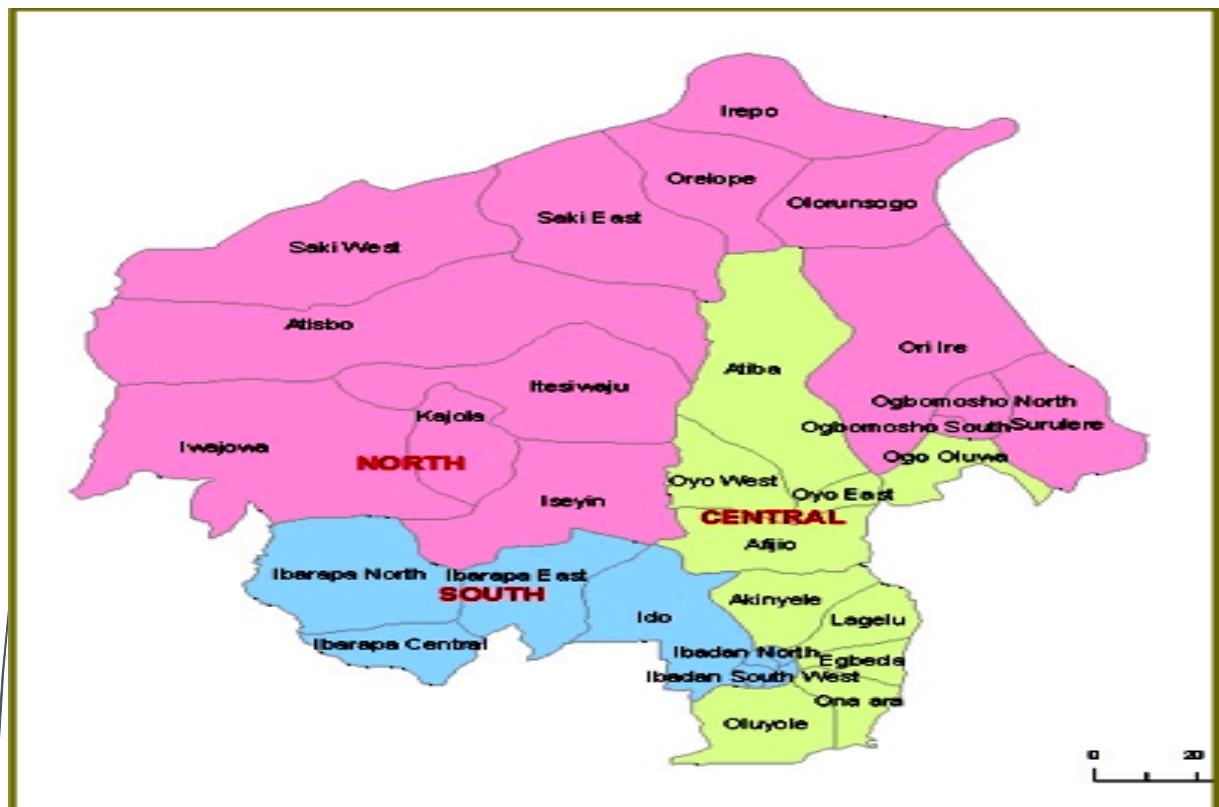


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Report on Sub-National Budget Transparency Survey Oyo State, Nigeria

Map of Oyo State, Nigeria



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Executive Summary

This report presents the outcomes of the performance of Oyo State in 2018 in respect of four major indexes captured in the Budget Transparency Survey. The indexes are State Budget Transparency Index (SBTI), State Budget Document Availability Index (SBDAl), State Public Participation Index (SPPI) and State Procurement Process Index (SPrPI). The 2018 Sub-National Budget Transparency Survey was the second following similar survey in 2015. Oyo State was involved in the two exercises and this has allowed for a comparative analysis that exposed how the State responded to the outcome of the 2015 survey as seen in the outcome for 2018. The scores of the State for the four indexes showed 7 for State Budget Transparency Index (SBTI), 11 for State Budget Document Availability Index (SBDAl), 0 for State Public Participation Index (SPPI) and 20 for State Procurement Process Index (SPrPI). The scores for 2015 were 7, 8, 0, and 10, respectively. Each of the scores was benchmarked to a maximum value of 100. The performance of the State in 2018 leaves so much to be desired, particularly for the new administration that has just come on board in the State. Obviously, all hands must be on deck to bring about improved and better performance as far as budget process matters are concerned in the State. There is no evidence to suggest the dearth of manpower required to change the current image of budget process in the State. Perhaps, all that will be required is the political will and genuine desires and intentions to reverse the tradition of 'business as usual'.

