



Briefing

No. 15 | November 2016

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Main Points

This Briefings studies the manner 5 states of the Niger Delta- Akwa Ibom, Bayelsa, Delta, Edo and Rivers- carryout fiscal processes in line with the principles of Open Budgets.

Only 2 of the states have made their 2016 budget proactively available for citizens to access. And the process of budget making is still not participatory, oversight institutions are weak while due process mechanisms are either incapacitated or nonexistent.

Fiscal information including periodic implementation report and audit information are not available. Citizens in these states feel left out of a key aspect of governance and believe that state officials are reclusive because they are not accountable.

State of Open Budgets in Five States of the Niger Delta

■ Akwa Ibom ■ Bayelsa ■ Delta ■ Edo ■ Rivers

Introduction

States and local governments in the Niger Delta operate highly reclusive fiscal systems. They continue to fall short with respect to the requirements of transparency and their willingness to be accountable and open for participation. A key indicator in this regard is the manner the budget cycle of the states are managed- essentially without any citizen input- and the manner fiscal documents are held. This reality has created a system where budgets are perceived as the exclusive preserve of political office holders, with the consequence that where government projects exist, they rarely have citizens input or buy-in. The fact that, very often, citizens are not aware of what is budgeted has meant that they have no idea of what to expect from projects on the ground. Often, there are clear nagging discrepancies between target and actual implementation; in many cases, absolutely no implementation is carried out.

Background

Regarding infrastructure and other development indicators, states of the Niger Delta do not fare significantly better than others despite having higher fiscal earnings. Beyond the statutory allocations which states and local governments of Nigeria receive from the Federation Account, they also receive an additional 13%

share of revenues emanating from oil extracted from their domains. This fact has made Niger Delta states to have higher accruals than most other states in the country. Additionally, states of the region benefit from a specialized federal government agency dedicated to its development- the Niger Delta Development Commission- with an annual budget averaging N250 billion. In addition, a federal Ministry of Niger Delta Affairs is tasked with the affairs of the region, with an average annual budget of N50 billion. The failure of these resources to engender development in the region propels the conclusion that the crisis of development in the Niger Delta is not so much a lack of resources, but that available resources are routinely lost on account of mismanagement, opaque fiscal systems and corruption.

In the late 1990s to the turn of the millenium, the poverty and destitution which this dearth of development engendered festered and provided the reason (or excuse) for localized armed crises characterised by kidnapping and other forms of brigandage which saw the region driven farther below the poverty line. The region tilted on the periphery of outright anarchy. Political governance was weakened; oil extractive activity was almost grounded while other economic activities were severely affected. The rise of what is now termed 'militancy' was both a reason and outcome of the dearth of development in the Niger Delta region.

One of the key failures in the above regard is the manner the resources of the states and local governments have been managed. Lack of transparency and accountability, lack of citizens' awareness and participation, lack of access to fiscal documents and neglect of key and critical sectors in budgets have contributed in making development processes conceptualized through budgets a

mirage.

In making annual budgets, providing for the most pressing needs of citizens have not always been the most vital consideration of government officials. Large scale 'trophy' projects with high costs but little practical impact on the majority, are commonplace. Beneficiaries of budgets have little means of monitoring their benefits as access is limited due to limited openings for citizens' participation. The result is that budgets are perceived as mere annual rituals with hardly any meaningful impact on the people. This has led to very low interest and appreciation of budgets. In most instances, development projects cited in communities are perceived as gifts from a benevolent state government that require messages of thanks. Social Action's intervention in five Niger Delta states reveals that sometimes up to 80% of projects mentioned in the annual budgets, are never implemented. Where they are implemented, they are not commensurate with allocations to them.

A key violation of due process is the tradition of secrecy which surrounds budget documents and other fiscal information in some of the states. By hoarding budget documents and other critical fiscal information, citizens are deprived of the enabling impetus to carry out monitoring of the implementation of budgets. This situation, in turn, reinforces the tradition of fiat, corruption and mismanagement of public resources, creating a situation where states and local government areas do not bother preparing prudent budgets or implementing projects budgeted for.

