COMPARATIVE ASSESSMENT OF DECENTRALIZATION IN AFRICA:

NIGERIA IN-COUNTRY ASSESSMENT REPORT

SEPTEMBER 2010

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Authored by:

Bamidele Olowu,
Africa Europe Foundation;

Rotimi Suberu,
Bennington College;

John Erero,
Obafemi Awolowo University;

and

Rosemary Soetan,
Obafemi Awolowo University

Implemented by:

ARD, Inc.
PO Box 1397
Burlington, Vermont 05402
Telephone: 802-658-3890
Fax: 802-658-4247
Email: ardinc@ardinc.com

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ACRONYMS

AA	Area Authority
AC	Action Congress
ACIR	Advisory Commission on Intergovernmental Relations
ALGON	Association of Local Government of Nigeria
ANPP	All Nigeria's Peoples Party
APGA	All Progressive Grand Alliance
CAN	Christian Association of Nigeria
CBO	Community-Based Organization
CDA	Community Development Association
CDC	Community Development Committee
CGS	Conditional Grants Scheme
CHEW	Community Health Extension Officer
CSACEFA	Civil Society Action Coalition on Education For All
CSO	Civil Society Organization
CSW	Commercial Sex Worker
DFID	Department for International Development
DPP	Democratic People's Party
EFA	Education For All
EFCC	Economic and Financial Crimes Commission
EGBENN	Enhancing Girls Basic Education in Northern Nigeria
EU	European Union
FBOs	Faith-Based Organizations
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
HQs	Headquarters
ICPC	Independent Corrupt Practices Commission
IFAD	International Fund for Agricultural Development

IGR	Internally Generated Revenue
INEC	Independent National Electoral Commission
IPD	Immunization Plus Day
ITN	Insecticide Treated Net
LCDA	Local Development Area Council
LEAD	Leadership, Empowerment, Advocacy and Development
LEEDS	Local Economic Empowerment and Development Strategy
LG	Local Government
LGA	Local Government Area
LGR	Local Government Revenue
LGSC	Local Government Service Commission
LP	Labor Party
MAC	MDG Awareness Club
MDG	Millennium Development Goal
MTN	Mobile Telephone Network
NA	Native Authority
NCE	Nigerian College of Education
NCIR	Nigerian Council on Intergovernmental Relations
NECO	National Examinations Council
NEEDS	National Economic Empowerment and Development Strategy
NEIT	Nigeria Extractive Industry Transparency Initiative
NGO	Nongovernmental Organization
NHIS	National Health Insurance Scheme
NIDO	Nigerian in the Diaspora
NTA	Nigerian Television Authority
NULGE	National Union of Local Government Employee
NURTW	National Union of Road Transport Workers
NYSC	National Youth Service Corps
OSSAP	Office of the Senior Special Adviser to the President on MDGs
PDP	People’s Democratic Party

PHC	Primary Health Care
PHCDA	Primary Health Care Development Agency
PPA	Progressive People's Alliance
PRONACO	Pro-National Conference Organization
PTA	Parent-Teachers Association
SAMDG	Special Assistant to the Delta state Governor of MDG
SBMC	School-Based Management Committee
SEC	Securities and Exchange Commission
SEEDS	State Economic Empowerment and Development Strategy
SG	State Government
SIEC	State Independent Electoral Commission
SJLGAC	State Joint Local Government Accounts Committee
SUBEB	State Universal Basic Education Board
TMG	Transition Monitoring Group
UBEC	Universal Basic Education Commission
UK	United Kingdom
UN	United Nations
UNDP	United Nations Development Program
UNICEF	United Nations International Children's Emergency Fund
USAID	United States Agency for International Development
VVF	Visco Vaginal Fistula
WAEC	West African Examinations Council

EXECUTIVE SUMMARY

Nigeria has created non-centralized and decentralized political authorities at sub-national state and local levels primarily as a mechanism for managing the country's deep ethnic, regional and religious diversities, but also as a strategy for promoting democratic participation and enhancing broad-based economic development. The foundations of political decentralization were established under British colonial auspices through a series of administrative, political and constitutional reforms that culminated in the creation of a full-fledged, three-region federation in 1954. Since independence in 1960, Nigeria's civilian and especially—military—political elites have fundamentally reengineered this colonial federal legacy through the implementation of multiple integrationist reforms, including the creation of additional constituent state units and the establishment of the local authorities as the third tier (after the federal government and the states) of Nigeria's federalist architecture. Today, the Nigerian federation consists of a federal government with its headquarters in the national capital territory of Abuja, 36 state governments, and 774 constitutionally designated local government areas.

In theory, Nigerian government and politics represent a unique and bold African experiment in applying federalist and decentralist principles to managing the challenges of political development. In practice, Nigeria's federal and decentralized governance is fragile, conflicted, and ineffective. The overwhelming dependence of all three levels of government on centrally collected and redistributed oil revenues severely distorts the operations of sub-national state and local governments, undermining their autonomy, capacity, effectiveness, transparency, viability and legitimacy. Democratic decentralization has also been heavily undermined by massive electoral corruption, which has completely submerged local governments in particular, under the electoral stranglehold of the ruling parties at the state level. More important, while the military authorities have vigorously supported the strengthening of local government, the civilian federal authorities have been unable or unwilling to defend the concept of a three-tier federalism. Instead, the Nigerian three-tier federal design has effectively receded into a two-tier system, reducing the localities into the political, administrative and financial appendages of the politically powerful state governments.

The Nigerian experience in federalism and decentralization is not without some promising and positive features, however. Approximately half of public expenditures in Nigeria now take place at the sub-national level, representing a unique opportunity to disperse the stakes of political competition away from a single center and promote the emergence of sub-national authorities as laboratories of governance and political leadership development. Indeed, one of the three states visited for this study, Lagos (the others being Delta and Sokoto) has developed a credible reputation for autonomous resource mobilization and relatively responsive and effective governance. Moreover, while substantial proportions of the oil revenues continue to be allocated through an inefficient, unconditional, general revenue sharing system, a potentially more effective and efficient system of conditional intergovernmental revenue grants is now being developed to support the funding of basic education, primary healthcare and the achievement of the Millennium Development Goals (MDGs) throughout the federation. In addition, there is significant evidence of the emergence of local civil society organizations (CSOs) that are committed to demanding accountability for the delivery of public goods by sub-national authorities. Finally, although the pathologies of Nigerian federalism have spawned vociferous and contentious demands for fundamental, mega-constitutional change, immense opportunities clearly exist to promote the efficacy and efficiency of decentralized institutions through focused administrative, electoral and fiscal reforms within the current federal constitutional structure.

1.0 THE COUNTRY CONTEXT

1.1 POLITICAL BACKGROUND

Nigeria has historically embraced decentralization as a governance strategy for the political accommodation and mediation of its immense ethnic, regional and religious diversities. A decentralized and federal political framework has been consistently promoted in Nigeria as a mechanism for holding the country together, and softening its multiple ethno-political fault lines, including two historic regions (the north and south), three major ethnic groups (the Muslim Hausa-Fulani, Christian Ibo, and religiously bi-communal Yoruba), hundreds of smaller ethnic communities (the so-called ethnic minorities), and roughly equal numbers of Muslims and Christians.

The formal creation (or amalgamation) of Nigeria in 1914 under British colonial auspices involved a considerable degree of administrative autonomy for the predominantly Muslim and conservative northern region on the one hand, and the more Christian-influenced south on the other.

1.2 HISTORY OF DECENTRALIZATION

Expanding pressures to accommodate Nigeria's heterogeneity led, in 1939, to further political decentralization of Nigeria into three groups of provinces in the northern, western and southern regions, respectively. Subsequently, in 1954, a full-fledged, non-centralized, three-region federal system was established. Nigeria has remained a federation since then, although the federal system has witnessed considerable transformations and reorganizations since the country's independence in 1960. Implemented largely by military rulers who have governed Nigeria for extended periods since they first intervened in politics in 1966, these changes have included a dramatic rise in the number of the federation's constituent units (from only three regions at its inception to 36 constituent units by 1996), the formal establishment of the local governments (LGs) as the third tier (after the center and the states) of the Nigerian federal administration system, and a relative expansion in the economic resources and political powers of the central government. This last change has led to a centrifugal backlash in the form of growing agitations for a true or more decentralized federalism in the country.

The historical and political factors that have shaped Nigeria's decentralization trajectories include a number of factors. The initial factors include the extreme cultural fragmentation of the country as cobbled together by the British; the nature of British colonial rule itself; post-colonial political instability and the role of the military; and in the 1970s, the domination of oil revenues on the Nigerian political economy. Added to these events are the persistent and unrelenting political debates regarding appropriate constitutional and institutional designs for the implementation of decentralization, and the continuing distortion or degradation of decentralization by an entrenched culture of political corruption, rent seeking and patronage.

The primary impetus for decentralization in Nigeria was, and has remained, the need to accommodate the country's deep ethno-political, regional and religious fault lines, which defy management by unitary or centrist strategies. Nigeria's estimated 250 ethnic groups, with an official population of 140 million (according to the 2006 census) covering over 923,768 square kilometers, represent an irresistible force for political pluralism, decentralization and non-centralization. The political intensity of these diversities owes largely to the domination of Nigeria's ethnic geography by three large ethnic groups (rather than by a large number of relatively small ethnic groups as in, for example, Tanzania); the overlapping (rather than crosscutting) character of ethnic, regional and religious identities; the disparities in the modernization and economic endowment of ethno-regional groups; the relative underdevelopment of non-ethnic functional or class identities; and the unrelenting mobilization of primordial identities by political elites in their competitive struggles for the political and economic resources of the post-colonial state apparatus. These tensions have periodically produced destructive intergroup violence, as evident in the Nigerian civil war, which claimed a million lives between 1967 and 1970. Political decentralization has, therefore, been pursued in Nigeria as a strategy for diffusing and defusing the intensity of interethnic conflicts and preventing the complete political disintegration of the country.

The specific patterns of decentralization implemented in Nigeria have been shaped by the political legacy of British colonial rule. The British indirect rule policy involved considerable decentralization of political authority to preexisting pre-colonial traditional authority structures through the Native Authority (NA) system. The NA policy was most successful in the Muslim north, which had strong emirate chieftaincies, but was less effective in the south, where centralized traditional political institutions were less robust or even nonexistent. What is more, the LG systems eventually adopted in each of Nigeria's original three regions by the country's Western-educated, post-colonial, successor-elites sought to embrace modern, representative institutions at the expense of traditional political authorities. Nonetheless, these traditional institutions have continued to play important advisory, symbolic and conflict management roles in Nigeria. Thus, Section 75 of Sokoto State's Consolidated Local Government Law of 2009 gives the Sokoto Sultanate Council, under the headship of the Sultan of Sokoto, the authority to advise the state and local government on 'any religious matter, cultural affairs, inter-communal relations and chieftaincy matters', and to appoint village and district heads with the approval of the governor. Similarly, the Peace and Security Committee, established under the 2004 Delta state Local Government Law, includes in its membership the chairman of the traditional council (or council of traditional rulers) in each local government area (LGA).

Currently, each state of the federation has a council of chiefs and/or traditional rulers, and there are significant pressures to reinforce this institution and replicate it at the national level through the codification of the State Council of Chiefs in the federal Constitution and the creation of a National or Federal Council of Chiefs. An additional expression of the British legacy of promoting pre-colonial traditional institutions is the maintenance of Islamic and customary legal systems, including the constitutional enshrinement of the Customary Court of Appeal and Sharia Court of Appeal, both of which exercise jurisdiction in mainly personal status issues.

An even more important historical legacy of British colonial rule for contemporary political decentralization in Nigeria was colonialism's complex layers of decentralized, colonial administrative structures that included NAs, but also district administrations, provincial authorities and regional governments. These decentralized structures formed the bedrock of political administration in the immediate post-colonial period, and they have continued to resonate in the political governance of contemporary Nigeria. Thus, several of the current Nigerian states have followed the boundaries of British colonial provinces. Furthermore, although they have since been dissolved into multiple states, the British colonial administrative regions continue to influence formal and informal political organizations in Nigeria, as evident in the activities of the Northern Governors Forum, or in the organization of the 36 states into six quasi-official, geopolitical zones or regions, three each in the north and south.

1.3 CURRENT STRUCTURE AND INSTITUTIONS OF DECENTRALIZATION

Nonetheless, the post-colonial period in Nigeria has witnessed a comprehensive transformation of the three-region federal system that the British instituted in 1954 and bequeathed to Nigeria at the country's independence in 1960. This was because the three-region structure (which became a four-region system with the establishment of the Midwest State in 1963) distorted Nigeria's complex ethnic balance, fuelled ethnic and regional polarization, destabilized a fledgling democratic republic and set the stage for ethno-military infighting and secessionist warfare. Furthermore, while the old regions were certainly more economically competitive than the current states, the 'three- or four-region system' was not 'sufficiently decentralized for meaningful economic and social development. …Hence, the addition of states was, in this respect, a positive development' (Osayimwese and Iyare, 1991, p. 101). Indeed, while it has fostered centralism and produced local-level tensions, the military's dissolution of the old powerful regions into demographically smaller and constitutionally weaker states has helped to crosscut major ethnic identities, foster inter-regional integration, promote intergroup political equilibrium and prevent a recurrence of large-scale ethno-secessionist warfare.

Aside from creating new states, the military implemented additional reforms that significantly impacted decentralization processes in Nigeria. These reforms, which were incorporated into the country's post-military constitutions in 1979 and 1999, included the replacement of the parliamentary system with a strong executive presidential system, the formal prohibition of sectional parties, the unification of the local government and police systems and the massive shift of fiscal and legislative powers from the states to the central government. The broad goal of these reforms was to strengthen the capacity of the federal government to contain centrifugal challenges to national unity and stability, partly by increasing the direct linkages between the central government and decentralized institutions at both state and local levels.

