



NIGERIA GOVERNORS' FORUM

REPORT ON THE PEER REVIEW TOUR

OF

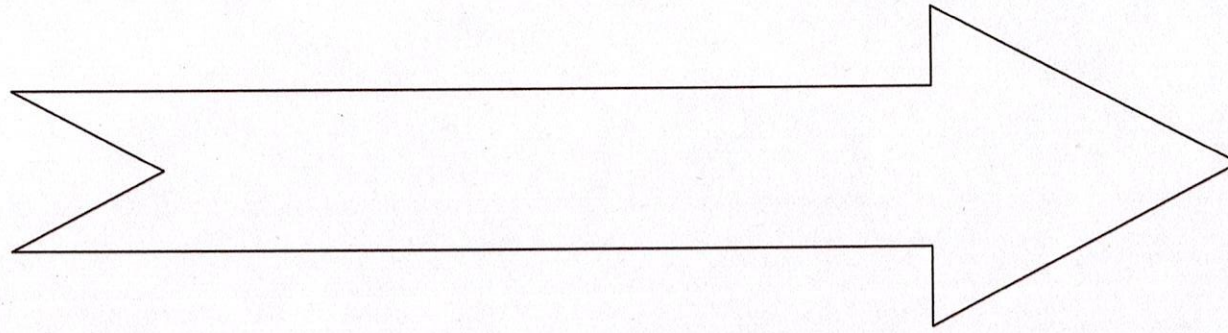


ADAMAWA STATE

December, 2010

CONTENTS

Part 1: Preamble	3
i. Acknowledgements.....	4
ii. Political Map of the State.....	5
iii. State Fact Sheet.....	6
iv. Acronyms and Abbreviations.....	7
v. Historical Background.....	10
Part 2: Peer Review Report Highlights	12
i. The Nigeria Governors' Forum (NGF).....	13
ii. Benchmarking State Governments: Lessons from Previous Efforts.....	14
iii. Mandate of the State's Peer Review Exercise.....	14
iv. Purpose and Objectives.....	15
v. Specific Key Areas of Focus.....	16
vi. Methodology of the Peer Review.....	17
vii. Limitations of the Peer Review Methodology.....	19
Part 3: Reports on the Core Sectors	21
i. Agriculture and Water Resources.....	22
ii. Economy/Fiscal Policy.....	25
iii. Education.....	30
iv. Health.....	33
v. Infrastructure.....	35
vi. Internally Generated Revenue (IGR).....	44
Part 4: Technical Working Group for Report Implementation	49
i. Policy Consultants/Advisors.....	50
ii. NGF Secretariat	50
iii. Annexure (1).....	50
iv. Annexure (2).....	51



PART 1: PREAMBLE

- ❖ **Acknowledgements**
- ❖ **Political Map of the State**
- ❖ **State Fact Sheet**
- ❖ **Acronyms and Abbreviations**
- ❖ **Historical Background**

ACKNOWLEDGEMENTS

I wish to most sincerely thank His Excellency, Dr. Bukola Saraki, CON, Chairman of the Nigeria Governors' Forum and Executive Governor of Adamawa State, for his excellent leadership of the Governors' Forum and the support he accorded to the 1st State Peer Review Exercise in Nigeria. I am equally thankful to all the 36 State Governors for their invaluable contribution to the success of the review and facilitating the State Peer Review Tours.

Our unalloyed gratitude goes to Murtala Nyako, the Executive Governor of Adamawa State, and the good people of Adamawa for their hospitality and warm reception of members of the Review Mission during the exercise.

The mandate of the Peer Review Exercise is drawn from the National Economic Council's decision of January, 1999 where it was decided that all thirty-six states of the federation should review themselves; modelled after the African Union (AU) Peer Review Exercise. The key objective is to benchmark best practices across states; develop learning-points; and create comparative indices within the sub-national governments. Pursuant to these objectives therefore, the NGF Secretariat identified the following core areas of focus: **Health; Education; Infrastructure; Agriculture & Water; Economy, Budget and Internally Generated Revenue (IGR)**. These areas of focus emerged from serious thought-provoking intellectual processes, and general consensus amongst the Governors.

I wish to thank our development partners, especially the Department For International Development (DFID), State Partnership for Accountability, Responsiveness and Capability for funding the development of tools for a comprehensive State Peer Review Mechanism (SPRM) which is expected to lay the framework that would be used across all thirty-six states of the Federation.

Finally, my sincere appreciation goes to the NGF Secretariat Peer Review Mission: the Secretariat's principal officers; policy consultants/advisors; researchers; the press; and the documentary team for the professionalism and dedication demonstrated during the visits.

A.B. Okauru, Esq.
Director-General
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ANNEXURE (2)

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ANNEXURE (1)

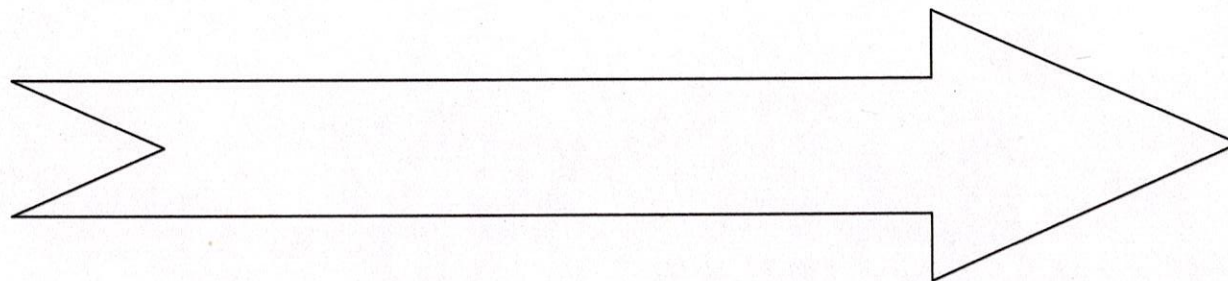
TECHNICAL PANEL ON PEER REVIEW

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PART 4: TECHNICAL WORKING GROUP (TWG) FOR REPORT IMPLEMENTATION

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- ❖ **NGF Secretariat**
- ❖ **Annexure**

ADAMAWA STATE 2007 GDP COMPARED WITH AFRICAN COUNTRIES

Adamawa State Gross Domestic Product (GDP), (\$4.58billion) is greater than that of each of the following 20 African countries' Gross Domestic Products (GDPs). These countries are listed below:

S/N	AFRICA	GDP(\$) BILLION
1	Guinea	4.52
2	Rwanda	4.46
3	Malawi	4.27
4	Mauritania	3.16
5	Zimbabwe	3.15
6	Togo	2.89
7	Swaziland	2.84
8	Central African Republic	2.00
9	Sierra Leone	1.95
10	Cape Verde	1.74
11	Lesotho	1.62
12	Eritrea	1.48
13	Burundi	1.10
14	Djibouti	0.98
15	Liberia	0.85
16	Seychelles	0.82
17	The Gambia	0.81
18	Comoros	0.53
19	Guinea Bissau	0.46
20	Sao Tome and Principe	0.18

Source: CANBACK GLOBAL INCOME DISTRIBUTION DATABASE (C-GIDD)

- v. Generating the critical-mass matrix of grassroots and commercial scale farmers in terms of “volume & scale” as it is currently being pursued by SPPU and AADIL alongside the formation of Industrial Clusters by leveraging on Agricultural incentives as it is in Bauchi and Ogun.
- vi. Formation of Industrial Clusters by leveraging on industrial development incentives as it is in Ogun, ,Lagos, Rivers, Oyo
- vii. The construction by the Federal Government, of the inter-state Railway System from Calabar to Maiduguri via Yola will accelerate exports and facilitate the development of ICDs, Satellite Container Depots and ease road congestion.
- viii. Provision of enabling environment for investors to partake in the exploration and exploitation of mineral resources.
- ix. The State should set up solid minerals monitoring committee to monitor and control the activities of small-scale mines and incorporate a mining company that will collaborate with the Local Government Areas and genuine investors to exploit minerals to meet the needs of the State and her citizens.
- x. Adamawa State has the propensity of increasing its ranking amongst African Governed Entities. The State Gross Domestic Product (**GDP**), (**\$4.58billion**) is greater than that of 20 African countries GDP. Thus, the State should invite international rating agencies for proper appraisal of the state financial status with a view of attracting Foreign Direct Investment. These countries are listed below:

upper-class people within the society are the primary targets. There is no significant direct impact of this new tax regime on prices of foodstuff in the market. (2) Telecommunication User fees charged by telecom operations.

Recommendations

- i. Adamawa State needs to take advantage of the 15 million livestock endowment covering cattle, goats, sheep, poultry and pigs. The State can also concentrate on the production of farm produce like maize, rice and groundnut. The presence of mineral resources like iron, lead and limestone are added advantages for the State; exploration of these mineral resources will bring more revenue. Koma Hills, Three Sister Rocks and Kiri Dam should also be standardized to international tourist attraction sites with a view to increasing the revenue generation of the State. If these resources are properly hooked to local industries, the multiplier effect of the outcome can significantly change the poverty equation in the state thereby impacting on IGR.
- ii. Adamawa State needs to immediately deploy proactive measures/interventions intended to explore special schemes such as, Strategic Community Involvement Partnership (SCIP); Formation of Adamawa Trade Council; Development of Standard Operations Procedures for the informal sector.
- iii. Refocusing on IGR in Adamawa State would mean taking the following steps to sustain the current economic policies:
- iv. Re-emergence of the Grazing Reserves that would have significant private participation and involvement. (Gangoshi, Nassarawo Jada, Jibiro, Sorau and Chekelek Grazing Reserves).

- ✓ Tax Administration Reforms: Deployment of Modern Technology in Revenue Generation using e-Payment technology; Systematic Computation of Time-taken on Tax Assessment & Compendium of Tax Assessment Forms as well as The Implementation of Strategic Community Involvement Partnership (SCIP) model for Enhancing Revenue Generation.
- ✓ Operational Efficiency: Revenue congruence across all channels/sources: Integration of all revenue sources from Ministries and MDAs And The Integration of The Tax Management Office within The IRS premises (FRSC, Banks and GICT Desk for TIN)

Key Observations and Other Findings

- ❖ Integration of the Informal Sector into the Taxpayers' Data Base: The aggregate financial and business activities that operate outside government control or the organized private sector contributing neither in taxes nor part of the state's Gross Domestic Product (GDP) are larger than those under the purview of formal control in Adamawa State.
- ❖ There is also a need to introduce Indirect Taxes/Revenues instead of the application of direct taxes as in Lagos state e.g. (1) State Hotel Occupancy, Restaurants and Events Centres Consumption Tax Law, 2009 (the Lagos State Consumption Tax). The Law imposes a five per cent (5%) tax on all goods and services consumed in Hotels, Restaurants and Events Centres (situated within the territory of Lagos State). Typically, the Lagos State Consumption Tax is targeted and imposed on those who can afford to stay in hotels; eat in restaurants or those that can afford even a bottle of drink or beer in bars. Invariably, the middle-class and the

INTERNALLY GENERATED REVENUE (IGR)

Assessment Indicators

- ✓ Involvement of Government in IGR matters at the highest level.
- ✓ Autonomy of Internal Revenue Service (IRS) from the main Civil Service Bureaucracy.
- ✓ The Percentage Contribution of Internally Generated Revenue in Funding State Projects.
- ✓ Level of ICT infusion in Tax Administration.
- ✓ Non-Direct Tax Sources of Revenue.
- ✓ Debt Recovery Strategy.
- ✓ Level of Involvement of Internal Revenue Service (IRS) on Tax Payers' Education Campaign (Materials and Programmes).
- ✓ Dispute Resolution and Feedback Mechanism between Tax Payers and Internal Revenue Service (IRS).
- ✓ Extent to which the Informal Sector is integrated into tax system.

Identified Benchmarks

- ✓ Political Will From The Government: Granting of Autonomy to the State IRS – (Just as contained in the FIRS Establishment (ACT) 2007).
- ✓ Technical Capability: Application of IRS Performance Score Card: - Details of Financial and Non-financial Operational Matrix

- vi. Adamawa State should build capacity designed to advance skills towards the adoption of accrual basis of accounting in government. This must be preceded by a comprehensive Chart of Accounts that would define and specify the scope and means of documenting government financial transactions.
- vii. It is further required that the State upscale a mechanism towards a robust accounting intelligence that would enable it access early warning signals in its operations, especially in the financial area. The Government should conduct due diligence on a routine basis on banks where it has deposits in excess of N5million, at least, bi-monthly. This should address the state of health of the banks, as well as the accuracy and completeness of its interest earnings.
- viii. It is equally important that the State installs a strong mechanism for purpose of monitoring its local and international debts.
- ix. As it is in most Governments, management of cash, travelling and tour advances, are very critical in funds management. Proper standards should be set with regards to the advances rating category that should be applicable to political appointees, like DGs and SAs.
- x. The government must evolve a means of ensuring timely and well-equipped succession plan in the State Civil Service. This is to ensure the presence of a consistently balanced skill renewal plan. Capacity building among the workforce should be taken seriously. The government should also establish a mechanism that would enable it to track all allocations to it in federal appointments at all levels.

