

clusters to cultivate the vast Fadama land. Rice seeds, small-scale irrigation infrastructure (pumps and tube wells) and other inputs like fertilizers and agro-chemicals as well as trainings and extension support are given to the farmers. This ensures that dry season rice production is increased significantly, while at the same time, providing employment for the teeming youths in the State.

- ❖ The development of 100 sprinklers and 300 flood irrigation facilities in 24 sites in 12 LGAs. This covers 300 ha of Fadama in addition to the 40,000 ha under KATASHI.

### **Key Observations and Other Findings**

- ❖ The distribution of 10,000 units of water pumps to co-operatives and individuals for small-scale irrigation development.
- ❖ Installation of Sprinkler Irrigation Systems at Zauro and Koko.
- ❖ The payment of the sum of ₦85 million as 15% subsidy contribution for the PPP-operated Cooperative Tractor Hiring Service Scheme and the distribution of 65 units of Tractors to the Cooperative Associations in the state. The State Government had also distributed additional 27 units of tractors and implements to large-scale farmers in the State.

- ❖ The procurement and distribution of 40,000 bags of assorted grains worth ₦320 million to Civil Servants and the general public in 2009. This is in addition to the receipt of assorted grains from farmers that had benefited from loans as repayments in kind in settlement of the loans. A total sum of ₦114 million had so far been expended on procurement of grains for the buffer stock for 2010 in the State. This is in reaction to the warning by FAO that drought looms in the neighbouring Republic of Niger.
- ❖ The construction of 3 units of 1,000 metric tonnes capacity stores in Birnin-Kebbi at the cost of ₦24,495,760.00 to improve the existing storage capacity in the State.
- ❖ The state is collaborating with the Federal Government in the execution of a number of projects which include the construction of 100,000 metric tonnes capacity grains silo, Agro Export Conditioning Centre, construction of 3 Community Warehouses, and establishment of 2 large-scale Rice Processing Mills.
- ❖ To safeguard farmers' production from damage and losses from migratory birds, Government procured pesticides worth ₦12 million in 2009 and provided additional flying hours to those allocated by the Federal Government for Quela birds' control worth ₦18.9 million in 2009.

- ❖ A consignment of 171 metric tonnes of assorted improved seeds worth ₦33,485,000.00 had been released for distribution to farmers for the 2010 wet cropping season. The improved seeds were to be distributed free to the farmers with the aim of promoting the adoption of the use of improved seeds and appropriate technology towards enhanced yields and income.
  
- ❖ Procurement of livestock vaccines, veterinary drugs and cold chain facilities worth ₦7.5 million for the 2009 livestock vaccination campaigns against various livestock killer diseases. 204,000 cattle were vaccinated against Contagious Bovine Pleuro-Pneumonia (CBPP), 126,000 cattle against Black Quarter Disease, 325,000 sheep and goats against Pestes Des Petit Ruminants (PPR) and 225 dogs against Rabies. The sum of ₦15 million had been released for the conduct of the 2010 livestock vaccination exercise to be conducted in June.
  
- ❖ Purchase of supplementary feeds consisting of 160 tonnes of Wheat Offals, 160 tonnes of cotton seed cake and 10,000 units of mineral salt blocks which cost the state Government over ₦25 million. The feeds were sold to pastoralists and other livestock producers in the State at 60% subsidy in order to cushion the effects of hunger faced by livestock especially during the dry season when pastures are scarce.

- ❖ A total of 49,620 metric tonnes of assorted fertilizers were procured and distributed at subsidized rate of ₦1,700 per bag to farmers for the 2009 production season. 30,000 metric tonnes had been procured for the 2010 wet season. It is worthy of note that the state adopts a distribution strategy which delivers fertilizer to all the political wards in the State and is distributed through ward level committees to ensure the fertilizer (and its subsidy) actually reaches the farmers.
- ❖ The various donor-assisted agricultural intervention programmes in the state (IFAD/CBARDP, FADAMA III, Food Security Programme) are implementing a number of projects that are demand-driven and demand-responsive, which had helped to provide the communities in the State with various infrastructure, capacity building and social awareness and generally improved agricultural service delivery while improving the living conditions of the communities in the State. Loan Packages totalling ₦68,271,300.00 were administered to 90 associations formed in the nine (9) participating Local Government Areas. The loan packages include work bulls, bull fattening, ram fattening, sheep and goat production, fish farming, home gardening and family income generating activities, and agro-forestry. This administration had been unwavering in the payment of counterpart contribution to all the programmes with annual contributions of over ₦650 million.
- ❖ Various interventions particularly on training and capacity- building are being provided to promote the establishment of private owned aquaculture in the State. This is in recognition of the dwindling resources

