Analysis of the Delta State Budgets of Consolidation, Sustainable Economic Growth and Development (2007-2014)

By

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EXECUTIVE SUMMARY

Budget shows government priorities and serves as a yardstick for measuring government's commitment to fulfilling to the letter, the 'social contract' it entered with the people. In other words, accessing the actual level and allocation of public expenditure is the key to understanding any government's true expenditure priorities and coherence with the government's policy objectives.

It is a great challenge that requires policymakers and civil society to demand for reliable and up-to-date information on the structure of the sectors and their financing with special interest in how much is budgeted for every sector. Other key questions which are of great help include: How much is actually released for every sector? What percentage of this actual release is spent? How equitably is it spent? What is the distribution of expenditure among the sub-sectors? Answers to these questions will provide a basis for understanding the government financial operations which ultimately will contribute to the goals of resource allocation, usage efficiency and fairly balanced spread of budget allocation among sectors.

Delta state for the period 2007-2014 has been implementing a 3-point Agenda for the short and medium term development of the State. The Agenda consists of key elements such as Peace and Security; Human Capital Development, and Infrastructure Development.

This report analyzes Delta state budget for 2007–2014 with special emphasis on the overall budget thrust and key sectors of HIV/AIDS, health, education, agriculture, infrastructure, water resources as well as gender. Applying simple percentages, priority and trend analysis, the report found that in the revenue side, Internally Generated Revenue (IGR) of the state dances around 8%-19% of the total revenue generation. Though this may be considerably higher than most states in Nigeria but this situation is not a plus to a state like Delta with all natural and human endowment available. There is need for a conventional and potentially viable source of revenue for the state government which will be far from oil. The state is currently benefiting from the 13% oil derivation proceed and hence should show serious effort towards state economy diversification.

There is also a concern in the level of recurrent expenditure including the overhead cost in relation to personnel costs in the state budget allocation for the period. Evidence reveals that the ratio of overhead/personnel costs for the period 2007-2014 were between 0.7 and 1.09 and the size of personnel budget is an indication of the ambit of service delivery duties/functions of the Ministries, Departments and Agencies of Government (MDAs). During the period 2007-2014 in the Delta state, overhead were disproportionately smaller than those for personnel hence may have impaired efficient and effective service delivery and put the overall budget targets/goals in jeopardy. Therefore, there is the need for an appropriate mix of allocations for personnel and overhead for sustainable service delivery in education, health, agriculture and other sectors.

On the expenditure side, priority analysis reveals that on average, *education, transport, works and infrastructure, health as well as Government House and Governor's Office* in the above order were the top five priorities of the Delta state government looking at the percentage shares of the sectors for the period 2007-2011. It is also quite interesting to note that on average for the period 2007-2011, *government house cum governor's office received more budget* allocation than *agriculture, commerce and industry, women affairs and social development and water resources* put together.

The period 2012-2013 marked a significant shift in spending as works comprising of roads, bridges and drainages got the highest allocation followed by basic and secondary education and unfortunately lands, survey and urban planning before the health and higher education sectors.

Within the period 2012-2013, the office of the executive Governor receives more allocation than *housing and urban development, agriculture and natural resources, water supply and resources as well as commerce and industry* put together while the *office of the secretary to the state government receives more allocation that women affairs and social development as well as environmental sewerage and drainages put together*.

Further analysis shows that only works and infrastructure, education and health sectors attracted more share of the budget than Government House and Governor's office while commerce, industry and technology, agriculture and natural resources, women affairs and social development, youths and sports, water resources, lands and housing as well as environment attracted allocation less than that of the Government House for the entire period.

The above findings in summary suggests that priorities as shown in the state budget may not be *people/policy/legal driven but government driven priorities* hence the sharp switches over the period without a look on the achievement so far. Such practice may also be as a result of not following the state policy thrust (three point agenda) as well as the individual policies guiding the sectors which the budget should finance rather than the interest of the few (ruling class). There is the need to always ask the questions: *how has the budget performed in financing the policies as well as how has the budget provided funds for the attainment of the required obligations under the sector?*

Sectoral budget analysis for the period shows the presence of locations in most of the line budget items unlike some other states of the federation which shows some level of transparency. It is also noteworthy that control of HIV/AIDS and other sexually transmitted diseases attracted only a capital allocation of N460 million or 2.37% of total capital allocation to the Health sector while preventive measures for other illnesses attracted N917 million or 4.73% of total capital allocation to the Health sector for the period 2007-2011. The period 2012-2013 in the health sector was not better off as over 70% of the capital health allocation went to construction, renovation and rehabilitation with 0% to HIV/AIDS, 17% to drugs, medical equipment and medical consumables, 2% to administration issues as well as 10% to preventive measures. The above situation makes one wonder how *the fight against HIV/AIDS and other diseases will be won in the state if funding is inadequate and unsustainable*?

Also noteworthy is the fact that health sector budget in the state were full of construction while drugs and medical consumables attracted only 22.48% in the period 2007-2011 and reduced further to 17% in the period 2012-2013 which is less than a third of the amount meant for construction, rehabilitation and renovations of healthcare outfits (71%) for the entire period 2007-2014. Such diminuendo of funding for drugs and medical consumables as well as preventive medical cases is an issue to be worried about because of the effect on the *out-of-pocket (OOP) expenses incurred by Delta State households.* Also conspicuously omitted in the Delta State budget for the period 2007-2014 are issues and provision for mental health and dental health, immunization against the major infectious diseases and the provision of care during pregnancy and childbirth which is the main strategy identified in its vision, including access to emergency obstetric care for mothers.

Delta State three point agenda Vision 2020 recognised education as a major tool and a strategic lever for the socio-economic development of the state and for individual socio-economic empowerment and poverty reduction under the human capital development. The agenda and vision identified payment of NECO and WAEC fees for public secondary school students in Delta State; as well as the establishment and equipping of various skill acquisition centres across the State as key strategies toward achieving the above goal. An analysis of the education capital budget for the period reveals a 25.46% to primary, 44.81% to secondary and a 29.73% to tertiary education. The same trend were maintained in 2012 and 2013.

For the period (2007-2014) apart from N100 million for teacher training colleges in the state in 2007 capital budget no other line item was provided for capacity building of the teachers (teacher training, teachers exchange programme, etc) were found in the respective capital budgets. *This is a clear contradiction of the state education mission which is to use education as a major tool and a strategic lever for the socio-economic development of the state and for individual socio-economic empowerment and poverty reduction under the human capital development*.

Further analysis of the education sector allocation for the period shows the need for another look at the *allocative and distributional efficiency* of the sector and by so doing there is need to answer the question: Are the right programmes being financed that will have the greatest impact? Answer to this question will help Delta state education sector to make headway in achieving its set goals and targets.

Some of the major agricultural products from Delta state include oil palm, plantain/banana, rubber, timber/wood, cassava, yam, maize, melon, cocoa, cocoyam, fruits and vegetables, as well as livestock and fisheries products. Interesting programmes and projects initiated by the state include:

- Farmers empowerment programme (mobilization of rural women for sustainable Agriculture (MORWSA) which has a total allocation of N103 million for the period;
- Young farmers' club/farmers associations which has a total allocation of N129 million for the period 2007-2013;
- Procurement of modern tractors for farmers with an allocation of N3.5 billion for the period 2007-2013;
- Small holder cocoa scheme which has a total allocation of N54 million for the period;
- Food productions programme/live and own a farm (LOAF) which has allocation of N253 million for the period;
- Rice production programme with allocation of N200 million for the period 2007-2013;
- Cassava development initiative programme with a total allocation of N3.13 billion for the period 2007-2013;
- State subsidized fertilizer procurement programme with an allocation of N970 million for the period 2007-2013 and
- National programme for food security (NPFS) with a total allocation of N70 million for the period.

Further analysis reveals that during the period, there were allocations to assist farmers, allocation to farm settlements and allocation to communal farms. It is commendable, the introduction of the above programmes and projects but more funding and proper monitoring and evaluation as well as details cost-benefit analysis have to be carried out regularly if the targets of the sector must be met. Sustenance of these newly introduced programmes as listed above is also necessary if research founds them beneficial to farmers.

An analysis of the state budget for the period 2007-2013 shows no significance budget allocation that will lead to sustained improvement of the welfare of women, children, physically challenged persons and the aged as necessary in reducing social exclusion. Evidence from the detailed capital allocation analysis shows that the state is still tackling gender and social development issues using the charity model whereby activities by society "help" disabled or vulnerable person or group, who is "helpless".

Analysis of water supply capital budget for the period 2007-2010 shows allocation to different water supply schemes in the state to the value of N3.899 billion in 2007, N2.842 billion in 2008, N5.482 in 2009, N5.978 billion in 2010 and N2.386 billion for 2011 through allocation were provided for retinue of projects in 2012 and 2013. The trend of capital allocation to water shows a gangster swagger movement which is not healthy for Delta state. NBS (2008) put access to drinkable water in Delta state to less than 50% hence this movement from high to low and back to high allocation makes planning by the state water authority difficult.

It is also noteworthy that issues around water sanitation and hygiene have no place in water supply capital allocation for the state during the period which is unfortunate for the state. This is because better water, better education (especially for women), better sanitation and hygiene, better nutrition etc., are important complementary factors leading to better health. The impact of better health services in part depends on these other influences. This implies that government should not treat any of this issue in isolation rather be handled collectively and comprehensively.

Delta state has two ministries dedicated to issues of roads, transportation, bridges, drainages and housing. The Ministry of Works and Transport handles roads, transportation, re-surfacing, bridges, and drainages while the Ministry of Housing is in charge of housing issue in the state. Analysis reveals allocations to several roads, transportation, bridges, drainages and housing over the period 2007-2014. Road construction, maintenance, reconstruction, and rehabilitation dominated across locations dominated the state works and transport capital budget during the period as well as the allocation for Asaba Airstrip. Other major allocation went to flood and erosion control measures, drainage construction as well as construction of concrete drains. Major housing capital allocation expected to benefit the populace during the period include N450 million, N246 million, N115 million, N100 million and N70 million to low and medium cost housing scheme in oil producing area in 2007, 2008, 2009, 2010 and 2011 respectively.

Based on the findings, several issues and questions were raised both at the overall budget thrust as well as the sectoral analysis and possible recommendations were given at every level of analysis to help improve the budget and the budgeting process of the state. The major recommendations include:

- Elimination of all forms of repetitions of line items that abound in almost every MDA in the state which shows lack of transparency and weak legislative oversight function both at the enactment/approval and monitoring/evaluation stages of the budget process.
- Capital budget provision for planning, research and statistics in all the MDAs in the state.
- The adoption of the principles of zero budgeting than just incremental budget since zero budgeting is based on the evaluation of the sectors and their expenditure need i.e. budgeting process assuming that the sectors under consideration require a new budget outlay every year, according to the development in that sector. Zero budgeting is more development oriented and with the introduction of the Medium Term Expenditure Framework (MTEF) budgeting will be more focused and help in achieving the MDGs if implementation is carried out appropriately.
- Given the role of education and health in all spheres of development (social, economic and environment) there is need for an upward surge in allocation to act as tools for the total socio-economic and political empowerment of every citizen of Delta, irrespective of

gender, age, geographical location or terrain and tribe and to make Delta economically vibrant and politically stable.

- Overall, current avenues for political participation are insufficient and consequently youth in many places are perceived as apathetic or disengaged. In Delta therefore, the reform of political structures is necessary so that democracy may truly engage and utilize the populace. There is need for more young people breaking through the mold of traditional political avenues and moving beyond voting as their sole civic responsibility. This includes the release of timely, detailed information to allow the involvement of civil society and the media also.
- CSOs and other stakeholders participation can facilitate the strengthening of these linkages and ensure equitable and, in particular, gender and youth sensitive application. Civil society organizations can play an important role in complementing and substituting for the traditional social networks.
- The budget is an effort to continue the government's multifaceted and holistic approach to addressing the situation of unemployment and poverty in the state: ensuring security and also focusing on developing infrastructure, grass-roots empowerment, and the preservation and restoration of the environment should be highly encouraged in achieving this overall goal of the state.

Delta state is dominated by agricultural population and there is need to remember that MDG 2 which is about universal education has the most indirect linkage to agriculture. A more dynamic agricultural sector will change the assessment of economic returns to educating children, compared to the returns from keeping children out of school to work in household (agricultural) enterprises.

Delta state government should also have in mind the economic stipulation of the Nigerian Constitution. The economic objectives in Section 16 of the Constitution provides for a number of general issues but the most relevant and pointed part of Section 16 of the Constitution provides as follows:

> *(2) (d) that suitable and adequate shelter, suitable and adequate food, reasonable national minimum living wage, old age care and pensions, unemployment and sick benefits and welfare of the disabled are provided for all citizens.*

INTRODUCTION

Getting rid of poverty and other social inequalities is, of course, a long-term undertaking. Nevertheless, it is possible to measure the extent to which governments at all levels (national, state and local) are moving in the direction of meeting their commitments to social and economic objectives through a proper scrutiny of their budgetary and expenditure activities. Public budgeting/expenditure are at its essence about the generation and use of public resources. Examination of public budget/expenditure tells us whether governments' allocation of public resources is in line with the commitments they have made. Budgets matter precisely because they are powerful policy tools with profound implications for social equity outcomes.

Public spending in social services like education, water and health care, etc have been generally considered as the main redistributive or antipoverty policy instrument in developing countries (Bourguignon and Luiz, 2003) just as accessing the actual level and allocation of public expenditure is the key to understanding any government's true expenditure priorities and coherence with the government's policy objectives (Nicholas & Xiaoyan 1997; 3). This is a strong weapon by which any state's fiscal policy can have some effect to her citizenry. It is so because through public expenditure a kind of subsidy is being provided for a particular expenditure which households would have made. This now increases the tendency of diverting the income set aside for that expenditure for other expenditure or rather is saved. These in-kind transfers improve the well-being of the beneficiaries, and also enhance their longer-run income-earning potential.

Apart from these two sectors, other sectors like agriculture, water resources, power and steel, works, housing and urban development, women affairs, environment and youth development have been observed to contribute to both short and long term economic growth and development. In line with the above consensus, most state governments in Nigeria have been showing some commitments to poverty reducing expenditures in basic sectors like Health, Power, Education, Agriculture, Water Resources, Environment, Housing, and support for women and youth. States across the federation have also been provided with prerequisites to be able to access MDG funds all in preparation towards achieving the MDGs. Such expenditure alongside other expenditures in these sectors are targeted at programmes and projects aimed at scaling up the effort and drive to reach the Millennium Development Goals (MDGs).

