

OPEN BUDGET INDEX SCORE  
— OUT OF 100 —

81-100 Extensive

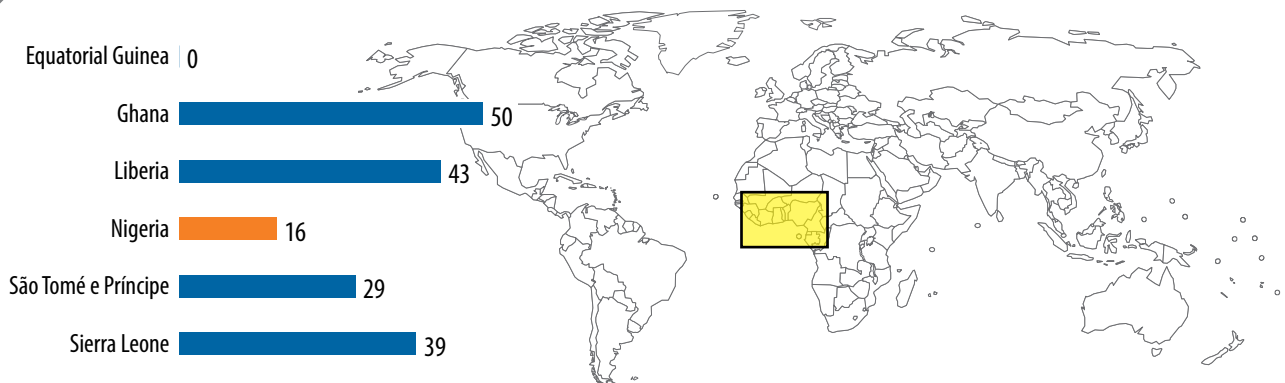
61-80 Substantial

41-60 Some

21-40 Minimal

0-20 Scant or None

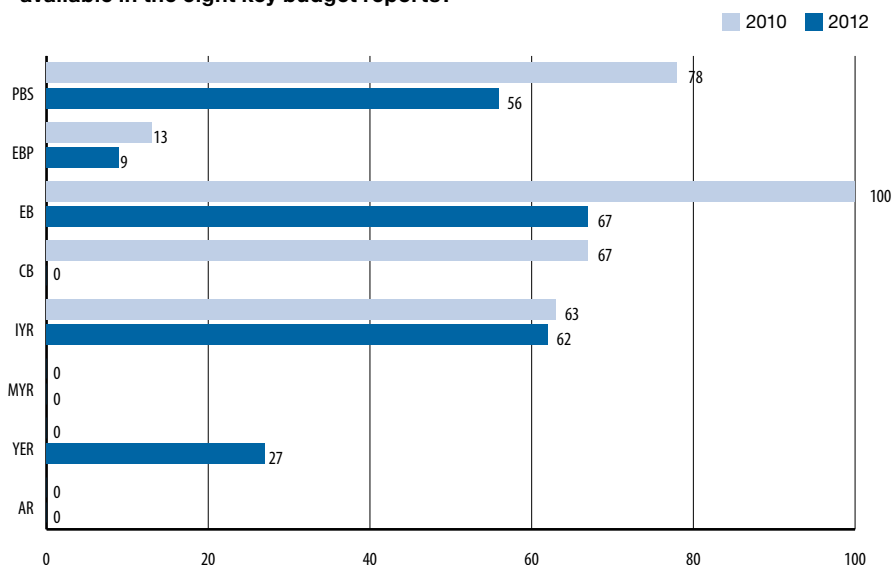
### How does Nigeria compare to its neighbors in West Africa?



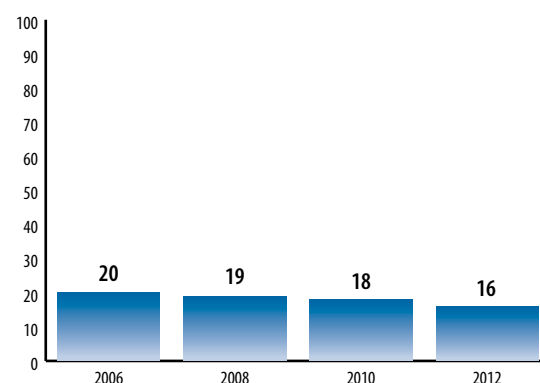
### What are each of the eight key budget documents, and does the public have access to them?

