Programme (SHAROW-MIP); strategic economic and petroleum products route maintenance and maintenance of roads in tertiary and research institutions. This SHAROW-MIP programme is aimed at creating jobs by involving communities in vegetation management and silt control in order to enhance visibility, safety and security along critical federal highways. It will now be complemented by a post COVID-19 intervention to reduce bottlenecks that severely restrict the flow of food, fuel and medical supplies and thus enhance the speed of delivery of these vital items.

Objective	Using local materials, create 296,000 jobs in the construction and rehabilitation of roads in the 6 geo-political zones of the country.
Guiding Principle	Utilise a construction and maintenance approach that is labour-intensive to improve the national road network.
Project Elements	<ul style="list-style-type: none"> • Mapping of roads requiring repairs and interventions, including to vital economic installations in order to optimise economic activity and speed up transportation of people and goods. • Provision of finance to pay engineers, foremen, and labourers and to buy materials for road construction and repairs such as granite, bitumen, cement. • Rehabilitation/Construction of Roads and Bridges across the 6 geopolitical zones of the country, including road intervention within Federal Tertiary Institutions. • Close collaboration with State Governments implementing the Special Agro-Industrial Processing Zones. • Engagement with communities and stakeholders especially on improving visibility, safety and security on the roads.
Implementing Structure	Federal Ministry of Works and Housing
Estimated Cost	N 60,000,000,000.00
Timeline	12 Months

18. Building A Resilient Health Sector

The current pandemic has accentuated the need for a robust healthcare system. National efforts in this regard are hinged on four key priorities, namely, boosting the response to the COVID-19 pandemic, ensuring access of every Nigerian to qualitative health services based on the prioritisation of primary health care, building preparedness for the threat posed by infectious diseases and boosting local research and development efforts aimed at the production of medical and pharmaceutical resources.

Immediate efforts are targeted at ramping up local production of materials such as Personal Protective Equipment (PPEs), hand sanitisers, face masks and other resources for infection control. With a functional financial resource pooling mechanism in place to cover the healthcare of citizens, the private sector support

will be brought to bear on the effort to transform public secondary and tertiary health institutions into self-administering and self-sustaining enterprises with the capacity to manufacture basic commodities and consumables like intravenous fluids, laundry soap, surgical gloves, bed sheets and pillowcases, nurses and doctors uniforms, etc.

While steps are being taken to expand the National Health Insurance Scheme to cover all citizens, the protection of health workers on the front lines of addressing COVID-19 and other infectious diseases shall be a priority. To this end, the Nigeria Social Insurance Trust Fund (NSITF) shall provide insurance coverage for health workers across all tiers of government as well as in the private sector.

Objective	Develop a robust health system with the capacity to withstand shocks.
Guiding Principle	Ensuring resilience in health sector systems.
Project Elements	<ul style="list-style-type: none"> • Create a single national pool of resources for the purchasing of a defined package of health services to foster broader risk sharing and reduce duplication of effort. • Expand universal health insurance to cover the poorest and most vulnerable by linking the National Health Insurance Scheme to the National Social Register. • Accelerate implementation of the Basic Health Care Provision Fund (BHC PF) to achieve at least a 65% increase in the share of the population covered by primary healthcare by 2023. • NSITF to launch insurance scheme for health workers to cover exposure to COVID-19 and other infectious diseases. • Ensure access to power for health clinics through stand-alone systems or micro-grids (where necessary). • Establish a favourable tariff regime to support domestic pharmaceutical companies and allied manufacturers. • Support domestic pharmaceutical companies to meet WHO prequalification criteria, and overcome a major challenge to production for export. • Mobilise private sector resources to contribute to various health funds and services such as the National Emergency Health Fund or Basic Healthcare Provision Fund (BHC PF), health infrastructure development and granting incentives like tax exemptions. • Support local research and development efforts aimed at production of medical and pharmaceutical resources including vaccines and consumables.
Implementing Structure	Federal Ministry of Health
Estimated Cost	N 198,936,000,000.00
Timeline	12 months

19. WASH Emergency Response to Covid-19

<p>As part of the public health response and to strengthen resilience against the spread of infectious disease, there will be a concerted effort to increase water supply to public utilities and public places, including markets, IDP camps, isolation and testing centres. Beyond the emergency phase, there will be a scale-up of the following already launched national initiatives:</p>	<p>(i.) Partnership for expanded Water Supply, Sanitation and Hygiene (PEWASH) for rapid improvement of WASH activities in rural areas</p> <p>(ii.) National WASH Action Plan to strengthen WASH governance institutions and service provision</p> <p>(iii.) Clean Nigeria Campaign against Open Defecation</p>
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Objective	Fast-track the implementation of the National WASH programme
Guiding Principle	Contribute to public health strategies to increase pandemic preparedness.
Project Elements	<ul style="list-style-type: none"> • Establish a WASH Sector COVID-19 National Response Committee. • Provision of Safe Water Supply, Sanitation and Hygiene Services in public places to improve access to running water supply to facilitate handwashing practices at COVID-19 isolation centres, testing locations, markets, motor parks, schools and to vulnerable areas including IDP camps. • Provision of sustainable power solutions for water provision, where required, e.g. stand-alone solar powered bore holes and water heaters. • Provision of emergency support to water and sanitation utilities to ensure continuity of water supply and emergency measures to ensure that water utility staff have protective equipment, priority for testing and salary supplements for additional workload on health workers and related personnel. • Public advocacy on hand-washing.
Implementing Structure	WASH Sector COVID-19 National Response Committee
Estimated Cost	N10,290,525,000
Timeline	12 months

20. Social Investment Programme

<p>In view of current challenges, the existing Social Investment Programmes will be expanded to offer greater and wider protection to the most vulnerable persons and communities:</p> <p>Cash Transfers will be expanded to cover an additional 1 million households.</p> <p>The National Home Grown School Feeding Programme will be expanded to all States of the Federation. participating persons will be paid through their account numbers, telephone lines or in cash.</p> <p>N-Power: The N-Power Programme will continue to provide job opportunities to Nigerian youths aged 18 - 35 on a year to year basis following which the beneficiaries will be exited into employment or entrepreneurship opportunities. A monthly stipend of N30,000 will be paid to each beneficiary during the period.</p> <p>Government Enterprise and Empowerment Programme (GEEP): To stimulate economic activity, the programme will continue providing loans to vulnerable micro, small and medium enterprises, starting from N10,000. As part of the Covid-19 response, the moratorium will be extended for at least 3 months.</p> <p>The programmes will deepen financial inclusion by bringing a proportion of the 36.8% of the adult population said to be financially excluded into the financial system. To achieve this, mobile money and agent networks will be leveraged.</p>	<p>In view of current challenges, the existing Social Investment Programmes will be expanded to offer greater and wider protection to the most vulnerable persons and communities:</p> <p>Cash Transfers will be expanded to cover an additional 1 million households.</p> <p>The National Home Grown School Feeding Programme will be expanded to all States of the Federation. participating persons will be paid through their account numbers, telephone lines or in cash.</p> <p>N-Power: The N-Power Programme will continue to provide job opportunities to Nigerian youths aged 18 - 35 on a year to year basis following which the beneficiaries will be exited into em-</p>
<p>Objective</p>	<p>Increase support to vulnerable individuals and households in the context of COVID-19.</p>
<p>Guiding Principle</p>	<p>Increase reach and access to key social programmes while dampening the effects of the adverse economic and health impacts of the global pandemic on low income earners and the poor.</p>
<p>Project Elements</p>	<ul style="list-style-type: none"> • Enroll one caregiver (and one alternate) per household and start disbursement of Cash Transfers to all the 2,644,495 households captured on the National Social Register of Poor and Vulnerable Households. • Expand social register, enroll and disburse cash transfers to an additional 1 million households. • Expand the school feeding programmes to all States of the Federation.
<p>Implementing Structure</p>	<p>Federal Ministry of Humanitarian Affairs, Disaster Management and Social Development</p>
<p>Estimated Cost</p>	<p>N 87,063,566,666.67</p>
<p>Timeline</p>	<p>12 Months</p>