DELTA STATE: GEOGRAPHY, POLITICAL AND ECONOMIC

Delta State is located in the South-South geopolitical region of Nigeria. The state lies between longitudes 5^{o} 00^{l} and 6^{o} 45^{l} east and latitudes 5^{o} 00^{l} and $6^{o}30^{l}$ north. The state has a population of 4,098,391 according to the 2006 national census, with a total area of $17{,}440km^2$. It has 25 local government areas. This implies that with a 3.2% population growth rate the estimated population of the state in 2011 is 4,797,466 and 5,109,416 in 2013.

The state has considerable economic potentials and resources in oil and gas, agriculture, solid minerals, commerce and tourism. The state is the leading producer of oil and gas in Nigeria, accounting for about one quarter of the daily volume of oil produced in Nigeria. In addition, the state is also endowed with various deposits of other minerals, including silica, clay, lignite, kaolin, limestone, gypsum, tar sand, phosphate, feldspar and decorative rocks and aggregate, including granite. Some of the major agricultural products include oil palm, plantain/banana, rubber, timber/wood, cassava, yam, maize, melon, cocoa, cocoyam, fruits and vegetables, as well as livestock and fisheries products. The vast creeks and coastal areas offer huge tourism opportunities. According to the state vision 20:2020 document the State is blessed with enormous human and economic resources, fertile soils, rich forests, rivers and sea shores with abundant supply of fish and other aquatic products as well as various minerals, particularly oil and gas, for which the state accounts for about 30% of the nation's output.

The state has some of the major oil based industries and facilities, including refinery, petrochemical complex, a gas plant, steel complex, oil export terminals and sea port. The policy objective is anchored on industrial and infrastructural development.

Delta state for the period 2007-2014 has been implementing a 3-point Agenda for the short and medium term development of the State. The Agenda consists of the following key elements, namely:

1. Peace and Security
2. Human Capital Development, and
3. Infrastructure Development

OBJECTIVES AND THE SCOPE OF THE REPORT

This report analyzes Delta state budget for 2007–2014 with special emphasis on the overall budget thrust and key sectors of HIV/AIDS, health, education, agriculture, infrastructure, water resources as well as gender. The choice of the period is to take stock of the result of the medium term frameworks put up by the state viz: the Delta State Economic Empowerment and Development Strategy 2; Delta State Strategic Plan and the Delta State Vision 2020. The above chosen sectors are as a result of the strategic place they occupy in human development as evidenced in the Human Development Index (HDI) which is the measure of life expectancy, literacy, education, and standard of living for countries worldwide. In summary the report:

- Analysed of Delta State Budget from 2007-2014
- Paid particular focus on the overall budget thrust and key sectors of HIV/AIDS, Health, Gender Affairs and Social Development, Infrastructure (works), Education and Agriculture.
- Identified gaps in the budgetary process and allocation of resources in Delta State
- Made recommendations to improve the budgetary process, allocation and how to improve the key sectors analyzed.
- Made recommendations that will make the budgetary process contribute to meeting the MDGs and eradicating poverty.
- Made recommendations for good practice in the Budgetary Process in Delta State drawing from experiences from other states and international best practices.

THE PHILOSOPHY AND THRUST OF DELTA STATE BUDGETS (2007-2014)

As a yearly event, the Delta state government of Nigeria always presents a budget for every fiscal year and this budget is expected to achieve some goals at the end of every year hence 2007–2014 budgets were no exception. The philosophy behind the Delta State Budget for 2007-2014 have always centered on the 3-point agenda including Peace and Security; Human Capital Development, and Infrastructural Development towards the achievement of consolidation, economic growth and development. The thrusts, philosophy and purpose clearly show that these budgets were aimed at accelerating economic recovery through targeted fiscal interventions intended to further stimulate the state economy and support private sector growth.

The budget philosophy and thrusts for these years (2007-2014) show the policy direction or focus. The thrust of every budget is important because it helps to analyse how every government all over the world undertake expenditures to pursue a variety of economic, social and political goals. Two common social and economic goals are: poverty alleviation and creating an enabling environment for the private sector and they are critical sectors that are pivotal in achieving every government outlined objectives. Besides the targeted programs of food and housing subsidies, access to and provision of basic levels of education (primary and secondary) and preventive health care services have been recognized as central to increasing the welfare of the poor. The enabling environment consists of adequate, properly regulated, well-maintained and efficient infrastructure, roads, electricity, telecommunications, water, waste disposal and other similar facilities. Therefore, an appropriate mix of public spending is needed on equity and efficiency grounds if real development will be achieved.

Looking at the philosophy and thrusts for the period helps to identify priority sectors for intervention which fortunately falls within the scope of this study i.e. sectors like HIV/AIDS, Health, Gender Affairs and Social Development, Infrastructure (works), Education and Agriculture. These sectors are expected to help to boost peace and security; human capital development as well as infrastructural development which ultimately are necessary conditions required to stimulate the state economy and support private sector growth.

SUMMARY OF DELTA STATE REVENUE AND EXPENDITURE (2007-2014)

Table 1 and 2 below shows the summary of the State revenue and expenditure for 2007 through 2014[1] and reveals some interesting insights to the state revenue and expenditure allocation pattern.

Table 1: Delta State Revenue and Expenditure 2007-2011 (Billions of Naira)

	2007	**2008**	**2009**	**2010**	**2011**
Revenue Items	***Estimate***	***Estimate***	***Estimate***	***Estimate***	***Estimate***
Internally Generated Revenue	16.78	18.90	35.20	65.86	34.15
% of IGR	8.83	8.12	14.81	19.84	14.20
Statutory Allocation	90.17	181.99	152.71	163.10	116.77
VAT	3.05	6.88	5.77	6.28	6.28
Capital Receipts	79.96	25.04	43.95	96.63	83.39
Total Revenue	**189.96**	**232.81**	**237.63**	**331.86**	**240.59**
Expenditure Items	***Estimate***	***Estimate***	***Estimate***	***Estimate***	***Estimate***
Personnel Costs	28.71	34.09	38.28	44.90	45.10
Overhead Costs	30.65	32.03	29.35	41.00	37.96
Total Recurrent Expenditure	**59.37**	**66.12**	**67.63**	**85.90**	**83.06**
Overhead Costs/Personnel Cost	**1.07**	**0.94**	**0.77**	**0.91**	**0.84**
Consolidated Revenue Fund	11.04	16.50	18.05	0.00	0.00
Contingency Fund	0.00	0.30	0.50	0.50	0.50
Capital Expenditure	119.55	146.34	151.95	217.18	122.74
Total Expenditure	**189.96**	**229.26**	**238.13**	**303.57**	**206.29**
Budget Balance (Surplus/Deficit)	0.00	3.55	-0.50	28.29	34.29

Source: Computed from Delta State of Nigeria Approved Budgets (2007-2011)

The 2014 budget tagged Budget of Consolidation, Sustainable Economic Growth and Development was recently signed into law by the governor with about 161.74 billion naira or 36% of the total budget meant for recurrent expenditure while 289.2 billion naira or 64% meant for capital expenditure.

[1] The detailed (sectoral) breakdown of the 2014 could not be done because the approved budget is yet to be publicly available during the time of the analysis.

Table 2: Delta State Revenue and Expenditure 2012-2014

Revenue Sources	**Approved 2012 Budget**	**Approved 2013 Budget**	**Approved 2014 Budget**
Internally Generated Revenue	51,447,050,581.00	61,440,624,172.00	62,493,600,528
% of IGR	**11.77**	**15.43**	15.96
Statutory Allocation Including Mineral Rev. Derivation	170,000,000,000.00	198,513,285,148.00	229,315,948,494
Value Added Tax	9,991,239,535.00	11,441,860,370.00	10,376,666,433
Other Capital Receipts	205,779,793,442.00	126,921,344,146.00	89,327,153,850
Total Revenue	**437,218,083,558**	**398,317,113,8360**	**391,513,369,305**
	Expenditure		
Personnel Costs	82,560,704,062.00	57,663,459,537.00	64,163,825,162
Overhead Costs	71,595,286,647.00	62,662,918,823.00	57,291,892,650
Overhead Costs/Personnel Cost	**0.87**	**1.09**	**0.89**
Recurrent Budget	195,759,615,264.00	156,403,782,607.00	161,740,000,000.00
Capital Budget	256,371,486,458.00	252,375,219,359.00	289,200,000,000.00
Total Budget	452,131,101,722.00	408,779,001,966.00	450,940,000,000.00

Source: Computed from Delta State of Nigeria Approved Budgets (2012-2014)

First is the Internally Generated Revenue (IGR) of the state which dances between 8% and 19% of the total revenue generation. Though this may be considerably higher than most states in Nigeria but this situation is not a plus to a state like Delta with all natural and human endowment available. There is need for a conventional and potentially viable source of revenue for the state government which will be far from oil. The state is currently benefiting from the 13% oil derivation proceed and hence should show serious effort towards state economy diversification. Economic diversification could also be emphasized through the development of the agro-allied processing, manufacturing, and other non-oil sectors to achieve a broader base for employment generation and wealth creation. Such tenet will recognize that the Delta people remain the focus of the Government's efforts, hence the commitment to sustaining investments in healthcare, education and other major sectors that is the focus of this study for the development of human capital base.

Second is the level of recurrent expenditure including the overhead cost in relation to personnel costs in the state budget allocation for the period 2007-2014. Recurrent expenditures for the period range from 28% to 40% of the total budget expenditure. This may be commendable because the state is still with inadequate social amenities and a high level of poverty hence the need for more capital spending to tackle the anomalies. The question that must be answered before the above conclusion should be what sector(s) receive most of this capital budget outlay? What are the principles behind the capital allocation to these sectors? Careful analysis of the entire budget for the period reveals that capital budget outlay in the state still follow the simple incremental budgeting principles which is a merely increment on the everyday capital budget items for the period and not the zero budgeting approach. Better financing through zero capital budgeting and planning of priority sectors including agriculture, water resources; commerce and industry; health; education; power (electricity); infrastructure (roads, housing and urban development); gender affairs and social development would go a long way in tackling the above listed anomalies in the state.

Third is the issue of appropriate mix for personnel and overhead costs in the state budget. Evidence from Table 1 above reveals that the ratio of overhead/personnel costs for the period 2007-2014 were between 0.7 and 1.09. It should be noted that the size of personnel budget is indication of the ambit of service delivery duties/functions of the Ministries, Departments and Agencies of Government (MDAs). Where allocations to overhead are disproportionately smaller than those for personnel, efficient and effective service delivery may be impaired and may put the achievement of the overall budget targets/goals in jeopardy. Therefore, there is the need for an appropriate mix of allocations for personnel and overhead for sustainable service delivery in education, health, agriculture and other sectors.

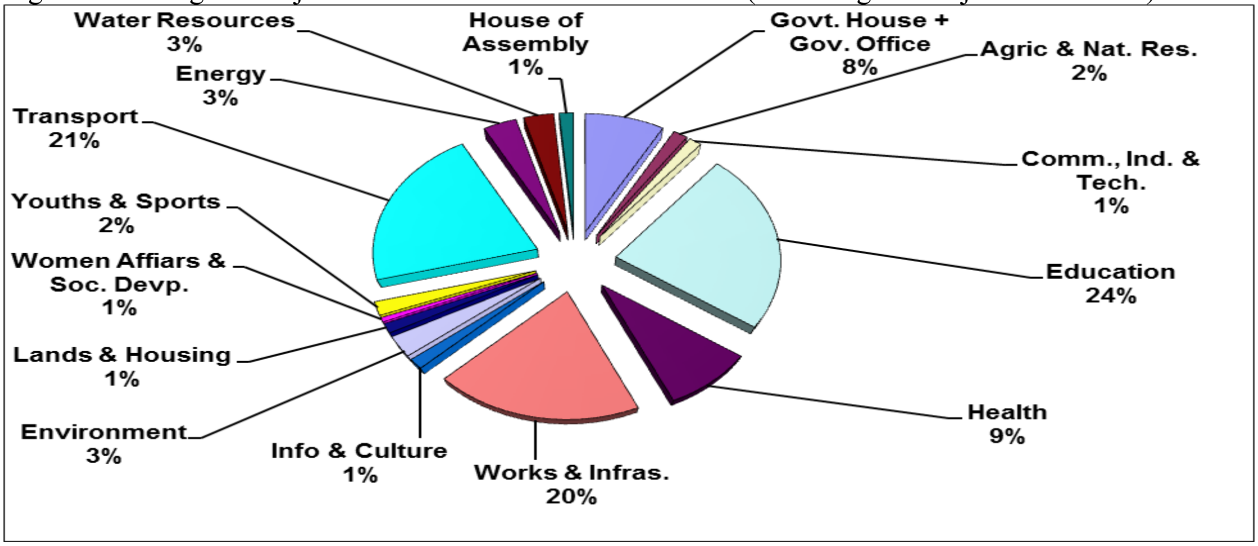
For example, the average allocation to overhead costs for education and health were less than 20% of that for personnel costs. It should be remembered that these two sectors are personnel dominated and hence would need logistics and operational costs including materials, training and consumables. It would be proper to have adequate provision for overheads. This will make them adequately tooled for service delivery including prevention and control. Without adequate provision for health and education overhead costs as well as most other major sectors, the resulting shortage of materials, logistics, training and other necessities could lead to under-utilization of personnel. In a nut shell it amounts to paying people for doing nothing.

In summary, while the capital allocations may to some extent have reflected state agenda and MDGs priorities, it is important to ensure proportionality between allocations to personnel and overhead too.