Opening the Budget

Open budget refers to a system where information relevant to public budgets and

other fiscal processes are available to citizens, while guaranteeing unhindered access for participation. An open budget regime ensures adequate provision of the following three cardinal opportunities for citizens namely; public availability of key budget and fiscal documents, public participation in the budget process, and strengthened oversight institutions and processes.

Key budget documents to be made publicly available include the Executive's budget proposal, the state appropriation law, the implementation reports (quarterly reports, mid-term report, Accountant-General's report), the Auditor General's report, reports of income from all sources, etc.

Participation refers to the process of enabling the interest of citizens to be involved in the decision-making processes, implementation and evaluation of the budget. It also suggests enabling environments that support the desire of citizens to make inputs in the budget process. Examples of opportunities for citizen participation include Town Hall meetings, focus group discussions, stakeholder consultations and needs assessment processes.

Transparency requires duty-bearers and governments to proactively provide relevant information on their activities in a timely and accurate manner through a publicly accessible and understandable format. Transparency requires that nothing about the activities of government should be vague or opaque, let alone hidden from citizens.

ACCESS TO INFORMATION

Rivers State

In 2014 and 2015, Rivers state put up a copy of the state budget online for public access. This

trend was however abruptly discontinued in 2016. The state budgets for 2013, 2014 and 2015 which were on the state official website, were also removed, signifying a major roll-back on proactive disclosure of budget information.

In June 2016, three Freedom of Information requests were sent to the Ministry of Budget and Economic Planning, Ministry of Information and Ministry of Education requesting 2016 budgets and other basic information. No response was received.

Delta State

In August 2016, Delta state posted the 2016 budget on its official website. This was the first time in 10 years the state had made its budget available online. This marks a rare departure from an established practice of budget secrecy which characterized the state. However, Freedom of Information requests sent to the ministries of Economic Planning, Information and Education were ignored.

Edo State

Since 2010, Edo state has proactively made its annual budget available online promptly. This practice has been consistent in the state, making it the most accessible in the Niger Delta and perhaps in the country. In the same regard, the state also provides timely information on some government project implementation.

Akwa Ibom

Akwa Ibom state routinely makes printed and electronic copies of its budget available for purchase. The printed copy of the state budget costs N7000 (seven thousand naira) while a

compact disc containing the budget costs N5000 (five thousand naira). Copies are not available on the state website.

Freedom of Information requests were also sent to the Ministry of Economic Planning/Development, Ministry of Information and Ministry of Education requesting 2016 budgets and other essential information. On submitting the requests, the applicant was asked to explain what the information was needed for, a violation of the Freedom of Information Act.

One week after the submission of request for budget document the following response was received from the Ministry of Economic Development; “With reference to your letter dated 8th June, 2016 on the above subject, I am directed to inform you to request for the document from the State Budget Office, Uyo, Akwa Ibom State as they are saddled with the responsibility of its printing and publishing in both hard and soft copies”. Again in violation of the principle of the Freedom of Information Act which required that the Ministry transfers the request to the agency in possession of the needed information. In this case, the State

Budget Office is affiliated to the Ministry of Economic Development. The Ministry of Education and Ministry of Information did not respond to the requests.

Bayelsa State

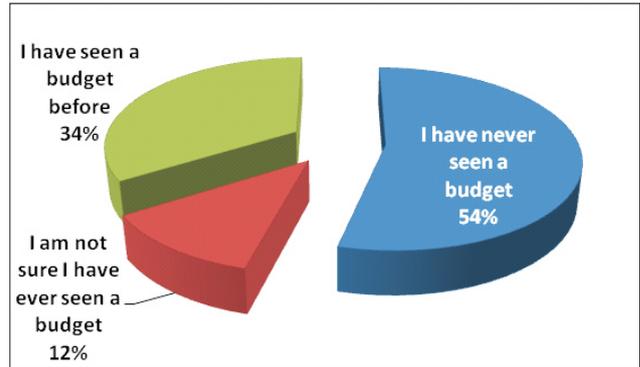
In 2008, Bayelsa state became the first in the Niger Delta and perhaps in Nigeria to post its annual budget online. At the time, this was a major departure from a tradition of secrecy which prevailed in relation to state budgets. This practice was brought to an end in 2009. Since then, the government of the state returned to treating public budgets as secret documents. In 2016, Freedom of Information request were dispatched to the Ministry of Budget and Economic Planning, Ministry of Information and Ministry of Education requesting 2016 budgets and other basic information. None of the agencies responded. The practice of opaque budget system in Bayelsa state has continued despite the passage of a transparency law ostensibly meant to make fiscal information proactively available in the public space.