1.4 FUNCTIONAL AND FISCAL DECENTRALIZATION

The military's essentially centrist approach to decentralization was greatly facilitated by the expansion of oil revenues and the introduction of new oil revenue sharing rules, which emphasized the national redistribution of the revenues as distinct from their allocation on the basis of regional or state derivation. From one-third of the value of all Nigerian exports in 1966, oil revenues expanded dramatically to provide 90 percent of export earnings and 80 percent of public revenues by the mid-1970s. Output of commercial agriculture, on the other hand, fell precipitously over the same period, leading eventually to the virtual disappearance of Nigeria's traditional agricultural commodities from the export list. While it has produced dramatic increases in federal statutory transfers to the states and localities; Nigeria's oil-driven revenue sharing system has increased the fiscal dependency of the subnational governments; discouraged the mobilization of internally generated revenues (IGRs); undermined fiscal transparency and accountability at all levels of the federal system; inhibited effective public economic planning (owing to the volatility of the oil revenues); and fuelled a sense of deprivation in the minority-populated, oil-rich Niger Delta, "from which much has been taken but little has been returned, except environmental disaster, economic destitution, and political repression" (Diamond, 2001).

Indeed, the peoples of the Niger Delta are in the forefront of current, southern-based, agitations for the restructuring of Nigerian federalism to promote a more economically and politically decentralized governance framework. Some of the more radical proposals for restructuring Nigerian federalism include the abandonment of the centrist executive presidential system and the return to parliamentary rule, the promotion of effective political decentralization via the consolidation of the 36 Nigerian states into fewer (6-18) and bigger federating units, the decentralization of the current unitary police force, the entrenchment of a constitutional right to ethnic self-determination and secession, and the transfer of control over natural resources from the center to subnational regions, states or communities (PRONACO, 2007). Yet, such mega-constitutional proposals not only lack the broad federation-wide support necessary to achieve change under the country's current 1999 Constitution, but also are likely to undermine much of the progress that Nigeria has made in containing national disintegration since the civil war. Consequently, a more viable decentralization reform strategy could focus on promoting the effectiveness, efficiency, accountability and transparency of current states and LGs as potentially viable instruments for the achievement of the country's triple national goals of intergroup unity, democratic stability and economic development.

Indeed, promoting the accountability and transparency of decentralized institutions is one of Nigeria's biggest contemporary governance challenges. The most spectacular cases of corruption in Nigeria since 1999 have involved the state governors, leading to the indictment or investigation of at least 31 governors by the country's anti-corruption agencies between 1999 and 2007. LGs have been similarly implicated in this syndrome of decentralized corruption, including several credible reports of misappropriations of federal statutory allocations to LGs, inflated or fictitious construction contract awards, reckless extra-budgetary spending, the diversion or theft of user fees and other internally collected revenues and the manipulation and politicization of staff recruitment. A particularly perverse aspect of the culture of corruption and patronage is the bloated structure of Nigeria's LG bureaucracies, many of which have at least twice the number of personnel they actually require to perform their functions. In essence, as confirmed by the head of personnel of one of the LGs visited during this assessment, the appointments of persons into sinecures in the LG service is competing with the actual delivery of LG services as the major public obligation or function of local authorities.

2.0 INTERMEDIATE OBJECTIVES

2.1 AUTHORITY

Nigeria's current 1999 Constitution divides governmental powers between federal, state and local authorities. The federal government exercises authority over an extensive, 68-item exclusive legislative list, while the states have authority for some 30 matters listed under the concurrent list of the Constitution, as well as for residual subjects (matters not enumerated in the exclusive and concurrent lists). Among the functions on which the federal government legislates to the exclusion of the subnational states are such conventional central government functions as defense, foreign affairs, currency and immigration, as well as less commonly centralized functions like the police, prisons, public holidays and the administration of elections into executive and legislature positions at the state level. Although Nigeria's federal-state division of powers is often denounced by political and civil society actors as unduly centralized, the country's states actually enjoy considerable *de jure* and *de facto* authority.

2.1.1 STATE GOVERNMENT AUTHORITY

Nigeria's state governments are among the most politically powerful sub-national actors in Africa. The Nigerian states formal concurrent powers have enabled the sub-national actors to undertake extensive activities in education, health, agriculture, infrastructure development and the administration of law and justice. Secondary education is substantially undertaken at the state level in Nigeria, while a majority of the Nigerian states now have their own universities, among other tertiary educational institutions. State involvement in the provision of secondary (general hospitals) and tertiary (research hospitals) health services is also extensive and expanding. Indeed, according to a recent estimate, state governments alone accounted for about 53 percent of total public spending on education and 51 percent of total public spending on health from 2003 to 2007 (Nigerian Tribune, February 25, 2010). Similarly, while Nigeria operates a unified legal structure with the federal Supreme Court at the apex, the states courts (magistrates, customary, Islamic and high courts) are the basic primary agencies for the administration of justice in the country.

What is more, the states have capitalized on the ambiguity in the constitutional division of powers to expand the scope of their authority. A classic example involves the jurisdiction of the State Sharia Court of Appeal, which has been formally expanded controversially in the Muslim north from the domain of personal status issues into penal matters. An even more important example of the expansion of the powers of the states involves their extensive intervention in the administration of local government, which is formally designed as the third tier of the Nigerian federal administrative system.

Indeed, the Nigerian Constitution not only guarantees a system of democratically elected local councils, but also mandates the allocation of centrally collected revenues to the localities, while devoting an entire schedule (the fourth schedule of the basic document) to the enumeration of

LG functions, including the collection of rates and licenses; the provision of social welfare to the infirm; the establishment of markets and motor parks; the construction, maintenance, naming and numbering of roads; the provision of sewages and refuse disposal; the registration of births and deaths; and (concurrently with the state governments) the provision and maintenance of educational, health and agricultural services. In practice, however, Nigeria operates a two-tier authority structure involving the extensive decentralization of powers and resources from the federal to the state level, with the putatively autonomous LGs operating largely as appendages of the states. The transformation of Nigeria's formal three-tier federal design into a *de facto* two-level intergovernmental authority structure implicates a combination of constitutional, historical, political and fiscal factors.

The Nigerian Constitution guarantees a system of democratically elected LG councils, but also gives the states the statutory authority to provide for the establishment, structure, composition, functioning and financing of such councils. In particular, the Constitution provides for the allocation "to the states, for the benefit of their [respective] local government councils," of any amount standing to the credit of local government councils in the Federation Account or national intergovernmental distributable financial pool. In essence, the state governments have effectively encroached on the authority of the localities in several ways, including diversion of federal revenue transfers to the localities, the takeover of autonomous sources of local revenues, the manipulation of local elections and the close regulation or supervision of LG functions. Perhaps, the major area of local governance that has been largely shielded from state intervention involves the reorganization of local government areas (LGAs). This is because the Nigerian Constitution codifies the federation's current 774 localities in the document's first schedule, while giving the National Assembly the authority to ratify any new localities that may be created by the states in accordance with the procedures enumerated in section 8 (3) of the Constitution. Even then, between 1999 and 2003, Ebonyi, Katsina, Niger, Nasarawa and Lagos states established new LGAs that were never ratified by the National Assembly. These states reverted to the constitutionally specified LG structure only after former President Olusegun Obasanjo suspended the transfer of IGRs to the affected states. Thereafter, the states redesignated the newly created localities as development area councils. In Lagos, however, the so-called local development area councils (LCDAs) have operated as full-fledged localities in all but name.

Essentially, the current absorption of localities by the states represents a major political backlash against the efforts of successive military administrations, since the 1976 LG reform and under the 1989 Constitution, to establish a uniform, centrally coordinated system of local government in the country. Such a uniform system of local government was often denounced as an attempt by the military to undermine the autonomy of the states from below and therefore, as a vehicle of political centralization, rather than decentralization. The current federal-state constitutional conflict over the status of localities as well as the effective political submerging of the localities by the states represents a riposte to what is often regarded as the military's exploitation of the rhetoric of LG reform to undermine Nigerian federalism. This is similar to the experience of Pakistan, another unstable Third World federation with a history of extended authoritarian rule, where military regimes sought repeatedly to weaken provincial politicians through the decentralization of functions to district authorities.

Politically, the opportunities for political patronage at the local level have been too enormous for the state governors to ignore. These include the hundreds of chairmanship and councillorship positions in each state, high-profile employments within the LG bureaucracy and the control of the 20 percent of federal revenues statutorily assigned to the localities. The federal revenue allocations to the localities, in particular, have been a major inducement for state intrusion into the administration and functioning of localities.

2.1.2 LOCAL GOVERNMENT AUTHORITY

In essence, this field study confirmed the conclusion of the Nigeria Desk Study regarding the diminished status of local government under the current constitutional and political dispensation (Wunsch and Olowu, 2010). Undoubtedly, LGs—aside from enjoying a formal access to centrally collected oil revenues under the federal revenue sharing system—continue to play important roles in several public policy areas. This includes the administration of basic education, provision of primary healthcare, collection of rates and levies, execution of their own budgets and expenditures, recruitment and deployment of junior-level or non-managerial LG personnel and construction and management of markets and local roads. Yet, these functions are exercised by the LGs effectively as delegated powers from the states. LGs exercise little or no control over their statutory shares of federal revenues, have no "autonomous tax rate or license fee imposing powers," enjoy very limited authority over their staffing policies and face increasing regulation or intervention from state governments in the provision or administration of local functions like primary education and healthcare (Achara, 2003, p. 241; Wunsch and Olowu, 2010). Despite its explicit codification of the territorial, fiscal and functional parameters of the localities, it is apparent that— as between the states and LGs—the 1999 Constitution "manifests a pseudo-unitary structure by which all state power resides with the state government, which is however enjoined to delegate some of it to the Local Government Councils" (Achara, 2003, p. 231).

The current Nigerian intergovernmental authority structure, therefore, covers the gamut from contractual non-centralization[1] or federalism (Elazar, 1987, p. 34) through devolution to deconcentration. Nigeria's federal-state relations are characterized by both contractual non-centralization (in which the states enjoy absolute, constitutionally guaranteed, autonomy to design and deliver their own public policies, sometimes in flagrant opposition to the center) and devolution, in which the state governments have considerable autonomy to domesticate, administer or implement governmental programs within an integrated national federal framework. Nigeria's state-local relations are designed, similarly, to promote democratic or devolutionary decentralization, with the LGs implementing policies defined by themselves, and/or in partnership with, the states. In practice, state-local relations in Nigeria have metamorphosed into a form of deconcentration, in which the localities have been reduced into administrative agents and political appendages of the state governments, in general, and the governors, in particular.

It is important to also note that both federal and state levels of government have systems of administration outside their headquarters (referred to as field administration). It would seem that formal LG organs have been reduced to an additional layer of field administration rather than the original plan of making them function as virile systems of LG that constituted Nigeria's third tier

[1] Contractual non-centralization, as distinct from mere decentralization, is often regarded as the defining feature of federalism. This is because the distribution of power in a federation is codified and entrenched in a constitutional contract or compact, which cannot be unilaterally altered by either the federal or constituent governments. In many decentralized arrangements, on the other hand, lower levels of government derive their powers from a central government, whose authority to decentralize also includes the ability to recentralize power.

of government. For instance, the federal secretariats as well as federal offices in all the 36 states serve as field administrations for the federal government, while the states have their own field administration offices in their respective urban and rural communities.

2.2 AUTONOMY

Nigerian states, to reiterate, enjoy considerable political autonomy vis-à-vis the center. Although they do not have independent constitutions or police departments of their own and are governed by a national Constitution that enables the federal government to participate in virtually all areas of public policy, the Nigerian states are independent and prominent actors in the politics and government of Nigeria. Indeed, the states (and their localities) currently account for approximately half of public expenditures in the country. Specifically, reflecting the extensive decentralization of fiscal resources and functional responsibilities that followed the transition from military to civilian rule in 1999, the share of subnational spending in the consolidated public spending increased from about 23 percent in 1999 to about 46 percent in 2005. Indeed, states and LGs, on the average, accounted for 52 percent of total annual public spending during the second term of President Obasanjo's civilian administration from 2003 to 2007 (Nigerian Tribune, February 25, 2010). At the same time, the state governors have become key drivers and players in national politics, with two of Nigeria's three presidents since the restoration of civilian rule in 1979 being former state governors. However, while the localities are in theory an independent level of government, in practice they have operated mainly as administrative agents and political instruments of the state governments. This is different from their status in the years of military rule (1976-1993).

A major difference between federal-state and state-local relations in Nigeria involves the divergent patterns of control over political and professional personnel. Elections into state executive and legislative positions are administered by a federal agency, just as a state-established commission undertakes local elections. However, the Independent National Electoral Commission (INEC), although widely criticized for the increasing mismanagement and corruption of national and state elections since 1999, is arguably a relatively more credible umpire than the State Independent Electoral Commission (SIEC), whose elections have been uniformly notorious for producing monolithic control of elective positions in the localities in each state by the party of the governor.

More important, while the state governments have complete autonomy over the staffing of their bureaucracies, the senior personnel (levels 07 and above) of LGs are recruited, disciplined, promoted and deployed by a state-established agency known as the Local Government Service Commission (LGSC). As originally conceived under the 1976 LG reform, the LGSC was to function as an autonomous service agency, acting collectively on behalf of all the localities in each state to support the development and deployment of high-level personnel at the local level. In practice, however, while the LGSC continues to play a key role in the development and training of professional manpower at the local level, the commission has also become an instrument for state government regulation and political control of LG's senior personnel. In essence, the more senior civil servants of the localities are loyal and accountable to the state government, rather than to the LG.