ALLOCATION TO MAJOR SECTORS IN DELTA STATE (2007-2014)

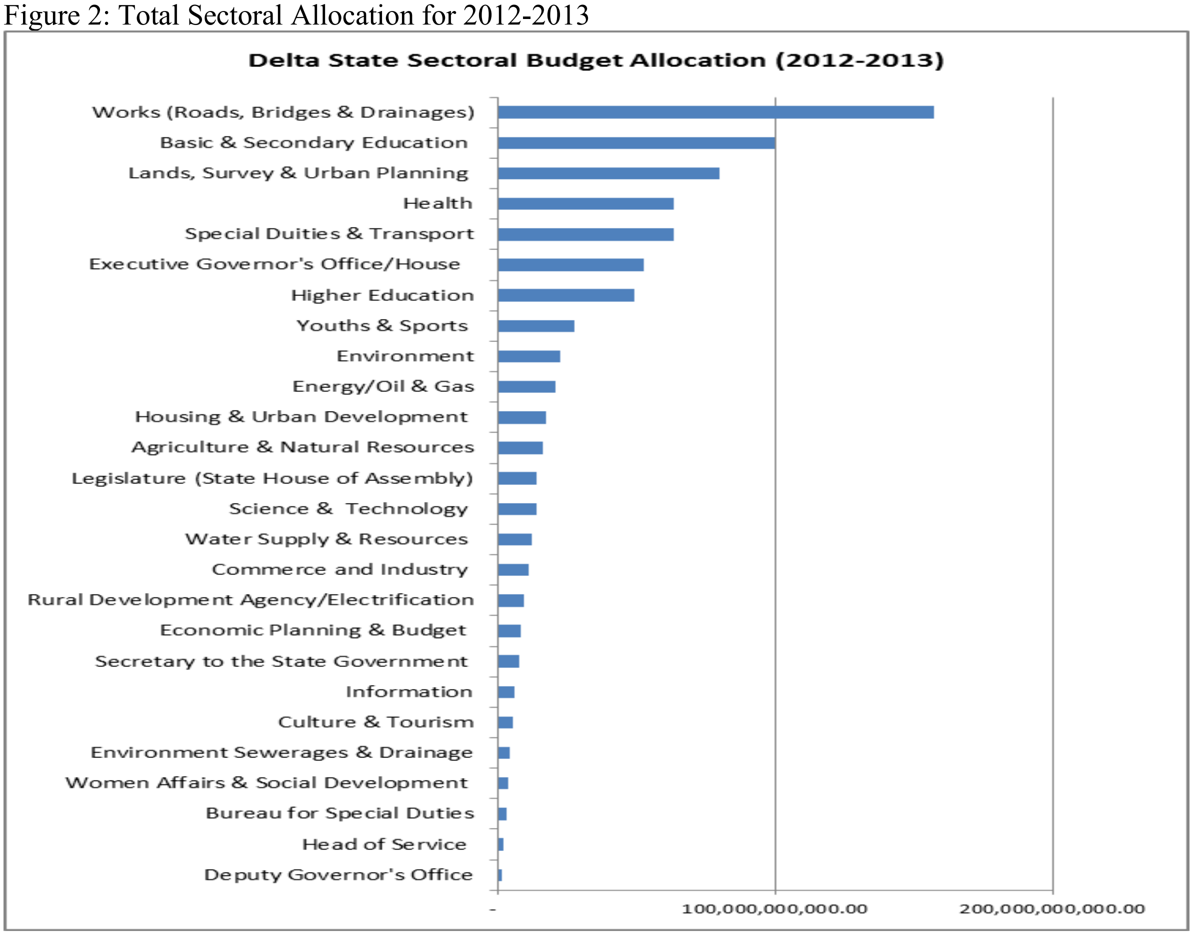
The report in this section looked at the philosophy and thrusts for the period 2007-2014 as well as allocations to various priority sectors towards achieving a large, strong, diversified, competitive and sustainable economy which these budgets have as their corner stone. Figures 1 and 2 below present the breakdown for allocations different sectors for the period looking at progress and trend as well as priority.

Figure 1: Average of Major Sectoral Allocation for 2007-2011 (Percentage of Major Sector Total)



Source: Computed from Delta State of Nigeria Approved Budgets (2007-2011)

Figure 2: Total Sectoral Allocation for 2012-2013



Source: Computed from Delta State of Nigeria Approved Budgets (2012-2013)

Analysis[2] of figures 1 and 2 above reveals that on average, *education, transport, works and infrastructure, health as well as Government House and Governor's Office* in the above order were the top five priorities of the Delta state government looking at the percentage shares of the sectors for the period 2007-2011 while works comprising of roads, bridges and drainages got the highest allocation followed by basic and secondary education and unfortunately lands, survey and urban planning before the health and higher education sectors during the period 2012-2013.

It is also quite interesting to note that on average for the period 2007-2011, *government house cum governor's office received more budget* allocation than *agriculture, commerce and industry, women affairs and social development and water resources* put together while within the period 2012-2013, the office of the executive Governor receives more allocation than *housing and urban development, agriculture and natural resources, water supply and resources as well as commerce and industry* put together with the office of the secretary to the state government receiving more allocation that *women affairs and social development as well as environmental sewerage and drainages put together.* This entire scenario to a large extent contradicts the philosophy and thrust behind the budgets for the period under review (2007-2014).

Further analysis reveals an increasing or steady trend for Government House and Governor's office for most of the years under study except in 2009 where it experienced a slight drop but for the other major sectors (works and infrastructure, health, education as well as agriculture and natural resources) the trend of the allocation were moving in gangster swagger. The implication of the above finding is that spending priorities contradicts the purpose, philosophy and thrust of the budgets as well as major policy thrust (three point agenda) while the trend (movement) *reveal a shift in priority which is not in tandem with the budget thrust and philosophy* during the period 2007-2014 in Delta state. A look at the above two figures (1&2) also reveals that for the seven years period only works and infrastructure, education and health sectors attracted more share of the budget than Government House and Governor's office except lands and urban planning for the period 2012-2103. It is also very clear from the figures that commerce, industry and technology, agriculture and natural resources, women affairs and social development, youths and sports, water resources, housing as well as environment attracted less allocation than that of the Government House.

The above findings in summary suggests that priorities as shown in the state budget may not be *people/policy/legal driven but government driven priorities* hence the sharp switches over the period without a look on the achievement so far. Such practice may also be as a result of not following the state policy thrust (three point agenda) as well as the individual policies guiding the sectors which the budget should finance rather than the interest of the few (ruling class). There is the need to always ask the questions: *how has the budget performed in financing the policies as well as how has the budget provided funds for the attainment of the required obligations under the sector?* Unfortunately, the staggering evidence from the above tables reveals that such questions were not asked at any point before the preparation of the next budget.

[2] The percentage share as used in the above Table was for the selected sectors and not the entire sectors as used in the budget.

SECTORAL BUDGET ANALYSIS (2007-2014)[3]

One of the most viable ways of alleviating poverty is development financing in activities that will empower men and women alike. This is because the budget is indisputably a key government tool for the implementation of social, political and economic policies and priorities. If poverty alleviation could not be achieved through proper budgeting, it means that the decision making process of the state is still dominated by policy makers ideas as against the principles of inclusive governance[4]. Therefore, in order to maintain the need to keep the value of the budget as a relevant tool for the realisation of the aspiration of majority, it is important to expand the space of budgeting, to include diverse voices, perspectives and ideas which has the implication in supporting priorities as outlined in the budget hence allowing it reflect the needs and aspirations of social categories such as women, youth, the aged, the disabled and the children otherwise known as the vulnerable that may ordinarily be rendered voiceless. This implies that a routine assessment must be put in place to ensure that every input that goes into the budget should be responsive to every member of the society. This is in line with the broad agreement on some of the key elements required to ensure sustainable development including a concern about incorporating gender sensitivity in every development effort especially in budgeting. Listed below are sectors considered vital in every state budget.

HEALTH/ HIV/AIDS

Delta State three point agenda and Vision 2020 recognised healthcare as a major tool and a strategic lever for the socio-economic development of the state and for individual socio-economic empowerment and poverty reduction under the human capital development. The agenda and vision identified free health care programme for pregnant women and children under five years of age as a main strategy for achieving its health goals and targets.

An analysis of the health sector budget for the period reveals major allocations of N6.7 billion for the period for the construction and equipping of Delta State Specialist Hospital, Oghara; N1.349 billion for the provision of medical equipment for hospital & health institutions across the state; N660 million for the renovation of existing hospitals across the state; N650 million for the construction of new hospitals and completion of on-going hospitals across the state; N550 million for expansion of existing hospitals across the state; and N3.29 billion for the construction of Asaba Central Hospital over the period 2007-2014.

It is commendable that the state health sector allocation has location identification in most of the line budget items unlike some other states of the federation which shows some level of transparency. This will aid easy monitoring/auditing and evaluation by government as well as the civil society and the media though no allocation in the capital budget was for monitoring and evaluation of the different projects for the period 2007-2014 in the health sector.

Despite the above allocations on paper, lack of transparency as reflected in the budget in the section that should have provided actual expenditure for 2007 and 2009[5] made it difficult for reaching any judgment in terms of the budget performance. It is also noteworthy that control of HIV/AIDS and other sexually transmitted diseases attracted only a capital allocation of N460 million or 2.37% of total capital allocation to the Health sector while preventive measures for

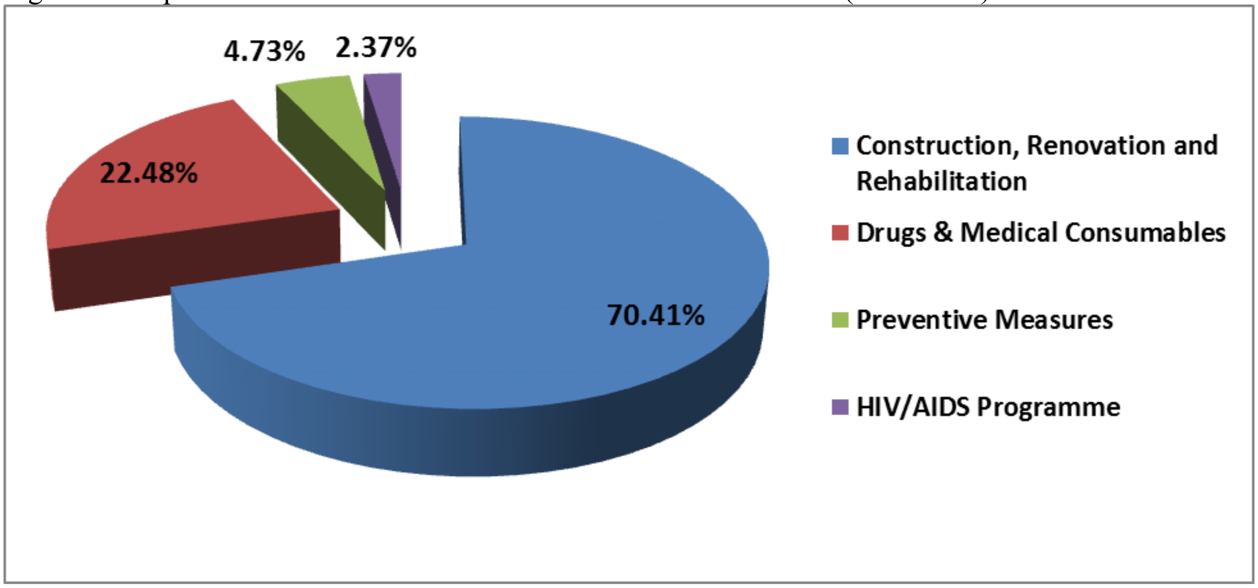
[3] Detailed sectoral capital allocations are contained in Delta State of Nigeria Years 2007-2014 Approved Budgets as produced by the Ministry of Budget, Asaba, Delta State.

[4] There is a growing consensus that inclusive budgeting helps to highlight the different needs of different groups and quintiles in an economy.

[5] Even the actual expenditure figures were all provisional containing spending for January – September only.

other illnesses attracted N917 million or 4.73% of total capital allocation to the Health sector for the period 2007-2011 as depicted in figure 3a below.

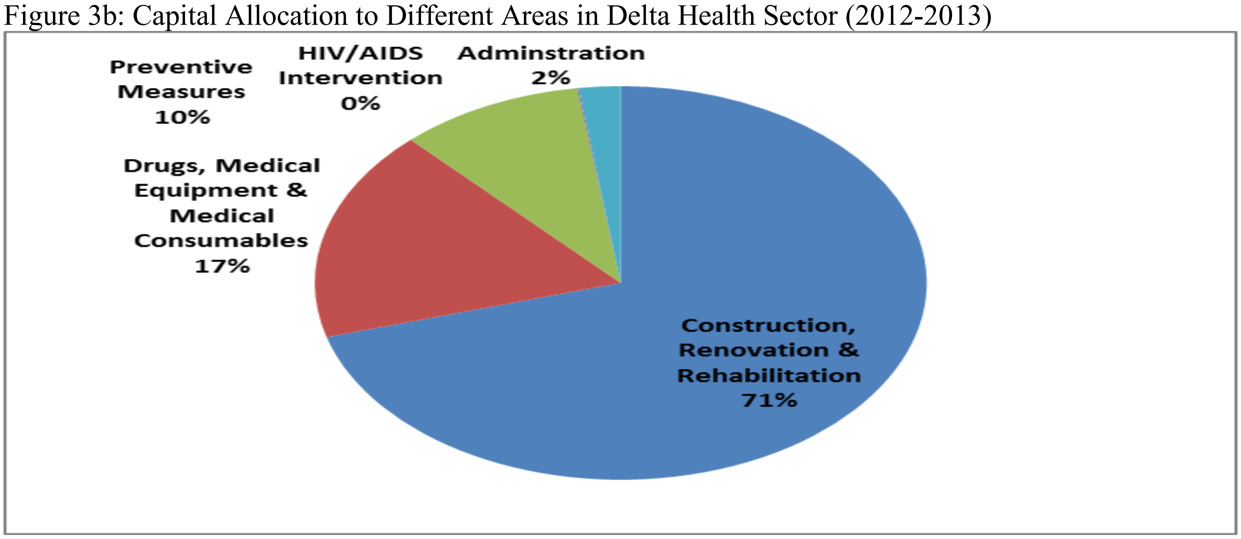
Figure 3a: Capital Allocation to Different Areas in Delta Health Sector (2007-2011)



Source: Computed from Delta State of Nigeria Approved Budgets (2007-2011)

The period 2012-2013 was not better off as over 70% of the capital health allocation went to construction, renovation and rehabilitation with 0% to HIV/AIDS, 17% to drugs, medical equipment and medical consumables, 2% to administration issues as well as 10% to preventive measures. See figure 3b below for details.

Figure 3b: Capital Allocation to Different Areas in Delta Health Sector (2012-2013)



Source: Computed from Delta State of Nigeria Approved Budgets (2012-2013)

With the above funding pattern, how then can the fight against HIV/AIDS and other diseases be won if funding is unsustainable? Also noteworthy is the fact that health sector budget in the state were full of construction while drugs and medical consumables attracted less than 20% on average which is less than a third of the amount meant for construction, rehabilitation and renovations of healthcare outfits (71%) during the entire period 2007-2014. Such diminuendo of funding for drugs and medical consumables as well as preventive medical cases is an issue to be worried about because of the effect on the *out-of-pocket (OOP)*[6] *expenses incurred by Delta State households.*

The implication of a very high level of out-pocket is that a significant proportion of the poor may be driven into destitution after paying for health care and a severe ill health that afflicts the breadwinner of the family may completely impoverish the family especially those who sell their labour on daily basis to provide food for their families. Also even the non-poor may be impoverished by large random out-of-pocket payments arising from unanticipated ill health.