21. Aviation

<p>The Aviation industry has been hard hit by the COVID-19 pandemic as over 90% of its activities and operations have been adversely affected, resulting in losses that are valued at N21bn on a monthly basis. Emphasis is therefore placed on ensuring the recovery of the sector, and providing financial support where necessary to ensure that the sector not just survives, but also sustains air connectivity to keep passenger traffic as well as</p>	<p>supply lines for essential and cargo flights open.</p> <p>It is also proposed to fast track the establishment of a private sector driven national carrier to generate revenue and contribute to GDP, while creating activity in the wider economy for suppliers, importers, exporters and manufacturers.</p>
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Objective	Save existing aviation industry organisations and jobs, through a targeted stimulus package and fast track the establishment of a private sector driven national carrier.
Guiding Principle	Strengthen the aviation sector so that it survives and creates job opportunities and supports general economic activity including transport logistics.
Project Elements	<ul style="list-style-type: none"> • Extend grant support including payroll support to the aviation industry including airlines, handlers, caterers and related services. • Provision of single digit soft loans, with long term repayment plan. • Deferred payment of taxes and filing dates. • Ensure the removal of Value Added Tax (VAT) from airline tickets as approved by FEC. • Provision of COVID-19 tests for all passengers and crew. • Waiver of airport rent fees to airport operators for the duration of the lockdown plus one month. • Begin processes for establishment of private sector-driven national carrier.
Implementing Structure	Federal Ministry of Aviation
Estimated Cost	N 27,000,000,000.00
Timeline	12 Months

22. Ensuring Continuous Learning - Education

The immediate focus in the Education sector is to address the disruptions caused by the pandemic and ensuing social distancing measures at all levels of education. Practical steps will be taken to minimise disruption to learning, utilising technology as appropriate. Specifically, virtual learning will be implemented (either online or through broadcast), virtual convocation ceremonies or issuance of certificates (with postponed ceremonies) should be implemented to continue educational progression.

In similar context, consideration will be given to suspending the National Youth Service Corps (NYSC) Orientation Camp Exercises for at least 24 months while allowing deployment to places of primary assignment. This will ensure that there is no backlog in the National Service placement pipeline. Going forward, steps will also be taken to address three key issues in the educational sector - The incidence of Out of School Children, the national shortage of basic education teachers and the urgent need to develop proficiency in STEM/TVET and digital literacy on a national level.

The project will be delivered over 36 months to accommodate the longer lead times in the education sector while addressing the incidence of Out-Of-School Children (OOSC). It is expected that with the structures that are established by this project, a major post-project benefit will be the eradication of the incidence of OOSC within five years.

The project will generate accurate and verifiable education data necessary for planning and decision-making and will involve extensive stakeholder engagement at State and local government levels as well as private sector engagement to understand needs as well as sensitise local populations on skills development and entrepreneurship. The project will create employment opportunities for qualified graduates and will develop the required proficiency of the teaching professionals in those critical subjects that underpin productivity, efficiency and innovation in a modern economy.

Objective	Minimise disruption to learning at all levels of education.
Guiding Principle	Utilise practical measures to ensure that learning continues during the 2019/2020 and 2020/2021 school years.
Project Elements	<ul style="list-style-type: none"> • Develop regulations to ensure that learning is not disrupted during the 2019/2020 and 2020/2021 school years in particular, virtual convocation ceremonies or issuance of certificates with postponed convocation ceremonies. • Develop standards for remote learning curriculum (online or via broadcast). • Map the incidence of OOSC in 774 Local Government Areas and engage key local stakeholders. • Establish a vocational skill acquisition centre in each of the 774 Local Government Areas. • Identify qualifying unemployed graduates to initiate the recruitment process for new teachers. • Identify qualifying candidates for apprenticeship and artisan development programmes. • Engage industry and different sectors to identify relevant skills and competences required to guarantee employment in their sectors. • Identify locations for National Institute of Technology to be established in 6 geopolitical zones and FCT.
Implementing Structure	Federal Ministry of Education, Federal Ministry of Youth and Sports
Timeline	12 months

23. Science and Technology

<p>This project will address the establishment of a viable Science and Innovation ecosystem for the country especially by integrating the use of science and technology in the agricultural, housing and roads and solar power projects in this Plan.</p> <p>Key aspects of the project are as follows:</p> <ul style="list-style-type: none"> • Monitoring and Review of the National Policy on Science, Technology and Innovation to attain nationally-defined objectives • Acquisition and application of Science, Technology and 	<p>Innovation to increase agricultural and livestock productivity</p> <ul style="list-style-type: none"> • Increasing energy reliance through sustainable Research and Development (R & D) in renewable and alternative energy sources • Establishment of programmes for utilisation and commercialisation of research outputs from Federal Institutes by Small Business. • Establishment of Science and Technology Parks across the Country
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Objective	Establishment of an economically viable Science and Innovation ecosystem in Nigeria.
Guiding Principle	Utilise the Science and Innovation system to support entrepreneurship and economic recovery.
Project Elements	<ul style="list-style-type: none"> • Update and implement the 2012 Science, Technology and Innovation Policy. • Establish Science and Technology Parks across the country. • Rationalise, Revitalise and Re-position all Federal Research Institutes. • Establish programmes for utilisation and commercialization of research outputs from Federal Research Institutes. • Actively collaborate with the private sector to create a large number of well-paid jobs for Nigerian youths. • Provide support to research on the reduction of post-harvest losses of Agricultural produce.
Implementing Structure	Federal Ministry of Science and Technology
Estimated Cost	N144,117,052,900.00
Timeline	12 Months