Document	Description of Document	Publication Status
<b>PBS</b>	<b>Pre-Budget Statement:</b> Provides information that links government policies and budgets and typically sets forth the broad parameters that will define the budget proposal that is presented to the legislature.	Published
<b>EBP</b>	<b>Executive's Budget Proposal:</b> Presents the government plans to raise revenues through taxes and other sources and spend these monies to support its priorities, thus transforming policy goals into action.	Published
<b>EB</b>	<b>Enacted Budget:</b> The legal instrument authorizing the executive to raise revenues, make expenditures, and incur debt.	Published
<b>CB</b>	<b>Citizens Budget:</b> A nontechnical presentation to enable broad public understanding of a government's plans for raising revenues and spending public funds in order to achieve policy goals.	Not Produced
<b>IYR</b>	<b>In-Year Reports:</b> Periodic (monthly or quarterly) measures of the trends in actual revenues, expenditures, and debt, which allow for comparisons with the budget figures and adjustments.	Published
<b>MYR</b>	<b>Mid-Year Review:</b> An overview of the budget's effects at the midpoint of a budget year and discusses any changes in economic assumptions that affect approved budget policies.	Produced for Internal Use
<b>YER</b>	<b>Year-End Report:</b> Information comparing the actual budget execution relative to the Enacted Budget.	Published
<b>AR</b>	<b>Audit Report:</b> Independent evaluation of the government's accounts by the country's supreme audit institution. It typically assesses whether the executive has raised revenues and spent monies in line with the authorized budget, and whether the government's accounts of its revenues and expenses are accurate and provide a reliable picture of the fiscal situation.	Produced for Internal Use

### From Zero to 100: Has Nigeria increased the amount of information it makes available in the eight key budget reports?



### OBI scores over four Surveys



## Open Budget Index

The **Open Budget Survey** assesses whether the central government in each country surveyed makes eight key budget documents available to the public, as well as whether the data contained in these documents is comprehensive, timely, and useful. The Survey uses internationally accepted criteria to assess each country's budget transparency developed by multilateral organizations, such as the International Monetary Fund (IMF), the Organization for Economic

Co-operation and Development (OECD), and the International Organization of Supreme Audit Institutions (INTOSAI).

The scores on 95 of the 125 Open Budget Survey questions are used to calculate objective scores and rankings of each surveyed country's relative transparency. These composite scores constitute the Open Budget Index (OBI), the world's only independent and comparative measure of budget transparency.

Nigeria's OBI 2012 score is 16 out of 100, which is well below the average score of 43 for all the 100 countries surveyed. It is also lower than the scores of its neighbors Ghana, Liberia, São Tomé e Príncipe, and Sierra Leone. Nigeria's score indicates that the government provides the public with scant information on the national government's budget and financial activities during the course of the budget year. This makes it challenging for citizens to hold the government accountable for its management of the public's money.

**Nigeria's OBI 2012 score of 16 has declined slightly from its score of 18 on the OBI 2010.**

The Open Budget Index is composed of subscores for each of the eight key budget documents assessed in the Survey. These subscores represent the average of the scores received on a set of questions in the Survey that measure the public availability of and amount of information in the documents. The subscores are comparable across all of the countries included in the Survey.

### Recommendations

Nigeria's score on the Open Budget Index has consistently decreased in the past three rounds of the Open Budget Survey, which is quite alarming. However, with a score of 16 out of 100 on the Open Budget Index 2012, the government of Nigeria has the potential to greatly expand budget transparency by introducing a number of measures, some of which can be achieved very quickly and at almost no cost to the government.

The International Budget Partnership recommends that Nigeria undertake the following steps to improve budget transparency:

- Publish the Mid-Year Review and Audit Report, both of which are currently produced for internal use only (detailed guidance on the contents of these documents can be found in this guidebook: <http://bit.ly/QGzHv8>). As per the Open Budget Survey 2012, 29 countries publish a Mid-Year Review, including Nigeria's neighbors Ghana and Liberia; 68 countries publish an Audit Report, including its

neighbors Ghana and Sierra Leone. Links to the budget documents published by these countries can be accessed from the IBP's website: <http://bit.ly/P8NPOV>.