To ameliorate the high OOP, financial provisions shall be made for the poor and vulnerable groups in the form of direct payments, subsidies, paying for insurance contributions or any other methods (basic drug and medical consumables provisioning). Also social health insurance through the National Health Insurance Scheme (NHIS) shall be encouraged for all and expanded to cover the informal sector as a means of increasing resources for health, ensuring universal access to care and providing financial protection to the poor and vulnerable.

Also conspicuously omitted in the Delta State budget for the period 2007-2014 are issues and provision for mental health and dental health, immunization against the major infectious diseases and the provision of care during pregnancy and childbirth which is the main strategy identified in its vision, including access to emergency obstetric care for mothers.

There is always the need for makeup funds to be able to attain to the health needs of every state including Delta state. In line with this there is need to explore the opportunity of increased donor funding (what is the prospect of increasing donor funding?) and increased Public-Private Partnership (PPP) by asking the question "how can government partner with the Private health care providers, Traditional Health Providers and Non-governmental health care providers. This can be achieved through contracting out health services in public health institutions to these groups or increased investment in rural health facilities in the state or strengthening the regulatory and supervisory role private organization as well as more efficient use and reallocation of available resources.

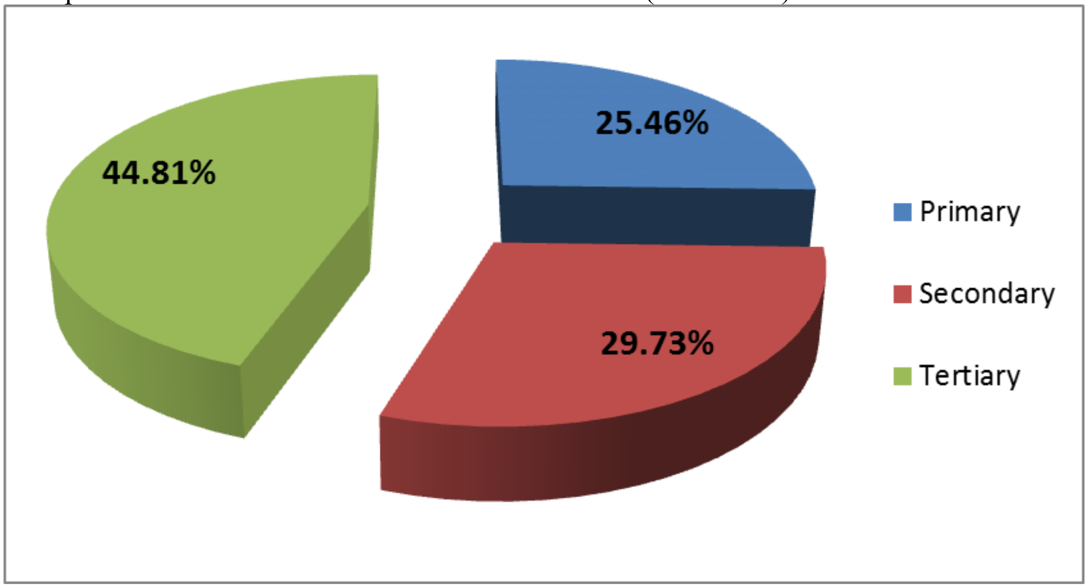
EDUCATION

Delta State three point agenda Vision 2020 recognised education as a major tool and a strategic lever for the socio-economic development of the state and for individual socio-economic empowerment and poverty reduction under the human capital development. The agenda and vision identified payment of NECO and WAEC fees for public secondary school students in Delta State; as well as the establishment and equipping of various skill acquisition centres across the State as key strategies toward achieving the above goal.

An analysis of the education capital budget for the period reveals a 25.46% to primary, 44.81% to secondary and a 29.73% to tertiary education. See figures 4a and 4b below for details.

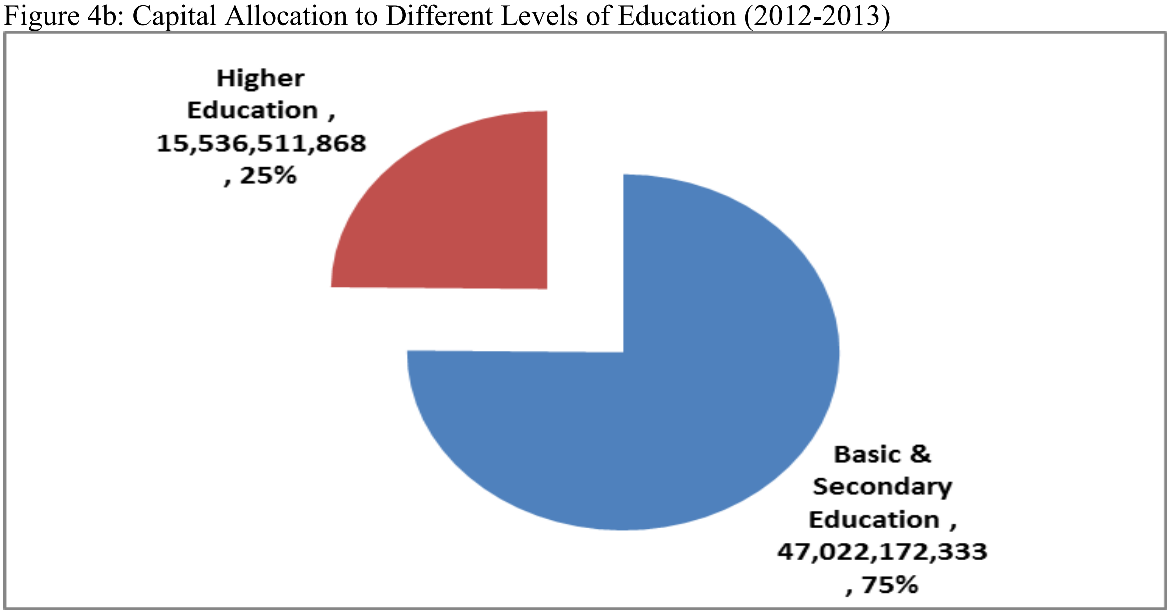
[6] A household is usually classified as having incurred catastrophic expenditure if it spends 40% or more of its discretionary (non-food) or 10% or more of its total expenditure on health care.

Figure 4a: Capital Allocation to Different Levels of Education (2007-2011)



Source: Computed from Delta State of Nigeria Approved Budgets (2007-2011)

Figure 4b: Capital Allocation to Different Levels of Education (2012-2013)

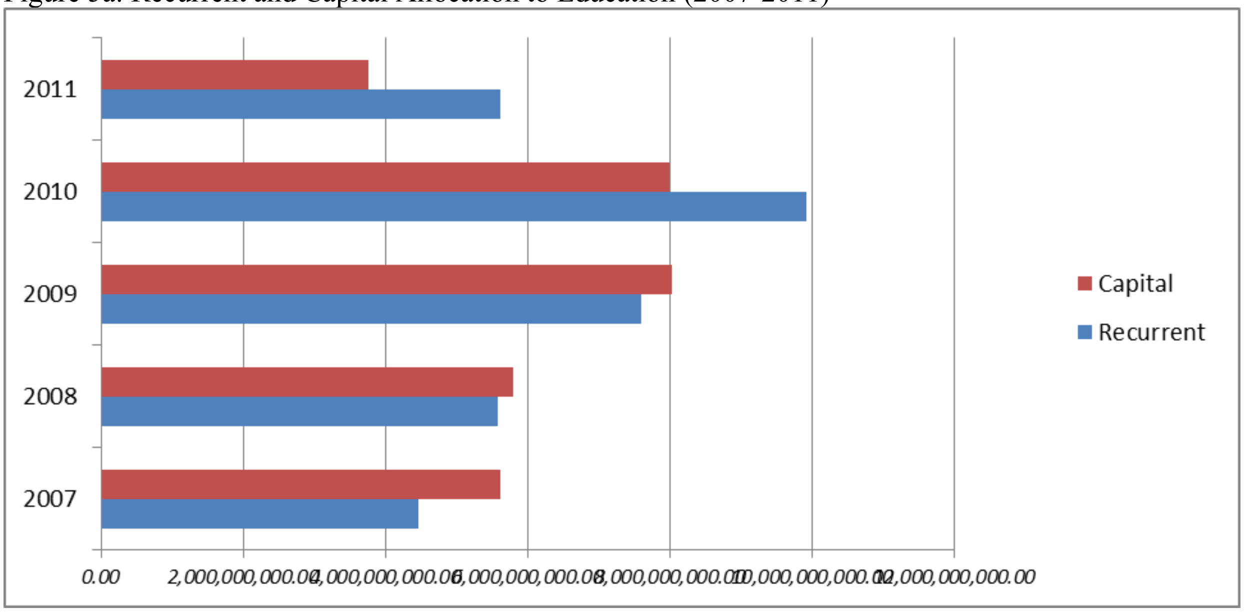


Source: Computed from Delta State of Nigeria Approved Budgets (2012-2013)

It is noteworthy that with the period 2007-2010, capital allocation to primary and secondary schools were for expansion, fencing, renovation, construction and rehabilitation of existing and new schools. For the entire period apart from N100 million for teacher training colleges in the state in 2007 capital budget no other line item was provided for capacity building of the teachers (teacher training, teachers exchange programme, etc) were found in the respective capital budgets. This was more worrisome in the latter period 2011-2014 where no provisions were made for any form of teachers' training or capacity building. *This is a clear contradiction of the state education mission which is to use education as a major tool and a strategic lever for the* *socio-economic development of the state and for individual socio-economic empowerment and poverty reduction under the human capital development.*

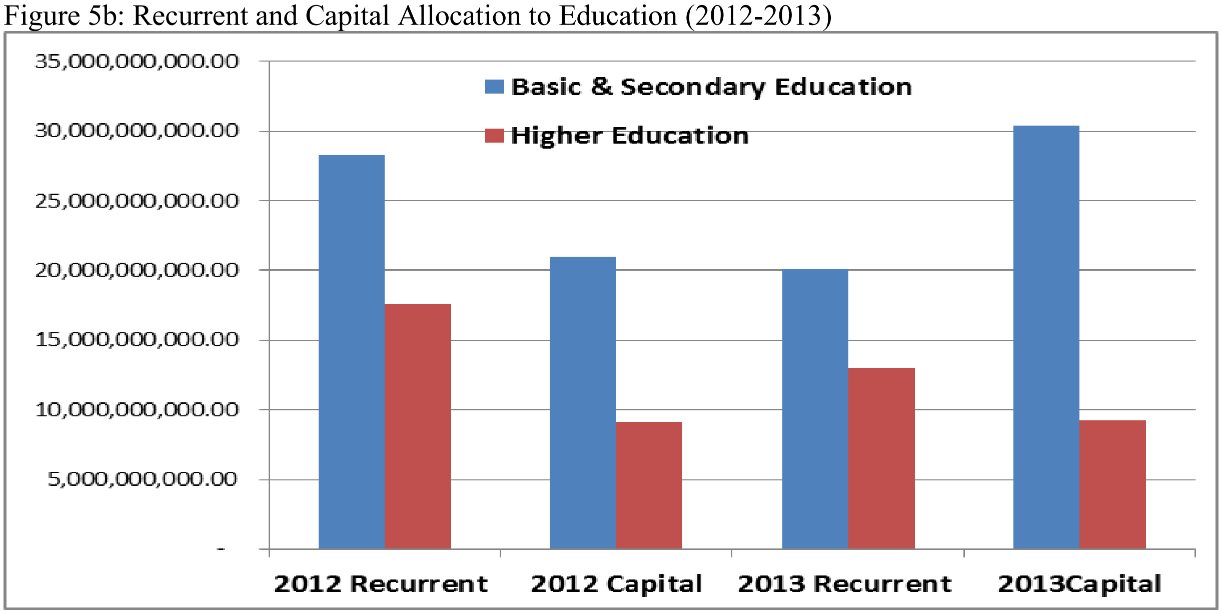
To corroborate the less attention paid to human capital in the sector for the period is figure 5a and 5b below showing the recurrent and capital expenditure.

Figure 5a: Recurrent and Capital Allocation to Education (2007-2011)



Source: Computed from Delta State of Nigeria Approved Budgets (2007-2011)

Figure 5b: Recurrent and Capital Allocation to Education (2012-2013)



Source: Computed from Delta State of Nigeria Approved Budgets (2012-2013)

It is obvious from the figures that capital allocation was moving at par with capital allocation in the education sector until 2012 when recurrent increased over capital allocation. In education and health sectors, excess or equal capital over recurrent might not follow because these sectors are the core social sectors responsible for building human capital. This is so because human capital is built with the help of humans alongside other facilities. In education for instance people can only learn and grow with the help of others as teachers. Though machines and other equipment aid the growth of human capital but it is obvious that much human interference is needed for facilitation.

Further analysis of the education sector allocation for the period shows the need for another look at the *allocative and distributional efficiency* of the sector and by so doing there is need to answer the question: Are the right programmes being financed that will have the greatest impact? Answer to this question will help Delta state education sector to make headway in achieving its set goals and targets.

Furthermore, manpower planning in the state is "beset by data constraints, limited organization capability of planning units, and limitations of methodology." To fulfill the long-term needs of work-force education and manpower development of the state, there is the need to develop comprehensive, integrated educational and training programs that span the whole schooling system from primary school to university, as well as continuing education programs. The above underscores the importance of proper budget analysis in the sector trying to answer questions posed above to ascertain its adequacy and appropriateness.

AGRICULTURE

There is a strong relationship between Agriculture and the Millennium Development Goals. Over 60 percent of the MDGs' target groups in Delta state live in rural areas and for most of the rural poor, agriculture is a critical component in the successful attainment of the MDGs. In Nigeria for example, it is estimated that up to 70 percent are employed in agriculture. Even though structural transformations are important in the longer term, more immediate gains in poor households' welfare can be achieved through agriculture, which can help the poor overcome some of the critical constraints they now face in meeting their basic needs. Thus, a necessary component in meeting the MDGs by 2015 in Nigeria in general and Delta state in particular is a more productive and profitable agricultural sector.

