

International Budget Partnership

Our strategy to shift the public resource system in Nigeria

In Nigeria, public resources are being raised and spent unfairly and ineffectively, leaving millions of people—especially women— without access to the quality public goods and services they need to thrive.

Nigeria's public resource governance system faces several challenges, including: inequitable and poorly governed domestic resource mobilization (particularly tax administration), under-resourcing of key social sectors (due to a low tax base, credibility gaps in how much is budgeted versus spent, and other challenges), corruption and patronage systems, and limited spaces for historically excluded communities, particularly women, to have a say and influence how public money is raised and spent.

As a result of these public resource management challenges, Nigeria has stark inequalities in women and girls' access to key services they need to thrive. Our work focuses in particular on addressing the public resource challenges that lead to inequitable maternal healthcare and agricultural investments for smallholder women farmers. We are also working to shore up Nigeria's tax base in a way that does not unduly burden those least able to pay, while ensuring there are greater resources for key services, in addition to addressing budget credibility challenges.



Agricultural Service Delivery System for Smallholder Women Farmers

The Problem: Approximately 19 million women smallholder farmers in Nigeria (including 3.5 million in our five focus states) have limited access to agricultural supports to make a better living.

Small-holder women farmers in Nigeria make up 70% of the country's 38 million smallholder farmers and produce 90% of the country's food. Despite their crucial role, about 72% of these women (almost 19 million) live in extreme poverty, surviving on less than $1.90 per day. In the five focus states of Anambra, Jigawa, Nasarawa, Niger and Oyo states where we currently implement the second phase of our Strengthening Public Accountability for Results and Knowledge program, there are an estimated 3.5 million smallholder women farmers. Their main challenges include poor access to agricultural inputs, like fertilizer, seedlings, irrigation, agriculture extension services and pesticides, limited land ownership (only 10% of landowners are women) and significant post-harvest losses due to inadequate storage facilities. They also face gender-specific challenges, including balancing caregiving with farming. Pregnant women, nursing mothers, older women, and those with disabilities face even more significant difficulties. They often lack access to gender-friendly farming equipment (like hand tillers), childcare facilities and healthcare, further limiting their productivity and ability to generate income. Many are unable to afford necessities such as food, healthcare, and education for their children, perpetuating the cycle of poverty across generations.

These inequities result from several challenges in the way Nigeria manages public resources for agriculture. Nigeria's agricultural service delivery system includes actors at national, state and local levels. The relevant ministries, departments and agencies at all levels are expected to collaborate to ensure that agricultural policies address the unique needs of smallholder women farmers. However, the autonomy of state governments from the federal government hinders cooperation. Meanwhile, local governments—the level of government closest to farmers—have limited fiscal resources and autonomy although this is expected to change as they should now receive their funds directly from the federally managed pool of revenues rather than indirectly through the state governments. These coordination challenges are compounded by several other factors that limit effectiveness:



- **Laws/Policies:** Nigeria has several agricultural policies and laws, including the National Gender Policy in Agriculture and various declarations, implemented through federal and state ministries. However, implementation is inconsistent due to limited political will, insufficient resource allocation, and poor implementation at subnational levels. Agricultural decisions are influenced by political interests rather than policy objectives.
- **Financial Flows:** The agricultural sector is severely underfunded, with spending below 2% of the total budget in recent years, far short of the government's 10% target. Funds flow from the federal to the state and local government levels, but the federal government often delays or releases incomplete disbursements.
- **Human Resources:** Agricultural extension services, primarily delivered through Agricultural Development Programs are severely understaffed. The extension worker to farmer ratio is 1:10,000, far below the global standard of 1:500. Extension services are poorly funded, which has led to high staff attrition and reduced effectiveness.
- **Data and Information Flows:** While a federal database of farmers exists, it is not publicly available and likely incomplete. Data on smallholder farmers is limited and fragmented across states while information about agricultural assistance often flows through personal relationships or channels and do not reach farmers who need it most.
- **Decision-Making Processes:** Women farmers have minimal influence in decision-making at all government levels, despite some representation on budget committees. The agricultural sector is male-dominated, leading to gender-blind perspectives in policy implementation. Limited engagement channels and underutilized town hall meetings further marginalize female smallholder farmer voices.
- **Incentives and Accountability:** The accountability system lacks transparency and effective monitoring mechanisms. Oversight institutions face challenges of independence and capacity. Political loyalties often override agricultural priorities, leading to delayed fund releases and poor implementation of programs.
- **Feedback Loops:** The mechanism linking research, extension services and the response to farmer needs exists but it is less responsive to the needs of smallholder women farmers. Extension workers, who should gather farmer feedback, are demotivated and ineffective due to their poor working conditions.
- **Mindsets:** Agriculture is perceived as male-focused, despite significant female participation. Cultural and legal barriers restrict women's land ownership and control. Government approaches lack gender-based equity considerations, despite the Gender Policy in Agriculture's mandate that 35% of the budget be allocated to women farmers.
- **Bargaining Power:** Smallholder women farmers and their advocacy groups need strengthened coalitions and improved capacity for budget analysis and advocacy. Groups often work in silos or compete with each other. Coalition building can be challenging in Northern Nigeria due to cultural and religious beliefs limiting women's roles.

