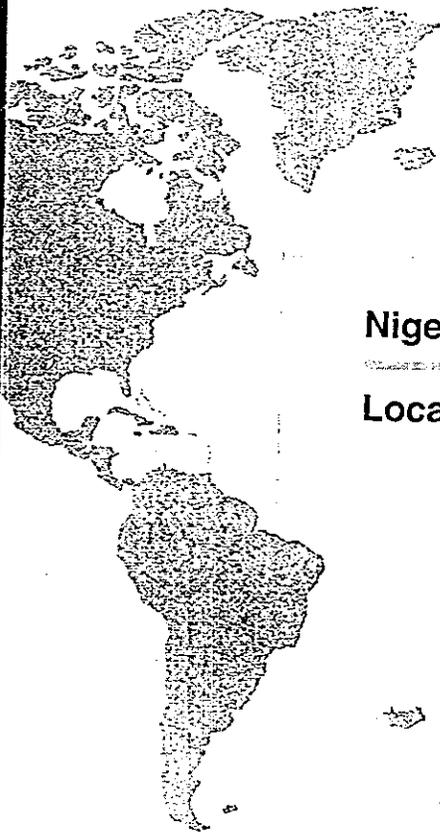


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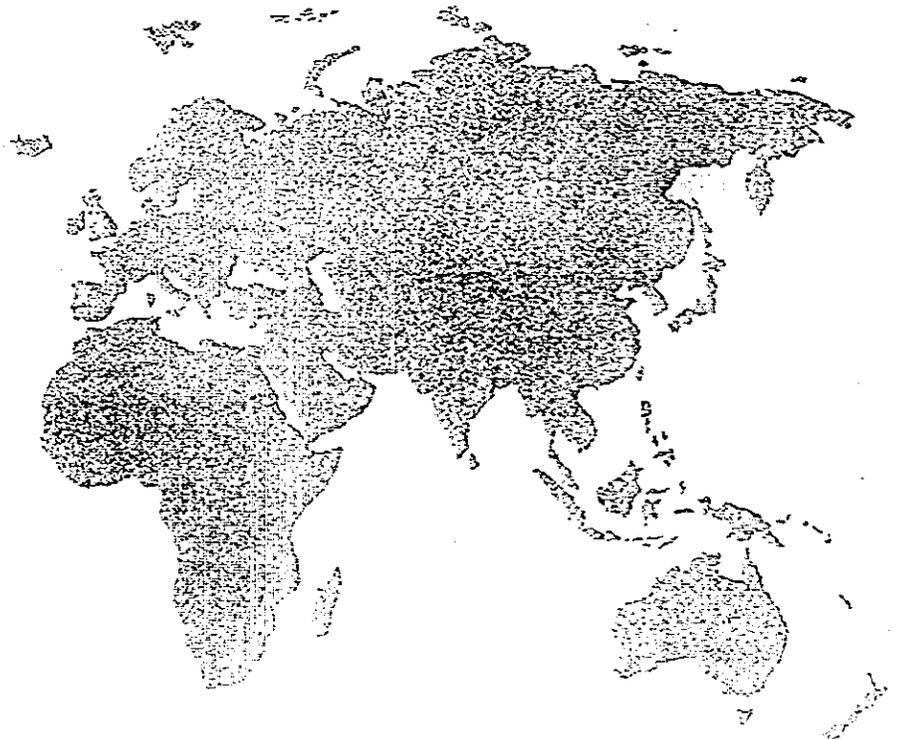
# ARD



**Nigeria**

Country Profile and Country Programme of Action

**Local Government Assessment**



## Nigeria

### Local Government Assessment

*Prepared for:* U.S. Agency for International Development  
Lagos, Nigeria

*Submitted by:* ARD, Inc.  
159 Bank St., Third Floor  
Burlington, Vermont 05401



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## Acronyms

AD	Alliance for Democracy
AFEM	Autonomous Foreign Exchange Market
ALGON	Association of Local Governments of Nigeria
APP	All Peoples Party
CBO	Community-Based Organization
CFCR	Citizens Forum for Constitutional Review
DAM	Democratic Advance Movement
GON	Government of Nigeria
LEA	Local Education Authority
LGSC	Local Government Service Commission
MDJ	Movement for Democracy and Justice
NGO	Nongovernmental Organization
NNPC	Nigerian National Petroleum Corporation
NPEC	National Primary Education Commission
NSM	National Solidarity Movement
NULGE	National Union of Local Government Employees
PAP	Poverty Alleviation Program
PDP	Peoples Democratic Party
PRP	Peoples Redemption Party
PSTF	Petroleum Special Trust Fund
SPEB	State Primary Education Board
UDP	United Democratic Party
UPP	United Peoples Party
VAT	Value-Added Tax

## Executive Summary

As USAID considers priorities for a new strategy, the current status and strategic importance of local government in securing Nigeria's democratic transition is an important consideration. This report represents an initial step in assessing the opportunities and challenges of local governance, and its strategic importance in supporting and sustaining this transition. The objectives of the assessment are to identify and analyze the opportunities and challenges for strengthening local governance in Nigeria, to evaluate the strategic importance of local government vis-à-vis other institutional arenas, and to recommend program options to address opportunities and strategic needs.

### Current Status and Trends in Local Governance

Local government reforms enacted in 1976 resulted in a national system of democratic local government. Key features of this system were later guaranteed by the 1979 constitution, wherein local governance powers were vested in elected local officials, with traditional rulers given an advisory role. The reform process created a national consensus in support of substantial local autonomy, but political will for this autonomy has varied over time with changes in regime.

The 1979 constitution proscribes the basic functions of local governments and provides for the statutory transfers of public revenues from the national and state levels to local governments. States have constitutional jurisdiction over local governments and have exercised this authority to reduce their autonomy. By limiting the autonomy of local governments, states are redefining the status of local government in the federal system. Local governments are protesting state interference and have formed the Association of Local Governments of Nigeria (ALGON) to protect their interests. Although the legal and institutional framework for local governance is generally sound, there are jurisdictional overlaps and ambiguities that weaken performance and create intergovernmental conflicts.

Only registered political parties are permitted to canvass votes and present candidates for elections. Currently, only three political parties are registered by the Independent National Electoral Commission: Peoples Democratic Party (PDP), All Peoples Party (APP), and Alliance for Democracy (AD). However, for the local government elections held in December 1998, the electoral body provisionally registered nine political parties. The number was pruned to three for all subsequent elections. Nonetheless, the political parties now excluded from presenting candidates for national, state, and local elections have not given up on their right to participate in future elections. Several of these excluded parties are trying to ensure that their elected members perform well in preparation for the next elections.

Management of local affairs takes place in a complex environment of overlapping jurisdictions, shared responsibilities, and dual control over resources and personnel. Local governments do not have full or effective control over the resources necessary for performing their functions satisfactorily. While many local governments are

overstaffed with large numbers of non-professional employees, most lack qualified staff in the required number to adequately carry out their functions. Local government chairmen are under great pressure to employ party supporters and family members. Popular perception and social pressure reinforce the image and tradition of local government councils as employment-generating institutions.

The constitution mandates fiscal transfers from the federation account and state revenues to local governments. Since 1992, 48.5 percent of the federation account has been distributed to the federal government, with 24 percent going to state governments, 20 percent to local governments, and 7.5 percent to special funds administered by the federal government. These transfers have increased significantly over the past three years, due largely to salary increases and facilitated by rising oil prices. However, large deductions are made before reaching local governments. Internally generated revenues are currently insignificant and must substantially increase if local governments are to reduce their dependency on intergovernmental transfers. The 1999 constitution also mandates distribution of 13 percent of oil revenues among the nine oil-producing states. There is a great deal of debate and controversy over the allocation of these funds.

Local governments have a number of assigned sources for collection of internal revenues. Most are difficult to collect and result in meager yields, with the exception of property/tenement rates in urban areas. Local governments' fiscal base is also weakened by state government encroachment on some of their assigned sources of revenue.

There are a number of major trends in local government that warrant mention.

- Tensions are increasing between state and local governments around the issue of local autonomy. In some instances, the issues have become the objects of court cases.
- Many proponents of decentralized governance are actively involved in the constitutional review process in an effort to support local autonomy.
- Local governments are trying in a variety of ways to increase their internally generated revenues.
- NGOs and CBOs are involved in local service provision, but relations with local governments remain tentative.
- Citizen expectations of local governments are growing, as is their interaction with local officials.

### Strategic Importance of Local Government

The strategic importance of local government can be assessed in relation to USAID's results framework for democracy and in comparison with assistance at the national and state government levels, as well as with assistance in other democracy and governance arenas.

Local government and the practice of democratic local governance can play a strategic role in sustaining the democratic transition by building *public confidence* in government, facilitating meaningful *participation by civil society in public deliberations and oversight of government*, and establishing mechanisms for

*increased transparency and responsiveness* of government institutions. Furthermore, local elections can play an important role in establishing a *foundation for a fair and competitive electoral system*. Local governments can also contribute to conflict resolution at the community level and thereby mitigate *destabilizing forces* that threaten democracy.

At which level – national, state, or local – should assistance be targeted to strengthen local governance most effectively? All play a critical role, but in light of state governments' constitutional mandate to legislate on local government matters, the principal partner and entry point for donors should be at the state level, particularly on matters of policy within current constitutional provisions. The potential for state government to affect positively popular perceptions of governmental legitimacy is also significant due to their substantial human and financial resources and a large degree of autonomy vis-à-vis the federal government. Assistance to state government should be combined with local government capacity building as citizens have easier access at this level, can more easily articulate their preferences, and hold local officials accountable for the services that they need.

The patterns of exclusion, ineffectiveness, patronage, and endemic corruption must be changed if democracy is to develop. This applies to both the Executive and the Judicial branches of government and will require a long-term sustained effort. More immediate threats to sustaining the transition to democratic civilian governance merit attention in the short-term and for which some donor assistance may prove effective. The military must be professionalized and excluded from politics and the economy. The police must be reoriented as an instrument of the justice system with respect for human rights rather than a mechanism for repression.

Achieving the much-expected democratic dividend is another major challenge to sustaining democracy in Nigeria. Rising poverty and lack of jobs exacerbate ethnic conflict and instability and dampen people's enthusiasm for democracy. There is ample room for donor support in poverty reduction and employment creation. In addition, support to the electoral process and political party development is important to sustaining Nigeria's move toward democracy. Furthermore, activities to strengthen civil society organizations can yield significant benefits. A strong and independent civil society can move state institutions toward accountable governance and dedication to public service.

#### **Program Options**

To address the opportunities and challenges pointed out in this assessment, five program options are recommended.

A program of *civic education in democratic local governance* would target NGOs, candidates for state and local positions, political parties, citizens, and the media. The objective of the program would be to improve the quality of campaigns and increase the focus of the electorate on candidates' positions and plans with regard to local governance. The result would be better candidates dedicated to good governance, and citizens who are more aware of the critical issues and can make more informed decisions at the ballot box.

A *comprehensive/geographically focused local governance program* would address many of the issues analyzed in this assessment, within a select number of jurisdictions. The results envisioned would be observable changes in governance arrangements at the state and local levels that could, in the short-run, impact positively on basic services and infrastructure, thereby increasing the legitimacy of government and citizen satisfaction. Other important objectives would be to improve the collaborative relationships between state and local governments, to strengthen public management skills, and to increase citizen participation.

A program of assistance in *legal and policy reform* would have potential national-level impacts. Program components could include support to the organization of public dialogue on constitutional review, technical assistance for state-level legislation and policies, funding of Nigerian experts to conduct research and advise policy makers and legislators, funding of public forums and publications, and grants to policy research centers and other NGOs.

Once reforms are enacted, support to reform implementation can have positive results and provide a real payoff to reform efforts. Initiatives in support of implementation of new legal and policy reforms could serve to inform policy makers on the issues and problems of effective reform implementation.

A *sector-specific governance program* would seek to strengthen democratic local governance within the context of ongoing USAID sector programs in health and education. This option represents a cost-effective way to achieve synergies among multiple strategic objectives within one program. Another anticipated result of this program would be the emergence of new governance arrangements within other local government service arenas and the consequent improvements in service quality and customer satisfaction.

A *strategic institutional strengthening and support program* option would target associations of local governments and local officials, academic and training centers, and policy research and advocacy organizations with the objective of increasing their capacity to affect both the reform agenda as well as to build capacity among state and local governments. Assistance could be provided to training institutions in updating their curriculum and in marketing their services to states and local governments. Support could also be given to research and development efforts in the field of local governance to improve the quality of training by making it more relevant and help strengthen the linkages between public policy makers and the academic community.

Resource constraints and other strategic considerations may affect the timing and sequencing of the recommended programs. The civic education option should be the priority intervention, with the *comprehensive/geographically focused program* option as a follow-on to coincide with the new cohort of elected state and local officials in 2003. The *sector-specific governance program* and the *strategic institutional strengthening and support program* can be considered either as components of the *geographically focused program*, or as viable stand-alone options. Many Nigerians consider constitutional reform in support of local autonomy a priority. However, outside support in this area may be unwelcome. Nonetheless, if positive GON interest in U.S. support to constitutional reform could be gauged, and specific value-added

activities identified, the legal and policy reform program could be undertaken at the earliest opportunity.

## 1.0 Introduction, Objectives, and Methodology

### 1.1 Introduction

Nigeria is in a critical period of its political history. The current transition to democratic governance – not Nigeria's first – is making steady progress, but remains fragile. Recent surveys show overwhelming support and optimism by Nigerians for their democracy and a strong determination to make it work (Lewis 2000). While much public attention is focused on the President and the National Assembly, the politics, policies, and programs from Abuja are distant notions for the great majority of citizens. Family, village, neighborhood, traditional rulers, and local politicians constitute the real world for most Nigerians. It is at this level that the democratic experience becomes truly meaningful.

There is a national concern for state and local issues, reflected in the demand for constitutional reforms to give more autonomy to local governments, revise the federal revenue allocation formula, and thereby increase the funding available for state and local governments. Despite the emerging consensus for these reforms, their future is uncertain. Nevertheless, there is evidence that local governments nationwide are making efforts to fulfill their mandates and provide basic services and infrastructure to the citizens in their jurisdictions despite limited resources.

Local government has not been a focus area in USAID's transition strategy, principally because this level of government was not considered critical to maintaining political stability. Furthermore, with the uncertain policy environment and direction for local government, it was decided to forego any significant investments in local government programming.

As USAID considers priorities for a new strategy, the current status and strategic importance of local government in securing Nigeria's democratic transition is an important consideration requiring a thorough analysis and understanding of the enabling environment, the structures and functioning of local government, and the prospects for reform. For this purpose, USAID issued a task order to ARD to assess the opportunities and challenges related to strengthening local governance, and its strategic importance in supporting and sustaining the democratic transition.

### 1.2 Objectives

The objectives of the assessment as called for in the scope of work can be summarized as follows:

- Identify and analyze the opportunities and challenges for strengthening local governance in Nigeria.
- Evaluate the strategic importance of local government vis-à-vis other institutional arenas.

- Recommend program options to address opportunities and strategic needs.
- Organize a workshop to review assessment findings and programming ideas.