24. Internal Security Sector

<p>The COVID-19 outbreak has impacted the Ministry of Interior in several ways including border closure and travel restrictions, restrictions of business activities, cessation of issuance of passports and visas, inability of some companies to promptly renew their expatriate quota positions, evacuation of foreigners and congestion in correctional centres.</p> <p>Given the more focused COVID-19 related tasks that now have to be performed across its many agencies, the Ministry and its</p>	<p>agencies are seeking for ways to ease the operations of businesses that they engage with and ensure the safety of inmates in correctional facilities through activities such as the completion of 3000 Maximum Capacity Custodial Centres and the introduction of revenue-generating and cost-saving technologies. All these will be implemented as the Ministry enhances the capacity of its agencies to assist in the maintenance of peace and order across the nation.</p>
<p>Objective</p>	<p>Strengthen the national capacity to manage immigration, correctional facilities and public safety post-COVID-19.</p>
<p>Guiding Principle</p>	<p>Using appropriate technology to facilitate the business operations of the Ministry of Interior.</p>
<p>Project Elements</p>	<ul style="list-style-type: none"> • Ensure reduced processing time for the Ministry's business operations and the continued issuance of travel and residency documents including expatriate quotas, passports and driving licenses. • Enhance inmate health and safety in existing facilities. • Rehabilitate custodial centres and barracks nationwide and maintain existing infrastructure. • Implement revenue generating schemes and cost-saving technologies while improving service delivery. • Implement training programmes for Agro Rangers and NSCDC to enhance their effectiveness in protecting the population and in maintenance of peace and order.
<p>Implementing Structure</p>	<p>Federal Ministry of Interior</p>
<p>Estimated Cost</p>	<p>N 2,394,058,948</p>
<p>Timeline</p>	<p>12 Months</p>

25. Solid Minerals

This project aims to develop artisanal and small-scale mining for economic growth and development in Nigeria. The promotion and fostering of cluster development is expected to rapidly spur job creation. This will also agglomerate ASM producers, customers and competitors based on geographical proximity or linked by complementary expertise which will promote efficiency and increase specialisation and production.

It is expected that the development of clusters will create sustainable competitive advantages via the development of downstream mining industries, the generation of new start-up companies, increase in the level of competitive inputs and in the

level of employment in all business activities related to the mining cluster, increase in the rate and exportation of value-added products and services as well as attract foreign investments.

The target area for the implementation of the project is the known ASM high density States in Nigeria, including Osun (gold mining), Zamfara (gold mining), Kaduna, Niger (gold mining), Bauchi (kaolin & coltan), Nasarawa, Gombe (gypsum) and Plateau (tin) states. The aim is to set-up a cluster in each geopolitical zone

Objective	Establish a programme to organise artisanal miners and develop the mineral value-chain in 6 geo-political zones.
Guiding Principle	Deepen artisanal and small-scale mining for economic growth.
Project Elements	<ul style="list-style-type: none"> • Improving the infrastructure for economic actors and creating an environment for the emergence of subsidiary and service-oriented companies that will boost further economic activity. • ASM Co-operative Registrations - The number of ASM co-operative licenses registered with the Ministry of Mines and Steel can be monitored and utilised to measure the formalised direct employment rates in the mining industry. • Collection of biometric, BVN and identity data. Data collection is important for transparency, analysis, decision-making and planning purposes. • Reporting on Royalty Payments • Ensuring that each Authorised Processing Facility keeps a register that keeps information on the type, physical characteristics and quantity of development minerals present in different stages of commerce as is required by the applicable regulations.
Implementing Structure	Ministry of Mines and Steel Development
Estimated Cost	N6,000,000,000
Timeline	12 months

26. Digital Switch Over Programme

The ongoing national Digital Switch Over Programme (DSO) will be accelerated to support the process of the Analogue Switch Off (ASO) freeing up the spectrum for resale and deliver the benefits of Digital Television. The DSO will underpin the development of a sound digital economy in Nigeria, create jobs around the manufacturing, installation and maintenance of associated equipment and expand jobs in the creative sector (including presenters, producers, content creators, actors) which will now have enhanced outlets for distribution of creative content.

Local licensed manufacturers will expand production of components for the DSO equipment under the accelerated DSO programme. Other benefits of the programme will include an increase in digital television penetration across the country and provide an opportunity for increased revenue generation from the sale of the vacated spectrum. The DSO programme will reduce the cost of internet services and increase broadband penetration in Nigeria as well as provide opportunities for audience management which will add value to the Nigerian advertising sector.

Objective	Fast-track the implementation of the National Digital Switch Over Programme.
Guiding Principle	Strengthen digital infrastructure.
Project Elements	<ul style="list-style-type: none"> • Develop digital infrastructure in strategic locations and gap fillers installed in difficult to reach areas. • Engagement with equipment manufacturers to expand manufacturing in preparation for roll-out. • Implement a public engagement campaign on the DSO Programme for adaptation. • Develop amendments to the National Broadcasting Commission (NBC) Act to meet the needs of the DSO Programme. • Establish a content development fund to improve content. • Establish a test factory to ensure DSO equipment meet specified standards • Strengthen monitoring facilities of the NBC to meet the regulatory needs in the digital era and buy-back of analogue transmitters.
Implementing Structure	Federal Ministry of Information and Culture
Estimated Cost	N15,000,000,000.00
Timeline	12 months

Delivering the Plan

The success of this Economic Sustainability Plan depends on delivery. This is because the circumstances in which the plan is being developed requires that the depth of the recession is ameliorated. Delivery also lies at the core of the ESP because the projects it contains are not new but rather the processes and arrangements to be put in place for achieving desired results. In agriculture for instance, the approach would be to tackle all the constraints across the value chain simultaneously using methods and practices that have been proved to work in Nigeria. Clearly, successful implementation of the ESP would also require that a number of cross-cutting items be addressed. The importance of identification became apparent during the COVID-19 crisis especially for the distribution of palliatives but also for extending support to household enterprises. Similarly important is the capacity of the public service to interface successfully with the private sector to ensure the achievement of desired results.

Delivery Elements

- Establishment of clear priorities
- Articulation of detailed action plans in each sector
- Clarity in time-frame of projects
- Stipulation of desired results and outcomes
- Use of private sector agents with track record of delivery or meeting project requirements
- Collaboration between public and private sector to measure results
- Adoption of clear accountability framework and monitoring mechanism
- Active oversight by ESC

Implementation Framework

- The Economic Sustainability Committee and the National Economic Council which are chaired by the Vice President and report to the President is responsible for providing overall strategic vision, policy direction and general oversight of implementation.
- Ministerial Implementation Committee chaired by the Federal Ministers in the relevant sectors shall be responsible for ensuring synergy between stakeholders across Ministries, Departments and Agencies and the private sector. They shall also drive the execution of specific projects, coordinate the entire sectoral value chain and ensure resolution of bottlenecks impeding implementation.
- Project Monitors constituted by combined public and private sector teams shall be responsible for facilitating problem-solving, stakeholder engagement forums that

bring together government and private sector actors, ensuring results and quality assurance and reporting to the Economic Sustainability Committee. The National Monitoring & Evaluation and the Budget Office of the Federation shall be responsible for the monitoring and evaluation of all expenditure in line with their statutory responsibilities pursuant to section 4 of the National Planning Commission Act, 1993 as well as section 30 and 50 of the Fiscal Responsibility Act 2007 respectively.