- iii. There is the need to build capacity in discrete project monitoring and evaluation as well as post - project execution audit. Special skills are required for monitoring projects classified as Constituency projects, Donor-assisted projects, and projects financed with Grants and Aids. A centralized project coordinating mechanism should be put in place.
- iv. In similar vein, the need to properly safeguard the assets of Government, and ensure adequate measurement of its liabilities has become critical. The Government must move very fast to install a reliable and comprehensive Asset and Liability Register to secure custody of all Government's moveable and immovable Assets. This is very pertinent, especially for purpose of accounting for loans and grants interventions; a sizeable component of these loans comes in form of fixed assets transfers.
- v. A formal operational reporting framework should be put in place for effective project monitoring. Standard project appraisal algorithms should be established to ensure project sustainability. Indicators using Discounted Cash-flow analysis and arithmetical Pay-Back-Period are good examples of prolific methods of project appraisal indicators that need to be deployed in pre-investment project evaluation. This requirement is a necessary condition in signing on the State in projects under Public-Private-Partnership, PPP, Special Purpose Vehicle, SPV, and Joint Venture Contracts, JVCs.

- ❖ There was no separate accounting for donor funds. This posed a considerable challenge towards maximization of value arising from donor interventions and allied matters. There were also indications of low access to donor assistance by Adamawa State.
- ❖ There is the need to improve the speed of Parliamentary Action on the financial architecture of the State; the timing of Parliamentary action on Government's financial reports was usually very discouraging.
- ❖ It was not possible to confirm the existence of Standard Control Reports, (SCR) for funds, debt servicing and fiscal policy operations of Government in Adamawa State.

Recommendations

- i. There is the need to improve the greenery of the State. The State should also initiate the provision of alternative supplementary sources of power in addition to what the federal government is doing currently.
- ii. The State requires a comprehensive Mast Map in line with the recommendations and requirements of the Federal Ministry of Environment to contain the hazards to base stations of communication masts. There is also the need to curtail the incidence of running high tension cables over buildings and shops.

This Section specifies the key findings under the finance sub-component. The following are the findings on Finance:

- ❖ There is an inadequate debt management infrastructure in the State.
- ❖ There is a considerable level of accountability and public disclosure of financial information in the State, including the timing of the preparation and audit of Government financial operations; the time was adequate, and the level of disclosure was adequate.
- ❖ The Auditor- General's roles and functions in the State needed to be stepped-up. The specialized audit of specific MDAs and some designated Special Funds were not being timely conducted in the State.
- ❖ There were also insufficient evidence to conclude that the State operated a comprehensive Asset and Liability Register. The scope and depth of tracking and custody of Government Asset, and the process of measuring government liabilities does not appear adequate.
- ❖ Adamawa State has adopted the recommended format for the preparation of Government Financial Statements. However, the State did not appear capable of moving beyond the Cash Basis of accounting to near-Accrual Basis. There was also no comprehensive Chart of Accounts at the time of this review.

clear cut indicators that suggest that rigorous algorithms exist for the purpose of project costing and infrastructure investment appraisal. Thus, data was not adequately available for purpose of quantitative value -for -money analysis.

- ❖ However, it was not possible to confirm whether there was a system of post-project execution audit. It was observed that multiple project monitoring mechanisms existed within the State. The risk of uncoordinated project monitoring mechanism may arise within the State.
- ❖ Further, the absence of a centralized coordinating monitoring mechanism implies that it may be hard to generate and optimize the benefit of having a catalogue of Statements of Lessons Learnt, SLL. Lack of SLL will not enable the State to optimize the benefit of learning from experience; the Learning Curve advantage.
- ❖ The technical capacity around the Governor in the State may not be adequate; there were minor cases of placing non-core expertise outside their area of cognate training. The Adamawa State Civil Service is ageing; a case of an inverted pyramid.
- ❖ There were wide indications that sale of fuel, premium motor spirit, PMS, in jerry can did not constitute an offence in the State. PMS was recklessly handled all around the State capital and its environs, despite its high combustibility. There is therefore a high potential of a chain and spiral fire outbreak within the capital city of the state, and its adjoining towns.

Key Observations and Other Findings

With respect to infrastructure, the following were key Findings arising from the analysis of all evidences examined in the course of this review:

- ❖ The issue of power and electricity is at a critical stage in Adamawa State. There is no evidence that the state government is pursuing any initiative outside those of the federal government in providing electricity. Adamawa State should attempt to contain the power and electricity problem by evolving practical supplementary power generation programme in addition to those of the federal government.
- ❖ Yola, the State capital has deplorable internal road network.
- ❖ There is the potential of electric cable fire disaster in Yola. There are instances where houses, shops and workshops are built under high tension electric cables.
- ❖ The concentration of buildings in small narrow clusters within Yola presents a major environmental challenge to both the Government and the people. Consequently, Yola is not green enough; Oxygen replenishment may be a material issue within government and household infrastructures. The State is, therefore, under threat of industrial un-sustainability in the medium-to long-term.
- ❖ Regarding the status of Infrastructure Reporting Mechanism, there was absence of comprehensive data on all projects in a manner that clearly shows the status of projects at the beginning of the year, the current year's additions, particulars of payment history in the course of the year, an inclusion statement on the expected and actual funding gaps per project, and project's cash-flow projection. There were no

Benchmarks for Adamawa State

- ✓ Adamawa State provides a leading example for the audit of specialized departments and agencies of Government.
- ✓ The Hong Water Project is an excellent example of community participation in infrastructural development. The water project is commercially-operated, with the community providing 5 percent of the total funding requirement.
- ✓ The Adamawa State University funding system is an excellent model on how a state university should be funded. By its Statute, the University is fully funded by the Adamawa State Government, 5% of Federal Allocation to Local Government Councils, 2.5% of Contracts awarded by Local Governments, and 2.5% of Entertainment Tax.

B) Finance:

The quality of infrastructure delivery is directly linked to the State's Public Sector Financial Management system, PFM. The PFM addresses critical questions of finance source optimization, proper valuation, custody and security of Government assets; proper measurement and accounting for Government liabilities. To achieve this, eight (8) key PFM indicators are however specified in this Report.

