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HAS AUTONOMY OF STATE GOVERNMENTS BOLSTERED ACHIEVEMENT OF MDGs IN NIGERIA?

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Executive Summary

While MDGs are globally-enunciated development benchmarks, country-level achievement of the 2015 targets depends on appropriate and effective policies and public spending by both central and subnational governments. Perhaps, no other setting typifies the mix of challenges and opportunities for achieving the MDGs better than federal states like Nigeria where the three tiers of government have overlapping but autonomous fiscal and policy spaces. In such situations, the march to the MDGs can be hindered or accelerated depending on intergovernmental policy/programme synergy and coordination. In particular, because Nigeria's state and local governments ideally should be closest to the grassroots in terms of providing basic public services, their actions or inactions could impact greatly on MDGs. Given the rising exercise of fiscal and policy autonomies by state governments, especially since the return to democratic rule in 1999, Nigeria exhibits the right context for critically examining the impact of sub-national governments on MDGs.

Within the framework of Nigeria's federalist structure, this paper explores the relevance and impact of subnational governments in the progress towards the MDGs by 2015. The central hypothesis is that policy and spending autonomy alone cannot enable the subnational government levels of governments to significantly enhance the achievement of the MDGs. It argues that fiscal and policy autonomy must necessarily be matched with governance capacities in terms of economic planning, fiscal responsibility and policy accountability. Thus, the paper submits that policy and spending autonomy is a necessary but not sufficient condition for state and local governments to significantly impact the achievement of the MDGs in Nigeria. The paper x-rays Nigeria MDGs status at the national and state and subnational (state) levels and explores the extent to which differentiation across states can be explained based on political, economic and institutional conditions.

The share of sub-national budget spending in the consolidated public spending increased significantly since 1999. In theory, state and local governments have constitutional autonomy for public spending, economic planning and sector policies. But, in reality, they have largely followed the MDGs policy frameworks initiated by the federal government. State governments' policy autonomy is circumscribed by weak technical capacities. Several examples of reliance on policy leadership/directions of federal government collectively reveal a dualistic scenario of autonomy and dependence.

The shortage of capacities at the state level can be linked to the fact that many states were created from existing ones without corresponding efforts in capacity building to improve human resources and public service institutions. Older states often display greater policy and institutional capacities, relative to younger states. Moreover, the federal government ministries, departments and agencies (MDAs) seem to enjoy generally higher concentration of more experienced public officials, than state governments. Thus, the public service bureaucracy in many states is weaker than that of the federal government. The periodic splitting of states has disrupted capacity uptake in pre-existing states while foisting less qualified and inexperienced government bureaucracies in younger states.

There is considerable variability of MDGs performance across the states and regions of the country. The variations are associated with differences in socio-cultural, economic and institutional conditions. Thus, an aggregate national picture of Nigeria's MDGs status would be erroneous, as it obscures sharp regional and local differences. Thus, states have variable challenges and opportunities for achieving the MDGs. The situation offers benefits of mutual learning among State Governments. Consequently, state governments would need to upgrade extant capacities for independent policy formulation, monitoring and evaluation within their jurisdictions. Without commensurate capacity building in MDGs-based planning, public spending and results-based tracking, the autonomy of state governments will remain mere nominal. Without the right capacity, the autonomy of state governments will not deliver the MDGs in Nigeria.



1.0 INTRODUCTION

1.1 CONTEXT

While MDGs are globally-enunciated development benchmarks, country-level achievement of the 2015 targets depends on appropriate and effective policies and public spending by both central and subnational governments. If national and subnational policies and measures are well-coordinated in a complementary and reinforcing manner, the achievement of the MDGs will be promoted. No other setting typifies a mixture of opportunities and risks for MDGs better than federal states like Nigeria where different tiers of government have overlapping fiscal and policy spaces. The MDGs process in Nigeria can be hindered or accelerated depending on policy synergy and complementary programmes across the tiers of government. Because Nigeria's state and local governments ideally should be closest to the people in terms of providing basic public services, their actions or inactions could impact greatly on MDGs. Given the growing appropriation of fiscal and policy autonomies by state governments (and to some extent local governments), Nigeria presents the right context for critically examining the impact of subnational governments on MDGs.

Within a federation, fiscal and policy roles and responsibilities are shared between central and sub-national governments. While fiscal federalism refers to sharing of revenue and expenditure powers and roles, policy federalism connotes distribution of policy roles and responsibilities between central and subnational governments. There are standard political and economic arguments for the practice of policy and fiscal federalism. Political arguments often relate to dealing with heterogeneity (e.g. multiple ethnic nationalities and regional differentiation) within countries and the imperative of accountable, responsive and effective governance. On the other hand, economic rationale is usually based on the need to streamline fiscal stabilisation, distribution and allocation responsibilities and policies (Musgrave and Musgrave, 1984) and to promote equitable and efficient use of public resources (Alade et al., 2003). On this premise, the federation defines the system of government whereby revenue (tax-raising) and expenditure powers and functions are divided among the tiers of government, for example, federal, state and local governments in Nigeria.

While these premises are logical, a federation is usually faced with several challenges including intergovernmental fiscal relations, policy coordination and public accountability. In a federation, the constitution delineates powers and responsibilities for different tiers of government. The actions of the central government may directly or indirectly affect the subnational governments and vice versa (Ajakaiye, 2008). The sharing of powers and responsibilities and the exercise of them can raise tensions, tendencies and conflicts that are counter-productive. The Nigeria example is instructive. Fiscal decentralisation allows autonomy for state and local governments to decide expenditures for providing public services. Moreover, more than half of consolidated public spending (including for MDGs) is accounted for by states and local governments. But, over the years, the lack of fiscal coordination between the central and subnational authorities

tended to undermine sound public spending, macroeconomic stability and sustainable economic growth. It is often argued that there is lack of correspondence between the spending responsibilities and tax powers/ revenue sources assigned to the different levels of government (Ajakaiye, 2008; Ekpo and Englama, 2008). Many public services bearing on the MDGs (for example, health, education, agriculture, environment), are statutorily concurrent responsibilities of the federal, state and local governments. The situation raises the risks of overlapping and duplication of policy spaces and consequent waste of government's scarce resources in the absence of strong horizontal and vertical coordination of public spending and sector policies.

As a federation comprising the federal government, 36 state governments, federal capital territory (FCT) and 774 local governments, Nigeria has 812 separate political jurisdictions, meaning 812 expenditure-cum-policy decision-making centres. Sharing of responsibilities and functions are enshrined in the country's supreme law - Constitution of the Federal Republic of Nigeria 1999. In the Constitution, the Exclusive List contains the functions reserved for the Federal Government only. On the Concurrent List, both the Federal and State governments could function, however, when there is a conflict, the Federal Government shall prevail. The functions reserved for the states are found in the Residual List; they are functions not assigned to Local Governments and neither contained in the Exclusive and Concurrent Lists.

By the Constitution of the Federal Republic of Nigeria 1999, the responsibility for MDGs-related public services is shared among the federal, state and local governments. Notable among them are economic planning/management, agriculture, education, health and social welfare. Given the constitutionally-assigned preoccupation of the federal (central) government with universal issues like defence, security, foreign affairs and macroeconomic policies, achieving the MDGs in education, health and poverty reduction will largely depend on the efforts of state and local governments. But, ironically, state governments evidently lag behind in policy and institutional reforms designed to promote the MDGs. Despite recent examples of the federal government, many state governments still lack strong institutional framework needed to effectively mobilise and utilise public resources and enhance public service delivery for the MDGs. The potentials of state governments in accelerating the national march to 2015 are largely untapped.

So, without corresponding good governance, fiscal accountability and policy responsibility at the state level in Nigeria, decentralisation *per se* will not effectively promote the achievement of the MDGs. Governance capacity, institutional coordination and effective service delivery are therefore crucial if state governments are to significantly accelerate the march to the MDGs. MDGs-oriented reforms of the federal government could be compromised by incommensurate and poorly designed state-level MDG-promoting policies and programmes. But, it is arguable if these preconditions are currently evident in the present Nigerian situation. The situation underscores the need to investigate whether fiscal and policy autonomy of state governments is leveraged for achievement of the MDGs targets.



I.2 OBJECTIVES AND THESIS OF THE PAPER

Against this backdrop of fiscal and policy federalism in Nigeria, this paper explores the relevance and impact of subnational governments in the progress towards the MDGs by 2015. The central hypothesis advocated by the paper is that policy and spending autonomy alone cannot enable state and local governments to significantly enhance the achievement of the MDGs. It argues that fiscal and policy autonomy must necessarily be matched with governance capacities for economic planning, fiscal responsibility, policy accountability and democratic responsiveness. Thus, the paper submits that policy and spending autonomy is a necessary but not sufficient condition for state and local governments to significantly impact the achievement of the MDGs in Nigeria.

In order to investigate this thesis, the paper analyses the theoretical and empirical significance of Nigeria State Governments within the framework of public spending/policy autonomy allowed for by the Constitution of the Federal Republic of Nigeria 1999. The paper x-rays Nigeria MDGs status at the national and state and subnational (state) levels and explores the extent to which differentiation across states can be explained based on political, economic and institutional conditions.

I.3 SIGNIFICANCE OF THE PAPER

The merits and risks of decentralisation constitute an object of reoccurring debate in developing economies. The debate is discernible between arguments. One strand of thinking is that policy and fiscal devolution holds the key to more responsive and accountable governance. Another strand cautions that devolution and decentralisation to lower authorities should be an integral part of institutional and governance reforms aimed at maximising development benefits to the greatest number of people (see, for example, Musgrave and Musgrave, 1984; Ekpo and Englama, 2008).

Comparing MDGs indicators across states and geopolitical regions is important for unmasking the disparities that are often obscured by national aggregate indicators. The paper explores the factors and conditions that may be responsible for differential performance on MDGs indicators by state governments and geopolitical regions. Exploring the factors and reasons for differential performance will provide in-depth explanation of why some states are doing well and others are not doing well and what is working or not working at the state level. Such explanation will deepen understanding of the role of state governments in the march towards the 2015 targets at the national level. Also, by comparing MDG indicators across state governments and/or geopolitical regions, the paper would provide critical insights on what and how Nigerian subnational jurisdictions (particularly the state governments) can learn from one another towards impacting more tangibly to realising the global country-level targets.

