Response to the Nigeria Economic Policy Framework Public Consultation call

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Responding as an individual or on behalf of an organisation?	Responding as an Organisation and in Collaboration with the Tax Justice and Governance Platform Nigeria.
Should your response be kept confidential? (Yes / No)	No

Executive Summary

The release of the draft Nigeria Economic Policy Framework (Public Consultation Document) provides a critical window to institutionalise long-term economic governance. However, viewed through the lens of the equity and fiscal accountability lens, macroeconomic stabilisation and ambitious revenue targets must not come at the expense of ordinary citizens, low-income earners, and informal sector workers.

A standing economic framework is only legitimate and enduring if it explicitly operationalises the social contract: ensuring that every naira raised through fair taxation directly translates into accessible, reliable, and high-quality public services (education, healthcare, social protection, and infrastructure) for all Nigerians.

Measured against these aforementioned concerns, the draft Nigeria Economic Policy Framework has real strengths of principle and architecture, but a critical gap in enforceable fiscal justice and equity. It says many of the right things about inclusion, revenue adequacy and accountability, yet it leaves the hardest distributive questions: who bears the tax burden, how tax expenditures are disciplined, and how social spending is protected from debt service; to processes that are themselves not yet bound by the Framework. The most consequential recommendations below would close that gap.

This document assesses the Federal Ministry of Finance's Nigeria Economic Policy Framework consultation draft against the fiscal justice and equity tenets and offers a draft answer to each of the 17 consultation questions. It is written from the civic actor's perspective, using its four critical questions of the #PayTax4Wetin? campaign questions (who pays, how much is collected, where the money goes, and what improves in people's lives) and its asks.

Q1 Do you agree that Nigeria needs a standing economic policy framework that is not tied to any administration or period? Please explain your view.
We support a stand-alone Economic framework in principle. Predictable rules matter, but durability should come from legitimacy, not just longevity. A framework meant to outlast administrations needs genuine public participation and a clear role for citizens in monitoring it later. Without that, it risks being a technocratic document that Nigerians cannot hold anyone to.
Q2 Does the proposed vision reflect what Nigerians should expect from the economy? What, if anything, would you change?
The vision of quality jobs and shared prosperity is right, but it describes outcomes and omits the means. We propose adding that the economy should fund and deliver quality public services, including health, education, water and energy, as the basis of dignity and opportunity. Nigerians judge the economy partly by what their taxes buy, and these can also be a great source of quality jobs with the right investment. The vision should also state that the framework is anchored in Nigeria's obligations under the Constitution and also the human rights treaties it has ratified, not only in Chapter II, section 16.
Q3 Are these the right ten outcomes for judging the performance of Nigeria's economy? Are any missing, or should any be removed?
Outcome 9 targets an optimal revenue structure with a tax-to-GDP ratio of at least 20% and revenue-to-GDP of at least 30%, underpinned by Principle 7 (Fiscal sustainability and fair taxation, with horizontal and vertical equity). While enhanced domestic resource mobilisation is necessary, aggressive tax targets have frequently placed a disproportionate regressive burden on vulnerable populations and informal micro-enterprises. The framework must explicitly define "fair taxation" as progressive taxation, prioritising taxes on wealth, luxury assets, and stronger corporate tax compliance. It should also require tax policies to be based on an assessment of the incomes and the costs of living of to low-income earners and informal sector workers, so that they do not bear a disproportionate share of the tax burden.
Q4. Are the measures of success appropriate and realistic (for example, unemployment below 5% and tax-to-GDP of at least 20%)?
A tax-to-GDP target of at least 20% is ambitious but not unreasonable as a long-term aspiration. Our concern is that the target is expressed as a number with no equity test. Raising revenue through regressive consumption taxes or by squeezing informal traders and small businesses would contradict the framework's own commitment to fair taxation. We therefore recommend pairing the target with

(a) a progressivity measure, such as the share of revenue from income, corporate and wealth-related taxes against consumption taxes, and
(b) a services-delivery commitment, in the form of a mandatory Public Services Index in the National Economic Scorecard (Annex A), so that more revenue visibly means better services.

Revenue mobilisation cannot be judged in a vacuum. Success must be measured by concurrent improvements in household disposable income, poverty reduction and the quality of public service delivery.