- Produce and publish a Citizens Budget (detailed guidance on the contents of this document can be found in this guidebook: <http://bit.ly/QGzFmJ>). As per the Open Budget Survey 2012, 26 countries publish a Citizens Budget; currently no country in the West Africa region publishes the document. Links to the budget documents published by other countries can be accessed from the IBP's website: <http://bit.ly/P8NPOV>.
- Increase the comprehensiveness of the Pre-Budget Statement, specifically by providing an extensive explanation of the government's budget policies and priorities with both a narrative discussion and quantitative estimates (see question 62 of the Open Budget Questionnaire).
- Increase the comprehensiveness of the Executive's Budget Proposal, specifically by focusing on providing information on the following areas:
  - expenditures for the budget year by program, using a functional classification of data; projections of future expenditures beyond the fiscal year, and the previous year's expenditure estimates (see questions 2, 4, 5-6, and 18-26 of the Open Budget Questionnaire);
  - revenues for the budget year, disaggregated by tax and nontax revenue source; projections of future revenues beyond the fiscal year; and classification of revenues for prior years (see questions 7-8, 9-10, and 27-32 of the Open Budget Questionnaire);
  - present extensive information on the level and composition of government debt for the year preceding the budget year and present debt figures that compare the past two budget years and actual outcomes (see questions 33-34 of the Open Budget Questionnaire);
  - total outstanding government debt for the budget year and debt composition, such as interest rates on the debt, maturity profile of the debt, currency denomination of the debt, or whether it is domestic or external debt (see questions 11 and 13 of the Open Budget Questionnaire);
  - macroeconomic forecasts and impact of different assumptions used in developing the budget (see questions 14-15 of the Open Budget Questionnaire);

- linking the budget to the government’s stated policy goals; nonfinancial and performance data for expenditure programs; and information intended to benefit directly the country’s most impoverished populations (see questions 16-17 and 48-55 of the Open Budget Questionnaire);
  - extra-budgetary funds, intra-governmental transfers, quasi-fiscal activities, financial and non-financial assets, expenditure arrears, contingent and future liabilities, donor assistance, tax expenditures, earmarked revenue and secret items (see questions 35-36 and 38-47 of the Open Budget Questionnaire); and
  - detailed dates and timetable on the budget formulation process (see questions 56-58 of the Open Budget Questionnaire).
- Increase the comprehensiveness of In-Year Reports, specifically by publishing reports on expenditures, revenue, and debt incurred on a monthly basis (currently it is being published every semester) and by including information on debt composition, such as interest rates on the debt, maturity profile of the debt, and currency denomination of the debt (see questions 63, 67, and 70-71 of the Open Budget Questionnaire).
  - Increase the comprehensiveness of the Year-End Reports by auditing all outcomes; explaining differences between original expenditure estimates, original revenue estimates, original macro-economic forecast, original nonfinancial and performance information, and enacted levels of funds intended to benefit the poor in the country and their actual outcomes, along with actual outcomes for extra-budgetary funds (see questions 78-86 of the Open Budget Questionnaire).

## Strength of Legislatures and Supreme Audit Institutions in Budget Oversight

The Open Budget Survey examines the extent of effective oversight provided by legislatures and supreme audit institutions (SAIs). These institutions play a critical role — often enshrined in national constitutions — in planning and overseeing the implementation of national budgets.

The Open Budget Survey assesses whether legislatures provide effective budget oversight by measuring performance on 11 indicators, including: consultations with the executive prior to the tabling in the legislature of the draft budget, research capacity, formal debate on overall budget policy, time available to discuss and approve the budget, legal authority to amend the budget proposal, approval of shifts in expenditure budget and excess revenues collected, supplemental budget powers, authority to approve use of contingency funds, and scrutiny of audit reports.

The Open Budget Survey assesses whether supreme audit institutions are empowered to provide effective budget oversight by using the following four indicators: authority to remove the head of the supreme audit institution, legal power to audit public finances, financial resources available, and availability of skilled audit personnel.

## Recommendations

Although the overall legislative and supreme audit institution oversight in Nigeria is strong, the Open Budget Survey 2012 finds that this can be further strengthened by the following actions:

- The legislature should have a specialized budget research office to assist it with budget analysis, a committee of the legislature should scrutinize all audit reports, and the executive should present its budget proposal to the legislature at least six weeks, but ideally three months, before the start of the new budget year (see questions 97, 99, and 107 of the Open Budget Questionnaire).
- The SAI should have skilled staff designated to undertake audits of the central government agencies that handle the security sector (see question 94 of the Open Budget Questionnaire).