1.4 DATA COLLECTION AND ANALYSIS

The study used mostly existing data from federal and state government ministries, departments and agencies (MDAs) as well as those from international development agencies involved in supporting policies and programmes for MDGs. The study collected and analysed data relating to:

- Policy roles and responsibilities of federal, state and local governments;
- Fiscal federalism and impact on policy coordination, fiscal responsibility and public spending;
- Revenue sharing and public spending across federal, state and local governments;
- MDGs status at the national level;
- MDGs at the state level; and
- Institutional and policy capabilities of federal and state governments.

Specifically, data was collected from the national statistical agencies including the National Bureau of Statistics, Federal Ministry of Education, Federal Ministry of Health, National Planning Commission, National Action Committee on HIV/AIDS, Office of the Senior Special Assistant to the President on MDGs and relevant international bodies including UNDP, UNICEF, UNIFEM and UNESCO in Nigeria.

Data analysis employed mostly descriptive tools including means and percentages. Functional comparisons were done by cross-matching states' MDGs status with the geopolitical, fiscal and economic characteristics of the states. The correspondence (or lack of) between the States' MDGs status and their characteristics constitute an important bases to deduce the implications of sub-national governments for the attainment of the MDGs.

The paper reports case studies of 6 states, from across the six geopolitical zones of the country. The states are Anambra (South-East zone), Cross River (South-South zone), Osun (South-West zone), Jigawa (North-West zone), Yobe (North-East Zone) and Kano (North-West zone). The case studies examine the policy and institutional capacities for MDGs programme design, implementation and monitoring in the states.

2.0 FISCAL FEDERALISM AND THE PROGRESS ON THE MDGs

2.1 COUNTRY-LEVEL MDGs STATUS

Since the United Nations Millennium Declaration in 2000, the MDGs have become important tools of monitoring human progress within and across nations. In line with the global practice, Nigeria undertakes a periodic monitoring and review of progress towards the MDGs through a series of annual MDGs progress reports. Currently, there are three successive annual Nigeria **MDGs reports** published for 2004, 2005 and 2006. Nigeria

is also undertaking a **National MDGs Costing Exercise** in eight key sectors (agriculture, health, education, roads, energy, water resources, environment and housing). The results would provide a good basis for estimating the cost of achieving the MDGs in the country.

Progress towards the MDGs at the national level in Nigeria has been reported every year through the Nigeria MDGs Report Series which includes the reports for 2004, 2005 and 2006. While the 2004 Report states that it is unlikely that the country will be able to meet most of the goals by 2015 especially the goals related to eradicating extreme poverty and hunger, reducing child and maternal mortality and combating HIV/AIDS, malaria and other diseases. The 2005 MDGs Report indicates that there is high potential to attain some of the MDG targets, namely; achieving universal primary education, ensuring environmental stability and developing a global partnership for development. The Report was less optimistic about the MDGs targets on eradicating extreme poverty and hunger, achieving gender equality and women empowerment, reducing child mortality, improving maternal health and combating HIV/AIDS, malaria and other diseases. Similarly, the 2006 Report shows that Nigeria has the potential to achieve some of the goals, especially those related to universal primary education, combating HIV/AIDS, ensuring environmental stability and developing a global partnership. But, like other Reports, the 2006 Report shows concern about the slow pace to the MDGs targets on reducing child and maternal mortality. Nigeria's progress towards the MDGs till date is summarised in Appendix I.

2.2 MDGs-ORIENTED POLICY AND INSTITUTIONAL REFORMS AT THE FEDERAL LEVEL

The Federal Government of Nigeria has since 2004 promoted the MDGs on the platform of the national medium-term economic framework, known as National Economic Empowerment and Development Strategy (NEEDS). The NEEDS is the policy framework guiding the design and implementation of economic and institutional reforms, aimed at poverty alleviation, wealth creation, employment generation and value reorientation. The cardinal policy thrusts of NEEDS are: creating appropriate macroeconomic framework; changing the way government does its work; promoting private enterprise; and empowering people. For example, the operation of fiscal policy in Nigeria under the reform programme has revolved around the adoption of the oil-price based fiscal rule, which saves any earnings above the benchmark price in a common account known as excess crude account for all tiers of government.

The federal level institutional framework is underpinned by the creation of the Office of the Senior Special Assistant to the President (OSSAP) on the MDGs to coordinate and monitor MDGs policies and programmes throughout the country. In September 2005, Nigeria successfully negotiated debt relief from the Paris Club of creditors worth US\$18 billion. It was the largest debt relief in Africa and the second in the world, next only to Iraq. The deal released roughly US\$1 billion or ₦100 billion per year for spending by the Nigerian Government. An important feature of the debt relief pact is that debt relief funds would be channelled to pro-poor projects that would help Nigeria achieve the MDGs. Freed resources from Nigeria's debt relief, that is, annual savings from debt servicing amounting to about \$1 billion, with a federal government share of \$0.75 billion would be channelled to poverty-

reducing and MDGs programmes. Tied to this is the enunciation of Oversight for Public Expenditure in NEEDS (OPEN) embodying Virtual Poverty Fund Mechanism. The mechanism was designed to track utilisation of MDGs resources and ensure compliance with international best practices. This would be an addition to the existing pro-poor spending. The debt relief gains will be tagged, tracked and monitored to ensure that the spending is effective. In the 2006 fiscal year, for example, OPEN was piloted by 10 government ministries, departments and agencies (MDAs): the Ministries of Health, Education, Water, Agriculture, Power, Works, Housing, Environment, Women Affairs and Youth.

Public spending is a crucial tool for creating and maintaining public goods and services related to the MDGs. All the three tiers of government spend public money to actualize policy objectives in line with their respective budgets. Below is the outlook of federal government MDGs-related expenditures (Table 1).

Table 1: Outlook of federal government's MDGs-related expenditure

						2003-2007 average
Capital spending as % of total spending						26.26
Recurrent spending as % of total spending	81.4					73.74
Capital spending on education as % of total capital spending	6.07	2.59	6.14	5.92	8.99	5.94
Recurrent spending on education as % of total recurrent spending	6.60	6.89	6.27	8.55	8.61	7.38
Capital spending on health as % of total capital spending	2.65	5.18	4.19	5.83	5.50	4.67
Recurrent spending on health as % of total capital spending	3.39	3.07	4.22	4.48	5.64	4.16

Source: Central Bank of Nigeria Annual Reports.

As seen from Table 1, over the period 2003-2007, on the average, federal government's recurrent expenditure gulped about 74% of total spending while the rest was capital expenditure. A harmonious combination of recurrent and capital expenditure is important for attaining the MDGs.

2.3 RISING REVENUE PROFILE OF SUB-NATIONAL JURISDICTIONS

Currently, sub-national governments have increased share of Nigeria's revenues. Unlike the pre-1999 situation, state and local governments currently enjoy wider policy and fiscal spaces to influence cost of doing business, thanks to increased fiscal decentralization and changes in revenue sharing arrangements occasioned by the Nigerian Constitution 1999. The evidence is clear. The share of sub-national budget spending in the consolidated public spending increased from 23 percent in 1999 to 46 percent in 2005 (World Bank, 2007). Moreover, estimates show that sub-national budget spending in 2005 was almost four times higher in real terms than the 1999 level. Out of the 39 different taxes and levies approved by Taxes and Levies (Approved List for Collection) Act 21 of 1998, state

and local governments are statutorily responsible for the collection of 80% of the total number.

One of the key features of Nigeria's fiscal federalism is the distribution of revenues among the federal, state and local governments. The significant sequential developments in revenue allocation formula since the return to democratic governance in 1999 are outlined as follows (Jimoh, 2003 and Ekpo, 2004).

In 1999, the democratic government inherited the revenue allocation formula that has been in existence since 1992. The formula gives 48.5% to federal government, 24% to state governments and 20% to local governments and 7.5% to special funds (which was distributed as follows: FCT 1%, Ecology 2%, Stabilisation 1.5% and Natural Resources 3%).

While this formula was in use, the Revenue Mobilisation, Allocation and Fiscal Commission (RMAFC) recommended to the National Assembly the formula – federal government 41.3%, state governments 31%, local governments 16% and special funds 11.7% (to be shared as follows – FCT 1.2%, Ecology 1%, Natural Resources 1%, Agriculture and Solid Mineral Development 1.5%, Basic Education 7%).

Amidst debate on the RMAFC-recommended formula, there was the Supreme Court Verdict in April 2002 on the Resources Control Suit which nullified provision of Special Funds in any given Revenue Allocation Formula.

In May 2002, the Federal Government invoked an Executive Order to redistribute the revenue as follows – federal government 56%, states 24% and local governments 20%.

Following criticisms, the Federal Government in July 2002, reviewed the Executive Order as follows – federal government 54.68%, states 24.72% and local governments 20.60%.

In March 2004, the Federal Government issued a modification which increased states' share to 26.72% and reduced federal government's share to 52.68%. This formula remains in force, until the National Assembly legislates on a new revenue allocation formula.

The trend in revenue allocation across the three tiers of government to date is summarized in Table 2 as follows.

Table 2: Vertical allocation of Nigeria's federally collected revenues since 1981

Period	% share going to			
	Federal Government	State Government	Local Government	Special Funds
*1981	55	35	10	-
1989	50	30	15	5
1993	48.5	24	20	7.5
1994	48.5	24	20	7.5
1992-1999	48.5	24	20	7.5
May 2002	56	24	20	-
March 2004 till date	**52.68	26.72	20.60	-

*Revenue Act of 1981.

** Sequel to Supreme Court verdict in April 2002 on the Resource Control suit, the provision of Special Funds was nullified in any given Revenue Allocation Formula. In addition, the nine oil producing states (Abia, Imo, Delta, Cross River, Rivers, Bayelsa, Akwa Ibom, Edo and Ondo) get 13% of total oil proceeds based on the applied derivation formula.

As shown in Table 2, states and local governments now control increased share of the federation revenue, compared to periods before return to democratic governance in 1999.