Furthermore, this will ensure compliance with signed agreements with IMF, World Bank and other Multi-lateral agencies with regards to the budget support facilities for Transparency, accountability and Post Audit of all COVID-19 expenditures".

- The ESC Secretariat shall interface with the Project Monitors, serve as the link between the ESC and Project Monitors, work with project monitors to develop primers for ESP sectors and generally provide support to the ESC, the Sectoral Task Forces and project monitors.

9

RECOMMENDATIONS

1. That government, must stop, the use of consultants to collect taxes. Stoppage will block leakages associated with the use of consultants for tax collection and shall boost revenue accruable to states and local governments for effective service delivery.
2. Government should make taxes that are payable known to every citizen. Tax rates should be published and be disseminated widely.
3. Payment of taxes should be eased through virtual means to encourage citizens to pay taxes through payment cards or at online payment platforms.
4. Tax policies should be shaped, in a way that encourages and support growth of the informal sector of the economy.
5. Multiple taxation affects micro and small enterprises negatively. Efforts should be made to eradicate it.
6. Principles of fair tax should be employed in taxation from the bottom of the pyramid to vulnerable poor. Every business cannot be taxed the same.
7. Only trained state/local government employees, should be used to collect taxes.
8. Government should develop and put in place, requisite infrastructure that would encourage and motivate citizens to pay their taxes promptly.
9. Different groups parading markets and harassing traders, should be banned from the markets with their activities criminalized.
10. Point of sales payment system should be introduced in the markets, where traders, would easily pay their taxes, tolls, and levies, without molestation.
11. A Treasury Single Account (TSA), should be set up for tax collection at the local government level to block leakages.
12. A redress mechanism should be established to handle issues of abuse and wrongful acts of state agents, involved with tax collections at markets.

13. Equitable approaches must be adopted in taxation. High net-worth individuals should pay commensurate taxes.
14. Ensure that informal sector taxes are fair and progressive
15. There is need to carry out impact assessments, with a focus on women and poor people to ensure those groups are not disproportionately affected in taxation.
16. Ensure that any reform in informal sector taxation aims to improve compliance. There are several dimensions to this, all of which needs attention, capacity, and investment.
17. Budget transparency and actual spending of tax revenues on community development, should be made public.
18. Improve transparency, with public postings of rates payable and immutable standardized receipts. Those paying taxes, should always demand and save receipts, which can be useful in holding local officials accountable for uses of revenues paid.
19. Ensure that there are sufficient skilled revenue authority officials with capacity to implement tax administration unbiased.
20. Mobilize more citizens (government, private and corporate bodies) into Tax Justice Platforms across the country.
21. Use constructive approach to tackle unfair tax practices
22. Appoint Voluntary Tax Justice Monitors (VTJM) across Nigeria
23. Seek for tax violation and remediation windows with all tiers of government and appropriate MDAs
24. Carry out advocacy programs and campaigns to enlighten citizens about responsive taxation
25. Demand accountability and effective service delivery, which will serve as a booster for voluntary tax compliance
26. Reform Nigeria's Tax Justice Platforms beyond, being a loose coalition, which will make it (futuristically) sustainable, beyond Oxfam's Nigeria support.
27. More tax awareness education and sensitizations should be carried out across the country.
28. Review and adoption of key policy interventions and tax reform strategies implemented by the government of Lagos State for adoption and domestication by various states' tax administrators to improve domestic (resource) mobilization.

29. Need to streamline and outline statutory taxes for informal sectors with appropriate tax collection entities at various levels and dissemination to citizen to address issues of multiple taxation, alongside, awareness to address tax-borders encroachment within sub national collection boundaries.
30. Nigeria's National Tax Policy should be (wholly) implemented.
31. Tax Laws should be reviewed to meet contemporary economic realities.
32. There should be an overhaul of tax administration to encourage voluntary compliance by taxpayers
33. There should be structural reporting of tax revenues through deployment of appropriate technology and highly motivated workforce.
34. Tax intelligence should be carried out by stakeholders in collaboration with Tax Justice Platforms, as the government, may not, (voluntarily) amend laws to favor the people, except, there are advocacies.
35. At all times, relevant tax authorities, should compare Nigeria's tax system with what is obtainable elsewhere.
36. CSOs, the Media and participants must escalate advocacy to reduce human interference in the tax collection processes.
37. CSOs should expand and deepen advocacy on tax policies improvement, which will deepen commitment to reducing inequality.
38. CSOs should aggressively deepen advocacy and sensitization, amongst vulnerable groups, especially, women in the informal sector to reduce harassment and overburden tax payments.
39. We recommend massive deployment of technology in tax collection processes to ensure transparency and block leakages.
40. The Joint Tax Board should speed up harmonization of taxes across the federation and streamlining of collection points to avoid multiple taxation and extortion.
41. CSOs and the media should track internally generated revenues at both the national and sub-national levels to guarantee, fairness, equity, and justice in tax administration across the country.
42. There is strong need to strengthen and capacitate tax monitors, especially, at the sub-national level.
43. Absolute respect for the rights and privileges of taxpayers should be ensured.
44. CSOs and the media in Nigeria, should continue to advocate and put pressure on governments at all levels to develop the political will to fight corruption

and stop impunity by enforcing rule of law in their domains on tax collection processes.

45. Governments at all levels must ensure establishment of effective fair tax compliance desks to redress unfair taxation or methods.
46. CSOs and other stakeholders should collaborate and create synergy in their activities for advocacy and tax education of citizens, including, ongoing reforms to empower citizens to engage on tax issues effectively and build critical mass that will bring necessary changes in tax policies in favor of the poor, therefore, narrowing inequality gaps.
47. Tax Justice Platform should encourage citizens to ask questions about uses of tax monies, as it will promote transparency, accountability, and judicious spending of taxpayers' money.

ABOUT NIGER DELTA BUDGET MONITORING GROUP (NDEBUMOG)

WHO WE ARE - Niger Delta Budget Monitoring Group

Niger Delta Budget Monitoring Group (NDEBUMOG) was conceptualized and founded in July 2005. The organization is registered with the *Corporate Affairs Commission (CAC)* in Nigeria and holds a *Special Consultative Status with the Economic and Social Council (ECOSOC) of the United Nations*.