### 1.3 Methodology

The assessment team assembled by ARD was comprised of:

**Louis Siegel**, ARD Senior Associate, Institutional Development and Governance Specialist (Team Leader)

**Alex Gboyega**, Professor of Political Science, University of Ibadan

**Adigun Agbaje**, Senior Lecturer in Political Science, University of Ibadan

**Gary Loster**, Mayor, Saginaw, Michigan, President World Conference of Mayors

**Graham Kerr**, ARD Senior Associate, Decentralization and Local Development Specialist

Logistical support for the assessment was provided by Support & Management Services, Ltd. of Lagos.

Preparations for the assessment were initiated prior to the arrival of the U.S. team members in Nigeria. This included the collection of background literature, fieldwork design, site selection, logistics planning, and workshop planning. The Nigerian team members sent considerable amounts of current literature to the other team members in the U.S. allowing them to review background documentation before their arrival in country. The U.S. team also conducted an extensive literature search on the Internet and at the World Bank, and discussed the assessment with several World Bank staff involved in programs in Nigeria.

The team assembled in Lagos on Tuesday, November 7, 2000 and prepared the following schedule:

***Week 1: November 8-12***

*Team building and assessment planning meetings. Meetings in Lagos with stakeholders.*

***Week 2: November 13-19***

*Meetings with federal institutions and other donors in Abuja. Meetings with state and local institutions in Borno and Oyo States. Team coordination meeting in Ibadan.*

***Week 3: November 20-25***

*Meetings with state and local institutions in Delta, Enugu, Kano, and Plateau States.*

***Week 4: November 26-December 4***

*Report drafting and stakeholder workshop in Lagos. Final USAID briefing.*

The team met with USAID immediately after arriving in Lagos to discuss the scope of work and site selection. While recognizing the logistic challenges of the itinerary, USAID reaffirmed that the team should try to conduct fieldwork in six states (one from each geopolitical zone) and at least one urban and one rural local government in each state. The states and local governments selected are shown in Appendix B. During this initial meeting, the team expressed some reservations concerning the scope of work requirement to evaluate the "strategic importance of local government vis-à-vis other (D&G) institutional arenas" without being able to do similar assessments of each of the other arenas – or have access to previously completed assessments. USAID acknowledged that this might be difficult, but asked the team to provide some guidance if at all possible.

Following site selection, introductory letters were drafted and advance logistic staff were dispatched to each area to schedule appointments with key informants. At the same time, the team reviewed the scope of work and identified the important topics and issues for investigation. A structured interview approach was adopted for which a list of questions and areas of inquiry were developed (see Appendix A).

The team also identified about 40 stakeholders to be invited to a workshop to be held at the conclusion of the fieldwork. In order to introduce the widest variety of experiences and perspectives, participants were invited from states and institutions not visited by the team. These individuals were drawn from federal, state, and local governments; nongovernmental organizations (NGOs); the informal sector; academics; and the media.

The team was divided for conducting the fieldwork. Team A (Siegel, Gboyega, and Loster<sup>1</sup>) visited the Federal Capital of Abuja, and Oyo, Plateau, and Kano states. Team B (Agbaje and Kerr) visited Borno, Delta, and Enugu states. At the end of the first week, the two teams met in Ibadan and reviewed the first series of interviews and their field notes, and made necessary adjustments to the research design.

The fieldwork went smoothly, planes flew on time, and long road trips were accomplished safely. The teams were able to complete interviews in all local governments, but in several localities, they did not meet with all targeted respondents. Although meetings were scheduled in advance, many local government chairmen were called to Abuja for a mandatory meeting during the first few days of the second week and thus were not available for interviews. Other mitigating circumstances prevented all interviews from taking place as scheduled. In these cases, it was difficult to reschedule appointments because the teams were usually only in a local government area for one or two days at most. In spite of these difficulties, the teams were able to complete interviews with more than 150 respondents (listed in Appendix B) with a good representation in all stakeholder categories. The interviews were usually one-on-one or in small groups.

After completing the fieldwork, the team reassembled in Lagos. During the final week of the assignment, the team briefed USAID on the fieldwork, continued to make preparations for the workshop, and drafted the assessment report.

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<sup>1</sup> Mayor Loster joined the team on November 22 in Jos during the second week of fieldwork.

The workshop was held on Saturday, December 2, with 26 participants. They worked through a highly structured set of activities, which enabled them to move in five hours from a general assessment of the status of local government to specific actionable proposals for its improvement. The workshop closed with all participants "voting" for their preferred proposals. The proceedings of the workshop are presented in Appendix C.

## 2.0 Current Status and Trends

### 2.1 Antecedents

Local government reforms enacted in 1976 resulted in a national system of democratic local government. Key features of this system were later guaranteed by the 1979 constitution, wherein local governance powers were vested in elected local leaders, and traditional rulers were given an advisory role. The reform process created a national consensus in support of substantial local autonomy, but political will for this autonomy has varied over time with changes in regime. The legacies of this period in Nigerian history largely affect the environment for continued reforms and strengthening of local democratic governance.

In 1976, the Federal Military Government initiated the reforms that harmonized the different systems of local government administration in the country. The new system standardized local government administration nationally, in terms of functions, structures, personnel systems, sources of revenue, and the role of traditional rulers. These reforms were part of the government's program of transition to civil rule that culminated in hand-over of political power to elected civilian leadership at the federal, state, and local government levels in October 1979.

The 1976 reforms established a separate level of local government within the system of federal governance. These reforms were subsequently reflected in the 1979 constitution. As such, the 1979 constitution guaranteed democratically elected local governments, proscribed their basic functions, and provided for the statutory transfers of public revenues from the national and state levels to local governments.

The consultative process through which the 1976 reforms were adopted helped create a national consensus in favor of decentralized governance and local autonomy that persists today. This national consensus has been reflected in the continuation of local elections even during periods of military rule, as was the case during the Babangida administration (1987-1993). Even Abacha's regime in the late 1990s accommodated this reality by allowing local government elections after a short period of administering local government through appointed officials.

The 1976 reforms vested local governance powers in elected local representatives rather than traditional rulers. Traditional rulers around whom colonial authorities organized local administration were assigned only advisory functions under the new system. Although traditional rulers continued to play a part in the formal governance structures, decision-making powers were firmly vested in the elected local government council.

Nonetheless, in some states, traditional rulers continued to wield significant power and played an important role in revenue collection. In most parts of the country, they remained the most effective channels of communication with rural dwellers, which constitute the majority of the population. This gave them considerably more influence on local government administration than is provided for in the statutes.

The political will for local autonomy has swung like a pendulum from one regime to another. Under the civilian administration of the Second Republic (1979-1983), much of the gain in local government autonomy was reversed by the state governors. They sacked local government councils freely, encroached upon their functions and revenues, and imposed appointed committees to manage local affairs.

The military's return to power in 1984 witnessed a renewal of interest in revamping the local government system. The new federal military government extended local government autonomy by removing major obstacles such as the states' right to approve local budgets and control expenditures. It also forced the states to abolish their ministries of local government through which state governments controlled local government affairs.

However, the military legacy in local government administration has not always been favorable to local autonomy. At the same time that military regimes provided for sound legal and institutional arrangements for devolution of power to local governments, state military governors interfered in local government administration. They encroached on local revenues by making purchases on behalf of local governments, withheld state statutory allocations, and took over local functions under pretexts that they were not effectively performed.

The military legacy has had other negative consequences on local autonomy. Under military rule, local government officials and citizens were encouraged to believe that public services could be provided at no cost to consumers. Provision of statutory grants encouraged local governments to neglect their internal sources of revenue and to rely exclusively on the transfers for capital development and current expenditures. The result of this long-standing practice has been the total dependency of local governments on such transfers and their inability to function effectively when the transfers fall short of their needs.

## **2.2 Legal and Policy Environment**

### **2.2.1 Functions of Local Government**

Local government functions are specified in the constitution and state laws. States have constitutional jurisdiction over local governments and have exercised it to reduce local autonomy. Local governments are protesting state interference and have formed an association to protect their interests. Although the legal and institutional framework for local governance is generally sound, existing jurisdictional overlaps and ambiguities weaken performance and create intergovernmental conflicts.

The 1999 Constitution [section 7(1)] guarantees the system of democratically elected local government councils. It tasks every state to ensure their existence under a law that provides for their establishment, structure, composition, finance, and functions. This provision makes local government subject largely to state statutes.

States are empowered to establish new local jurisdictions. To create a new local government area, the constitution stipulates that state authorities should (a) define such area as clearly as practicable; and (b) take into account the common interest of the community in the area, traditional association in the community, and

administrative convenience. However, the initiative for creating a new local government lies with the local government councils, which must write a petition to that effect with a two-thirds majority of their members. The proposal must also receive two-thirds approval of the people of the local government area voting in a referendum. Finally, the support of a majority of the local government councils in the state is required before the proposal can go to the State House of Assembly. If the State House of Assembly passes a bill and the governor assents, it goes to the National Assembly for notification. This elaborate procedure is meant to ensure that the people themselves initiate demands for new local governments and control the process.

The Constitution lists the functions that are exclusive to local government and that should be provided for in state law. These are:

- (a) the consideration and the making of recommendations to a state commission on economic planning or any similar body on (i) the economic development of the state, particularly insofar as the areas of authority of the council and the state are concerned; and (ii) proposals made by the said commission;
- (b) collection of rates, radio and television rates;
- (c) establishment and maintenance of cemeteries, burial grounds, and homes for the destitute or infirm;
- (d) licensing of bicycles, trucks (other mechanically propelled trucks), canoes, wheelbarrows, and carts;
- (e) establishment, maintenance and regulation of slaughter slabs, markets, motor parks, and public conveniences;
- (f) construction and maintenance of roads, streets, street lighting, drains, and other public highways, parks, gardens, open spaces, or such public facilities as may be prescribed from time to time by the House of Assembly of a state;
- (g) naming of streets and numbering of houses;
- (h) provision and maintenance of public conveniences, sewage, and refuse disposal;
- (i) registration of births, deaths, and marriages;
- (j) assessment of privately owned houses or tenements for the purpose of levying such rates as may be prescribed by the House of Assembly of a state; and
- (k) control, and regulation of (i) outdoor advertising and hoarding; (ii) movement and keeping of pets of all descriptions; (iii) shops and kiosks; (iv) restaurants, bakeries, and other places for the sale of food to the public; (v) laundries; and (vi) licensing, regulation, and control of the sale of liquor.

The constitution also stipulates that local government functions shall include participation in:

- (a) the provision and maintenance of primary, adult, and vocational education;
- (b) the development of agriculture and natural resources, other than the exploitation of minerals;
- (c) the provision and maintenance of health services; and
- (d) such other functions as may be conferred on a local government council by the House of Assembly of the state.

Under the current dispensation, traditional rulers are peripheral to the formal structure and operations of local government. Each state has a council of chiefs composed of its major traditional rulers that plays an advisory role to the state government. Other lower-level councils of traditional rulers exist as a function of the varying traditions found in different parts of the country. Traditional councils are kept abreast of issues facing a local government on which they provide valuable advice. They also make decisions and adjudicate disputes involving local customs and traditions. In most northern states, traditional rulers also participate in tax assessment and collection.

The constitutional and political regime changes consequent upon return to civil democratic rule have created new intergovernmental dynamics. State Houses of Assembly have passed or are considering new local government laws emphasizing their control. The laws already passed or in draft bill before the Houses of Assembly vary as to how states will relate to local governments. In Plateau State, the State Commissioner responsible for local government (i.e., the Deputy Governor) has the power to appoint Local Government Inspectors who are authorized to (a) attend all local government council and committee meetings in advisory capacity, (b) have access and inspect all books and records of the local government, and (c) advise a local government regarding any of its functions.

Many states have expanded the functions of local governments and their sources of revenue as well as spelled out guidelines for local government operations. For example, the Enugu State Local Government Law 2000 elaborates the health functions of local governments to include establishment and maintenance of health centers, maternity centers, dispensaries and health clinics, ambulance services, leprosy clinics, and preventive health services.

At the same time as state governments expand local government functions, they usurp others found in the constitutional list. In almost all states, some of these local functions have been taken over and are being performed by state governments. This is the case for commercial markets and solid waste management, particularly in urban areas.

In giving states jurisdiction over local government, the framers of the constitution followed the historical tradition of the 1950s and 1960s that regarded local government as a subject on the residual legislative list and thus subject to state jurisdiction. In exercise of their power over local government, states have started to impose political and administrative controls that were done away with under the Babangida regime. For example, in no state can a local government chairman travel out of his area without the state governor's permission. In addition, local projects above 500,000 Naira must be approved by the governor. In some states, governors have even summarily sacked local government chairmen and councilors. By limiting the autonomy of local governments, these kinds of restrictions represent a significant redefinition of the status of local government in the federal system.

In Delta State, on the other hand, all restrictions on local government spending have been removed and full authority to approve budgets and implement projects has been devolved to the local government councils. In Oyo State, by way of contrast, the draft law awaiting the Governor's signature empowers the State House of Assembly to

monitor local government projects. It is speculated that the delay by the Governor in giving his assent has to do with the fact the State House of Assembly has expanded its authority over local governments thereby competing for control with the executive.

At the local level, executive-legislative competition is also manifest. The local governments in most states operate under a presidential system. The system vests local government councils exclusively with law-making powers, including the power to approve and monitor local budgets. This power is used to check the executive's expenditures and to influence the nature and distribution of projects. Local government chairmen generally support adoption of the presidential system; however, many of them resent the checks on executive authority and the interference of local councilors in executive functions for which they are responsible.

A parliamentary system is used in Kano State local governments. In a parliamentary system, supervisors are appointed from among elected councilors to head up the various departments within the local government administration. A draft bill currently before the Kano State House of Assembly proposes to change local government administration to the presidential system. The prospect is received with mixed reactions. According to one chairman, this change will increase local government overall costs for the additional salaries of non-elected supervisors to be appointed from outside the council. Councilors, on the other hand, believe that it will increase their power vis-à-vis the executive.

Local governments have no local police force or judiciary. They are dependent on the National Police (controlled by the federal government) and the state judicial system to enforce their power by laws and decisions. The unique national security force does not serve the needs of local governments and communities. The police are inadequate in number and are preoccupied by more pressing issues of security and enforcement of state laws. Many local officials feel that a local government police force would strengthen local governance in areas such as tax collection where non-payers could be pursued and prosecuted if necessary.

### 2.2.2 Political Parties

Only registered political parties are permitted to canvass votes and present candidates for elections. Currently, only three political parties are registered by the Independent National Electoral Commission: the Peoples Democratic Party (PDP), All Peoples Party (APP), and Alliance for Democracy (AD). However, before local government elections were held in December 1998, nine political parties were provisionally registered by the electoral body. The number was pruned to three for all subsequent elections, based on the performance of the parties in the local elections as follows:

Table 1: Parties and Performance in 1998 Local Elections

	Political Party	Chairmen	Councillors
1	Alliance for Democracy (AD)	100	1,071
2	All Peoples Party (APP)	188	2,589
3	Democratic Advance Movement (DAM)	---	4
4	Movement for Democracy and Justice (MDJ)	3	61
5	National Solidarity Movement (NSM)	2	8
6	Peoples Democratic Party (PDP)	459	4,650
7	Peoples Redemption Party (PRP)	2	21
8	United Democratic Party (UDP)	---	12
9	United Peoples Party (UPP)	1	26

Source: Adewale Maja-Pearce, *From Khaki to Agbada*, Civil Liberties Organization, 1999 p. 71

The three registered political parties dominate the local political scene, as all but eight of the 774 local government chairmen belong to one of them. PDP is clearly the dominant political force with 459 local government chairmen and 4,650 councillors. It also won control of 21 states, against 9 for APP and 6 for AD. The President, Chief Olusegun Obasanjo, belongs to the PDP that also controls large majorities in both chambers of the National Assembly.