of the lakes and rivers occasioned mostly by the obnoxious fishing practised by the fishermen. The promotion of aquaculture is beginning to yield results as there are now at least 100 standard fish farms in the State beside several homestead fish ponds. Kebbi State is also collaborating with the Federal Department of Fisheries in the establishment of Cage Culture Programme at Tarasa Village in Birnin-Kebbi and the establishment of modern Fish Market at Yauri. The State is also implementing the ECOWAS artisanal fisheries promotion project's second phase with the training of sixteen (16) Fisheries Officers on Hatchery and Integrated Fish Farming.

### **Policy Recommendations**

- ❖ There is need for a strategic agricultural policy and efficient fertilizer distribution scheme most especially for the rural farmers.
- ❖ Government should make micro credit facilities available to farmers with no cost or back up securities as well as tractor hiring services which should be easily affordable by rural farmers.
- ❖ A buffer stock of treatment chemicals and rapid pest control measures should be put in place to check pest control and other health hazard to agricultural products.
- ❖ Quality of manpower should be enhanced in the field of extension workers among other professionals in the agricultural sector.

- ❖ Government should establish more or encourage formation of co-operatives ,farm centres, agricultural, vocational and skill learning centres for effective and efficient product yield from the farms.
- ❖ For the betterment of food security, adequate measures should be put in place for post harvest processing and storage facilities as well as Installing agro-processing plants, for example: Tomato Processing Factory at the Aliero axis, Rice Mills at Argungu and Onion and Pepper Processing Plants at the Mungadi axis.
- ❖ To ensure sustainability, legislation may be required.

## **ECONOMY AND BUDGET**

### **Assessment Indicators: Economy**

- ✓ 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 Indicators: 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).

### **Identified Benchmarks**

The index of economic activities in the state is crop production with 162,236.73 which ranks the State the 11<sup>th</sup> in the country in crop production. Livestock production is also crucial to the economy with an index of 11,998.22, ranking the state as the 13<sup>th</sup> in the country.

- ❖ Rural road networks

### **Key Observations**

- ❖ The HDI value for the state is 0.377, which is lower than both the National and Regional averages. The low HDI could be due to the need for improvement in access to health and education.
- ❖ The gini coefficient is 0.41, 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, implies that poverty may not be improving for the majority of the population.

### **Key Challenges**

- ❖ 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 a comprehensive project evaluation and monitoring framework for the state.
- ❖ For effective planning, a strong statistical department is needed. At present, both human and financial resources committed to the unit are still low and need to be improved upon for effective delivery. There is inadequate funding of data collection activities at the State and LGA levels especially in the areas of surveys, baseline studies and economic/social research. There is inadequate number of statisticians and data programmers at the State and LGA levels.
- ❖ There is also the absence of a state functional data base in which all kinds of data are supposed to be collated, analyzed and disseminated to users at all times. Such data base should be connected to the internet/website.
- ❖ There is need for reforms in the budget process, particularly in the areas of project costing.

There is the need for a civil service reform in the state, which at present is an inverted pyramidal structure

## Recommendations

- ❖ For effective planning and policy formulation, the importance of data collection and management cannot be over-emphasized. At present, the level of human and physical capabilities in the two statistical departments in the Ministries of Finance and Planning is low. 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.
- ❖ Efforts should be made to increase IGR drive and depend less on statutory allocations.
- ❖ More efforts should be made to strengthen PPP arrangements in the state. This could provide alternative sources of funding infrastructural projects in the state. Also, it ensures quality service and drives competition for efficiency.
- ❖ In the face of mounting internal debt and debt service obligations, effective debt management strategies should be put in place.
- ❖ 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 more agro-allied.

- ❖ The appropriate implantation frameworks for the Public Procurement Bill and Fiscal Responsibility Act should be put in place for issues such as inflation of contract costs, fake invoicing and the issue of spending money not budgeted for, to be adequately addressed.
- ❖ Given the extent of income inequality of the state, the state should do more in providing safety nets for the vulnerable in the society, particularly the aged and the disabled. It should also introduce social security insurance for the unemployed.