From the organization's inception till date, NDEBUMOG has contributed significantly to Nigeria's and international development processes, either; through international development's connectors, research/trainings, legislative lobbying, capacity building of stakeholders on public procurement, budget analysis, budget monitoring/tracking, basic economic literacy, shadow budgeting, tracking of illicit financial flows, communally centered capacity for gender justice, fiscal equity, along with campaigns and propagation of inclusive (participatory) budget, fair and justifiable taxation and remediation of audit gaps in Nigeria's extractive and solid minerals sector. *NDEBUMOG* is among key civil society organizations' in Nigeria that works on fiscal governance, through programmatic, institutional and (collaborative strategic) synergies with ACAs and other agencies of the governments at every tier in Nigeria. On the strength of the above, we were engaged by the Federal Government through the *Budget Office of the Federation (BOF)* as *sector's expert* of the *Medium-Term Sector Strategies* from 2008 to 2011. *NDEBUMOG* was assigned to the Federal Ministry of Defense in 2008, and Federal Ministry of the Niger Delta Affairs in 2009, 2010 and 2011 respectively. However, till date, *NDEBUMOG* engages the government (generically) in the MTSS/MTEF processes; through different strategies and approaches, as it pleases the government's in power, as the government tries to keep date with extant provisions of the Fiscal Responsibility Act. *NDEBUMOG* was also invited by Nigeria's *Economic Summit Group* to the *14th Nigeria's Economic Summit in 2008*, which was to be among *session's discussants* that discussed and interrogated the topicality of Nigeria's belated "*Vision 2020*". During the session in reference, *NDEBUMOG* informed the audience (bluntly) that, such a 'vision' would not be realized in Nigeria, due to lack of reliable statistical data and chronic fiscal disequilibrium.

In October 2005, following Nigeria's exiting of London and Paris Club creditors through a *debt relief* that was granted to Nigeria after the payment of \$18 billion (negotiated) exiting

threshold, including, an agreement that Nigeria, must channel the benefits of the *debt relief* into pro-poor expenditure line items. A *monitoring and evaluation* mechanism were conceptualized, which; brought together, government, private sector and civil society organizations into a (joint) monitoring and evaluation structure for measuring the impacts of the debt relief granted the country. In view of this, NDEBUMOG was among CSOs selected for the monitoring and evaluation exercise. The exercise, operated from 2006 to 2013, through competitive tenders/bids that NDEBUMOG participated and won till the end of the exercise in 2013. During this assignment, NDEBUMOG produced and authored several joint-report(s), populated the National Monitoring and Evaluation template(s) (and National (Monitoring) Portal), through a national reporting structure, which were partnership between the *government, private sector and civil society* tailored to measure the national progress of Nigeria's campaign for the *Millennium Development Goals (MDGs)* in 2015. The monitoring structure was managed by Office of the Senior Special Assistant to the President on MDGs (OSSAP-MDGs), which had also handled the coordination of releases of field reports. Presently, OSSAP-MDGs (in Nigeria) is referred to as OSSAP-SDGs. *NDEBUMOG* was also engaged in the National Consultative processes for Post 2015 SDGs by the *United Nations* through the *United Nations Millennium Campaign (UNMC)* office in Nigeria.

In 2011, *NDEBUMOG* led a team of experts, which drafted civil society's version of *Edo State Public Procurement Bill*. Edo State legislature, adopted vital provisions from the said Bill into Edo State Public Procurement Act, which was a Bill under consideration within the period it was deliberated for passage, and was subsequently signed into law by (then) Governor of Edo State, *Comrade Adams Oshiomhole* in 2012; upon passage by the Edo's Legislature into law. This assignment was conducted through *Environmental Rights Action (ERA)*, Benin City, with support from *Open Society Initiative for West Africa (OSIWA)*, which provided an opportunity to consolidates efforts by the civil society at institutionalizing (procurement due process and) fiscal discipline in the Niger Delta. Presently, (the said) *Edo State Public Procurement Act* have some responsive clauses, amid states with similar legislations across Nigeria. Some of the responsive clauses include: *Quarterly state of public procurement report to citizens; needs assessment and analysis; civil society monitoring and observation of the bidding processes in Edo State, with legal force; community inclusion; membership of civil society in the Board*, among others. Further, the *Federal Government* appointed *NDEBUMOG* into a *team of experts* that was mandated to carry out a five-days *Procurement Audit* of the *Niger Delta Development Commission (NDDC)* in 2011, a responsibility that was conveyed through a letter with ref no: ***BPP/S.11/CCMD/VOL.VII/433***. Ironically, there was a bottleneck, which frustrated the execution of this assignment from then NDDC, which led to the immediate constitution of the *Oronsaye's Committee* by the Federal Government for the probe of the agency, with the committee's report, among others, recommending immediate dissolution of the then NDDC's Board. Part of the *Oronsaye's Committee's* recommendations were enforced by Federal Government on the 13th of September, 2011. Reinforcing our institutional expertise on *procurement audit*, on the 5th of July, 2011, the Federal Government invited *NDEBUMOG* to partake in other *procurement audit(s) exercises*, conveyed through a letter dated 27th July,

2015 with ref: **BPP/S.1/VOL.XLX/511.**

Our organization has also been invited by agencies of the Federal Government to observed bidding processes for capital procurement(s) and for related fiscal matters, which were conveyed, either; through letters with the following reference numbers by the government:

MNDA/PROC/26/VOL.1/10/33,NDBDA/PPC/VOL1/12/005,NDBDA/PPC/VOL1/13/005,NDBDA/PPC/VOL1/09/014,MNDA/PROC/26/VOL/1/10/1,MNDA/PROC/26/VOL/1/10/1,2519/S.1/EITI/VOL.1/1861/SDGs/OSSAP/PM&E/05/,PS/NPC/GC/06/IV/352,BPP/DG/2012/435,BPP/DG/2012/334,2519/S.1/MIS/VOL.1/31,BPP/DG/2015/183,BPP/DG/2014/730,SSAP/MDG/M&E/60/TIIL,SH/COS/70/A/4575,SAP(S&R)/VOL.011/01,BPP/S.1/CCM/10/VOL.1/126,SH/COS/70/A4691,2519/S.1/MIS/VOL.1/10,BPP/RDD/13/VOL.1/185,BPP/DG/2013/1085,BPP/DG/2013/53,BPP/2013/926,BPP/DG/2014/370,BPP/DG/2014/111,BPP/DG/2012/005,BPP/DG/2012/1012 BPP/DG/2010/833,BPP/DG/2011/854,SSAP/MDGs/OP/1/II/T,2519/S.1/VOL.1/09,BPP/DG/2012/1216,BPP/DG/2013/638,SSAP/MDGs/CSO/20,SH/BMPIU/T.13,BPP/DG/2013/541,BPP/DG/2010/899,BPP/RDD/16/VOL.1/130,BPP/DG/2013/143,HMF/FMF/0/09/1, among others.

At the subnational level, NDEBUMOG has engaged over 70 government agencies across some states and Local Government Areas, which are numerous to mentioned. These were as at December, 2017.

NDEBUMOG is considered as the Zonal (South-South) Contact Civil Society Organization of the Bureau of Public Procurement (BPP), State House, Abuja, a position, which we have occupied, from *NDEBUMOG*'s inception in 2006, which was a time, when BPP was *Budget Monitoring & Price Intelligence Unit* (BMPIU), that is; before the passage of the Public Procurement Act by Nigeria's National Assembly in 2007, which institutionalized, Nigeria's Bureau of Public Procurement within Nigeria's Presidency. *NDEBUMOG*, working together, with other civil society groups, played a critical role, through advocacy and (legislative) lobbying towards the final passage of *Nigeria's Public Procurement Act*. In view of this relationship with the BPP, we facilitated five regional sensitization programs about the Public Procurement Act, 2007, which was in collaboration with the BPP for the South-South Zone. These events took place at *Calabar* (2008), *Port Harcourt* (2009), *Asaba* (2011) and in *Benin City* (2012). There was also (BPP's) Federal Government's Contractors Forum that was organized by the BPP in *Asaba* in 2010, with *NDEBUMOG* as the lead technical facilitator.

