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Report on Sub-National Budget Transparency Survey Abia State, Nigeria



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Executive summary

The 2018 Sub-National Budget Transparency Survey was conducted across all the 36 States of Nigeria. Commissioned in February 2018 with a detailed timetable of delivery, the study was completed and launched in November 2019. Abia State equally took part in the 2015 version of the Sub-National Budget Transparency Survey. This report therefore summarises the result of the 2018 survey in Abia State, and at the same time shows areas of improvement or otherwise in the performances of Abia State between 2015 and 2018. There is a general improvement of 10 points in the score of Abia State on the State Budget Transparency Index between 2015 and 2018. The State scored 18 out of 100 on State Budget Transparency Index in 2015, while in 2018, the State scored 28 out of 100 on the same overall index. As at 2015, Abia State scored 16 out of 100 on the indicator of Public Access to budget documents, whereas in 2018, the State scored 35 out of 100 on the same indicator. The 2018 score of Abia State on this indicator represents an improvement in the budgetary processes of the State, and implies that the current administration of the State Government grants the citizens of the State more access to budget documents than was previously the case. However, the 2018 survey also shows that while there is an increase in citizens' access to budget documents, the public participation space for citizens in the budgetary processes shrinks further in the same dispensation. This is because in 2015, Abia State scored 14 out of 100 on the indicator of public participation in the budget process, whereas the State scored 13 out of 100 on the same indicator in 2018. The implication is that the current administration has even reduced the little involvement of citizens in the budgetary processes. Similarly, the 2018 survey also shows that though there was an increase in citizens' access to budget documents, yet the same administration had further reduced citizens' access to procurement information. Abia State scored 30 out of 100 on the indicator of public access to procurement information in 2015, whereas the State scored 24 out of 100 on the same indicator in 2018. This implies that while citizens are free to access budget documents, the processes and extent of implementation of the budgeted projects are not meant for them to know.

Geographical profile of Abia State

Abia State is one of the five States that make up South East Geopolitical Zones of Nigeria. As an oil producing State in Nigeria, Abia State is one of the nine States considered as Niger Delta region. The geographical location of Abia State is very peculiar since the State shares common boundary with all the other States in South East region as well as three other States in South-South region. Within the South East region, Abia State is bounded to the North East by Ebonyi State, to the North by Enugu State, to the North West by Anambra State, and to the West by Imo State. In the same way, Abia State is bounded to the East by Cross River State, to the South East by Akwa Ibom State and to the South by Rivers State. According to the Annual Abstract of Statistics (2016) of the Nigerian National Bureau of Statistics, Abia State occupies a total land area of 4,900 km² (1,914.06 square miles). The same source projects the population of the State to stand at 3,622,862 persons as at 2015. This population figure implies that the current population density in Abia State is as much as 736/km² or 1,893/square mile. People of Abia State belong to the enterprising people of Igbo ethnic group of Nigeria. As a result, there is a proliferation of micro, small and medium scale enterprises (MSMEs) in the State and the State is equally home to one of the highly commercial cities in Nigeria – Aba.

Methodology of the survey

This study is a survey of the entire budgetary system across the States in Nigeria. As a result, it employed the use of well-crafted questionnaires as the main research instrument for data generation. The questionnaires identified some key indicators of budget transparency across the States and came

up with 70 questions that inquired into those key indicators. However, to ensure logical sequence of the questionnaires, the 70 questions were grouped into four main sections of the questionnaires. The four sections of the questionnaires also covered the major frameworks for budget transparency index. The four sections include: (1) public availability of key budget documents, (2) public participation in budget processes, (3) transparency in the procurement system, and (4) legal framework for access to information and fiscal responsibility.

Armed with the research instrument, the State Researcher gathered information and filled the questionnaires with available evidences. The State Supervisor thereafter vetted the already filled questionnaires by the State Researcher and either confirmed or refuted the options chosen by the Researcher in the questionnaires. The confirmation exercise was carried out on the basis of available evidences which the Supervisor also verified. After reconciliation of whatever differences/refutation that could have arisen between the Researcher and Supervisor, the accepted instrument was submitted to the Zonal Consultant. On his own part, the Zonal Consultant carried out background checks on the submitted instrument and also reconciled any differences before submitting to the National Consultant, who worked closely with CIRDDOC team to produce the final report.

Key findings

State budget transparency index:

Based on the recently launched Sub-National Budget Transparency Survey 2018, Abia State scored an overall point of 28 out of 100 possible points for budget transparency index. In the light of the total possible scores of 100, a score of 28 is very low. Similarly, when compared to the scores of other high performing States, Abia State score of 28 is very low. However, this score of 28 points places Abia State as the 15th State nationwide in terms of overall budget transparency index. This suggest a generally poor performance of the States on the overall budget transparency index. Importantly, the score of 28 is an improvement in the performance of Abia State between 2015 and 2018. The report of the Sub-National Budget Transparency Survey 2015 shows that Abia State scored an overall point of 18 out of 100 possible points for budget transparency index. That score of 18 points placed Abia State as the 24th State nationwide in terms of overall budget transparency index. Therefore, both in terms of the score and the position of the State, there is an improvement in the performance of Abia State between 2015 and 2018.