### **STATUS OF THE FISCAL RESPONSIBILITY AND PUBLIC PROCUREMENT BILLS**

**Kebbi State** has passed both the Fiscal Responsibility and Public Procurement Bills.

## **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 institutions.
- ✓ 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 and Standard of sanitary services (custodial).
- ✓ Student support services (Guidance / Counselling, parenting classes, social work).

### **Identified Benchmarks:**

- ❖ Kebbi State has robust data on the key sectors of the state, especially on education.
- ❖ School Guidance and Counselling: Kebbi State, so far, is the only state NGF has visited with the most comprehensive school data, with a view to repositioning and properly redirecting education. It is also the only state that has guidance and counselling, which is the most important component of adequate education. It has counselling services in 250 schools (16.5%), though only 100 schools keep records and only 48 schools (3.2%) have trained counsellors. While there is need for manpower in this department, it is most important for school systems to understand the full benefits of addressing the socio-emotional needs (affective domain) of children, as cognition is not all that there is to the education of the total child.
- ❖ Kebbi State has declared free and compulsory education, not just because of its importance to socio-economic development but also because the Governor understands from available data/statistics, that less than 50% of school age children are enrolled in schools. He also understands that the major hindrance to education is the social economic status (SES) of parents who cannot afford to pay school fees, and not poverty of the mind. The times are truly hard for most families. School uniforms, shoes, food and books are provided to encourage school attendance. For most students, the only decent meal they have daily is in the school.

### **Policy Recommendations:**

- The education improvement committee should continue to monitor the implementations of set goals.
- The State should dedicate at least 26% of her annual budget to education.
- The State, as a matter of policy, should set standards for performance evaluation instruments of teachers and principals, with implications for retention and promotion.
- Improve on the provision and use of ICT at all levels or tiers of education.
- Conscious attempts should be made at providing potable water sources for all schools.
- Strengthen and debug the e-payment system to minimize teachers' complaints.
- Consider boarding primary schools for almajirais, to reduce the number of child beggars on the streets.
- The state should continue to enact laws to protect and educate the girl-child and also encourage adult education or literacy

## **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**

- ❖ Kebbi State has given priority attention to revitalizing the health sector to enhance the quality of lives and increase the life expectancy of the people in the state. The administration of Alhaji Saidu Dakingari

collaborated with traditional rulers in the state for effective implementation of the state immunization programmes for the children.

- ❖ As part of malarial control measures in Kebbi State, the state government through the MoH had procured one million and five hundred thousand units of insecticide-treated mosquito nets for free distribution to every family in the state.
- ❖ The State had also rehabilitated fifteen (15) general hospitals in the state at ₦4.57 billion in addition to providing ambulances for each of the LGAs.

#### **On-the-Spot Checks**

- ❖ The NGF team was at the Sir Yahaya Memorial Hospital, Birnin-Kebbi. The facilities provided in the hospital included amenity wards, and cancer treatment centre, 26 units of 2 to 3-bedroom apartments for the staff of the hospital and other necessary medical equipment.
- ❖ The State has 32 medical doctors, 6 consultants and 89 nurses in its service. Furthermore, the health manpower needs of the state were being addressed by offering employment on level 04 to nursing students in the state to discourage them from relocating to other states which also require their services.



- ❖ As part of measures at expanding health facilities in the state, the contract for the construction of a 200-Bed Specialist Hospital at ₦3.5 billion was awarded. The project which was nearing completion was awarded to Edile Construction Nigeria Ltd. Medical equipment worth ₦1.5 billion had been procured for the new hospital.
  
- ❖ The State had also initiated the supply of free anti-retroviral drugs to persons living with HIV/AIDS across the entire Kebbi State.

### **Recommendation**

- ❖ Government should improve on setting up more PHC centres to make health services accessible to the rural people at an affordable cost.
- ❖ More health training institutions should be established or present ones be upgraded to support the ever increase in demand for health professionals most especially in the rural communities.
- ❖ An efficient and functional health care system should be developed within the state with a special health intervention fund to support the implementation of immunization programme as well as maternal and infant mortality programme.

## **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/ 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.

## **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 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

## **Benchmarks for Kebbi State**

Compared to most states in Nigeria, Kebbi State is outstanding in the following areas:

❖ **The Use of Cash-flow Statement:**

- The model of cash flow management in the state was found very useful. This has assisted the State in ensuring effective management of its cash resources, and also in ensuring that payments instruments are not issued ahead of availability of funds.
- Kebbi State is unique in ensuring the State Auditor-General's prompt auditing of the Government Accounts and Financial Statements.

