Budgeting for Sustainable, Climate Resilient Agriculture and Smallholder Women Farmers in Nigeria (At Federal and State Level)
Nigeria is one of the countries in Africa most susceptible to climate change.

Agriculture accounts for **22%** of Nigeria GDP.

**36%** of labour force is directly employed in agriculture.

**70%** of the population, especially women, are directly and indirectly involved in agriculture.

Women contribute about **70%** to food production, processing and marketing.

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**THE PROBLEM:** Conventional agriculture is not climate resilient. Already it is not ensuring Nigeria’s food security.

**INSTEAD THERE IS**

1. **FOOD SHORTAGES**
2. **FOOD INFLATION**
3. **HIGHER CO₂ EMISSIONS**
4. **LOW INCOME FOR SMALLHOLDER FARMERS**
5. **HIGH USE OF HIGHLY HAZARDOUS PESTICIDES**
Nigeria’s agriculture budget does not reflect a rethink of the food system as it favours conventional agriculture that involves ground tillage, tree felling (before planting), heavy use of chemical inputs (fertilizers, herbicides, fungicides, insecticide), heavy tractor machineries, etc. These threaten environmental health, Nigeria’s food security etc.

The Federal Ministry of Agriculture projects that the demand for staple food will increase by 50% due to Increase in the population of Nigeria.

Climate Change Impacts on Agriculture

By 2080 Agricultural production is expected to decline by 10-25%

Decline in yield in rain-fed agriculture could be as much as 50% of total greenhouse gas emissions in Nigeria comes from agriculture.

Planned average public spending for sustainable agricultural from 2015-2019 accounted for 2.88% of the total FGN budget. Average actual spending, however, is only 1.47%.
There is a growing need to mainstream climate change solutions into government’s agricultural development agenda by making budgetary allowances to help smallholder women adapt to climate change at both national and state level. There is need to examine the need of smallholder women farmers, and the level of support they get from national and state government in adapting and contributing to climate change and securing food security using more sustainable food system like agroecology.

Nigeria signed the Convention on Climate Change on the 9th of June 1992 and ratified it on the 15th April 1994. Nigeria also ratified the Kyoto Protocol on 10th December 2004, and signed and ratified the Paris Agreement on 22nd September 2016 and 16th May 2017 respectively. These are the country’s commitments to combat and reduce its CO$_2$ emission across key sectors.

### Relevant Legal and Institutional Frameworks for a Climate Resilient and Gender Just Agricultural Sector

<table>
<thead>
<tr>
<th>S/N</th>
<th>Legal Framework/ Agreement</th>
<th>Context</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)</td>
<td>Entered into force in 1981, Nigeria ratified the CEDAW on 23rd August 1984. Nigeria agreed to implement all appropriate measures, including legislation and temporary special measures, to ensure that women’s human rights and fundamental freedoms are protected.</td>
<td>An international treaty of the United Nations aimed at ensuring the equal rights of men and women to enjoy all economic, social, cultural, civil and political rights.</td>
</tr>
<tr>
<td>3</td>
<td>Maputo Protocol on the Rights of Women in Africa</td>
<td>The Protocol which supplements the African Charter on Human and Peoples’ Rights provides for a comprehensive set of human rights for African women. Nigeria ratified the Protocol in 2004 after its adoption in 2003.</td>
<td>Article 18 of the Protocol calls on State Parties to ensure women have the right to live in a healthy and sustainable environment, while article 15 and 19 provide for right to food security and right to sustainable development respectively.</td>
</tr>
</tbody>
</table>
4. **Nigeria's Nationally Determined Contributions (NDCs)**

NDCs are a country specific pledge to reduce carbon emissions, which is an obligation of the Parties to the Paris Agreement. Nigeria’s main target for its NDC is 20% unconditional and 45% conditional greenhouse gas emission reduction by 2030. The key priority sectors of Nigeria’s NDCs include – agriculture and land use, power, transport, energy, oil and gas.

5. **National Action Plan on Gender and Climate Change for Nigeria**

Women are most vulnerable to the negative impacts of climate change and gender inequality has further exacerbated these impacts. The main goal of the Action Plan is to ensure that national climate change efforts in Nigeria mainstream gender considerations so that women, men, youth and other vulnerable groups can have access to, participate in, contribute to and hence optimally benefit from climate change initiatives, programs, policies and funds.