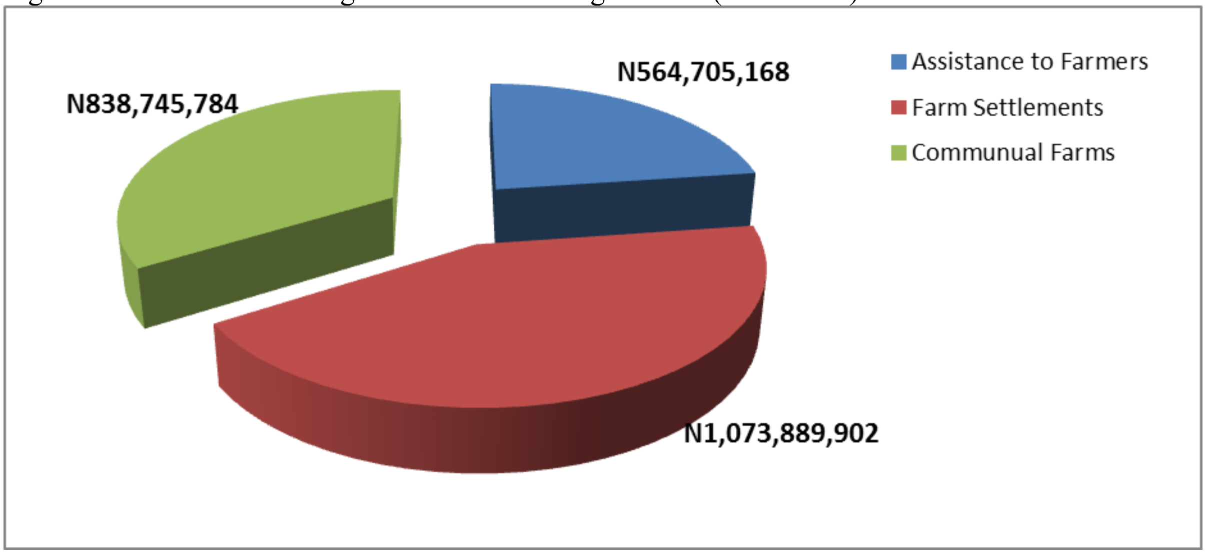
Some of the major agricultural products from Delta state include oil palm, plantain/banana, rubber, timber/wood, cassava, yam, maize, melon, cocoa, cocoyam, fruits and vegetables, as well as livestock and fisheries products. Interesting programmes and projects initiated by the state include:

- Farmers empowerment programme (mobilization of rural women for sustainable Agriculture (MORWSA) which has a total allocation of N103 million for the period;
- Young farmers' club/farmers associations which has a total allocation of N129 million for the period 2007-2013;
- Procurement of modern tractors for farmers with an allocation of N3.5 billion for the period 2007-2013;
- Small holder cocoa scheme which has a total allocation of N54 million for the period;
- Food productions programme/live and own a farm (LOAF) which has allocation of N253 million for the period;
- Rice production programme with allocation of N200 million for the period 2007-2013;
- Cassava development initiative programme with a total allocation of N3.13 billion for the period 2007-2013;
- State subsidized fertilizer procurement programme with an allocation of N970 million for the period 2007-2013 and

- National programme for food security (NPFS) with a total allocation of N70 million for the period.

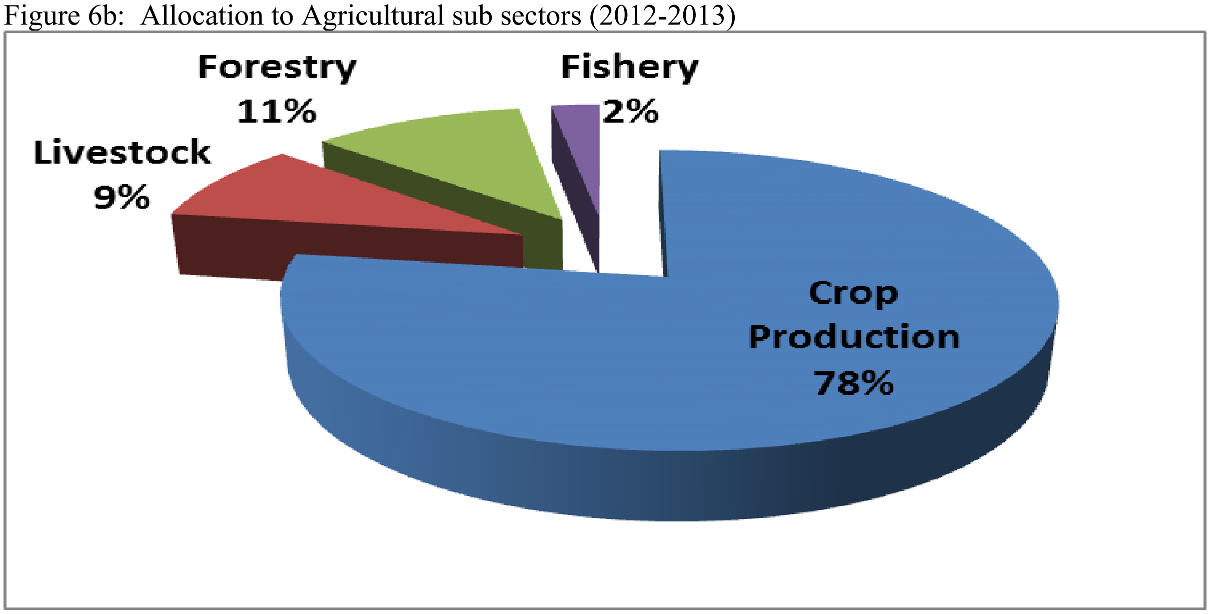
Further analysis reveals that during the period, there were allocations to assist farmers, allocation to farm settlements and allocation to communal farms. Detail of total allocation for the period is presented in figures 6a and 6b below.

Figure 6a: Allocation to Programmes for Rural Agriculture (2007-2011)



Source: Computed from Delta State of Nigeria Approved Budgets (2007-2011)

Figure 6b: Allocation to Agricultural sub sectors (2012-2013)



Source: Computed from Delta State of Nigeria Approved Budgets (2012-2013)

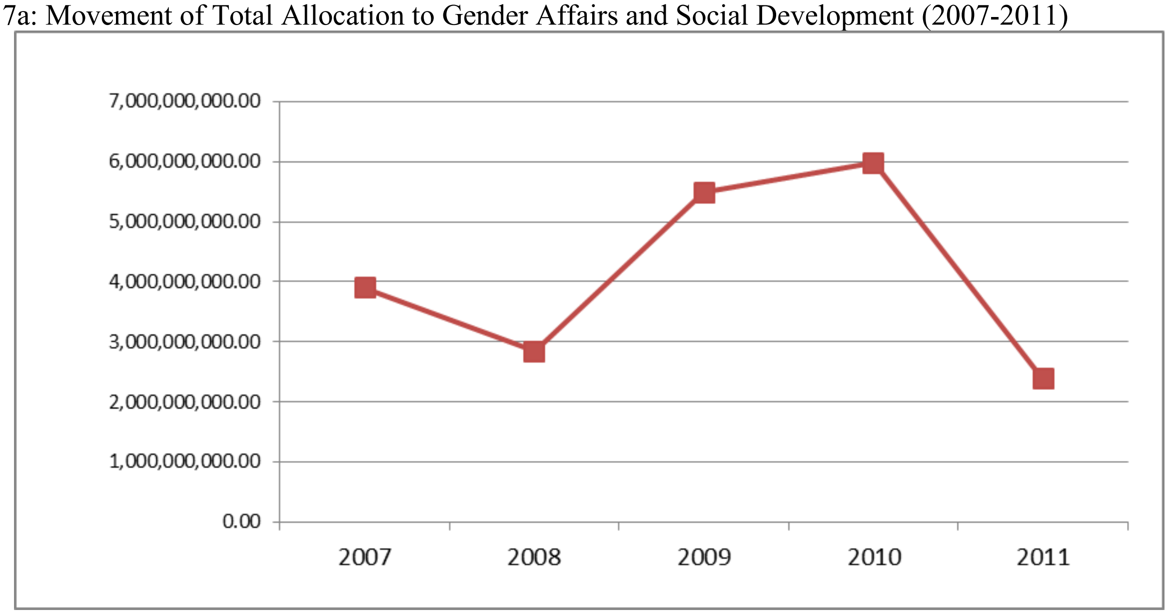
It is commendable, the introduction of the above programmes and projects but more funding and proper monitoring and evaluation as well as details cost-benefit analysis have to be carried out regularly if the targets of the sector must be met. Sustenance of these newly introduced programmes as listed above is also necessary if research founds them beneficial to farmers.

GENDER AFFAIRS AND SOCIAL DEVELOPMENT

Women remain disadvantaged in most states in Nigeria. Their opportunities for educational[7], social, and economic advancement are usually markedly inferior to those of men, and they often face barriers in gaining access to good education and health care for both economic and cultural reasons. The so-called missing women phenomenon, where there are fewer women than would be expected on the basis of biological norms, is also indicative of the continuing bias against women. In the job market, women face lower wages and fewer job opportunities, and they continue to encounter discrimination in financial markets. Women also usually have fewer opportunities to participate in public decision making. Most of these anomalies can be normalized using the state budget.

An analysis of the state budget for the period 2007-2011 shows no significance budget allocation that will lead to sustained improvement of the welfare of women, children, physically challenged persons and the aged as necessary in reducing social exclusion. Figure 7a below shows the trend of allocation while figure 7b shows percentage allocation to affairs of Women, Children, the Sick, the Disabled and the Elderly to the sector for the five years period.

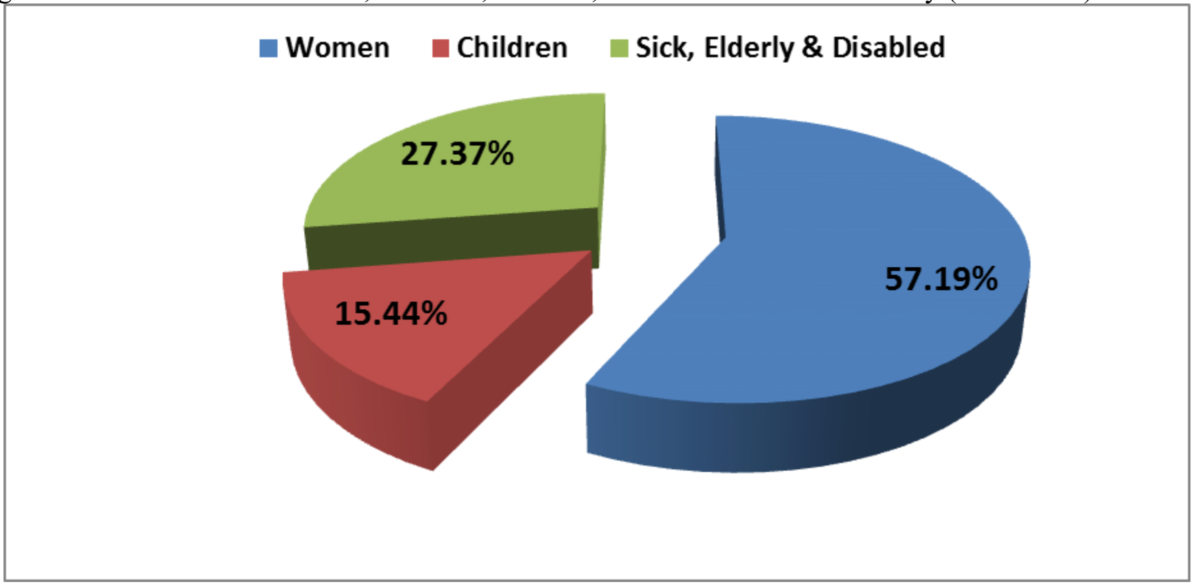
Figure 7a: Movement of Total Allocation to Gender Affairs and Social Development (2007-2011)



Source: Computed from Delta State of Nigeria Approved Budgets (2007-2011)

[7] A particular indicator is the literacy rate of female across Nigerian states as depicted in figure 3 and 4.

Figure 7b: Allocation to Women, Children, the Sick, the Disabled and the Elderly (2007-2011)



Source: Computed from Delta State of Nigeria Approved Budgets (2007-2011)

During the period 2012-2013, gender and social development have been given capital allocations as depicted in table 3 below.

Table 3: Capital Allocation to Women Affairs and Social Development (2012-2013)

Ministry of Women Affairs & Social Development	2012	2013
Construction of 3 recreational centres for the Elderly in each senatorial district	24,000,000	20,000,000
Building of residential accommodation for Ex-lepers at Eku	5,000,000	22,505,168
Women Training Centres at Kwale and Kokori	10,705,500	20,000,000
Fencing & Equipping of Ubulu-uku Women Centre,Aniocha South	10,000,000	10,000,000
Construction of day care centre ,Tuomo Town		13,000,000
Women Development Centre at Agbor-Obi,Ika South	20,000,000	20,000,000
Women Development Centre ,Ibusa	10,306,476	10,000,000
Women Training Centres at Oleh	10,000,000	41,883,423
Centre for Physically Challenged,Asaba	37,000,000	35,000,000
Women Development Centre at Ekuobodo,Ethiope West LGA	20,846,762	15,000,000
Women Development Centre, Ogbe-Ijor		40,000,000
Construction of Toilets and provision of water in some markets in Delta State	250,000,000	250,000,000
Construction of Children Recreational Center, Mosogar		20,000,000
Furnishing of Day care Centre in Bulu-Angiama, Patani LGA		15,000,000
Complete Renovation/Equipping of Government Daycare Center, Mission Rd, Warri		50,000,000

Source: Extracted from Delta State of Nigeria Approved Budgets (2012-2013)

Evidence from the detailed capital allocation analysis shows that the state is still tackling gender and social development issues using the charity model whereby activities by society "help" disabled or vulnerable person or group, who is "helpless". The disadvantage with this model is the fact that disabled and vulnerable groups remain outside the boundaries of "normal" society hence is not encouraged. Delta state should rather adopt the social model which sees all groups of people as part of society and should be included in all activities hence the society needs to change its perception on social development and this reflected in the budget. Issues around gender empowerment and social development should not be left for the Ministry of Gender Affairs and Social Development alone[8] but should be included in all the MDAs line items just as the issue of HIV/AIDS as observed earlier in the health sector budget analysis.

Gender refers to socially (LEARNED) as opposed to biologically determined characteristics of women and men. They are learned, are changeable over time and vary within cultures and from culture to culture, race, class, economic circumstance and age and all these factors influence the way in which gender roles are practised.

Activities must focus on inclusion and the elimination of barriers and encourage effective participation in society of all people. The social model sees disability as the social consequences of being 'differently abled' and recognises that people are actually disabled by society as they are deprived of rights and opportunities due to being different. In summary, gender as well as social development must be made visible in every MDAs budget if it will achieve poverty reduction.