2.4 SUB-NATIONAL GOVERNMENTS SURPASS FEDERAL GOVERNMENT IN PUBLIC SPENDING

Our computations based on data obtained from the Central Bank of Nigeria (CBN) Annual Report and Statement of Accounts for the year ending 2007 shows that within the period 2003-2007, state and local governments together, on the average, accounted for 52.34% of total annual public expenditure in the country. On the average, state and local governments together accounted for 59.97% and 48.24% of total capital spending and recurrent spending during the reference period. The shares of different tiers of government in consolidated public spending are given in Appendix II.

Also, within the same period, state governments accounted for 53.88% and 51.76% of total public spending on education and health in the country, as shown in Table 3 as follows.

Table 3: Relative size of education and health expenditures of federal and state governments

Expenditure type	2003	2004	2005	2006	2007	2003-2007 average
Capital and recurrent expenditure on education by all governments				328.8		270.184
Federal Government share (N' billion)	79.5	85.6	114.7	151.7	205.2	127.34
Federal Government share (%)	43.90	42.72	42.29	46.14	55.54	46.12
State Governments' share (N' billion)				177.1		142.844
State Governments' share (%)	56.10	57.28	57.71	53.86	44.46	53.88
Capital and recurrent expenditure on health by all governments	91.92					159.032
Federal Government share (N' billion)	39.7	52.4	77.5	94.5	131.4	79.1
Federal Government share (%)	43.19	43.83	45.84	47.89	60.48	48.24
State Governments' share (N' billion)	52.22	67.16	91.58		85.87	79.932
State Governments' share (%)	56.81	56.17	54.16	52.11	39.52	51.76

Source: Central Bank of Nigeria Annual Reports.

Table 3 shows decrease in state governments' share of total health and education spending since 2005. The decrease come amidst rising share of federal government in consolidated public spending on health and education, largely driven by spending under the Debt Relief Gains, administered by the Office of the Senior Special Assistant to the President on MDGs. For instance, the federal government spending on MDGs was boosted by additional sums of ₦99.91 billion and ₦109.47 billion in 2006 and 2007 respectively, under the OPEN initiative.

On the other hand, the details of the relative shares of the tiers of government in aggregate national public spending from 2003-2007 are given in Appendix II.

The impact of subnational governments would be greater if the expenditures of local governments on education and health are taken into account². But, while fiscal decentralization has enhanced the funds available for state governments to deliver public services, the gains for MDGs are largely muted. This is because increased availability of budgetary resources and public spending by state governments has not translated into better service delivery and human development (World Bank, 2007)³. No doubt, achievement of the MDGs 2015 targets will require enhanced cost efficiency of expenditures at all levels of government. But, the challenge of improving the quality of budget expenditure is more acute at the state level due to additional capacity constraints and slower progress of public financial management reforms.

2.5 MDGs IMPLEMENTATION AND MONITORING AT THE STATE LEVEL: SIX CASE STUDIES

Case I: Anambra State

Social and Economic Profile

With a population of about 4.2 million and land area of 4,887 sq km, Anambra State, located in the south east zone, is one of the most densely populated in the country. It has 21 Local Government Areas and 177 autonomous communities. It consists of clusters of urban areas which constitute 62% of the total population. These urban areas are characterised by high concentration of manufacturing and commercial activities (notably automobile works, metal fabrication, textile, plastics, merchandise trade, etc). But, in the rural areas, agriculture accounts for up to 70% of the economic activity. Males constitute about 52%, while females make up 48% of the total population.

2 *The expenditures of local governments were not included due to paucity of data. The data problem is symptomatic of severe fiscal capacity gaps in the local government system. Also, there are spending distortions arising from variable spending relations between state governments and their constituent local governments.*

3 World Bank, 2007. Nigeria: A Fiscal Agenda for Change – Public Expenditure Management and Financial Accountability Review. Abuja

The State has one of Nigeria's lowest poverty rates, estimated at about 32.1% in 2007 and a gini index of 48%. It has HIV/AIDS prevalence of 4.23% in 2005, infant mortality rate estimated at about 88 per 1000 and under-5 mortality rate of 142 per 1000. Internally generated revenue constituted about 15% of total State revenue in 2007, while the rest (85%) came from the Federation Allocation. Net primary school completion rate is 52% while 88% of women between 15-24 years are literate.

MDGs-oriented Policy and Institutions

The policy frameworks for MDGs programme design and implementation are the Anambra State Economic Empowerment and Development Strategy (AN-SEEDS), 2005-2009, and the current policy agenda of the current administration, encapsulated in the Anambra State Integrated Development Strategy (ANIDS). On the other hand, the ANIDS contain some listing of programmes and activities anticipated by the current administration. Both frameworks are shaping the design and implementation of programmes for the achievement of the MDGs by 2015.

Economic planning is coordinated by the Ministry of Economic Planning and Development. The Ministry carries out development planning functions, capital budgeting and some limited monitoring responsibilities. Recently, the Ministry has been assigned the MDGs coordinating and liaison functions, in line with the guidelines of the OSSAP MDGs regarding the Conditional Grant Schemes. The State received a grant of ₦1.7952 billion for MDGs projects covering health, education, energy, and sanitation in different parts of the state. There is an Executive Committee that oversees the implementation of the MDGs projects in the state. The Committee is headed by the Commissioner of Finance and Budget and comprises representatives of Government House, Ministry of Economic Planning and Development, relevant MDAs sectors including health, education, local governments and public utilities. The Executive Committee works through three physical monitoring (inspection) teams in the three different senatorial zones of the state. Each of the monitoring teams includes at least one representative of civil society (that is, NGO or CBO official). According to the Year 2007 project implementation report on MDGs projects, the overall completion rate was 85%. Despite the elaborate monitoring undertaken for the MDGs projects, the monitoring is simply physical. It is not based on any systematic linking of public expenditures to MDGs achievement rates in the state.

There appears to be little collaboration and synergy between both monitoring functions. Neither the reports by the Accountant-General's office nor the reports by the Planning Research and Statistics Departments of the various MDAs are designed to show impact of public expenditures. Even though, the Ministry of Economic Planning and Development prepares and collates the capital budget estimates, it does not have a statutory mechanism to monitor capital spending and ensure value for money. However, the Office of Special Adviser to the Governor on Project Monitoring has just been created, apparently to strengthen the monitoring process and achieve greater impact evaluation of public spending. Table 4 summarises MDG-related expenditures of Anambra State government.

Table 4: Outlook of MDGs-related Expenditures in Anambra State, 2005-2007

Expenditure type/ratio			
Capital expenditure as % of total expenditure	56.5	56.3	43.3
Recurrent expenditure as % of total expenditure	43.5	43.7	56.7
Actual capital expenditure on health as % of total capital expenditure	0.19	0.22	0.19
Actual recurrent expenditure on health as % of total expenditure	-	-	-
Actual capital expenditure on education as % of total capital expenditure	0.54	0.15	0.39
Actual recurrent expenditure on education as % of total recurrent expenditure	-	-	-
Actual capital expenditure on agriculture + rural development + water resources as % of total capital expenditure	0.45	0.13	0.19
Actual recurrent expenditure on agriculture + rural development + water resources as % of total recurrent expenditure	-	-	-
Actual capital expenditure on women and social development as % of total capital expenditure		0.01	0.46
Actual women and social development recurrent expenditure in as % of total recurrent expenditure	-	-	-
Actual capital expenditure on environment as % of total capital expenditure	0.16	0.18	0.54
Actual recurrent expenditure on environment as % of total recurrent expenditure	-	-	-

During 2005-2007, capital spending accounted for more share of total spending relative to recurrent spending. On the average, capital spending on education accounted for greater share of total spending, relative to capital spending on health.

Case 2: Cross River State

Social and Economic Profile

Located in the tropical rainforest belt of the country, Cross River State is in the south-south zone and has a population of about 2.9 million against a total land area of 23,000 sq km. The vegetation ranges from mangrove and swamp forests towards the coast, tropical rain forest further inland and savannah woodlands in the northern segments. The Obudu Plateau provides a montane-type vegetation. It is one of Nigeria's oil-bearing States and has 18 local government areas. Up to 70% of the population is engaged in the agricultural economy. The State has a rich tourist industry that has become an important revenue source and an important rally for the inflow of investment capital.

Poverty is estimated at about 55% in 2007, with a Gini index of 51%. The HIV prevalence was estimated at about 6.7% in 2005. About 14.4% of the State's public revenue comes from internal sources, while the rest is from Federation Account Allocation. Infant mortality and Under-5 mortality are estimated at about 71 per 1000 and 111 per 1000 respectively. Net primary school completion rate is 63% while 78% of women aged between 15-24 years are literate.

MDGs-oriented Policy and Institutions

Since 2005, Cross River State has been implementing economic and institutional reforms under the aegis of the Cross River State Economic Empowerment and Development Strategy (CR-SEEDS) and the derivative Local Economic Empowerment and Development Strategy (LEEDS) of the various local governments in the state. The CR-SEEDS and LEEDS seek to promote growth, diversify the economic base, create wealth and accelerate the achievement of the MDGs including the reduction of poverty.

On assumption of office in 2007, the new government launched the Economic Blueprint, 2007-2011, consisting of a 7-point priority agenda covering agriculture, tourism, education, health care, private sector growth, infrastructure development and physical environment. The Blueprint commends itself as coherent with MDGs, SEEDS and LEEDS framework. For example, the Blueprint reflects MDGs by specifying Year 2011 targets for reductions in infant, child and maternal mortality, increase in primary school enrolment rate, immunization coverage and access to information and communication technologies. The implementation strategy includes public sector reforms, local government reforms, social welfare reforms, tax system reforms and public procurement reforms. Besides participation in the OSSAP MDGs Conditional Grants Projects and the receipt of funds for MDGs-related projects in primary health care and primary education, the state has special agencies whose programmes are vital to poverty reduction. They include the Rural Development Agency, Border Communities Development Commission and Rural Electrification Commission.