Public availability of key budget documents

Abia State scored 35 points out of 100 possible points in terms of public availability of key budget documents. This rating is based on the fact that key budget documents are rarely available to the public. For instance, the budget call circular was produced and circulated to relevant MDAs, but only available to the public on request. Similarly, the 2018 Draft Estimate (Executive Proposal) of the State Government was presented to the State House of Assembly on the last working day of 2017 fiscal year, thereby contravening the provision of such presentation at least three (3) months before the beginning of the fiscal year. Apart from late presentation of the budget, the draft estimate was not publicly available even on request, thereby restricting public participation in the budget processes.

The report of the Sub-National Budget Transparency Survey 2015 shows that Abia State scored 16 points out of 100 possible points on the subject of public availability of key budget documents in 2015. Therefore, a score of 35 points in 2018 is a huge improvement on this indicator, and if sustained can help improve the overall performance of the State in future budget transparency surveys.

Public participation in budget process

Abia State scored 13 points out of 100 possible points in terms of public participation in budget processes. This rating is based on the fact that as at the time of the 2018 survey, there was no formal engagement of the public throughout the budget processes in Abia State. The survey observed that the State Government did not hold any form of public consultations during the formulation and preparation of the budget estimates of the State in 2018 fiscal year. In addition, though the State House of Assembly organised a public hearing on the budget, yet the hearing was only meant for “privileged public” who gathered to hear and not to say anything on the draft estimates. Without consultation of the general public, it will mean asking for too much to expect that the State Government would have consulted with some vulnerable groups during the budgeting processes.

It is important to note that the report of the Sub-National Budget Transparency Survey 2015 shows that Abia State scored 14 points out of 100 possible points on the subject of public participation in the budget processes in 2015. This means that the score of 13 points in 2018 represents a decline in the system as it relates to this indicator. The 2018 survey further reveals that the citizens do not have access to information on budget execution. Worse still, even if the public/citizens’ groups decide to carry out independent monitoring of the budget execution, there is no formal channel for communicating their findings to relevant MDAs in the State.

However, the system is not entirely bad. The survey finds out that the State Government engages the public in audit processes. This it does by organising an Audit Forum in the State which is anchored by the Office of the Auditor General of the State. This public engagement is yet to be comprehensive as the Public Accounts Committee of the State House of Assembly has not properly engaged the public in the consideration of the Auditor General’s Report.

Transparency in the Procurement System

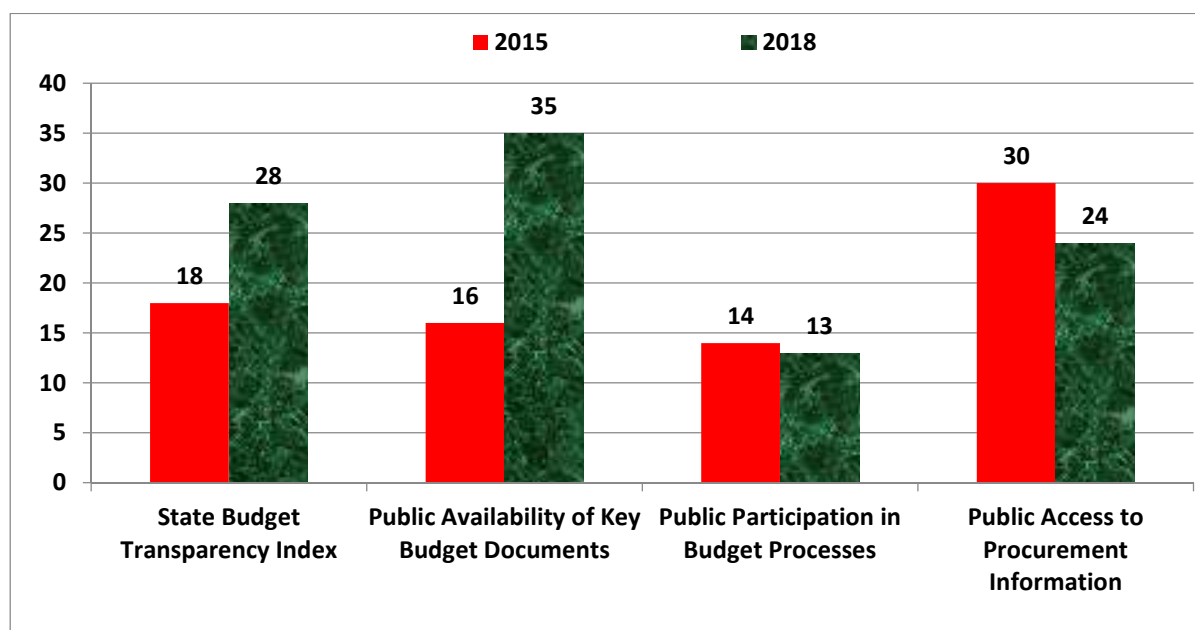
It is a known fact that the transparency of the budgetary processes does not begin and end with the production of budget estimates. Rather, a transparent budgetary process will ensure the participation of the public in the procurement processes. The Sub-National Budget Transparency Survey 2018 therefore considered this all important aspect of the budgetary processes by enquiring into the framework for ensuring transparent procurement processes in Abia State. The report of the 2018 Survey reveals that Abia State scored 24 out of the 100 possible scores. This score is very poor and represents a decline in the system between 2015 and 2018. This is because the report of the Sub-National Budget Transparency Survey 2015 shows that Abia State scored 30 points on this same indicator as at 2015.