The recognition that gender disparities are harmful and that government budgets are not gender neutral implies a need to incorporate gender considerations into the budgeting process. Although gender-budgeting initiatives can take many different forms, their most important purpose is to influence the budgeting process and help policymakers focus on ways that public policies can help reduce gender disparities and improve economic outcomes.

WATER RESOURCES

Achieving the health and education MDGs will require more than health and education interventions; in particular, infrastructure services have a crucial role to play. Piped water is crucial to reduce diarrhea in young children, while electricity allows for more hours of studying and road access promotes easier establishment of schools and higher attendance. Where the government believes that service should be provided beyond what a well-functioning market will offer, subsidies may be justified to promote additional investment to achieve these government goals.

According to the Environmental and Natural Resources Management Division (2004)[9], water supply and sanitation are essential for the well-being of any country's population. The policy target of water through the Presidential Water Initiative (PWI) which recognised water for the people and for life aims to provide by the end of 2007:

- 100 per cent water and sanitation access in state capital;
- 75 per cent water and sanitation access in other urban and peri-urban areas and
- 66 per cent water and sanitation access in rural areas.

It is unfortunate that as at 2011, the above goals are still far from being achieved. Analysis of water supply capital budget for the period 2007-2010 shows allocation to different water supply

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[8] A good example is the allocation of N400 million in the agriculture budget in 2009 for women empowerment in Agriculture.

[9] Environmental and Natural Resources Management Division (2004), "International Seminar on Financing Water and Sanitation Services in the Caribbean" http://www.iadb.org/waterconference/waterconference-Caribbean.htm

schemes in the state to the value of N3.899 billion in 2007, N2.842 billion in 2008, N5.482 in 2009, N5.978 billion in 2010 and N2.386 billion for 2011. The trend of capital allocation to water shows a gangster swagger movement which is not healthy for Delta state. NBS (2008) put access to drinkable water in Delta state to less than 50% hence this movement from high to low and back to high allocation makes planning by the state water authority difficult.

The period 2011-2013 witnessed a retinue of projects under the water supply and resources as presented in the annexure. It is also noteworthy that issues around water sanitation and hygiene have no place in water supply capital allocation in the state during the period which is unfortunate. This is because better water, better education (especially for women), better sanitation and hygiene, better nutrition etc., are important complementary factors leading to better health. The impact of better health services in part depends on these other influences. This implies that government should not treat any of this issue in isolation rather be handled collectively and comprehensively.

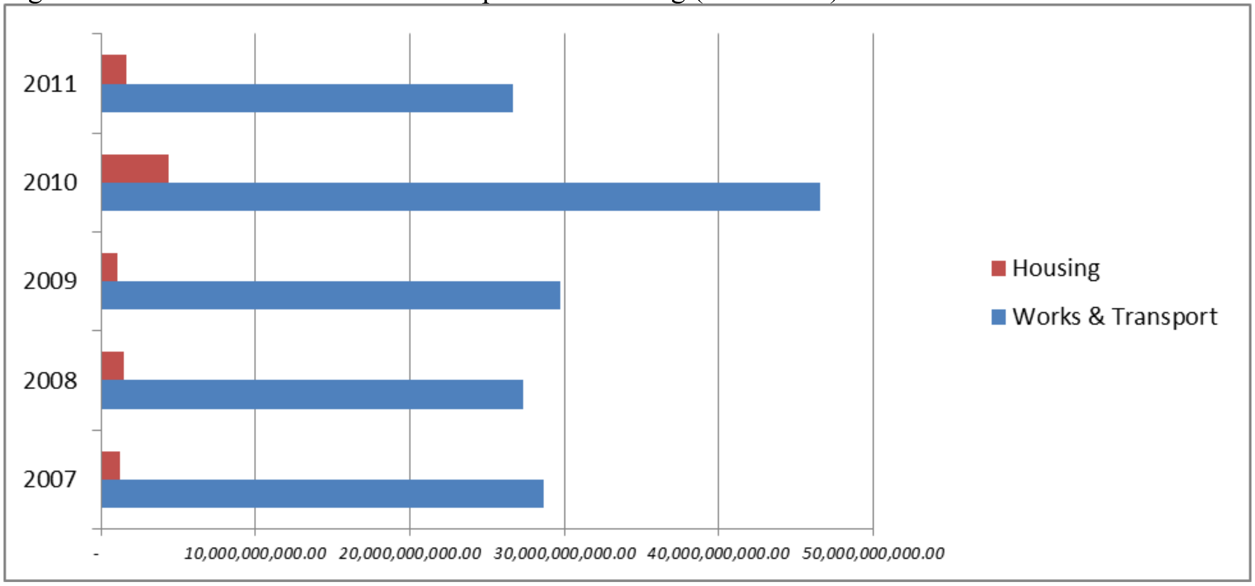
WORKS AND INFRASTRUCTURE

Infrastructure is of particular concern as one of the key inputs entering into the "production function" of the MDGs and the achievement of many of the MDG targets, from poverty reduction to environmental sustainability targets. In Sub-Saharan Africa in particular, a lack of adequate infrastructure, typically attributed to geography and poor initial conditions, clearly impedes more productive agriculture (Mark *et al* 2006)[10]. Nigeria's infrastructure (roads and bridges) in general and Delta state in particular do not meet the needs of the average investor, inhibiting investment and increasing the cost of doing business.

Apart from roads, drainages, and bridges, housing is generally deemed as one of the most basic human needs, alongside water, food, health and safety. As it stands, Nigeria is one of the World's densely populated where many of its cities are mega cities with equally mega housing problems. Delta state is no exception. The production and consumption of housing should be at the core of every state development agenda because it is fundamental to development and well-being as individuals and as a society. Despite years of action, housing still continues to be an issue in Nigeria especially among the poor despite being a strategy to achieving the MDGs. Delta state has two ministries dedicated to issues of roads, transportation, bridges, drainages and housing. The Ministry of Works and Transport handles roads, transportation, re-surfacing, bridges, and drainages while the Ministry of Housing is in charge of housing issue in the state. Analysis of the Delta state budget show that the chunk of the allocation for core infrastructure goes to transport for the entire period (2007-2011) as depicted in Figure 8a below.

[10] Mark W. R., Claudia, R., Todd B., Xinshen, D., Danielle, R., James T., Maximo, T., & David O. 2006. "Agriculture and Achieving the Millennium Development Goals" The World Bank (Agriculture & Rural Development Department). http://www.ifpri.org/pubs/cp/agmdg.asp

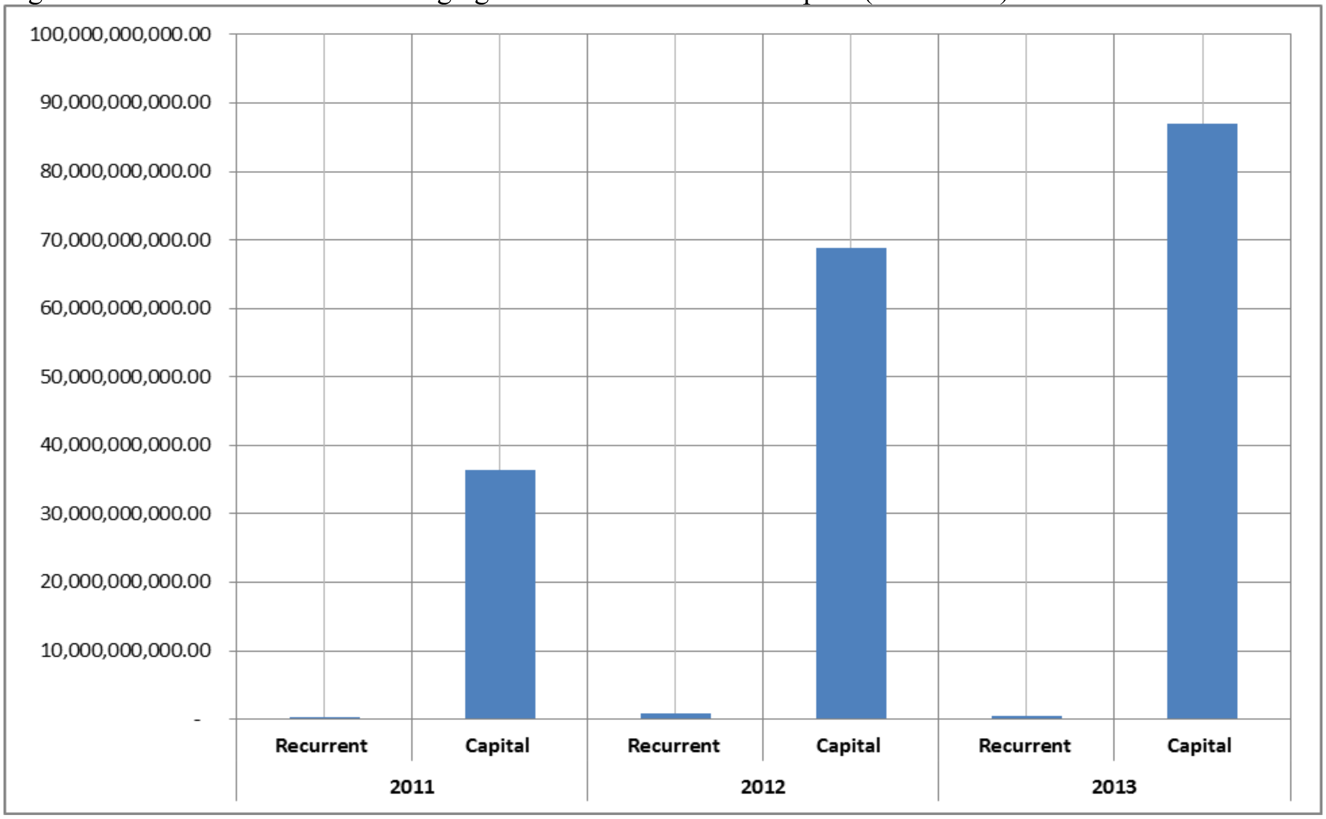
Figure 8a: Allocation to Works & Transport and Housing (2007-2011)



Source: Computed from Delta State of Nigeria Approved Budgets (2007-2011)

Further analysis reveals allocations to several roads, transportation, bridges, drainages and housing over the period 2007-2011. Road construction, maintenance, reconstruction, and rehabilitation dominated across locations dominated the state works and transport capital budget during the period as well as the allocation for Asaba Airstrip. Other major allocation went to flood and erosion control measures, drainage construction as well as construction of concrete drains. Major housing capital allocation expected to benefit the populace during the period include N450 million, N246 million, N115 million, N100 million and N70 million to low and medium cost housing scheme in oil producing area in 2007, 2008, 2009, 2010 and 2011 respectively. Works continued its high patronage in the period 2012-2013 where it emerged the sector with the highest allocation for the period. The capital allocation for the period remained extremely high in comparison to the recurrent as depicted in figure 8b below.

Figure 8a: Allocation to Works desegregated into Recurrent and Capital (2012-2013)



Source: Computed from Delta State of Nigeria Approved Budgets (2012-2013)

RECOMMENDATIONS AND CONCLUSION

The above review and analysis focused on the budget of Delta state for the period 2007 -2014. In the process of analysing the state budget, several issues and questions were raised both at the overall budget thrust as well as the sectoral analysis and possible recommendations were given at every level of analysis to help improve the budget and the budgeting process of the state. Government budgets have a central role in the planning and control of the state economic activities and in particular for private sector development, which is necessary for employment creation. Budgets are important tools with profound implications for poverty reduction and social equity issues. Civic engagement can contribute to government accountability by raising awareness and demand for transparency and for improved public service delivery. It also contributes to the integration of a pro-poor perspective into budgets and policies. Civil society is also aware of the needs of the most vulnerable members of society and can be a force of change for budgets to become more responsive to those needs. Civil society can thus effectively complement or assist in overcoming the weaknesses and failures of formal public institutions.

Generally the Delta state budget fell short of international best practices with the following reasons and ways to address them as:

- Repetitions of line items abound in almost every MDA in the state which shows lack of transparency and weak legislative oversight function both at the enactment/approval and monitoring/evaluation stages of the budget process.
- There is no capital provision for planning, research and statistics in all the MDAs in the state. Is it deliberate?

- The state budget still follows the incremental budgeting instead of the zero budgeting approach hence there is no linkage between the state budget and the state policy at the general and sectoral levels. At the public front there is need for adherence to the principles of zero budgeting than just incremental budget since zero budgeting is based on the evaluation of the sectors and their expenditure need i.e. budgeting process assuming that the sectors under consideration require a new budget outlay every year, according to the development in that sector. Zero budgeting is more development oriented and with the introduction of the Medium Term Expenditure Framework (MTEF) budgeting will be more focused and help in achieving the MDGs if implementation is carried out appropriately.
- Overall, current avenues for political participation are insufficient and consequently youth in many places are perceived as apathetic or disengaged. In Delta therefore, the reform of political structures is necessary so that democracy may truly engage and utilize the populace. There is need for more young people breaking through the mold of traditional political avenues and moving beyond voting as their sole civic responsibility. This includes the release of timely, detailed information to allow the involvement of civil society and the media also.
- CSOs and NGOs can facilitate the strengthening of these linkages and ensure equitable and, in particular, gender and youth sensitive application. Civil society organizations can play an important role in complementing and substituting for the traditional social networks.
- Given the role of education and healthcare in all spheres of development (social, economic and environment) there is need for an upward surge in allocation to act as tools for the total socio-economic and political empowerment of every citizen of Delta, irrespective of gender, age, geographical location or terrain and tribe and to make Delta state economically vibrant and politically stable.
- Finally, the budget is an effort to continue the government's multifaceted and holistic approach to addressing the situation of unemployment and poverty in the state: ensuring security and also focusing on developing infrastructure, grass-roots empowerment, and the preservation and restoration of the environment should be highly encouraged in achieving this overall goal of the state.

Delta state is dominated by agricultural population and there is need to remember that MDG 2 which is about universal education has the most indirect linkage to agriculture. A more dynamic agricultural sector will change the assessment of economic returns to educating children, compared to the returns from keeping children out of school to work in household (agricultural) enterprises. Agriculture contributes to MDG 3 directly through the empowerment of women farmers and indirectly through reduction of the time burden on women for domestic tasks. Agriculture contributes to reduced child mortality (MDG 4) indirectly by increasing diversity of food production and making more resources available to manage childhood illnesses. Agriculture directly helps improve maternal health (MDG 5) through more diversified food production and higher-quality diets, and indirectly through increased incomes and, thus, reduced time burdens on women. Agriculture also directly helps to combat HIV/AIDS, malaria, and other diseases (MDG 6) through higher-quality diets and indirectly by providing additional income that can be devoted to health services. Agriculture practices can be both direct causes of and important solutions to environmental degradation (MDG 7).