Since their registration, these political parties are the only organizations legally permitted to contest elections. None of them mentions local government in their manifesto, although the APP and PDP have policies on traditional rulers. The electoral system does not give room for state or local political parties. Consequently, local issues tend to be eclipsed by larger national issues. Nevertheless, the dynamics of competitive party politics compel party leaders at the ward and local government level to encourage elected officials to be responsive and accountable. As such, local party leaders regularly monitor the performance of local governments to maintain their parties' credibility with voters.

The political parties excluded from participation in national, state, and local elections have not completely given up on their right to participate in future elections. For example, the leader of the PRP, Alhaji Abdulkadir Balarabe, insists that by virtue of his party's qualification to contest local elections in 1998, it is still qualified to contest future local elections. As such, he tries to motivate his party's local government chairmen to be exemplary in their performance. Alhaji M. D. Yusuf, the national leader of the MDJ held a meeting with the elected local government chairmen and councillors of his party in December 2000 to discuss their performance and modalities for monitoring their activities. The PRP and MDJ are the most ideologically inclined political parties; therefore, it is not surprising that they are concerned about the performance and image of their parties' candidates. By trying to ensure that their elected members stand out from the crowd as achievers and honest leaders, they are priming their local constituencies for the next elections.

### 2.2.3 Local-Level Corruption

Unfortunately, the efforts of political parties to promote quality performance by their successful candidates have had little impact on the extent of local-level corruption. Rather, the most important initiatives to tackle corruption in local government are the several citizens' initiatives that report suspected corruption in their local governments to the appropriate authorities for investigation and action. Petitioners have sent complaints to either the State House of Assembly, the National Assembly, or the recently created Independent Corrupt Practices and Other Related Offenses Commission.

For example, the petitioners from Logo Local Government (Benue State) petitioned the State House of Assembly regarding various corrupt practices in their local government. This led to the State House of Assembly asking its Public Account Committee to investigate the allegations. Petitioners from Awka North Local Government (Anambra State) sent their petition to the state's Accountant-General. Others sent their petitions to the National Assembly where, by November 2000, the cases of 80 council chairmen had been referred to the police for investigation.

The Chairman of the Independent Corrupt Practices and Other Related Offenses Commission disclosed in early January 2001 that petitions against local government chairmen topped the list of complaints received by the Commission and that the allegations were being investigated. These initiatives to fight corruption empower citizens and hold much promise for the democratic project on condition that the appropriate authorities act quickly and firmly to investigate alleged corruption and take legal action where necessary.

### 2.3 Administrative and Management Issues

Management of local affairs takes place in a complex environment of overlapping jurisdictions, shared responsibilities, and dual control over resources and personnel. Local governments do not have full or effective control over the resources necessary for performing their functions satisfactorily.

Elected chairmen are chief executives of their local government councils. In most states, local governments operate the presidential system so that the executive is separate from the council which elects its own officers. The main role of a council in a presidential system is to pass by-laws, approve budgets, and monitor their implementation. The 1988 civil service reforms, as applied to local governments, fixed the number of departments within a local government at six: (i) personnel management; (ii) finance and supplies; (iii) education; (iv) medical and health; (v) agriculture and natural resources; and (vi) works. A local government chairman is permitted to appoint supervisors as political heads of these departments.

#### 2.3.1 Local Government Personnel

While many local governments are overstaffed with large numbers of non-professional employees, most lack qualified staff in the required number to adequately carry out their functions.

Each state government has established a Local Government Service Commission (LGSC) that is responsible for the recruitment, employment, posting, training, promotion, and discipline of all local government personnel. The great majority of LGSCs have transferred these responsibilities to local governments for personnel in grade levels 1 through 6, maintaining their control over senior staff (grades 7 and above). These senior staff under LGSC management belong to a "unified staff system." The main benefits of the unified staff system are that it provides qualified staff to local government areas that would otherwise find it difficult to recruit them because of undesirable location and/or lack of amenities. The system also provides for employment stability and career development.

From the perspective of elected officials, the system poses some basic problems. First and foremost, the allegiance of local civil servants under this arrangement is to a broader corps that extends beyond the particular local government to which they are assigned. This constrains local government chairmen's ability to ensure performance and accountability, because they can have little direct impact on an employee's career. When staff are unresponsive to local officials, the only recourse for a local government chairman is to report the employee to the LGSC. There is no guarantee that this will lead to a transfer, or in any way affect future employment or promotion opportunities. Consequently, the loyalty of local government civil servants is more to the LGSC than to chairmen of the local governments in which they work.

The LGSC bases promotions on number of years of service and satisfactory annual performance reports (APER). Each local government chairman signs APER forms for the professional civil servants but, for social reasons, the forms are routinely filled out with only satisfactory ratings. This instrument for career development and staff performance motivation does not serve its intended purpose.

As the LGSC makes staff assignments to particular localities, they can change personnel at will. In many instances, staff rotation destabilizes the operations of the local government administration. Usually, senior staff are reassigned every three years on average, but too often rotation occurs more frequently. For example, one local government visited during the assessment had had three finance directors, four works department directors, and five directors of personnel management in the past 18 months. The local government's chairman was completely bewildered by the rapid rotation of such key personnel in so short a period.

In addition to the problem of lack of control over senior staff, many local governments are overstaffed. Most of the overstaffing is in the lower categories where local governments can hire without state government approval. Popular perception and social pressure reinforce the image and tradition of local government councils as employment-generating institutions. Local government chairmen are under great pressure to employ party supporters or their family members.

Recent salary increases make retrenchment critically important to some local governments' financial position, yet firing redundant staff is extremely difficult. Where chairmen have attempted to "clean house," they have been met by extreme pressure and even violence. Furthermore, the influence of the National Union of Local Government Employees (NULGE), and a lack of political will and support

from state governments, limit the prospects for rationalizing local government employment.

The LGSC administers a training fund of 1 percent that is deducted from each local government's share of the federation account. The fund is used for short- and long-term training programs offered by the universities designated for local government training (e.g., Ahmadu Bello University, Zaria, Obafemi Awolowo University, Ile-Ife, Administrative Staff College of Nigeria, and University of Nigeria, Nsukka), other institutions (e.g., Center for Management Development, Lagos Business School, Center for Research and Development, Center for Responsive Politics, state-level civil service training schools, and institutes of public administration), and by consulting firms. The training fund has enabled LGSCs to finance training programs, but has also led to abuses. It has spawned a workshop industry with various management experts soliciting participation of local government officials in workshops of dubious value at exorbitant rates. Local governments spend large sums annually on such workshops. To curb these abuses, Delta State's local government law limits participation of elected officials in workshops to four per year. In many other states, local officials have to obtain prior approval of the state government before they can attend workshops and other training events.

### 2.3.2 Primary Education and Other Public Services

Great controversy has surrounded the management and finance of primary education. Since 1979, the constitution has assigned local governments a role of "participating" in the provision and maintenance of primary education without a clear definition of what their exact responsibilities should be. Different arrangements have been tried to ensure that local governments contribute to the funding of primary education. Under military rule, the National Primary Education Commission (NPEC) was established to channel funds from the federal, state, and local governments to Local Education Authorities (LEAs) so that primary school teachers' salaries would be paid regularly. Because that system did not work well, the federal government started deducting the salaries of teachers from local governments' allocations from the federation account.

Although this arrangement ensures that teachers' salaries are regularly paid by the LEAs, it is fraught with many problems and controversies. First, after deducting money for the payment of teachers' salaries from the federation account, many local governments have zero allocation. Affected local governments therefore find it difficult, if not impossible, to pay salaries of other staff, not to mention funding capital projects and services. Second, in some cases, the money deducted for teachers' salaries exceeds what is remitted to the LEAs, thereby shortchanging the affected local governments. Third, executive secretaries of LEAs are responsible only to the State Primary Education Board (SPEB). Consequently, local governments feel cut off from the management of primary schools and their teachers who take a major share of their revenues. These problems are discussed in more detail in Appendix D.

The management of other services rendered by local governments is less complex in organization and funding even when higher levels of government are involved in their provision. For example, primary health care is exclusively local responsibility, but local governments receive periodic assistance from federal and state governments for immunization campaigns and to combat outbreaks of communicable diseases.

Some state governments post medical doctors to local governments that cannot afford to employ their own medical personnel.

In many urban local governments, particularly state capitals, state governments have taken over solid waste management as mentioned earlier. They have set up waste management boards for this purpose. This deprives local governments of one of their mandated functions. Similarly, under the federal government's poverty alleviation program (PAP), unemployed people were recruited, managed, and paid by federal officials to sweep streets and public offices.

In some local governments, cleaning of streets and markets has been contracted out to private firms. NGOs and community-based organizations (CBOs) also provide local public services. Because of frequent strikes by primary school teachers and the poor educational infrastructure in the public sector, the number of private schools and schools run by NGOs is growing. Religious organizations have also reemerged as significant providers of educational and medical services. While many state governments have not formally renounced the policy of exclusive state production of education services, they have relaxed their hold on the sector and allowed private sector participation in nursery, primary, and secondary education. Thus, many nongovernment actors are filling gaps in public provision of services.

#### 2.4 Financial Issues

The constitution mandates fiscal transfers from the federation account and state revenues to local governments. These transfers have increased significantly over the past three years, due largely to salary increases and facilitated by rising oil prices. However, large deductions are made before reaching local governments, particularly for payment of primary school teachers' and staff salaries. Internally generated revenues are currently insignificant and must increase substantially if local governments are to reduce their dependency on intergovernmental transfers.

An important aspect of the 1976 local government reforms was the introduction of statutory transfers from the federation account and state revenues to local governments. Before the introduction of the transfers, local governments depended mainly on the poll tax and, for some urban areas, tenement rates (i.e., property tax). In the northern states, local governments raised substantial revenues from the cattle tax as well. These tax revenue sources were grossly inadequate to finance mandated functions, hence the decision to make fiscal transfers from the federation account and state revenues.

Section 162 (3) of the 1999 Constitution provides that the federation account "shall be distributed among the federal and state governments and local government councils in each state on such terms and in such manner as may be prescribed by the National Assembly." Since 1992, the federation account has been distributed to the three tiers of government as follows: federal government - 48.5 percent, state governments - 24.0 percent, local governments - 20.0 percent, and special funds (administered by the federal government) - 7.5 percent.

The 1999 Constitution also provides that 13 percent of oil revenues be distributed among nine oil-producing states. These are Abia, Imo, Akwa Ibom, Cross River, Rivers, Bayelsa, Edo, Ondo, and Delta. Local governments in these states are lobbying for a substantial share of these *derivation funds*, but state governors have full control to use it for the general development of their states. The derivation fund gives beneficiary states significantly more revenues and, even if retained at the state level, should benefit local government areas as well.

Local governments' part of the federation account (20 percent) is shared according to the formula applied for sharing revenue among states as follows:

<i>Equity</i>	40.0%
<i>Population</i>	30.0%
<i>Land Mass/Terrain</i>	10.0%
<i>Internal Revenue Effort</i>	10.0%
<i>Social Development Factors</i>	10.0%
- <i>Primary School Enrollment</i>	
- <i>Secondary/Commercial Enrollment</i>	
- <i>Inverse Secondary/Commercial Enrollment</i>	
- <i>Number of Hospital Beds</i>	
- <i>Water Supply Spread</i>	
- <i>Rainfall</i>	

In addition to the statutory allocations from the federation account, local governments receive 35 percent of the Value-Added Tax (VAT), another federally collected tax. This additional external source of revenue represents about 20 percent of total revenues. As Table 2 below shows, local governments are overwhelmingly dependent on these two external sources of revenue. Together these sources of revenue provided local governments with the following proportions of their total revenues from 1994-1999:

1994 - 90.11%	1997 - 89.66%
1995 - 89.20%	1998 - 91.71%
1996 - 88.35%	1999 - 90.43%

More recent data collected in the local governments sampled for this assessment showed even higher percentages of externally provided resources, with locally generated revenues only accounting for between 2 percent and 8 percent.

Table 2: Summary of Local Government Finances  
(millions of Naira)

	1994	1995	1996	1997	1998	1999
Current Revenue	19,223.1	14,412.7	23,942.1	31,183.3	44,968.2	56,012.00
% of total	100	100	100	100	100	100
Federation Account	17,321.3	17,875.5	16,569.7	20,443.3	30,620.9	36,746.9
% of total	90.11	73.63	69.21	65.56	69.09	65.61
State Allocation	4.66	625.4	691.1	578.9	750.4	719.20
% of total	2.42	2.56	2.89	1.86	1.67	1.28
Value Added Tax	0.0	3,558.1	4,581.7	7,515.0	10,170.8	13,903.90
% of total	0.0	14.57	19.14	24.10	22.62	24.82
Internal Revenue	1,205.9	2,110.8	2,027.1	2,506.9	3,331.6	4,047
% of total	6.27	8.65	8.47	8.04	7.41	7.23
Grants & Others	229.5	242.9	72.5	139.2	94.5	594.20
% of total	1.19	1.02	0.30	0.45	0.21	1.06

Source: CBN, Annual Report and Statement of Accounts for the Year Ended 31 December 1999

Intergovernmental transfers from the federation account have boosted local finances tremendously, despite mismanagement and other extra-legal deductions. Under military rule, the federal government allowed ministries to spend in excess of approved budgets using supplementary warrants to cover such expenses. These out-of-budget expenses were usually taken out of the federation account and, thus, at the expense of states and local governments. In addition, so-called dedicated accounts were established into which some of the oil revenues were diverted. The dedicated oil accounts were for the exclusive use of the federal government. The World Bank (*Nigeria: Federal Public Expenditure Review, March 18, 1996*) estimates that as much as US\$12 billion might have been diverted from the federation account into dedicated accounts between 1994 and 1996.

Although the Head of State promised in his 1995 budget statement to abolish dedicated oil accounts, instead, they were renamed "first charges" and taken from the federation account before distribution to the three tiers of government. The "first charges" or priority expenditures are (i) Joint Venture Cash calls (investments in petroleum industry), (ii) Nigerian National Petroleum Corporation (NNPC) Priority Projects, (iii) National Priority Projects, (iv) External Debt Service, and (v) Special Reserve/Excess Proceeds. Also, in October 1994, when the federal government raised the domestic prices of petroleum products, it established the Petroleum Special Trust Fund (PSTF) into which the additional proceeds resulting from price increases were deposited. A Board appointed by and accountable only to General Abacha managed the PSTF.

As Table 3 below shows, the first charges and PSTF transfers accounted for 46.2 percent (1995), 49.9 percent (1996), 47.5 percent (1997), 48.7 percent (1998), and 52.6 percent (1999) of oil receipts over the past five years.

**Table 3: First Charges and Petroleum Special Trust Fund as Proportions of Oil Revenue (N million)**

	1995	1996	1997	1998	1999
(a) Oil Revenue	324,547.6	408,783.0	416,811.1	324,311.2	738,798.7
%	100%	100%	100%	100%	100%
(b) First Charges	115,000.0	162,000.0	168,083.8	123,199.3	388,290.9
%	35.4%	39.6%	40.3%	38.0%	52.6%
(c) Transfer to PSTF	356,000.0	41,935.0	30,000.0	34,778.8	0.0
%	10.8%	10.3%	7.2%	10.7%	0.0%
(b) and (c) as % of (a)	46.2%	49.9%	47.5%	48.7%	52.6%

Source: Central Bank of Nigeria, Annual Report and Statement of Account for the Year Ended 31 December 1999

With approximately 50 percent of oil revenues deducted before deposit into the federation account, plus other deductions for the purchase of fertilizers, external debt service, and the autonomous foreign exchange market (AFEM) and stabilization account, the statutory transfers to states and local governments are severely limited. Out of 460 billion Naira in total federal revenues in 1995, only 160 billion (34.8 percent) was allocated to the three tiers of government, of which local governments received 20 percent.