2.2.1 FINANCIAL AUTONOMY: STATE GOVERNMENTS

Nigeria's constituent state and local subnational actors also enjoy dramatically different degrees of financial autonomy. This is in spite of the fact that the federal, state and local levels of government in Nigeria are all overwhelmingly funded centrally from the Federation Account, which is the repository for all major centrally collected revenues, including oil rents, royalties and profits (responsible for 90 percent of the nation's revenues). However, while they enjoy extensive and secure access to Federation Account transfers, the Nigerian states have been heavily regulated and manipulated by the constitutionally mandated allocations to their respective localities from the Federation Account. What is more, while they continue to enjoy exclusive authority to collect and spend personal income tax under a uniform national law, the states have increasingly encroached on such traditionally local sources of revenue as tenement, property and signage rates.

Currently, revenues in the Federation Account are distributed vertically in the proportions of 48.50 percent, 26.72 percent, 20.60 percent and 4.18 percent to the federal government, states, localities, and centrally controlled special funds, respectively. Horizontally, the Federation Account revenues devolved to the sub-federal governments are respectively shared among the states and among the localities on the basis of the following indices and percentage weights: equality (equal shares to each state or locality designated in the federal constitution), 40 percent; population, 30 percent; social development needs, 10 percent; land mass and terrain, 10 percent; and internal revenue generation effort, 10 percent. In practice, because of the deductions that the federal government continues to make from centrally collected revenues before sharing the funds in accordance with the vertical inter-tier sharing formula, the sub-national actors do not always get their full fiscal entitlements under the revenue-sharing formula. Nonetheless, owing partly to successful judicial challenges mounted by the states since the return of civilian rule against arbitrary federal deductions from the Federation Account, the state governments have seen a phenomenal expansion in their actual shares of the Federation Account since 1999.

2.2.2 FINANCIAL AUTONOMY: LOCAL GOVERNMENTS

However, while the states can be said to enjoy relatively secure access to their statutory shares of the Federation Account, the same cannot be said of the LGs, whose statutory shares of the Account have been relentlessly raided—mainly by the state governments. Section 162 (5) of the 1999 Constitution provides a perfect pretext for such encroachment by providing that 'any amount standing to the credit of LG councils in the Federation Account shall be allocated to the states for the benefit of their LG councils on such terms and in such manner as may be prescribed by the National Assembly.' Indeed, the major mechanism of state control of federal statutory transfers to the localities is the constitutionally mandated State Joint Local Government Account (SJLGA), which each state is required to maintain as the repository for all federal and state allocations to the localities of the state. The SJLGA Committee, which is headed by the state commissioner for local government (a political appointee of the state governor) and comprises the LG chairmen, meets monthly to disburse federal transfers to the localities. As currently practiced, this 'joint account system' has enabled the states to deduct and divert LG revenues at will.

The deductions that the state governments regularly make from federal revenue allocations to the localities are devoted to the salaries and pensions of primary school teachers, members of the unified LG service (a considerable number of whom have been recruited for, or deployed to, the localities by the states), and traditional rulers; and to a dedicated fund, amounting to one percent of federal statutory allocations to the localities, for the training of LG personnel. In addition, the state and (to a lesser extent) the federal governments have appropriated LG revenues for the equipment of the police, the construction of health centers and the funding of so-called state-local joint projects in housing, infrastructure improvements and water and sanitation. At the same time, although they are required by a national law to contribute 10 percent of their IGRs to LGs, no state governments have made such contributions in a consistent manner. Findings from our fieldwork indicate that of the three states, only Delta State government included the 10 percent contribution in its LG law. According to Section 9 of the Delta State Local Government law, "Local Government Councils shall be entitled to a minimum of 10 percent of internally generated revenue accruing to the state from time to time, which shall be credited into the State Joint Local Government Account." In Lagos State, on the other hand, state officials on federalist or state autonomy grounds questioned the appropriateness of federal legislation requiring the states to use a specific proportion of their internally generated revenues to fund the localities.

In a bold attempt to check the diversion of LG statutory revenues by the states, the federal government in 2005 passed the "Monitoring of Revenue Allocation to Local Governments Act." Under the Act, a state government encroaching on federal and state grants due to is localities would have its Federation Account allocations appropriately deducted and credited to the affected local council(s), while a functionary involved in such violation would be "liable on conviction to a fine twice the amount [involved] or imprisonment for a term of five years or to both such fine and imprisonment." However, the Abia, Delta, and Lagos State governments successfully challenged the constitutionality of this Act at the Supreme Court. Among other conclusions, the Supreme Court opined that the Act had encroached on the powers of the states to regulate the distribution of federal and state allocations standing to the credit of their localities, and unconstitutionally conferred on the federal government oversight functions over local administrations within the states (Suberu, 2008).

A further constraint on the financial autonomy of the localities involves the imposition of a ceiling on the expenditures that a LG can make without reference to the state directorate/Ministry of Local Government and/or the state governor. While no such ceiling apparently exists in Delta, in Sokoto it is one million Naira, while in Lagos it is five million Naira. In addition, LG expenditures and spending patterns are subject to external audit by a state-appointed Auditor-General for Local Governments, who reports to the Public Finance Committee of the State House of Assembly. The states, on the other hand, have no such external constraints on their administrative and financial autonomy, and have successfully resisted such federal initiatives to regulate sub-national spending like the excess crude account and the Fiscal Responsibility Bill. Furthermore, the state governments have mounted legal challenges against the activities of the national anti-corruption and economic crimes commissions, which have been prominent in the investigation of malfeasance at the sub-national level. Although the Supreme Court has upheld their constitutionality, these anti-corruption bodies, owing largely to their appointments and funding by the federal political executive, have become increasingly ineffective and compromised in their ability to check political corruption at the national and sub-national levels.

2.2.3 FINANCIAL AUTONOMY: FAILURES OF THE NIGERIAN SYSTEM

In essence, the Nigerian intergovernmental structure is one in which the sub-national state governments enjoy considerable resources to administer decentralized responsibilities via both the statutory allocations to the states and their control of federal statutory transfers to the localities. Nonetheless, the formal allocation of over 50 percent of Federation Account revenues to the federal government, which also enjoys additional fiscal resources through various extra-constitutional and non-statutory deductions from the Account, has provoked public criticisms from sub-national governments regarding the perceived fiscal overcentralization of the Nigerian federation. Indeed, the sub-national governments have repeatedly complained of inadequate resources to implement their extensive service delivery responsibilities, and have sought a further decentralization of the current federal revenue sharing formula. Yet, with the formal allocation of substantial amounts of Federation Account revenues to sub-national state and local governments, and the considerable amounts of public expenditures being undertaken at the sub-national level, the strictures regarding Nigeria's fiscal overcentralization seem incredible. Indeed, the major challenge of fiscal decentralization in Nigeria is not inadequacy of resources to cover decentralized responsibilities per se, but the overwhelming dependence of sub-national governments on Federation Account revenues and the concomitant insignificance of sub-national own revenues, as well as the absence of effective mechanisms to ensure the efficiency, transparency and accountability of sub-national fiscal operations.

2.3 ELECTORAL ACCOUNTABILITY: POWER AND PARTISAN POLITICS

Nigeria's decentralized federation currently faces a monumental crisis of political accountability arising from the massive manipulation and maladministration of electoral processes at national and sub-national levels. The period since the transition to civilian rule in 1999 has witnessed the increasing degradation and corruption of elections into executive and legislative positions at federal, state and local levels. Reflecting this failure of electoral accountability, Nigeria's major political parties lack internal democracy, vibrant programmatic agendas, or robust links with civil society and local electorates. Rather, political godfathers, or powerful political patrons who manipulate their clients into political offices in return for control over the allocation of the nation's economic resources, now heavily dominate the political system. Accordingly, the country's major political parties are distinguished less by their programs, than by their control by different ethnic, regional, state or local factions of Nigeria's patronage-oriented (rather than public policy-promoting) political class.

The absence of electoral accountability has produced a powerful tendency toward one-party dominance at national and sub-national levels. This is because, once in power, the political parties are able to use their control of political patronage to manipulate electoral processes, marginalize the political opposition, and disenfranchise the local electorate. Thus, the ruling People's Democratic Party (PDP) not only controls the presidency, but more than two-thirds of the federal legislature as well as 28 of the country's 36 state governments. The eight non-PDP states are Borno, Kano and Yobe (controlled by the All Nigeria's Peoples Party [ANPP]), Abia and Anambra (All Progressive Grand Alliance [APGA]), Lagos and Edo (Action Congress [AC]), and Ondo (Labor Party). Indeed, there is considerable pressure for the non-PDP state governments to defect from the political opposition to the ruling party, as evidenced in the 2009 joining of the PDP by the non-PDP governors of Bauchi and Zamfara (ANPP) and Imo (Progressive People's Alliance [PPA]) States. This is in order to guarantee the partisan support of the PDP federal presidency, which controls the machinery of electoral administration at federal and state levels, including the INEC (which conducts both federal and state government elections), the police and security services, the federal judiciary and, most important, the oil-fuelled federal political and economic patronage system.

Owing to the flagrant manipulation of LG elections by state government-controlled SIEC, the absence of electoral accountability and genuine political pluralism is worse at the local level than at the sub-national state level in Nigeria. Indeed, the major state opposition parties boycotted recent LG elections in Delta, Lagos, and Sokoto, leading to the complete domination of chairmanship and councillorship elections in these states by the dominant parties, PDP, AC and PDP, respectively. For instance, despite the relatively strong political presence of the Democratic People's Party (DPP) and ANPP in Sokoto, all 23 LG chairs and 244 councillorships are currently occupied by the PDP. When the ANPP was in power in Sokoto between 1999 and 2007, it conducted local elections that produced a similarly monolithic control of elective positions at the local level by the ANPP.

2.3.1 INTERGOVERNMENTAL FISCAL ACCOUNTABILITY

Electoral corruption at the subnational level in Nigeria reinforces, and is reinforced by, the absence of effective mechanisms of fiscal accountability. Despite the overwhelming dependence of the subnational state and local governments on statutory federal transfers, the federal government in Nigeria lacks any mechanism to monitor or control subnational government spending. This is largely because such transfers are not conditional or performance-based grants but constitutionally mandated, statutorily codified, and thus politically automatic allocations. Indeed, as already indicated, major federal initiatives by the center to regulate or increase the quality of public spending have become increasingly ineffective. The measures include the establishments of the Independent Corrupt Practices Commission (ICPC), Economic and Financial Crimes Commission (EFCC), Nigeria Extractive Industry Transparency Initiative ([NEIT] designed to promote the reporting and disclosure of all revenues paid or payable to government by oil companies), Excess Crude Oil Account (into which was saved windfall oil revenues above a predetermined budgetary benchmark), Fiscal Responsibility Act (designed to promote budgetary discipline) and Public Procurement Act. In essence, because Nigerian states and local governments are systematically sustained by regular infusions of centrally disbursed but unconditional oil revenue transfers, a hard budget constraint on subnational governments effectively does not exist in the country. With approximately half of public expenditures undertaken at the sub-national level, the absence of such a constraint creates a real danger that unrestrained state and local spending might undermine national government's macroeconomic management.

Indeed, the states launched intensive legal challenges against the constitutionality of the ICPC and EFCC. They have also challenged the constitutionality of the Excess Crude Account, repeatedly pressuring the federal government into releasing monies from the Account. The states opposed a nationwide Fiscal Responsibility Act, leading ultimately to a compromise agreement to limit the mandate of the Federal Fiscal Responsibility Act to the federal government only, while the states would pass their own separate Fiscal Responsibility and Public Procurement Acts. However, by September 2009, only 11 and 12 states, respectively, had domesticated the Fiscal Responsibility and Public Procurement Acts. The 10 states that had passed both laws were Abia, Bauchi, Cross River, Delta, Ebonyi, Gombe, Kaduna, Kogi, Ondo and Osun States. Kwara had passed the Fiscal Responsibility Act only, while Kano and Rivers enacted only the Public Procurement Law. Yet, actual implementation of both laws has been poor at the level of the federal government, and among those states that have passed the law. For instance, indiscriminate withdrawal of funds from the Excess Crude Account for the benefit of the three levels of government, in violation of the Fiscal Responsibility Act, led to the plummeting of the

Account from $20 billion in January 2009 to only $3.4 billion by August 2010. As claimed by one civil society activist, both the federal and state governments 'are paying lip service to [Fiscal Responsibility and Public Procurement] because they know that such laws will not allow them to continue to dip their hands in the public till with reckless abandon.'

A potentially stronger mechanism of intergovernmental fiscal accountability involves the statutory responsibilities of the Auditor-General of Local Government Accounts and the State House of Assembly Public Accounts Committee to scrutinize the financial operations of LGs. However, there is strong evidence to support the conclusion that these potential mechanisms of state oversight of LG fiscal operations have been largely ineffective and/or over-politicized. While it has conducted and published regular audits of the local councils, for instance, the Lagos State office of the Auditor-General of Local Governments has been unable to get the State House of Assembly Public Accounts Committee to act on its reports, which have pointed to numerous irregularities and discrepancies in the financial activities of the localities. The offices of Auditor-General of Local Governments in Delta and Sokoto States were even less effective or transparent than their counterpart in Lagos.