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**MATCHING THE NEED?**

**Analysing Nigeria’s Budget in Relation to Agriculture, Climate Change and Smallholder Women Farmers**

Despite the **1999** Constitutional prescriptions and signed Agroecological and signed conventions and treaties, the Nigerian agricultural sector is still poorly funded.

The **Allocation to agricultural sector in national budget has been less than 2% since 2015.**

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**Share of FGN Spending for Sustainable Agriculture as % of Total FGN Budget vs Expected Share of 10% Spending by Maputo/Malabo Declaration**

<table>
<thead>
<tr>
<th>Year</th>
<th>FGN Spending as % of Total FGN Budget</th>
<th>Expected Share of 10% Spending by Maputo/Malabo Declaration</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>0.46%</td>
<td>10%</td>
</tr>
<tr>
<td>2016</td>
<td>0.87%</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>1.34%</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>1.39%</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>1.01%</td>
<td></td>
</tr>
</tbody>
</table>

% Share of FGN Spending to Climate Specific Sectors in Federal Budget (Share of Overall FGN Total Budget) and Maputo/Malabo Declaration on Agriculture and Food Security/ Transformative Agriculture for Women Participation (10% of Public Spending).
**Capital Allocation to Sectors Relevant to Climate Change and Smallholder Farmers (2015 - 2019)**

<table>
<thead>
<tr>
<th>MDA</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Ministry of Agriculture and Rural Development</td>
<td>5.51 billion</td>
<td>30.28 billion</td>
<td>63.95 billion</td>
<td>80.24 billion</td>
<td>49.34 billion</td>
</tr>
<tr>
<td>Federal Ministry of Environment</td>
<td>1.19 billion</td>
<td>2.95 billion</td>
<td>5.1 billion</td>
<td>5.23 billion</td>
<td>3.44 billion</td>
</tr>
<tr>
<td>National Agency for the Great Green Wall</td>
<td>-</td>
<td>-</td>
<td>895 million</td>
<td>653 million</td>
<td>485 million</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>6.70 billion</td>
<td>33.23 billion</td>
<td>69.94 billion</td>
<td>86.13 billion</td>
<td>53.27 billion</td>
</tr>
</tbody>
</table>

Source: Budget Office of the Federation, 2015 - 2019

**Share of Budget Allocations**

**Allocation to Smallholder Farmers Sensitive Climate Change Related Projects in Nigeria (2015-2021)**

**Budgeting for Climate Specific Sectors in Federal Budget (Share of Overall FGN Total Budget)**

**Budgeting for Climate Specific Projects in Federal Budget (Share of Overall FGN Capital Budget)**

**Budgeting for Climate Specific Recurrent Expenditure in Federal Budget (Share of Overall FGN Recurrent Budget)**

**The allocation relevant to a climate resilient and gender just agricultural sector have been declining between 2016 - 2021.**

**Allocations to Women, Youth and Climate Management in Agricultural Sector: 2016 – 2020**

**Agriculture Budget Performance: 2015 – 2019 (%)**

Despite the low budget allocations, the utilisation of FMARD’S capital budget is below the 65% mark.
The total allocation to the Ministry of Environment from 2015 to 2019 as a percentage of the total FGN budget stands at an average of 0.09%.

The largest share was in 2017 when it accounted for 0.12% of the total FGN budget.

The average level of utilization of the capital budget of the Ministry of Environment from 2015 to 2019 was 67%.

The budget performance of the NAGGW have been very low at an average of 48%.

Despite the potential of the agency to drive agroforestry programmes.

In 2017, 2018, and 2019, the project with the largest share of allocation in NAGGW was a dry land restoration project through afforestation. Project planning for women and youth in agriculture was only provided for in the 2019 budget.