The future we envision

Our goal is for the government of Nigeria to spend public money more fairly so that 500,000 smallholder women farmers have increased access to agricultural supports to improve their livelihoods.



Nigeria's agricultural service delivery system and smallholder women farmers



Problem

3.5 million women smallholder farmers in our five focus states in Nigeria have limited access to agricultural supports to make a better living.

Establish coordination mechanisms across agencies and citizen engagement platforms to track and ensure agricultural policies are responsive to smallholder women farmers.

Policies

Help states implement gender-responsive budgeting through technical assistance, advocacy, and procurement compliance review committees.

Gender-responsive budgeting

Support increased allocation of funds to the agriculture sector and implementation of the National Gender Policy on Agriculture which specifies that 35% of the allocations should go to women farmers.

Allocations

Strengthen agricultural extension services by urging the government to allocate more funds to recruiting and training workers.

Recruitment

Urge state officials to publish simplified budget reports quarterly and to create a comprehensive database of smallholder women farmers to inform programs.

Information flows

Advocate for the inclusion of smallholder women farmers in strategic state committees and ensure their recommendations are captured in policy documents.

Decision-making

Engage state assemblies and help state officials to integrate agriculture program-related audit recommendations into planning and policy-making.

Accountability

Accompany smallholder women farmers to develop charters of demand that can shift officials' minds about the value of the information they bring to the table.

Mindsets



Goal

500,000 smallholder women farmers have increased access to agricultural supports to improve their livelihoods.



We will secure increased incomes and/or access to agriculture supports by smallholder women farmers in our five focus states (Anambra, Jigawa, Nasarawa, Niger and Oyo), including farm inputs, gender-friendly equipment and access to credit. To do so, we will pursue these system-level outcomes in our target states, which we believe are essential for Nigeria's agricultural services to work better for underserved smallholder women farmers.