The same applies to targets such as unemployment below 5% and a Gini index below 0.3, which should come with credible pathways and interim milestones.

Q5 Do you agree with the twelve principles? Are there principles you would add, remove or reword?

Principle 3 casts government as "protector of the vulnerable". That is too narrow. **Universal public services are a right**, not charity. We suggest adding a principle that everyone is entitled to quality public services, and that no one should pay twice, through taxes and again through private payments, for services the state should provide.

We also suggest adding transparency, participation and accountability to the public as a principle, since Principle 10 focuses on being "evidence-based, predictable, simple and rules-based" without making government answerable to citizens.

Principle 7's "fair taxation" should be spelled out: those with greater ability to pay contribute more, and multinationals and the digital economy pay their fair share.

The Framework addresses "fair taxation" only at the level of a principle (Principle 7, "horizontal and vertical equity") and an outcome ("optimal revenue"). It contains **no analysis of tax incidence, no commitment to progressive revenue mixes, and no explicit treatment of the informal sector**, even though the vast majority of Nigerian workers earn their living informally.

Q6 Is the relationship between the Framework and other instruments (the Constitution, plans and budgets, manifestos and international obligations) clear and appropriate? Are the proposed exception-clause conditions for emergencies adequate?

The relationship is clear in structure, but there is a gap on rights. Section 4.1 discusses the Constitution and ECOWAS, AfCFTA and WTO obligations. It does not mention Nigeria's human rights treaty obligations on economic, social and cultural rights, nor the progressive-realisation principle that spending on essential services should not regress. We recommend adding these.

On exception clauses, the four conditions (trigger, time limit, disclosed cost, published path back) are sound. We would add

(a) legislative or independent oversight of any declared emergency,
(b) a rule that social spending is not cut as an emergency measure, and
(c) public disclosure within a fixed period.

Q7 Does the Framework cover the right areas of policy? Are the seven economic systems a useful way to organise it? What should be included or excluded?

The seven economic systems are a useful organising device, but "People" are treated only as an input to productivity.

We recommend adding public services and social protection and care as a distinct system, or elevating it within "People", with its own financing logic. Tax policy and the

quality of tax administration (including the Tax Ombud, taxpayer rights and dispute resolution) should be explicit in scope. Fiscal governance and transparency is in the list of 16 policy areas but has no matching content in Part 2, and that should be fixed.

Q8 Which fiscal rules (for example, on deficits, debt, borrowing or commodity windfalls) should the Framework prioritise? How can monetary-fiscal coordination be strengthened while protecting the independence of the Central Bank?

Fiscal rules should prioritise revenue transparency, the protection of social spending and disciplined management of commodity windfalls. We recommend that the Framework prioritise four rules:

1. A debt-service ceiling relative to revenue. The 2026 budget projects N15.9 trillion in debt service against N33.39 trillion in projected revenue. The Debt Management Office has projected that the ratio will exceed its recommended 50% threshold in 2026 and keep rising. Debt-to-GDP alone looks comfortable, but debt service relative to revenue is the pressure point for services.
2. A social-spending floor, so that health, education and social protection are protected from being crowded out by debt service.
3. A deficit rule that is followed. The 2026 deficit is expected to be 4.28% of GDP, above the 3% limit in the Fiscal Responsibility Act, so enforcement and reporting matter as much as the number.
4. Windfall rules that legally earmark a share of commodity revenuefor services, with priority for structural investments in public goods (hospitals, schools and grid modernisation) rather than recurrent administrative overheads.

On coordination with the Central Bank, we support protecting monetary independence while requiring both institutions to publish the shared assumptions and data underpinning the fiscal and monetary framework. Coordination should also ensure credit access for micro, small and medium enterprises (MSMEs).

Q9 Are the scope and policy tests for private enterprise (6.2) and investment (6.3) the right ones? What should be added or removed?