These are as follows:

- ✓ Statutory Framework for PFM
- ✓ Government Accounting Indicators (Timing of Report, Content and Scope of Financial Reports, External Audit, Publications)
- ✓ State Government Asset Register for Assets Custody and Liabilities Measurement
- ✓ Auditor General's Report (Legislative Accountability)
- ✓ Internal Control and Quality Assurance
- ✓ Project Finance (Capital Market, Money Market, Borrowings, Grants/Aids, Special Interventions, Recoveries)
- ✓ MDA's Financial Operations
- ✓ Management of Special Funds and Designated Accounts/Accounts Maintained in Foreign Currencies and Foreign Banks

INFRASTRUCTURE AND FINANCE

Assessment Indicators

This Report identifies twelve (12) principal assessment indicators for infrastructure, and eight (8) key primary assessment criteria for State Government finance evaluation.

Infrastructure:

For the purpose of assessing the State's infrastructure, the indicators used are as follows:

A) Regulatory Framework:

- ✓ Infrastructure Reporting Architecture
- ✓ Project Planning
- ✓ Project Expenditure Appraisal/and Project Costing
- ✓ Value-For-Money Analysis
- ✓ Project Ownership/Concentration Analysis
- ✓ Project Monitoring
- ✓ Post- Project Execution Audit
- ✓ Core Statement of Lessons Learnt
- ✓ Sustainability Indicators (Maintenance, Tracking, Swaption, Cash-flow Management, Contract Risk Analysis)
- ✓ Environmental Impact Appraisal
- ✓ Green Index.

overseas for medical assistance. In addition, ₦1.4 billion has been spent to supply medical equipment to hospitals across the state.

- ❖ Nyako administration was making necessary efforts at increasing the manpower capacity of the health sector. Plans had been concluded to establish a teaching hospital for Adamawa State University, Mubi, while a total of ₦646million had been spent to rehabilitate and expand the buildings and teaching facilities at the College of Nursing and Midwifery, Yola, where extensive renovation and construction works were ongoing when the team visited the College.
- ❖ On the whole, the sum of ₦800million was expended to construct new General Hospitals and Cottage Hospitals at Mayo Belwa, Toungo, Maiha and Borrong, while ₦212,531,366.00k was spent on the construction of seven Primary Health Centres in Murumgma, Namtari, Kopa, Shelleng, Gunda and Kwonchi.

Recommendations

- i. The state needs to continue to develop health care centres in rural areas and rehabilitate hospitals.
- ii. There is need to encourage science into schools, and ensure that the teaching hospital is efficiently established.
- iii. NHIS needs to be further encouraged

HEALTH

Assessment Indicators

- ✓ Programmes Functionality of Strategic health plan
- ✓ Access to health services through PHC
- ✓ Budget health percentage with performance
- ✓ Implementation of Maternal and Infant mortality programmes
- ✓ Implementation of Immunization Programmes
- ✓ Functionality of Health Financing programmes
- ✓ Development of Health systems
- ✓ Access to Emergency Medical Services
- ✓ Health Training Institutions in the state
- ✓ Special Intervention

Key Observations and Other findings

- ❖ The present state government's successes could be felt in areas of health infrastructures development, manpower provision and training, supply of drugs and medical equipment to hospitals, construction of new hospitals in addition to rehabilitation of existing facilities to the tune of ₦4,858,983,695.15k.
- ❖ The government has concluded plans to establish a standard surgical clinic at the Specialist Hospital, Yola at the cost of ₦1.3 billion in order to discourage people who needed the service of the clinic from travelling

regular increases of school fees.

Policy Recommendations:

- i. There is a need to declare a state of emergency in the educational sector (Primary and Secondary) in the state. This will allow for revamping the sector.
- ii. Adamawa State should consider legislating to spend at least 26% of its annual budget on education and work towards actualizing a teacher-student ratio of 1:30 – 33 as presented by UNESCO.
- iii. The state also needs to re-prioritize and justify the huge sums of money spent on education (2007 = N5.9 billion or 14.8% of annual budget; 2008 = N11.2 billion or 25.8% of annual budget and 2009 = N8.9 billion or 20.4% of the year's annual budget) as the spending does not commensurate with the situation on ground.
- iv. As a matter of urgency, there is the need to develop an education policy document for Adamawa State on enforceable standards for the establishment of private and public schools (from learning environment, curriculum, instruction, teacher quality and acceptable student achievement).

- ❖ The NGF team undertook a tour of education facilities in Adamawa State and interviews with stakeholders in the state revealed that education continued to be in a parlous state, with urgent / desperate need for massive reconstruction / rehabilitation efforts.
- ❖ After years of utter neglect of education across the country, repositioning education in any state should be a top priority. Adamawa State seemed to have focused attention on the State University, Mubi; The Vocational Technical Training, Yola; and the constructions at the School of Nursing and Midwifery, Yola.
- ❖ The vision of the state to be information technology-driven is quite clear at Adamawa State University, Mubi. The major challenge at the university at the time of visit was the abandonment of jobs by contractors, especially laboratories and roads.
- ❖ The team's visits to Ngalibi Primary School, Ngalibi; Government Junior Secondary School, Hyema; Adamawa State Polytechnic, Yola; and Mallam Musdafa College, Yola; demonstrated institutional neglect.
- ❖ At Ngalibi Primary School, Children were studying under trees; as there were not enough classrooms, and furniture.
- ❖ The situation at Government Junior Secondary School, Hyema, Hong LGA, was also dire: inadequate infrastructure and lack of instructional resources. These were worsened by the lack of manpower: teachers, security and custodians. The local community provided some succor but that was inadequate.
- ❖ Inadequate infrastructure and teacher shortage seems to be a major problem in the state and requires immediate attention. At the Adamawa State Polytechnic, Yola students complained of deplorable infrastructure in the face of

EDUCATION

Assessment Indicators

- ✓ Policy Document on Standards.
- ✓ Education database.
- ✓ Percentage of annual budget for education.
- ✓ Existence of Special Education (From special need to the exceptional).
- ✓ Extent of IT infusion in curriculum and institution.
- ✓ Curricular Focus, Alignment and Registration, Numeracy and Literacy and extend Maths, Science and Technology.
- ✓ Existence and scope of Vocational / Technical skills, Training for adults and school dropouts.
- ✓ Quality of learning environment.
- ✓ Educational support facilities (Libraries, media centre, laboratories).
- ✓ Functional Educational Inspectorate Infrastructure.
- ✓ Existence of effective professional learning programmes.
- ✓ Existence of teacher resource facilities.
- ✓ Teacher remuneration / welfare package.
- ✓ Students' feeding programmes.
- ✓ Functional Performance evaluation instruments.
- ✓ Standard of sanitary services (custodial).
- ✓ Student support services (Guidance / Counselling, parenting classes, social work).