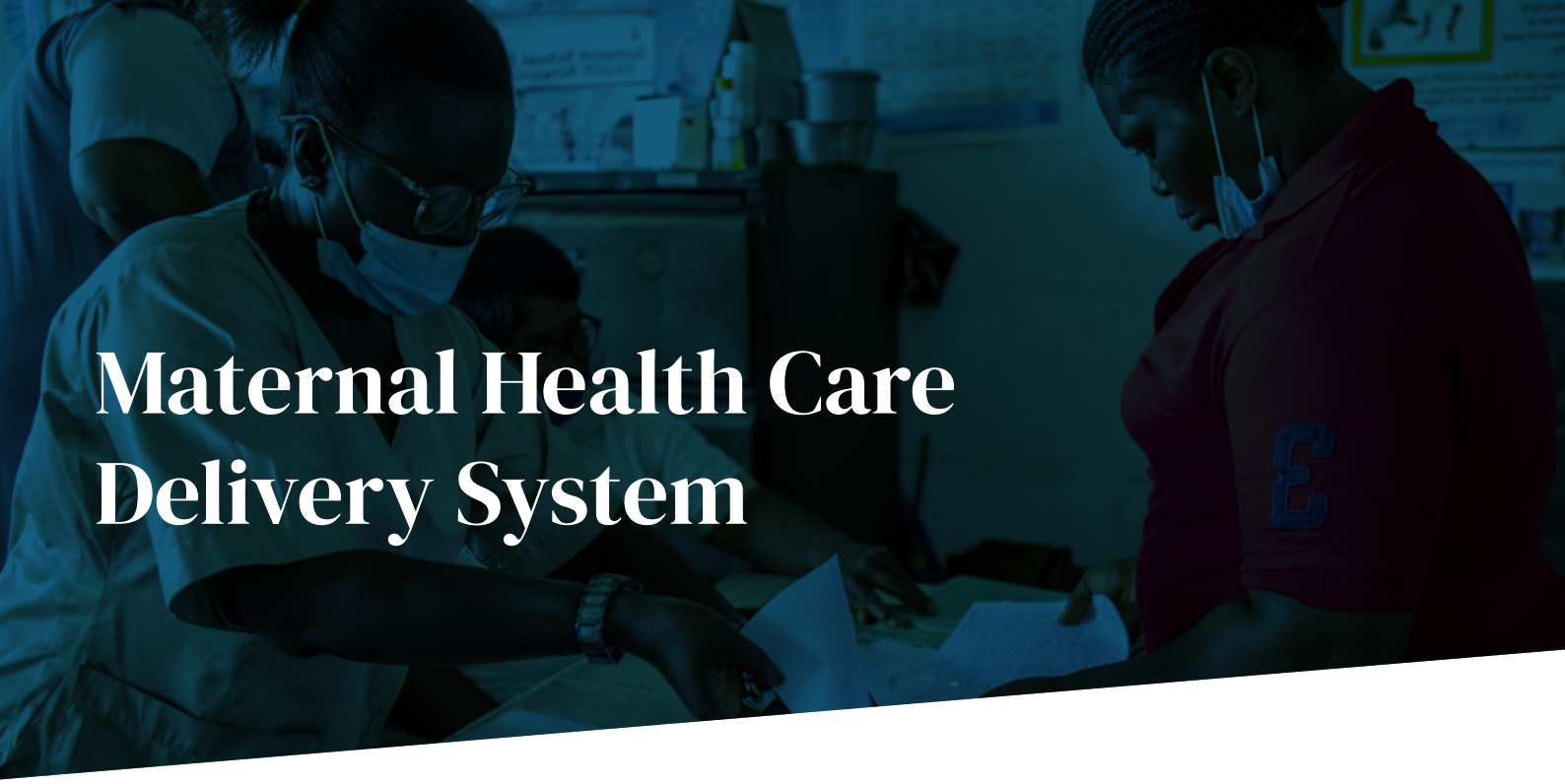
- **Outcome 1.** Secured joint implementation of agricultural policies and programs by agriculture ministries, departments and agencies facilitated by the federal and state Ministries of Agriculture.
- **Outcome 2.** Institutionalized gender-responsive budgeting across target states, as part of the domestication of the National Gender Policy on Agriculture.
- **Outcome 3**. Increased allocation of funds (from 1-5% to 10% of overall budget) to the agriculture sector by the Ministries of Budget and Planning in the five target states. In line with the National Gender Policy on Agriculture, 35% of the agricultural budgets will be allocated to directly benefit women. Procurements of agricultural inputs and services for farmers will also increase from 7% to 15%.
- **Outcome 4**. Increased budget line by state ministries of agriculture for recruitment of extension workers and an increase in extension workers in target states to reach a ratio of 1 for every 3,000 farmers.
- **Outcome 5.** Institutionalized quarterly budget report dissemination by the state ministries of budget in the target states. With timely access to budget information, smallholder women farmers will advocate to the State Ministries of Finance and Budget and Planning for their needs from their charters of demand. This will help ensure prioritization, and timely release of funds to meet their needs.
- **Outcome 6.** Ensured decision-making processes reflect input from smallholder women farmers. We will ensure that 30% of recommendations made by smallholder women farmers in target states are implemented by State Ministries of Agriculture.
- **Outcome 7.** Included agricultural development programs in annual audit report recommendations published by the Offices of the Auditors General, which are then implemented by state governments.
- **Outcome 8**. Shifted the mindsets of agricultural program officials so that they are more responsive to the needs and demands articulated by women smallholder farmers.