In order to streamline economic planning framework, there is current effort to develop SEED-2 (2008-2011) based on the reviews of SEEDS-1 reviews and transformation of the Economic Blueprint. The four technical working committees for SEEDS-2 cover respective governance areas: policy, budget and fiscal management, service delivery and communication and transparency. The SEEDS-2 would incorporate the Economic Blueprint proposals and MDGs targets. Based on the lessons from SEEDS-1, there would be adequate costing of SEEDS-2 within the medium term expenditure framework (MTEF).

Considerable progress has been achieved in linking budget to economic plans and policies through the medium-term sector strategy (MTSS) and the associated medium term expenditure framework. Learning from the shortcomings of SEEDS-1, particularly the lack of costing and alignment to medium term fiscal strategy, the Economic Blueprint proposes wide-ranging reforms in budget and fiscal management. They include the development of fiscal strategy paper, preparation of budget manual, production of regular budget monitoring (physical and financial) reports, preparation of 4-year MTEF documentation report, development of comprehensive budget classification and chart of accounts and development of planning and budgeting database for the state. Prior to 2006, annual budgeting was based on incremental method. But, with support from USAID, the state initiated the MTSS/MTEF process in three pilot MDAs – Ministry of Education (representing social sector), Ministry of Agriculture (representing economic sector) and the Forestry Commission. These three pilot MDAs were to develop programmes that have timeline of completion, realistic costing on a prioritised basis and outcomes within the Log Frame approach⁴.

While the pilot MTEF budgeting was proposed to take effect from 2007, it did not materialise. However, the process was refreshed in 2008 with series of intensive training and demonstration workshops for relevant staff of MDAs and the provision of template by the Budget Office. Currently, many MDAs have completed their MTSS and MTEF documents, under the coordination and supervision⁵ of the Office of Budget Monitoring and Evaluation. Through the MTSS, every MDAs articulates medium-term goals and objectives aligned with the framework policies of SEEDS and MDGs, reviews existing budget commitments, identifies the key initiatives (that is, projects and programmes) that will be implemented for achieving the stated goals and objectives, costs the identified initiatives in a clear and transparent manner and determine

4 The Log Frame approach consists of clear definition of goal, objective, initiative activity, initiative costing, activity timeline and responsibility.

5 The Office of Budget/Monitoring and Evaluation provides MDAs with template outlining, among others, envelopes and ceilings, costing guide, log-frame, existing commitments (actual expenditures) and links to MDGs, SEEDS and sector policy objectives, targets and strategies. The 2008 budget call circular was issued to all MDAs based on the new budgeting approach.

implementation timetable and measurable outcomes linked to stated goals and objectives. The MTSS was intended to serve as operational policy documents against which the budget proposals were to be evaluated. In this context, the 2008 budget was prepared based on the MTEF alongside the policy direction strategic documents highlighted by the MTSS. In the same vein, the state adopted a new budget classification and chart of accounts based on 20-digit coding system. To further the implementation of the MTSS and MTEF process, efforts are being intensified to ensure that the MTEF documentation⁶ report, 2009-2012, will begin with the 2009 budget, simultaneously with the adoption of SEEDS-2.

Another sphere of economic management where the state is making considerable progress is monitoring of expenditures, project outputs, outcomes and impact. Monitoring is carried out at successive stages along the policy continuum. The first level is the budget monitoring and control by the Office of Budget/Monitoring and Evaluation. There is a monitoring instrument which elicits verified spending statistics from MDAs in terms of actual and projected revenues, approved amounts, permissible rate of expenditure, returns (monthly, quarterly, six-monthly), vote-book inspection/reconciliation and computation of deviation (if any). The second level is physical monitoring of projects by the Project Inspectorate Department of the State Planning Commission, leading to the preparation of quarterly project status reports. At the third level, there is impact monitoring by the Office of the Economic Adviser to the Governor, who is also the Vice-Chair of the State Planning Commission. Impact monitoring is carried out based on the community scorecard and service gap methods. The major challenge is coordination across the three levels of monitoring, but the adoption of the MTEF-driven log-frame would contribute to the eventual development of a state-wide comprehensive monitoring and tracking framework.

Two significant milestones have been achieved in policy monitoring. One is the production of the Cross River State Economic Performance Review in June 2008 and the ongoing preparation of the Cross River State Year 2006 MDGs Progress Report⁷. The Economic Performance Review examines economic and social progress, including economic growth performance, key macroeconomic indicators (budgeted and actual revenues and expenditures, debt, investment, employment and inflation), performance of economic and social sectors and institutional developments in the economic planning process. Economic performance monitoring will be invigorated with the successful conclusion of the ongoing preparation of the state's gross domestic product (GDP) statistics. When completed, the Cross River State MDGs progress report will be the first ever state-level equivalent of Nigeria MDGs annual progress report. Besides, the state's participation in the OSSAP MDGs Conditional Grant Projects has prompted the creation of MDGs Committee which comprises, among others, the State Planning Commission, Ministries of Health, Education and Social Development. Moreover, MDGs-related MDAs prepare periodic reports which are collated by their respective Planning and Research Departments for

6 World Bank is providing technical support for preparing Budget Manual, Fiscal Strategy Paper and MTEF Documentation Report, 2009-2012.

7 This is being done with support from UNDP.

transmission to the State Planning Commission. Table 5 summarises MDG-related expenditures of Cross River State government.

Table 5: Outlook of MDGs-related Expenditures in Cross River State, 2005-2007

Expenditure type/ratio	2005	2006	2007
Capital expenditure as % of total expenditure	32.2	50.9	39.5
Recurrent expenditure as % of total expenditure	67.8	49.1	60.5
Actual capital expenditure on health as % of total capital expenditure	0.03	0.10	0.07
Actual recurrent expenditure on health as % of total expenditure	0.36	-	-
Actual capital expenditure on education as % of total capital expenditure	0.47	0.16	0.64
Actual recurrent expenditure on education as % of total recurrent expenditure	12.06	-	-
Actual capital exp. on agric, rural devt, water resources as % of total capital exp.	0.23	0.08	0.30
Actual recurrent exp. on agric., rural devt., water res. as % of total recurrent exp.	0.10	-	-
Actual capital exp. on women and social devt. as % of total capital expenditure	0.06	0.04	-
Actual women and social devt. recurrent exp. as % of total recurrent expenditure	0.01	-	-
Actual capital expenditure on environment as % of total capital expenditure	<0.001	0.07	-
Actual recurrent expenditure on environment as % of total recurrent expenditure	0.02	-	-

Over the period 2005-2007, recurrent spending accounted for greater share of total spending in Cross River State. The share of capital spending on education in total capital spending was considerably higher than that for health, during the period.

Case 3: Jigawa State

Social and Economic Profile

With a total population of about 4.3 million and a land area of 22,410 sq km, Jigawa State is located in the north west of the country. Most of the state lies within the Sudan Savannah and average annual rainfall has hovered around 600-700 over the years. It is characterised by sand dunes over undulating land, and is predisposed to desert encroachment and land degradation. It has 27 local government areas and over 80% of the population makes livelihood from agriculture and related activities.

The State has one of the highest poverty levels, estimated about 91% in 2007. Infant mortality and under-5 mortality were estimated at about 101 per 1000 and 166 per 1000 respectively. The HIV prevalence rate is 2% and net primary school completion rate is 25%. Only 10% of women aged 15-24 years are literate.

MDGs-oriented Policy and Institutions

The main policy platform for programme formulation and implementation towards MDGs has been the Jigawa State Economic Empowerment and Development Strategy (JIGAWA SEEDS), 2005-2007. As the term of the SEEDS has ended, the State's Directorate of Budget and Economic Planning is coordinating the process of developing a successor economic and development plan. The new plan will incorporate elements of the 3-point agenda of the current government which are: education, water and sanitation and health. Meanwhile, there are two additional sector plan documents which are shaping MDGs programming in the state. One is the five-year health sector strategic plan, 2008-2012, prepared with assistance from DFID. The other is the four-year education sector strategic plan, 2007-2010, prepared with assistance from UNESCO.

The institutional arrangement for MDGs monitoring is driven by the Memorandum of Understanding (MoU) signed between the OSSAP MDGs and participating states. The MoU requires the state to create special MDGs coordination and monitoring departments or units and to render periodic project implementation reports. Under the MoU, both measures aim to foster the institutionalization of MDGs in the development planning system. Accordingly, the state government has established MDGs unit in the Directorate of Budget and Economic Planning, Ministry of Finance and Economic Planning. Under the arrangement, the Permanent Secretary, Budget and Planning is the MDG Focal Officer, while the Director, Budget and Planning is the MDGs Coordinator. The special unit coordinates and monitors all MDGs-related programmes, including support from federal government and development partners. Currently, the state has secured funding from OSSAP MDGs to the tune of ₦775,000,000 for up to 122 projects including health (health clinics, safe motherhood centres), energy (solar model centres), water (water supply centres) and sanitation (latrines).

There is currently no systematic framework for tracking the progress towards the MDGs. The MDGs-related projects are implemented by different line or sector ministries, departments and agencies. Hence, achieving synergy between MDGs project implementing

agencies (that is, line or sector ministries) and the coordinating/monitoring Directorate remains a big challenge in effective tracking of the impact of expenditures on MDGs.

While there is periodic reporting of MDGs projects under the Conditional Grant Projects (MDG CGS-Projects) of the Office of the Senior Special Assistant to the President on MDGs (OSSAP MDGs), the reports are mere mandatory administrative accounts of project inputs and outputs, not outcomes and impact. Two reports have been prepared, one in February 2007 and the other in March 2008. Regarding Jigawa State's own-monitoring of MDGs, the MDGs Coordination and Monitoring Office (of Directorate of Budget and Economic Planning) relies on quarterly budget returns from the Ministries, Departments and Agencies. Ideally, the feedback reports contain information on revenue realised, expenditures till date and different levels of project execution. However, most of these budget reports are in arrears, as evidenced by the 2008 Budget, whereby actual expenditures in preceding year (2007) are not reported.