A number of reasons can be adduced to the deterioration in the score of Abia State as it pertains to transparent procurement system in 2018. Part of the reasons is that while there is a State Bureau of Public Procurement in Abia State, there is no Public Procurement Council in the State. The State Bureau of Public Procurement is made redundant as a result of the absence of a Procurement Council that should from time to time review its activities. Given this scenario, procurements were mainly handled within the Government House and in some cases by the procuring MDAs instead of the State Bureau of Public Procurement. Apart from who handles procurement, there is equally an issue with the manner with which procurement is handled. Requests for tenders are not usually advertised in the State, and even when there are tenders, CSOs are not usually invited to bid openings. Whenever there are bid openings, it is expected that there will justification for award to a particular contractor and the details of the awards made public. This has not been the practice in Abia State and had contributed to the very poor scores of the State Government as it pertains to transparent procurement systems.

Comparative Analysis of 2015 and 2018 SNBTSS

Before the 2018 edition of the Sub National Budget Transparency Survey (SNBTS), the most recently conducted edition of the survey was that of 2015. Abia State participated in both editions of the survey. It is therefore important to compare the performances of the State in the light of the various indicators. Figure 1 below is a graphical presentation of the performances of Abia State in both editions of the survey.

Fig. 1: Comparison of Abia State Performance in budget transparency as at 2015 and 2018



Lessons Learnt

The following are observable lessons learnt in the course of this research;

- Abia State Government is yet to fully see the need to make government businesses open to the public. As a result, most of the businesses of the State Government are still shrouded in secrecy.
- Change in government can either bring an improvement or lead to deterioration of the gains made by previous administration. In the case of Abia State, there are some areas of improvement as well as areas of deterioration. However, institutionalisation of these frameworks can help reduce the effects of change in government on the system.

Recommendations

Based on the findings of the survey, the following are the specific policy recommendations for improvement in the systems.

Owing to her score on public availability of budget documents, Abia state government should implement the recommendations of the Fiscal Sustainability Plan and go one step further by publishing online and in a timely manner the following documents that are currently available on request:

- ❖ State Budget Call Circular

In addition, the state should also publish these budget documents that are currently produced for internal use only or not produced at all:

- ❖ State Medium Term Expenditure Framework/Fiscal Strategy Paper,
- ❖ State Draft Budget Estimates and Votes,
- ❖ State Quarterly Budget Implementation Reports, and
- ❖ State Citizens' Budget.

In order to improve on her score on public participation in the budget processes and effectively take advantage of knowledge of CSOs and citizens, the government of Abia state should do the following:

- ❖ Open the budget formulation process to all constituencies; establish effective mechanisms to solicit the public's inputs on what should be included in the State Draft Estimates and Votes; and clearly articulate what the government expects to do with these inputs.
- ❖ Publish a list of beneficiaries of projects, subsidies, social plans, and other targeted spending from MDAs.
- ❖ Establish practical mechanisms for the public to provide inputs on how the budget is being implemented and publish reports on how these inputs are used.

To improve the entire procurement process, the following should be done:

- ❖ The Public Procurement Bureau should publish procurement awards and justification of awards for all community projects, and have a complaints review mechanism. This body should manage the procurement process for all MDAs and include representatives from the private sector and civil society.

Similarly, the Abia State House of Assembly should do the following:

- ❖ Open committee hearings on the budget to the public where citizens and CSOs can fully participate in.
- ❖ Open the hearings on the Auditor-General's Report to the public.

Lastly, the Auditor-General should do the following:

- ❖ Establish practical mechanisms for the public to submit inputs on what should be audited.

References

2015 Report: Nigerian States Budget Transparency Survey, CIRDDOC

2016 Annual Abstract of Statistics, National Bureau of Statistics (NBS)

2018 Report: Nigerian States Budget Transparency Survey, CIRDDOC