The amounts have increased since return to civil democratic rule. In its first year, federal revenues totaled 950 billion Naira, of which 451 billion (47.5 percent) was transferred through the federation account. The increase has not significantly benefited most local governments as a large proportion of the increase goes to pay the federally determined salary increases to local civil servants. Not surprisingly, therefore, local government chairmen through the Association of Local Governments of Nigeria (ALGON) have been pressing for changes in the revenue allocation formula to increase local governments' share and to ensure that deductions at the source are reduced.

The states have been lobbying for a revision of the allocation formula. At the last meeting of the Conference of Southern Governors at Enugu on January 10, 2001, the Governors resolved, among other things, that "all funds, revenues and incomes collected by the Federal Government on behalf of the federation should be paid into the distributable pool account known as the 'Federation Account'" and also "that receipts from the Education Tax Fund, proceeds of privatization and excess crude oil are funds belonging to the federation at large and should be shared through the federation account on the agreed formula." They pledged to take the matter to court

and challenge the federal government's right to withhold funds that should be distributed to the three tiers of government.

Federal authorities have also been discussing a revision of the revenue allocation formula. Constitutionally, it is the duty of the National Revenue Mobilization, Allocation and Fiscal Commission to recommend changes in the revenue allocation formula to the President, who, in turn, should send the proposal to the National Assembly for consideration. The President has said that he would support modifications to the allocation formula to increase the amounts transferred to state and local governments. However, no specific proposal has been announced. The process has been stalled by lack of agreement between the federal executive and the Commission on the relative proportions for the three tiers of government.

Another controversy surrounding the revenue allocation formula concerns the 13 percent derivation fund destined for the oil-producing states, in part, to compensate them for environmental damage from the oil industry. For much of the year 2000, the oil-producing states had a running argument with the Presidency on whether the revenues from off-shore oil production should be included in the calculation of the 13 percent. The controversy heightened when payment of the derivation fund was delayed and when the affected states raised their demands to include total control of oil revenues with payment of appropriate taxes to the federal government. All of the 17 Southern Governors now back this demand.

Local governments in the oil-producing states are also demanding their share of the derivation fund. The concerned local government chairmen recently met and demanded that the states transfer 70 percent of the derivation fund to the local government areas where oil is produced. Civil society organizations in the oil-producing communities are joining the chairmen and governors in their efforts.

Although no decisions or legislative acts have been made on the issues of intergovernmental transfers from the federation account and derivation fund, it is clear that some changes will be forthcoming. The changes, when they come, will most likely impact positively on the allocations to local governments. This may come from a revision in the allocation formula that increases the proportion of the federation account transferred to local governments. More funds for local governments may also come from an increase in the total amount for distribution by reducing or eliminating the deductions currently made from the federation account. In the specific case of the oil-producing states, local government resources may also increase as a result of states' passing on a larger portion of the derivation fund, whatever its size.

Internally generated local government revenues come from taxes, fees, other income, and miscellaneous sources that are classified by Financial Memoranda as follows:

Item	Details
Taxes	Including community and poll taxes and cattle tax where applicable (mainly in the Northern states)
Rates	Property/Tenement rates, ground rent, etc.
License, Fees and Fines	Consisting of 101 different revenue items
Earnings from Commercial undertakings	Markets, Motor Parks, Transport Services, etc.
Rent of Government Property	
Interest Payments and Dividends	From Local Government investments in government securities and company shares
Miscellaneous	

Source: *States and Local Government Affairs Office, Local Government Yearbook, 1998*

These assigned sources of revenue are difficult to collect and result in meager yields, except property/tenement rates, which have a great potential to contribute significantly to local revenues in urban areas. This is demonstrated in the highly urbanized local governments in Lagos State where local governments derive between 20 percent and 25 percent of their total revenues from tenement rates.

Internal revenue effort is also undermined by corruption, widespread evasion, the lack of incentives for revenue collectors, and the general politically unpopular imposition of taxes. Some local governments have taken steps to improve internal revenue generation by updating property ownership roles and the valuation of properties. UNDP has provided assistance at the state government level for this purpose. In other cases, local governments have contracted with private firms to assess property values and actually carry out the collection on a commission basis.

Transfers from external sources (mainly the federation account and VAT) are subject to statutory deductions before reaching local government coffers. As mentioned earlier, primary school staff salaries, by far the largest of the statutory deductions, are taken from the federation account allocations at source. In addition, one percent of the total federation account transfer is set aside for a training fund managed by the LGSC. In some states, 5 percent is deducted for the use of traditional rulers, and 15 percent of the total wage bill is deducted for the Local Government Staff Pension Fund managed by a board appointed by the state government.

Local governments' fiscal base is also weakened by state encroachment on their assigned sources of revenue. Despite the fact that markets, motor parks, and waste management are listed in the constitution among local governments' exclusive functions, some state governments have taken over such functions in urban areas and collect the revenues derived from them. Markets have been built on huge loans taken by state governments. The need to repay such loans provides an excuse or justification for state involvement in the management of markets and the appropriation of fees collected from them. Garbage collection in urban areas is problematic because it requires large capital investment for equipment and trucks that many local governments cannot afford to make, or choose not to. In many states,

government has stepped in to set up Waste Management Boards to collect garbage and charge the public for the service.

Local finances are further stretched by the requirement for local governments to assume responsibility for the upkeep of federal and state officials posted in their jurisdictions. For example, in many communities, accommodations and current expenses of federal security and law enforcement officials are borne by local governments. State and federal governments oblige local government to pay the costs associated with official ceremonies such as project inaugurations or visits by foreign guests. Also the logistic expenses for national, state, and local elections are usually borne by local governments.

## 2.5 Current Trends

Tensions are increasing between state and local governments around the issue of local autonomy. In some instances, the issues have become the objects of court cases. Many proponents of decentralized governance are actively involved in the constitutional review process in an effort to influence future constitutional amendments in support of local autonomy. Local governments are trying in a variety of ways to increase their internally generated revenues. They are also seeking co-financing of investment projects with state government and contracting out services to the private sector. NGOs and CBOs are involved in local service provision, but relations with local governments remain tentative. Citizen expectations of local governments are growing as is their interaction with local officials and administration.

At the political level, local government councils are contending with state governments to preserve, if not extend, their autonomy. Most state governments want to maintain close checks and control over their local governments. A few state governors have even sacked or suspended local government chairmen and councilors. Consequently, they face stiff resistance from local government chairmen. In several states, local government chairmen have brought suit against the state government for what they see as unconstitutional acts.

To defend the common interests of local governments, the Association of Local Governments of Nigeria (ALGON) was formed in November 1999. The association provides a forum for elected local government officials to interact and to protect their interests. Registered as an NGO, it has its national headquarters in Abuja. Its national executive committee is made up of representatives from all geopolitical zones. It has proposed legislation to the National Assembly to curb the state governments' interference in local government administration. While the National Assembly appears favorably disposed toward ALGON's position, constitutional subordination of local governments to state governments is a major hindrance to practical help from federal authorities. However, since articulate circles in the country are demanding constitutional review, and two panels have been established (by the President and the National Assembly), ALGON has shifted its focus to the constitutional review process.

ALGON's potential to influence the constitutional review process and other legislation is weakened by the internal wrangling of its members and the existence of a rival association, the National Councilors Forum of Nigeria. Some ALGON members have publicly expressed their disapproval of its decision to buy 1,000 jeeps for the National Police Force through deductions from their statutory allocations. The National Councilors Forum has similarly condemned the manner in which the vehicles were purchased as inappropriate because they had not been approved in the budgets of the respective councils.

Other organizations focusing on constitutional review are the National Union of Local Government Employees (NULGE) and state legislatures that are seeking to maintain legislative surveillance over local governments. Some state legislatures are hostile to local government's quest for autonomy and have gone so far as to pass laws reducing the tenure of local government councils to two years. However, others have allowed local government councils to perform their functions without undue interference from the state government.

There are discernible patterns in local government management worthy of attention. The first is the response of local governments to the financial pressures they face because of their weak revenue base. Faced with voter resistance to taxation and lack of enforcement mechanisms to support tax collection, many local governments are establishing a variety of commercial ventures. Also, local governments are using budgetary resources to finance capital projects as they are highly visible and a popular indicator of successful governance. Furthermore, many local governments are concentrating on providing services in response to popular demands.

Another important trend since the return to democratic civil rule is that communities and civic groups are taking advantage of the new democratic opening to participate in local governance. Increasing interactions between local governments and citizens focus on public concerns such as the provision and co-production of services and accountability of local officials. Furthermore, civic groups, NGOs, CBOs, and religious organizations are becoming more involved in the provision of local public services. This is most evident in the area of nursery and primary education, extra-curricula youth activities, and health care, especially maternal and child health care. Agricultural cooperative societies provide extension services and facilitate access to inputs. Although relationships between these groups and local governments are developing, they remain tentative.

## 3.0 Strategic Importance of Local Government

This section analyzes the strategic importance of local government in relation to USAID's results framework for democracy. It also discusses how assistance to local government compares with assistance at the national and state government levels and with assistance in other democracy and governance arenas.

### 3.1 How Strengthened Local Government Contributes to USAID Results

There is a pervasive distrust of public institutions by most Nigerians due to the widespread corruption, mismanagement, and the general absence of a service orientation that characterizes the public sector. Local government and the practice of democratic local governance can play a strategic role in sustaining the democratic transition by building *public confidence* in government and thereby overcoming the legacy of distrust through the practical experiences of constructive interaction between citizens and government. For the vast majority of the population, this interaction takes place at the local level where many indigenous institutions operate with a well-developed sense of trust, reciprocity, and legitimacy. Strengthening local democratic governance is the best means to build on this social capital by creating linkages with the local administration and thereby increasing the public's trust and the legitimacy of government.

A recent national public opinion survey (Lewis 2000) showed that citizens' rating of government performance was higher for local government compared to national government. Survey responses suggest that perceptions of performance are affected by proximity: the more distant representatives in Abuja earn less approval than local officials. These findings further demonstrate the potential for building public confidence at the local level.

For democracy to succeed, there is a need to build a participatory political culture. Meaningful *participation by civil society in public deliberations and oversight of government* is the direct result of citizens' positive experiences in democratic local governance. By establishing information channels and mechanisms for participation in local public affairs, local governments create the opportunities for these experiences to occur.

Democratic local governance provides a platform for thousands of Nigerians, elected officials and citizens alike, to develop and exercise political skills such as:

- making decisions about the allocation of resources,
- participating in program planning and budgeting,
- monitoring program implementation, and
- lobbying state officials and the State House of Assembly for more resources and autonomy.

*Increased transparency and responsiveness* of government institutions results in part from citizen demand. This demand is most easily, reliably, and persistently articulated relative to the operations and services of local government that directly affect the population on a daily basis. The local government arena offers an immediate and tangible jurisdiction within which to hold government accountable and build momentum for positive change at the state and national government levels. Without good governance at the local level, the legitimacy of the entire federal system of government is compromised.

Local elections play an important role in establishing a *foundation for a fair and competitive electoral system*. The 1999 elections broadened and deepened the political space throughout Nigeria. Local government elections allowed thousands of citizens to run for office and brought millions more to the polls to express their political preferences. Interestingly, voter turnout has been significantly higher for local (50 percent of the electorate voted in the last local elections) compared to national and state elections, demonstrating the importance and value citizens' attribute to the selection of their local officials.

Over time, strengthened local government will serve to attract a higher quality of candidates for local office and increase citizen interest in local contests. This in turn will positively affect the transparency and fairness of the electoral process. Such improvements in local elections further increase citizen interest and participation in state and national-level elections. This upward trend is reinforced as some former local government officials progress to higher political offices at the state and national levels.

Ethnic and religious conflicts as well as the problems of local communities in oil-producing areas are *destabilizing forces* in the democratic transition. Local governments can significantly contribute to conflict resolution at the community level and therefore help to mitigate their destabilizing effects.

### 3.2 Local vs. State vs. National Government

In assessing the strategic importance of local government to Nigeria's democratic transition, it is useful to compare the potential benefits of assistance at this tier of government with those of assistance at the other two tiers in the federal system. To address this question, it should be noted from the outset that each tier has a critical role to play in the democratic transition and that, ultimately, assistance at all three levels is desirable. Nonetheless, in an environment of scarce resources, weighing the relative benefits of each is valuable in making programmatic choices.

For a variety of reasons outlined above, local governments can significantly contribute to the stability of Nigeria's democracy. However, in light of the state governments' constitutional mandate to legislate on local government matters, the principal partner and entry point for donors should be at the state level, particularly on matters of policy.

Programs that seek to improve the quality of services and the participation of citizens in public decision making can achieve meaningful results at the state or local level. State governments directly provide many services through their bureaucratic

structures and parastatal agencies. Any of these could be targets of assistance and impact directly on service quality and citizen satisfaction with government. The potential for state government to affect positively popular perceptions of governmental legitimacy is also significant due to their substantial human and financial resources and a large degree of autonomy vis-à-vis the federal government.

On the other hand, citizens have easier access to local government than state government, can more easily articulate their preferences and hold local officials accountable for the services that they need. The size of state government bureaucracy and its distance from the points of service delivery limit the potential for popular participation in political processes, co-production of public services, and accountability of public officials compared to local governments. Furthermore, the great variety of ethnic, linguistic, cultural, economic, and agro-climatic environments requires levels of government that are in touch with and responsive to local needs.

Assistance at the federal government level can potentially contribute to broader national issues such as constitutional amendments, governmental integrity, human rights, and civil military relations. Reforms in these and other areas can have significant impact on public perceptions of the government and on the quality of governance. Both these outcomes positively affect the stability of the democratic transition. Nonetheless, outside assistance in this arena may not be welcome or effective. These reforms are more a question of political will.

The issue of the relative advantages of assistance at each of the three tiers of government in relation to a stable democratic transition and the development of local government is further explored in Section 3.3 below and in Section 4.0 on program options.

### **3.3 Local Government vs. Other Institutional Strengthening Efforts**

Strengthening public bureaucracies at national, state, and local levels to be more responsive and accountable to citizens is an essential part of ensuring Nigeria's transition to democracy. The patterns of exclusion, ineffectiveness, patronage, and endemic corruption must be changed. This will require a long-term sustained effort to improve government performance. Similarly, the transformation of the judiciary to enable judges to ensure an effective rule of law for all citizens is a long-term prospect. Although due process and the rule of law are critical for the long-term survival of the democratic polity, reversing the perception of the judiciary as corrupt and establishing its legitimacy can only be accomplished over many years of sustained effort. More immediate threats to sustaining the transition to democratic civilian governance merit attention in the short-term and for which some donor assistance may prove effective.

The most significant of these threats comes from the military. It is therefore critical to professionalize the military, remove it from politics and the economy, and establish civilian authority to oversee and control its operations. Resource allocation to the military must be open and transparent, and civil society should begin to play a role in questions of national defense, security, and deployment of the military in internal matters and those outside Nigerian borders.

