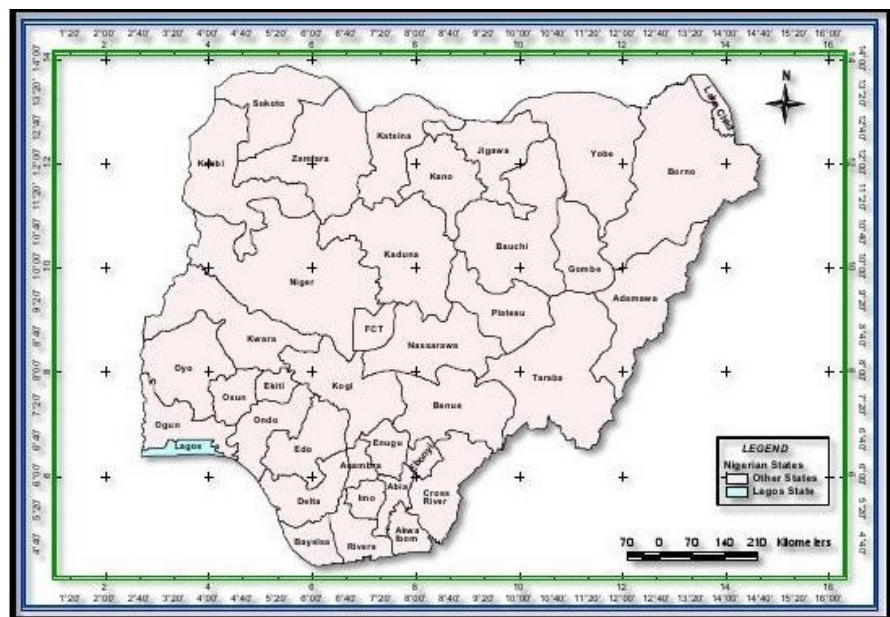


Report on Sub-National budget Transparency Survey Lagos State, Nigeria December 2019



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LAGOS.

Executive Summary

The report of the 2018 Sub-National Budget Transparency survey conducted in Lagos state reveals that Lagos state performed below expectation in 2018 compared with 2015. The state score 57 out of 100 on the State Budget Transparency Index. There is a decrease of 3 points compared to 2015. Though there is significant improvement in the procurement process in the state with increase of 13point compared with 2015. Public participation in the budget process was extremely poor. This may not be unconnected with the change of government and attitudinal problem of the ministry in-charge. The study also observed that the state has no freedom of information law which may also hinder access and release of information in the state. The study suggests that Lagos state government should implement the recommendations of the Fiscal Sustainability Plan and publishing online; the State Budget Call Circular, State Accountant General's Report and State Auditor-General's Report that are available on request.

Geographical Profile of Lagos State

Lagos is situated in the Southwestern part of Nigeria and lies approximately between Longitude 2^o42¹E and 3^o42¹E, and latitudes 6^o22¹N and 6^o52¹N. The boundary area is defined by a 180 km-long Atlantic coastline in the south, the Republic of Benin in the west while the north and east boundaries are shared with Ogun state. Lagos State is the smallest in size of the thirty-six States in Nigeria and has remained so since independence. This means that it is the only existing state in its form since creation. It occupies 3,577 square kilometres which represents only 0.4 percent of the entire area of the country (Odumosu, 1999, Adeyemi 2005). Lagos State has a population of about 21 million .(2005 Population Projection Figure).. Lagos State is the most urbanized State in the country (NPC 1991). The domineering presence of Lagos metropolis as the former Federal Capital Territory (FCT), the commercial centre as well as its strategic location on the Atlantic coast, which other States cannot boast of, give some uniqueness to the State. Lagos State was among 36 states that took part in 2013 survey and scored 55 out of 100 on the State Budget Transparency Index.

Methodology

The study was conducted with the use of designed questionnaire to measure key variables in the study. The questionnaire consists of four sections with 70 questions in all. The following components were measured by the questionnaire, public availability of the budget documents, public participation in budget process and public access to procurement information The survey stated in February, 2018 with the following research team, Dr Kola Olowe the (zonal consultant), Dr Gbemiga Adeyemi (State supervisor) and Mr Biodun Ayansiji (Researcher)

Key findings

State budget transparency Index

The 2018 survey reveals that Lagos state scores 57 out of 100 on the State Budget Transparency Index. There is a decrease of 3 points compared to 2015. The state perform below expectation compared to the 2015 in which the state came third.

