INTEGRATING DEMOGRAPHIC DIVIDEND INTO THE BUDGETARY PROCESS IN NIGERIA: A SUBNATIONAL PERSPECTIVE

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Extended Abstract

Demographic dividend programming in Nigeria is a sequential process. It commences with the sensitization of key stakeholders on DD activities in the State, development of a DD roadmap, estimation of DD profile, development of the DD monitoring index and then the development of a DD-sensitive budgetary process (Olaniyan, et al., 2021). Sokoto State, one of the States in the Northwestern region of Nigeria implemented the first phase of the Demographic Dividend Programming by developing and validating its DD Roadmap in 2021. This DD roadmap serves as a blueprint for DD-related activities in the State. In order to further commit the State's financial resources into harnessing the gains that accrues from its population age structure, the State commenced the development of a DD sensitive budget by exploring how the activities identified in its roadmap align with the programs and projects of the government as enlisted in its budget.

Demographic Dividend budgeting involves the systematic application of analytical tools and processes, as a routine part of the budget process, to highlight how budget policy leads to the creation and harnessing of the demographic dividend. It examines the extent to which the demographic dividend is taken into account in budget allocations (SWEDD, brief).

Developed in 2021, the Sokoto State Demographic Dividend Roadmap has four (4) thematic pillars – Health and well-being, inclusive education, sustainable economic development and good governance (Sokoto DD Roadmap, HPTRP, 2021). Health and well-being pillar has seven investments and 53 activities, inclusive education had six (6) investment options and 32 activities; Sustainable Economic Development had five (5) pillars and 36 activities and the last pillar: Good governance had six (6) investment options and 37 activities. In all, the Sokoto DD Roadmap comprises 4 thematic pillars, 24 investment options and 158 activities, which are geared towards harnessing the gains that can accrue to the State, as a result of its population structure. However, these gains are potential and not automatic. Deliberate actions by key stakeholders and financial commitment through targeted government and private spending will set the State on the trajectory to creating, harnessing and sustaining the demographic dividend (Mason, et al., 2016; Olaniyan, et al., 2021).

The objective of this study is therefore to explore the extent of alignment of the government financial commitment to DD-related activities in the State. This will be done in three-folds.

One is to identify the linkages between the activities identified in the Sokoto State DD Roadmap with the projects and programmes of the government in a given year. Two, align the cost estimates of the DD roadmap activities which are mapped with the Budget projects in order to ascertain the areas of priority of the government and three is to identify the MDAs which are strategic in delivering the DD-sensitive budget in Sokoto State. Overall, the study seeks to ensure that government spending/public expenditure aligns with demographic dividend in order to promote the necessary development outcomes. This is done by situating expectations with reality by ensuring the financial resources of government are geared towards necessary development outcomes or expectations.

The study is hinged on the human capital theory which assumes human beings can increase their capacity and overall well-being (Eide and Showalter, 2010). This study therefore seeks to examine how this is made possible through the financial commitment of the government. The current study adopts the "Budget for Demographic Dividend Model" (B4DD Model). The model explores the State's budget, which entails various projects and programmes assigned annual, while also mapping the programmes and projects of the government to being DD complaint or not. The mapping occurred in three (3) phases: programme mapping of DD Roadmap to the Sokoto State 2022 Budget, mapping of the thematic pillars to the annual budget and then distribution of the mapped DD activities in the budget to existing activities in the Sokoto State DD Roadmap. The contextual basis for the model comprised eight (8) steps which includes the development of a Demographic Dividend content analysis. Familiarisation with the national and/or sub-national Chart of Accounts, creation of a unique identifier for DD investments and activities which are contained in the DD Roadmap, activity alignment, cost alignment, mamboing of activities with each pillar of the DD roadmap and linking of activities in the Pillar not captured in the budget. A common observation was duplicity of projects. Even though within a programme or project, there are role assignments across various government MDAs, there were still duplicate projects and roles, as well as overlaps. The study explicitly assigned the projects and programs to the relevant activity, and MDA best suited for that purpose. Data sources for the study were the DD Roadmap of Sokoto State developed in 2021 and the Chart of Account of the State for 2022. Cost estimates and designation of MDAs were extracted from the Chart of Accounts.

The Sokoto State Demographic Dividend Roadmap comprises of 24 investment options and 158 activities, while the 2022 Sokoto State Budget had 475 projects which aligns with the 4 (four) pillars of the DD. Although all of the thematic pillars had some projects which align to them, only 69 (44%) of the 158 activities highlighted in the Sokoto State DD Roadmap is mapped to the projects in the State Budget, 89 (56%) activities were not mapped to any of the DD activities. A deeper exploration of the thematic pillars revealed that Sustainable economic development has the highest proportion of mapped activities (83%), while all the other four (4) thematic pillars has less than 50% of their DD Roadmap activities not mapped to the projects funded in the State Budget (see table 1). This is quite worrisome.

Table 1: Pillar Mapping of the 2021 Sokoto State DD Roadmap and projects of the Sokoto State 2022 budget

S/N	Pillar	Total Investments	Total Activities	Mapped Activities (Percent)	Unmapped Activities (Percent)	Projects
1	Health and Well-Being	7	53	15 (28%)	38 (72%)	84
2	Inclusive Education	6	32	14 (44%)	18 (56%)	168
3	Sustainable Economic Development	5	36	30 (83%)	6 (17%)	170
4	Good Governance	6	37	10(27%)	27 (73%)	53
	Total	**24**	**158**	**69 (44)**	**89 (56%)**	**475**

NB: Authors' computation **Percentage of the mapped activities in the total activities are in the parenthesis

In addition, sustainable economic development also had the highest number of projects (170 projects) in its budget which are mapped to activities highlighted under the sustainable economic development thematic pillar.

The study further explored the cost estimates of the pillars in order to explore the financial commitment of the Sokoto State government to DD activities in the State. As expected, sustainable economic development had the highest financial resource allocation of over 21 billion naira. This was closely followed by health and well-being. Although, only 15 activities (28%) of the total health and well-being DD activities are mapped to 84 funded projects in the State budget, the cost implication of these sums up to over 19 billion naira. The pillar with the least financial commitment was good governance with about 4.7 billion naira cost estimate.

A deeper look at the roles of various Ministries, Departments and Agencies (MDAs) of the government was done using the total number of DD sensitive programmes and projects assigned to such MDAs, as well as the total financial resources committed to the projects. Even though the Ministry of Basic Education has the highest number of projects (46 projects with a budget estimation of 6 billion) aligned to its DD related activities, Ministry of health has the highest financial allocation of over 14 billion (with 33 DD related activities in its budget).

Recommendations

It is therefore recommended that effort needs to be geared towards creating awareness about aligning DD Roadmaps to the programs and projects in the budgeting process. It is also important to avoid duplication of projects, as this might lead to unnecessary overlaps and wastage of resources. In addition, there is need for description of projects in the charts of account in a concise and precise manner. This makes it easy to assign projects to activities. Given that the financial resources available to the government is limited, yet the DD-related

needs are unlimited, government is encouraged to broaden the sources of funding for DD-related activities from other sources such as development partners. Finally, all projects should be accounted for and adequate financial resources should be allocated to such projects. Finally, in assigning roles to different MDAs for a specific programme or project, roles should be well-defined to avoid overlap in roles.

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