Democratic civilian control over the military must extend to the police as well. Police comportment, usually very visible, has a strong potential to affect people's attitudes about the new democracy. The way the security forces have handled ethnic and religious conflict in the name of law and order has fueled skepticism about the democratic project. Reorientation of the police to shape it as an instrument of the justice system with respect for human rights rather than a mechanism for repression will go a long way in renewing people's aspirations and support for democracy.

The national government has made progress in consolidating the democratic transition by organizing the campaign for the recovery of illegally obtained public monies and the establishment of tribunals to investigate human rights abuses. The President has also introduced a bill to strengthen anti-corruption legislation and established several panels that were assigned the task of investigating different aspects of past corrupt behavior.

Achieving the much-expected democratic dividend is another major challenge to sustaining democracy in Nigeria. Rising poverty and lack of jobs exacerbate ethnic conflict and instability and dampen people's enthusiasm for democracy. To date, government pronouncements on universal free education and poverty alleviation have gone largely unfulfilled. There are no easy formulas for poverty reduction and employment generation; however, without significant public resources dedicated to improving the lives of the population, these threats to democracy will only worsen. There is ample room for donor support in poverty reduction and employment creation.

Fair elections in the next round at all levels are extremely important to sustaining Nigeria's move toward democracy. International assistance in this arena can make an important contribution to ensuring this outcome. Related to this is support to political parties to strengthen democracy in their internal operations and their ability to aggregate and articulate citizens' needs and preferences. Democracy could be greatly strengthened by easing or eliminating the restrictions on the registration of political parties and independent candidates. Donor support for elections and political party development should be continued.

Activities to strengthen civil society organizations can yield significant benefits in support of continued democratic transition. Whether they serve to support and work together with state institutions, play an advocacy role, or serve a watchdog function vis-à-vis the state, civil society organizations play a critical role in building a democratic culture. A strong and independent civil society can move state institutions toward accountable governance and dedication to public service. USAID has wide-ranging experience in the development of civil society that can be brought to bear in supporting the numerous organizations dedicated to improving democratic governance in Nigeria.

## 4.0 Program Options

### 4.1 Overview

The preceding assessment of state and local government in Nigeria and the challenges to improving democratic local governance suggest a variety of program interventions. In this section, five program options that vary significantly in size and scope are discussed. Although they are arrayed separately, the options are not mutually exclusive. Each can be considered as a stand-alone program, or in combination with others. Within these options, many variations are also possible in terms of activity sequencing, relative emphasis on specific institutional actors, geographic focus, and other crosscutting factors. These variations are program design considerations that are beyond the scope of this assessment. Nonetheless, the identification of program options serves as a starting point for making some initial programmatic decisions.

Some of the options are conceived to directly affect change at the local level, while others take an indirect, and perhaps less costly, approach. The eventual choice of options will be dependent on available resources, the expressed needs, the demands of Nigerian institutional partners, and other strategic considerations.

What level of the governmental structure should be targeted for maximizing impact on local governance over the short- and longer-term? Ideally, federal, state, and local government levels should all be addressed, but resource constraints may not permit such a comprehensive strategy. One could argue that constitutional and national policy reforms are necessary before meaningful assistance can be provided at the operational tiers of government. On the other hand, many observers feel that policy implementation, not policy formulation, constitutes the real problem in Nigeria. Regardless, within the current legal and policy environment, significant improvements can be made in local governance and service delivery without new reforms.

The federal government structures specifically dedicated to state and local government affairs are extremely weak, and are not recommended as targets of assistance. However, a program to support constitutional review and national policy reforms affecting state and local government as described below would require significant involvement of federal government institutions such as the National Assembly and the Council of State Governments.

Local government should be integrated into any assistance program from the outset to avoid reinforcing the centralizing tendencies of state government. Even with state government as the principal partner, major resources can still be directed to the local level. As described below, the strategy should be on creating state-local partnerships and a new mode of cooperation between the two levels. Progressively over time, local governments will take on increasing responsibility, generate more internal revenues, and bring many of the service delivery mechanisms closer to those they serve.

Federal, state, and local governments are not the only options for program intervention. The five program options described below target a variety of institutions in addition to the three tiers of government. The options are:

- 1) Democratic Local Governance Civic Education Program
- 2) Comprehensive/Geographically Focused Local Governance Program
- 3) Legal and Policy Reform Program
- 4) Sector-Specific Governance Program
- 5) Strategic Institutional Strengthening and Support Program

## 4.2 Program Descriptions and Justification

### 4.2.1 Civic Education in Democratic Local Governance

It is probable that many new local officials will be elected to office in 2003. For this reason, some of the other program options proposed here should be timed to coincide with the successful candidates taking office. In the interim, a program focused on civic education and candidate training in democratic local governance would be desirable.

Such a program could address five target groups: NGOs, candidates for state and local positions, political parties, citizens, and the media. The objective of the program would be to improve the quality of campaigns and increase the focus of the electorate on candidates' positions and plans with regard to local governance. This would ultimately ensure better candidates dedicated to good governance, and citizens who are more aware of the critical issues and can make more informed decisions at the ballot box.

At the national, local, and regional levels, NGOs could receive support to carry out public information campaigns about what voters should look for in their candidates and the important issues on which they should seek candidates' positions. The private sector could be encouraged to provide funding for non-partisan information campaigns. Donor funding could also be provided for the mass production and distribution of existing civic education materials and for publication of candidate profiles and qualifications. At the national level, NGOs involved in political reforms could be provided with advocacy training and other support in their efforts to reform the statutes governing the registration of political parties and the restrictions on independent candidates. These activities could also elevate public concerns about the performance of candidates as election issues. This would in turn demonstrate to political parties that the electorate will focus more on qualifications and experience in selecting candidates.

The program could also support civic education forums at the local and regional levels open to all citizens. Information on state and local government responsibilities and resources as well as on important local issues could be presented and discussed. During the campaigns, candidate debates could be sponsored through local organizations that would invite the candidates, set the issues agenda, and invite the public.

The media would be encouraged to attend and report on civic forums and debates and possibly receive training on democratic local governance issues. To the extent needed and appropriate, radio air time and newspaper space for candidates could be supported on a non-partisan basis.

The distinct advantage of this type of program and its timing is the potential to significantly impact on new public officials and their commitment to the improvement of democratic local governance and public services. If directly followed by a program of targeted assistance to some of these new officials, the potential for sustained impact would be greatly increased.

#### 4.2.2 Comprehensive/Geographically Focused Local Governance Program

A comprehensive and geographically focused local governance program could address many of the problems, issues, and challenges pointed out in this assessment, within a select number of jurisdictions. The financial resources for a nationwide program, the existence of other similar donor programs, and the unpropitious environment for affecting change in certain localities all argue for a restricted geographic focus. The results envisioned in this kind of program would be observable changes in the governance arrangements at both the state and local levels. New governance arrangements could, in the short-run, impact positively on basic services and infrastructure.

The program would involve one or several states and local governments within those states. The selection of between one and four states to implement this program would be based on the volume of available resources and the precise nature of the activities envisioned. Starting the program with one or two states and adding others incrementally is another possible option. The number of local governments participating in the program could also vary, but most probably would involve a selected group of between five and ten in each state. Some possible activities, such as institutional strengthening of associations and training may involve all local governments within a state, but the more intensive modes of assistance would have to be restricted to the select group.

An important objective of such a program would be to improve the collaborative relationships between state and local governments. This would be accomplished through a variety of policy- and program-related activities that would seek to maximize the comparative advantages of each level of government and to create partnerships of various forms to perform their duties more effectively. The principle of subsidiarity<sup>2</sup> should guide the development of this relationship. These new relationships may form the basis for revised state legislation to further enable and promote their development.

The selection of target states would be based on a set of criteria to be jointly defined with the appropriate national-level partner institution. "Local government friendly"

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<sup>2</sup> The principle of subsidiarity refers to the devolution of responsibility to provide a public good or service to the lowest level jurisdiction capable of doing so. It supposes that the responsible jurisdiction has recourse to higher levels of government for technical and financial support.

state executives should be a major criterion (i.e., those willing to work in partnership with local governments, favor devolution of resources and responsibilities to local governments when appropriate, and provide them with technical and financial support when needed). The selection of states in which executives or legislators are more interested in controlling local governments and limiting their autonomy would fundamentally undermine program objectives. Selection of a state in which officials do not support local autonomy could result in an inadvertent strengthening of state control over local governments. However, careful articulation and frank discussions of program objectives and the principle of subsidiarity to ensure a common purpose with state officials would mitigate the chances of this occurring. The selection of target local governments would be made in collaboration with state officials and based on other mutually agreed-to criteria. Such criteria might include need, willingness to collaborate with NGOs and CBOs, strength of existing initiatives, and interest in improving performance and service delivery.

In this program, technical assistance and training would focus on improving public management at both state and local levels in critical areas such as development planning, revenue forecasting, budgeting, and project design/implementation/evaluation. If carried out in a cooperative mode, the integration of state and local systems in these areas could contribute to improving state/local relationships as opposed to the current trend of hierarchical control of local governments. In sectors such as health, education, agriculture, and infrastructure, technical and financial support from state government to locally managed projects and operations would produce better outcomes than when each level acts independently and relies solely on its own resources. Similarly, local government involvement in state-managed projects and operations would yield better overall results.

Another aspect of the state/local government partnership could focus on the creation and development of special districts to manage specific resources and/or services that extend beyond the boundaries of any one particular jurisdiction. This would be an improvement over the water boards, municipal development authorities, and other similar institutional arrangements that currently exclude for the most part the local governments in which they operate.

A principal feature of this program, and probably the single most important area for development, is effective citizen participation. No one activity could be more critical to increasing the legitimacy of public officials and citizen satisfaction with the services they receive. The program could support a variety of mechanisms that encourage citizens and their organizations at both the state and local levels to be informed about and be part of public decisions that directly affect their lives. Some of these mechanisms include town meetings and other public forums, citizen groups that address specific sectors (e.g., school committees, farmers' associations, chambers of commerce, etc.), local public opinion surveys, and other means by which citizens can voice their priorities and concerns and co-produce public services. This will require capacity-building assistance for public officials and their administrations as well as for the NGO/CBO community.

Adequate levels of public services responsive to the needs of the people require resources. Economic development is the key to both personal income generation and welfare as well as public revenue generation. Therefore, another important aspect of

this program would be to encourage and provide technical resources to the combined efforts of state and local governments in investment promotion. This would extend the state-local partnership to the private sector. Program activities in this area could help state and local governments to generate broad consensus on strategic investment projects and policies to propel the area's economic development. These include planning and financing appropriate infrastructure, tax concessions, and other kinds of incentives to attract investors.

The infrastructure needs of both urban and rural areas are enormous and most often cited as the desired object of foreign assistance. Programs that combine capital investments in public infrastructure with capacity building and popular participation tend to be more effective than those that focus solely on one or the other. However, infrastructure development requires large capital resources that are often unavailable in the context of donor-funded projects. Nonetheless, different means should be sought to leverage additional resources from national, local, or other international sources to ensure maximum impact.

This program option can rapidly produce impacts on the ground that are observable to the general population in targeted geographic areas. The demonstration effect of successful efforts can provide impact beyond the pilot areas. This can be achieved in several ways. At the state level, authorities having undertaken pilot activities in a limited number of local government areas should be in a position to replicate these experiences in other local governments. Once systems and processes have been established, it should be possible to extend them to new areas. In essence, the pilots will serve to establish and then extend a statewide system of supportive and productive state/local relations.

On a national scale, the demonstration effects of pilot activities can provide examples that will benefit other non-targeted states. Linking state governments through associations and the Internet would provide a basis for information dissemination on successful pilot undertakings. Cross visits between states and local governments is another means by which these experiences can extend beyond the pilot areas. Furthermore, the program could work with a variety of regional and national institutions to develop their capacity to provide support services to state and local governments (see Program Option 4.2.5 below). As these institutions gain experience and expertise in training and capacity building, they will naturally seek to offer those services to an expanding pool of state and local governments. In this way, the processes initiated under the project can be sustained, continually improved upon, and eventually extended to all interested jurisdictions.

In conclusion, it should be noted that while a program of this nature holds great potential for fostering good governance, economic development, and improved services, the constraints posed by the status quo ante should not be underestimated. Bureaucracies are notoriously entrenched, and it is most often very difficult to change the attitudes and incentives of rank-and-file public officials. Therefore, even with governors and local government chairmen interested and willing to work toward these new types of governance arrangements, positive results may not come easily.

#### 4.2.3 Legal and Policy Reform Program

Ongoing constitutional review efforts and the 1999 constitutional provision giving legislative authority to regulate local government to the states are both reasons why support in the area of legal and policy reform is propitious. Three major initiatives for constitutional reform are underway. One was initiated by the Presidency and includes the leaders of the political parties. Another was begun by the National Assembly, and a third by an NGO network called Citizens Forum for Constitutional Review (CFCR).

The 1999 Constitution does not fully address the issue of federalism, a lacuna that many stakeholders want to remedy. This important element of the constitutional review is one that could potentially benefit from U.S. expertise on the subject. Support to governmental bodies and nongovernmental organizations engaged in the constitutional review process could benefit from assistance in the organization of public dialogue on this matter.

Regardless of the scope and potential impact of future constitutional amendments, assistance at the state level on legislation and policies regarding state-local relations, administrative processes, and fiscal matters may also prove beneficial. Assistance should involve state legislatures and the executive. A secondary impact of such a program would be to improve the relationship between the executive and legislative branches of state government.

USAID assistance in legal and policy reforms at the national and state levels on these matters should emphasize process over content. Assistance from U.S. specialists in different aspects of federalism, state-local government relations, and related issues should be provided only at the request of government officials, policy analysts, and other actors involved in these deliberations. Process assistance may include such things as funding of Nigerian experts to conduct research and advise policy makers and legislators; funding the costs of public forums and publications; and providing grants to policy research centers and other NGOs involved in research, advocacy, and public awareness of legal and policy reforms under consideration that relate to democratic local governance.

Once reforms are enacted, either nationally or at the state level, support to reform implementation can have positive results and provide a real payoff to reform efforts. The transformations required to effectively implement reforms can often be a wrenching experience and subject to opposing forces to thwart the objectives of the reforms. A program in support of implementation of new legal and policy reforms could serve to inform policy makers of the issues and problems of effective reform implementation. Program activities could include funding and providing technical assistance to government and nongovernmental organizations to monitor and troubleshoot the application of new rules and relationships, and conducting research on legislation and policy in other sectors that may be impeding the expected outcomes of local governance reforms.

A program supporting both the formulation and implementation of legal and policy reforms can be a cost-effective means to bring about broad-based changes in the country. It is also a form of assistance that may not be welcomed by Nigerian officials. The sensitive nature of foreign involvement in constitutional and legal

reform is a major consideration. However, as the focus of assistance moves from the national arena to the state level, chances of acceptance of such a program may increase. Serious dialogue with a variety of stakeholders would provide a gauge to whether or not this type of program would be appropriate and accepted. Another important consideration is that, aside from some benefits related to the process of public consultation and institutional strengthening, the real impact of reform efforts can only be obtained in the medium- to long-term. With elections pending and the prospect for new political actors, particularly at the state level, this kind of program could provide an interim form of assistance prior to the inauguration of the next cohort of political office holders.