### Capital Projects in National Agency for the Great Wall

<table>
<thead>
<tr>
<th>S/N</th>
<th>Project No.</th>
<th>Project Name</th>
<th>2017 Allocation</th>
<th>2018 Allocation</th>
<th>2019 Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ERGP19105059</td>
<td>Afforestation Project</td>
<td>68,601,190</td>
<td>30,275,391</td>
<td>34,799,300</td>
</tr>
<tr>
<td>2</td>
<td>ERGP19105077</td>
<td>Promotion of Alternative Livelihood</td>
<td>70,837,444</td>
<td>20,000,000</td>
<td>108,369,000</td>
</tr>
<tr>
<td>3</td>
<td>ERGP19105120</td>
<td>Programme M&amp;E</td>
<td>57,092,162</td>
<td>64,281,030</td>
<td>424,630,248</td>
</tr>
<tr>
<td>4</td>
<td>ERGP19105142</td>
<td>Dry Lands restoration through massive afforestation</td>
<td>424,630,248</td>
<td>50,366,598</td>
<td>814,778,565</td>
</tr>
<tr>
<td>5</td>
<td>ERGP80100617</td>
<td>Empower of Women and Unemployed Youths in Agric - Business</td>
<td>30,000,000</td>
<td>40,000,000</td>
<td>30,000,000</td>
</tr>
<tr>
<td>6</td>
<td>ERGP19105142</td>
<td>Rehabilitation of afforestation project coordinating unit (APCU) headquarter</td>
<td>68,601,190</td>
<td>64,281,030</td>
<td>64,281,030</td>
</tr>
</tbody>
</table>

Source: Federal Government Budget, Budget Office Federation
The Ecological fund is an intervention fund established in 1981 by the Federal Government of Nigeria through the Federation Account Act 1981 to address the multifarious ecological challenges in various communities across the country. The objective of the initiative is to have a pool of funds that would be solely used to fund projects to address ecological problems nationwide.

Between 2015-2019, a total of 192 projects were approved for implementation by the Ecological Fund Office. As of September 2019, however, only 69% of these projects have been completed while 31% are ongoing.

### Structure of Ecological Fund and Share by Tiers of Government

<table>
<thead>
<tr>
<th></th>
<th>Derivation Fund</th>
<th>Ecology Fund</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Government</td>
<td>0.49%</td>
<td>0.37%</td>
<td>1.46%</td>
</tr>
<tr>
<td>State Government</td>
<td>0.24%</td>
<td>0.48%</td>
<td>0.72%</td>
</tr>
<tr>
<td>Local Government</td>
<td>0.20%</td>
<td>0.40%</td>
<td>0.60%</td>
</tr>
<tr>
<td>National Ecological Fund</td>
<td>1%</td>
<td>2%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Ecological Fund Office Projects Executed between May 2015 and September 2019 by Priority Area

- **Flood**: 54%
- **Gully Erosion**: 15%
- **Soil Erosion**: 5%
- **Road Reconstruction/Improvement**: 17%
- **Dam**: 1%
- **Channelization and Flood Control Projects**: 5%
- **Desertification**: 1%
- **Pollution**: 2%

At State Level:

Analysis shows that actual spending falls largely below the budget in all the 8 states. This implies that on aggregate, states government’s commitments to climate change do not always reflect what was budgeted.

- In 2015, a total of N121.2m was budgeted by state governments on climate related expenditures but only 2.3% of the total budget was utilized.
- In 2016, 2.5% of the state’s total budget was used for climate action.

Climate change operating and capital expenditure as percentage (%) of total budgets across states

Analysis shows that actual spending falls largely below the budget in all the 8 states. This implies that on aggregate, states government’s commitments to climate change do not always reflect what was budgeted.

- In 2015, a total of N121.2m was budgeted by state governments on climate related expenditures but only 2.3% of the total budget was utilized.
- In 2016, 2.5% of the state’s total budget was used for climate action.
In 2019, only 1.6% of the total budget was used for agricultural climate action.

Analysis of the State budget shows that while 90% of the state governments budget examined do not have budgetary provision for agro-ecology, 10% of the state budgets appears to provide information that are agroecological in nature with emphasis on social enabler projects.

Major Issues Identified in Nigeria’s Budgeting for Sustainable, Climate Resilient Agriculture and Smallholder Women Farmers

The overall budget allocation for the agricultural sector at less than 2% of the total budget demonstrates a lack of clear commitment.

Nigeria’s agriculture budget does not reflect a rethink in our food system as it still favours conventional agriculture that involves ground tillage, tree felling (before planting), heavy use of chemical inputs (fertilizers, herbicides, fungicides, insecticides) heavy tractor machineries, etc, that destroys the soil and then requires improved seeds (mostly genetically modified) and more synthetic chemicals.

The planning and implementation of agricultural sector budgets especially at state level lacks political backing and commitments; hence it’s overall poor performance.

No clearly targeted financial support to smallholder farmers to protect and increase productivity in the face of climate change, using sustainable approaches to agriculture such as agroecology.