### Nigeria is a leader on budget oversight in West Africa, though both need to improve on participation

Country	Legislative Strength	SAI Strength	Public Engagement
Equatorial Guinea	Weak	Weak	Weak
Ghana	Strong	Strong	Moderate
Liberia	Moderate	Strong	Weak
Nigeria	Strong	Strong	Weak
São Tomé e Príncipe	Moderate	Moderate	Weak
Sierra Leone	Weak	Strong	Weak

**Strong:** average score above 66 of 100; **Moderate:** average score between 34 and 66; **Weak:** average score below 34

## Opportunities for Public Participation

Research and advocacy experience of civil society over the past 15 years has demonstrated that transparency by itself is insufficient for improving governance. Transparency along with opportunities for public participation in budgeting can maximize the positive outcomes associated with open budgeting. Therefore, the Open Budget Survey assesses opportunities available to the public to participate in national budget decision-making processes. Such opportunities can be provided throughout the budget cycle by the executive, legislature, and supreme audit institution.

Based on these indicators, the Open Budget Survey 2012 finds that opportunities for public participation in the budget process in Nigeria are limited.

## Recommendations

The International Budget Partnership recommends that Nigeria expand public engagement in budgeting after considering the Open Budget Survey indicators on which the country performs poorly (see below and questions 114-115, 117-118, and 122-125 of the Open Budget Questionnaire)

### Nigeria has much room to improve public participation

Requirement	Finding
<b>Process Followed Before Consultation</b>	
Formal requirement for public participation (Q114)	Exists but is weak
Articulation of purposes for public participation (Q115)	Exists but is weak
Communication by the SAI of audit findings beyond publication of audit reports (Q124)	Does not exist
<b>Process of Consultation</b>	
Mechanisms developed by the executive for participation during budget planning (Q116)	Exists but could be improved
Public hearings in the legislature on macroeconomic budget framework (Q119)	Exists but could be improved
Public hearings in the legislature on individual agency budgets (Q120)	Exists and is strong
Opportunities in the legislature for testimonials by the public during budget hearings (Q121)	Exists but could be improved
Mechanisms developed by the executive for participation during budget execution (Q117)	Does not exist
Mechanisms developed by the SAI for participation in audit agenda (Q123)	Does not exist
<b>Process Followed After Consultation</b>	
Feedback by the executive on use of inputs provided by the public (Q118)	Does not exist
Release by the legislature of reports on budget hearings (Q122)	Does not exist
Feedback by the SAI on use of inputs provided by the public (Q125)	Does not exist

## Description of Survey, Methodology, Reliability, and Researcher Contact Information

The Open Budget Survey is a fact-based research instrument that uses easily observable phenomena to assess what occurs in practice. The research conclusions are typically supported by citations and comments, including reference to a budget document, a law, or other public document; a public statement by a government official; or comments from a face-to-face interview with a government official or other knowledgeable party. The Survey is compiled from a questionnaire completed for each country by independent budget experts who are not associated with the national government. Each country's questionnaire is then independently reviewed by two anonymous experts who also have no association with government. In addition, the IBP invites national governments to comment on the draft results from the Survey and considers these comments before finalizing the Survey results. The entire research process for 2012 took over 18 months between July 2011 and December 2012 and involved approximately 400 experts.

The Open Budget Survey provides a reliable source of data on national budget transparency practices for governments, development practitioners, the media, and citizens. Current users of the Survey results include the Open Government Partnership, Collaborative Africa Budget Reform Initiative, INTOSAI, the World Bank in its Worldwide Governance Indicators, and a number of bilateral aid agencies and international and regional multilateral bodies. The publication of the Open Budget Survey 2012 has reinforced the Survey's preeminent position as a global data repository on budget transparency, participation, and accountability.

Research to complete this country's Open Budget Survey was undertaken by Engr. Ralph Ndigwe, Civil Resource Development and Documentation Center (CIRDDOC), Fourth Dimension Complex, 6, 5th Avenue, City Layout, Enugu, [cirdoc96@yahoo.com](mailto:cirdoc96@yahoo.com); [cirdoc@aol.com](mailto:cirdoc@aol.com).

Despite repeated efforts, the IBP was unable to get comments on the draft Open Budget Questionnaire results from the Nigerian government.