



INEC announced the postponement of the Presidential, Senate and House of Representatives elections a few hours to the commencement of voting on Saturday, 16 February, moving it a week to Saturday, 23 February. The electoral body simultaneously announced a similar one week move for state level elections. The electoral umpire cited logistical problems as the key driver of this move.

While this is not the first time in Nigeria's history that elections will be moved, the manner and timing of this postponement leaves many stakeholders in the lurch, as all have committed financial resources to playing their roles as political parties, citizen voters, electoral observers and media. SBM has also committed resources to the elections. INEC itself has committed financial resources to the conduct of the postponed elections, and further funds will be used to withdraw sensitive materials already deployed to the field as well as to redistribute them in the week the elections are now scheduled to hold.

SBM Intelligence has carried out a high level analysis using publicly available data to provide a view of the possible financial losses in terms of actual funds spent as well as the opportunity cost forgone for the now postponed elections. We take three headers, which is by no means exhaustive, merely indicative in order to focus the parties, both government and INEC on this matter in order to engender greater responsibility to the stakeholders going forward. The headers are

- Cost to Political Parties
- Cost to INEC
- Forgone GDP.

COST TO POLITICAL PARTIES.

There are 119,974 Polling Units across 8,809 Wards in 774 Local Government Areas of Nigeria. For political parties contesting, polling agents must be mobilised as follows:

- At least one Polling Agent per Polling Unit per party. There were three elections meant to hold today, and in some situations, especially where there is no love lost between the contestants within the same party, rather than have one PA per PU, each candidate sponsors their own PA per PU, hence potentially having up to three PAs in such PUs. For the purposes of our analysis however, we have assumed that all is well in the parties and they have one PA per PU
- One Senior Agent in each ward per party to monitor the collation of PU results at ward level. The PU PAs usually hang around and need to be fed and taken care of.
- 1 LGA level Agent in each LGA to monitor the final collation at the LG level

For each of these agents, below are the usual average associated costs, which are paid prior to election day

Cost of PU Polling Agents (₦)	15,000
Cost of Ward Polling Agents (₦)	30,000
Cost of LG Polling Agents (₦)	100,000



Below is a breakdown of Polling Units by Geopolitical Zone.

GPZ	Number of PUS
North Central	15,981
North East	16,460
North West	29,554
South East	15,549
South South	17,759
South West	24,671
	119,974

Based on the above, we estimated the number of polling agents per state, taking into cognisance political parties active in each state, and making an allowance for a few fringe parties fielding agents in some PUs.

Cost Category	Amount (₦ Billion)
Cost of PU Polling Agents House of Reps	7.98
Cost of PU Polling Agents Senate	6.18
Cost of PU Polling Agents Presidential	3.60
Cost of Ward Polling Agents	19.29
Cost of LGA Polling Agents	5.65
Total Cost of Polling Agents For 1 Day of Elections	42.70

Cost To INEC

In calculating the cost to INEC, we have identified the budget components which will be impacted as follows:

- Incurred and spent for the conduct of the postponed elections
- Will be incurred in order to manage fallout of postponed elections.

Below is a breakdown of key budget provisions in INEC's budget, the highlight of the potential impact based on the above and our assumptions for accruing the impact sums. Budget areas impacted are coloured red.

Budget Head	Budgeted Sum (₦ Billion)	Impact (₦ Billion)	Assumptions For Impact
Printing of Ballot Papers	31.49	0.00	
Logistics Expenses	7.40	2.47	Bulk of logistic for 6 days, with these elections taking up 2 days of this
Procurement of Non-Sensitive Materials	6.13	0.00	



Feeding of Policemen	6.00	2.00	Bulk of this for 6 days, with this taking up 2 days of this
Election Day Allowance	2.00	1.00	Being for the 2 days elections. This take up 1 of the days
CVR Exercise	5.10	0.00	
Printing of Result Sheets	4.36	0.00	
RAC Preparation	2.90	0.00	
Fee Expenses for Solicitors	1.79	0.00	
Printing Publication of Register	1.60	0.00	
Production of Poll Guidelines	0.97	0.00	
Procurement of Equipment	0.84	0.00	
Situation Room	0.73	0.24	Bulk of this for 6 days, with this taking up 2 days of this
Voter Education	0.71	0.07	Assume an extra 10% for renewed voter education
Foreign Observers	0.70	0.23	Assume that this is spread for 1 day pre-election, election day and post election. 2 days incurred
Monitoring of Parties Primaries	0.63	0.00	
Outreach Activities	0.59	0.00	
Deployment of Support Staff	0.50	0.17	Bulk of this for 6 days, with this taking up 2 days of this
Supervision/Recce	0.29	0.00	
Campaign Finance Tracking	0.16	0.00	
Advertisement	0.15	0.01	Assume an extra 10% for renewed voter education
Interface with groups	0.13	0.01	Assume an extra 10% for renewed efforts
SMS	0.09	0.01	Assume an extra 10% for renewed engagement
Logistics Technical Officers	0.06	0.02	Bulk of this for 6 days, with this taking up 2 days of this
Printing of Tenders Ballot Papers	0.05	0.00	
Policemen Per Diem	1,000 Per Man Per Day	1.05	3 Days, 350K Men at 1,000 Daily
	Total Estimated Impact	6,234,466,667	