After the formation of *Economic and Financial Commission's (EFCC) Anti-corruption Revolution Campaign (ANCOR)* in 2009, *NDEBUMOG* was elected as *Rivers State Coordinator* of the platform, and was latter elected at a national convention to represent Nigeria's South-South Zone in *ANCOR's National Coordination Committee* at the convention, which was organized by the EFCC, through the support of the European Union's support to ACAs in Nigeria. This *ANCOR's* platform was latter mishandled by some (actors) within the civil society, which led to the dissolution and disbandment of the structure by the EFCC. Between 2014 and 2016, other civil society actors, through collaboration with the EFCC came together to formed *Anti-corruption and Economic Crimes Support Network (ACE-Network)* and admitted *NDEBUMOG* into its membership.

In 2010, *NDEBUMOG* was elected into Nigeria's Extractive Industries Transparency Initiative's (NEITI) civil society Steering Committee, and latter (in 2011), elected as civil society Liaison Organization of NEITI/Head of *Nigeria's Extractive Industries Transparency Initiative's (NEITI) Civil Society Steering Committee*. A position that subsisted till 2012. In 2008, *NDEBUMOG* was elected into the Board of the *National Procurement Watch Platform* until 2012, when we voluntarily left the position. *NDEBUMOG's* representative was part of Nigeria's delegation to the Paris EITI Conference in 2011. It was an event, which the 1st EITI's Validation for Nigeria was announced. Within this period, precisely in 2010, *NDEBUMOG* was elected to lead a mega national coalition, which was: *Coalition for Accountability and Transparency in Extractive Industries, Forestry and Fisheries in Nigeria (CATEIFFN)*. This coalition has, within its fold, Fisheries Society of Nigeria (FISON), Miners Association of Nigeria (MAN), including several others. It was during *NDEBUMOG's* headship of CATEIFFN that the end-to-end research on the nature and character of Nigeria's oil and gas industry, (including, solid mineral) was unveiled at Yar' Adua's Centre in Abuja, with copies of the research forwarded to several of Nigeria's Universities' libraries. Following the completion of the first tenure (of 2 years-2010/2011), *NDEBUMOG* was reelected (involuntarily) for a second tenure, culminating to *NDEBUMOG's* resignation from the position.

Notably, through partnership with *Office of the Senior Special Assistant to the President on MDGs (OSSAP-MDGs)*, *NDEBUMOG* collaborated alongside the *Budget Office of the Federation (BOF)* to conduct a training on “Budgeting for MDGs in the Niger Delta”, in partnership with the National Democratic Institute for International Affairs (NDI) at Calabar in 2007. All MDGs Line Ministries across the 6 South-South States of the Federation were invited and they participated. This (MDGs pro-poor line) workshop, resulted in a collaboration between Bayelsa and Cross River State government for capacity strengthening on the medium-term expenditure framework. In line with our commitment for the promotion of responsive fiscal governance in Nigeria, *NDEBUMOG* conducted a capacity enhancement training for key officers (3 from each LGA) in Cross River State in November 2006. This training was on “Procurement Due Process”. The event was conducted in collaboration with the (then) *Budget Monitoring & Price Intelligence Unit (BMPIU)*, referred to now as; Bureau of Public Procurement-State House, Abuja, *Cross River State's Planning Commission*, and the *State's Local Government Service Commission*. Funding support for this training was provided by the *United States Agency for International Development's (USAID)-REFORMS* Program in Nigeria. It was the first of its kind in Cross River State by any civil society organization as at 2006.

Before the formal presentation of *Bayelsa State Public Procurement Act* (which was by then, a Bill in the State's parliament), the (then) government of Bayelsa State, under the leadership of Governor Goodluck Ebele Jonathan (who later became Nigeria's President), conducted a pilot training on “procurement due process” for senior civil servants in Bayelsa State. This event took place in February, 2006 at the Sport Complex in Yenagoa. It was in collaboration with the *Budget Monitoring and Price Intelligence Unit (BMPIU)*, State House, Abuja.

NDEBUMOG was the only civil society organization invited (among the technical facilitators) to deliver a paper, which was on “domestication of the Due Process mechanism in Bayelsa State”. Part of *NDEBUMOG*'s recommendations (on end users' inclusion was captured in section 28 of the State's procurement law), which was signed into Law by the (then) Governor Timipre Sylva on the 17th of June 2009.

In 2007, the *British High Commission*, in collaboration with *Oxfam GB* and *Movement for the Survival of Ogoni People (MOSOP)*, conducted a training programme on “*Improved Budget Management Systems for Effective Local Government Administration in Nigeria*”, which was targeted at Legislative Councilors in Rivers, Bayelsa and Delta State. *NDEBUMOG* was *MOSOP*'s Technical Partner in the project. *NDEBUMOG* was also the technical partner during the *DfID*'s *Strengthening Accountability in the Niger Delta (STAND's)* project. The project was initially handled by *IDASA* Nigeria, and later, by *Stakeholders Democracy Network (SDN)*. This, we did, through facilitation of trainings for community partners in *STAND*'s communities across the Niger Delta, without getting involved in the intrigues of the *STAND*'s project.

In 2011, *NDEBUMOG* entered into collaborative partnership with *Oxfam Novib* for “*Deepening Expenditure Line Tracking for States and Local Governments in the Niger Delta*”. Under this *DELTA SLOG* program, 16 Fiscal Governance Town Hall meetings were conducted across 4 states in the Niger Delta, alongside trainings for civil society groups and government institutions, until 2015, when the *DELTA SLOG* program closed. Thereafter, in 2016, there was another collaborative window with *Oxfam*, which was the Financing for Development's Strategic Partnership Program (F4D-SPP), with the program expected to be closed in December, 2020. Under this F4D's program, several inclusive (fiscal governance) town hall meetings have been conducted within the F4D's cluster, being: Lagos, Enugu, Delta, Rivers state. Trainings on basic economic literacy, gender-based budgeting, shadow budget, livelihood, among others, were/are also conducted. Under this program, a technical collaboration was facilitated by *Oxfam*, between *NDEBUMOG* and *Kebetkache Women Development and Resource Centre*, which was for *NDEBUMOG* to provide technical support to *Kebetkache* for the training of 3,000 women on livelihoods, shadow budget, economic inclusion, among others. This technical understanding was successfully discharged by parties involved.

There are other programmes, collaborations, projects, activities and engagements, which are not included in the above narrative.