Geographical Profile of Oyo State

Oyo State was one of the three States carved out of the former Western State of Nigeria in 1976. The State has thirty-three Local Governments and twenty-nine Local Council Development Areas. The Local Government Areas are: Afijio, Akinyele, Atiba, Atisbo, Egbeda, Ibadan North, Ibadan North-East, Ibadan North-West, Ibadan South-East, Ibadan South West, Ibarapa Central, Ibarapa East, Ibarapa North, Ido, Irepo, Iseyin, Itesiwaju, Iwajowa, Kajola, Lagelu, Ogbomosho North, Ogbomosho South, Ogo-Oluwa, Olorunsogo, Oluyole, Ona-Ara, Oorelope, Oriire, Oyo East, Oyo West, Saki East, Saki West and Surulere. The Local Council Development Areas (LCDAs) are: Aare Latosa, Afijio West, Ajorosun, Akinyele East, Akinyele South, Akinyele West, Akorede, Araromi, Atisbo South, Ibadan East, Ibadan South East, Ibadan West, Ibarapa North-East, Ibarapa North-West, Ifeloju, Iganna, Inukan, Irepodun, Iseyin South, Iwa, Lagelu North, Ogbomosho Central, Ogbomosho South-West, Ogo-oluwa West, Oke'badan, Omi Apata, Surulere North, Surulere South, Wewe. The State covers a total of 28,454 square kilometres of land mass and it is bounded in the south by Ogun State, in the north by Kwara State, in the west it is partly bounded by Ogun State and partly by the Republic of Benin, while in the East by Osun State. The landscape consists of old hard rocks and dome shaped hills, which rise gently from about 500 meters in the southern part and reaching a height of about 1,219 metres above sea level in the northern part. Weather and climate wise, the topography of the State is of gentle rolling low land in the south, rising to a plateau of about 40metres. The State is well drained with rivers flowing from the upland in the north-south direction. Oyo State has an equatorial climate with dry and wet seasons and relatively high humidity. The dry season lasts from November to March while the wet season starts from April and ends in October. Average daily

temperature ranges between 25 °C (77.0 °F) and 35 °C (95.0 °F), almost throughout the year. The vegetation pattern of Oyo State is that of rain forest in the south and guinea savannah in the north. Thick forest in the south gives way to grassland interspersed with trees in the north. The climate in the State favours the cultivation of crops like Maize, Yam, Cassava, Millet, Rice, Plantain, Cocoa tree, Palm tree and Cashew. There are a number of Government Farm Settlements in Ipapo, Ilora, Sepeteri, Eruwa, Ogbomosho, Iresaadu, Ijaiye, Akufo and Lalupon.

Methodology of the Survey

The research process adopted the use of questionnaires that was designed to measure some key parameters related to budget processes, availability and transparency processes. The questionnaire was structured into four sections with a total number of seventy questions in all. The four sections are captioned as availability of key budget documents, public participation in budget processes, transparency in the public procurement processes, and access to information and fiscal responsibility. The execution of the study was assigned a team comprising the State Researcher, State Supervisor and a Zonal Consultant. The team approach to the assignment was meant to provide a chain of monitoring and supervision mechanisms with a view to enhancing the quality of the survey outcomes without compromising the integrity of the entire process.

