



## Open Budgets and Cocoa Value Chain Allocations in South-West Nigeria (2021–2024)

**Unwana-Abasi S. Udoh, PhD**

Department of Public Administration,

Faculty of Administration and Management Sciences,

Akwa Ibom State University, Obio Akpa Campus, Akwa Ibom State, Nigeria.

[unwanabasi06@gmail.com](mailto:unwanabasi06@gmail.com), +2348023139391

**DOI:** <https://doi.org/10.67487/ijprss.v2i5.341>

**Citation:** Udoh, U. S. (2026). Open Budgets and Cocoa Value Chain Allocations in South-West Nigeria (2021–2024). *International Journal of Public Relations and Social Sciences*, 2(5). <https://doi.org/10.67487/ijprss.v2i5.341>

### Abstract

*Cocoa remains one of Nigeria's leading non-oil export commodities, with Ondo, Oyo and Ogun States playing important roles in national production. Sustaining the cocoa value chain depends on public investment, yet Nigeria's fiscal transparency has fluctuated, with its Open Budget Survey score declining from 45 in 2021 to 31 in 2023. This study examines the openness, allocation and implementation of cocoa-related public spending across the three states. Adopting a qualitative, desk- and library-based design, the study analyses publicly available budget documents for 2021–2024 retrieved from the Nigeria Governors' Forum digital repository and state government portals, supplemented by civil society and academic literature. An openness assessment and allocation-mapping exercise were used to identify agriculture and cocoa-specific budget lines and, where available, compare approved allocations with actual expenditure. Findings show that agriculture's share of total state spending remains below the Maputo/Malabo 10% target, ranging from 2.04% in Ondo to 4.31% in Oyo. Cocoa-specific institutional allocations, including Ondo's Cocoa Revolution Office and Oyo's Tree Crops Development Unit, constitute a small fraction of agriculture budgets, while most capital spending targets broader agribusiness and rural infrastructure. Cocoa-related investment in Ondo also depends substantially on external and development-partner financing rather than domestic recurrent revenue. Where performance data are available, implementation varies markedly: by September 2021, Oyo's agriculture sector had spent about 52% of its revised budget, compared with approximately 12% in Ogun. The study concludes that*

*although published budget documents are reasonably open, they reveal persistent underfunding, limited commodity-specific allocations and uneven implementation. It recommends consistent publication of expenditure-actuals data, separate reporting of development-partner disbursements, and further investigation of divergent execution rates.*

**Keywords:** Open Budgets, Transparency, Cocoa Value Chain, Agriculture Budget Allocation, Budget Accountability, South-West Nigeria

## 1.1 Introduction

Cocoa remains one of Nigeria's leading non-oil export commodities, and the South-West geopolitical zone, particularly Ondo, Oyo and Ogun States, accounts for a substantial share of national output. Sustaining and expanding cocoa value chains, from input supply through production, processing and marketing, depends heavily on public investment, and public investment is in turn shaped by how open, comprehensive and well-implemented state budgets are (International Budget Partnership [IBP], 2023). Nigeria's fiscal transparency has improved unevenly over the past decade: the IBP's Open Budget Survey recorded a national transparency score of 45 out of 100 in 2021, before falling back to 31 in 2023 (IBP, 2021, 2023).

At the state level, budget documents for Ondo, Oyo and Ogun are published through the Nigeria Governors' Forum (NGF) digital repository and, in Ondo's case, a dedicated state budget portal (Ogun State Government, 2022; Ondo State Government, 2023, 2024; Oyo State Government, 2022). These documents make it possible to examine, from published records alone, how far cocoa and related value-chain activities are reflected in state budgets and how consistently approved allocations are followed by actual releases.

## 1.2 Statement of the Problem

Despite the acknowledged importance of cocoa to rural livelihoods in the South-West, agriculture's share of Nigerian state and federal budgets has remained persistently low, averaging under two per cent of total federal expenditure in the years leading up to 2018, against the Maputo/Malabo target of ten per cent (Partnership for African Social and Governance Research [PASGR], 2018a; Salako, 2018). Where allocations exist, the extent to which they are actually released and spent is not always clear from the approved budget alone, and civil society assessments have found budget credibility problems in agricultural spending in at least one South-West state (BudgIT, 2023). A further difficulty is that budget documents vary considerably in how openly and consistently they present agriculture and cocoa-specific data across states and years, which limits comparison and, ultimately, accountability.

This study addresses that difficulty directly, using only what is verifiable from published budget documents and open secondary sources, rather than assuming data that cannot be independently confirmed.

### **1.3 Objectives**

The study aims to:

- i. Assess the openness and comprehensiveness of agriculture and cocoa-related budget documents in Ondo, Oyo and Ogun States.
- ii. Map agriculture and cocoa-specific budget allocations across the three states against the stages of the cocoa value chain.
- iii. Compare approved allocations with released or spent amounts, where performance data is available.
- iv. Draw out patterns and propose reforms to strengthen open budgeting for cocoa value chains in the zone.