#### 4.2.4 Sector-Specific Governance Program

There is potential to strengthen democratic local governance within the context of ongoing USAID sector programs, particularly under SO3 and SO4. Primary education and primary health care are among the most important responsibilities of local governments. These sectors are also a principal concern of most Nigerians and consume the great majority of resources at the local level. Furthermore, governance arrangements, local government management, and the mechanisms for citizen participation and co-production are determining factors in the effectiveness and efficiency of education and health services.

This option represents a very cost-effective way of using USAID resources in addressing multiple strategic objectives within one program. In essence, this program option would seek to integrate democracy and governance objectives and programming with those of the health and education SOs. Such an approach will not only enhance the quality of SO3 or SO4 results, but will provide a practical means to address and achieve directly SO1 Intermediate Results 1.1 (increased transparency and responsiveness) and 1.4. (increased knowledgeable participation).

Under such a complementary effort, the linkages would be strengthened between the existing activities under these programs and state and local governments. In addition, improvements in planning, programming, budgeting, and other management skills and processes of local governments would be sought in the context of currently mandated functional responsibilities in one or both of these sectors. Popular participation, to promote transparency, accountability, and increased customer satisfaction in health and education services would be an important program component. As such, technical assistance and training could be provided to CBOs such as PTAs and community health committees so that they can more effectively interact with government and contribute to improving the quality and quantity of these services.

Assistance efforts in various public service sectors often aim at providing mechanisms for better management and citizen participation. In such programs, service providers are assisted in developing a customer service orientation that includes the use of feedback mechanisms so that user preferences and needs are adequately addressed. In addition, creative solutions to service delivery problems emerge from this process of public consultations.

In the specific case of the education sector, there is a pressing need to increase involvement of local government and citizens in the finance and management of primary education (see Appendix D). As discussed earlier, local governments are currently excluded from a significant role in primary education. Nonetheless, many local councils fund school construction where adequate resources permit. Programs seeking to improve the supply and quality of primary education could greatly benefit from organizing public consultations between citizen/parents, educators, local government officials, and primary education administrators to seek solutions to the problems they face in this sector.

In addition to primary health care services, local governments have other public health-related responsibilities. Solid waste management, drainage, and water supply all have major implications for the health status of local populations and can benefit from more effective governance and community participation. Furthermore, HIV/AIDS prevention and education is an area where local government can add value and enhance program effectiveness by mobilizing local resources and facilitating community involvement.

As many of the governance skills put into practice under this program are germane to other services, possible spread effects can be achieved. In other words, results achieved in improved service delivery and citizen satisfaction in one sector would carry over to other sectors. Therefore, an anticipated result of this program would be the emergence of new governance arrangements involving citizen/local government partnerships within other local government service arenas and the consequent improvements in service quality and customer satisfaction.

#### 4.2.5 Strategic Institutional Strengthening and Support Program

This program option targets several strategically important institutions whose role can largely contribute to both the reform agenda as well as to capacity building for state and local governments. Three categories of institutions are proposed: associations of local governments and local officials, academic and training centers, and policy research and advocacy organizations.

The Association of Local Governments of Nigeria (ALGON) represents its membership and serves their interests on a non-partisan basis. Institutional strengthening of such organizations has been an extremely effective means of supporting the development of local governance in many countries. Associations of this kind have been successful in bringing about needed reforms through lobbying and advocacy activities and directly contribute to improved performance of local governments through information sharing; peer-to-peer training and technical assistance; international linkages; and providing other resources to local governments, officials, and staff. The single effect of creating solidarity and a sense of pride and achievement make these associations powerful institutional venues for improving governance.

USAID assistance to associations of local governments in Nigeria could be provided in several ways. Information technology equipment and know-how would improve access to valuable information and reinforce the links among local governments in the country and with the international community. Technical assistance in the

preparation of strategic plans, organization development, internal rules and procedures, fund raising, and policy analysis, among other areas, would be other institutional strengthening measures.

Another target could be academic and training institutions with experience and capabilities in training of state and local government staff and officials. Assistance could be provided to these institutions in updating their curriculum for degree programs, developing short courses to upgrade the skills of civil servants, and in marketing these services to states and local governments. Support could also be given to research and development efforts in the field of local governance. This would serve to improve the quality of training by making it more relevant to real situations and help strengthen the linkages between public policy makers and the academic community.

To further widen the participation of the nongovernmental sector in public policy, this program could also provide grants in support of prominent policy research and advocacy groups, such as Center for Democracy and Development, Development Policy Center, the Center for Research and Development and the Center for Applied Social Science. This would be a cost-effective means of increasing support and the momentum for change and enriching the policy dialogue through Nigerian organizations.

The strategic institutional strengthening and support program option could assist Nigerian organizations in promoting democratic local governance with modest resources. Short-term impacts on the quality of local government performance and the lives of urban and rural Nigerians would be negligible. Nonetheless, over the longer term, the strength and quality of associations of local governments, training institutions, and research and development in local governance will contribute largely to sustainable improvements in local governance and services.

#### **4.3 Program Priorities and Sequencing**

How should the five program options described above be prioritized and sequenced to provide the best course of action in supporting local government? Ultimately, the activities proposed under each option are all viable as components in a larger effort to promote local democratic governance as a critical element of sustaining Nigeria's democratic transition. However, appropriate timing, resource constraints, and the political acceptability of outside intervention in certain arenas dictate the consideration of preferred options.

Regardless of resource constraints, the civic education option should be the priority intervention with the caveat that the program begin at least one year in advance of the 2003 elections. Starting with this program will allow USAID to become more familiar with the local government arena. It will set the stage for future program interventions by generating a sound knowledge base about state and local politics and the most pressing issues facing these tiers of government. The timing would be extremely advantageous in that it would provide short-term impact on the next state and local elections and provide a natural springboard to other forms of assistance once the new cohort of officials are in place.

The comprehensive/geographically focused program option would be a logical follow-on. Ideally, it would be scheduled to begin early on in the mandates of the newly elected state and local officials. Experience gained in the civic education program would provide valuable information on individual state governors and local government chairmen to facilitate site selection. Furthermore, it is probable that over the next two years, either constitutional reforms relating to local government will be enacted and/or laws passed to change the allocation formula for the federation account in favor of state and local governments. These reforms would provide a more propitious environment for a program of technical assistance at the state and local government level. At a minimum, this should be a five-year program with an annual budget of at least \$3 million.

The sector-specific governance program and the strategic institutional strengthening and support program can be considered either as components of the geographically focused program, or as viable stand-alone options. If resource constraints or other factors prevent initiating the comprehensive program, one or both of these options could be exercised in the immediate future without regard to the electoral calendar. If the Mission were concerned about spreading its program too thin in addressing a multiplicity of sectors, the sector-specific option would obviously present a distinct advantage over all others.

During the stakeholders workshop organized in the context of this assessment, constitutional reform emerged as the preferred strategy for improving local governance (see Appendix C). This would suggest that priority be given to supporting legal and policy reform. However, there is question as to Government of Nigeria (GON) receptivity to outside support in this arena. Furthermore, as constitutional reform efforts are already underway at the initiative of the federal government, the National Assembly, and the NGO sector, the need for donor resources to support this process is also questionable. Nonetheless, if positive GON interest in U.S. support to constitutional reform could be gauged, and specific value-added activities identified, this program option could be undertaken at the earliest opportunity.

# Appendix A

## Interview Questions

## Interview Questions and Areas of Inquiry

1. Have there been changes in state and local government relations since the last elections? Are they legal or extra legal?
2. Is there a state law on local government being considered? What are its provisions? Who is involved in drafting it?
3. What are the most pressing reforms needed to promote state and local government and improve local governance? Are they being discussed and at what level? How could these reforms be enacted and implemented?
4. What are recent trends in local – federal relations?
5. Is there debate about the parliamentary versus the presidential system at local level?
6. What state and local financial data (revenue sources, budgets, budget execution) are recorded, published and available?
7. What are current trends in local resource mobilization at state and local levels? In general what has been the recent experience of state and local governments with resource mobilization, i.e., constraints, new initiatives, credit finance, etc.?
8. Are states making statutory transfers to local governments? Is the state making any deductions from these transfers?
9. Does the Auditor General's Office for both state and local governments regularly conduct audits and prepare reports? Are they available? For what years? To whom are they distributed? Has there been any impact from these reports? Are there internal audit reports from local governments?
10. What structure(s) are responsible for different aspects (infrastructure, teachers' salaries, supplies, etc.) of primary education? What are the sources of funding? Other services, (health, roads, water supply, markets)?
11. What structure(s) are responsible for solid waste (urban), agriculture and natural resources (rural)?
12. What public services are adequately provided? What needed services are nonexistent or problematic?
13. Are there examples of civil society (CBOs + NGOs) and/or private sector involvement in public service provision?

14. What mechanisms are in place for CBOs and general citizens to access information from or engage in consultations with state executives, state Assemblies, local executives and councils, CBOs?
15. What are the major training needs among state and local government officials and staff? What are the available training resources? What has been the quality/effectiveness of training received?
16. What programs or activities could be undertaken to improve local governance and the effectiveness of state and local governments?
17. What areas of assistance are most needed to address local development problems?
18. What has been the role of state and local government in conflict management?
19. What are the recent or ongoing initiatives, innovations, successes of state or local government?
20. What is the role of traditional leaders in local governance? How can their position be better used in the context of state and local government?
21. Are there any local non-state initiatives or mechanisms to enhance transparency, promote accountability and mitigate corruption?
22. What level of government would be most effective in solving the major problems at the local level? Is it important to reform and improve local government?
23. At what level (state or local) should the federal government transfer financial resources to address local problems?

## Appendix B

### Persons Interviewed

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## Persons Interviewed

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### Federal Government

State and Local Government Affairs Office (SLGAO) – Ministry of Intergovernmental Affairs  
Alhadji Saleh Shettima, Acting Permanent Secretary  
F.O. Fatokun, Deputy Director  
F.A. Aduń, Deputy Director

Universal Basic Education (UBE)  
Akin Ajibola, Director of Planning, Research and Statistics,

### National Nongovernmental Organizations

Association of Local Governments of Nigeria (ALGON)  
Sahid Umar, Director of Administration

Nigeria Union of Local Government Employees (NULGE)  
Alhadji A. A. Salam, General Secretary

### State and Local Government

#### Borno State

##### *State House of Assembly*

Bulama Fugu Ibrahim, Speaker  
Musa Inuwa Kubo, Deputy Speaker  
Baba Gana Bukar, Chairman, House Committee on Local Government and Chieftancy Affairs

##### *State Government Agencies*

Musa Abba-Aji, Permanent Secretary, Ministry of Local Government and Chieftancy Affairs  
Alhaji Bukar Magu, Chairman, Local Government Service Commission  
Gana Mshelia, Secretary to Permanent Secretary, Ministry of Budget and Planning (MPB)  
Sanya A. Maiva, Director of Budgeting, MPB  
Malam K. Mirnga, Director of Planning, MPB  
James Suo Mba, Director of Statistics

##### *Local Government*

##### Maiduguri Local Government

Mohamed Bolari, Chairman  
Abba Isa, Deputy Chairman  
Zanna Laisu Kaalma, Council Secretary  
Musa A. Munguno, Director of Personnel Management  
Alh. Buba Umaru, Treasurer  
Musa K. Dikwa, Health Coordinator  
Musa A. Askiza, Head of Works  
Ibrahim Shittimi, Information Section

Councillors:  
 Modu K. Ngamdu  
 Mamman A. Modu  
 Alh. Bonu  
 Saleh Koyis  
 Baba G. Mustafa  
 Ibrahim Hapsane  
 Abubakar Mohamed  
 Baba Hamaa  
 Malimi Zubairu  
 Lori Tijani

Konduga Local Government  
 Alhaji Kaka Mallam Yale, Chairman  
 Buba Abatcha, Director of Personnel Management  
 Gambo Mustafa Yale, Treasurer

*NGOs and Academic Institutions*

University of Maiduguri  
 Dr. Umani A. Pate, Dept. of Mass Communication  
 Abubakar Muazu, Dept. of Mass Communication  
 Mohamed G. Wuyo, Admin. Secretary  
 Professor Tijani, Director of Center for Trans-Sahara Studies

**Enugu State**

*State Government Agencies*

Enugu State Primary Education Board (ESPEB)  
 Gordi Agbo, Executive Chairman  
 Udo Eze, Secretary  
 V. Eze, Director, Finance  
 R. Okoli, Director, Administration  
 V. O. Ugwu, Head, Planning, Research and Statistics

*Local Government*

Enugu North Local Government  
 (Chairman, Deputy Chairman and Secretary all absent)  
 Ndy Chime Esq., Personal Assistant to Executive Chairman  
 Philip Agu Esq., Executive Secretary, Local Government Education Authority

Oji River Local Government  
 Nwachuku Oramalyo, Deputy Chairman  
 Onyezulubah Kenedy, Supervisor, Finance and Economic Development  
 Chris Nweke, Supervisor, Education, Information, Youth, Sports and Culture  
 Emma Chukwekerie, Special Advisor to the Chairman on Political Matters  
 Vincent N.C. Ene, Principal Community Development Officer  
 Mrs. Nwokolo, Head, Personnel, LG Education Authority

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*NGOs and Academic Institutions*

Rev. Leonard Ilechukwu, Catholic Institute for Development Justice and Peace (CIDJAP)  
Titus C. Aneke, CIDJAP  
Rev. Charles Ugwuagu, Center for Peace Initiative  
Costilia Offor, Center for Peace Initiative  
Joe Ozude, Center for Peace Initiative  
Jude O. Chukwu, Institute for the Advancement of Democracy  
Okechukwu E. Etionwu, Institute for the Advancement of Democracy  
Amaka Ikeobi, Civil Rights Concern  
Rita C. Onyeka, Civil Rights Concern

**Delta State**

*State House of Assembly*

Kasim Dan Okenya, Clerk  
Akpodioyaga Sunny Emeyese, Chairman, House Committee on Local Government  
Emmanuel O. Igbu, Political Liaison Officer  
A. Aki, Director, Legislative Affairs

*State Government Agencies*

B. Okey Ofili, Permanent Secretary, Department of Local Government and Chieftancy Affairs

*Local Government*

Warri South Local Government

Mike U. Abrakata, Secretary  
G. O. Okunkwo, Director of Personnel Management  
P.N. Ezebuike, Treasurer

Councilors:

Philip Ejeye, Deputy Leader  
Maxwell Tuedor, Majority Leader  
Victor Okunagba, Minority Leader  
Grifson Omatsuli, Chief Whip  
Ediron Enewa  
Godwin Omanagho  
Samuel Lube  
Akonte Ewowo

Ethiope West Local Government

Councilors:

Odeh Festus, Leader, Local Council  
Victor Bobi, Majority Leader  
Kingsley Effevineroha, Whip  
Tony Goriaga, Deputy Whip

*Interviews abruptly terminated after 30 minutes due to the visit to the area by the First Lady, Mrs. Obasanjo. All local officials had to be present at the Warri airport to greet her.*

Ogun State

His Royal Highness Oba Michael Adegboyega Fatona, J.P., Ilewo-Orile, Abeokuta  
T. A. Shajobi, Chairman, Abeokuta North Local Government, 1994-96.