2.3.2 ADMINISTRATIVE ACCOUNTABILITY: FEDERAL FAILURE AND STATE ABUSE

Administrative accountability of the state to the federal government under the current civilian dispensation is very weak, while administrative coordination of the localities by the states is extremely strong. The major arenas of administrative relationship and coordination between the federal and sub-national governments have involved the crystallization of a conditional grants system in the areas of basic education, health care delivery, and the achievement of the Millennium Development Goals (MDGs). Under the Universal Basic Education Commission (UBEC) Act, for instance, the federal government provides funds to support the provision of infrastructure, instructional materials and staff training at primary and junior secondary levels. State governments can only access this fund when they provide a counterpart fund though their respective State Universal Basic Education Board (SUBEB), which has become the primary agency for the administration of basic education in each state of the federation. To continue to access UBEC funds, SUBEB must meet various reporting and related requirements designed by the federal government to ensure the effective utilization of the funds. More recently, UBEC has resorted to the use of portions of its grants to provide instructional materials and training programs directly to the states. As things stand now, the provision of primary education in Nigeria involves complex intergovernmental relationships, with the federal government providing general policy leadership and grants-in-aid, and the states assuming direct responsibility for administration of primary education through SUBEB, while the LGs fund the salaries of teachers and provide supportive interventions. A similar intergovernmental arrangement is developing with respect to health service delivery, with the establishment of the National Primary Healthcare Commission, which is replicated at the state level through the various state primary healthcare agencies or boards, while the localities assume responsibility for the maintenance of primary healthcare centers.

While the administrative relationship between the federal and sub-national (especially state) governments is largely cooperative and collaborative, the state-local relationships remain mainly coercive and manipulative. This is evident in the aforementioned roles of state-established institutions like the State Joint Local Government Account, the Local Government Service Commission (LGSC), and the Ministry or Directorate of Local Government/ Chieftaincy Affairs.

While the state institutions have weak accountability structures, civil society organs have been relatively more active in demanding accountability. This is evident in the education projects of the Sokoto State that are monitored by CSOs and CBOs. Similar trends were documented in the two other case study states (see the section on civil society institutional arena).

2.4 CAPACITY

The federal, state and local governments have the technical, financial and administrative capacity but lack the political will, commitment and indeed inclination to pursue service delivery objectives given the constraints from the political economy.

Indeed, the 1976 Local Government Reforms document, and subsequent constitutional provisions in 1979 and 1999, stressed that the powers devolved to LG councils should give them "substantial control over local affairs as well as the staff and institutional and financial powers to initiate and direct the provision of services and to determine and implement projects so as to complement the activities of the State and Federal Governments in their areas, and to ensure, through devolution of functions to these councils and through the active participation of the people and their traditional institutions, that local initiative and response to local needs and conditions are maximized."

To achieve the above, the revenue allocation formula was designed to ensure that they had the staff or personnel to properly utilize the allocated funds, arrangements were made to train LG staff at the three LG training centers at the University of Nigeria, Nsukka (East), Ahmadu Bello University, Zaria (North) and University of Ife (now Obafemi Awolowo University, Ile-Ife) with federal funds. There was also a phased transfer of state to local government functions with corresponding transfer of personnel to local governments over a three-year period (1976-1979). All of these further enhanced the quantity and quality of LG personnel throughout the country. However, with the hijacking of functions of LGs, the monthly deductions from LG share of the SJLGA and the conversion of LG staff to state government staff (but paid with LG funds), there has been a steady decline of LG capacity over the years to the extent that they are now unable to fulfill the objectives for which they were established. Given the hostility of state governments to autonomous local governments and the lack of political will and clout by the federal government to call the state governments to order, the goals of devolutionary decentralization have been lost.

Thus, out of the three fieldwork states, it is only the Lagos State government and her local governments that still have the capacity to improve the quality of the life of the people at the grassroots by addressing social needs and improving basic public services with revenues derived from (mainly property) taxation. In other words, they do not rely exclusively on federal transfers.

Indeed the large infusions of cash from the Federation Account have undermined the capacity of the federal and most local governments (outside of Lagos State) to mobilize revenues from other sources. It is also useful to stress that out of the three fieldwork states, it is only in Lagos State that serious attention is still paid to 'citizen participation in governance', 'local initiative' and 'response to local needs and conditions'. This point is articulated in some detail elsewhere in this report in Section 3.5 and Appendix D. This evidence points to the fact that stronger local government IGR might actually stimulate the fiduciary contract between governors and the governed which can thus leverage local capacity.

The Lagos State Law (still under review and hence not available to the team) is presumably structured like those of Delta and Sokoto. However, Lagos State and its local governments are still able to provide services to the people due to the coexistence of a number of factors, leveraged by independent financing. Such factors might include the siege mentality of the state government (as demographically and economically strategic, opposition controlled, state), the ideological focus of the party in control of the state, an apparent partnership between the government and the people and of much importance, the quality of the political and bureaucratic leadership in the state in general and the governor in particular (Olowu, 1990; Olurode et al., 2010).

Generally, it can be affirmed that the large infusions of cash from the Federation Account have undermined the capacity of the federal, state and local governments to mobilize revenues from other sources. Comparatively, LGs are the most shortchanged because the states, as already noted, tend to encroach on LGs' potentially lucrative revenue sources (e.g., tenement rates).

Moreover, though federal, state and local governments can recruit scarce skills to fill vacancies, they are all impaired by institutional constraints such as the large number of persons already in their employment that are not actually required but cannot be removed; and the lack of commitment to meritocracy in recruitment and staff development because of the overarching commitment to regional or ethnic balancing and political party considerations (Olowu and Erero, 2009).

3.0 POLITICAL ECONOMY

3.1 POLITICAL INCENTIVES AND CONSTRAINTS: PROPONENTS AND OPPONENTS

The dominant discourse in Nigeria is about the allocation and sharing of oil revenues. Instead of a concerted effort to identify how to diversify revenue sources and ensure that the available resources are effectively and efficiently utilized, all levels of government worry perennially about their shares from the Federation Account. For instance, the Chairman of Warri South West Local Government Area of Delta State, Chief George Ekpemupolo, called for an upward review of revenue sharing formula in favor of local governments while also appealing to the Delta State government led by Dr. Emmanuel Udughan to help the local governments in the state bear the cost of teachers' salaries. Specifically he is alleged to have said that 33 percent of the local government's share from the Federation Account was deducted monthly and at source to pay primary teachers' salaries while a larger chunk was used to pay council workers salaries. Our calculations from Delta State showed that LGs in the state received only about 54 percent of their total allocations under the federal revenue-sharing system (see Appendix C). With these and other deductions at source, the LGs are left with too little to fulfill their electoral promises as well as embark on meaningful development programs. We heard a similar complaint from the Chairman of Aniocha North Local government Area, Chief Jaunty Mike Okwudi who was vehement in his critique of the current arrangements. For him, LGs are a mere charade. In Lagos State, the situation is almost the same except that LGs are fully aware of what the money deducted was being used for and there is clear evidence of development on the ground. State officials informed us that LGs in the state even voluntarily asked the state government to take over some functions like refuse collection in order to take advantage of economies of scale. None of the LG chairmen or the council managers of the LCDAs we interviewed in the state complained or took a different position.

Some explanatory variables for the relative success of the Lagos experience might include:

1. The transparent and effective leadership of the state governor, Mr. Babatunde Fashola and his predecessor;
2. The siege mentality in Lagos State;
3. The need to win elections through performance in a metropolitan complex with high levels of active voters/citizens that are demanding of their leaders;
4. The apparent compact between the people and the government, and the linkages between the government and CSOs (Olurode et al., 2010).

The question of what happens if the party (AC) loses the state to the powerful PDP is left to conjecture.

Most LGs treated local government budgets as confidential and refused to make them available. Analysis of the two local governments in Delta that made their budgets available shows that federal allocations comprised between 90-99.5 percent of the LG's revenues while IGR was about 0.5 percent of total revenue. State governments made some funds available in one of the years (2009 but not 2008). Expenditure patterns indicated that recurrent expenditures comprised mainly of personnel overhead costs represented over 80 percent of LG's total expenditure, with capital expenditures comprising less than 20 percent. Since capital expenditure is used for executing development projects in the LG, the above analysis indicates that the bulk of LG expenditure is spent on recurrent expenditures—mostly personnel costs that claim between 50-60 percent of all LG expenditures—rather than essential service equipment on new projects that would benefit the people.

3.2 THE DECENTRALIZATION SEQUENCE

The adoption of a federal system in Nigeria in 1954 involved the incremental devolution by the British colonial authorities of administrative, fiscal and then political responsibilities to the regions. However, the establishment of the localities as the third tier of the federal system under the post-colonial military regime is an example of a more comprehensive approach to decentralization. All elements of local government decentralization—functional, fiscal and political—were initiated in one fell swoop in 1976. Efforts since then focused on enhancing this big-bang approach to policymaking. While fiscal decentralization has been relatively successful in incorporating localities into the federal revenue distribution system, serious encroachments have been made on functional and political decentralization to the point that what exists today might pass for deconcentration as already explained in this report.

3.3 INSTITUTIONAL ARENAS: THE NATIONAL ARENA

A functional state is expected to manifest both *competence* in terms of basic capacities and *commitment* on the part of its leaders to the principles of good governance—rule of law, equity, transparency, accountability and participation. The decision by Nigeria's military leaders to pursue devolutionary decentralization in 1975 was designed to enhance both the capacity and commitment of the national state for good or better governance. After ruling the country for 13 years—during which time a terrible civil war was fought (1967-1970), about one million people lost their lives and the military institution itself was torn apart by continuing coups and counter coups—the military elites sought for a way to retire to the barracks without completely losing face on their promise to be a corrective regime in Nigeria's young democracy. Democratic decentralization, involving full-fledged LGs, was expected to further devolve power beyond the regional/state level of governance to ordinary citizens in their respective communities. It was also supposed to support the system of national intergovernmental resource redistribution (based on the reallocation of centrally collected oil revenues) in which ethnic and regional diversities found expression in a way that enhanced rather than undermined the integrity of the nation-state.

Nigeria's military political elite, shaken by events in the country's recent past, thus saw these reforms as consistent with their program of state reform and national development. The military head of state at that time, General Murtala Mohamed, and his successors-General Olusegun Obasanjo and Deputy Brigadier Shehu Yar' Adua (after his assassination), and all the state governors who were appointed by the national leadership regarded the government's devolution program as one of the nine points in the transition program to civilian democracy. Other elements included creation of more states, relocation of the federal capital, holding of elections for all levels of government, etc. In particular, they involved elements of civil society (including traditional rulers), the media and especially, selected academia in the discussion and articulation of a truly Nigerian local government model. The outcome of these efforts was published in the form of a ‘Guidelines for Local Government Reform in Nigeria’ (Government of Nigeria, 1976). In addition, model laws were also published and three national training centers, located in tertiary institutions in the north (Zaria), southwest (Ile-Ife) and southeast (Nsukka), for LG officials were identified to provide multi-level training on local government matters and bring local government officials to par with national-level officials in the regional centers.

Even if the civil servants did not like these reforms, they could not show it under the military regime that ruled the country until 1979. The reform thus had three years of gestation before the short civilian interregnum popularly dubbed the Second Republic (1979-1983). Support for the decentralization program was sustained during the next round of military rule (1984-1999). This support has been undermined somewhat by civilian rule in the Third Republic (1999-present time).

By the time of our field visit in August 2010, it was frightening to find that several signs of a failed state were evident. There is widespread basic infrastructure decay. Major link roads between Nigeria’s metropolitan centers were severely dilapidated and in some cases so impassable that most travelers opted for expensive air flights for what should have been a few hour road trip by bus/car or trains—e.g., Benin to Lagos. The team had a nightmarish experience traveling between Lagos and Ibadan when a journey of what should have been only one hour took over 5 hours! Moreover, hoodlums and armed gangs operate with ease in different parts of the country, the riverine areas being the most notorious for kidnapping, rape, larceny, etc. and receiving the most media attention. In the areas under federal government exclusive competence, chaos and decay reign supreme. At national and state levels, there were widespread strikes by civil servants, doctors, etc. to apply pressure for salary increases that were already awarded but which governing authorities had failed to pay. In the meantime, many projects were abandoned and huge sums of money were being expended both by government and local governments on impending elections in 2011.

The above points are made to underscore the point that the kind of dogged nationalism and sense of hope that had underpinned the reform of local governments in 1976 - evident even into the early 1990s - has all but vanished under the present national government. Rather, the preoccupation of civilian politicians—at all levels but particularly at national and state levels—is with winning elections which are widely regarded to be rigged under the nose of an ‘independent’ electoral commission that is effectively beholden to the power of incumbency at national and state levels.

3.3.1 OBJECTIVES OF THE NIGERIAN DECENTRALIZATION PROGRAM

The stated goals of the 1976 LG reforms that have been retained up to the present time were mainly two:

1. Use of LGs as the basis for reengineering civilian democracy, starting at the grassroots. In a sense this was based on the colonial model that provided for self-governance first at the local, then the state and ultimately at the national level.
2. The hope that the local government system would be the basis for sharing the nation’s newfound oil wealth resources equitably in order to ensure that every segment of the Nigerian population benefited from the country’s resources.

These two objectives—political and economic—were the main factors articulated in the policy documents on the reform. There might be others of course…e.g., the articulation of a case for a military president, following some Asian experiences, especially under the Babangida administration before he was forced to step aside in 1993.

From what has been written above, it should be clear that decentralization was a part of the government's strategy of regime maintenance but also of regime transformation. This was the consistent plan that was inherited by the military but not so well by the civil administrations in the country.

Basically, it would seem that the civilian national governments have retreated from the concept of a three-tiered federation in which LGs are autonomous entities like the central and state governments, to one in which LGs are seen as a creation of, subject to the whims and caprices of the state government. The heady days of devolution have turned to gradual and growing deconcentration.

It is possible to submit that state as well as civilian politicians—either as ministers or as senior civil servants—saw devolution as a threat to their personal privileges and opportunities for self-enrichment and accumulation rather than as an opportunity to improve the state or benefit the community and have restricted it.