Public access to budget documents

Lagos state scores 58 out of 100 on the State Budget Document Availability Index. Very little has changed compared to 2015. The State Budget Call Circular and Citizen's Budget are now available compared to 2015. Although the Budget estimates supposed to be produced three (3) months before the fiscal year. The Budget estimates were produced and presented a month to the fiscal year. The State Quarterly Reports are no longer produced. The State Medium-Term Expenditure Framework/Fiscal Strategy Paper, State Appropriation Law, State Mid-Year Review, State Accountant General's Report, and State Auditor-General's Report are publicly available. The State Draft Budget Estimates and Votes are produced for internal use.

Public participation in the budget process

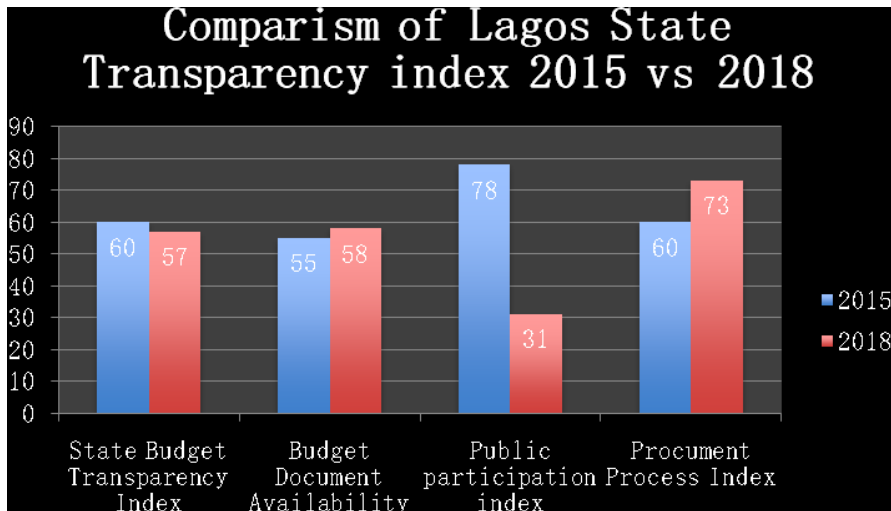
Citizens and CSOs in Lagos state have limited spaces for the public to be involved in the budget process with a score of 31 out of 100. There is a significant decrease when compared to 2015. The executive no longer uses the Budget Consultative Forum and town hall meetings during budget formulation and execution to solicit inputs. During budget approval, the Honourable Members of the State House of Assembly invite the public to testify on budget matters. The Auditor-General has alerts to solicit inputs.

Public access to procurement information

With a score of 73 out of 100, citizens in Lagos state have extensive access to procurement information. There has been an increase of 13 points when compared to 2015. The Lagos State Public Procurement Agency now guides the procurement process. The Agency now provides pre-bidding documents to potential contractors, tenders are opened publicly, and procurement decisions are published online. The Agency has improved by publishing their award justifications online as well.

Comparative Analysis 2015 Vs 2018

With respect to 2018, the state performs below expectation in Budget transparency index and public engagement compared with 2015. Though a remarkable improvement in the procurement process, there is still room for improvement. Lagos state is known as centre of excellence, the state must be good example to the rest of the states in Nigeria



Lesson Learnt

The following are lessons learnt from the survey:

- ❖ There is no freedom of information in the state.
- ❖ There is no continuity in government as changes in the government affects the performance of the state

Recommendations

The survey recommends the following to improve budget transparency, public participation in the budget process, and transparency in the procurement process:

Budget Transparency

The Lagos 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 Budget Call Circular,
- State Accountant General's Report, and
- State Auditor-General's Report.

The state should also publish the State Draft Budget Estimates and Votes online that it currently produces for internal use only.

In addition to publishing these documents, the Lagos State Ministry of Economic Planning and Budget should produce and publish State Quarterly Report.

Public Participation

To effectively take advantage of knowledge of CSOs and citizens, the Lagos State House of Assembly should do the following:

- Produce and publish reports during budget hearings.
- Open the hearings on the Auditor-General's Report to the public.

Procurement Process

To improve the entire procurement process, the Lagos State Public Procurement Agency should continue its existing efforts.

References

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