❖ **The state has an updated version of its multilateral debt stock.**

## **Key Observations and Other Findings**

### **Infrastructure:**

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

- ❖ The issue of electricity is at a critical state in the State. There is no evidence that the State Government is pursuing any initiative outside those of the Federal Government in providing electricity. The state needs to attempt to tackle the electricity problem by evolving practical supplementary power generation programme in addition to those of the Federal Government.
- ❖ Birnin Kebbi, the State capital has a fairly good road network. The state of the Federal Road linking the state capital is good.
- ❖ The indiscriminate installation of communication base stations in the state violates the set-back requirement for such hazardous facilities. Installation of Communication Masts is supported by the installation of base stations comprising of generators, which emit hazardous substances including carbon monoxide. These are critically dangerous to health, especially with respect to new and unborn babies, homes, hospitals and schools. There is a minimum set-back standard for this class of hazardous installations away from residential areas, schools and hospitals. This standard is grossly violated in the

state. There is, therefore, a high possibility of conflagration, especially in areas where base stations are located very close to filling stations.

- ❖ The capital city is without industries that could sustain an active industrial base. Most of the city buildings are dilapidated. The concentration of buildings in small narrow clusters on the outskirts of the capital, presents a major environmental challenge to both the Government and the people. Consequently, Birnin Kebbi is not green enough; oxygen replenishment may be a material issue within government and household infrastructure.
- ❖ The state therefore, is under threat of industrial unsustainability in the medium and long-terms.
- ❖ 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 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 the 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. There is the risk of uncoordinated project monitoring mechanism may arise within the State.

- ❖ Furthermore, 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.
- ❖ Evidence existed to show that the technical capacity around the Governor in the state was adequate, though there were minor cases of placing non-core experts outside their areas of cognate training. The State Civil Service is aging, a case of an inverted pyramid.
- ❖ There were wide indications that the sale of fuel, petroleum motor spirit, PMS, in jerry cans does not constitute an offence in the State. PMS is 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 adjoining towns.

**Finance:**

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

- ❖ Kebbi State presents a leading example in multilateral debt reconstruction.
- ❖ Considerable level of accountability and public disclosure of financial information exists in the state. The timing of the preparation and audit of Government financial operations was found to be adequate.
- ❖ There were evidences to support the conclusion that the Auditor-General's roles and functions in the state are adequately felt. However, there was inadequate evidence to show that specialized audit of specific MDAs and some designated Special Funds were being timely conducted in the state.
- ❖ There was insufficient evidence to conclude that the state operated a comprehensive Asset and Liability Register. The scope and depth of tracking and custody of Government Assets, and the process of measuring Government liabilities did not appear adequate.
- ❖ The state adopted the recommended format for the preparation of Government Financial Statements. However, it did not appear capable of being one of the states that are expected to



move beyond the Cash Basis of accounting to near-Accrual Basis. However, there was no comprehensive Chart of Accounts as at the time of this review.

- ❖ For the purpose of effective internal control, there were indications that MDAs could generate revenue and utilize same, while accounting for same as expenditure. This may have to be discouraged to avoid fraud and financial recklessness.
- ❖ It was observed that there was no separate accounting for donor funds. This posed considerable challenge as regards maximization of value arising from donor interventions and allied matters. There were also indications of low access to donor assistance by the state.
- ❖ There is 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, fiscal, credit and monetary policy operations of Government in Kebbi State.

## **Recommendations**

- ❖ 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.
- ❖ The state requires a comprehensive Mast Map in line with the recommendations and requirements of the Federal Ministry of Environment to contain the hazards of base stations of communication masts. There is also the need to curtail the incidence of running high tension cables over residential buildings, offices and shops.
- ❖ 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.
- ❖ In a 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 immoveable Assets. This is very pertinent especially for the purpose of accounting for loans and grants interventions; a sizeable component of these loans comes in form of fixed assets transfers.

- ❖ 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 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.
- ❖ The state should improve 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's financial transactions.
- ❖ It is further required that the state upgrades its mechanism towards robust accounting intelligence that would enable it to access early warning signals in its operations, especially in the financial area. The Government should keep regular tabs 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.