They have achieved this by the following actions:

a) Constitutional Review: Whereas the Local Government Guidelines, the published model law on local government (handed down to military governors at the time) had subscribed to the notion of a three-tier federation (see Adamolekun, 1984, 2008), the 1999 Constitution made the states the overseers of these LGs, thus returning the country to the two-tier model. One can almost wonder at this "déjà vu" as the 'Guidelines' (Government of Nigeria, 1976) on the LG reform made it clear that the states were the villains in the piece responsible for the systematic destruction of LG pre-reform. It is therefore surprising that the authors of the 1999 Constitution simply handed the LGs back to the states. Maybe it should not be surprising given the fact that the body appointed by the military to draft the Constitution came under intensive pressure to restore "true federalism" in Nigeria by bringing the localities under the purview of the states. The evidence that this was the case was obvious in the three states the team visited. Chairmen of local governments in each of the fieldwork states wondered why there was the need for an autonomous local government if they would be completely sidelined by streams of directives and instructions (as well other actions) from the state governments.
b) Unconstitutional Acts: State governments have engaged in a number of unconstitutional acts in the states as far as LG competences are concerned. For instance, all the states have organized special agencies to manage basic health and education that are supposed to be shared responsibilities with LGs. LGs are not involved in the management of these agencies. All they are compelled to do is to provide financial contributions to the maintenance of these services. In Lagos State for instance, refuse disposal has been transferred to a ministry of the state government. In each instance, the reason given for these actions was because the LG was unable to perform the function effectively.
c) Party Structure: PDP is in power in 28 out of 36 states, and in two (Delta and Sokoto) of the three states in which the team conducted interviews. Chairmen of local governments

in these states informed us that where at the national and state levels, the head of the government is always the head of the party, at the local government level, this is not so. LG Chairmen are subservient to former and present commissioners, senate and members of Parliament and a host of other officers including special advisers to governors and ministers, etc.

d) Finance: State governments make a host of deductions from local governments at source before handing over to them the remaining funds. LG officials complained bitterly that what is left is barely enough to pay staff salaries—most of whom are not really needed in the first place—and although they are LG employees, the officials have no ability to dismiss them. Deductions are made for teachers' salaries (LGs are only expected by the Constitution to participate not to fully finance primary education), pensions, payments for traditional rulers and a host of others. A number of governors have been investigated for illegally spending the funds that are expected to have been allocated by the SJLGACs, but never happened to them. Furthermore, the state government is actually collecting some of the tax sources for LGs such as property taxes. Constitutionally, all states are expected to provide allocations to support specific LG functions, but these are often denied. In Lagos State, the state government collects the property tax (a major revenue source) and hands over 80 percent to the LGs.
e) Human Resources Management: Instead of each local government organizing the management of its own personnel matters, the states established LGSCs that were expected to serve as an alternative to an integrated system that joined local government to central government services. What now exists unfortunately is an LGSC that is run as a state agency rather than a service agency for local governments.
f) Administrative Procedures and Structures: LG officials including chairpersons complained of the stream of instructions (emanating regularly from the Ministry of Local Governments, other state ministries, and other advisers and staff of state governments) that take precedence over the priorities of the LGs. In addition, a spate of intergovernmental structures have been created to handle services earlier transferred to LGs—e.g., basic education is run by a state government parastatal (SUBEB) while basic health is also administered from the state headquarters by PHCDAs. These bodies do assist the state governments and LGs but they also make it harder for state officials to support more robust decentralization reforms.

The above developments have led to a situation in which one can confidently assert that the system of devolution driven by the LGR of 1976 has been effectively circumvented and one can almost even speak of a growing deconcentration reasserting itself.

Perhaps the only supporters of devolutionary decentralization today based on the results of the assessment team's interviews are local government chairpersons and other local government officials, the national union of local government employees (NULGE), the association of local governments of Nigeria (ALGON), and other nongovernmental associations that promote institutionalized local government. Other supporters of genuine decentralization are ordinary citizens, business people and a few international organizations operating in areas of interest to them (see the section on donor institutional arenas).

3.4 INSTITUTIONAL ARENAS: THE SUBNATIONAL ARENA

The main incentive for elected executives at the local level is the opportunity local office provides them to create a name for themselves and move to higher levels of responsibility at state or national levels. Several of the politicians presently at the state levels were formerly at the LG level. One of our interviewees, presently an adviser to the state governor, regularly referred to the fact in our interview that he was formerly an LG chair. Another incentive is, of course, the opportunity to have access to federal monies that have increased over time in comparison to sub-national levels of governance.

Finally, there are also incentives connected to the ability to appoint people to LG positions and negotiate contracts. Others might also argue that the opportunities for self-enrichment are another incentive. Local government office provides prospective candidates with a unique opportunity to build their war chest for elections as the promise of higher office provides the promise of greater rewards for the successful candidates. Collusion is indeed possible between state and local government officials and between senior administrative and political leaders in the LG where there are no checks and balances.

3.4.1 INTERGOVERNMENTAL CONFLICTS AND HARMONY

Devolutionary decentralization is clearly prone to conflict, especially between local and state governments. What makes the system particularly difficult is that there are few mechanisms for conflict resolution except the courts. The party system is supposed to facilitate harmonious relationships and this might explain why in all the three states visited local governments were all of the same political hue. This may be due to the fact made earlier that there is no electoral democracy, especially at the LG level in Nigeria, as the governments in power have flagrantly rigged elections at this level.

Furthermore, whereas state governments have been able to use the Supreme Court to challenge the federal government successfully, LGAs are hindered by the Constitution that limits their ability to seek redress only through the basic courts. This has reduced the possibility that courts will play the same role in resolving state-local conflicts that they have played in resolving federal-state conflicts.

3.4.2 SUBNATIONAL LEADERSHIP AND IMPLEMENTATION

Depending on the state and the capacity of the local governments, LGs and sub-national leadership play varying roles in implementation of decentralization. A key matter has been the leadership style of the governors and their willingness to see LGs as either collaborators or contesters for power and resources. For example, in Lagos State where the state chief executive has been able to engage LG chairs effectively as collaborators the implications for service delivery has been immensely positive. This contrasts with the situation in the other two states.

In spite of all that has been said about the systematic disempowerment of LGA chairpersons, they still wield considerable influence - both formally and informally - in promoting the implementation of quality governance at the local level. Formally, they represent their LG in important national and state functions. Even international agencies deal directly with some of them and this is particularly evident in the problem states and communities such as the Niger Delta area (Kersting et al., 2009).

Other actors include the local councilors, particularly members of the council executive who work as the cabinet of the LGA chairperson. Next in line are the senior civil servants who serve as professional heads of departments. In particular, the head of the personnel and the treasurer, who are the two signatories of local government accounts, are also quite influential. In one of the LGAs visited for this assessment, the chairperson indicated that these senior professionals could use their formal and informal linkages with the LGSC and the state government to frustrate the programs and plans of local-level political officeholders.

Finally, in the local community, traditional chiefs, and senior politicians, such as senators or house representative members or house of assembly members, also wield some influence in program implementation both in terms of their informal influence via the political party and their constituency allowances and budgets. Indeed, there were reported cases of some senators constructing primary school buildings with their constituency funds without the knowledge of either SUBEB or LG chairpersons.

3.4.3 LOCAL GOVERNMENT REPRESENTATIVENESS AND DEMOCRACY

LGs are formed in Nigeria based on population sizes. The 1976 reform established 150,000 as the minimum population to create a local government area. With the creation of more LGAs, this minimum population has been reduced to approximately 100,000. However, in Nigeria, given that population has been a highly political matter, it is difficult to ascertain the actual population of the nation as a whole as well as the different units that comprise the nation-state.

The size and relative homogeneity of a LG has created certain governance challenges in Nigeria. First of all, the larger the population size the greater the probability that local governments units are heterogeneous and do not reflect the homogenous character of the basic communities in Nigeria. To address this issue, a number of states, of which Lagos is particularly well known, have created new local bodies in addition to those established under the Constitution or recognized for revenue allocation purposes by the federal government.

A second issue is related to the location of LG headquarters. In LGs with multiple and contending heterogeneous community groups, the location of headquarters in one part of the LGA instead of another has led to considerable bloodshed and violence as in Warri in Delta, Modakeke in Osun, and Jos in Plateau States.

Finally, there is also the issue of some LGAs falling into oil-producing areas whereas others do not. The former tend to have access to greater resources, including so-called ‘excess crude oil’ funds, than those not in oil areas (This was an important explanation for the variation in LG allocation in Delta State (see Appendix C).

3.4.4 DECENTRALIZATION AND LOCAL ELITE CAPTURE

Contrary to the prevailing view that the executive chairman model that had been adopted in Nigeria could lead to easy capture of local governments by the chairmen, in actuality, these officials complained that they are hemmed in by their political colleagues who run the council parallel to them. The main function of the chairpersons is to chair executive meetings of the council, while the day-to-day administration of local government is undertaken by state-appointed LG senior officials (especially the head of personnel management and treasurer) who are the signatories to the LG account. Traditional rulers also exercise some informal powers in the LG but not to completely capture the LGA.

3.4.5 DECENTRALIZATION LEVELS

Nigeria has only one tier of local government. As earlier noted, a few states have recognized[2] community government structures below the level of local government. It seems that all three states visited by the team had sub-local government entities, especially community development areas (CDAs). The manner in which these CDAs function differs from state to state. Generally, however, LGs are the ones entitled to the federal transfers on which Nigerian decentralization heavily depends. Where they work well, LGs and CDAs can and do complement one another's efforts.

The impression from the team's visits to Delta, Lagos and Sokoto States was that the LGA system was most successful in Lagos, least effective in Sokoto, and somewhere in-between in Delta. Important explanatory variables would include capacity, state-level political leadership, and citizens and civil society ability to hold their governors accountable.

3.5 INSTITUTIONAL ARENA: THE CIVIL SOCIETY

Civil society groups abound in Nigeria and have wide and diverse interests including developmental, social, political, communal, ethnic and religious functions. While politics and government is not their priority area of concern, the CSOs' involvement with related issues such as anti-corruption activities, elections and service delivery (especially in rural areas), tends to bring them into the domain of local governance. The Nigerian Desk Study highlighted some deficiencies and trends in CSO-LG relationships (Wunsch and Olowu, 2010). These include the often conflictual rather than cooperative relations between CDAs, CSOs and LGs, with LG-elected officers more often than not unwilling to meet or work with CSOs; the uncertain role of traditional leaders; and the important role of CSOs, especially faith-based organizations (FBOs) in service delivery.

Our findings confirm that CSOs are indeed engaged in diverse activities including budget tracking, election monitoring, and anti-corruption initiatives. However, CSOs are most often engaged in the delivery of health and educational services. We also found that while the relationship between CSOs, states and local governments could not be described as totally cooperative, neither was it always conflictual. Hence, space exists for CSO engagement with both state and local governments. For instance, under the aegis of the Coalition of Civil Society, some CSOs in Sokoto State engaged with LG officials who requested their involvement specifically in the educational sector. Hence, the CSOs obtained funding and capacity building support from international donors like Action Aid and DFID, to operationalize the 'Reflect Methodology' for adult education in rural communities. The CSOs piloted the 'reflect methodology' in selected communities which brought about significant improvements in adult literacy in these communities.

Some CSOs also collaborated on a joint Oxfam Netherlands and Action Aid Nigeria-funded project tagged, 'Enhancing Girls Basic Education in Northern Nigeria' (EGBENN). The project was situated within the framework of effecting policy reform and demanding accountability from educational authorities at the state and local government levels. Based on low girl child

[2] The community structures exist independent of the state—they function as community governments providing services and raising money. Governments recognize these structures by formalizing them and making them a part of the local government system, 'a fourth tier government', below federal, state and local (Olowu et al., 1991).

education in selected communities and accompanied by data on low enrollment, retention and completion rates, an ‘Expression of Interest’ was sent by the CSOs to the Ministry of Health and SUBEB. LGs with the lowest enrollment, retention and completion rates were randomly selected from urban, suburban and rural LGs. Using a combination of local drama groups and a committee of female role models, the project sensitized local participating communities on the importance of girl child education by addressing perceived local barriers such as preference for male child education and early marriage. Consequently, increased enrollment, transition and completion rates for girl children in all the participating communities have been attributed to the project.

Some CSO projects also demanded accountability for service delivery from state government officials. Some CSOs in Sokoto State monitored the provision of classrooms and other educational facilities at the LG level. Specifically, members of the Civil Society Action Coalition on Education for All (CSACEFA), a coalition of CSOs involved in fast tracking the achievement of Education for All (EFA), partnered with T-Ship, a sister project of USAID’s Leadership Empowerment Advocacy and Development (LEAD) project. They collaborated to demand accountability from SUBEB by visiting schools with media teams from the Nigeria Television Authority (NTA) to ascertain the veracity of reported information and data.

The collaboration of CSOs with the Transition Monitoring Group (TMG) was a pertinent area of CSO involvement in democratization. TMG comprises a coalition of Nigerian human rights organizations that work to monitor elections. TMG supported CSOs to train and deploy election observers during the 2003 and 2007 state and LG elections and the 2008 state re-run elections in Sokoto State. The results of the election monitoring were sent to TMG. CSOs also demanded accountability from elected LG officials by assessing and prioritizing local needs and requesting that councilors reflect such priorities in local budgets. A budget monitoring committee was formed by state government and local politicians, but did not include CSOs in its membership and, expectedly, the committee is no longer active.

As stated earlier, the health sector is a fertile area of CSO engagement with government. Some CSOs in Sokoto State collaborated with Action Aid and Society for Family Health to address sexual and reproductive health and HIV/AIDS issues among groups considered to be most-at-risk, such as out-of-school youths, members of the armed forces, and commercial sex workers (CSWs). Similarly, 20 CSOs partnered with the MTN foundation to support community mobilization on HIV/AIDS among market women, barbers and hairdressers, and motorcycle (Okada) riders.