Starting with the 2008 fiscal year, the state adopted a codified budget classification system, the same as in Kano State. The system codifies expenditure items by sectors and MDAs. The new budget classification embeds an Integrated Financial Management Information system to enable tracking of expenditures from budget preparation to implementation. Within the system, there is a facility designed to help track MDGs related expenditures, both capital and recurrent. But this facility still does not link expenditures to outcomes and impact. The shortcoming is reflective of the methodological gap in tracking the impact of expenditures on MDGs outcomes and impact, even at the national level. Indications are that the Directorate of Budget and Economic Planning is initiating the process of preparing MDGs progress report, based on the existing template of the Nigeria MDGs annual progress reports. Without a comprehensive MDGs report, the state relies on the results from the National Bureau of Statistics (NBS)'s Core Welfare Indicator Questionnaire (CWIQ) survey designed to assess and monitor poverty and welfare. So far, the CWIQ has collected poverty and welfare data for two points in time, July 2002 and March 2006. Table 6 summarises MDG-related expenditures of Jigawa State government.

Table 6: Outlook of MDGs-related Expenditures in Jigawa State, 2005-2007

Expenditure type/ratio	2005		
Capital expenditure as % of total expenditure	74.0	70.0	-
Recurrent expenditure as % of total expenditure	26.0	30.0	-
Actual capital expenditure on health as % of total capital expenditure	0.05	2.0	-
Actual recurrent expenditure on health as % of total expenditure	4.46	-	1.19
Actual capital expenditure on education as % of total capital expenditure	3.29	-	6.96
Actual recurrent expenditure on education as % of total recurrent expenditure	29.69	-	9.88
Actual capital expenditure on agriculture + rural development + water resources as % of total capital expenditure	1.98	-	2.6
Actual recurrent expenditure on agriculture + rural development + water resources as % of total recurrent expenditure	-	3.39	1.62
Actual capital expenditure on women and social development as % of total capital expenditure	Less than 0.01	0.05	-
Actual women and social development recurrent expenditure in as % of total recurrent expenditure	-	-	0.04
Actual capital expenditure on environment as % of total capital expenditure	-	-	-
Actual recurrent expenditure on environment as % of total recurrent expenditure	-	-	0.04

The frequency of empty cells in Table 6 reflects the poor state of budget and public expenditure data reporting in Jigawa State. Available data however, shows that capital expenditure accounted for a greater share of total expenditure in 2005 and 2006. Education took a considerable share of the total capital and recurrent spending.

Case 4: Kano State

Social and Economic Profile

Known as northern Nigeria's economic and industrial nerve centre, Kano State has a total population of about 9.4 million in 2006 and a land area of 20,760 sq km. The total land area consists of about 1.7 million hectares of arable land and 75,000 hectares of forest and grazing land. Most of the state lies within the Sahel Savannah vegetation zone. More than 75% of the population lives in rural areas with agriculture as the economic mainstay. The main agricultural commodities in the state include groundnut, cotton, guinea corn, maize cowpeas and vegetables. Besides, there are notable clusters of small-scale and micro enterprise activities covering merchandise trade, textile, services and agro-based.

The State has 44 local government areas and 44 District Heads, with the Emir of Kano as the Head of the traditional institution. Poverty in the state was estimated at about 50% in 2007 with HIV prevalence of 3.6%. Infant mortality and Under-5 mortality rates were estimated at about 101 per 1000 and 166 per 1000 respectively. Up to 90% of the State's public revenue comes from the Federation Account Allocation. Only 13% of women aged 15-24 years are literate and net primary school completion rate is 23%.

MDGs-oriented Policy and Institutions

The policy framework for the achievement of the MDGs is the medium-term plan – the Kano State Economic Empowerment and Development Strategy (K-SEEDS) which covered 2005-2007. By the K-SEEDS, Kano State articulated the development priorities, policy strategies and programme thrusts which have potentially critical implications for the MDGs. It contains financial estimates covering the 2005-2007, based on a rolling plan derived from project costing across sectors. It was estimated that K-SEEDS would cost about one hundred and thirteen billion naira (₦113 billion) over the three year period.

The institutional framework for the monitoring of MDGs is split between the Ministry of Planning and Budget and the Project Monitoring Directorate (also headed by a Commissioner who reports directly to the Governor). While the Ministry of Planning and Budget carries out coordination, harmonisation and consolidation of sector policies, budget estimates and periodic feedback on expenditure returns, the Project Monitoring Directorate carries out monitoring and evaluation of projects, including those relating to MDGs. There is however, a special unit within the Ministry of Planning and Budget that coordinates progress reports and donor assistance on MDGs. Under the existing structure, the Ministry of Planning and Budget cannot get first-hand information on budget implementation and project performance.

The monitoring of MDGs has not been deliberate and systematic. Like in many states in the country, Kano State does not have a formal structured MDGs progress report. Also, there is no definite framework for monitoring the progress towards the MDGs in the state. However, the preparation of the 2006 MDGs progress report, which is the first ever, is currently underway, with support from United Nations Development Programme (UNDP). Part of the elements of the preparation is the formulation of the template for capturing the progress in the different Millennium Development Goals and constituent Indicators, towards the 2015 targets (see Annex for the templates). The preparation of the MDGs progress report is challenged by paucity of relevant statistical data at the state and local government levels and the shortage of capacity for MDGs data gathering and reporting. The monitoring framework given by the template reports project activities and impact indicators. It does not capture outputs (goods and services produced) and the inputs (for example, amount of resources devoted to producing the goods and services). The absence of functional links with MDGs related expenditures is a major shortcoming of the existing monitoring framework, upon which the 2006 MDGs report will be based. The framework is a replica of what has been used at the national level in the three successive national MDGs reports - 2004, 2005 & 2006. In spite of the circumstances, the 2006 MDGs report for the state is expected to be completed by September 2008.

The conclusion of K-SEEDS has witnessed the emergence of three separate draft policy documents in different circumstances. The documents are the 4-year Rolling Plan, K-SEEDS-2 and the Roadmap for Growth and Development. These documents are being consolidated into a single document to be called the 4-year Kano State Development Plan. The preparation of the Plan is carried out through a committee structure consisting of 9 sectoral committees, the technical committee (which consolidates sector committee reports) and the Economic Planning Committee which would ratify the technical committee's reports for onward submission to the State Executive Council. Table 7 summarises MDG-related expenditures of Kano State government

Table 7: Outlook of MDGs-related Expenditures in Kano State, 2005-2007

Expenditure type/ratio	2005	2006	2007
Capital expenditure as % of total expenditure	62.0	35.4	43.7
Recurrent expenditure as % of total expenditure	38.0	64.6	57.3
Actual capital expenditure on health as % of total capital expenditure	4.1	2.4	5.47
Actual recurrent expenditure on health as % of total recurrent expenditure	2.36		
Actual capital expenditure on education as % of total capital expenditure	10.6		7.96
Actual recurrent expenditure on education as % of total recurrent expenditure			
Actual capital expenditure on agriculture + rural development + water resources as % of total capital expenditure		34.0	
Actual recurrent expenditure on agriculture + rural development + water resources as % of total recurrent expenditure		6.15	8.41
Actual capital expenditure on women and social development as % of total capital expenditure	2.96	0.01	0.09
Actual women and social development recurrent expenditure in as % of total recurrent expenditure	1.1	0.04	0.04
Actual capital expenditure on environment as % of total capital expenditure		3.32	0.09
Actual recurrent expenditure on environment as % of total recurrent expenditure	1.33	1.84	1.17

Source: Budget and Fiscal Documents of Kano State

Expenditure data reporting was relatively better in Kano State, as shown by the absence of missing data. On the average, recurrent expenditure constituted 53% of the total spending over

the period 2005-2007. The bulk of the capital spending went to “education” and “agriculture, rural development and water resources.” Even though capital spending on health was about 5.5% in 2007, recurrent spending was as high as about 14%.

Case 5: Osun State

Social and Economic Profile

Osun State has a total land area of 14,875 sq km with a population of about 3.4 million. There are 30 local government areas spread across 6 zones of the State. The economy is predominantly agricultural, with various farm and post-farm activities. The major agricultural commodities are maize, cassava, rice, cowpea, cocoa, oil palm, citrus and cashew. An estimated 6% of the State is covered by forests and there are 7 government forest reserves totalling 88,869 hectares.

Poverty rate (about 25%) is one of the lowest in the country. The prevalence of HIV is about 2.5%. The State has among the lowest infant mortality (64 per 1000) and under-5 mortality (99 per 1000) in the country. Net primary school attendance ratio is 99.4% and 90% of women between 15-24 years are literate. Less than 15% of total government revenue is obtained from internal tax, the rest comes from the Federation Account Allocation.

MDGs-oriented Policy and Institutions

Since 2004, Osun State has been implementing economic policies and programmes driven by the Osun State Economic Empowerment and Development Strategy (Osun SEEDS, 2004-2007) aligned to the National Economic Empowerment and Development Strategy (NEEDS). Also, at the local government level, programmes and projects have taken bearing from the Local Economic Empowerment and Development Strategy (LEEDS), representing the third concentric circle of the reform agenda across the country. In order to deepen the reform process to the grassroots communities, the state government in 2007 initiated the process for the formulation of Community Economic Empowerment and Development Strategy (CEEDS), by the respective communities, using the platforms of community development associations and township unions. The Osun SEEDS prioritizes government social and economic programmes and associated public spending for accelerated progress towards the MDGs by 2015. While acknowledging the reform milestones recorded with the SEEDS-I plan and the alignment of successive annual budgets⁸ (2004-2007) to the MDGs-related priorities, the state government in 2007 started the process of reviewing the SEEDS and LEEDS documents as the necessary first step to the formulation of the SEEDS-II and LEEDS-II documents, for the period 2008-2011.

As a result, there is now a zero draft of the OSUN SEEDS-II document outlining the development priorities, strategies and targets for the period 2008-2011. The OSUN SEEDS II embeds the multi-year budgeting system through the preparation of MTEF and MTSS. Both MTEF and MTSS are separately prepared and annexed to the SEEDS document. According to the zero draft of the SEEDS-II, the Year 2008 budget by virtue of being the first year of

⁸ In the 2007 budget document, the State Governor states explicitly that “since 2004 our annual budgets have always been compliant with the SEEDS, 2004-2007.....all our annual budgets have been packaged to ensure the achievements of the MDGs by 2015.”

SEEDS-II, has provided the basis for projecting the MTEF estimates to 2009 and then to 2010.