STRATEGIC POSITIONING

NDEBUMOG is a frontline civil society organization, working in budget advocacy, transparency, accountability, procurement discipline and anti-corruption within Nigeria's Niger Delta and beyond. We are the only civil society organization in the region that has formally been engaged by the Federal Government to conduct procurement audit(s) on some

Federal Government's agencies. We have conducted monitoring and evaluation assignments on (specialized) projects of the government, including related projects' audits, impact assessments, beneficiary's analysis, among others, even on projects with crosscutting funding- baskets. Expertise and knowledge, garnered from these engagements has shown, there is need for total overhaul of Nigeria's fiscal regime and public finance expenditure framework. NDEBUMOG is strategically placed with access to fiscal materials, from budget to expenditure records and audit reports of the government for several years and in some cases, information on actual releases that could be gauged with audits in tracking illicit financial flows, which are vital information for gauging fiscal trends, development's evolutions and communal realities, leveraging on emerging fiscal truths to battle Nigeria's resource disease, whilst empowering the communities through fiscal knowledge, capacity and windows for engagements towards sustainable development.

Interestingly, NDEBUMOG does not have any (formal) working relationship with the *Niger Delta Development Commission* (NDDC) from our inception in 2005 till date. However, independently, occasionally and spontaneously, we do checkout and monitors NDDC's capital projects, which is an effort to measure how the existence of the agency is impacting on the lives of our people in the Niger Delta and Nigeria in general. NDEBUMOG undertakes such exercises at our cost and without political undertones.

STRATEGIC DIRECTION

We have our Board's approved *Board Charter*, a *strategic plan and direction*, including, a *monitoring and evaluation framework*, which is used to keep track with *NDEBUMOG's* institutional goals and direction. The primary aim and objective of *NDEBUMOG's* strategic plan is to offer direction towards achieving our institutional objectives, goals, mission and vision. *NDEBUMOG's* strategic plan is subject to reviews at every five years. The five-year period and reviews of our strategic plan is a time of assessing and deepening approaches to our works. Synchronously, *NDEBUMOG* will take a leadership role in working with a broader array of partners, comprising of: community groups, government and civil society organizations within the Niger Delta and beyond, through national interlocking, using the approach of engaging experts and (committed) volunteers.

With fresh perspectives on *our mission*, understanding what we do well, and the environment, which we operate, *NDEBUMOG* will pursue full actualization of its *strategic direction*, as guided by *NDEBUMOG's strategic plan*.

The ultimate result that *NDEBUMOG* aspires to achieve is good governance and changing community conditions of making life more meaningful for every person and (local) communities in general.

A Nigeria, where all public resources are maximally utilized for the benefit of all citizens.

A Niger Delta and Nigeria, where all public resources are maximally utilized for the benefit

of all citizens.

OUR MISSION

To promote transparency and accountability for consolidation of Nigeria's democracy, thereby, promoting sustainable development...

OUR AIMS AND OBJECTIVES

1	Simplifying and disseminating budget information.
2	Identifying and setting (budget) priorities.
3	Influencing revenues policies.
4	Identifying budget trends and providing projections.
5	Highlighting best practices.
6	Tracking revenues and expenditures.

OUR GOALS

At *NDEBUMOG*, we believe the key towards improving efficiency and quality in public spending and services is to strengthen citizens' ability to hold government to account on public expenditure.

Our work to enhance accountability is based on these approaches:	
1	Strengthening non-governmental organizations' and citizens' capacity to undertake budget monitoring and accountability work;
2	Developing and disseminating tools and lessons to support accountability work;
3	Strengthening government's capacity and political will to work with civil society in a way that improves spending and services.

ETHICS, CODES, CONDUCT AND RESPONSIBILITY

VALUES: All members of the organization, shall jointly, pursue a common value of transparency.

TRANSPARENCY: Openness in the conduct of organizational affairs and observation of laid down procedures.

INTEGRITY: Responsive, Responsible, Professional, and Sensitive to the needs of others. Tolerance and Responsiveness to criticisms and pro-activity.

PROBITY, ACCOUNTABILITY, ANSWERABILITY: Regard office, power, and authority as a trust with obligation to render services and account of stewardship. Our members, officials, volunteers, consulting experts and members of institutional think tank, must, therefore, adhere by obeying organizational constituted authority and give respect to office holders and consultants commissioned to undertake important task.

SOCIAL JUSTICE: Ensure fairness, equity and equal opportunity in apportioning responsibilities and resources, especially, to committed members, officers, members of think tank and volunteers.

HUMAN DIGNITY: Respect for human life, including, human person and promotion of access to meaningful existence of all humans, especially, the poor.

OVERCOME FEAR: All members and officials of the organization (ad hoc, permanent or volunteers) must overcome political, human, and survivalist fears during our budget monitoring, analysis, tracking, assessment, evaluation and anti-corruption work.

RELATIONSHIP WITH GOVERNMENT: All members, officials and volunteers, must never use their privileged position to seek political favors from politicians or government officials, or seek job offers or contracts from same, as these, directly or indirectly could influence their sense of judgment in the process of our work and relationship with politicians and government. Issues of conflict of interest must strictly be understood and adhered to as enshrined in NDEBUMOG's Constitution, Board's Charter, and related documents, such as:

1. Staff Operational Manual
2. Communication Strategy
3. Communications Schedule
4. Copyright Compliance Policy
5. Communications Crisis Management Procedure
6. Diversity and Equality Policy
7. Media and Public Relations Policy
8. Privacy Policy
9. Complaint Handling Policy
10. Social Media Policy
11. Accounting Manual
12. Gender Responsibility Policy
13. Consultancy Policy
14. Procurement Manual
15. Anti-corruption Policy
16. HIV/AIDS Policy
17. Information System Policy and Procedures
18. Motor Vehicles Policy and Procedures
19. Others.

STRATEGIC OBJECTIVES

After developing our *vision* and *mission* statements, we gave a detailed consideration to how we can achieve our purpose, thereby; creating a chance to realize our *vision*. We reviewed our

strengths and weaknesses and considered (any) unique opportunities available to us. We also reviewed the manner, which we have operated until now, identifying areas, where we could do more or work in a different way to be more effective.

Within these deliberations, are where, *NDEBUMOG* derived its *strategic objectives*. These (*objectives*) sets out, what we aim to do in the coming years, and in essence, a reflection of the core functions of *NDEBUMOG*. We have sought to ensure that our *strategic objectives* are appropriate to our place in Nigeria's governmental landscape, particularly, as it relates to the Niger Delta region. We consider these factors as key to the successful delivery of internal plans and the long-term establishment of *NDEBUMOG* as a force in promoting and supporting good governance and fiscal responsibility in Nigeria. *NDEBUMOG* has six *strategic objectives*, which are embedded in important official documents to consciously guide our members, officials, experts, consultants and volunteers in our day-to-day operations and activities. It is available to our strategic partners, persons, and institutions, wishing to engage with *NDEBUMOG* at a strategic level.