More productive agricultural technologies allow the withdrawal of agriculture from marginal, sensitive environments. Developing a global partnership for development (MDG 8) will help maintain the steady increase in agricultural trade and significant increases in development assistance offered to the agricultural sector, increases that help sustain the benefits from agriculture in the longer term. In summary, if Delta state can harness agricultural activities in the state, agriculture can help the state to achieve most of the MDGs.

In conclusion, fiscal policy can foster growth and human development through a number of different channels. These channels include the macroeconomic (for example, through the influence of the budget deficit on growth) as well as the microeconomic (through its influence on the efficiency of resource use). Fiscal policy is used by governments to influence the level of *aggregate demand*[11] in the economy, in an effort to achieve economic objectives of *price stability*[12]*, full employment and economic growth*[13]. Keynesian economics suggests that adjusting government spending and tax rates, are the best ways to stimulate aggregate demand.

On the expenditure side, several categories of expenditure and expenditure policies influence long-run growth. For example, the burgeoning work on endogenous growth theory suggests that fiscal policy can either promote or retard economic growth through its impact on decisions regarding investment in physical and human capital. In particular, increased spending on *education, health, infrastructure, as well as research and development* can boost long-term growth (Amakom 2011)[14]. Higher growth, in turn, generates greater *fiscal resources to finance spending on human capital,* further bolstering the dynamism of the economy.

Delta state government should also have in mind the economic stipulation of the Nigerian Constitution. The economic objectives in Section 16 of the Constitution provides for a number of general issues but the most relevant and pointed part of Section 16 of the Constitution provides as follows:

> *(2) (d) that suitable and adequate shelter, suitable and adequate food, reasonable national minimum living wage, old age care and pensions, unemployment and sick benefits and welfare of the disabled are provided for all citizens.*

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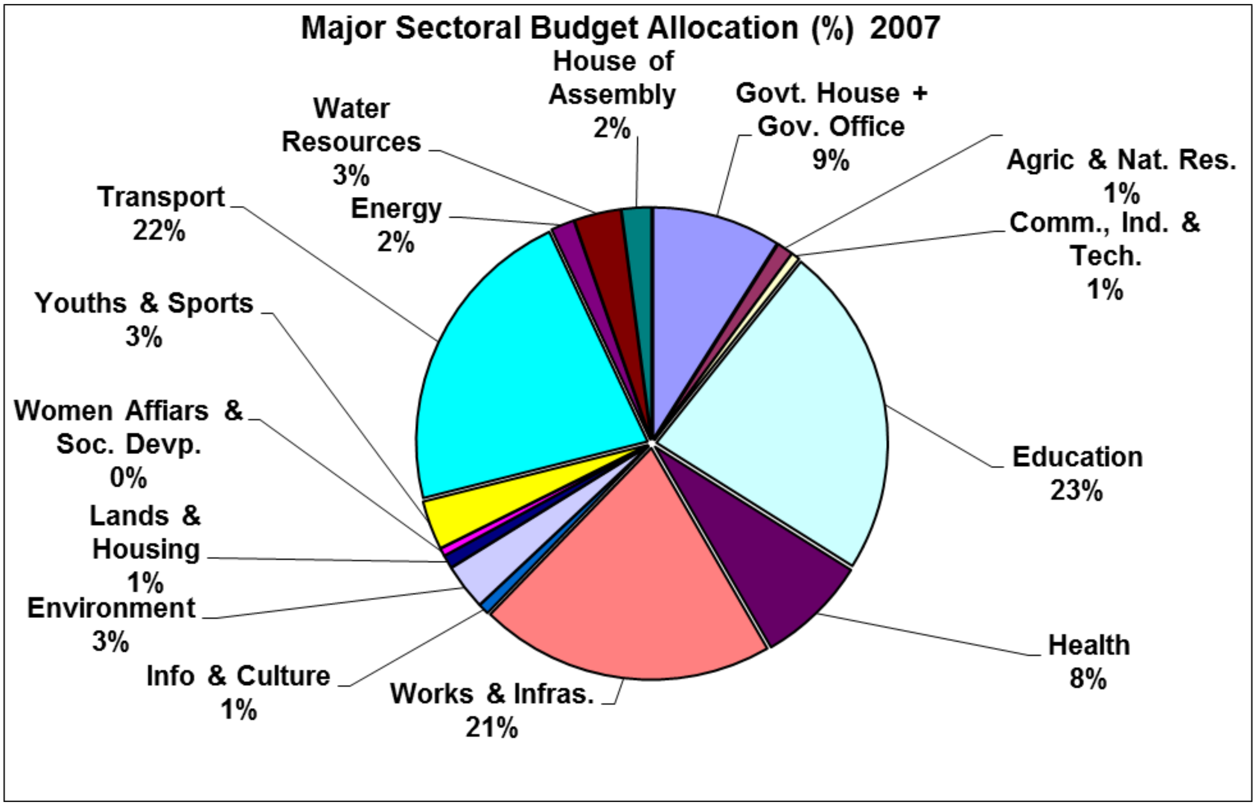
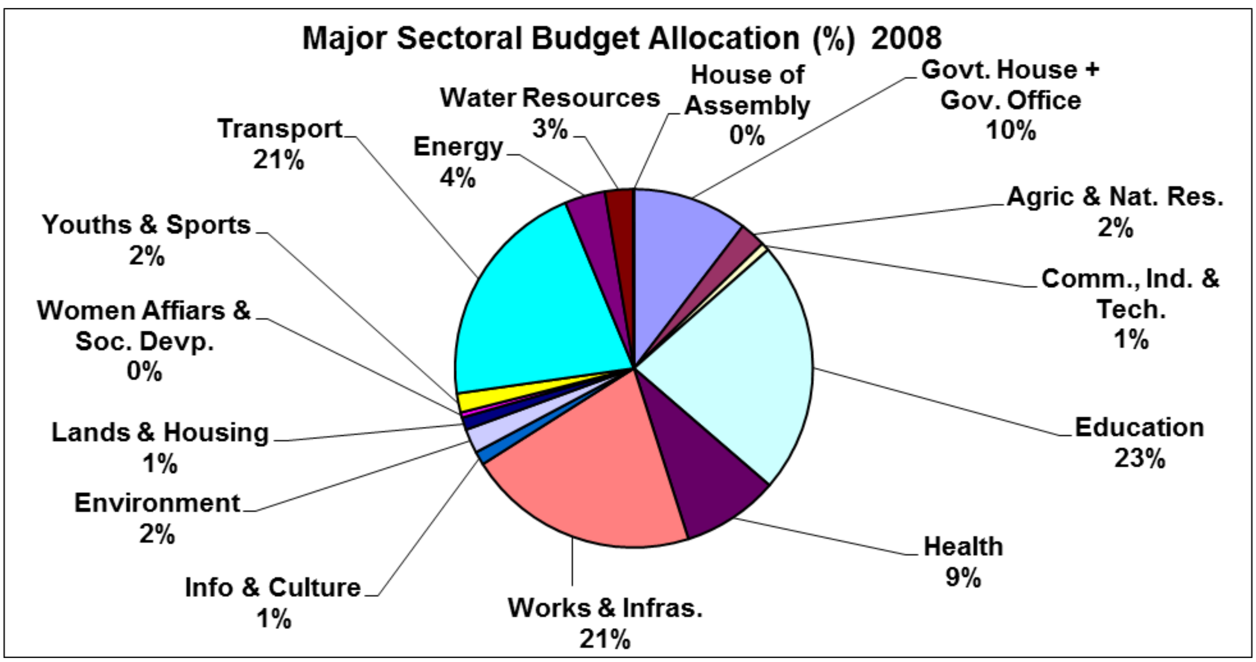
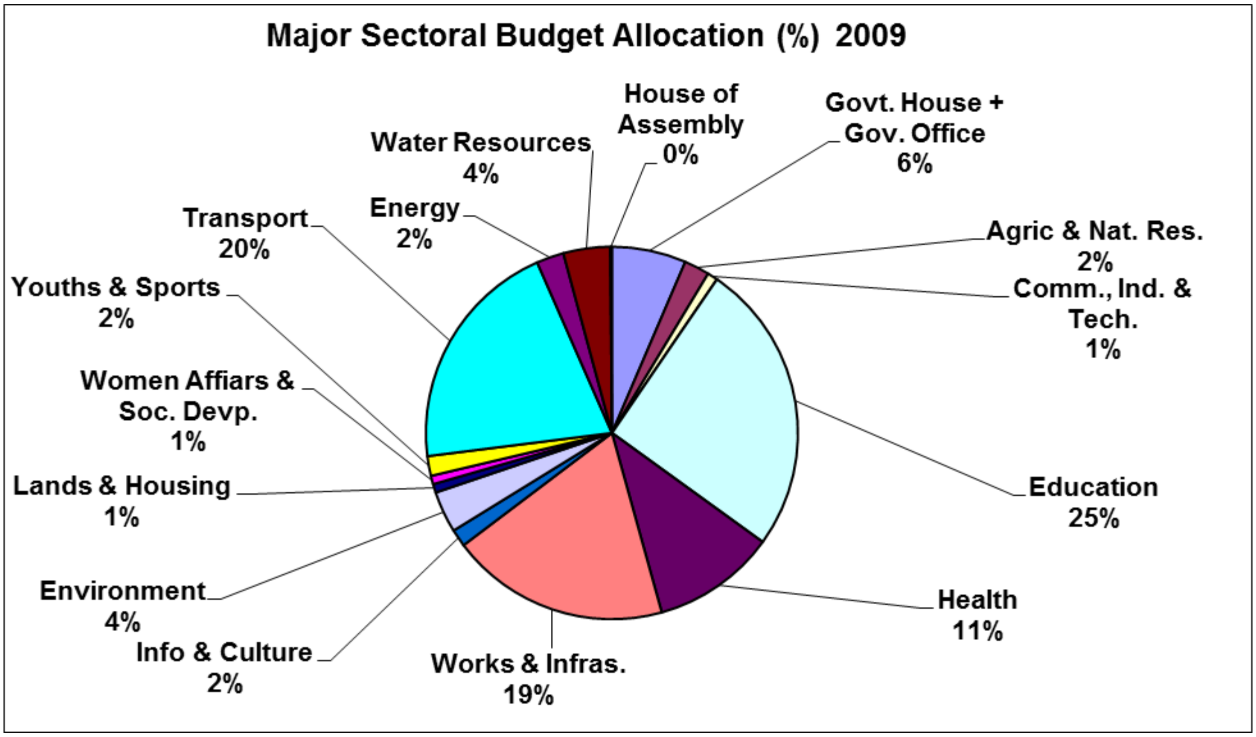
[11] During periods of high economic growth, a budget surplus can be used to decrease activity in the economy.
[12] A budget surplus will be implemented in the economy if inflation is high, in order to achieve the objective of price stability.
[13] The removal of funds from the economy will, by Keynesian Theory, reduce levels of aggregate demand in the economy and contract it, bringing about price stability.

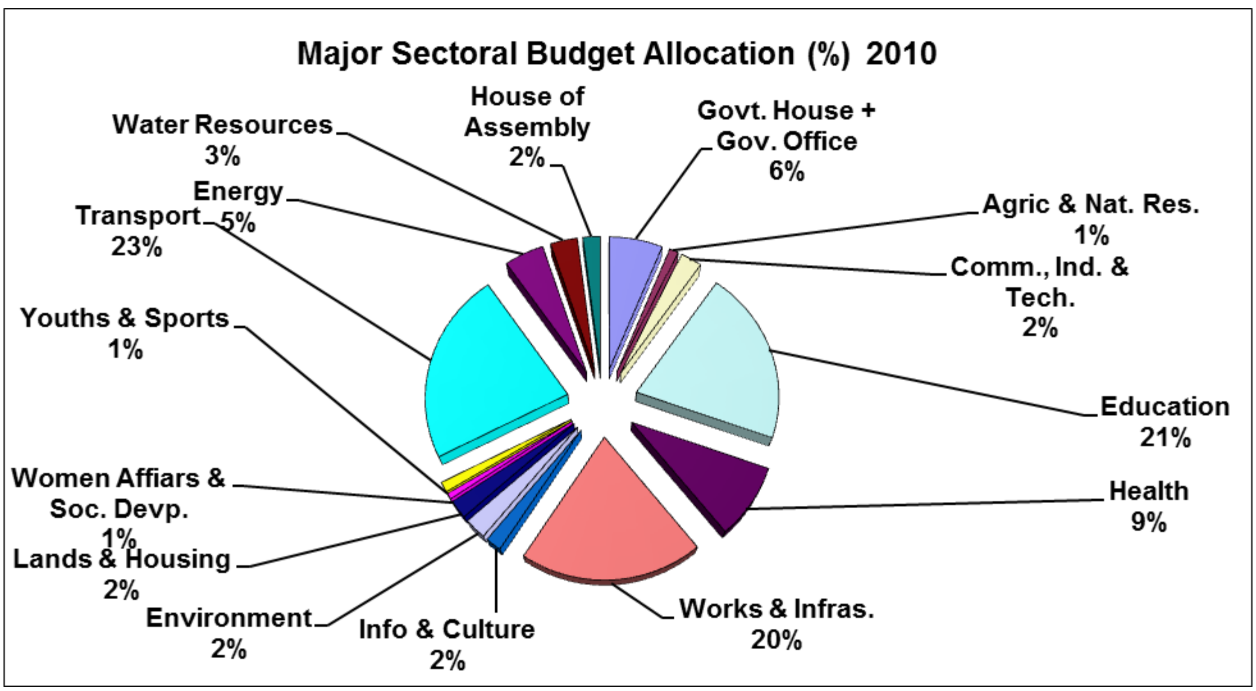
[14] Amakom, U 2011. "Public Spending and Poverty Reduction in Nigeria: A Benefit Incidence Analysis in Education and Health" African Economic Research Consortium (AERC), Nairobi, Kenya,