Our strategy for change

Our strategy for change includes eight actions to help us realize the system of tomorrow:

1. Establish coordination mechanisms through multi-agency stakeholder mapping, facilitation of a Ministerial Working Group and citizen engagement platforms to track and ensure agricultural policies are responsive to smallholder women farmers.
2. Help states implement gender-responsive budgeting through technical assistance, advocacy campaigns, and procurement compliance review committees.
3. Support increased allocation of funds and implementation of the National Gender Policy on Agriculture by conducting baseline assessments, developing state-specific gender action plans, and establishing gender desks in state agriculture ministries.
4. Strengthen agricultural extension services by helping the government to focus more on recruiting and training workers, facilitating farmer field schools and other efforts.
5. Share timely budget information and create and maintain a comprehensive database of smallholder women farmers. We will urge state officials to publish simplified budget reports quarterly and establish annual funding procedures aligned with farming seasons—so that women farmers can ensure their priorities are included and funds are released when needed. We will urge officials to create a comprehensive database of smallholder women farmers to inform 40% of agricultural programs by 2029.
6. Advocate for the inclusion of smallholder women farmers in strategic state committees and ensure their recommendations are captured in state policy documents.
7. Secure implementation of agricultural development program-related audit recommendations by engaging state assemblies and helping state officials to integrate audit recommendations into agricultural development planning and policy-making.
8. Accompany smallholder women farmers to develop and implement charters of demand, including providing support so that they can leverage budget analysis, policy alignment, and feedback mechanisms to share information about their needs.





Maternal Health Care Delivery System

The Problem: An estimated 9.2 million expectant mothers in Nigeria are at heightened risk of maternal mortality and morbidity due to poor access to maternal healthcare.

Nigeria faces one of the highest maternal and child mortality rates globally, with an estimated 9.2 million expectant mothers at heightened risk due to challenges in accessing quality maternal healthcare. The barriers are multi-faceted: economic factors (inability to pay out-of-pocket costs for basic services), cultural norms (married women needing their husband's permission for medical care), geographical challenges (limited access to facilities in rural areas), and environmental factors (droughts and floods affecting infrastructure and travel). The situation is especially dire for marginalized groups, including women with disabilities, underage mothers, widows, women living with HIV and ethnic minorities, who face additional discrimination. The problem is most acute in rural areas, where 80% of Nigeria's poor population resides and where 70% of residents are women. These issues are exacerbated by underfunded public health insurance schemes, inadequate Primary Healthcare Centers (PHCCs), and deeply rooted socio-cultural factors that limit women's autonomy over their healthcare decisions.

These inequities result from several challenges in the way Nigeria manages public resources for primary healthcare through which maternal care is provided:

- **Structures and policies:** Nigeria's healthcare system operates across three government levels (federal, state, and local) with key institutions like the Federal Ministry of Health and Social Welfare, National and State Primary Health Care Development Agencies, and National and State Health Insurance Schemes. The system includes over 27,513 public primary healthcare centers (PHCCs), which are crucial for rural communities. While there are strong policy frameworks, including the National Health Act and Basic Healthcare Provision Fund (BHCPF), implementation of these frameworks remains weak. Only about 20% of PHCCs are fully functional and many suffer from underfunding, inadequate staffing and poor infrastructure.
- **Financing and budget credibility gaps:** The healthcare system is severely underfunded, with health expenditure remaining below 4% of GDP. Budget execution is poor, with frequent delays

and incomplete disbursements by the national government to subnational governments and public primary healthcare centers. Patients face very high out-of-pocket spending (as much as 76% of healthcare costs are incurred directly by patients), pushing many into poverty. The system suffers from fragmented funding sources and low insurance coverage (only 5% of the population is insured). In order to access BHCPF, states have to provide matching funds and many are unwilling to do so.

- **Incentives:** The system lacks effective incentive structures for healthcare workers, particularly in rural areas. Poor working conditions, delayed salary payments, and lack of professional development opportunities lead to high turnover and staff shortages. The Midwives Service Scheme, designed to address midwife staffing gaps in rural areas, has struggled due to local governments' failure to provide promised incentives like accommodation and regular payments to midwives.
- **Mindsets:** Deeply held beliefs affect healthcare delivery at multiple levels. Policymakers often prioritize visible infrastructure over healthcare system strengthening. Healthcare workers, particularly in rural areas, have developed a resignation to poor working conditions and limited resources. Communities, especially in rural areas, often rely on traditional medicine due to cultural beliefs and mistrust of formal healthcare services.
- **Women's leadership:** Despite being primary beneficiaries of maternal healthcare services, women have limited influence in healthcare decision-making. While policies mandate 40% female representation in Ward Development Committees (WDC)—a key space where needs are assessed and decisions are made around primary healthcare—implementation is poor, with women holding less than 20% of WDC positions and under 10% of leadership roles. Women hold only 6.7% of elective and appointive positions nationally, limiting their ability to influence healthcare policies that directly affect them.