The economic planning role is split between the External Finance Department and the Central Economic Planning Office (CEPO), both under the Ministry of Finance and Economic Development. While the External Finance Department has been responsible for SEEDS formulation and coordination, the Central Economic Planning Office has been assigned the function of coordinating and monitoring MDGs matters. The Central Economic Planning Office has three sub-departments: Department of Macro-statistics, Department of Macroeconomic Planning and Department of Project Monitoring. However, some level of coordination is achieved by both External Finance Department (SEEDS secretariat) and Department of Project Monitoring (MDGs secretariat). As the MDGs secretariat, the Central Economic Planning Office is coordinating unit for the MDGs Committee consisting of relevant MDAs. In another vein, CEPO is a member of the SEEDS Committee which comprises more than 30 members including NGOs, private sector associations and the respective representatives of traditional rulers, labour, market associations, students, professionals and academia.

Until the formation of the special MDGs coordinating office and the constitution of the MDGs Committee, the monitoring of MDGs was simply embedded in the generic project implementation reporting system. Since late 2006, when the MDGs office was created, there has been remarkable progress in the approach to monitoring and documentation of MDGs projects and programmes, as well as MDGs status reporting. Already, the state has applied and awaiting approval to benefit from the OSSAP MDGs (Presidency) Conditional Grants Projects. The application covers health (maternal health, malaria control), water and youth empowerment. Several shortcomings exist in the MDGs monitoring system. One, it is not systematic in terms of capturing and linking up all stages of the policy continuum, from inputs to outputs to outcomes to impact. Two, existing monitoring arrangements do not rely on standard methodology, hence it becomes difficult to compare across years and across sectors. Three, the use of line-item disjointed mode of numbering in place of the modern system of budget classification and chart of accounts diminishes the amenability of the budget to expenditure tracking for both MDGs and related sectors/programmes. Table 9 summarises MDG-related expenditures of Osun State government.

Table 8: Outlook of MDGs-related Expenditures in Osun State, 2005-2007

Expenditure type/ratio	2005	2006	
Capital expenditure as % of total expenditure	41.6	44.1	34.1
Recurrent expenditure as % of total expenditure	58.4	55.9	65.9
Actual capital expenditure on health as % of total capital expenditure	6.08	4.7	0.41
Actual recurrent expenditure on health as % of total expenditure	-	-	-
Actual capital expenditure on education as % of total capital expenditure	-	-	29.8
Actual recurrent expenditure on education as % of total recurrent expenditure	-	-	-
Actual capital expenditure on agriculture + rural development + water resources as % of total capital expenditure	5.33		0.19
Actual recurrent expenditure on agriculture + rural development + water resources as % of total recurrent expenditure	-	-	-
Actual capital expenditure on women and social development as % of total capital expenditure		0.01	-
Actual women and social development recurrent expenditure in as % of total recurrent expenditure	-		
Actual capital expenditure on environment as % of total capital expenditure	0.01		0.01
Actual recurrent expenditure on environment as % of total recurrent expenditure	-		-

Over the period 2005-2007, Osun State recorded greater recurrent than capital spending. Capital spending on health hovered between 4-6%, while that of agriculture, rural development and water resources was very variable across the three years (0.19% in 2007 and 13.79% in 2006). On the other hand, education spending was the largest single capital spending over the three year period, reaching up to 29% in 2007.

Case 6: Yobe State

Social and Economic Profile

Located in northeast of the country, Yobe State covers a total land area of 47,153 sq km, with a total population of 2.3 million in 2006. Bordered by Republic of Niger to the North, the State hosts the remarkable River Yobe which flows through the area and empties into the Lake Chad – an important source of livelihood to a large number of settlements. With a total of 13 local government areas, the State is characterised by semi-arid to arid conditions, dominated by savannah-type vegetation (sparsely populated shorter trees). It has a rich livestock economy which remains an important livelihood and employment subsector. The main commodities are sorghum, cotton, cowpeas, groundnut, millet, rice, gum Arabic, shea butter, vegetables and fisheries.

Poverty rate (estimated at about 78% in 2007) is among Nigeria's highest. The prevalence of HIV is about 3.8% in 2005. Infant mortality and under-5 mortality rates are estimated at about 96 per 1000 and 157 per 1000 respectively. Net primary school attendance rate was estimated at about 8.7% in 2007, while 5% of women aged 15-24 years are literate. Internally generated revenue constitutes a meagre 2.5% of total public revenue.

MDGs-oriented Policy and Institutions

The overarching policy context for the implementation of programmes and projects with bearing on the MDGs is the Yobe State Economic Reform Agenda (YOSERA) – the equivalent of State Economic Empowerment and Development Strategy (SEEDS), whose term lapsed in 2007. Though the plan does not designate an explicit framework for achieving the MDGs, it reflects development priorities, policy targets and strategies and programmes that impact on many MDGs sectors including education, health, agriculture, environment, housing and women. Currently, the state is preparing a successor economic plan to YOSERA-I, called the YOSERA-2.

The deliberate monitoring of MDGs is just commencing, with the creation of a Unit to handle MDGs matters. There is now a Committee on MDGs. It is chaired by the Secretary to the State Government, with the Special Adviser to the Governor on Budget Matters as one of the members. The Committee has a secretariat in the Office of the SSG, with a Secretary who functions as administrative head. This Committee has largely been driven by the programmes under the Office of the SSAP on MDGs, of which Yobe State is one of the beneficiaries. The committee is being set up against a backdrop of lack of systematic arrangement for the monitoring of MDGs in the state. Monitoring is generic, not really designed for the MDGs, as it relies merely on budget returns on money spent and projects

executed, which in any case are not timely and adequately rendered by the MDAs. In general, acute capacity shortages and bureaucratic inefficiencies pose serious challenge to effective monitoring and tracking of public spending including MDGs expenditures. Table 10 summarises MDG-related expenditures of Yobe State government.

Table 9: Outlook of MDGs-related Expenditures in Yobe State, 2005-2007

Expenditure type/ratio	2005	2006	2007
Capital expenditure as % of total expenditure	57.8	50.9	60.0
Recurrent expenditure as % of total expenditure	42.2	49.1	40.0
Actual capital expenditure on health as % of total capital expenditure	4.72	5.59	-
Actual recurrent expenditure on health as % of total expenditure	-	-	-
Actual capital expenditure on education as % of total capital expenditure	16.86	22.57	40.0
Actual recurrent expenditure on education as % of total recurrent expenditure	-	-	-
Actual capital expenditure on agriculture + rural development + water resources as % of total capital expenditure	12.55	16.25	15.09
Actual recurrent expenditure on agriculture + rural development + water resources as % of total recurrent expenditure	-	-	-
Actual capital expenditure on women and social development as % of total capital expenditure	-	3.27	-
Actual women and social development recurrent expenditure in as % of total recurrent expenditure	-	-	-
Actual capital expenditure on environment as % of total capital expenditure	-	-	-
Actual recurrent expenditure on environment as % of total recurrent expenditure	-	-	-

Source: Yobe State Budget Documents, 2006-2008

Over the period 2005-2007, the larger share of spending by Yobe State went to capital goods, relative to recurrent items. Capital spending on health hovered between 4-5% of total capital spending, while capital spending on education ranged from 16-40%. Capital spending on agriculture, rural development and water resources varied between 12-15% of total capital spending. The high number of empty cells speaks volume about the lack of expenditure data in the state. It indicates underlying shortage of expenditure tracking, monitoring and reporting capacity.

2.6 FISCAL AND BUDGET MANAGEMENT IS WEAK ACROSS THE STATES

Beginning from 2005, the National Planning Commission started a process of assessment and benchmarking of state governments in various areas of economic governance, particularly with respect to the performance in the implementation of the MDGs-oriented States' Economic Empowerment and Development Strategy (SEEDS). One of the key parameters was budget and fiscal management. Under budget and fiscal management, the assessment was designed to rate the states based on the questions: Is the budget a reliable guide to spending? How is the budget prepared, and does it reflect the priorities in SEEDS? How is expenditure tracked? How is debt managed? Does the state produce accounts and have them audited? Does it monitor its ministries, departments and agencies (MDAs)?

The assessments reveal considerable weaknesses in fiscal and budget management across the states. Most States demonstrated that they had increased capital allocations to SEEDS priorities in the 2006 budget. The performance of States in terms of percentage of capital allocations to SEEDS (or MDGs) sectors in their 2006 budgets is given in Table 10 as follows.

Table 10: Performance of States in terms of Capital Allocations to SEEDS/MDGs priorities

Percentage of Capital Allocations to SEEDS priorities	No. of States	Proportion (%)
At least 75%	6	18
At least 50%	16	47
Below 50%	12	35
TOTAL	34	100

Source: SEEDS Benchmarking Results 2006, National Planning Commission

However, due to poor budget performance, this was not necessarily translated into actual spending. It was also found that a number of states were several years in arrears on producing accounts for audit. In most States, budgets are not a reliable guide to actual spending. Where accounts are available, they show huge variances between actual and budgeted expenditure, both at ministry level and in aggregate. Many states make over-optimistic projections of their revenue. Few states made convincing projections for internally-generated revenue in their 2005 budgets and less than half made convincing projections of federal allocations. Very few states had evidence of regular monitoring of the finances of MDAs. As at 2006, no state had begun the separate identification and tracking of poverty reducing expenditures in their budgets either through a special virtual fund code or existing budgetary classification system or prior identification of poverty reducing expenditure items. Rather, the conventional practice is the budget classifications which categorize various expenditure items into heads and sub-heads without efforts to identify and track poverty reducing expenditures under each head and sub-heads (NPC, 2007b). Presently, some states like Lagos, Kano and Cross River have modernized their budget classification systems to ensure tracking and monitoring (Eboh, 2008).

3.0 EXPLAINING WITHIN-COUNTRY VARIATIONS IN MDGs STATUS

3.1 DIFFERENCES ACROSS GEO-POLITICAL ZONES

Although the currently applicable geopolitical structure – North-Central, North-East, North-West, South-East, South-South and South-West zones – is neither created nor recognised in the Nigerian Constitution, it provides a convenient practical framework for political and economic organisation of the country. In fact, the six-fold geopolitical structure coheres with convenient grouping of states with common cultural, historical and political relationships and with broadly similar socio-economic conditions of development. In effect, though the six geopolitical zones are not political jurisdictions *per se*, they represent the first-tier subnational level upon which MDGs status of the country could be disaggregated. Moreover, Nigeria’s official subnational data and statistics are usually organised along the six-zone structure⁹. Within this context, the MDGs performance of the six geopolitical zones is presented in Table 12, in order to obtain a comparative outlook.