Oyo State

*State House of Assembly*

Deputy Speaker  
Member, Chairman, Local Government Committee

*State Government Agencies*

Alhahi B. A. Akinola, Permanent Secretary, Ministry of Local Government  
and Chieftancy Matters  
Chief Titi Awakan, Chairman, Local Government Service Commission  
Mrs. Moji Ogungbade, Auditor, General of Local Government  
Director, Office of Local Government Statistics  
A. M. Adeyemi, Director, LG Inspectorate  
Sulleiman A. Adediran, Executive Chairman, Primary Education Board

*Local Government*

Ibadan North Local Government

Adinbayo Beckley, Chairman

Surulere Local Government

Gabriel Olaniyan, Vice Chairman  
A.A. Adisa, Director, Education and Social Services  
Rasin Ogunlade, Special Adviser on Internally Generated Revenue  
M.O. Ahmad, Director of Personnel Management  
W.A. Finmilayo, Director of Finance  
B.O. Adisa, Auditor  
Olatubosun J.A., Supervisor for Works

Bokkos Local Government

Ishakou Lagan, Councilor  
Angelina Migad, Director, Social Services  
Ibrahim Galma, Internal Auditor  
James P. Dashan, Secretary of Local Government  
D.M. Ganjang, Secretary, Local Government Primary Education Authority

*NGOs and Academic Institutions*

Tony Morino, Director, EDUCARE

Plateau State

*State House of Assembly*

Monap Zitta, Head Clerk

*State Government Agencies*

S.J. Andong, Permanent Secretary, Bureau for Political and Local Government Administration  
C.C. Gobum, Director of Budget

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T. Pinta, Principal Statistician, Bureau of Planning  
L.T. Fomson, Chairman, Local Government Service Commission  
Samuel A. Yasins, Director, Primary Health Care, Bureau for Political and Local Government Administration  
Richard Toloma, Acting Director, Local Government Administration, Bureau for Political and Local Government Administration  
Augustine Y. Dakuu, Director Inspectorate, Bureau for Political and Local Government Administration

*Local Government*

Ios North Local Government

Muhammad Sani Mudi, Deputy Chairman  
Dr. Danladi Atu, Secretary  
Julius Kopleng, Director, Finance and Supplies  
Duamlonia Elias Sati, Director, Primary Health Care  
Moses W. Tongsan, Director, Agriculture  
Nanpon Tom Bonaden, Director of Works

Councilors:

Emmanuel Awaspo, Supervisory Councilor  
Prince J. Oyenyi, Supervisory Councilor  
Prince Igwe Nuekwe, Supervisory Councilor  
Francis Tadi Gazu, Supervisory Councilor  
John A. Iza  
Solomon A. Aderinto  
Tijani Abubakar

*NGOs and Academic Institutions*

Community Action for Popular Participation

Muazu A. Nuhu, Program Officer

Peace and Charities

Clement Iornongu, Executive Director  
Kayode Lewis, Program Officer

AFRIGOV

Ben Orewere, Program Officer  
Jonathan Aderoumu, Researcher  
Emmanuel Omomoh, Program Officer  
Joanah Gana, Administration and Financial Officer

Plateau Market Traders Association

Alhaji Bala Abdullahi, Vice President

Kano State

*State Government Agencies*

Ibrahim Sulaiman, Executive Director, Local Government Directorate

*Local Government*

Kura Local Government

Dahiru Adamu Gandu, Chairman  
Idriss Ibrahim Dogoa, Director of Works  
Sani Balaradbe, Head, Department of Agriculture  
Hajiya Rabi A. Jafar, Head, Primary Health Care  
Abdulkadir Muhammed, Head, Community Development  
Ali Nuhu Wali, Secretary

Councilors:

Ibrahim Garba  
Raiu Aminu  
Mohammed Abdullahi  
Habu Kurma

Tarauni Local Government

Umar Garba, Vice Chairman  
Ado Abba, Treasurer  
Musa Abdulrahman, Education Authority

Councilors:

Mohammed Ishiaku  
Bello Liyu  
Ali Ahmed

*NGOs and Academic Institutions*

Women in Media

Ahmed Muhid Omarzo, Program Officer

Ilmata Health Organization

Azurli Ibrahim

Society for Women and AIDS in Africa

Aishatu Mustapha, Vice Chairperson

Muslim Sisters Organization

Sadiya Adamu

Johns Hopkins University Center for Communications Programs

Halima Ben Umar, Assistant Program Officer

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USAID/Office of Transition Initiatives (OTI)

Christine Dan-Abia, Program Manager  
Joseph Ola Shopade, Program Manager  
Chom Bagu, National Coordinator

CEDPA

Joyce Mangvatt, Program Manager

National Democratic Institute (NDI)

Wayne Propst, Country Director  
Joseph Deji Olaore, Program Assistant

World Bank

Talib Esmail, AFT2, Project Officer, Micro-Watershed and Environmental Management Program (MEMP)  
Michael Stevens, Specialist, Public Sector Reform and Capacity Building – Africa Region

Department For International Development (DFID)

Sue Lane, Governance Coord., Department for International Development

UNDP

Georges-Nzongola-Ntalaja, Senior Technical Adviser

## **Appendix C**

### **Workshop Proceedings**

# Local Government Assessment Workshop Proceedings

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Lagos - December 2, 2000

## Objectives

The objectives of the local government assessment are:

- to produce a comprehensive analysis of the opportunities and challenges for strengthening local governance in Nigeria;
- to evaluate the strategic importance of local government in the nation's new democracy; and
- to recommend program options for strengthening local government and democratic governance.

The assessment was conducted by a five-person team that spent several weeks visiting six states in all geopolitical zones.<sup>1</sup> The team interviewed over 150 federal, state, and local government officials and NGO/CBO representatives. The results of these interviews and the extensive review of relevant documentation forms the basis for the assessment report.

After completing the research and fieldwork for the assessment, a stakeholders workshop was organized on December 2, 2000 in Lagos. The purpose of the workshop was to engage stakeholders in sharing insights, perceptions, and ideas concerning local governance and to develop a shared sense of direction and possible strategies on how to strengthen local government over the next several years. A wide spectrum of stakeholders from federal, state, and local government; the nongovernmental sector; and academia attended the one-day event. The workshop was meant to enrich and confirm the findings of the assessment report and to help the participants to further their own sense of the issues, problems, and possible solutions in the local government arena.

## Sponsorship

The United States Agency for International Development (USAID) sponsored the assessment and stakeholders workshop. These activities are part of a larger ongoing assistance program in several sectors. Democracy and governance is one important aspect of this program in which USAID is providing support and technical assistance to a variety of public and non governmental institutions at the federal, state, and local levels.

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<sup>1</sup> The team was composed of Louis Siegel, ARD Senior Associate, Institutional Development and Governance Specialist (Team Leader); Alex Gboyega, Professor of Political Science, University of Ibadan; Adigun Agbaje, Senior Lecturer in Political Science, University of Ibadan; Gary Loster, Mayor, Saginaw, Michigan, President World Conference of Mayors; and Graham Kerr, ARD Senior Associate, Decentralization and Local Development Specialist. The team's itinerary included the Federal Capital Territory of Abuja, Oyo, Plateau, Kano, Enugu, Delta and Borno states.

## Collaborating Organizations

Under contract to USAID, ARD, Inc., an American consulting organization, provided technical personnel for the assessment and workshop. ARD is internationally recognized for its expertise in a wide range of technical areas, including governance reform and local government technical assistance. ARD has pioneered innovative participatory, technical and analytical methods applicable to legal, fiscal, administrative/managerial, legislative and the civil society dimensions of governance.

ARD was assisted in this effort by the World Conference of Mayors, an international organization regrouping mayors and other local public officials from around the world. Additional technical support was provided by Support and Management Services, Ltd., a Nigerian company specializing in logistics, event organization, and promotional services.

## Workshop Proceedings

The workshop was opened by Alhaji Saleh Shettima, Acting Permanent Secretary, State and Local Government Affairs Office and Ms. Sherry Suggs, Acting USAID Mission Director. The texts of their introductory remarks are found in Appendix X of these proceedings.

The lead facilitator from the ARD team then presented the workshop format, rules, expectations, and values.

Six values inform the design and methods used in the workshop:

- Participation from various sectors and levels of government is valued and accorded equal weight.
- The approach is "*results driven*" in that the event concludes with definite strategies and proposals for how to implement activities to strengthen local governance.
- The approach emphasizes *dialogue*, rather than teaching subjects or imparting skills. Techniques emphasize an exchange of ideas in rapid, creatively structured sessions. There are no lectures or sharing of papers.
- It is a "*workshop*" format, which means that participants actually work together to create the results to be reported, rather than rely on facilitators to interpret their ideas.
- The methods are oriented toward *building a consensus* on key issues and proposals.
- The workshop focuses on *strategic directions* that indicate priorities for activities supportive of local governance.

The workshop was organized around four sessions.

### Session One: Focused Assessment

This session was designed to solicit participants' views on several topics related to local government in Nigeria today. The topics were:

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- The *“Legal Enabling Environment”* comprised of constitutional provisions, federal and state government laws and policies and administrative guidelines that determine powers, roles, and responsibilities of the three tiers of government.
- The *“Practice of Local Governance”* refers to how the laws and regulations are operationalized on the ground by local government councils and their staff, including the interface with state government.
- The *“Provision of Basic Services”* in health, education, solid waste disposal, roads, and other infrastructure in terms of assigned functions and resources.

The three topics were assessed by the participants in terms of:

- What is working well
- What is not working well
- Underlying reasons for what is and what is not working well

The participants were randomly divided into three teams, one for each topic. Each team was assigned a facilitator from among the assessment team members, and chose a rapporteur to report back to the plenary on the team’s work.

#### **Session Two: Strategic Directions**

This session was designed to solicit participants’ recommendations concerning key strategies which can be used to support decentralized governance over the next two to three years. The teams brainstormed and discussed ideas on the future of local governance in response to the following focus question:

*“What are the specific, practical and priority actions that should be taken in the next three years to strengthen the effectiveness and efficiency of local government councils?”*

The arenas for brainstorming and discussion on the focus question included:

- Legal and fiscal framework
- Intergovernmental relations and local autonomy
- Service delivery mandates, required resources, and capacity building
- Popular participation

Each team reached consensus on 8 to 10 clear, concise, and significant action ideas that were noted on large cards and presented to the entire group in the subsequent plenary. All cards were posted on the wall and then clustered into four groups. Each group of cards was given an action-oriented title that became one of four principal strategies of the workshop.

#### **Session Three: Future Proposals**

Every participant signed up to work on one of the four identified strategies. The four resulting teams identified, discussed, and reached consensus on key proposals for each strategy. The proposals were also reviewed in terms of the roles and responsibilities of different government agencies and nongovernmental organizations in implementing them.

#### Session Four: Proposal Prioritization

The participants reassembled in plenary session where the proposals of each team were presented and posted. Participants were requested to review all proposals and to evaluate them in relation to the following criteria as well as to any other criteria which they felt were important:

- The proposal can achieve significant impact during the next two years.
- The proposal is realistic and practical.
- The proposal is in conformance with existing law.
- The proposal will contribute to the improvement in the quality of life in local communities.
- The proposal represents an efficient utilization of available resources.

Each participant was given three adhesive color dots. They were requested to use all three dots on three different proposals to indicate their top three preferences among the proposals. The participants came forward and placed their dots on their chosen proposals. The number of "votes" for each proposal were added up and ranked as an expression of the entire group's preferences.

Following the announcement of the rankings, the facilitators expressed their appreciation for the hard work, interesting insights, and enthusiasm during the day's proceedings. The workshop was then officially closed.

#### Results of Focused Assessment (Session One)

##### Team 1 - Legal Enabling Environment

###### *What is working well (assets):*

- constitutional guarantee of local government as a tier of government
- separation of powers
- defined revenue sources
- national scheme of service
- defined scope of functions
- provision for new local governments
- administrative structure and functions
- financial control mechanisms

###### *Why:*

- objectives and philosophy of government

###### *What is not working well:*

- state power over local government
- multiple controls
- internally generated revenue
- revenue allocation formula
- overlapping jurisdictions
- states' power over local elections

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Why:



- financial deductions at source from local government allocations
- local governments not consulted enough on polices

*Why:*

- poverty
- policy inconsistency
- poor leadership
- control of political parties

Team 2 – Practice of Local Government

*What is working well:*

- revenue enhancement
- relationships with CBOs
- primary health care

*What is not working well:*

- state and local government relations
- service delivery
- infrastructure
- financial transparency and accountability
- executive / legislative relations

*Why:*

- legacy of military rule
- lack of accountability to the public
- meetings not regular
- corruption
- lack of awareness and education
- inadequate resources
- partial autonomy

Team 3 - Provision of Basic Services

*What is working well:*

Not much, but:

- society is holding together
- there is hope in democracy
- some services are beginning to work
- high sense of community involvement

*Why:*

- little accountability of leaders
- lack of funds
- no clear goals

*What is not working well:*

- everything

*Why:*

- lack of technical skills
- facilities swamped
- urban growth
- corruption
- jurisdictional overlaps, gaps, and confusion
- over-centralized organization (e.g., electricity and water boards)

**Results of Strategic Directions Workshop (Session Two)**

Three teams brainstormed and discussed a variety of action-oriented proposals in answer to the focus question. The proposals from each team were presented in plenary session and then grouped into four clusters. These clusters formed the basis for four principal strategic directions as follows:

- Enhance participatory governance
- Enhance local government autonomy
- Strengthen local government capacity
- Increase local government revenue effort.

**Results of Future Proposals Workshop (Session Three)**

The participants self-selected into four teams (one for each strategic direction) that met to complete a worksheet describing the proposals and roles and responsibilities relating to the strategy. They analyzed all the proposals from the previous session and formulated a final set of between three and six key proposals. At the same time they discussed and articulated various roles for different levels of government and the non-governmental sector in implementing the proposals. The worksheets developed by the four planning teams follow.