The future we envision

Our goal is for the government of Nigeria to spend public money more fairly so that 7 million women have increased access to primary healthcare and improved maternal mortality and morbidity rates.



Nigeria's maternal healthcare system and women



Problem

9 million expectant mothers in Nigeria are at heightened risk of maternal mortality and morbidity due to poor access to maternal healthcare.

Launch campaigns and training programs to increase women's representation and leadership in Ward Development Committees.

Representation

Improve healthcare financing for primary healthcare centers by conducting targeted advocacy to state governors and ministries to ensure timely release of the 25% counterpart funding for the Basic Healthcare Provision Fund (BHCPF).

Financing

Conduct research on healthcare workforce gaps in rural primary healthcare centers and urge governments to implement recruitment and retention strategies for midwives and nurses, including financial incentives and housing provisions.

Staffing

Provide capacity strengthening to bolster women's voices and influence in primary healthcare decision-making and planning spaces.

Bargaining power

Train healthcare workers on inclusive and respectful care, particularly for women, girls and other marginalized groups and promote patient surveys.

Mindsets



Goal

7 million women have increased access to primary healthcare and improved maternal mortality and morbidity rates.



We will secure increased access to maternal healthcare and lower out-of-pocket costs for women and girls in our target states (Anambra, Oyo, Ogun, Niger and Kano states). To do so, we will pursue these system-level outcomes in our target states, which we believe are essential for Nigeria's maternal healthcare system to work better for women.

- **Outcome 1**. Improved women's representation in governance structures. We will seek to increase women's representation and leadership in 70% of Ward Development Committees. We will also ensure that women, including those with disabilities and from marginalized groups, are included in healthcare planning, budgeting and service delivery.
- **Outcome 2**. Improved healthcare financing, through increased utilization of the Basic Healthcare Provision Fund by at least 35% of rural primary healthcare clinics. We will use regular performance audits and spending reports to ensure that funds allocated for primary healthcare, particularly for maternal and child health services, are effectively disbursed and utilized for their intended purposes. We will also seek to have 80% of primary healthcare centers draft gender-sensitive business plans quarterly.
- **Outcome 3**. Improved healthcare staffing, including by increasing the number of trained midwives and nurses in rural primary healthcare clinics by 40%.
- **Outcome 4.** Strengthened women's bargaining power in planning and decision-making spaces. We will ensure that women's recommendations are implemented in 30% of Ward Development Committees and facilitate quarterly feedback sessions to incorporate community-driven data and women's health experiences in decision-making.
- **Outcome 5**. Shifted mindsets in primary healthcare provision. We will aim to shift the mindsets of healthcare providers to ensure that the care they provide is more responsive to women's needs. We will ensure that at least 70% of pregnant women and girls report improved patient-centered care from midwives and nurses, in accordance with the Nursing and Midwifery Council of Nigeria Code of Professional Conduct.

Our strategy for change

Our strategy for change includes eight actions to help us realize the system of tomorrow:

1. Promote women's leadership development. Launch campaigns and training programs to increase women's representation and leadership in Ward Development Committees including gender sensitivity trainings and capacity-building workshops focused on building women's leadership skills. We will hold annual assessments to track progress.
2. Advocate for adoption of Basic Healthcare Provision Fund financing. Conduct targeted advocacy to state governors and ministries to ensure timely release of the 25% counterpart funding for the Basic Healthcare Provision Fund (BHCPF), including through public awareness campaigns and monitoring frameworks. We will also provide technical support to primary health administrators for BHCPF fund management. We will establish a financial accountability portal to track utilization of the BHCPF.
3. Promote healthcare worker recruitment. Conduct research on healthcare workforce gaps in rural Primary Healthcare Centers, advocate for increased recruitment, and urge governments to implement retention strategies, including financial incentives and housing provisions.
4. Strengthen women's voices and influence in primary healthcare decision-making. We will partner with women's groups and provide capacity strengthening on leadership, healthcare governance and financial management so that they are able to influence primary healthcare planning. We will also collaborate with the media to highlight stories of successful women leaders in Ward Development Committees and track progress.
5. Shift mindsets to promote patient-centered care: Partner with the Nursing and Midwifery Council of Nigeria to implement training programs focusing on inclusive and respectful care, particularly for women, girls and other marginalized groups. We will also promote the use of feedback mechanisms and monitoring systems, such as patient surveys.