Enterprise (6.2) and investment (6.3) tests: Both tests ask good questions about productivity and total investment, but neither asks what the public gets in return.
We recommend adding to 6.3 a test that every tax incentive, grant or protection is costed, time-limited, published and reviewed, including revenue forgone, with a public tax-expenditure report.
A contemporary tax incentive monitoring framework should incorporate indicators of decent work, including job creation, living wages and labour rights; gender equality, including pay gaps and the distribution of care responsibilities; income and wealth distribution; environmental sustainability, including carbon emissions, resource use and biodiversity impacts; health and community well-being; territorial development and the reduction of regional inequalities; and respect for human rights. It should also assess the social and environmental returns of tax incentives, their additionality, and their effectiveness compared to alternative uses of public resources.
Sections 6.2 and 6.3 should also include a test on international tax fairness: that the digital economy pays its share and that large multinationals pay at least the 15% global minimum effective tax rate.
Investment attraction should not rest on tax competition that erodes the revenue base.

Q10 Do the six conditions for government intervention strike the right balance between free markets and industrial policy? Are the priority sectors the right ones?
The six conditions (market failure, comparative advantage, additionality, measurable outcome, time limit and exit) are a sensible discipline. However, they treat state action as an exception justified only by market failure. That logic does not fit the provision of public services, which the state is obliged to provide. Applied to health and education, the 'time limit' and 'exit' conditions would imply that public investment should be temporary and eventually withdrawn. Health, education, water and social protection should therefore sit outside these tests, with their own rights-based financing, and any use of private provision or PPPs in these sectors should be subject to safeguards on affordability, equity and public oversight. We would recommend adding a seventh test on distributional and rights impact, asking who benefits and who bears the cost. This social rights and public interest test should be explicit in the framework. The priority sectors, including agriculture, healthcare, education and housing, are appropriate. However, health and education appear on the list as industries rather than public services. State intervention in these sectors should prioritise reversing the commercialisation of essential public services, so that marginalised groups are not priced out of their rights to health and education.
Q11 What should the Framework add or change on human capital, jobs and infrastructure, so that these investments translate into higher productivity and incomes?
The chain from population to wealth in Section 6.5 omits public financing. We recommend time-bound plans to meet international benchmarks, namely the Abuja Declaration target of 15% of the budget for health and the UNESCO guidance of 15 to 20% of public spending (or 4 to 6% of GDP) for education, with a stated aim to reduce out-of-pocket health payments. Public services are also among the largest sources of decent formal employment. The Framework should commit to recruiting, training and paying adequate numbers of teachers, health workers and care workers, as shortages and salary arrears undermine both service quality and household incomes, Investment should be judged by outcomes, such as learning and health outcomes, and by whether it reaches the states, rural communities and groups furthest behind, including girls. In Section 6.6, the "tariff or user-charge policy" requirement should include affordability safeguards (lifeline tariffs, exemptions) so that infrastructure financing does not make people pay twice. Infrastructure programmes should include a community delivery test: that funds for energy and water demonstrably reach the communities intended. The framework must recognise that infrastructure and human capital Investments are inseparable. Public infrastructure projects (power, transport, digital connectivity) must explicitly incorporate local content, protections for informal traders operating around economic corridors, and guarantee fair wages for workers.
Q12 How can the Framework best guide and support State and Local Government economic policy while respecting their constitutional autonomy?
The framework can guide subnational policy without overriding autonomy by tying support to transparency and outcomes. States and LGAs should publish internally generated revenue, FAAC receipts and spending on health, education, water and

energy in a common, comparable format. Subnational borrowing should be subject to disclosure and a debt-service ceiling. Tax harmonisation (6.7) should protect taxpayers from multiple or arbitrary levies, which ties into the Tax Ombud's role. both the federal and State governments are responsible for protecting the fundamental and human rights protected in the Constitution and international HR treaties; and as such, they not only can, but are legally obliged to create adequate frameworks to enhance coordination, efficacy and efficiency of the investments in public services, without overriding autonomy.

Q13 Are the institutional roles clear? Are there gaps or overlaps that should be addressed?

The roles are clear for government actors but have a gap on independent oversight. "Independent institutions" are listed without naming them or giving them powers. We recommend naming the Tax Ombud, the Auditor-General, the National Assembly's public accounts committees and civil society as formal participants and giving them guaranteed access to data and financial independence . The overlap between the Ministry of Finance, the Ministry of Budget and Economic Planning, and the Economic Management Team on fiscal and planning functions should also be clarified.

Q14 Is the Policy Impact Statement practical? What should qualify as a "major economic intervention" that requires one?

The Policy Impact Statement is a welcome and practical tool, and its fourteen elements provide a sound structure. We recommend the following changes to make it effective.