Key findings

State Budget Transparency Index (SBTI)

The outcome of the 2018 survey for Oyo State revealed not too significant improvement in the performance of the State against the background of the 2015 outcome. The overall State Budget Transparency Index (SBTI) that was 7 in 2015 out of 100 rose to 11 in the 2018 exercise. While the 2018 performance was not good enough for commendation, it is noteworthy however that the State moved away from being at the bottom of the list of the States in 2015, coming up ahead of five other States, namely Bauchi, Borno, Kwara, Zamfara, and Rivers. The overall result of SBTI in Oyo State still leaves much to be expected in the future. Indeed, the State recorded the least score in the South West geopolitical zone where the best performer turned out to be Ekiti State with SBTI of 79. The State has the responsibility of improving on its performance in the next exercise and generally in the future to show that the State is not averse to the philosophy of budget transparency, which has become an international best practice as far as financial resource management is concerned.

State Budget Document Availability Index (SBDAl)

State Budget Document Availability Index (SBDAl) for Oyo State moved from 8 in 2015 survey to 11 in the 2018 exercise. Again, the upward movement remains highly insignificant. Critical consideration of the 2018 performance of this index revealed that the State merely replicated its real performance in the 2015 survey. The score of the State merely put the State above only a State out of the thirty six States in the

country. In 2015, Akwa-Ibom State with SBDAl of 7 was the only State that recorded a score that was a point less than that of Oyo (8). In 2018, Oyo came second to the last with 11 above Rivers State that scored 6. The import of the statistics of performance for Oyo State is that the State did nothing to change the outcome of 2015 survey and this has produced the narrative that the outcome of the 2018 exercise has generated presently. Out of the nine major documents¹ captured in the survey, no one was produced and publicly available. Six were not produced at all, while only two (Draft Budget and Enacted Budget) were produced for internal use only. Again, the State occupied the bottom position in the South West geopolitical zone where Ogun led the zone with a score of 66 for this index in 2018.

State Public Participation Index (SPPI)

The score for State Public Participation Index in 2015 and 2018 survey exercises remained the same. Despondently, the score was zero. This corresponds to a scenario of no participation at all of the public in the budget formulation process. With the score of zero for the two periods when the survey took place, comparative analysis of performance is absolutely unnecessary. The least that can be said is to presume that the Enacted Budget must have gone through the legislative scrutiny as expected of the State House of Assembly through the instrumentality of the Appropriation Committee of the House of Assembly. The State cannot afford to allow this trend of zero public participation in budget process to continue. The Pacesetter State has both the moral and political obligation to change this record of zero SPPI. Changing the prevailing record of performance should be an urgent goal of the new administration that is now in place in the State.

State Procurement Process Index (SPrPI)

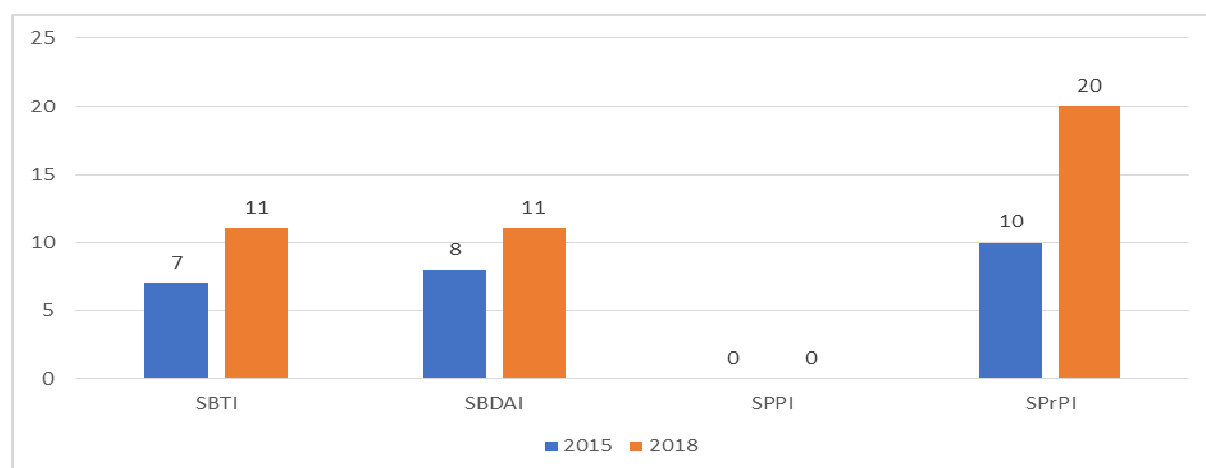
State Procurement Process Index (SPrPI) in the survey was a measure of the extent of public access to procurement process related information. Interestingly, the performance of Oyo State with respect to this index came out to be the best of all indexes captured in the survey. For 2018 survey, the State scored 20 as against 10 that it scored in 2015. Indeed, the State moved up from being 5th from below in 2015 to 13th from below. Obviously, this was a significant improvement as far as access to procurement process related information was concerned in Oyo State in 2018 survey. The rise from 10 in 2015 to 20 in 2018 corresponds to 100 percent improvement in the index under consideration. The presence of Public Procurement Law (PPL) and Public Procurement Bureau/Office in the State were found to be some of the mechanisms put in place to engender public access to procurement process in the State. Given that the State put up this brilliant improvement in SPrPI; it suggests that the State has capacity to improve all the indexes where its performance has been extremely unsatisfactory.