Unlike CSOs who work at the LG or state levels, CBOs work at the community level. CBOs work with officials at the state Ministry of Health to sensitize and mobilize communities on the need for immunization as well as educate them on the use of insecticide treated nets (ITNs). In collaboration with USAID’s T-Ship project, CBOs address ‘non-compliant cases.’ As a result of the activities of CBOs working on the settlement of non-compliant cases or cases of families resistant to immunization, a drastic reduction in cases of non-compliance on immunization has been reported in the State. CBOs engagement with community sensitization on the use of ITNs followed the non-utilization of the ITNs supplied to the Ministry of Health by the Yakubu Gowon Foundation. Similarly, some CBOs collaborated with the Miriam Abacha Foundation established by one of Nigeria’s former first ladies, to sensitize communities and provide treatment to victims of Visco-Vaginal Fistula (VVF).

Overall, while the Sokoto State government 'recognizes' CSOs, it does not appear to be too enamored with them. The current state governor appointed a senior adviser on NGOs, human rights and donor agencies, yet the appointee has neither previous experience of nor impetus for CSO engagement. It is therefore not surprising that since his appointment about three years ago, no meetings have been held with CSO representatives in the state.

Nonetheless, CSOs appear to have flourished better in Sokoto State under civilian governments. They are reported to have increased in number from less than 10 around 1999 (under military rule) to about 100 currently. Overall, the failure to pass the Freedom of Information Bill is one of the challenges to CSO- government engagement identified by CSOs in Sokoto State. This has prevented access to documents needed for critical processes like budget tracking and other initiatives required for holding the government more accountable. Not surprisingly, in response to our inquiry from an LG Chairman in Sokoto State on the responsibility (if any) of CSOs in budget tracking or monitoring of LG accounts, he stated that there was 'no recognition' of CSOs.

In Sokoto State, CDAs exist at ward, village and district levels and are registered with the Ministry of Local Government and Chieftaincy Affairs. In 1995-2000, CDAs partnered with IFAD on a community based agricultural project.

If CSOs are not sufficiently acknowledged in Sokoto State, Lagos State in contrast, appears to have made a conscious effort to integrate CSOs as partners in development especially by incorporating them into the mainstream of community development. For instance, different communities have 'resident associations' from which elections are made to CDAs. As part of their responsibility, CDAs collect tolls from motorcycle or 'Okada' operators, a portion of which is used for community health mobilization through the community health post, for example, for children's immunization. CDAs in turn send their representatives to the Community Development Council (CDC) at the local government level. The Chairman of Ajeromi-Ifelodun LG provided succinct insights into the role of CSOs and CDAs as partners in community development and governance. CDAs were explicitly recognized by the LG as being closest to the people and by adopting a feedback mechanism were often relied on for information dissemination and community mobilization. Completed projects were handed over to CDAs for maintenance and to prevent vandalism. CDAs were specifically integrated into governance and were given funds to conduct their own 'rapid development projects". Specific sums of money were voted for such projects by the LG. Similarly, the LG interacts with CSOs including FBOs such as the Christian Association of Nigeria (CAN) and Muslim organizations to ensure peace and security in the communities. Annual meetings are held with such FBOs under the Peace and Security Committee of the LG. In addition to representatives of FBOs, the Peace and Security Committee is comprised of representatives from the military, police, paramilitary groups, men and women's organizations, and the National Union of Road Transporters Workers (NURTW). The LG also utilizes information from neighborhood watch organizations who visit different communities to sift out information and pass it on to the LG for security purposes.

In Lagos State, as part of the government's policy, representatives from executive committees of CDAs are selected to the CDCs. Three members of the CDCs in turn represent the LG at the apex body at the state level. The state collaborates with CBOs to implement its Community-Based Health Insurance Scheme. The scheme started with families paying 800 Naira per family per month that has now been increased to 1,000 Naira per month with the state government adding 75 percent capitation to provide participating families with access to health care.

The Office of the Special Assistant to the Delta State Governor on MDGs (SA-MDG) collaborates with CSOs, particularly Nigerians in the Diaspora (NIDO) to provide free medical services to rural communities. The SA-MDG also invites CSOs to the contract award and bid opening for MDG projects. When the bid is opened, the contractor, the representative of the Due Process Office and CSO representatives are present to sign and authenticate the bid. Some mission schools and hospitals that were taken over by previous state governments have also been returned to the mission organizations.

By contrast, the role of traditional rulers appears to centre more on community mobilization and facilitating security in their domain. In Sokoto State, LG chairpersons hold monthly security meetings with traditional rulers. Similarly, in Lagos State, traditional rulers who have functioned mainly to ensure community enlightenment and mobilization have helped people embrace government programs, and in the area of security are asking to be more actively involved in governance. Being better educated than their predecessors, traditional rulers in Lagos State desire to be consulted more regularly by government so that their input is reflected in government decisions. While the five percent contribution toward maintaining traditional rulers previously required under the Abacha regime has been discontinued by LGs in Lagos and Sokoto States, LGs in Delta State continue to provide this funding.

3.6 INSTITUTIONAL ARENAS: THE DONOR/INTERNATIONAL ARENA

The Nigeria Decentralization Desk Study report (Wunsch and Olowu, 2010) provided an overview of current donor assistance to Nigeria in the economic and social areas. The field research team identified no specific gaps in the Desk Study report with regard to donor support for decentralization in Nigeria. Therefore, our findings are intended to complement the desk study with further insights into current areas of donor support in Nigeria. Key areas of donor intervention focus on support for the education and health sectors, achieving the MDGs through the Office of the Senior Special Adviser to the President on MDGs (OSSAP-MDGs), and LG economic planning and governance.

3.6.1 DONOR SUPPORT FOR THE EDUCATION SECTOR

Lagos State's SUBEB reported that through its Education Sector Support in Nigeria (ESPIN) program, the United Kingdom's DFID supported the restructuring of SUBEB's functions. In a related vein, the School-Based Management Committee (SBMC) is an innovative project initiated by UNICEF in collaboration with state governments across the three states in which we conducted fieldwork. SBMCs replaced Parent-Teachers Associations (PTAs) for which membership was conditioned on having a child in the school. Members of SBMCs need not have a child attending the school. SBMCs are a more democratic and participatory method for promoting accountability in school management. An SBMC is made up of 16-17 community members consisting of a traditional title holder/ruler; a Chairman democratically elected from among the members of SBMC; the head teacher who serves as the secretary of the SBMC; a treasurer; an opinion leader; a representative of women's groups; a representative of artisans; representatives of religious communities; a youth leader; a male and female representative from the school's old students association; a male and female teacher; the school's head boy and head girl. The chairperson and treasurer are signatories for the UNICEF seed grant (discussed below) while SUBEB supervises and advises the SBMC when needed.

Each of the 1,967 primary schools in Sokoto State has an SBMC. UNICEF gives a 150,000 Naira seed grant to each SBMC in Sokoto State on a rolling basis for the execution of their priority projects based on an annual action plan developed by each school's SBMC. Philanthropists or the community in which the school is located also provide funds in addition to UNICEF's seed grant. UNICEF trains the chairperson of SBMC on how to manage the funds. In addition, UNICEF staff collaborates with SUBEB officers for monitoring and evaluating the performance of SBMCs. SBMCs ensure community ownership of schools within their domain. In addition, SBMCs ensure no vandalism of school property and monitor teacher attendance since teachers are answerable to the community. SBMCs conduct minor repairs as well as complete re-roofing of schools from their own funds. While SBMCS were common to the three states, because of time constraints it was not possible to interview beneficiaries or visit specific schools to ascertain the performance of SBMCs in each state.

Similarly, a World Bank project allocated 2 million Naira to school principals in Lagos State for running their schools based on identified areas of need. This indicates the existence of overlap in donor activities and underscores the need for donors' collaboration in executing similar projects in the same state(s).

Another innovative UNICEF program was carried out in collaboration with the Sokoto State government. The aim of the intervention was to address an acute shortage of female teachers. UNICEF staff and SUBEB desk officers at LGs recruited 100 female graduates of secondary schools and sponsored their attendance at the Shehu Shagari College of Education where they were given additional tutoring. They sat for WAEC and NECO and passed. An accommodation and upkeep allowance of 50,000 Naira per person was paid in three installments per year. The students studied for the two-year NCE program and passed. The program has been in great demand with 300 girls currently requesting to participate.

3.6.2 DONOR SUPPORT FOR THE HEALTH SECTOR

While donors often assist the three tiers of government with support for various components of health care delivery**,** some donors appeared more committed to defined areas of intervention than others. UNICEF's area of intervention is often related to mothers and children, hence, in Delta State, UNICEF supports maternal and child health as well as nutritional activities and immunization. The World Health Organization conducts immunization programs and disease surveillance. The African Program on Oncocerciasis sponsors monthly meetings for overseeing health sector data collection. The Yakubu Gowon Centre (a national NGO) intervenes in malaria control by supplying drugs and ITNs, while the Global Alliance provides vaccines and supports routine immunization. Similarly, the UNICEF program in Sokoto State focuses on child survival and includes immunization, and support for health services in the form of equipment, drugs and water supply in schools. Development partners hold monthly meetings with officials of Sokoto State Ministry of Health to ensure efficient implementation of health care and PHC especially in respect to information sharing and other key aspects of health care to identify challenges and how to meet them; e.g., Child Health week in December and immunization plus days (IPDs). Lagos State has a Department for International Partnerships that coordinates donor activities in the state.

3.6.3 DONOR SUPPORT FOR ACHIEVING THE MDGS

Nigeria's efforts toward the achievement of the MDGs are coordinated by the OSSAP-MDGs. Since the millennium declaration of 2000 to which Nigeria is a signatory, the MDGs have become an important tool for monitoring progress toward the achievement of the eight time-bound goals, with a deadline of 2015. With UNDP's role as the global MDG monitor for the UN system, UNDP supports the OSSAP-MDGs. Key areas of support include preparation of national and sub-national MDG reports, MDG costing exercise, MDG needs assessment, millennium villages as successful models of local development planning and decentralization, support for an MDG expert for the national assembly to ensure that the budget is MDG compliant as well as support for the National Planning Commission for the preparation of MDG based national and sub-national development plans such as the National Economic Empowerment and Development Strategy (NEEDS) and its State and LG counterparts (SEEDS and LEEDS).

The conditional grants scheme (CGS) was designed by the federal government as the vehicle for ensuring the savings on debt relief will be expended on projects that support Nigeria's achievement of the MDGs. Savings from debt forgiveness by the Paris Club of creditors frees up one billion Naira annually and is channeled toward pro-poor projects for achieving MDGs. MDGs-CGS Partnership between Federal and State Governments started in 2006 but disbursements did not start till 2007. It is noteworthy that while MDG projects are implemented at the LG level, LGs are not specifically included as partners in the CGS; hence LGs have neither MDGs offices nor advisers but are represented by their state governments.

Conditions to be met for accessing the CGS: state government provides counterpart funds to match every Naira provided by the federal government, CGS monies cannot be held in a fixed account, and the OSSAP-MDG has access to the bank statements of the CGS held by the state MDG office. The three states in this study have accessed CGS grants that are being disbursed for MDG-related projects through their state MDG office.

The MDG office and the National Health Insurance Scheme (NHIS) in six LGs in Sokoto State piloted a Social Insurance Scheme. The Scheme entailed that beneficiaries pay 200 Naira/annum to have access to health care. The state government has plans to expand the project to other LGs. In 2008, 92 community health centers were also provided with access to water, insecticide treated nets, emergency obstetrics equipment, drugs, and training for Community Health Extension Officers (CHEWs). In 2009, in collaboration with UNICEF, the grant was devoted to strengthening child growth and development, and strengthening of its nutrition component in 92 communities in 23 LGs as well as the provision of 43 solar powered boreholes across the state. There are plans to decentralize the preparation of the MDG report (but not the grants), prepared at state level for the last time in 2006, to the LGs with USAID support. It was heartening to note that the MDG-CGS in collaboration with Sokoto State government provides free drugs for women and children in 27 general hospitals and comprehensive medical centers.

MDG-CGS funds were also obtained for construction of one PHC facility in Ajeromi-Ifelodun LG in Lagos State. Unlike Sokoto State, which operated its health insurance scheme from the MDG-CGS grants, Lagos State operates a similar scheme as a state government program.

In Delta State, from the CGS grants, the state MDGs office supplied equipment for labor rooms for two PHCs per LG as well as construction of staff quarters for PHC staff adjacent to the health centers to facilitate 24-hour PHC services. The Delta State MDG office also obtained about one million insecticide treated nets from the Yakubu Gowon Foundation and the Bill Gates Global Fund. Furthermore, it collaborated with members of the National Youth Service Corps (NYSC) who volunteered to be trained as members of the MDG Awareness Clubs (MACs). After completing the training, members of MACs embarked on a massive exercise to de-worm children across the state. The MDGs office also scaled up its water and sanitation activities from 24 to 38 solar powered boreholes in rural areas and embarked on the construction of toilets in markets and primary schools.

To address the problem of youth restiveness in the state, the MDG office provided equipment and support for two skills centers on industrial welding per senatorial district. The project was conducted in collaboration with the Petroleum Training Institute, and the National Directorate of Employment. A cyber café that runs on a commercial basis supports each of the skills centers.