First, "distributional impact" should be defined. It should assess who gains and who bears the cost, disaggregated by income, gender, region, and formal or informal employment, and include effects on access to and affordability of essential services such as health, education, water and energy. We recommend the UN Guiding Principles on Human Rights Impact Assessments of Economic Reforms (A/HRC/40/57) as the methodology. The Statement assesses "business impact" as a separate element, and impact on households and workers deserves equal weight.

Second, Statements should be published before decisions are taken, with a period for public comment, and reviewed independently after implementation, with findings reported to the National Assembly.

Third, the "exit clause" should not apply to core public services, where the state has a continuing obligation to provide.

Fourth, the Framework should define a "major economic intervention" to include, at a minimum:

- changes to tax rates, bases or exemptions, including tax incentives above a set revenue threshold;
- removal or reform of subsidies, including on fuel and electricity;
- new or increased user charges and tariffs for essential services;
- privatisation, concessions and PPPs above a set value, including their contingent liabilities;
- new borrowing or loans carrying policy conditions, including from the IMF and World Bank; and
- any reduction in real spending on health, education, water or social protection.

Q15 Is the proposed monitoring and reporting cycle adequate? Which indicators should the National Economic Scorecard (Annex A) include, and who should verify performance?

The cycle should be consistent. The five-year review in Section 9.2 conflicts with the ten-year review elsewhere, and a ten-year interval is too long for a framework tied to elections and shifting priorities. We recommend adding to the scorecard:

- Tax-to-GDP and revenue by type, with a progressivity measure.
- Tax expenditures (revenue forgone)
- Debt service relative to revenue
- Health and education spending as a share of the budget and of GDP
- Out-of-pocket health spending
- Detailed indicators of public services investment outcomes, both in terms of access and quality (primary care, learning outcomes, access to water and electricity)
- State and LGA transparency scores
- The number and resolution rate of taxpayer complaints

Verification should not rest on the government alone. We recommend the NBS and the Auditor-General verify data, with an independent fiscal council or equivalent, and with civil society and trade unions invited to publish a parallel assessment. The scorecard should be released with the underlying data so that anyone can check it. Independent civil society organisations, labour unions, and academic think tanks must be formally integrated into the monitoring and verification architecture. Furthermore, core provisions of the framework, particularly fiscal transparency rules and citizen grievance mechanisms, should be enacted into law by the National Assembly to ensure binding legal accountability across administrations.

Q16 How should the Framework be given lasting effect? For example, should it be enacted into law, and what role should the National Assembly, independent institutions and the media play?

We support enacting the core provisions into law, particularly the transparency duties, the debt-service and social-spending rules, and the independent oversight arrangements. The National Assembly should hold formal public hearings on the annual report.

On the media and civil society role, Section 10.3 asks officials to avoid remarks that "undermine confidence", and this should be clarified so it cannot be read as discouraging criticism or independent analysis. Section 10.2 should widen manifesto assessment beyond business bodies to include civil society, unions, women's groups and academics. Ahead of the 2027 elections, parties should be encouraged to state spending, and revenue promises with figures, timelines and measurable commitments that people can scrutinise

Q17 Do you have any other comments on the proposed Framework?

1. Anchor the Framework in Nigeria's human rights obligations. The Framework commits to honoring and domesticating international obligations such as ECOWAS, AfCFTA, and the WTO under section 12 of the constitution. Nigeria has also domesticated regional treaty such as the ACHPR and has ratified the ICESCR. These obligations should be recognized explicitly in the Framework. They include the duty to use the maximum available resources to progressively

realise economic, social and cultural rights, to avoid retrogressive measures, and to guarantee essential levels of health, education, water, and social protection. Recognising them would give legal grounding to the Framework's own commitments to inclusion and fair taxation.

2. Mainstreaming gender equality: Gender is largely absent from the Framework's outcomes, principles and tests. Fiscal and economic policies affect women and men differently, including through consumption taxes, user charges, informal work and unpaid care.
3. International tax cooperation. Nigeria's revenue targets depend not only on domestic reforms but on fair international tax rules. The Framework should reflect Nigeria's leadership in the negotiations of the UN Tax Convention, commit to curbing illicit financial flows and require that international tax agreements be assesses against the Framework's revenue and equity objectives.