THE KEY ACTIONS THAT NDEBUMOG WILL UNDERTAKE ARE:
Conduct research, tracking, procurement audit, shadow analysis, scoping studies, and projects' investigations with advocacy for reforms and actions.
Carry out bribery index, focusing on selected sectors.
Disseminate results of internally and externally generated research.
Organize policy dialogues on good governance with policy makers and duty bearers in key sectors.
Conduct policy reviews and issue briefs to support advocacy for reforms in key sectors.
Commission position papers on improving governance in key sectors
Disseminate policies and legislation on public procurement and fiscal responsibility.
Establish and strengthen networks and partnerships for improved governance.
Build the capacity of partners and civil society organizations to effectively promote good governance.
Support CSOs to mainstream transparency and accountability issues into their work.
Experience and knowledge sharing through BEL and shadow budget to help communities
Documentation of good practices for replication and scaling up.
Establish and strengthen community voluntary accountability committees.
Introduce and promote citizen score card on key sectors.
Sensitize communities on corruption and its impacts on public service delivery.
Publish and disseminate guidelines for promoting accountability and transparency.
Carry out training for the mass media in budget implementation reporting and reporting corruption, generally.
Support development and implementation of Pacts between communities and States, Federal and Local Governments/ service providers.
Carry out studies on the nature and impact of corruption on businesses.
Advocate for legal and policy reforms to address corruption in the private sector.
Print and disseminate messages on corruption in private-public activities.
Identify and sensitize informal and formal businesses on corruption.
Hold meetings, which would bring together, state and non- state actors, alongside other stakeholders to identify and agree on a minimum set of indicators for political finance transparency within Political Parties, locally and at the national level.
Organize workshops and meetings to bring together, anti-corruption crusaders, political parties financing and elections' oversight bodies to advocate for adoption of a benchmark for anti-corruption and party finance regulatory framework.
Carry out monitoring of the electoral processes and issue reports on such exercises, as they may affect qualitative electoral outcomes that would affect fiscal governance in the short, medium and long terms.

Organize and facilitate public debates among political parties and the general public to mainstream anti-corruption into electoral processes.
Engage in responsive tax education and campaigns to justify our efforts against corruption and for adequate resources to be used for the benefit of all through responsive budget and fiscal discipline
Engage in pro-poor legislative lobbying at all tiers of government, which shall bring sanity to the governance process and reduce corruption to the barest minimum, if not eradicated completely.
Advocate for the implementation of the Freedom of Information Act as a tool for openness in reducing corruption, including, protection for whistle blowers.
Seek for economic inclusion and empowerment of communities or networks through agricultural value chains or similar opportunities of the government for marginalized groups or vulnerable clusters and women.

KEY ACTION ITEMS

Alongside the development of our strategic objectives, we considered these 'Key Actions', which are expected to be undertaken to achieve these objectives. We have identified a number of *Key Actions*, including, at least, one for each of NDEBUMOG's *strategic objectives*, which are critical to the achievement of the *objectives*. These *Key Actions* have been carefully formulated to ensure they would be adhered to, if, we successfully carry out appropriate activities in each of our core areas. The production of these *Actions* is not to be affected by external factors and are wholly within NDEBUMOG's control, making us (clearly) accountable for their implementation.

THEMATIC AREAS

Budget Analysis, Budget Advocacy, Budget Monitoring, Budget Tracking, Procurement Monitoring, Projects' Audit, Extractive Industries Transparency, Shadow Budgeting, Livelihoods for Marginalized Groups, Pro-poor Legislative Lobbying, Monitoring and Evaluation, Responsive Tax Education, Impact Analysis, Fiscal Justice, Scoping Studies, Shadow Analysis, Anti-corruption, Research, Tracking Political Campaign Financing, Agricultural Value-Chain, Livelihoods, Energy and Mining, Community Development, among others.

Our activities are spread around Nigeria's South-South (Niger Delta) geopolitical zone, made up of: Akwa Ibom, Bayelsa, Cross River, Delta, Edo and Rivers State. However, we are a national organization with a localized institutional brand, which blends our work with national linkages and interlocking, through a vast network of partners, allies, associates and (established) platforms that connects various of our stakeholders across the country. Presently, we have 17 Shadow Budget Platforms that are operational and running in Uruan, Ibesikpo-Asutan, Abak, Uyo, Akpor, Port Harcourt, Etche, Oygibo, Igwuruta, Asaba, Agbor, Obiaruku, Ozoro, Enugu, Nsukka, Awgu and Aninri

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- ✓ National Bureau of Statistics, Nigeria.
- ✓ The Joint Tax Board (JTB)-Nigeria.
- ✓ States Boards of Internal Revenue in Nigeria
- ✓ Proshare

ABOUT THIS BOOK (TAX & JUSTICE)

Political economy accepts that taxation and democracy, often, interacts beneficially. Tax and governance are literally and structurally related. Dictatorship or popular democracies cannot flourish without taxation. Governance have effects on those, who votes and unto those, who do not. Individuals might regard democratic decision-making as a tool for the majority to exploit the minority. But the burden of democratic leadership switches this theory, where, minority taxpayers could reduce tax revenue collection targets against service delivery for the benefits of majority that voted at an election. For scholars, the widespread presence of democratic institutions reinforces the desire to understand democratic politics of taxation, both in positive theory and in new empirical instances. Key characteristics within the informal sector are open-ended entries of enterprises into the sector; dependence on local resources, family proprietorship, micro- scale operations, low productivity, and non-adaptation to technology by many of these enterprises. Unregulated competitive markets, lack of governmental support and multiplicity of levies also weighs down the growth of informal sector.

Interestingly, theoretical studies of different aspects of informal sector is equally necessary, especially, on formulation of appropriate policies, which is what, among others, Oxfam in Nigeria's support to Tax Justice Platforms' aims to achieve. Though various writers have published academic papers about the informal sector. Very few books try to reconcile realities within the informal sector in a pragmatic framework with informal actors on ground. In this book, we have given insight into diverse nature of informal sector's complexities, its role in the context of fiscal equity, economic freedom, human rights, and gender justice, among others. This book tries to expound on the contradictions of formal and informal taxation within Nigeria, broadening on policy parameters that may be relevant in Nigeria's complex economic scenarios, as the meaning of informal sector, may be contested by many. The concept is ambiguous, though popular, because it incorporates interest and diversity of broader groups through socioeconomic clusters, either, in micro or macro business settings.

In the F4D's theory of change, tax, and budget, seeks to empower civil society and non-state actors to undertake researches and advocacies that promotes fair and progressive tax through engagements with governments at all levels. These engagements were expected to influence tax policies, participatory budget, alongside, tackles unfair tax practices, inequality, and protection of citizens, especially, marginalized groups, impoverished informal sector players, including, women. F4D's engagements were mainstreamed to regional, national and global frameworks, such as, the Fair Tax Monitor (FTM), which reinforces Commitment to Reducing Inequality Index (CRII) and effective Public Finance Expenditure Management (PFEM). Lessons from monitoring visits by NDEBUMOG's headquarters to these TJ&GPs, especially, as it concerns Tax-for-Service models are also shared in this book. Republication of IGRs that accrued to States of the federation and FCT in 2019, republished Economic Recovery Plan (ERP), added, with other invaluable data that makes this book interesting for civil society groups, public servants, politicians, students, lecturers and researchers. This book is an intellectual nourishment that will kindle readers urge for more. A taste will convince you!