Challenges in how Nigeria raises public resources

The challenges in Nigeria's primary healthcare and agricultural service delivery systems are also partly due to challenges the country faces in how it raises public resources. Nigeria's government faces significant challenges in how its tax system is administered, which limit the state's ability to mobilize sufficient domestic resources for key services such as agriculture and primary healthcare. The current tax structure also unfairly overburdens those least able to pay, while not deriving enough resources from those who should be contributing more, such as large corporations and high-income earners.

Although the tax structure appears progressive, with income taxes contributing slightly more to revenues than consumption taxes, a deeper analysis reveals some important structural imbalances. These imbalances disproportionately impact low-income earners, most of whom are primarily engaged in the informal sector, as they pay a larger share of their income in taxes in both direct (income) and indirect (consumption) taxes. Meanwhile, high-net-worth individuals and corporations' benefit from ineffective frameworks, legal loopholes, and incentives that allow them to minimize their tax obligations.

Nigeria's tax system exhibits significant inequities, particularly in its treatment of the informal sector which contributes about 58% of the country's GDP. Considered the backbone of the Nigerian economy, the informal sector in 2021 accounted for 96.9 percent of all micro, small and medium enterprises in Nigeria with 38 million businesses and 16 million employments. Despite representing such a large portion of the economy, informal economy business owners especially the low-income earners face disproportionate tax burdens, often paying a higher proportion of their incomes in taxes (and tax-like payments) compared to taxes on the formal sector. In one study[1], 52% of informal sector business owners earning less than 1,000 Naira daily spent about 5-20% of their income in taxes. Taxation in the informal sector is often arbitrary in nature (i.e. not based on an income scale nor collected through formal channels) and characterized by multiple taxes and levies, the prevalence of non-state actors in the collection process, extortion, almost daily payments that do not recognize past compliance, and physical harassment and intimidation by informal tax collectors that often result in property seizures and personal harm.

In addition, revenues generated from the informal sector may end up being diverted into private pockets. For instance, although Nigeria collects more than 55 billion Naira ($34 million USD) from vehicles in road taxes every year, most of this revenue goes to transport unions and thugs, rather than state coffers. These challenges particularly impact working women, 95% of whom are employed in the informal sector and bear additional burdens from unpaid care work that limits their income generation.

The treatment of High-Net-Worth Individuals (HNWIs) is in stark contrast to the informal sector's experience. Despite Nigeria having about 115,000 HNWIs (defined as individuals earning at least 40 million Naira annually, about $126,984), only 40 of these are considered compliant taxpayers indicating a compliance rate of 0.035%[2]. In the Federal Capital Territory for example, 90% of 1.2 million registered taxpayers neither pay taxes nor file returns. Property taxes— a significant potential

1. https://www.sbmintel.com/2021/08/under-the-hood-a-look-into-taxation-in-nigerias-informal-sector/
2. https://oi-files-cng-v2-prod.s3.eu-west-2.amazonaws.com/nigeria.oxfam.org/s3fs-public/Taxing%20the%20Rich%20Spread.pdf?VersionId=0nArswGanmdZOgSm4gvshQZvXqKBUU_8

source of revenue from HNWIs— contribute merely 0.2% to GDP compared to 1.7% in developed economies. Many wealthy individuals exploit the economy's informality to evade taxes while facing considerably less scrutiny than low-income earners.