3.6.4 LG ECONOMIC PLANNING AND GOVERNANCE

The Economic planning and governance roles of local government seem to have received less attention than the more popular areas of the delivery of education and health services. DFID supported the Local Economic Empowerment and Development Strategy (LEEDS) the LG version of NEEDS, the MDG-based poverty reduction strategy at Apapa–Iganmu and Ikoyi-Obalende LGs of Lagos State. Similarly, UNDP supported the preparation of LEEDS in six LGs: Shagari, Gada, Wamakko, Illela, Bodinga and Sokoto South LGs. However, LEEDS is not being implemented in any of these LGs. The major reasons for non-implementation appear to be a lack of commitment from LG chairpersons and key stakeholders like traditional rulers. LG officials of the ruling party also excluded members of opposition parties from the stakeholders' forum in Sokoto State. The absence of an Office of Planning, Budget and Statistics to coordinate LG economic planning is another constraint to the operationalization of LEEDS and local-level development planning. In its seventh country program, the UNDP proposes an awareness and rights program at the LG level and seeks to strengthen the capacity of Lagos SIEC.

The USAID Nigeria Decentralization Desk Study (Wunsch and Olowu, 2010) documented several donor initiatives targeted at improving governance at the LG level funded by the World Bank, UNDP, DFID, and the EU yet with little to show for the resources expended for such programmes. In addition to these donor initiatives, USAID initiated in December 2009 the LEAD project that aims to increase the capacity of LGs, strengthen the engagement of CSOs, and improve transparency of LGs in Bauchi and Sokoto States. From Sokoto State's three senatorial districts, the project plans to select six LGs per state as pilots and to adapt a Jordanian-Bulgarian best practice model to the Nigerian context. However, from the team's observations, the project seems to have adopted the usual top-down approach with a needs assessment recently being conducted - seven months after the initiation of the project.

4.0 CONCLUSION

Devolutionary decentralization seems a necessary complement to federalism (contractual non-centralization) in a country the size of Nigeria. These two have continued to be principles by which Nigeria and Nigerians love to be governed and it is understandable given the country's huge population (approximately 140 million), diverse cultures, differential exposure to western civilization, and community cleavages. The principles of devolutionary decentralization were articulated and introduced as a common system and structure of local government in 1976. The Desk Study (Wunsch and Olowu, 2010) noted that all civilian and military administrations have committed to the rhetoric of these principles. However, this field study has shown that since the return to civilian democracy in 1999, state governments have been able to fully reassert their independence from the Nigerian federal government, and imposed draconian controls on the local government system. The federal government has not been effective in defending the concept of a three-tier federation. Rather, what currently exists is a two-tier federation and if the present trends continue the situation prior to 1976 would fully return. From this period, the Guidelines on Local Government Reform underscored that the state governments systematically destroyed the local government system in each of what were then regions.

Some facts in the Nigerian federal system have further aggravated matters and they include:

1. The lopsided financing of the local government system. All governments are dependent on oil rents but it is particularly aggravating for a system of local government because it does not help to develop a tradition of fiduciary contract between citizens and their local governments and consequently of democracy, whether in terms of responsiveness, representativeness or accountability. Furthermore, this excessive dependence on transfers has facilitated the imposition of state controls on local governments as the SJLGAC is chaired and dominated by state officials. Of the three states visited, only Delta gave some money to local governments as subvention for primary education. Even in Lagos State where local governments are less dependent on federal transfers, the state government still dominates this committee.
2. Weak capacities of the federal government to protect local governments and the three-tier federation principle. The federal government seems to lack the capacity to influence the state governments to cooperate on local government matters or even to get the national assembly to make laws that would enable it to ensure that funds sent from the Federation Account are judiciously used by all segments of government.
3. Excessive powers of the state government. In the face of weakened federal and local governments, state governments emerge in the Nigerian federal system as very powerful and relatively well resourced. Unfortunately, these powers do not translate into capacity to manage better the intergovernmental relations between state and local governments in a way that would enable the latter to exercise their autonomy. Rather, the states have sought and obtained direct control over local government through resources and via their control over the levers of the political party machinery. This is an important point in that if the states were willing they possess the ability to help to build and sustain an accountable system of local government. For instance, in two of the states visited local

governments must receive state government approval before they can make expenditures above a certain threshold. In Sokoto this threshold is one million Naira and in Lagos State it is five million Naira. Only Delta does not impose such spending limits, but even then, most of the monies accruing to local governments have been deducted at source. The 25 LGAs in that state received a net allocation of only 1.52 billion Naira or slightly more than one-half (54 percent) out of a gross allocation of 2.81 billion Naira in June 2010 (Appendix C).

4. Party system and Nigerian democracy. Matters would be much better if internal democracy existed within Nigerian political parties, if the parties had clear ideologies that were linked to concrete programs, and if elections were actually fought and won on the basis of performance. While performance of incumbents does influence party nominations, the key considerations are ascriptive not merit. For instance, a person's state or local government of origin counts much more than performance, so does the existence or quality of one's 'godfathers' or political sponsors. These challenges become particularly critical because elections, as we were repeatedly informed during the fieldwork, are won and lost not through the ballot box (which are flagrantly rigged by incumbents) but through party nominations. This might explain why the ruling party in each of the three states visited fills virtually all LG elective positions. There were no opposition parties heading local governments in any of the three states in which the team undertook fieldwork. Recently, a new electoral law was passed but this law still leaves INEC and SEC appointees beholden to the president and governors respectively.
5. Weak citizen accountability by LGAs. LGAs are beholden to state governments and are fully accountable, if not dependent on them. However, this does not translate to effective citizen accountability and responsiveness. Indeed, most of the LGA chairpersons we met with during the fieldwork felt helpless in delivering on the promises they had made to the electorate given the incentive structure they confronted once they got into office.

4.1 WAY FORWARD

There are two possible approaches to coping with the above- mentioned challenges. The first is resignation to the reality that decentralization in Nigerian has unraveled and returned to the status quo of the pre-reform era. The only difference now is that it is much better funded than before. Such an approach is not advisable because it sets the Nigerian development and democratic agenda back and this is dangerous not only for Nigeria but also for the region and indeed the international community as it undermines prospects of attaining the MDGs and of containing widespread violence and/or displacement of persons were the country to become a *de facto* failed state. A complete breakdown of the Nigerian state seemed imminent in the mid-1960s when the country was plunged into a civil war and a repeat of this, and the terrible casualties it caused, must be avoided at all costs.

A second approach, therefore, must be to identify possible actions that can be taken to ensure that Nigeria's bold effort at devolutionary decentralization is sustained. The following measures are worthy of consideration:

1. The need to rethink the Nigerian devolutionary decentralization project within the Nigerian federal system. Clearly, the program of decentralization articulated in 1976 has largely derailed, and serious thought needs to be given to saving that reform effort. Hence, to the extent that there continues to be strong support for this kind of

decentralization that meets an important void in the Nigerian federal system, reasserting the Nigerian decentralization program should be part of any effort at constitutional reengineering. Civic groups have consistently demanded a Nigerian constitutional conference that would address fundamental issues in the Nigerian federal system.

2. Even in the absence of a constitutional conference, which some dub as impossible and diversionary in the present scheme of things in the country, a number of other measures can be pursued. One important entry point would be the need for systematic documentation, research, training and advice on the Nigerian local government system. The three regional centers established in Nigeria's three regional universities of Ife, Nsukka and Zaria, continue to depend on resources from the federal government for their programs and would need to be overhauled as well to effectively perform this function as they have also degenerated like the local government system itself. They would therefore need to be brought under the purview of a center of intergovernmental relations - much like the U.S. Advisory Commission on Intergovernmental Relations (ACIR). Nigeria had an institution like this in the years of planning for the endless Babangida transition (1992-1994). Unfortunately, it was abolished before the present civilian dispensation. Thought might be put to revitalizing this institution. The Nigerian Council on Intergovernmental Relations (NCIR) had as its primary task the provision of advice to all the levels of government in the Nigerian federation on the limits of their powers while also researching and advising on appropriate actions that need to be taken. Needless to say the council must comprise key actors from the diversity of Nigeria's federal system in order to forge a consensus that would drive the Nigerian federal state forward on its core objectives of national integration, democracy and development, and away from the present preoccupation with 'sharing of the national cake'.
3. If this path is chosen, it is important to ensure that local governments become what they were envisaged in 1976, namely, the building blocks of Nigeria's democracy and development, separate and different from field administrations of the state governments. Indeed, state governments should be encouraged to enhance the capacities of their respective field administrations, which must be differentiated from the local government system. Much more than before, the local government system must draw resources and ideas from the citizens, link effectively with community development agencies, and work intelligently with other local governance institutions as well as private and voluntary organizations including CSOs and FBOs. Most importantly, such institutions must possess the appropriate institutional incentives for resolving collective action, collective choice, principal agent, and constitutional choice problems. People are more likely to cooperate when they find themselves in institutional constructs in which they can take collective action, make collective choices, ensure that agents are accountable to the principal, and they have the freedom to design or redesign their organizations in the light of experience. To the extent that local governments are so completely dependent on the national and state governments, it is not rational to push for autonomy for the resulting institutions. A key consideration here would be the diversification of local government revenue sources away from the near complete reliance on federal petro-transfers.
4. It might help to separate urban from rural local governments. One of the weaknesses in the 1976 reform was to treat all local governments as if they were similar. This might explain why the progress of devolutionary decentralization has been delayed across the country. A dichotomy between urban and rural areas would enable municipal

governments to at least have access to the rich resource bases from which they are excluded in two of the three states visited during the fieldwork. Local governments in Delta and Sokoto are not empowered for instance to tax property. In Delta, this revenue accrues exclusively to the state government while in Sokoto the tax is not collected at all. Even in Lagos, the apex of Nigeria's urbanization, the state government has supported and developed the property tax as a local government revenue source but it takes 20 percent of the property tax to finance collection costs. Nigeria, like other African states is experiencing an urban revolution, with more and more people moving into the cities that require locally mobilized resources to sustain. Nearly 50 percent (46.2 percent) of Nigeria's population was already urbanized by 2005 (UN, 2007).

5. Finally, this study has identified the lack of electoral accountability as a major deficiency of political decentralization in Nigeria. While the TMG and other civil society organizations have continued to mount courageous electoral monitoring efforts across the federation, a fundamental change in the design of the country's electoral administration seems to be necessary to enhance the integrity of the electoral processes at national and sub-national levels. The Electoral Reform Committee sought to confront this challenge by proposing that nominations to the Independent National Electoral Commission should no longer be made by the president but by the independent National Judicial Council, which is headed by the Chief Justice. The committee also proposed the integration of the current State Independent Electoral Commissions into the reformed INEC in order to enhance the integrity of local government elections as well as avoid duplication and better harness scarce technical and financial resources. Remarkably, the report of a Presidential Advisory Committee established in February 2010 to investigate ethno-religious violence in the Jos North Local Government Area reinforced the conclusion of the Electoral Reform Committee. According to the Presidential Advisory Committee, "lack of neutrality and transparency on the part of the States Independent Electoral Commission and the use of the power of incumbency to rig elections was a national phenomenon…. [Consequently, the] Independent Electoral Commission (INEC) should be empowered to conduct all elections at federal, state and local levels" (Alli, 2010). While the president and the governors may be reluctant to implement or endorse basic electoral administration reform, it is important that Nigerian civil society and the donor community continue to push for such reform as an indispensable ingredient for the achievement and advancement of democratic decentralization in the country.

In sum, this assessment has underscored the fact that the sustainability of the Nigerian state as a prosperous democracy may be tied to the success or failure of federalism and democratic decentralization. An effective partnership between the country's civic organs (including the intelligentsia, community organizations, and faith-based communities) working in tandem with private businesses and international actors is essential to reform and revitalize the state institutions that are in varying states of decay at the federal, state and local levels.

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APPENDIX B. LIST OF INTERVIEWEES

DELTA STATE

Honorable Emmanuel O. Udorah. Vice Chairman Oshimili South Local Government Asaba. Delta State.

Honorable Chief Jaunty Mike Okwudi, Chairman, Aniocha Local Government

Mr. Chris Ika, Permanent Secretary, Directorate of Local Government, Asaba, Delta State.

Mr. I. Isibor, Director, Directorate of Local Government, Asaba, Delta State.

Ben. I. Chegwe Secretary Local Government Service Commission Delta State

M. O. Brown Njokanma (Mrs). Auditor General. Office Of The Auditor (Local Government) Delta State.

Byron A. Unini. Director, Planning, Research & Statistics. Delta State Universal Basic Education Board (DSUBEB). Delta State.

Udele Jonathan. Secretary to the Board. Delta State Universal Basic Education Board (DSUBEB). Delta State.

S. C. F. Eboka, Head, Personnel Management, Oshimili South Local Government, Asaba, Delta State.

Festus A. Ojeogwu, Esq. Treasurer, Oshimili South Local Government, Asaba, Delta State.

Chief (Mrs.) Bridget Ukpedor, Head, Community Development, Oshimili South Local Government, Asaba, Delta State.

Dr. N. I. Aduba, Director, PHC, Oshimili South Local Government, Asaba, Delta State.

Dr. Augustine Remilekun Onuoha Obidi, Special Adviser on MDGs to His Excellency, the Governor of Delta State.

LAGOS STATE

Aramide Masha (Mrs.), Permanent Secretary, Local Government Service Commission, Lagos State.

Kunle Abass, Permanent Secretary, Ministry of Local Government and Chieftaincy Affairs, Lagos State.

Dr (Mrs.) Yinka Abosede, Chairman, Lagos State Primary Healthcare Board, Lagos.

M. M. Hassan Permanent Secretary/ Auditor General Office of the Auditor General Lagos State

T. Coker, Permanent Secretary, Ministry of Transport, Lagos State

Olumuyiwa M. Olugbile Head, Planning/ Research & Development Directorate. Lagos State Office of the Auditor General for Local Government.

Dr. Jemilade A. R. Longe Director, Family Health & Nutrition. Ministry of Health Lagos State

Honorable Kamal Bayewu Executive Chairman Ajeromi Ifelodun Local Government Lagos State

Gbolahan Khadijat Daodu (Mrs). Executive Chairman. Lagos State Universal Basic Education Board (SUBEB)

A.I. Sanyaolu - Adeola (Mrs). Council Manager. Odi – Olowu / Ojuwoye Local Council Development Area. Lagos State.