Indicator	Akwa Ibom	Bayelsa	Delta	Edo	Rivers
✓ <i>Executive budget consultation is institutionalised</i>					
✓ <i>Executive budget consultation is sometimes utilised but not institutionalised</i>					
✓ <i>No Executive consultation on budget</i>	✓	✓	✓	✓	✓
✓ <i>Legislative public hearing on budget is institutionalised</i>					
✓ <i>Legislative public hearing is sometimes held but not institutionalized</i>	✓				
✓ <i>Legislative budget defence for MDAs hold and are open to the public</i>	✓		✓	✓	✓
✓ <i>Legislative budget defence holds but not open to the public</i>		✓			
✓ <i>No public hearing at legislature on the budget</i>		✓	✓	✓	✓
✓ <i>Public hearing on Auditor- General's Report</i>					
✓ <i>Medium Term Expenditure Framework is accessible</i>		✓		✓	
✓ <i>Pre-Budget statement available online</i>					
✓ <i>Executive Budget Speech available online</i>	✓	✓	✓	✓	✓
✓ <i>Budget proposal available to citizens prior to legislative hearing</i>	✓				
✓ <i>Approved annual budget available online early</i>			✓	✓	
✓ <i>Hard copy of approved budget available free of charge</i>					
✓ <i>Hard copy of annual budget available for sale</i>	✓				
✓ <i>Citizens budget available</i>					
✓ <i>Budget document is detailed</i>	✓				
✓ <i>Prompt response to Freedom of Information request</i>					
✓ <i>Quarterly budget implementation reports are available</i>					
✓ <i>Midterm budget reports are available</i>					
✓ <i>Accountant General's report publicly available</i>					
✓ <i>Auditor General's report publicly available</i>					
✓ <i>Public Procurement Law enacted</i>		✓	✓	✓	✓
✓ <i>Public Procurement Bill being deliberated or at draft stage</i>	✓				
✓ <i>Public Procurement Law enacted but weakly implemented</i>		✓	✓	✓	✓
✓ <i>Fiscal Responsibility Law enacted</i>		✓	✓		✓
✓ <i>Fiscal Responsibility Law being deliberated or at draft stage</i>	✓				

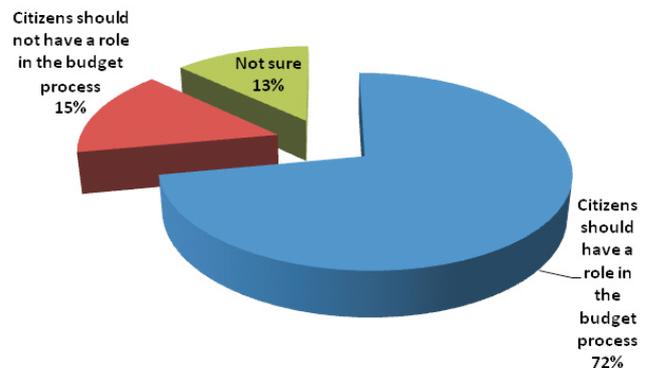
Citizens' Perception of State Government Openness

The prevailing lack of open fiscal governance processes in states of the Niger Delta has engendered unfulfilled expectations and distrust of government by citizens. Below is result of an open budgetpoll conducted in Akwa Ibom, Bayelsa, Delta, Edo and Rivers states.

