

# **REPORT ON SUBNATIONAL BUDGET TRANSPARENCY SURVEY ADAMAWA STATE, NIGERIA**



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## Executive Summary

This report summarizes the result of the 2018 sub-national budget transparency survey conducted in Adamawa State, Nigeria, which was commissioned in February 2018 with a detailed timetable of delivery. Adamawa State took part in the 2015 survey and scored 39 out of 100 on “state budget transparency index”, 56 out of 100 in “Public Access to budget document”, 14 out of 100 on “Public participation in budget process”, and 27 out of 100 in “Public access to procurement information” to give a total average score of 34. This showed that Adamawa State did poorly in budget transparency in 2015 and several key recommendations were suggested for improvement in line with best practices in budget process in the future. The present study on the 2018 fiscal year used the 2015 rating as baseline to appraisal budget transparency in Adamawa State. The survey showed that Adamawa State scored 20 out of 100 on budget transparency index, 15 out of 100 on public access to budget documents, 0 out of 100 on public participation in budget process, and 42 out of 100 on public access to procurement information to give a total average of 19. The foregoing trend shows a 15 point drop in budget transparency in Adamawa State. This poor performance is perhaps due to a new governance style between 2016 and 2019 when the Government shied from involving the public in policy design and implementation in her activities. New recommendations based on key lessons learned have thus been proffered.

## **Geographical Attributes**

Adamawa State is one of the 36 states that make up the Federal Republic of Nigeria. It was created in 1976 as Gongola State before being renamed in 1991 as Adamawa State when Taraba State was carved out of Gongola. The State is situated on latitude 8<sup>0</sup>-11<sup>0</sup>N and longitude 11.5<sup>0</sup>-13.5<sup>0</sup>E in the northeastern region of Nigeria. Adamawa State occupies about 36,917 square kilometers. It is bordered by the states of Borno to the northwest, Gombe to the west and Taraba to the southwest. Its eastern border forms the national eastern border with Cameroon. With a population of 3.2 million according to the National Population Commission, Adamawa State has 4 administrative division comprising: Mubi in the northern district, Yola in the Central district and Ganye and Numan in the Southern District. The state's per capita Gross Domestic Product (GDP) as at 2016 stood at \$1,417 with a Human Development Index (HDI) of 0.429.

## **Methodology**

The research instrument used in this study was a questionnaire designed to measure the level of transparency in the budgeting processes of state governments. The questionnaire consisted of 70 questions divided into 4 sections measuring: availability of key budget documents, public participation process, and transparency in the public procurement process and access to information and fiscal responsibility.

The State research team consisted of the State Researcher, State Supervisor and a Zonal Consultant who oversees the research process and reports back to CIRDDOC. The State Research Team received support from the CIRDDOC team at the end of every stage of the process.

## **Key Findings**

### **State Budget Transparency Index (BTI)**

The result of the 2018 survey placed Adamawa State on the rating of 20 out of 100 in terms of the overall budget transparency index. This result is an abysmal performance, showing that the state provides minimal information on budget to her citizens. This is a great departure from the performance of the state in 2015, which placed Adamawa State among the top five states in the transparency index.

### **Public Access to key budget documents**

In terms of availability of key budget documents to the public, Adamawa State scored 15 out of 100. This is attributed perhaps to the poor access based on the fact that the public is not aware of the availability and how to access budget documents. This is despite the fact that the budget call circular was produced and available on request for months before the start of the budget year. Likewise, the draft budget estimates is produced but presented less than two months to the budget year (precisely 29<sup>th</sup> November 2017) as against at least three months in advance of the beginning of the budget year. The survey also revealed that there was no detailed budget calendar separately prepared and made publicly available. The researcher got access to the circular on request from the office of the Permanent Secretary, Adamawa State Ministry of Finance. It was found that Adamawa State does not produce citizen's budget, quarterly budget implementation report and mid-year review report. The state draft budget estimates and their supporting documents do not show individual sources of revenue such as turnover tax, VAT or stamp duties and transfers from the federation account for the budget year. The Accountant Generals report and Auditor General's report are produced late in the State. The reports have never been published but the reports are accessible on request.

### **Public participation in the budget process**

Adamawa State scored 0 out of 100 on “Public participation index” in 2018. This shows that citizens and the Civil Society Organizations in Adamawa State have no space for the public to be involved in the budget process. The limited spaces for public participation during budgets approval and budget execution in 2015 no longer exist in 2018. The Executive, Legislature and Auditor General provide no space for public consultation.