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<i>Title of Strategy: Enhance Participatory Governance</i>	
<p><u>Proposals and activities for the next two years:</u></p> <ol style="list-style-type: none"> <li>1. Mount civic education programs for popular participation (9)</li> <li>2. Establish citizen watchdog committees to monitor local governments (4)</li> <li>3. Design strategies for enhanced participation (2)</li> <li>4. Increase private sector participation in service delivery (2)</li> <li>5. Encourage civil society organizations towards service delivery (1)</li> </ol>	<p><u>Roles/Tasks/Responsibilities:</u></p> <p><b>Federal Government:</b> Curriculum development for civic education Funding civic education</p> <p><b>State Government:</b> Curriculum development for civic education Policies for private and non governmental sector participation</p> <p><b>Local Government:</b> Support for civic education Solicit private and nongovernmental participation in services</p> <p><b>Other (NGOs/CBOs):</b> Organize watchdog groups Work together with local governments on service delivery</p>
<p><u>Additional comments or concerns:</u></p> <p>Need to increase electorate's awareness that their votes translate into amenities</p>	<p><u>Names of team members:</u></p> <p>O. Massoud, Tunde Thompson, Prof. Kyari Tijani, Emmanuel Uche, Bakare Ibrahim, Nimi Watson-Jack, Abubakar Muazu</p>

<i>Title of Strategy: Enhance Local Government Autonomy</i>	
<p><u>Proposals and activities for the next two years:</u></p> <ol style="list-style-type: none"> <li>1. Participate in Constitutional review and make proposals about local government autonomy (17)</li> <li>2. Local governments start lobbying state assemblies (0)</li> <li>3. Strengthen local groups at ward level to participate in budgeting and expenditure reviews (5)</li> </ol>	<p><u>Roles/Tasks/Responsibilities:</u></p> <p><b>Federal Government:</b> Facilitate/coordinate review</p> <p><b>State Government:</b> Facilitate/coordinate review Prepare proposals</p> <p><b>Local Government:</b> Prepare proposals</p> <p><b>Other (NGOs/CBOs):</b> NGOs partner with local governments Media coverage/publicize</p>
<p><u>Additional comments or concerns:</u></p>	<p><u>Names of team members:</u></p> <p>Adamu Igoche, Adeleye James, Jacob Obakpolor, Hafeez Badini, Adele Jinadu, Lanre Ope, Julie Omolola Faqbemi</p>

<b>Title of Strategy: Strengthen Local Government Capacity</b>	
<p><u>Proposals and activities for the next two years:</u></p> <ol style="list-style-type: none"> <li>1. Clarify roles and support State-level institutions (LGSC, OAG, LGPB and Bureau of Local Government) with adequate funding (5)</li> <li>2. Enhance capacity of local government training institutions (10)</li> <li>3. Utilize local government training fund appropriately (2)</li> <li>4. Comply with scheme of service and financial memoranda (1)</li> <li>5. Promote twinning arrangements between Nigerian local governments and foreign partners (2)</li> </ol>	<p><u>Roles/Tasks/Responsibilities:</u></p> <p><b>Federal Government:</b> Facilitate state level actions Funding for local government training institutions Control of standards</p> <p><b>State Government:</b> Purchase vehicles, computers Train staff LGSC properly manage 1% training fund</p> <p><b>Local Government:</b> Seek twinning partners</p> <p><b>Other (NGOs/CBOs):</b> NGO training International agency funding</p>
<p><u>Additional comments or concerns:</u></p>	<p><u>Names of team members:</u></p> <p>Ahaji Saleh Shettima, Abdul Salam, Oladipo Akinola, Isreal Adewale, Adamma Rose Bema Achor</p>

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<b>Title of Strategy: Increase Local Government Revenue Effort</b>	
<p><u>Proposals and activities for the next two years:</u></p> <ol style="list-style-type: none"> <li>1. Increase local government allocations from Federal Account (8)</li> <li>2. Identify and exploit new sources of revenue (0)</li> <li>3. Source funds from capital market for economic projects (2)</li> <li>4. Strengthen revenue collection machinery (3)</li> <li>5. Enlighten citizens on tax payments (1)</li> <li>6. Clarify tax jurisdiction (1)</li> </ol>	<p><u>Roles/Tasks/Responsibilities:</u></p> <p><b>Federal Government:</b> Revenue mobilization Revenue allocation Fiscal policy – clarify jurisdictions</p> <p><b>State Government:</b> Implement policies Clarify jurisdictions</p> <p><b>Local Government:</b> Propose revised allocation formula Identify and exploit new revenues Recruit, training, motivate tax collectors Enlighten/educate citizens</p> <p><b>Other (NGOs/CBOs):</b> ALGON – make proposals to Federal Government</p>
<p><u>Additional comments or concerns:</u></p> <p>Revenue staff should be honest and transparent Good record keeping and statistical data collection</p>	<p><u>Names of team members:</u></p> <p>Rob Ezeife, Tunde Ojofeitimi, Esther John Adu, Ahaji Mahmud, F.C. Okoli, P. Kadiku, Fummilayo Fatokume</p>

**Results of Proposal Prioritization (Session Four)**

The following items are the priorities established by vote of the workshop participants.

<i>Proposal Priority Rankings</i>	
<i>Proposal</i>	<i>Votes Received</i>
1. Participate in Constitutional review and make proposals about local government autonomy	17
2. Enhance capacity of local government training institutions	
3. Mount civic education programs for popular participation	10
4. Increase local government allocations from Federal Account	9
5. Strengthen local groups at ward level to participate in budgeting and expenditure reviews	8
6. Clarify roles and support State-level institutions (LGSC, OAG, LGPB and Bureau of Local Government) with adequate funding	5
7. Establish citizen watchdog committees to monitor local governments	5
8. Strengthen revenue collection machinery	
9. Design strategies for enhanced participation	4
10. Increase private sector participation in service delivery	
11. Utilize local government training fund appropriately	3
12. Source funds from capital market for economic projects	2
13. Promote twinning arrangements between Nigerian local governments and foreign partners	2
14. Encourage civil society organizations towards service delivery	2
15. Comply with scheme of service and financial memoranda	2
16. Enlighten citizens on tax payments	
17. Clarify tax jurisdictions	1
18. Local governments start lobbying state assemblies	1
19. Identify and exploit new sources of revenue	1
	1

## **Appendix D**

### **Notes on Finance and Management of Primary Education**

## Primary Education Finance and Management

Management of primary education is one of the most controversial intergovernmental issues currently confronting the Nigerian government. Since 1985 when the Committee on the Review of Local Government Administration in Nigeria (better known after its chairman as the Dasuki Committee) recommended federal government intervention in the management of primary education, it has been difficult to get the three tiers of government to agree on their respective shares of responsibilities in funding and managing primary education. The Dasuki Committee had proposed a cost-sharing arrangement between parents, local, state, and federal governments. Under this scheme, parents would pay for uniforms, books, stationery, and meals. Local governments would build classrooms and maintain them, provide teaching and other equipment, sports and recreational facilities, and pay salaries and allowances of non-teaching staff. The state and federal governments would bear the cost of salaries, allowances, and pensions of primary school teachers in the ratio of 40 percent to 60 percent, respectively.

After careful deliberation of this proposal and the recommendation of a special committee set up to advise government on the funding of primary education, the government established the National Primary Education Fund in 1988. The fund was managed by the National Primary Education Commission (NPEC) whose functions were to: (i) prescribe the minimum standards of primary education throughout Nigeria; (ii) inquire into and advise the government on the funding of primary education; (iii) allocate the national primary education fund to each state and the Federal Capital Territory; (iv) prepare periodic master plans for balanced educational development and an appropriate national curriculum attuned to national needs; and (v) publish school statistics and carry out regular staff audits.

A State Primary Education Management Board (SPEB) was established in each state to perform the following functions: (a) management of primary schools in the state; (b) recruitment, appointment, posting, transfer, promotion, and discipline of primary school staff; (c) disbursement of funds transferred by federal and state governments; (d) providing guidelines on the establishment of new schools and new capital projects; (e) approval of annual estimates and establishment proposals from Local Education Authorities (LEAs); (f) staff training; (g) receipt of annual reports from heads of schools; and (h) annual auditing of school accounts.

The LEA was given the responsibility for (i) day-to-day administration of schools; (ii) appointment, postings, transfer, promotion, and discipline of staff on grade level 01 to 06 and recommendations on same for staff on level 07 and above to the SPEB; (iii) payment of salaries, allowances, and other benefits to primary school staff; (iv) submission of annual estimates, annual accounts, and monthly returns to SPEB; (v) undertaking capital projects and general maintenance of school buildings and infrastructure; and (vi) promotion of community participation in the running of primary schools.

The federal government was expected to contribute 65 percent of the all primary school staff emoluments while state governments and local governments contributed 20 percent and 15 percent, respectively. The federal contribution, however, was not to be distributed to states to alleviate the burden of payment of primary school staff salaries as originally proposed by the

Dasuki Committee. Instead, 20 percent of its contribution was set aside for educationally disadvantaged states. Bauchi, Benue, Borno, Cross River, Gongola, Kaduna, Kastina, Kano, Niger, Plateau, Rivers, and Sokoto states were designated as educationally disadvantaged states. The remainder was shared 50 percent according to population and 50 percent on the basis of equality of states.

This funding arrangement meant that most needy local governments in terms of large numbers of staff and pupils did not necessarily get enough relief from federal intervention. The failure of the fund to address the needs of the most financially disadvantaged local governments was compounded by the fact that contrary to the suggestion by the Dasuki Committee, local governments should be responsible for building and maintaining classrooms. The fund was used to build and renovate primary schools by NPEC and the State Primary Education Management Boards established as state counterparts to the NPEC.

Local government chairmen lost interest in the management and funding of primary schools because they were not effectively involved, but began to advocate for full control of primary education management. They asked the federal government to abolish NPEC and to increase the revenue allocated to local governments from the federation account to enable them to cope with the financial burden of running primary schools. In 1990, the federal government had budgeted N80 million for NPEC, and local government chairmen thought they should receive the money directly to fund primary schools. In 1991, the federal government abolished NPEC and the state Primary Education Management Boards. LEAs were empowered to take responsibility for management of primary education with funds provided by the local government.

Unfortunately, local governments found the costs of fully funding primary education unaffordable and several of them fell into arrears in the payment of staff salaries, thereby provoking strike actions by teachers. The resultant chaos in the primary education sector prompted the government to increase revenue allocation to local government from 15 percent to 20 percent of the federation account in 1992. Still local governments were unwilling or, for some, unable to provide adequately for primary school staff salaries. Professor Abraham Imogie, Secretary (Minister) for Education under the Interim National Government in 1993 captured the dilemma of primary school funding and management when he observed that:

*The core of the present crisis in the primary education sector has risen from the fact that the new arrangement does not guarantee adequate funding of primary education as the decree neither states the percentage of local government revenue that should be spent on primary education nor gives legal backing to the role of the state government in the funding and management of primary education.*

To avert widespread persistent strikes by primary school teachers through regular payment of their salaries, the federal government resuscitated NPEC and adopted the practice of deducting the salaries of primary school teachers at source from each local government's statutory allocation from the federation account. This solution has been only partially successful. For local governments whose entitlements from the federation account exceed the amount required to pay teachers' salaries, teachers' salaries can be regularly paid. However, there are several local governments that receive nothing (zero allocation) from the federation account after deductions

are made for payment of the salaries of the association of elected representatives. These representatives receive no allocation

Some affected local governments. For example, in November 1991, the federal government, and the Accountant-General of the federal government, returned to democratic rule. NPEC to be given re-appointment. An interim order was given

Besides the problem of funding, also the problem of control of local government chairmen. regards to day-to-day management. Education Boards are established from local government chairmen are expected to be Governors (for example, for exam privilege and appointment). Even when appointed, the Chairmen of SPE are held accountable and liable to officials.

Because of their current governments are against primary education given the Universal Basic Education. demanded that the federal government they would continue meetings with local government positions.

are made for payment of primary school teachers' salaries. The National Councilors Forum (an association of elected councilors) has estimated that there are about 200 local governments that receive no allocations after the deductions.

Some affected local governments have resorted to court action to try to redress their grievances. For example, in November 2000, 11 local government chairmen in Ibadan (Oyo state) sued the federal government, the National Revenue Mobilization, the Allocation and Fiscal Commission, and the Accountant-General of the Federation at a federal high court seeking an order compelling the federal government to render an account of all the monies deducted from their accounts since return to democratic rule and restraining the government from further deductions. They also want NPEC to be given responsibility for payment of primary school teachers' salaries. Although an interim order was given to stop the deductions, the government has yet to comply.

Besides the problem posed by the current arrangements for funding primary education, there is also the problem of dual administrative control. LEA secretaries are obliged to deal with not only local government chairmen but also the education committee of the local government with regards to day-to-day administration of schools and personnel matters. However, State Primary Education Boards are effectively the managers of primary schools. They receive the deductions from local government funds and remit teachers' salaries to LEAs. By law, local government chairmen are expected to appoint executive secretaries to LEAs. Nevertheless, some State Governors (for example, Oyo state and Nassarawa state governors) have encroached upon this privilege and appointed secretaries to replace those appointed by local government chairmen. Even when appointed by local government chairmen, LEA secretaries are accountable to only the Chairmen of SPEB. This creates problems not only for the secretaries in terms of accountability and loyalty, but also arouses the hostility of local government chairmen and officials.

Because of their current limited administrative role in management of primary education, local governments are agitating that direct deductions from their federation account allocations to fund primary education giving them administrative control should be redressed before the start of the Universal Basic Education Scheme (UBE). State governments, on the other hand, have demanded that the federal government transfer funds meant for the UBE scheme to states so that they would continue to manage primary education. The President has held unsuccessful separate meetings with local government chairmen and the governors to try to reconcile their conflicting positions.

# Appendix E

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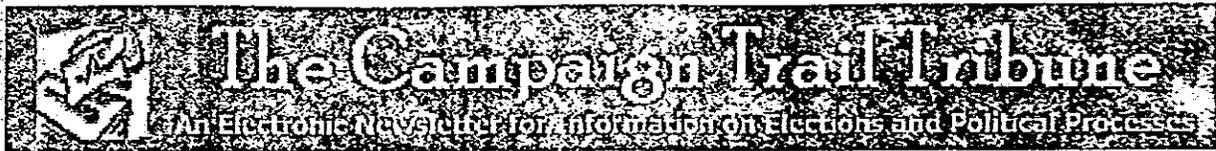
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ARD, Inc.  
159 Bank Street, Third Floor  
P.O. Box 1397  
Burlington, VT 05402 USA  
Telephone: 802-658-3890  
Fax: 802-658-4247  
Internet: [ard@ardinc.com](mailto:ard@ardinc.com)  
Web Site: <http://www.ardinc.com>



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Welcome to the Campaign Trail Tribune, a newsletter devoted to the exchange of issues, events, news, and other relevant information pertaining to elections and political processes programs at USAID. The newsletter is coordinated by the Office of Democracy and Governance (DG) in the Bureau for Democracy, Conflict, and Humanitarian Assistance (DCHA), and is intended for use by USAID employees involved in elections and political processes activities. The objective is for the Elections and Political Process Division to provide information on important issues, items of interest, and key events.



The June Democracy and Governance training was a big success. It was wonderful to meet so many colleagues from the field. If you require further advisement or have any questions we can help you with, please contact us in the Elections and Political Processes Division:

**Michele Schimpp**, Acting Division Chief  
[mschimpp@usaid.gov](mailto:mschimpp@usaid.gov)

**Sundaa Bridgett**, CEPPS CTO  
[sbridgett@usaid.gov](mailto:sbridgett@usaid.gov)

**Roberto Figueredo**, LAC/ E&E  
[rfigueredo@usaid.gov](mailto:rfigueredo@usaid.gov)

**April Hahn**, ANE  
[ahahn@usaid.gov](mailto:ahahn@usaid.gov)

**Gene Ward**, Democracy Fellow  
[gward@usaid.gov](mailto:gward@usaid.gov)

**Madeline Williams**, AFR  
[mawilliams@usaid.gov](mailto:mawilliams@usaid.gov)

### Hot Topics – New Party Policy

USAID has adopted a new political party assistance policy. The policy states that the development of representative, democratic parties is a USAID priority and prohibits using assistance to influence the outcome of an election.

In contrast to the old policy, the new policy clarifies under what parameters Development Assistance funds (USAID's traditional funding source) can be used to support political parties. The policy limits support to technical assistance, training, and commodities, such as fax machines, telephones, and other in-kind assistance. However, no party can receive more than \$50,000 in commodities, and no assistance should be provided 30 days prior to an election. The policy also describes the conditions under which certain rules can be waived.

The policy and implementing guidelines are available for review on the DG Office's Intranet. Once they have formal ADS clearance, they will also be available on the extranet.



### Upcoming Elections

Please see [ElectionGuide.org](http://www.ifes.org/euide/2003.htm) at <http://www.ifes.org/euide/2003.htm>



### Elections Trivia

What country has the highest percentage of women in national parliaments?

*Please see end of newsletter for answer*