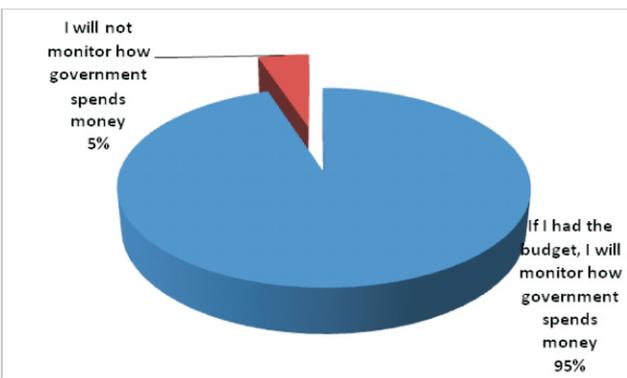
According to the findings from the survey,15% of respondents said they did not know what a public budget is, while 54% responded that they had never seen a copy of the budget.



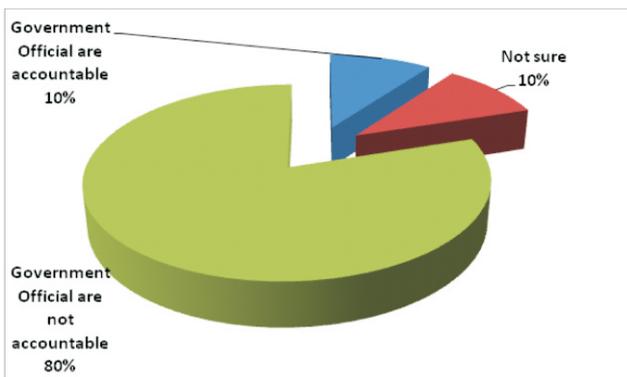
When questioned on the role of citizens in the budget process, 15% of the respondents said they did not believe citizens have any role in the budget process, while 13% were not sure. 72% of the respondents believed citizens had a role to play in fiscal governance.



95% of respondents affirmed that they would monitor how the government spends public resources if they had access to the budget document. 5% said they would not.



When asked how they rate government officials on accountability, 10% responded that they thought government official were accountable, 10% were not sure, while 80% said they did not believe government officials were accountable.



The survey reveals a peculiar pattern which indicates that while citizens are willing to participate in fiscal governance processes, the government has not created the conditions which make such participation possible. In fact, the recluse manner in which fiscal processes are managed makes it impossible for the majority of citizens to have a say.

Conclusion

Of the five states studied, only Edo and Delta have made their 2016 budget proactively available for citizens to access. While this qualifies as a measure of openness, commensurate progress has not been made in other aspects of the open budget spectrum. The process of budget making is still not participatory; oversight institutions are weak and due process institutions are incapacitated or nonexistent. In all the states, other fiscal information including periodic implementation report and audit information are not available. Citizens in these states feel left out of a fundamental aspect of governance and believe that state officials are reclusive because they are not accountable. The overall implication of the lack of open budget practices in the states of the Niger Delta is that the region is still far from being developed, and tensions which gave rise to conflicts in the past may be brewing- again.

Key Recommendations

1. Governments should make key budget information available in a proactive manner to the public. The information should include pre-budget proposals, relevant progress reports and audit reports. Information detailing the external and internal revenue accruals of the state should be available in a timely manner. The most appropriate manner to get fiscal information across to the public is by placing it on the state website. The tradition of hoarding budgets and selling budgets should be discontinued as it denies public access.
2. Governments should establish context specific systems for engaging citizens in fiscal governance processes. The input of citizens should be routinely sought through established and structured people friendly formats. This may include town hall meetings, publishing of citizens budgets and
3. Government should ensure that the Public Procurement and Fiscal Responsibility reforms are enabled in such a manner that due process is followed and international best practices are enshrined in procurement and fiscal management.



Published by Social Development Integrated Centre (Social Action), September 2016

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This briefing is made possible by the Strengthening Advocacy and Civic Engagement programme, with support of the United States Agency for International Development. Funding for printing this briefing has been provided within the framework of Social Action's Community Centres for Natural Resources Accountability project, which is supported by Ford Foundation.