Key Observations:

- iv. In the face of mounting internal debt and debt service obligations, effective debt management strategies should be put in place.
- v. The synergy between the agricultural and manufacturing sectors should be vigorously pursued. The promotion of modern agricultural practices and improved subsidization of fertilizers and seedlings should be matched by increased assistance to small-scale industries that are agro-based.
- vi. The appropriate implantation frameworks for the Public Procurement Bill and Fiscal Responsibility Act should be put in place to address issues such as inflation of contract costs, fake invoicing and spending money not budgeted for.
- vii. Given the extent of income inequality in the state, the state should do more in providing safety nets to the vulnerable in society, particularly the aged and the disabled. The state should also introduce social security insurance for the unemployed.
- viii. While the quest for exports through Calabar Port is ambitious and laudable, efforts should be geared towards processing of the goods rather than allowing them to be exported as raw materials.

STATUS OF THE FISCAL RESPONSIBILITY AND PUBLIC PROCUREMENT BILLS

The Peer Review team learnt that **Adamawa State** was yet to pass either the Fiscal Responsibility or Public Procurement Bills. The team urged the State to hasten action on these bills and impressed upon the State the importance of these legislations.

- ❖ For effective planning, a strong statistical department is needed. Also, both human and financial resources committed to the unit are still low and need to be improved upon for effective delivery. At present there is no reliable data and database in the state on which effective goal-oriented development planning could be effectively anchored. There are lack of tools and equipment in the area of ICT, power generation and the Secretariat is not linked to the internet. The last edition of statistical yearbook for the state was 2004.
- ❖ There is the need for civil service reform in the state, which at present is an inverted pyramidal structure. This is further compounded by employment embargo in the state. Restricting employment, particularly of youths, affects composition of workers as more of the existing workers are preparing for retirement and the bottom is low.

Recommendations

- i. For effective planning and policy formulation, the role of data collection and management is very crucial. At present the level of human and physical capabilities in the two statistical departments in the Ministries of Finance and Planning are low. More qualified Statisticians and Economists should be employed, and those on ground trained in the use of modern software to handle data collection, collation, processing, management and dissemination.
- ii. Efforts should be made to increase IGR drive and depend less on statutory allocations.
- iii. More efforts should be made to strengthen PPP arrangements in the State. This could provide alternative sources of funding for infrastructure projects in the state. It also ensures quality service and drives competition for efficiency.

servicing/maintenance of industrial equipment and machines. The projects currently being designed by Special Projects and Programmes Unit (SPPU) has 360,000 farming families as targets to increase their agricultural output in Adamawa State thereby improving its socio-economic growth

Key Challenges

- ❖ There are some challenges in the budget process, particularly in the areas of project costing. While the budget preparation process is bottom-up, there is lack of measures on cost, cost control and evaluation of programmes financed with budgetary resources. There are no frameworks in place to assess whether project targets are met or not. Also, the existing project monitoring and evaluation guidelines in the state do not incorporate performance measures such as timeliness of projects, cost-effectiveness and compliance with standards. There is lack of comprehensive project evaluation and monitoring framework for the state. For instance, a contract of N4.77 billion was awarded out of which N3.419 billion has been paid to the contractor, yet only 60% of the projected was completed.
- ❖ There is a huge financial outlay on consultancy services and the bulk of these consultants are from outside the state or even outside the country.
- ❖ It is evident from the records that some contractors completed their projects since 2007, yet no provision was made to pay them in the 2008 and 2009 budgets. Non-payment of contractors can frustrate local entrepreneurial efforts.

Identified Benchmarks

- ✓ Livestock production index in Adamawa is high at 32,723.68, making the State the 5th in the country.
- ✓ The commissioning of Jimeta ultramodern market in 2009, when was bought at cost of N5 billion marked a turning point in boosting commerce and entrepreneurial development in the state.

Key Observations and Other Findings

- ❖ The HDI value for the State is 0.372, which is lower than the National average. The low HDI are due to challenges in access to health and education.
- ❖ The gini coefficient is 0.469, indicating that income inequality is lower than the national average. Furthermore, the overall inequality measure, though lower than both the National and Regional averages, is still high suggesting that the poverty problem in the state is partly a feature of high inequality which manifests in highly unequal distribution of income and differences in access to basic infrastructure, training and job opportunities. A rising economic growth, as indicated by high indices of economic activities and high gini coefficient imply that poverty may not be improving for the majority of the population.
- ❖ The administration of Governor Muritala Nyako had put in place various structures to support its socio-economic development agenda in an effort to boost food security by establishing farming skills acquisition centres and 5 vocational training and Trade centres.
- ❖ The two skills acquisition centres were established to prepare skilled labour for investors in agriculture with regards to the application of latest technology in farming and certified technicians for the

ECONOMY AND BUDGET

Assessment Indicators

- ✓ Gross Domestic Product (GDP)
- ✓ Per Capita Income
- ✓ Natural Resource Endowment/Exploitation
- ✓ Index of Economic Activities
- ✓ Poverty Level
- ✓ Inequality Measure
- ✓ Human Development Indicator
- ✓ Frameworks for Public-Private-Partnership (PPP) Arrangement
- ✓ Documents on Development Plan
- ✓ Data Availability

Assessment Indicator Budget

- ✓ Budget Size
- ✓ Recurrent Expenditure component (as a percentage) of total expenditure
- ✓ Capital Expenditure component (as a percentage) of total expenditure
- ✓ Internally generated revenue component of Total Revenue
- ✓ Budget/project monitoring frameworks
- ✓ Budgeting process
- ✓ Linkage between budget and development plan goals
- ✓ Legislation on Fiscal Responsibility Act (FRA) and Public Procurement Bill (PPB).

- Agricultural and agro-industrial machines and equipment enjoy duty at 1%.
 - The Agricultural Credit Guarantee Scheme Fund (ACGSF), administered by the Central Bank of Nigeria, guarantees up to 75% for all loans granted by commercial banks for agricultural production and processing.
 - The Interest Drawback Programme Fund provides a 60% repayment of interest paid by those who borrow from banks under the ACGS, for the purpose of cassava production and processing. To qualify for these repayments, borrowers need to repay their loans on schedule.
- ❖ Adamawa is the only state in the country where the livestock population is more than the human population, hence a greater demand for water. The state is transversed by the Benue and Gongola Rivers with several smaller rivers and streams.