- ❖ It is equally important that the state installs a strong mechanism for the purpose of monitoring its local and international debts.
- ❖ As it is in most Governments, management of cash advances, travelling and tour advances are very critical in funds management. Proper standards should be set with regard to the advances rating category that should be applicable to political appointees, like DGs and SAs.
- ❖ Perhaps, it is time for any State that is bold enough to establish the state equivalents of the Federal anti-corruption agencies, and it is felt that Kebbi State has the capacity to bell the cat.
- ❖ There is the need to centralize all revenues collected by all Ministries, Departments, and Agencies.
- ❖ 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 very seriously. The Government should also establish a mechanism that would enable it to keep track of all allocations to it in Federal appointments at all levels.

## **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) in 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 the tax system.

### **Identified Benchmarks**

- ❖ The Growth “G” Factor: Significant Revenue Growth between 2008/2009 is 36% (average).
- ❖ Political Will from Government: This is strongly demonstrated by the Governor in terms of funding and reforms regarding diversification.
- ❖ Technical Capability: Strong institutional framework and competent workforce to drive revenue administration
- ❖ Tax Administration Reforms: Autonomy bill for the Board of Internal Revenue has been drafted and presented to the State House of Assembly.
- ❖ Operational Efficiency: Both financial and non-financial indices for measuring operations were optimally utilized among revenue generating agencies in accordance with leading best practices.

### **Key Observations and Other Findings**

- ❖ Integration of the Informal Sector into the Taxpayers Data Base: The aggregate financial and business activity that operates outside government control or the organized private sector contributing neither in taxes nor part of the state’s Gross Domestic Product (GDP) is larger than those under the purview of formal control in Kebbi State. This ranges from small-scale farming, backyard employment and self-help finance to street vending, unregulated craftsmanship and small-scale manufacturing which makes up the informal

sector. Therefore, Kebbi State needs to immediately deploy proactive measures/interventions built on community/grassroots foundations through Strategic Community Involvement Partnership (SCIP) formation of Kebbi Trade Council, and Development of Standard Operations Procedures to the informal sector.

- ❖ Harness the huge untapped IGR potentials from Land, Housing & Urban Development related revenue sources.
- ❖ Undertake a comprehensive property audit e.g. Lagos where 46,000 properties were identified.
- ❖ Introduction of Geographic Information Management System (GIMS) in the Bureau for Lands, Housing & Urban Development; e.g. FCT, Lagos, Ogun, Cross River.
- ❖ Reduce processing duration for the issuance of certificates and grants to the shortest possible time;
- ❖ Introduce Service-Based Revenue Enhancement Strategy: Intensify collection of revenues from all revenue channels and sources in Lands & Urban Planning.
  
- ❖ Introduction of Indirect Taxes/Revenues instead of the application of direct taxes: (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, for example, the Lagos State Consumption Tax is targeted at and imposed on those who can afford to stay in hotels, eat in restaurants or those that can afford even a bottle of soft drink or beer in bars. Invariably, the middle-class and the upper-class people within the society are the primary targets. There is no significant direct impact of this new tax

regime on prices of food stuffs in the market. (2) Telecommunications User fees charged by telecom operators.

- ❖ Harnessing hidden Revenue Channels by reviewing Fiscal Statutes (Federal & States) – e.g. Third Party Insurance on Motor Vehicles and Accident Emergency Response Scheme, Warehouse Receipt Bill.

### **Recommendations**

- ❖ Kebbi State needs to take advantage of its over 15 million livestock endowment covering cattle, goats, sheep, poultry and pigs. The state can also concentrate on the production of agricultural produce like ginger, tobacco and sugar cane. The presence of mineral resources like gold, limestone and salt is an added advantage to the state; exploration of these mineral resources will also bring more revenue. Argungu Fishing Festival, Girmace Shrine in Zuru, and Tomb of the famous Islamic Scholar (Abdullahi Ibn Dan Fodio) should also be standardized to international tourist attractions 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 situation in the state, thereby impacting on IGR.