The management of tax incentives compounds these inequities. Nigeria's tax authorities are excessively generous in granting tax waivers and incentives to large corporations particularly foreign owned, with the 2021 VAT tax expenditure to VAT collection ratio reaching 179% - meaning that the total amount given in VAT tax exemptions (or expenditures) was 1.79 times the total VAT that was collected[3]. In 2021, the oil production sector received 73% of all VAT exemptions that were granted for production inputs or supplies. Additionally, there are significant disparities between how limited liability companies and individual enterprises are treated, with small businesses and women-owned enterprises often excluded from such tax benefits.

The administration of Value Added Tax (VAT) adds another layer of complexity. There is widespread confusion among taxpayers about which items are exempt from VAT, and policy inconsistencies result in VAT being charged on items that should be exempt. Poor implementation creates opportunities for fraud, evasion and poor compliance. Planned VAT rate increases threaten to disproportionately affect the poor due to these complexities. The impact of these systemic issues falls heavily on the 133 million people (63% of the population) living in multidimensional poverty, with women, persons with disabilities, and young people facing the highest risks. These groups typically lack access to tax reform decision-making processes and professional tax advisory services, perpetuating their disadvantaged position within the system.



3 https://finance.gov.ng/download/trade-taxation-and-customs-policy-study/#

Nigeria's tax system

Laws and Policies. Nigeria's tax system is characterized by complex, overlapping frameworks across 38 federal and state tax authorities and 774 local government revenue committees. The legal structure allows different government tiers to collect similar taxes on the same transactions, leading to multiple taxation. While efforts like the Presumptive Tax Law and other harmonized tax laws attempt to address these issues, the constitutional gaps enabling multiple taxation are unresolved. This is further worsened by the lack of a specialized wealth tax framework and harmonized regulations for tax expenditure management.

Governance/Structures. Poor coordination among revenue agencies is a significant challenge, with no mandatory policy requiring collaboration between government tiers. Many states' internal revenue services lack adequate resources and operational autonomy, leading to reliance on special taskforces and private consultants for tax collection. The involvement of multiple agencies in tax management, without centralized oversight, results in inefficient administration and conflicting objectives. As of 2022, only about 14 State Internal Revenue Services have operational and financial autonomy in practice, with few having digitized systems.

Financial Flows. Local governments face significant financial constraints, leading to aggressive revenue generation that disproportionately affects the informal sector. States' encroachment on local government tax jurisdictions and lack of financial autonomy at the local level create additional complications in revenue management.

Decision-Making Processes. Tax reform influence is concentrated among high-ranking officials, tax authorities, the private sector and politically connected individuals, while low-income earners, especially women in the informal sector, have limited participation in tax decision-making. Cultural norms, unpaid care work, and poverty restrict women's involvement in tax advocacy. Market unions, though male-dominated and usually involved in tax collection, are typically excluded from tax reform decisions.

Incentives/Accountability. The system lacks effective oversight and accountability mechanisms, particularly in the informal sector where politicians often use tax collection to reward political allies. Civil society engagement is hampered by shrinking civic space and inadequate technical capacity. At the state level, HNWIs often exploit their political and economic influence to avoid tax scrutiny, while tax authorities require strong political support to effectively tax this group.

Information Flows. Data collection and sharing face significant challenges, particularly regarding informal sector operations and HNWI activities. Banks and government agencies often resist sharing information with tax authorities, and the lack of uniform standardized taxpayer identification systems across states impedes effective tracking. While federal initiatives like the Whistleblowers Policy and Project Light House attempt to bridge information gaps, most states have not leveraged this data effectively.

Mindsets. Prevalent assumptions about the informal sector being a tax revenue 'goldmine' and its operators being deliberate tax dodgers have led to punitive tax laws that don't reflect the sector's reality. This misalignment between perception and reality contributes to inequitable tax policies and administration. For instance, the Presumptive tax regime applied to the informal sector lacks thresholds and fails to reflect the diverse income levels within the sector where 85.55% of businesses are classified as "nano," with initial start-up capital of 50,000 Naira or less.



Our strategy to improve how Nigeria raises public resources

We will pursue the following outcomes to make Nigeria's tax system fairer and more effective:

Outcome 1. Reformed informal sector taxation. We will advocate for the establishment of an effective framework for taxing the informal sector which will include progressive rates with an exemption threshold for low-income earners. We will also advocate for more transparent payment processes for increased revenue from direct assessment.

