Improving governance across Nigeria: examples from selected states

The State Partnership for Accountability, Responsiveness and Capability (SPARC) is a major Department for International Development (DFID) programme working with partners in Nigeria’s state and federal governments to take a rounded approach to addressing difficult governance reform issues. SPARC is doing this by helping state governments to identify and develop better policies, better ways of managing finance and better ways of restructuring their civil service.

Following technical assistance support with a number of governments, these governments have decided to implement changes which have resulted in significant savings, increased revenues and better balanced budgets. Examples are outlined in this leaflet and include: increased state revenues in Enugu of over £20 million in two years and £12 million in one year in Kaduna; over £7 million saved in Katsina and Zamfara through removal of ghost workers and significant health improvements in maternal mortality and child immunisation in Jigawa through better planning and spending.
Improving budgets and budget execution

Budget improvements in Niger State
In their budgets, Nigerian states commonly commit themselves to spending billions of Naira on projects which cost much more than the amount they are likely to have available from their revenue resources, such as federal allocations, taxes and other channels. This leads to poor delivery of services and projects being started but never finished because the funds are not available.

The problem with budgets
SPARC is working with state governments to help them produce budgets that reflect their actual revenues. A good example of this is our work with Niger State, which has a recent history of approving budgets far above the limits that they should be set at. In 2009, for example, just 56% of the budget set by Niger State was actually executed, and in 2010 this figure fell to just 41%. By 2011, the state was setting a budget of N130 billion but only receiving N70 billion in revenue.

Substantial budget reductions in Niger State
In 2012, Niger State began work to cut this difference in projected spend and money available. This resulted in it reducing its budget for that year to N95 billion – N35 billion (£140 million) lower than the previous year’s budget. In mid 2012 SPARC began working with Niger State to help government staff get to grips with revenue forecasting and the adoption of an improved call circular. This has led the State Executive Council to reduce the 2013 budget by a further N10.9 billion (£44 million) to produce a final budget of N84.1 billion for that year (8.9% lower than in 2012).

In his Budget Speech to the State House of Assembly, Niger State’s Chief Servant noted that the 2013 budget represented ‘our resolve to have a realistic and implementable budget ... prepared to avoid the mistakes of the past, to be more prudent, and entrench a culture of fiscal discipline’. Niger’s much more credible budget for 2013 is a major step towards achieving that.

Improving fiscal discipline and budget management in Lagos
Since 2009, SPARC has partnered with the government of Lagos State to improve overall fiscal discipline (management of public funds) with technical assistance to the state’s budget process and improved cash management through the use of forecasting models and new templates. After over three years of sustained efforts, initial results are beginning to emerge.

At the end of the 2012 fiscal year, Lagos State recorded a budget performance of 89% (the best for 12 years), up from 77% in 2011. In simple language, the government actually expended approximately N9 of every N10 it planned to spend on behalf of the people of the state for the financial year.

Of particular interest is that Lagos State spent N69 billion (£276 million) more on Millennium Development Goals (MDG)-related, developmental or growth-inducing capital projects in 2012 than it did in 2011. On a per capita basis this translates to N22,000 (£88) on each resident of the Metropolis in 2012, up from N17,000 (£69) in 2011.

Boosting home grown revenue

More revenue in Kaduna
SPARC is also supporting the work of states to increase their internally generated revenue (IGR) through mechanisms like collecting local taxes.

Work with the Kaduna State Government has helped to increase IGR, causing the amount of IGR in the state to grow from N750 million per month in 2011 to approximately N1 billion per month in 2012. This means an additional N250 million (around £1 million) in funds is available every month to support improved service delivery. With the engagement of revenue consultants, the putting in place of enabling laws, the creation of public awareness, etc., the state hopes to generate N2 billion per month in 2013.

Doubling revenue in Enugu
In Enugu, advocacy and support by SPARC designed to improve revenue administration contributed to an increase of N4.6 billion (£18.4 million) in IGR in 2010 – 99% more than was generated in 2009. Increases did not stop there. In 2011
local revenue further increased by N541 million (£2.2 million). In 2013, SPARC is planning to work with Enugu’s Bureau of Internal Revenue to develop an IGR improvement strategy to sustain and build on these gains.

Reducing wage bills

**Finding “ghost” workers in Katsina State**

Late in 2011 Katsina State’s Government began a process of cross-checking to ensure that its staff records were accurate. Photographs, fingerprints and other records are being used to provide biometric verification of those on the payroll. Before this exercise, the total number of staff in the state civil service was thought to be 21,609. At the end of the exercise, the number was found to be 20,752.

Identifying these “ghost” workers has saved N360 million (£1.4 million) a year in wages and associated costs, despite the introduction of the minimum wage. Another important expected outcome of the exercise is the introduction of a single electronic payroll and human resource system. At the moment, only the payroll component has been activated. Work is still ongoing to bring the human resources module on line.