GDP Forgone

Estimating the impact of the postponement on GDP requires a lot of assumptions and is quite subjective. Some of the clear effects include:

- Disruption of business activities – activities are disrupted across the supply chain, such as manufacturing, construction and food -related industries and ancillary services (e.g. transportation), which are constrained by tight schedules to fulfil orders and shipments
- Disruption of social activities – recreation and events related activities have their big days during the weekends and revenue loss can be substantial
- Increased wage cost – regardless of having the day off and not being productive, salary earners have to be paid and this increases the wage to revenues ratios of organisations
- Inconvenience to daily life and reduced consumer spending – restriction of movement means consumers are home all day, restricted from running certain errands and will spend less money overall

Another consequence is that, many firms shutdown early on the Friday preceding election day, while educational institutions took early mid-term/ semester breaks.

SBM Intel estimates Nigeria's GDP at \$420 billion as at the end of 2018 and we have estimated the foregone GDP for the various economic sectors (contribution to GDP in line with National Bureau of Statistics data).

Contribution to GDP in (%)	2018		2018 GDP Estimate (\$bn)	420			
Sector	%	\$bn	Daily	Level of operation on Election Day (%)	Assumption	Estimate GDP earned (\$bn)	Estimate Loss (\$bn)
Agriculture (%)	25.13	105.55	0.289	50	Small farm settlements in rural areas still operational	0.145	0.145
Mining and Quarrying (%)	8.74	36.71	0.101	50	Local activities at mining sites still operational	0.050	0.050
Manufacturing (%)	9.20	38.63	0.106	50	Local activities at mining sites still operational	0.053	0.053
Electricity, Gas, Steam, and Air Conditioning Supply (%)	0.41	1.74	0.005	90	Infrastructure already in place or bulk supply ahead of election day	0.004	0.000
Water supply, sewage, Waste management and	0.17	0.70	0.002	50	Local supply still operational	0.001	0.001



Remediation (%)							
Construction (%)	3.73	15.67	0.043	10	Requires lots of movement and people	0.004	0.039
Trade (%)	16.44	69.03	0.189	50	Most consumers would have made purchases ahead. Also, many traders would have opened their shops following announcement of postponement	0.095	0.095
Accommodation and Food Services (%)	0.89	3.73	0.010	10	Accommodation - Many foreign visitors would have departed, whilst local visits greatly reduced resulting in low occupancy rates. Some staff given day off. Food - almost all social functions would have been cancelled and staff given the day off. Despite election cancellation most will remain closed	0.001	0.009
Transportation and Storage (%)	1.37	5.76	0.016	20	Interstate travel by air and road largely shutdown. Intra state travel to see reduced volumes	0.003	0.013
Information and Communication (%)	12.22	51.31	0.141	90	Minimal effect	0.127	0.014
Arts, Entertainment and Recreation (%)	0.22	0.94	0.003	20	Greatly reduced despite election postponement	0.001	0.002
Finance and Insurance (%)	3.00	12.60	0.035	50	Rarely operate weekends However, electronic channels transaction volumes likely to decrease massively	0.017	0.017
Real Estate (%)	6.41	26.90	0.074	75	Events centre will feel major impact. Other forms of real estate to see minimal effect save for closure of new deals	0.055	0.018
Profession, Scientific and Technical Services (%)	3.64	15.31	0.042	90	Minimal effect as infrastructure already in place	0.038	0.004



Administrative & Support Services (%)	0.02	0.09	0.000	10	With most events and businesses shutdown, this will effectively see minimal activity	0.000	0.000
Public Administration (%)	2.19	9.21	0.025	10	Most public services have been, and will remain shutdown throughout the day	0.003	0.023
Education (%)	2.16	9.07	0.025	10	Most schools, including boarding institutions were shutdown ahead of the polls. Minimal activities expected	0.002	0.022
Human health and social Services (%)	0.68	2.84	0.008	25	Most outpatient activities shutdown	0.002	0.006
Other Services (%)	3.38	14.20	0.039	50	Average score	0.019	0.019
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