### **1.4 Research Questions**

- i. How open and comprehensive are the published agriculture and cocoa budgets of Ondo, Oyo and Ogun States?
- ii. How are allocations distributed across the stages of the cocoa value chain in each state?
- iii. Where performance data exists, how closely do actual releases match approved allocations?
- iv. What reforms would improve budget openness and support for cocoa value chains?

### **1.5 Scope and Limitations**

The study covers Ondo, Oyo and Ogun States, drawing on budget documents for the years in which usable, machine-readable data was retrieved: Ondo (2021 actuals, 2022 revised, 2022 performance, 2023 and 2024 approved), and Oyo and Ogun (2021 actuals and performance, 2022 approved). Ondo serves as the anchor state for allocation and institutional analysis, given its documented status as the leading cocoa-producing state in the zone, but the approved-versus-actual expenditure comparison relies more heavily on Oyo and Ogun, since Ondo's retrieved documents provided revenue-side rather than expenditure-side actuals for its agriculture and cocoa institutions. This limitation is a deliberate scope decision arising from what the primary documents made available, not an oversight, and it is treated as a limitation throughout. The study is entirely desk- and library-based, drawing exclusively on



documents publicly available online; no fieldwork, interviews or primary data collection were undertaken.

## **2. Literature Review**

### **2.1 Concepts**

Budget openness, or fiscal transparency, refers to the extent to which government makes budget information available, comprehensive, timely and usable by citizens (IBP, 2023). Accountability, following principal-agent reasoning, describes the answerability of government (the agent) to citizens (the principal) for the use of public resources. A value chain, in Kaplinsky and Morris's (2001) foundational formulation, is the full range of activities required to bring a product from conception, through production and processing, to final consumption; for cocoa this spans input supply, farm production, processing and marketing.

A complementary, locally-derived lens on resource distribution comes from Udoh's Pawpaw/Papaya and Pineapple theories, which distinguish two models of sharing government resources across tiers or regions: the pawpaw/papaya model, which favours homogeneous, equally-distributed sharing, and the pineapple model, which favours heterogeneous, needs-based allocation (Udoh, 2024). Applied to budget appropriation and approval, this framework has been used to argue that early-stage budgeting decisions embed an implicit choice between equal and equitable distribution, with implications for transparency and developmental fairness across regions (Udobia et al., 2026). This distinction is a useful complement to the principal-agent and openness frameworks used here: it draws attention to whether cocoa and agriculture allocations across Ondo, Oyo and Ogun follow a logic of equal treatment or of needs-based prioritisation, a question revisited in the discussion.

### **2.2 Empirical Review**

Studies of cocoa production constraints in Ondo State point to production-side risks such as pest and disease pressure and exploitative marketing arrangements as leading concerns for farmers (Babalola et al., 2017). Complementary economic analysis has examined the costs and benefits of certified cocoa production in the state, suggesting that certification and associated support programmes carry real but uneven returns for producers (Oseni & Adams, 2013). Work on youth involvement in cocoa farming in Ondo similarly signals that participation, and by extension the sustainability of the value chain's labour base, is sensitive to the availability of support programmes (Ekenta et al., 2012).

On the budget side, national-level analysis shows agricultural allocations in Nigeria have remained far below the Maputo/Malabo target, averaging under two per cent of the federal budget in some years and under 1.7 per cent across a longer run when broader

employment-creation objectives are taken into account (PASGR, 2018a; Salako, 2018). At a more granular level, BudgIT's (2023) review of budget credibility for agricultural inputs and services, covering Oyo State among other jurisdictions, found evidence of divergence between what state budgets approve for agriculture and what actually reaches implementation, a concern directly relevant to this study's third objective. More broadly, government budgeting practice in Nigeria has been criticised as poorly structured for accountability purposes, with calls for restructuring toward greater public fund management discipline (Ajibolade & Oboh, 2017).

The IBP's biennial Open Budget Survey provides the most consistent national-level transparency benchmark available. Nigeria's transparency score has fluctuated considerably: from 16 in 2012 to 24 in 2015, 17 in 2017, 21 in 2019, a marked rise to 45 in 2021, and a decline back to 31 in 2023 (IBP, 2021, 2023). Public participation and budget oversight sub-scores have followed a broadly similar but less volatile pattern, with oversight consistently the strongest of the three dimensions in recent rounds (IBP, 2023).

Existing literature treats cocoa value chain constraints and national budget transparency as largely separate subjects. No study identified in this review directly links state-level cocoa or agriculture budget documents in the South-West to the openness and performance dimensions tracked at the national level by the IBP. This study addresses that gap using verified document evidence rather than assumed or estimated figures.