**Auditing payrolls in Zamfara**

Following a self-assessment exercise in partnership with SPARC in 2010, Zamfara State has also identified the need to undertake a staff audit of its payroll, and made this a precondition for the payment of the N18,000 minimum wage.

An interim report by the audit committee showed that a large proportion of the Zamfara Government’s workforce had not been recruited through due process, and that names had been inserted to replace people who had died in service, or been moved.

As well as being useful for rationalising staff placement and reposting staff to relevant offices based on their qualifications, the audit of 28,183 workers has identified 7,116 who should not be in the system.

Removing people from the payroll is fraught with political difficulties in Nigeria, but by December 2012, Zamfara’s Government had actually managed to reduce the staff list by 3,000 personnel. This is expected to save Zamfara nearly N1.5 billion (£6 million) in 2013 in terms of salaries alone (based on an average annual salary of N500,000).

**Committing to reforms in Kaduna**

Another good example of state government reform in partnership with SPARC is Kaduna State’s Bureau for Public Service Reform (BPSR), which became operational in July 2011 after nearly two years of development work involving SPARC. Its role is to facilitate, coordinate and monitor the implementation of reform programmes and initiatives embraced by the state government.

The bureau has already earned the recognition and respect of chiefs and members of staff in Ministries, Departments and Agencies in the state. It is also attracting attention from other states, several of which have sent delegations to visit the bureau with a view to replicating its results.

The bureau is a good example of the state government’s engagement with the process of reform. In fact between 2011 and 2012 it rechanneled N247 million (around £987,000) in resources to set up and run the bureau – through reassigning staff from other ministries.

**Delivering key Millennium Development Goals in Jigawa State**

**Linking long term plans to budget**

Over the last two years, health sector performance has improved tremendously in Jigawa State. This is mainly because of the adoption of medium and long term sector planning and a robust budgeting system. These are all initiatives to which SPARC has contributed considerable support and expertise, through development of Jigawa’s Medium Term Sector Strategies (MTSS), and of the state’s overarching Comprehensive Development Framework (CDF).

To ensure that planning is put into effect, both the CDF and the MTSS are linked to Jigawa’s budget, which has very high execution rates (81% in 2008 rising to 96% in 2011 and 93% in 2012). This trend in spending the majority of a relatively realistic budget tends to mean that what is planned is implemented.

**Increased health sector allocations**

Within Jigawa State, allocations to the health sector have increased from 7% of the total budget in 2008, to 12% in 2011 and 2012. This, coupled with markedly improved health sector planning and budgeting, has led to some significant successes. Maternal deaths in health facilities have decreased from 3.7% in 2008 to 1.3% in 2011. Similarly, the proportion of fully immunised children has increased from 22.3% in 2008 to 62.3% in 2011.
Increased transparency in Anambra

In 2010 Anambra State became the first state to implement (with the support of the Nigerian Governors’ Forum) the State’s Peer Review Mechanism (SPRM) advocated by SPARC. This commitment enhanced the perception of transparency in governance in Anambra and attracted greater attention from the development and donor community.

In early 2013, the state was the first in Nigeria to complete its SPRM assessment, and thereby the first sub-national peer review on the African Continent. At the time of writing, this assessment is being shared with all the country’s Governors for peer review. The report is an important step in focusing reform efforts on the MDGs and it is hoped other states will find its findings useful for their own reform efforts.

State results highlights

**Anambra State**
- The first state in Nigeria to complete a peer review process with the Nigerian Governors’ Forum.

**Enugu State**
- 2010 internally generated revenue doubles, increasing by N4.6 billion (£18.4 million) because of better revenue administration.
- 2011 IGR continues to increase – providing an extra N540 million (£2.2 million) for state government spending.

**Jigawa State**
- 2011 increased health sector allocations result in
  - Maternal deaths in health facilities falling to 1.3% from a high of 3.7% in 2008.
  - The proportion of fully immunised children has increased to 62.3% from 22.3% in 2008.

**Kaduna State**
- N250 million (£1 million) extra in IGR available per month because of more efficient systems.
- 2011/2012 state government allocates N247 million (£987,000) in resources to set up and run the Bureau for Public Service Reform.

**Katsina State**
- 2011 1,410 ghost workers identified through improved payroll checks, saving the government N360 million a year.

**Lagos State**
- Budget performance up to 89%, the best for 12 years.
- Additional N69 billion (£276 million) spent on MDG-related projects.

**Niger State**
- 2012 budget reduced by N35 billion (£140 million).
- 2013 budget reduced by a further N11.3 billion (£45 million).

**Zamfara State**
- 2012 3,000 ghost workers removed from the payroll, saving the state government N1.5 billion (£6 million).

Contact details

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