The agricultural sector budget at Federal and State level is not promoting organic farming, subsidies for bio-pesticides and other environmentally friendly product usage.

Poor budget implementation/utilization rate especially for capital expenditure.

Annual increase in administrative capital budget such as purchase of office equipment, computers, rehabilitation and construction of office buildings, etc.
<table>
<thead>
<tr>
<th>Issuance of Budgetary Resources</th>
</tr>
</thead>
<tbody>
<tr>
<td>Budget releases are often late and poorly timed with the production cycles of the agricultural sector.</td>
</tr>
<tr>
<td>Lack of disclosure, transparency, and accountability in the budget process and its implementation. The public does not have details on contractors, contracts and project milestones.</td>
</tr>
<tr>
<td>Capital budget line items are not detailed enough in the budget, making tracking difficult.</td>
</tr>
<tr>
<td>Presence of ambiguous and repetitive budget line items such as seeds, seedlings, improved seedlings, herbicides, pesticides, which makes budget tracking difficult.</td>
</tr>
<tr>
<td>Lack of standardization in capital projects, good value for money is also lacking in the implementation of capital projects like rural roads, water projects, etc.</td>
</tr>
<tr>
<td>Poor monitoring and evaluation of capital projects with little verifiable information in the public domain.</td>
</tr>
<tr>
<td>There is no proper reporting in the ministry, or a central point where report for capital project for agriculture is reported either annual, bi-annually or every four years.</td>
</tr>
<tr>
<td>The budget for agricultural sector especially at state level is not accessible to rural communities and farmers.</td>
</tr>
<tr>
<td>Budget implementation is not inclusive and participatory, especially regarding the inclusion of women farmers.</td>
</tr>
<tr>
<td>Poor access of agricultural inputs due to the failures of the government to use informal groups to execute projects. This is informed by the continued assumption that small-scale farmers are not organised.</td>
</tr>
<tr>
<td>Budget for agricultural mechanisation are focused on big machines that cannot access farms of smallholder farmers, that contribute to emissions in the sector and that are not aligned with the needs of most smallholder women farmers.</td>
</tr>
<tr>
<td>Poor distribution of agricultural inputs funded by the budgets to smallholder farmers.</td>
</tr>
<tr>
<td>The selection of capital projects for the agricultural sector seem to lack professional on-the-field experience consultation, especially in the area of sustainable agriculture.</td>
</tr>
<tr>
<td>Poor commitment to offer quality-on-the-field training to smallholder farmers in the area of organic agriculture and agroecology, as a more sustainable food system, and climate remediation effort.</td>
</tr>
</tbody>
</table>
Smallholder Women Farmers' Perspectives on Government Support and the Budget Process

58.3% of the interviewed smallholder women farmers said the government provides farm inputs such as fertilizers, pesticides, and other farm inputs to farmers.

50% of the respondents noted that the provision of these farming incentives and support are not regular.

According to smallholder farmers, there is no evidence of state or federal government credit, grant and other financial interventions for sustainable agriculture such as agroecology.

State and Federal Government has not provided the needed enabling environment and support in terms of funding.

There are no explicit budget line items for the support of agroecology.

Failure of the government and participating banks to administer credits using the cooperative society channels, which the farmers belong to.

No hand-holding by the government, extension workers or private sector in the application and assessment of credit.

Poor extension services to smallholder women farmers who are mostly based in hard to reach rural areas due to insecurity.

Farming activities of smallholder women farmers are not insured due to their small scale nature.

It is difficult to predict losses associated with smallholder women farmers and small-scale farming in general.

Smallholder women farmers do not have access to credit due to:

01
Failure of the government and participating banks to administer credits using the cooperative society channels, which the farmers belong to.

02
No hand-holding by the government, extension workers or private sector in the application and assessment of credit.

03
Poor extension services to smallholder women farmers who are mostly based in hard to reach rural areas due to insecurity.

04
Farming activities of smallholder women farmers are not insured due to their small scale nature.

05
It is difficult to predict losses associated with smallholder women farmers and small-scale farming in general.
RECOMMENDATIONS:

Factors that improve access to credit, farm input, and other agroecological support to smallholder women farmers

- Create low interest special lending credit window for SWF
- Organize SWF into groups to access loans with a lower probability of default
- Enhance the financial and digital literacy for SWF
- Provide better extension service that includes access to weather information to SWF
- Fast track the implementation of weather index based insurance for small scale farming
- Extend insurance service to SWF