Policy Recommendations

- i. There seems to be a “disconnect” between ADIL and the mainstream civil service, and indeed the SPU of the Governor’s Office.
- ii. Support should be given to high-value-yielding-land-input crops like cucumbers, carrots and melon.

Identified Benchmarks

- ✓ Commendably, Adamawa is the only State with a Ministry of Livestock Production.
- ✓ The state has developed Skills Acquisition Centres in all the local government areas. About 30 percent of the trainers are women, mainly for agro-allied enterprises. Over 40,000 people have so far graduated from the skill acquisition centres'

Key Observations and Other Findings

- ❖ The agricultural potential of Adamawa State is barely being tapped. As the Agricultural Sector remains the dominant employer of labour, major investment is needed across the board to enhance productivity.
- ❖ There are various incentives for investing in Agricultural and Agro-allied industry which include:
 - Companies in the agro-allied business do not have their capital allowance restricted. It is granted in full i.e. 100%.
 - The payment of minimum tax by companies that make small or no profits at all does not apply to agro-allied businesses. They also enjoy enhanced capital allowances of up to 50% for all plants and equipment
 - Processing of agricultural produce is a pioneer industry; and so there is a 100% tax-free period for 5 years.

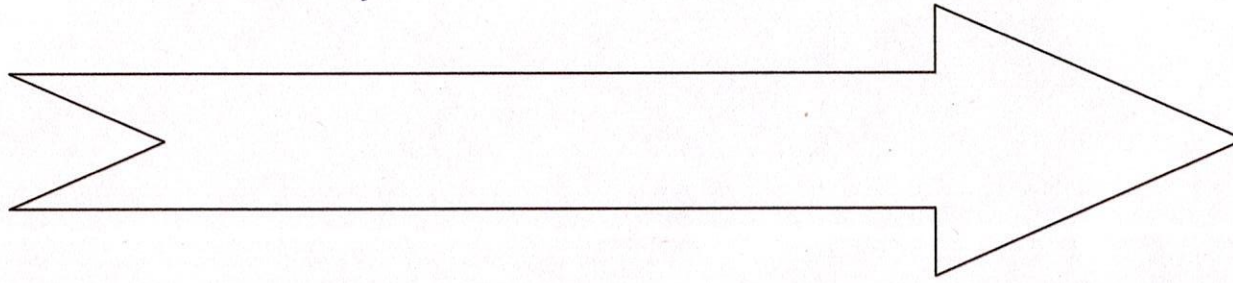
AGRICULTURE AND WATER

A) Assessment Indicators for Water

- ✓ Water Treatment Plants (with potentials of meeting the water needs of the century)
- ✓ UN standard of 100 litres/person with running capacity of at least 12 hours per day
- ✓ Availability of solar-based plants
- ✓ Maximal reticulation within the state
- ✓ A buffer stock of treatment chemicals
- ✓ Quality of manpower
- ✓ Presence of WUA (Water Users Association) and CBWM (Community-Based Water Management Committees)
- ✓ Installed storage tank of 1 million litres
- ✓ Absence of water hawkers on major streets

B) Assessment Indicators for Agriculture

- ✓ Comprehensive Agricultural Policy
- ✓ Effective and efficient fertilizer distribution system
- ✓ Effective tractor hiring unit (at least 100 units)
- ✓ Micro-credit facilities to farmers
- ✓ Rapid pest control mechanism squad for pest control
- ✓ Well trained extension delivery system
- ✓ Presence of post-harvest processing and storage facilities
- ✓ Co-operatives, farm centres, agricultural, vocational and skill acquisition centres
- ✓ Specialised livestock units



PART 3: REPORTS ON THE CORE SECTORS

- ❖ **Agriculture and Water Resources**
- ❖ **Economy/Fiscal Policy**
- ❖ **Education**
- ❖ **Health**
- ❖ **Infrastructure**
- ❖ **Internally Generated Revenue (IGR)**

iii. In addition to the Government's responses to the survey instrument, the assessment of civil society organisations, private sector and the public opinion on service delivery quality were tested through an opinion poll. Thus, Consultants ought to have been engaged for the exercise and the State did not put in place quality assurance measures that would guarantee that the assessment was carried out in accordance with the principles enunciated to guide it.

The NGF Secretariat Mission comprised its Principal officers, Policy Consultants/Advisors, Researchers and Media Team; each of the six (6) thematic areas were anchored by a dedicated Policy Consultant/Advisor i.e. those of agriculture and water resources, economy and budget, education, health, infrastructure and finance, and internally generated revenue.

Limitations of the Peer Review Methodology

A major limitation of the exercise was the inability of the Policy Consultants/Advisors to access operational source documents in certain cases. It was evident that the State officials were not fully apprised with the format and extent of technical information that are required for the review. Since the Peer Review by NGF Secretariat was novel, this limitation is understandable. Specifically, the following limitations were also observed in Adamawa State:

- i. Adamawa Government officials did not meet the expected desire of getting public disclosure of their operations. This meant that more efforts were required to ease the difficulty arising from achieving the minimum information on routine Government activities. Thus, it was not possible to access the Audit Working Paper of the Government External Auditors. It was not also possible to examine the Minutes of Meeting of the State's Tenders Board and the Auditors' Report thereon without any problem.
- ii. Adamawa State officials were full of lavish praises for the Government. This, in most cases, was in personal capacity. This has increased the level of discount placed on oral submissions as well as the degree of reliance on published documents that are not supported by appropriate schedules and related archival details.

Meanwhile, the guiding principles ensured that the peer review assessment process was participatory and inclusive, credible, politically non-threatening, and professionally competent. The following were key steps adopted that defined the methodology:

- a. The data and evidence reviews were implemented at three principal layers: MDAs' Interactive Sessions in plenary, Technical Sessions with designated State Officials, and a debriefing with the Governor. The MDAs' Interactive Session in plenary was accompanied by physical, confirmatory, observatory and guided inspection visits to designated projects and activity areas.
- b. The evidence based review was facilitated by data from two major sources: primary and secondary sources. These were instrumented through a randomly domesticated questionnaire which was complemented by desk review of relevant documentation on the thematic areas. There were also elite/decision-maker interviews and focused group inspection of project sites, operational documents, work decision tools and focus group discussions.
- c. A plenary session was organised to afford State officials the opportunity to present their programmes, achievements and challenges to the Peer Review Team.
- d. A Technical Interactive Session was also held to assist the Peer Review Team to check the reliability of information and other materials contained in the substantive submissions and presentations by the State Officials. Thus, the technical session provided a good opportunity for comprehensive discussions on all issues that would have been otherwise considered too 'sensitive' to be discussed openly in plenary; or those other matters that may have been considered boring to non- technical persons.