### **3. Methodology**

This is a qualitative, desk- and library-based study relying exclusively on document analysis of publicly available secondary sources. No primary data was collected. Documents were purposively selected on the basis of relevance (agriculture and cocoa-related budget lines), availability (machine-readable approved budgets accessible through the Nigeria Governors' Forum digital repository and, for Ondo, the state's own portal), and coverage of the study states and period.

Two forms of analysis were applied to the retrieved documents. First, an openness assessment considered whether each state's budget was publicly available, in a usable (text-extractable) format, and separately identified agriculture and cocoa-specific institutions or programmes, following the broad dimensions used by the IBP (availability, comprehensiveness, and, where documented, timeliness). Second, an allocation mapping exercise extracted every identifiable agriculture and cocoa-related budget line for each state and year, classified by administrative unit, recurrent or capital nature, and, where applicable, matched against reported actual performance figures contained in the same documents.

A key methodological constraint, stated transparently here rather than concealed, is that not all documents yielded the same depth of data. Ondo's retrieved budget files provided revenue and allocation figures for its agriculture and cocoa institutions across four budget



years, but the expenditure-actuals section of these documents could not be fully retrieved within the tools available for this study. Oyo's and Ogun's retrieved documents, by contrast, included full expenditure actuals and mid-year performance data for 2021. Consequently, the approved-versus-actual comparison (Objective 3) draws on Oyo and Ogun only, while the allocation-mapping and institutional analysis (Objective 2) draws on all three states, most fully on Ondo.

## 4. Findings and Discussion

### 4.1 Budget Openness

All three states publish approved budget documents through the NGF digital repository, and these are, on the whole, comprehensive and machine-readable rather than scanned images, which materially aided this analysis. Ondo additionally maintains a dedicated state budget portal. Agriculture is consistently presented as a distinct administrative sector (Ministry of Agriculture) in all three states, with cocoa-specific sub-units identifiable in Ondo (Cocoa Revolution Office) and Oyo (Tree Crops Development Unit), though not as a separately named unit in Ogun's retrieved documents, where value-chain activity instead appears under a jointly-funded IFAD/FGN programme.

One documentation inconsistency is worth noting for transparency purposes: a repository record for Ogun's 2022 estimates was labelled "Approved Estimates", while the document's own internal headers described it as a "Proposed Budget". Such labelling discrepancies, however minor, are themselves a mild openness concern, since they complicate independent verification of a budget's legal status.

### 4.2 Allocations across the Cocoa Value Chain

**Table 1: Summary of agriculture ministry allocations as a share of each state's total approved budget, for the most recent fully-analysed year available for each state (Ogun State Government, 2022; Ondo State Government, 2024; Oyo State Government, 2022).**

| State (Year)         | Ministry of Agriculture, total | Share of state budget | Capital share of ministry |
|----------------------|--------------------------------|-----------------------|---------------------------|
| Ondo (2024 approved) | ₦8.06 billion                  | 2.04%                 | 88%                       |
| Oyo (2022 approved)  | Rs12.69 billion                | 4.31%                 | 81%                       |
| Ogun (2022 approved) | Rs11.52 billion                | 3.29%                 | 76%                       |

Cocoa-specific institutional lines are considerably smaller. Ondo's Cocoa Revolution Office was allocated ₦139.7 million in the 2024 approved budget (personnel ₦44.7 million, other recurrent ₦15 million, capital ₦80 million), representing roughly 0.04 per cent of the total state budget and about 1.7 per cent of the agriculture ministry's own allocation (Ondo State

Government, 2024). The office's revenue-side figures across the four retrieved budget years show marked fluctuation: ₦24.9 million (2021 actual), ₦89.4 million and ₦39.4 million (differing from the 2022 revised figures across the two Ondo documents retrieved), ₦8.0 million (2022 January–September performance), and ₦31.5 million (2023 approved). Oyo's Tree Crops Development Unit was allocated ₦29.9 million in its 2022 approved budget, a smaller absolute figure than Ondo's cocoa office but a broadly comparable share of a somewhat larger agriculture allocation (Oyo State Government, 2022).

Beyond the narrowly cocoa-labelled lines, each state funds broader value-chain infrastructure relevant to cocoa producers. Ondo's Agri-Business Empowerment Centre (OSAEC), which supports processing and input access more broadly, received allocations rising from ₦453 million (2021 actual) to ₦4.73 billion (2023 approved), financed substantially through Central Bank of Nigeria schemes, African Development Bank credit, and international borrowing (Ondo State Government, 2023). All three states also carry allocations to the Rural Access and Agricultural Marketing Project (RAAMP), a World Bank-supported rural roads and marketing infrastructure programme directly relevant to moving cocoa from farm to market: ₦16.52 billion in Ondo's 2024 budget (₦6.07 billion in the 2023 approved figure), and ₦5.70 billion in Ogun's retrieved documents (Ogun State Government, 2022; Ondo State Government, 2023, 2024). Ogun's most directly cocoa-relevant line is an IFAD/FGN-supported Value Chain Development Programme, allocated ₦174.6 million (Ogun State Government, 2022).