⁹ For example, the Nigerian Living Standard Survey (NLSS), Core Welfare Indicator Questionnaire (CWIQ) survey and Multiple Indicator Cluster Survey (MICS) conducted by the National Bureau of Statistics.

Table II: MDGs status across Nigeria's six geopolitical regions¹⁰

MDGs indicator	Geopolitical zone					
	North-West	North-East	North-Central	South-West	South-South	South-East
Food energy poverty (%)	62.9	67.3	62.3	42.0	51.1	34.2
One dollar per day poverty (%)	61.2	64.8	58.6	40.2	47.6	31.2
Relative poverty (%)	71.2	72.2	67.0	42.0	35.1	26.7
Self assessed poor (%)	71.9	81.8	80.0	71.5	74.8	77.6
Inequality (Gini index - %)	38.9	39.8	46.1	40.6	39.4	38.7
Percentage of women aged 15-24 years that are literate, 2007	21.2	8.7	55.6	87.4	81.0	87.5
Gender parity index for primary school – ratio of girls to boys – net attendance ratio, 2007	0.82	0.84	0.98	0.99	0.99	0.99
Gender parity index for secondary school – ratio of girls to boys – net attendance ratio, 2007	0.68	0.71	0.90	0.98	1.03	1.02
Net primary school completion rate	17.6	6.4	41.0	59.7	62.1	49.8
Percentage who reach grade 5 of those who enter 1 st grade, 2007	93.8	89.0	94.4	98.0	96.9	96.7
Secondary school net attendance ratio - % of children of secondary school age attending secondary or higher school, 2007	30.1	8.1	58.7	78.3	72.3	69.8
Primary school net attendance ratio for girls	43.5	12.5	82.8	97.0	95.8	95.7
Secondary school net attendance ratio for girls	23.8	6.6	55.6	77.4	73.4	70.4
% of women delivered in health facility	9.1	16.4	41.9	73.0	51.3	74.9
Vaccination coverage for 1-year old	13.6	21.1	19.8	50.6	38.7	54.6
% of children aged 12-23 months currently vaccinated against childhood diseases, 2007	3.2	1.0	28.9	36.3	20.8	20.4
Infant mortality rate (per 1000 live births)	101	96	74	64	71	88
Under five mortality rate (per 1000 live births)	166	157	117	99	111	142
Maternal mortality rate (per 100,000 live births)						
HIV prevalence rate	3.5	4.3	6.1	2.6	5.3	4.7
% of household using improved sources of drinking water	42.5	27.3	42.2	72.7	54.1	54.1
% of household using sanitary means of excreta disposal	34.1	34.4	29.6	55.0	54.3	55.5

Source: Derived from NBS MICS, CWIQ, Poverty Profile of Nigeria, MDGs Reports.

Table II shows considerable variations in MDGs status across the six geopolitical zones. A few examples are instructive. Poverty incidence is as low as 31% in the South-East region, but as high as 72% in the North-East region. The literacy rate of females between 15-24 years old is as low as 8.7% in the North-East region, but as high as 87% in the South-West. Vaccination coverage for 12-month old is as low as 13% in North-West region, but as high as 54% in the South-East region. Infant mortality rate is as high as 101 in North-West region, but as low as 64 in the South-West region. Secondary school attendance ratio is as high as 78% in the South-West region, but as low as 8% in North-East region. Primary school net attendance ratio for girls is as low as 12% in the North-East region, but as high as 95% in the South-South region. Incidence of child birth in health facility is as low as 9% in the North-West region, compared to 75% in South-East region.

The subnational variability calls into question the aggregate national picture of MDGs status across Nigeria. Such single national picture masks sharp subnational differences in the progress towards MDGs 2015 targets. Besides obvious statistical misrepresentation, the aggregate measures of progress towards MDGs implicitly understate the need for alignment of policy and programmes to local circumstances. Given the disparities, the onus falls on subnational jurisdictions, particularly state and local governments with lagging MDGs conditions, to formulate and implement programmes which squarely address their peculiar conditions. For

¹⁰ Sources: Nigeria Poverty Assessment, 2007. National Bureau of Statistics and the World Bank. December 2007; Core Welfare Indicator (CWIQ) Survey, 2006. National Bureau of Statistics and Epidemiological Fact Sheet on HIV and AIDS: 2008 Update. WHO, UNAIDS, UNICEF.

example, some states in the northern part of the country report relatively greater public spending¹¹ on education, than their counterparts in the southern part. Disparities in MDGs status across the various geopolitical zones of Nigeria is linked to underlying social, economic and historical-cultural factors. For example, early marriage of girls in some parts of the northern Nigeria hampers girl-child education, which in turn reverberates in low human development, such as poor infant and maternal health.

3.2 DIFFERENCES ACROSS THE STATES

Like the geopolitical zones, the States show variable MDGs status. Appendix III outlines the MDGs status of the thirty six states of the country and the Federal Capital Territory. A few disparities in MDGs performance across the states are highlighted as follows:

- Poverty is as high as 91% in Jigawa State but as low as 31% in Ogun State;
- Poverty severity is as high as 35% in Kogi State but as low as 7.1% in Rivers State;
- HIV prevalence rate is as high as 11% in Benue State, but as low as 2% in Abia State;
- Infant mortality rate is as high as 101 per 1000 in Kano but as low as 64 per 1000 in Osun State;
- Incidence of the use of improved sources of water is as high as 80% in Oyo State but as low as 19% in Adamawa;
- Primary school net attendance ratio (girls) is as high as 98% in Abia State, but as low as 7% in Bauchi State; and
- Secondary school net attendance ratio (girls) is as high as 83% in Ekiti State but as low as 7% in Katsina State.

The variability of MDGs conditions at the State level reinforces the imperative of State-specific policies and programmes designed to bolster the march towards the 2015 targets. It also raises the need for innovative forms of federal government assistance to the lagging States. Without compensatory programmatic actions in lagging States, Nigeria's quest to achieve the MDGs 2015 targets could be undermined by asymmetric conditions across the country. The constitutional autonomy of the States offers great opportunity to leverage state-specific interventions in order to eliminate the distortive gaps in MDGs conditions across the country. However, the autonomy can only be productively exercised if there is sufficient policy and fiscal capacity at the state level.

3.3 RELATIONSHIP BETWEEN MDGs INDICATORS

The differential MDGs status across states can be further understood from the perspective of the correlation between different indicators. The correlation between respective MDGs indicators across states reveals some underlying associations that are instructive for the achievement of the 2015 targets.

11 *In some cases, public spending on education surpasses the 25% benchmark specified by UNESCO*

Results of the analysis show that infant mortality rate is highly and significantly negatively correlated with primary school net attendance ratio (79%), secondary school net attendance ratio (83%) and net primary school completion rate (82%). In the same vein, under-five mortality rate is highly and significantly correlated with primary school net attendance ratio (79%), secondary school net attendance ratio (83%) and net primary school completion rate (82%). This shows that higher rates of infant mortality and under-5 mortality are associated with lower rates of primary and/or secondary education.

Poverty incidence is positively correlated (43%) with infant mortality, indicating that higher infant mortality is associated with higher poverty rates. Poverty incidence is strongly negatively correlated at 62% with percent of women aged 15-24 years old that are literate. This indicates that higher rates of poverty are associated with lower rates of women literacy, a typical correspondence between poverty and literacy. On the other hand, poverty incidence is negatively correlated with primary school net attendance ratio (58%), secondary school net attendance ratio (56%) and net primary school completion rate (49%). This shows that higher levels of poverty are associated with lower levels of education.

4.0 KEY CONCLUSIONS AND IMPLICATIONS

Nigeria's subnational jurisdictions (state and local governments) are crucial to achieving the MDGs, because they together constitute the largest single portion of the country's fiscal and policy spaces for realising the 2015 targets. The return to constitutional democratic rule in May 1999 has particularly reinforced fiscal federalism, compared to the apparently unitary (centralist) tendencies of prolonged military rule, since the 1970s.

Though state and local governments have constitutional autonomy for public spending, economic planning and sector policies, in reality, they have largely followed the policy frameworks and MDGs programmes initiated and promoted by the federal government. This is because the ability to effectively exercise autonomy in the process of strategy/policy formulation, implementation and monitoring is undermined by weak technical capacities. As a result, states often rely heavily on federal government leadership and donor assistance in the design of state-level poverty reduction strategies. For example, federal level initiatives such as National Economic Empowerment and Development Strategy (NEEDS), Fiscal Responsibility Law, Public Procurement Law (Due Process), Child Rights Law, National Action Committee against HIV/AIDS (NACA) and Special Cabinet Office for MDGs have driven state-level equivalents in various forms and degrees across the country. This implicit dependency¹² on federal government for policy leadership shows the dilemma faced by the states.

While in theory, constitutional autonomy gives state governments ample independent powers for public spending and policymaking, in practice, they lack adequate commensurate policy capabilities. Consequently, they often depend on the policy and fiscal leadership of the federal

¹² In response to federal government's prompting, all state governments now have the State Economic Empowerment and Development Strategy (SEEDS), while local governments have the Local Economic Empowerment and Development Strategy (LEEDS). Also, many state governments have adopted the Fiscal Responsibility, Child Rights & Due Process Laws. All state governments now have designated departments for MDGs coordination and monitoring as well as for anti-HIV/AIDS programmes.

government, as evidenced in past policy dynamics in the country since 2004. The shortage of capacities at the state level can be linked to the fact that many states were created from existing ones without corresponding efforts in capacity building to improve human resources and public service institutions. Older states often display greater policy and institutional capacities, relative to younger states. Moreover, the federal government ministries, departments and agencies (MDAs) seem to enjoy generally higher concentration of more experienced public officials, than state governments. Thus, the public service bureaucracy in many states is weaker than that of the federal government. The periodic splitting of states has disrupted capacity uptake in pre-existing states while foisting less qualified and inexperienced government bureaucracies in younger states.