- **Citizens' Engagement:** *Participatory inclusiveness of policy and planning process, budgeting process; role of civil society in policy process; existence of feedback mechanism for citizens to report on service dissatisfaction.*
- **Monitoring and Evaluation:** *Existence of performance monitoring and evaluation system in the areas of plans, budget, programmes and projects; use of findings to improve performance; data quality; data presentation and availability to end-users.*

Adamawa State was, however, assessed against general good practice on each indicator and not against other states as part of the guiding principles adopted by the technical panel.

Methodology of the Peer Review

The Assessment Instrument for the Peer Review of Adamawa State subsumed the entire state's executive, legislative and judicial arms of government into one entity which was further divided into 6 (six) key thematic policy areas, namely: agriculture and water resources, economy and budget, education, health, infrastructure and finance, and internally generated revenue. The thematic areas were delineated along the line of what is considered as fully representative of the various critical sectors of the economy. Thus, the assessment instruments were developed by the Policy Consultants/Advisors to cover three core issues: (i) the objectives of the assessment for each thematic/sectoral area to be assessed (ii) the relevant standards, codes and conventions and best practices; and (iii) the questions that the assessment will seek answers to and their specific indicators and benchmarks.

progressive improvement of policies, planning, budgeting and public service reform and development of core sectors such as education, health, roads, and agriculture.

Specific Key Areas of Focus

The State Peer Review Exercise was focused on some key thematic areas critical to the fulfilment of the constitutional responsibility of state governments. The functions assigned to State Governments under the constitution are partly shared concurrently with the Federal Government, and partly with local governments. The non-enumerated or residual functions are the exclusive responsibility of the State Governments. Typically, there are clear jurisdictional overlaps, which sometimes make it difficult to precisely determine and assess the performance of each tier of government in the delivery of services.

However, the scope of the Peer Review only covered a set of core sectors common to all state governments; **health, education, agriculture, environment, economy and budget, internally generated revenue, and infrastructure** (*i.e. roads and physical construction in core sectors and public financial management*). These sectors were assessed taking into account the following:

- **Governance and Strategy:** *Existence of evidence-based policies; reflection of state priorities; existence of strategies that would actualize policies; existence of targets to measure policy actualization.*
- **Financial Resource Management:** *Prudence in fiscal and budget management; linkage of budget to policies and strategies in the core sectors; existence of realistic budgets; timelines for budget implementation with expected deliverables; mechanisms that support better public service delivery; use of State resources to support economic development and growth.*
- **Service Quality Assurance:** *Access to service, quality of service, efficiency (timeliness) of service and customer satisfaction in the core sectors.*

challenges to development efforts at the state level. The NGF Secretariat now has a robust library of information on all states in having a reach to the networks of officials, persons and institutions around the state governors.

Purpose and Objectives

The objective of this initial peer review tour is to assist States to improve their development performance through periodic reviews of progress in the implementation of their development policies, plans and programmes.

The exercise is also expected to achieve the following key objectives:

- a. Evaluate existing capacity around the State Chief Executive, the Governor.*
- b. Benchmark commendable and innovative practices by the State that could be of mutual or exclusive benefit to other states, promote cooperation among states; and encourage experience sharing through peer pressure.*
- c. Assess states' strengths and challenges within the identified thematic areas on the basis of which a state's Programme of Action will be drafted to redress the identified challenges as part of the review process.*
- d. Make appropriate value-based recommendation(s) for the Government's optimal performance in the following thematic areas: agriculture and water resources, economy and budget, education, health, infrastructure and finance, and internally generated revenue.*
- e. Promote good governance through enhancement of transparency, accountability, participation and communication; achieve better service delivery (timeliness, quality and public access) nation-wide through*

Benchmarking State Governments: Lessons from Previous Efforts

Following the crafting of the National Economic Empowerment and Development Strategy (NEEDS), the National Planning Commission (NPC), in collaboration with development partners, developed a set of benchmarks for assessing state governments' performance in 2005 in the following areas: policy, budget and fiscal management, service delivery, and communication and transparency. These are the four areas highlighted in the State Economic Empowerment and Development Strategy (SEEDS) developed by States in 2004. In design, SEEDS drew on the federal government's National Economic Empowerment and Development Strategy (NEEDS) adopted in early 2004, which elaborated national programmes for economic growth, public sector reforms and poverty reduction. A second SEEDS benchmarking exercise was undertaken in 2006 and a report on the performance of states as revealed by the exercise was published. Since several States objected to their rankings in the benchmarking report of 2005, the 2006 benchmarking report jettisoned the idea of ranking states.

Mandate of the States' Peer Review Exercise

Following raging debates about the optional approach to utilising the Excess Crude Account (ECA), the National Economic Council, (NEC), in 2007, directed states to peer review themselves. Consequently, the NEC, which also has all the 36 State's governors as members, agreed and mandated its Secretariat to carry out a peer review exercise across the 36 States of the Federation. As a follow-up to the NEC decision, NGF mandated its Secretariat to engage a pool of Policy Consultants/Advisors across key sectors to execute the exercise.

It is important to note that the Secretariat of the NGF toured the 36 states of the Federation as part of preliminary efforts at information gathering, developing a set of benchmarks, identifying unique practices and documenting

The Nigeria Governors' Forum (NGF)

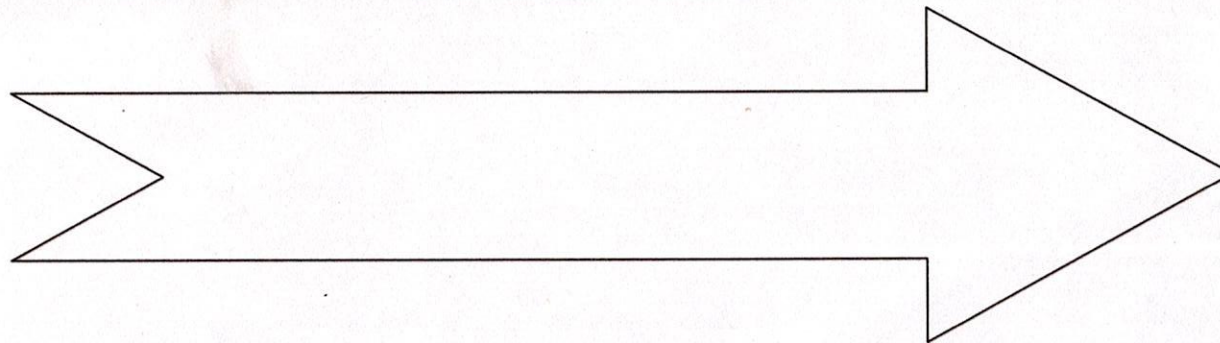
The Nigeria Governors' Forum (NGF) was established in 1999 following a multi-party conference of all thirty-six (36) democratically elected state governors. This conference which was held in Abuja Nigeria, can be rightly described as the inaugural meeting of the Forum. The meeting which followed the general elections of 1999 was supported by the National Democratic Institute (NDI), a US-based organization and the Canadian-based Forum of Federations (FF).