Financing sources disclosed in Ondo's budget documents illustrate the extent to which cocoa and agribusiness spending in the state depends on external and development-partner credit rather than the state's own recurrent revenue: identified sources include the International Fund for Agricultural Development, the African Development Bank, the Central Bank of Nigeria's Accelerated Agricultural Development Scheme and National Livestock Transformation Fund, and the African Union Development Agency-NEPAD (Ondo State Government, 2023). This financing structure has implications for the sustainability of value-chain investment: programmes dependent on external credit lines are, by their nature, more exposed to disbursement delays and changes in donor priorities than programmes funded from a state's own recurrent revenue.

#### **4.3 Budget Performance: Approved Versus Actual**

Performance data retrieved for Oyo and Ogun for the January–September 2021 period shows a marked divergence between the two states in how closely agricultural spending tracked approved allocations. Oyo's agriculture sector had, by September 2021, spent approximately 52 per cent of its 2021 revised agriculture budget, somewhat ahead of the roughly 38 per cent execution rate for the state budget as a whole over the same period. Ogun's agriculture sector, by contrast, had spent only about 12 per cent of its 2021 approved agriculture

allocation by the same point, substantially behind the state's overall execution rate of roughly 40 per cent (Oyo State Government, 2022; Ogun State Government, 2022).

This divergence is consistent with the general finding, reported by BudgIT (2023) for Oyo State, among others, that budget credibility, meaning the closeness of actual releases to approved allocations, is an area of particular concern for agricultural spending relative to government spending overall. It is not possible, from the documents retrieved for this study, to establish the reasons for Ogun's markedly lower execution rate; this would require either later-year performance documents, which were not retrieved, or direct engagement with the relevant budget office, which lies outside the desk-based scope of this study.

As noted in the methodology, no equivalent expenditure-actuals figure could be retrieved for Ondo, so no execution-rate comparison is offered for Ondo's agriculture or cocoa allocations. This is stated here as a limitation rather than implied by omission.

#### **4.4 Cross-State Comparison and Patterns**

Three patterns emerge from the combined evidence. First, agriculture's share of total state spending in all three states remains well below the Maputo/Malabo ten per cent target identified in the national-level literature (PASGR, 2018a; Salako, 2018), ranging from 2.04 per cent (Ondo) to 4.31 per cent (Oyo) in the years examined. Second, within agriculture budgets, cocoa-specific institutional lines are a small fraction of the total, even in Ondo, the state most closely associated with cocoa production in public reporting; the bulk of agriculture-sector spending, and nearly all capital spending, is directed toward broader agribusiness, input-supply and rural-infrastructure programmes rather than commodity-specific offices. Third, where performance data exists, budget execution for agriculture is uneven across states, with one state (Oyo) executing agricultural spending at a rate comparable to its overall budget and another (Ogun) executing agricultural spending at a substantially lower rate than its overall budget, a divergence that, if it persists, works against the sustainability aims voiced in cocoa-sector policy statements.

#### **5. Conclusion and Recommendations**

This study set out to examine, from what could be independently verified in published budget documents, how open, well-allocated and well-executed cocoa-related public spending is across three South-West Nigerian states. The evidence shows that budget documents are, on the whole, publicly available and reasonably detailed, but that cocoa-specific spending remains a very small share of already modest agriculture allocations, that financing for value-chain investment leans heavily on external credit rather than domestic recurrent revenue, and that budget execution for agriculture varies considerably between states in ways not explained by the documents alone.

On this basis, three recommendations follow directly from the evidence. First, state governments should publish expenditure-actuals data, not only approved and revised budget figures, in the same consistently structured format used for revenue and allocation tables, since the absence of such data for Ondo in this study directly limited what could be assessed. Second, given the heavy reliance on external and development-partner financing for cocoa and agribusiness programmes identified in Ondo's documents, states should report separately on the disbursement performance of these specific credit lines, since delays there would not necessarily show up in aggregate agriculture execution figures. Third, given the marked difference in agricultural budget execution found between Oyo and Ogun, further inquiry, whether through freedom-of-information requests, state audit reports, or direct engagement with budget offices, is needed to establish why execution rates diverge so substantially, since this cannot be resolved through desk-based document analysis alone.

The study's central limitation, stated throughout, is that its findings are bounded by what state governments have chosen to publish and by what could be technically retrieved from those publications within a desk-based research design; absence of evidence for a given year, state or line item is reported as such and is not treated as evidence of absence.

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