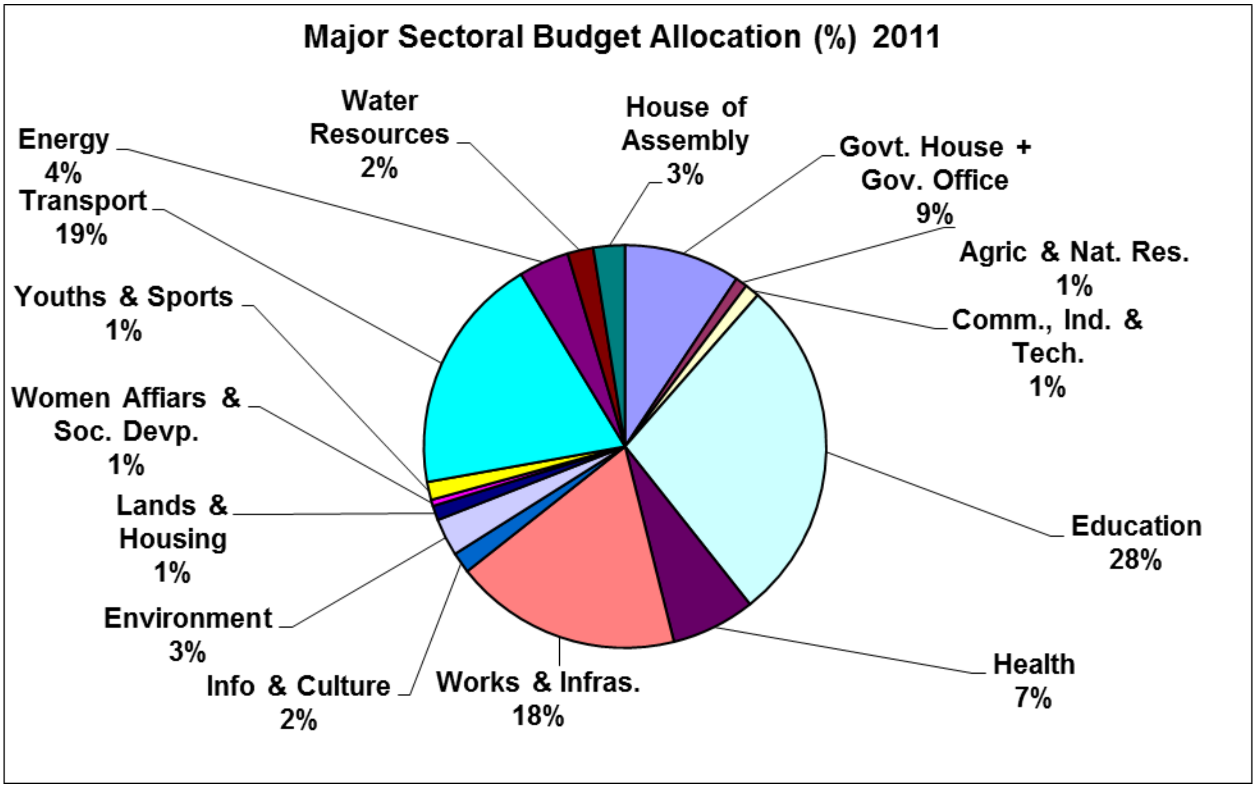
ANNEXURE


Major Sectoral Budget Allocation (%) 2007
House of Assembly 2%
Govt. House + Gov. Office 9%
Water Resources 3%
Agric & Nat. Res. 1%
Transport 22%
Energy 2%
Comm., Ind. & Tech. 1%
Youths & Sports 3%
Women Affiars & Soc. Devp. 0%
Education 23%
Lands & Housing 1%
Environment 3%
Health 8%
Info & Culture 1%
Works & Infras. 21%


Major Sectoral Budget Allocation (%) 2008
House of Assembly 0%
Govt. House + Gov. Office 10%
Water Resources 3%
Transport 21%
Energy 4%
Agric & Nat. Res. 2%
Youths & Sports 2%
Comm., Ind. & Tech. 1%
Women Affiars & Soc. Devp. 0%
Education 23%
Lands & Housing 1%
Environment 2%
Health 9%
Info & Culture 1%
Works & Infras. 21%


Major Sectoral Budget Allocation (%) 2009
House of Assembly 0%
Govt. House + Gov. Office 6%
Water Resources 4%
Energy 2%
Transport 20%
Agric & Nat. Res. 2%
Comm., Ind. & Tech. 1%
Youths & Sports 2%
Women Affiars & Soc. Devp. 1%
Lands & Housing 1%
Education 25%
Environment 4%
Info & Culture 2%
Health 11%
Works & Infras. 19%


Major Sectoral Budget Allocation (%) 2010
House of Assembly 2%
Govt. House + Gov. Office 6%
Water Resources 3%
Energy 5%
Transport 23%
Agric & Nat. Res. 1%
Comm., Ind. & Tech. 2%
Youths & Sports 1%
Education 21%
Women Affiars & Soc. Devp. 1%
Health 9%
Lands & Housing 2%
Environment 2%
Info & Culture 2%
Works & Infras. 20%



Ministry of Water Supply & Resources Capital Budget Allocation	2011-2013
Warri/Effurun and Environs Water Supply Scheme	5,500,785,564.00
Construction of new Water Supply Projects in Urban Areas - Asaba GRA and Sapele	154,000,000.00
Purchase of submersible pumps, starters, cables and auto voltage stabilizers	170,566,950.00
Purchase of Generators for head works	97,615,576.00
Pipeline extension state-wide	116,994,000.00
Procurement of Project/Utility Vehicle/Speedboats	90,000,000.00
Quality Control Lab/Provision of Chemicals	100,000,000.00
Maintenance of water supply scheme at honourable commissioners quarters	20,000,000.00
Issele Mkpitime Water Scheme	92,848,119.00
Establishment of Water Scheme to cover Akoku-Uno, Ebedie and Obi Obeti	40,000,000.00
Onocha-Olona Water Scheme	49,673,850.00
Irrigation & Drainage	105,000,000.00
Dams & Reservoir	75,000,000.00
Ugbeku-Oghara Water Scheme	14,902,913.00
Rehabilitation of Ubulu-Uku Water Supply Scheme	45,000,000.00
Egini Water Pipeline Extension	60,000,000.00
Oghara Water Supply Scheme	25,000,000.00
Evwreni Water Supply Scheme	19,998,250.00
Expansion/Networking of pipeline at Otor-Owahwa Water Scheme	20,000,000.00
Rehabilitation/Pipeline extension of Water Schemes in Kokori Inland Pase II	20,000,000.00
Odurubu Water Project (Pipeline Extension/Treatment Plant	20,000,000.00

Ministry of Water Supply & Resources Capital Budget Allocation	2011-2013
Akarai Etiti Water Scheme (Ndokwa East)	20,000,000.00
Reactivation/Extension of Pipeline at Obinomba	30,188,400.00
Solar Water Scheme at Obonteghareda, Warri North	24,812,891.00
Solar Powered Water Scheme at Umuseti, Utabga-Uno	51,966,500.00
Solar Water Scheme at Kantu/Generator/Water Treatment	80,000,000.00
Okunzu Solar Power Water Scheme	15,000,000.00
Improvement of Edjeba Water Scheme/6KM pipeline extension around Edjeba Community	41,358,000.00
Water Project at Isaba Warri South West	20,000,000.00
Out-Jeremi Water Scheme	40,000,000.00
Oria Water Scheme/Rehabilitation of Pipeline	20,000,000.00
Improvement of Orerokpe Water Scheme & Extension of of 3Km Pipeline	15,000,000.00
Comprehensive Water Scheme with Pipeline at Aradhe,Urogbo-Emevor, Ofagbe-Emevor, Otr-Owhe/Otie Pase I	40,000,000.00
Solar Powered Water Project at Oteri-Agbara	11,190,000.00
Construction of Water Scheme at Agoloma Community & Pipeline Extension	25,000,000.00
Solar Powered Water Scheme & Pipeline Extension at Okuemeva & Okurho Communities, Ogherefe, Ethiope West	59,919,441.00
Construction of Ovu Inland Water Supply Scheme	20,000,000.00
Afiankwa /Igabo-Umuti Water Schemes	16,006,914.00
provision of Solar Water Scheme & Pipeline Extension for Okunoh,Okurekpo & Okuredafe Communities	13,000,000.00
Water Project in Ukpkiti & Otoghele Towns in Warri South LGA	25,000,000.00
Okere-Urhobo Water Supply Schemes	50,000,000.00
Ogbogbagbene Water Project	24,000,000.00
Construction of Ugugegin Water Project	19,991,877.00
Ugono Water Project,Ugono-Oregun,Ughelli North	13,929,475.00
Reactivation of Ajagbodudu Solar Water Supply Scheme	30,975,156.00
Construction of Solar Well Field Water Supply Scheme(RUWATSA)	20,000,000.00
Construction of 20,000Litres Solar Powered Water Scheme at Obodo	40,000,000.00
Water Supply Scheme at Dien Palace,Agbor	20,000,000.00
Construction of Water Scheme at Aghalokpe,Okpe LGA	29,977,999.00
Construction of Water Scheme at Igbeku Village Amukpe,Sapele LGA	29,939,348.00
Construction of Water Scheme at Ododegho ,Ughelli North LGA	15,000,000.00
Completion & Extension of Owhrode Water Scheme,Udu LGA	60,000,000.00
Water Scheme at Ukpoivwin ,Udu LGA	30,000,000.00
Water Scheme at Ekirugbo,Ethiope East LGA	20,000,000.00
Construction & Equipping of Water Scheme at Nkwa Market,Ewuoma-Abavo	28,900,000.00
Improvement of Existing Water Scheme/Pipeline Extension at Patani Town	21,244,276.00
Construction & Maintenance of Borehole/Overhead Tanks at Asaba/Okwe/Oko	33,742,250.00
Construction of Solar Water Schemeand 1KM Pipeline Extension at Ejekota Oghara	25,002,438.00
Water Supply Scheme at Eboh-Orogun	15,000,000.00

Ministry of Water Supply & Resources Capital Budget Allocation	2011-2013
Water Supply Scheme at Saniko-Agbarah	19,000,000.00
Ufuoma-Ughelli Water Scheme	20,000,000.00
Provision of Water vBorehole & Tap Heads at Ope Street and Environs	50,000,000.00
Akwukwu-Igbo Water Scheme	39,912,600.00
Solar Water Project at Agogboro/Treatement Plant ,WSW LGA	40,000,000.00
Rehabilitation of Asaba Water Supply Scheme	228,130,028.00
Rehabilitation of Boji boji Owa/Agbor Metropolis Water Schemes	80,000,000.00
Iwrekan/Edjophe Ughelli Water Supply Scheme	80,000,000.00
Special Water Schemes across Delta State	535,550,000.00
Water Supply Scheme & Pipeline Extension at Ekurede Urhobo	40,000,000.00
Ase Water Project, Ndokwa East, LGA	31,500,000.00
Comprehensive Water Scheme at Kokodiagene,WSW	40,000,000.00
Provision of Solar Powered Water Project at Ugbodede,Warri South	35,000,000.00
Ovwor-Olomu Solar Powered Water Project	75,080,273.00
Water Supply Scheme at Oki Community ,Ika South	25,000,000.00
Reactivation of Water Scheme/Pipeline Extension at Igbodo,Ika North East	19,952,540.00
Solar Water Scheme Project /1KM Pipeline Extension at Okwitare,Okpe LGA	39,650,120.00
Solar Water Scheme Project /1KM Pipeline Extension at Ajaguoyibo,Okpe LGA	20,000,000.00
Solar Water Scheme Project /1KM Pipeline Extension at Odjedi Town,Okpe LGA	20,000,000.00
Solar Water Scheme Project /1KM Pipeline Extension at Unurhie-Aghalokpe, Okpe LGA	30,500,000.00
Solar Water Scheme Project /1KM Pipeline Extension at Ughwagba,Okpe LGA	20,000,000.00
Solar Water Scheme Project /1KM Pipeline Extension at Okou Town,Okpe LGA	20,000,000.00
Solar Water Scheme at Uro-Irri	19,940,461.00
Solar Water Scheme ,Ogheye,Warri North	40,000,000.00
Rehabilitation of Akarai Etiti Water Scheme,Ndokwa East LGA	20,000,000.00
Construction of Solar Powered Water Scheme at Oghara-Agbarha, Ughelli North LGA	20,000,000.00
Construction of mini solar water supply scheme at Ode-Itsekiri	90,000,000.00
Solar Water Scheme at Ogume, Ndokwa West LGA	15,000,000.00
Construction of 55 No Ecological Sanitation (ECOSAN) toilets in the State(RUWASSA)	120,000,000.00
Construction of Water Supply Scheme for the Ogheye Floating Market	50,000,000.00
Construction of Water Supply Scheme at Orhoakpor	40,000,000.00
Construction of Water Supply Scheme at Agadaga,Ekpan	45,000,000.00
Construction of Water Supply Scheme at Ughevwughe	80,000,000.00
Solar Water Scheme at Ayama Qtrs,Patani	45,000,000.00
Solar Water Scheme at Urughene Community,Ughelli North	50,900,000.00
Construction of Borehole at Akwukwu-Igbo General Hospital	34,000,000.00
Solar Water Scheme at Ikisan, Warri South	75,000,000.00
Solar Powered Water Scheme at Enokpaka-Aviara,Isoko South	40,000,000.00
Solar Powered Water Scheme at Uro-Irri, Isoko South	30,000,000.00

Ministry of Water Supply & Resources Capital Budget Allocation	2011-2013
Solar Powered Water Scheme at Umuseti,Kwale,Ndokwa West	35,000,000.00
Rehabilitation/Pipeline Extension of Korobe Solar Water Scheme	43,000,000.00
Construction of Solar Water Supply Scheme at Ugbokpa & Okwemore Villages	30,000,000.00
Borehole & Pipeline Extension to Water Re-Cycling Fish Farm,Tuomo, Burutu LGA	40,000,000.00
Bomadi Overside Water Supply Scheme	30,000,000.00
Kpakiama Water Project	30,000,000.00
Improvement of Bomadi Water Scheme	110,000,000.00
Improvement of Obiaruku Water Scheme	15,000,000.00
Improvement of Sapele Water Scheme	140,000,000.00
Construction of Borehole at Edegbene Community ,Burutu LGA	105,000,000.00
Improvement of Water Supply Scheme, Asaba	50,000,000.00
Construction of Solar Water Scheme at New Town Ayakoromo, Burutu	85,000,000.00
Construction of Solar Water Scheme at GRA, Ayakoromo,Burutu	105,000,000.00
Construction of Solar Water Scheme at Boboughene Ayakoromo, Burutu	110,000,000.00
Construction of Solar Water Scheme at Atuma-Iga,Oshimili North, Burutu	30,000,000.00
Construction of Solar Water Scheme at Iwene Community, Ndokwa East	50,000,000.00