Outcome 2. Improved taxation of high-net worth individuals (HNWI). We will advocate for state tax authorities to implement a framework for tracking the economic activities of HNWI.

Outcome 3. Advanced transparency in tax incentives governance. We will work to ensure that information on how tax incentives are granted at national and state levels is publicly available. We will also seek to have tax authorities at national and state levels annually publish tax expenditure reports, including the cost-benefits of these tax incentives.

Outcome 4. Reformed Value-Added Tax (VAT) administration. We will seek to have national tax authorities publish the administrative framework for VAT and to annually publish reports on VAT collection efficiency. We will also advocate for an increase in VAT on luxury goods and items from 7.5% to 10%.

Outcome 5. Made tax administration more gender-responsive. We will advocate tax authorities at national and state levels to collect and use gender-disaggregated data for tax decision-making.

To achieve these outcomes, we will pursue the following strategic actions:

1. **Work with marginalized groups and reform coalitions**. We will support informal sector participants through tax education, focusing on rights, obligations, and record-keeping skills. This includes building political capacity among marginalized groups, especially women, to effectively share their experiences and influence tax decisions. We will create strong local coalitions between civil society, private sector groups, and media, while ensuring advocacy campaigns are gender-sensitive and highlight how unjust taxation perpetuates inequality. We will work to ensure marginalized groups are actively involved in reviewing tax proposals and participating in policy reviews.
2. **Facilitate access to decision-making spaces.** We will conduct a thorough political economy analysis of tax administration and map tax decision-making spaces across federal, state, and local governments. We will urge state and local tax authorities to establish participatory platforms that directly engage marginalized voices in tax policy-making and administration. We will ensure civil society participation in key decision-making platforms such as the Presidential Fiscal Policy and Tax Reforms Committee and spaces such as the tax expenditure reporting processes and policy dialogues with high-profile stakeholders.
3. **Build reform alliances.** We will develop partnerships between academia, think tanks, professional bodies, civil society organizations, and government to build capacity for tax policymakers and administrators. This includes targeted outreach to influential stakeholders who can address blockages between state and local government coordination on revenue matters.
4. **Create disaggregated data and evidence.** We will conduct tax incidence analysis and study the impact of tax policies and administration, particularly regarding VAT compliance and efficiency. We will advocate for user scorecards to measure and improve the equity and effectiveness of grievance redress mechanisms for the informal sector at state and local government levels.
5. **Develop new narratives.** We will build capacity among state and local government tax administrators on fair taxation principles. We will engage the media to conduct investigations and in-depth analysis of tax equity issues to help shape new narratives around taxation.
6. **Influence regional and global spaces**. We will map and engage with regional and global development partners on tax equity issues, documenting and sharing case studies for instance on informal sector taxation and gendered taxation. We will ensure that marginalized groups and civil society leverage regional and global platforms to share learning and develop partnerships with regional bodies.



Nigeria's tax system and women and other low-income earners

Problem

Nigeria's tax system puts undue burden on those least able to pay and does not mobilize sufficient revenue from those who could pay more.

Build the skills of informal sector workers, especially women, through tax education focused on their rights and obligations, and create reform coalitions that bring civil society, private sector groups and the media together to review tax proposals and recommend reforms to make the system more equitable.

Bargaining power

Urge state and local tax authorities to establish participatory platforms that directly engage marginalized voices in tax policy-making and administration.

Decision-making spaces.

Develop partnerships between academia, think tanks, professional bodies, civil society organizations, and government to promote greater state and local government coordination on revenue matters.

Reform alliances

Study the impact of tax policies and administration (especially VAT) and advocate for user scorecards to improve redress mechanisms for the informal sector.

Disaggregated data and evidence.

We will engage the media to conduct investigations and in-depth analysis of tax equity issues to help shape new narratives around taxation.

Mindsets

Influence regional and global spaces where tax policies are deliberated by sharing our experiences and analyses of tax policy and administration in formal and informal sectors. We will ensure that marginalized groups and civil society leverage regional and global platforms to share learning and develop partnerships with regional bodies.

Policies

Goal

The government of Nigeria raises taxes more equitably by removing burdens on low-income earners in the informal sector; considering the gendered impacts of tax policies; ensuring high-net worth individuals are taxed appropriately; increasing compliance and progressivity of taxes and improving transparency around how taxes are collected.