### **Public access to procurement information**

Adamawa State scored 42 out of 100 on “public access to procurement information. This suggests that citizens have relative access to procurement information but questions the robustness and transparency of the procurement process in the State. This is despite the existence of a Bureau of Public procurement saddled with the responsibility of providing information on all public tenders. There is thus the potential for access to pre-bidden documents by contractors and other stakeholders. The survey revealed that tenders are opened public and the Bureau makes procurement decisions public through the media. On the whole, it is quite an improvement compared to the 2015 score for Adamawa State.

## Change Analysis in Budget Transparency

The budget transparency survey from 2015 till 2018 shows a vivid decline in performance in Adamawa State. there is a sharp decline in the budget transparency process, budget document access, and participatory budgeting process, but a sharp increase in access to procurement information between 2015 and 2018 (Figure 1).The survey found that in 2015, Adamawa State scored 5<sup>th</sup>, only to fall down to 27 in 2018 which is a sharp decline. Several factors could account for this decline in performance by the State which were alluded to in the recommendations for improvement.

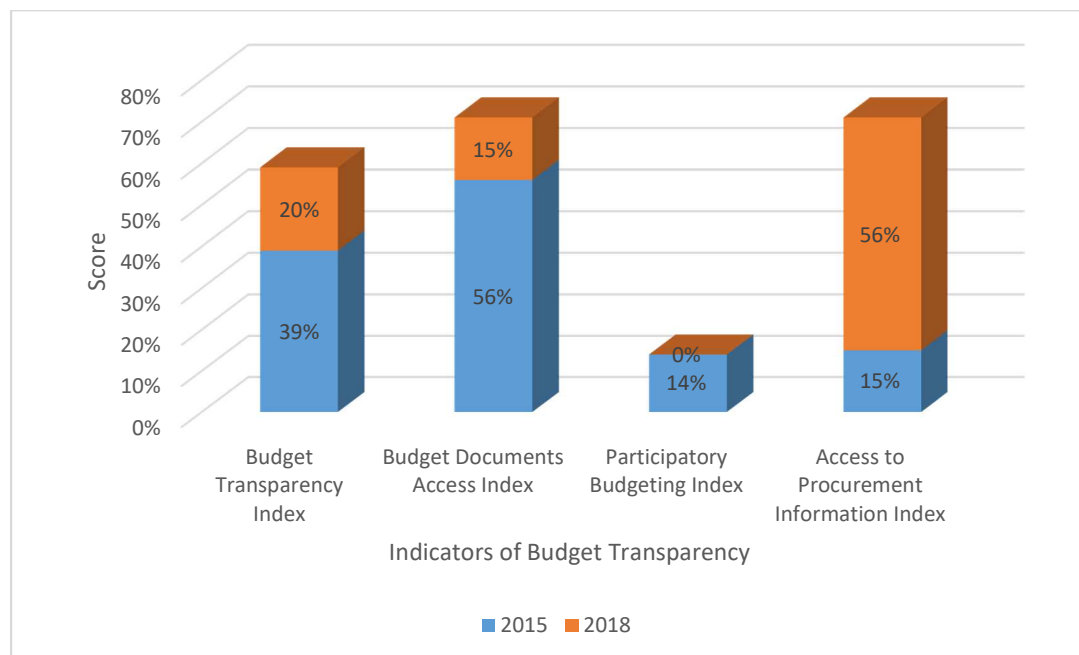


Figure 1: Changes in indicators of Budget Transparency between 2015 and 2018

## **Key Lessons Learned**

- i. The Leadership and the public are both Ignorant of the need for transparency in the budgetary process;
- ii. Contracts are often given without due process especially of making it public

## **Recommendations**

In order to improve upon the present state of transparency in the procurement process, there should be a special advocacy for the subject matter at all levels of governance. In specific terms however, the following recommendations are proffered:

### **Budget transparency:**

The Adamawa 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 available on request:

- State budge call circular
- Medium term expenditure framework/fiscal strategy paper
- State Appropriation Law
- State Accountant General's report and
- State Auditor General's report

The State government should publish "state draft budget estimates and votes" currently being produced for internal use only. In addition, the Adamawa State Fiscal Responsibility Commission should make budget information accessible by producing and publishing a Citizens Budget. The Commission should also produce and publish state quarterly reports and the state mid-year review.

### **Public participation**

To effectively take advantage of knowledge of CSOs and citizens, the government in Adamawa state should do the following:

- Open the budget formulation process to all constituencies; establish effective mechanism 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 provided inputs on how the budget is being implemented and publish reports on how these inputs are used.

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

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

Lastly, the Auditor-General should establish practical mechanisms for the public to submit inputs on what should be audited.

#### Procurement process

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

- The Adamawa State House of Assembly should enact a procurement law to give the Bureau of Public Procurement continuity throughout different administrations.
- The Bureau of Public Procurement should include representatives from the private sector and civil society. The Bureau should publish justification of awards and have a complaints review mechanism.

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