SOKOTO STATE

Alhaji Bello Adamu, Chairman, Local Government Service Commission, Sokoto State.

Alhaji Abubakar Gidado Bodinga, Auditor-General, Office of the Auditor General for Local Government, Sokoto State.

Dr. Abdulrazzak Gandi, Director, Primary Healthcare, Sokoto State.

Alhaji Ibrahim Haliru Dingyadi, Secretary, State Universal Basic Education Commission, Sokoto State.

Alhaji Usman Abdullahi Gada, Chairman, State Independent Electoral Commission, Sokoto State, 2000-2010.

Habib Aliyu Modachi, Commissioner for Local Government, Sokoto State, 2003-2007.

Professor Bayero, Usman Danfodiyo University, Sokoto, Sokoto State.

Umaru Mohammed Yabo, Deputy Director, Inspectorate, State Universal Basic Education Commission, Sokoto State.

Alhaji Isa Mohammed, Chairman, Wamakko Local Government Council, Sokoto State.

Alhaji Dalhatu Dahiru Tambuwal, DPM, Wamakko Local Government Council, Sokoto State.

Abubakar Mohammed, Director, PHC, Wamakko Local Government Council, Sokoto State.

Ango Garba Wamakko, Secretary, Local Government Education Authority (LGEA), Wamakko Local Government Council, Sokoto State.

Abdullahi Alhaji, Director, School Services, LGEA, Wamakko Local Government Council, Sokoto State.

Aminu S. Sidi, Monitoring and Evaluation Officer, LGEA, Wamakko Local Government Council, Sokoto State.

Balla Abdullahi, Senior Personnel Officer, Wamakko Local Government Council, Sokoto State.

Hon. Garba N. Sanda, Chairman, Silame Local Government Council, Sokoto State.

Saidu Sidi, Secretary, Silame Local Government Council, Sokoto State.

Bello Mohamed Gruila, Honorable Councillor, Silame Local Government Council, Sokoto State.

Abdullah Sardauna, Honorable Councillor, Silame Local Government Council, Sokoto State.

Ahmad Khrya, Honorable Councillor, Silame Local Government Council, Sokoto State.

Arbiya Silame, Honorable Councillor, Silame Local Government Council, Sokoto State.

Ummaru Saidu, Hon. Supervisory Councillor, Health, Silame Local Government Council, Sokoto State.

Mohammed Fodio, Director Finance and Supplies, Silame Local Government Council, Sokoto State.

Usman B. Daguwa, Deputy Director PHC, Silame Local Government Council, Sokoto State.

Chika N. Silama, Cashier, Silame Local Government Council, Sokoto State.

Shehu Buhari Goronyo, Education Secretary, Silame Local Government Council, Sokoto State.

Usman Labama Lakoda, DAS, Silame Local Government Council, Sokoto State.

Sanusi A. Shehu, Director of Works and Housing, Silame Local Government Council, Sokoto State.

Supol Pams Shuaibu, DCO, Silame Local Government Council, Sokoto State.

N.A. Shehu, NSCDC, Silame Local Government Council, Sokoto State.

Aminu Ali, NOA, Silame Local Government Council, Sokoto State.

Hon. Sanusi Umar, SA, Silame Local Government Council, Sokoto State.

Abubdeen Muhammad Wui, DPM, Silame Local Government Council, Sokoto State.

Lawali Babangida, GIB, Silame Local Government Council, Sokoto State.

Balarabe Hassan Wurno, Center for Development Initiatives, Sokoto, Sokoto State.

Ibrahim Adamu, Community Center for Development, Sokoto, Sokoto State.

Ibrahim Abdullahi Shuni, State Chairman, Coalition of Non-Governmental Organizations in Sokoto State (CONSS).

APPENDIX C: DELTA STATE LOCAL GOVERNMENT ALLOCATIONS FOR JUNE 2010: GROSS AND NET PAYMENTS

S/N	Local govt Councils	Gross Allocation	Net allocation	Deductions
1	Aniocha North	97,815,694.59	50,849,438.11	46966256.48
2	Aniocha South	108,674,242.27	51,364,889.82	57309352.45
3	Bomadi	84,845,299.16	68,057,828.97	16787470.19
4	Burutu	119,011,338.34	81,361,997.90	37649340.44
5	Ethiope East	126,094,276.95	62,282,731.11	63811545.84
6	Ethiope west	117,494,815.49	66,837,001.33	50657814.16
7	Ika North East	126,779,172.96	52,651,791.38	74127381.58
8	Ika South	122,795,709.36	50,793,158.84	72002550.52
9	Isoko North	111,795,272.45	59,082,836.90	52712435.55
10	Isoko South	133,808,638.92	68,506,042.99	65302595.93
11	Ndokwa East	103,457,172.28	53,388,065.07	50069107.21
12	Ndokwa West	108,772,638.91	56,866,758.46	51905880.45
13	Okpe	95,508,736.99	61,190,399.15	34318337.84
14	Oshimili North	93,617,436.94	61,060,349.40	32557087.54
15	Oshimili South	106,397,270.08	53,194,111.39	53203158.69
16	Patani	83,517,920.27	57,213,579.42	26304340.85
17	Sapele	120,083,969.36	55,502,641.52	64581327.84
18	Udu	102,280,121.63	58,146,500.18	44133621.45
19	Ughelli North	155,070,573.71	58,155,350.16	96915223.55
20	Ughelli South	122,158,846.25	61,720,916.39	60437929.86
21	Ukwuani	99,219,630.90	51,202,427.82	48017203.08
22	Uvwie	111,324,273.40	60,172,782.41	51151490.99
23	Warri North	106,547,644.18	91,378,423.65	15169220.53
24	Warri South	154,550,440.34	57,616,138.02	96934302.32
25	Warri SouthWest	98,829,775.39	72,083,359.04	26746416.35
TOTAL		**2,810,450,911.14**	**1,520,679,519.40**	**1,289,771,391.74**

Source: Delta State Government, Asaba

APPENDIX D: PATTERNS OF NIGERIA'S STATE-LG SYSTEMS AND THE OPPORTUNITIES FOR SERVICE DELIVERY

While the constitutional functions of LGs are spelled out in the Nigerian constitution, State governments have adapted the constitutional provisions to suit their individual contexts such that in reality there is indeed 36LG State-architecture. In the course of the fieldwork, we requested the LG law for each State and while we were able to obtain those for Sokoto and Delta States, that of Lagos State is being reviewed. We were also not able to obtain the 'old law'.

Based on the LG laws for Sokoto and Delta States, the following major differences identified in State-LG systems and the opportunities presented for service delivery are summarized below:

1. While Delta State's LG law provides that 10 percent of the State's internally generated revenue is to be credited into the joint State –LG account for LGs *from time to time,* no such provisions were made in the LG law for Sokoto State. We note that this law while commendable in its intent, as it stands, it is nonetheless, not time-bound, and is therefore ambiguous since payment would most likely be irregular. Consequently, a more specific commitment is required so as to ensure predictable revenue for service delivery in order to smooth LG planning. To ensure sustainable service delivery of LGs, it is imperative to enhance the skills of LG officials in generating local revenues.
2. A second difference is that of the two states' laws only Sokoto State LG law provides for the establishment of an Economic Planning Board, chaired by the State's Deputy Governor. The Board has responsibility for economic planning and its membership includes all LG chairpersons. It also allows the State government to collaborate with one or more LGs or for a LG to join with other LGs to establish a joint board for project execution. This proviso presents opportunities for joint service delivery by participating LGs in partnership with state government. Such joint service delivery by LGs constitutes a form of horizontal rather than vertical intergovernmental relations with a promise for shared services and is especially desirable where LGs are too small or under-resourced either fiscally or in respect to human resource capacity to undertake sole provision of a desired service.
3. Delta State's LG law states explicitly that budget proposals would be made at the beginning of the year; this presents an opportunity to integrate service delivery into LG budgets.

4. While an expenditure ceiling of less than 1 million Naira was stated for LGs in Sokoto State, no expenditure limit was set for their Delta State counterparts as they were given the independence of the LG's own internal checks and balances such as by internal auditors and the legislative arm of the LG's council rather than imposing any external restrictions on the LG's fiscal autonomy. An advantage of Sokoto State's system over that of Delta State is that such a spending limit would more likely curtail the tendency of LG chairpersons to spend money on white elephant projects and would also assist them to justify their spending. From our interviews, the expenditure limit for LGs in Lagos State is Naira 5 million
5. Sokoto State LG law makes provision for LG grants to another LG or Sultanate for the purpose of carrying out any of the functions conferred on such Sultanate or LG subject to the approval of the State governor. This provision is expected to improve intergovernmental relations between LGs and other units and may indirectly facilitate service delivery especially where a LG has excess liquidity, and help bring governance closer to the grassroots.
6. In respect of application of LG's revenue in Sokoto State, the LG law states that all revenues of a LG are to be paid into the general revenue account of the LG and should be applied for the administration and development of the LG's area of authority. This law guarantees the sources of revenue and underscores the utilization of such revenue for service delivery.
7. Sokoto State law further lists several areas of a LG's power to incur expenditure; among these is the establishment, maintenance or equipping of any special school or institution which is recognized by the state government. This law explicitly provides an opportunity for a LG to establish educational institutions and schools for physically challenged or other disadvantaged persons.
8. Unlike Delta State's LG law, Sokoto State's law explains that the sharing formula for the joint account would be as follows: Equity (50 percent); Population (20 percent); Landmass/terrain (10 percent); Social development (10 percent); and Internal revenue effort (10 percent). The sharing formula clearly makes some allowance for some modicum of social services to be provided by the LGs to their communities.
9. Furthermore, the Sokoto LG law also stated that a LG may [delegate] by appoint[ing] subordinate Area Authorities (AAs) within its jurisdiction as it deems fit, but that such AAs would not have fiscal powers to levy taxes, borrow money, approve estimates, or make bye-laws. The limitation on the delegation of fiscal powers by a LG to its AAs pre-supposes that either the state government or the LG would provide revenues for the AAs. Where this occurs, then the creation of viable AAs would bring services closer to grassroots communities. Delta State does not have sub-local government authorities whereas Lagos State created development councils that were originally meant to be full-fledged local government authorities. When these were challenged in the courts the councils were transformed into sub-local government councils.
10. The functions of LGs were clearly stated in the Sokoto State's LG law and these included, inter alia, provision of ambulance services, scholarships, control of abattoirs, public libraries, vaccinations. The law provided approval of such functions upon the condition that the LGs provision of these functions *shall not prevent the state government, Ministry or Department from providing similar services.* The italicized clause suggests that the state government regards these functions as concurrent and not

exclusive to local governments. To guarantee sustainable revenue sources and certainty in respect of the services to be delivered by LGs, there should be a clear delineation of functions for both LGs and state governments such that LGs cease to be mere appendages of state governments.

There are also similarities between the local governments among these states. For instance, all states already have their own boards each for primary education, basic health and a commission for managing local government senior staff. These boards/commissions are all constituted by the state governments and are accountable to states not to the local governments.

In addition, in all states, local government revenues allocated from federal transfers are utilized to fund primary education. Only in Delta State is there a contribution from the state government to primary education funding. Local government confirmed that primary education was expected to be a joint responsibility of state and local government rather than an exclusive responsibility (indeed the Constitution says that LGs are to participate in funding primary education). Worse, even though local government funds are used to finance basic education (and also basic health) they are not in the driver's seat in the respective boards set up by state governments for this purpose.

In this paper, we have emphasized the similarities and differences regarding state - local government laws and the opportunities for service delivery. We have also mentioned that the functions of local governments are entrenched in the 1999 Constitution. In reality, the state - local government laws are based on the functions of local governments as spelt out in the constitution. What the states did was use a clause in the constitution to pass laws expanding the constitutional provisions for LGs. Local governments could, in turn, use the laws to their benefit. As one LG Chairmen in Delta State told the team, when the state law limited the number of his supervisory councilors (LG Cabinet) he used a clause in the state law to appoint special assistants to do the work his limited cabinet could not have done. Equally, since he could not license motor cycles operating in his LGA, he used the same clause to pass a by-law creating commercial motor cycle parks from which commercial motor cyclists have to operate subject to payment of daily fees. Revenue thus generated is used in providing social services in his LGA. Such intelligent interpretation of the state law can be used in creating sources of funds for social service delivery without violating the state law.

In summary, while there exists abundant opportunities for state - local cooperation in service delivery in the three states visited, it would seem that the interaction between state and local governments is conflictual and one-sided with the state governments taking rather than supporting local governments to improve on service delivery capacities. Only in Lagos State does there seem to be an understanding that cooperative relations would help in service delivery, and this is evident in the higher quality of service delivery in Lagos state.

What is to be done? As one LG Chairmen told us, many people know what is wrong with the state/LG relationship but nobody wants to "bell the cat." As we have suggested in the main report, the local government training programs at Zaria, Ife and Nsukka need to be strengthened within the framework of the proposed NACIR to act as not only trainers of LG staff, but also empowered to advise federal, state and local government officials on the need to revert to the 1976 arrangements. Legislators at both the Federal and state levels have to be engaged also in order to build a national consensus around the idea of new reforms. Given the pre-occupation of Nigerians with the next elections, perhaps donor and multi-lateral agencies need to provide the initial impetus for such an undertaking in collaboration with people in academia. A good precedent could be the DFID initiative on reform of the Public Service of the Federation, which although initially started with an exclusive focus on the federal level has actually been more successful in terms of its work in some selected states.

U.S. Agency for International Development
1300 Pennsylvania Avenue, NW
Washington, DC 20523
Tel: (202) 712-0000
Fax: (202) 216-3524
www.usaid.gov