There is considerable variability of MDGs performance across the states and regions of the country. The variations are associated with differences in socio-cultural, economic and institutional conditions. Thus, an aggregate national picture of Nigeria's MDGs status would be over-simplistic and misrepresentative, because it masks regional and local differences and peculiarities. The variable status on MDGs indicators shows that states have variable challenges and opportunities which provide the basis for mutual learning and sharing of experiences. The variability in performance underscores the necessity for deeper analysis of conditions shaping MDGs performance at the subnational level. Policy overlap between the federal and subnational governments raises the stakes for policy coordination and programme synergy across the across tiers of government, to eliminate duplication and wastage and maximize impact. Inter-governmental coordination - both vertically, that is between federal, state and local governments and horizontally, that is, among states themselves - is crucial for accelerated march to the MDGs target by 2015.

The ability of state and local governments to significantly bolster the reach to the MDGs in Nigeria will hinge upon the quality of economic governance, effectiveness of public spending, sound institutional capabilities for MDGs monitoring and synergy or coordination with the Federal Government. Consequently, state governments would need to upgrade extant capacities for independent policy formulation, monitoring and evaluation within their jurisdictions. Without corresponding improvements in their capacities for budget and fiscal management and the design, implementation and monitoring of MDGs policies, the autonomy of state and local governments will remain mere academic. Such academic-type autonomy will not translate to greater progress in the achievement of the MDGs.

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Appendix I: Nigeria's Progress towards the MDGs from 1990-2005

GOAL	1990	1996	2004	2005	Target 2015	Progress towards Target
1. Eradicate Extreme Poverty and Hunger						
Percentage of population living in relative poverty	43 ¹⁹⁹²	66	54	54 ²⁰⁰⁴	21	Slow
Percentage of population living in extreme poverty (consuming 2,900) calories or lower daily)	-	-	35	35 ²⁰⁰⁴	-	Insufficient data
Percentage of underweight children (under five)	36	31	30	30 ²⁰⁰⁴	18	Slow
2. Achieve Universal Education						
Net enrolment ratio in primary education	68	81.1	81.1	84.26	100	Good
Proportion of pupils starting Grade One who reach Grade Five	67	71	74	74	100	Good
Grade six completion rate	58	64	69.2	67.5	100	Worsened in 2005
Literacy rate of 15-24 years old	70.7 ¹⁹⁹¹	-	76.2	80.2	100	Good
3. Promote Gender Equality and Empower Women						
Ratio of girls to boys in primary education (girls per 100 boys)	82	-	79	81	100	Good
Ratio of girls to boys in secondary education (girls per 100 boys)	106	-	79	81	100	Good
Ratio of girls to boys in tertiary education (girls per 100 boys)	46 ¹⁹⁹¹	-	72 ²⁰⁰³	72 ²⁰⁰³	100	Good
Share of women in wage employment in the non-agriculture sector (%)	66 ¹⁹⁹¹	-	79 ²⁰⁰³	79 ²⁰⁰³	-	Good/Insufficient data
Proportion of seats held by women in national parliament (%)	1.0 ¹⁹⁹¹	-	5.76 ²⁰⁰³	5.76 ²⁰⁰³	30%	Slow
4. Reduce Child Mortality						
Infant mortality rate (per 1000 live births)	91	-	100 ²⁰⁰³	110	30.3	Worsening
Under-five mortality rate (per 1000 live births)	191	-	201 ²⁰⁰³	197 ²⁰⁰⁴	63.7	Marginal improvement
Percentage of one-year – olds fully immunized against measles	46	-	31.4 ²⁰⁰³	50 ²⁰⁰⁴ Male: 48.38 Female: 51.62	100	Slow
5. Improve Maternal Health						
Maternal mortality rate (per 100,000 live births)	-	-	704 ¹⁹⁹⁹	800 ²⁰⁰⁴	>75	Worsening/ Insufficient data
Proportion of births attended to by skilled health personnel	45.0	-	36.3 ²⁰⁰³	44.0	>60	Worsening/Weak database

GOAL	1990	1996	2004	2005	Target 2015	Progress towards Target
6. Combat HIV/AIDS, Malaria and Other Diseases						
HIV prevalence among pregnant women aged 15-24		5.7 ¹⁹⁹⁹	5.2 ²⁰⁰³	4.4 ²⁰⁰⁵		Good
Percentage of young people aged 15-24 reporting the use of condom during sexual intercourse with a non-regular sexual partner			Female 24.0 ²⁰⁰³ Male 46.3 ²⁰⁰³	Female 39.5 Male 49.7	100	Slow/ Insufficient data
Number of children orphaned by AIDS			1.8 million	1.97 million		Insufficient data
Prevalence and death rates associated with tuberculosis				7.07 ²⁰⁰⁴ 1.50 ²⁰⁰⁴		Insufficient data
Prevalence rate HIV among TB patients (%)	2.2		19.1 ²⁰⁰⁰	27		Worsening
TB detection rate			14 ²⁰⁰⁰	27	70	Slow
TB treatment success rate			79 ²⁰⁰⁰	80	85	Good
7. Ensure Environmental Sustainability						
Proportion of land area covered by forests	10.0	14.6	13.0	12.6	20	Worsened in 2005
Proportion of gas flared	68.0	53.8	43.0	40.0	0	Good
Proportion of total population with access to safe drinking water (%)	54.0		57	60	80	Slow/weak database
Proportion of people with access to secure tenure (%)	-	-	31.0		100	Insufficient data
Carbon dioxide emissions (per capita)		0.3 ²⁰⁰⁰	0.2	0.1		Insufficient data
Proportion of total population with access to basic sanitation (%)	39.0		38.0		100	Worsened/ insufficient data
Residential housing construction index (ACI) (Proxy)		45.8 ¹⁹⁹⁹	50.4 ²⁰⁰³			Insufficient data
8. Develop a Global Partnership for Development						
Per capita official development assistance to Nigeria (in US\$)	3.0	2.0	2.3	4.0		Slow
Debt services as a percentage of exports of goods and services	22.3	8.9	7.4	3.4		Good
Private sector Investment (US\$ million)		50 ¹⁹⁹⁹		6080		Slow
Tele-density (per 1000 people)	0.45			15.72		Insufficient data
Personal computers (per 1000 people)	7		30	30 ²⁰⁰⁴		Insufficient data
Internet access (%)	-	0.1 ²⁰⁰³		1.9		Insufficient data

Source: Nigeria 2006 MDGs Report published by National Planning Commission.

Appendix II: Revenue and expenditure shares of federal, state and local governments

Fiscal Indicator	2003	2004	2005	2006	2007	2003-2007 Average
Gross Domestic Product	9,913.50	11,411.10	14,572.20	18,564.60	22,848.90	15,462.06
Distributed Federation Account Revenue	1,821.00	2,516.90	2,741.30	2,964.30	3,194.30	2,647.56
Federal Government Share (N' billion)	917.10	1,225.90	1,334.70	1,859.00	1,500.80	1,367.50
Federal Government Share (%)	50.36	48.71	48.69	62.71	46.98	51.49
State Governments' Share (N' billion)	419.80	582.20	627.50	703.00	761.20	618.74
State Governments' Share - Mineral Derivation -13% (N' billion)	137.20	259.90	295.30	333.40	345.30	274.22
State Governments' Share (%)	30.59	33.46	33.66	34.96	34.64	33.46
Local Government Share (N' billion)	346.9	448.9	483.8	542	586.90	481.70
Local Governments' Share (%)	19.05	17.84	17.65	18.28	18.37	18.24
Total Expenditure of all Governments	2,492.06	3,090.36	3,986.28	4,291.55	5,394.44	3,850.94
Federal Government expenditure (N' billion)	1,209.20	1,504.20	1,919.70	2,038.00	2,450.90	1,824.40
Federal Government expenditure (%)	48.52	48.67	48.16	47.49	45.43	47.66
State Governments' expenditure (N' billion)	921.16	1,125.06	1,478.58	1,587.75	2,116.14	1,445.74
State Governments expenditure (%)	36.96	36.41	37.09	37.00	39.23	37.34
Local Government expenditure (N' billion)	361.7	461.1	588	665.8	827.4	580.8
Local Government expenditure (%)	14.51	14.92	14.75	15.51	15.34	15.01
All governments' expenditure as % of GDP	25.14	27.08	27.36	23.12	23.61	24.91
Total Recurrent Expenditure by all Governments	1,738.31	1,963.21	2,484.92	2,682.67	3,490.33	2,471.89
Federal Government recurrent expenditure (N' billion)	981.4	1110.7	1321.3	1390.2	1589.3	1278.58
Federal Government recurrent expenditure (%)	56.46	56.58	53.17	51.82	45.53	51.72
State Governments' recurrent expenditure (N' billion)	545.31	556.81	789.12	894.27	1,217.43	800.59
State Governments recurrent expenditure (%)	31.37	28.36	31.76	33.34	34.88	32.39
Local Government recurrent expenditure (N' billion)	211.60	295.70	374.50	398.20	683.60	392.72
Local Government recurrent expenditure (%)	12.17	15.06	15.07	14.84	19.59	15.89
Total Capital Expenditure by all Governments	715.92	929.63	1,247.62	1,405.08	1,757.89	1,211.23
Federal Government capital expenditure (N' billion)	241.8	351.3	519.4	552.4	759.3	484.84
Federal Government capital expenditure (%)	33.77	37.79	41.63	39.31	43.19	40.03
State Governments' capital expenditure (N' billion)	324.02	412.93	514.72	584.98	854.79	538.288
State Governments capital expenditure (%)	45.26	44.42	41.26	41.63	48.63	44.44
Local Government capital expenditure (N' billion)	150.10	165.40	213.50	267.70	143.80	188.10
Local Government capital expenditure (%)	20.97	17.79	17.11	19.05	8.18	15.53

Source: CBN Annual Report and Statement of Accounts for the year ending 31 December 2007.

(Footnotes)

1 This excludes the \$1billion set aside annually from the debt relief savings for MDGs expenditures in the states.