¹ The nine major documents covered in the survey are: Call Circular, Medium Term Expenditure Framework (MTEF), Draft Budget, Enacted Budget, Citizens Budget, Quarterly Report, Mid-Year Review, End-Year Report, and Auditor-General Report.

Comparative Analysis of the State's Performance for 2015 and 2018 Survey Exercises

Comparative analysis of performance of Oyo State in 2015 and 2018 Budget Transparency Survey shows at least one major interesting outcome. As clearly revealed in Figure 1 below, except for State Public Participation Index where the State score zero in the two exercises, the performance of other indexes improved even where the magnitude of the increase was negligible. It must be said again that the survey must have left an impression in the handlers of budget process in the State that there are rules of the game of budget process that must be respected. Given the poor performance of the State in the 2015 survey, whatever margin of improvement observed in 2018 be considered as the direct response of the State as well as the consciousness of the fact that room for improvement should not be avoided.

Figure 1: Oyo State Budget Transparency Performance 2015 and 2018



General Observations and Suggestions for Improved Performance

Consequent upon the overall performance of Oyo State in 2018 budget transparency survey and the antecedents of the State as revealed in the 2015 survey, the following observations are rational and plausible to be highlighted:

- ✚ The State has not sufficiently been motivated by the poor performance it recorded in 2015 and hence departure from the ways things were handled in the past as far as budget process was concerned has been too unsatisfactory.
- ✚ There is no evidence as far as the performance of the two periods has shown that the State lacks technical capacity to improve its budget process with a view to altering significantly the records of its performance in the survey of 2018.
- ✚ Budget transparency and good governance are bed-fellows and the State government should not presume that good governance can be achieved and also verified to have been achieved in the absence of budget transparency and accountability.

Against the background of the general observations presented above, the following recommendations are put forward for the pursuit of better performance in the next and future budget transparency assessment.

- ❖ Budget process should be given the political recognition that it deserves as an instrument of government-governed collaboration for the sake of promoting people-oriented and welfare delivery governance in the State.
- ❖ All arms of government in the State should be directly involved in the act of improving budget process. Specifically, the State House of Assembly should take its oversight function beyond the rituals of Appropriation Committee dotting the i's and crossing the t's in the Budget proposal. Of course, relevant legislation that will guide the rule of the game for budget process should not only be put in place but also seen to be actively applied when necessary.
- ❖ The Executive has a unique role to play if the State has to change the trend of its performance in budget transparency related auditing. For the Executive, public participation is a potent weapon to secure the explicit support of the people, and this is a perquisite for government to succeed while in office. To get the people on the side of government is predicated on flow of relevant and appropriate information to the people and feedback mechanisms clearly put in place.
- ❖ Finally, there is strong optimism that the State can change the current low and poor performance. If between 2015 and 2018 an index could be improved upon by 100 percent, what should be expected is the deployment of similar efforts and intentions to all the other indexes, including the one where the State maintained the same score of zero for 2015 and 2018.

References

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