The NGF brings state governors together to share experiences, foster cooperation among states and provide a platform for resolving conflicts between states and federal government

The Nigeria Governors' Forum is registered under Part C of the Companies and Allied Matters Act (CAMA) 1990. Since inception, the NGF has been chaired by the following:

- Alhaji (Dr) Abdullahi Adamu (Former Governor, Nasarawa State): 1999-2004
- Arc. (Obong) Victor Attah (Former Governor, Akwa Ibom State): 2004-2006
- Mr. Lucky Igbinedion (Former Governor, Edo State): 2006-2007
- Dr. Abubakar Bukola Saraki (Governor of Kwara State): 2007-Date.

In 2007, the NGF under the leadership of Dr. Abubakar Bukola Saraki was repositioned to enable it assume the enormous challenges of governance and development. In particular, a new Secretariat headed by a Director-General and supported by two (2) Executive Directors was established. Further, Mr Peter Obi, Executive Governor of Anambra State was appointed as Vice-Chairman.



PART 2: PEER REVIEW REPORT HIGHLIGHTS

- ❖ **The Nigeria Governors' Forum (NGF)**
- ❖ **Benchmarking State Governments**
- ❖ **Mandate of the States' Peer Review Exercise**
- ❖ **Purpose and Objectives**
- ❖ **Specific Key Areas of Focus**
- ❖ **Methodology of the Peer Review**
- ❖ **Limitations of the Peer Review Methodology**

Ethnic composition and culture:

Major ethnic groups include Fulani, Bwatiye, Chamba, Higgi, Mbula, Margi, Kilba Ga'anda, Longuda, Kanakuru, Bille, Bura, Yandang, Yungur, Fali, Gude, Verre and Libo.

Natural and Mineral Resources:

There are abundant deposits of mineral ore in the state such as **iron, lead, zinc, limestone, etc.** Adamawa is also home to Sukur Kingdom, a UNESCO world heritage site.

Slogan: Land of beauty, sunshine and hospitality.

Historical Background:

Adamawa state is located in north-eastern Nigeria it was created on the 27th of August, 1991 from the old Gongola state. The state has common borders with Borno state to the northwest, Gombe to the west, Taraba to the southwest. Its eastern border also forms the national border with Cameroon. The state is currently governed by Murtala Nyako of the PDP.

Geography:

Adamawa state has a land area of 36,917 km² and co-ordinates of 9°20'N 12°30'E. Topographically, it is a mountainous land crossed by the large river valleys - Benue, Gongola and Yedsarem. The valleys of Cameroon, Mandara and Adamawa mountains form part of the landscape.

Local Government Areas [21]:

Fufore, Ganye, Gombi, Guyuk, Hong, Jada, Shelleng, Demsa, Madagali, Maiha, Mayo-Belwa, Michika, Mubi, Numan, Song, Mubi-South, Yola North, Girei, Toungo, Lamurde, Yola

Demography:

According to the population census of 2006, the state had 1,606,123 males and 1,561,978 females, making a total of 3,168,101.

UN	United Nations
UNAIDS	Joint United Nations Programme on HIV/ AIDS
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNICEF	United Nations Children's Fund
USA	United States of America
VVF	Vesico - Vaginal Fistula
WUA	Water Users Association

MOU	Memorandum of Understanding
MVAO	Motor Vehicle Administration Office
NEC	National Economic Council
NECO	National Examination Council
NEEDS	National Economic Empowerment and Development Strategy
NEPAD	New Partnership for African Development
NGA	National Governors Association
NGF	Nigeria Governors' Forum
NPC	National Planning Commission
NRC	Nigerian Railway Corporation
NURTW	National Union of Road Transport Workers
PFM	Public Financial Management
PHC	Primary Health Care
PPB	Public Procurement Bill
PPP	Public-Private Partnership
PRNS	Peer Review of Nigeria States
SA	Special Assistant
SCAC	State Cash Allocation Committee
SCIP	Strategic Community Involvement Partnership
SCR	Standard Control Reports
SEEDS	State Economic Empowerment and Development Strategy
SLL	Statements of Lessons Learnt
SMDAs	State Ministries, Departments and Agencies
SOPs	Standard Operations Procedures
SPRM	State Peer Review Mechanism
SPV	Special Purpose Vehicle
SSG	Secretary to the State Government
TB	Tuberculosis
TWG	Technical Working Group

ACRONYMS AND ABBREVIATIONS

AD	Adamawa
ADSG	Adamawa State Government
APRM	Africa Peer Review Mechanism
Arc.	Architecture
AU	African Union
CBWM	Community-Based Water Management Committees
DFID	Department For International Development
DG	Director-General
ECA	Excess Crude Account
E-Payment	Electronic Payment
FCT	Federal Capital Territory
FGN	Federal Government of Nigeria
FRA	Fiscal Responsibility Act
GDP	Gross Domestic Product
HDI	Human Development Index
HIV	Human Immune Deficiency Virus
ICT	Information and Communication Technology
IDB	Islamic Development Bank
IGR	Internally Generated Revenue
ILO	International Labour Organisation
IRS	Internal Revenue Service
IT	Information Technology
JVCs	Joint Venture Contracts
LGAs	Local Government Areas
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals

Adamawa State: **Fact Sheet**

COUNTRY	NIGERIA
STATE	ADAMAWA
DATE CREATED	27 TH AUGUST, 1991
CAPITAL	YOLA
GOVERNOR	HIS EXCELLENCY MURTALA NYAKO
TOTAL AREA	37,957km ²
AREA RANK	7/36
LGAs	21
POPULATION ESTIMATE (2006)	3,168,101
POPULATION RANK	26/36
GDP (2007)	\$4.58 billion
GDP PER CAPITA (2007)	\$1,417

Source:

Adamawa State: Land of Beauty