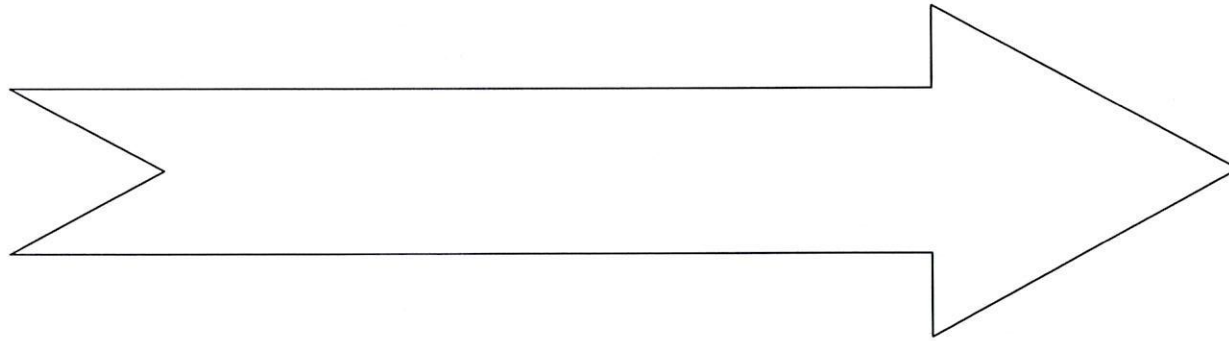
- ❖ Currently, Nigeria is a slave to its abundant oil resources because within the last 50 years of independence, the country has failed to change from a typical petro-dollar and mono-product economy into a diversified industrial economy despite its huge potentials in human capital and other natural resources.
  
- ❖ Learning from history, it is pertinent to note that the then Northern Region contributed over 65% of the total national revenue between 1914 and 1926 when Nigeria was purely an agrarian economy. Therefore, Kebbi State needs to embrace Revenue Substitution Strategy (RSS): The first intervention would be replacing Oil Revenue with Farming Revenue or Livestock Revenue.
  
- ❖ Kebbi State has the propensity of increasing its ranking amongst African Governed Entities. The State Gross Domestic Product (**GDP**), (**\$3.29billion**) is greater than that of 17 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:

### 2007 GDP OF KEBBI STATE IN COMPARISON TO SOME AFRICAN COUNTRIES

Kebbi State's Gross Domestic Product (GDP), (\$3.29billion) is greater than that of 17 African countries' Gross Domestic Product (GDP).

S/N	AFRICA	GDP(\$) BILLION
1	Mauritania	3.16
2	Zimbabwe	3.15
3	Togo	2.89
4	Swaziland	2.84
5	Central African Republic	2.00
6	Sierra Leone	1.95
7	Cape Verde	1.74
8	Lesotho	1.62
9	Eritrea	1.48
10	Burundi	1.10
11	Djibouti	0.98
12	Liberia	0.85
13	Seychelles	0.82
14	The Gambia	0.81
15	Comoros	0.53
16	Guinea Bissau	0.46
17	Sao Tome and Principe	0.18
18	Kebbi State	3.29

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



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

- ❖ **Policy Consultants/Advisors**
- ❖ **Development Partners**
- ❖ **NGF Secretariat**
- ❖ **Annexure**

### **Technical Working Group (TWG) for the Report's Implementation**

#### **❖ Policy Consultants/Advisors**

The Technical Working Group (TWG) for the implementation of the findings of this report will be composed of all the Policy Consultants/Advisors that conducted the 1<sup>st</sup> Peer Review Exercise. Additionally, other subject experts and seasoned practitioners - drawn from academia and private sector – shall also serve as review experts. Accordingly, the Policy Consultants/Advisors through the NGF Secretariat shall be responsible for assisting Kebbi State Government in the full implementation of the highlighted policy recommendations as contained in this Report.

#### **❖ Development Partners**

A lot of development partners have indicated interest in supporting the Peer Review Exercise. While the first Peer Review Exercise was still ongoing, the Department For International Development (DFID) had already started funding the development of a comprehensive State Peer Review Mechanism (SPRM). Besides, the UN, the World Bank and the entire international community have taken interest in assisting Kebbi State especially in those areas of weakness highlighted in this Report. Therefore, the Kebbi State Government is expected to leverage this advantage by working with the NGF Secretariat to explore the huge Technical Assistance opportunity that this Peer Review Exercise provides through the Development Partners.

#### **❖ NGF Secretariat**

The NGF Chairman, shall provide the overall leadership; this should be supported by all the Governors, especially in ensuring that the highlighted critical observations are noted and the policy recommendations implemented. The Director-General of NGF, via the NGF Secretariat shall implement all decisions arising from the Peer Review Report after consultations with and approval of His Excellency, The Executive Governor of Kebbi State.

**ANNEXURE (1)**  
**TECHNICAL PANEL ON PEER REVIEW**  
**NGF SECRETARIAT PEER REVIEW MISSION: PRINCIPAL OFFICERS**

S/N	NAME	DESIGNATION
1.	A.B. Okauru	Director-General
2.	L.O.T. Shittu	Executive Director (Strategy and Research)
3.	M.A. Jibia	Executive Director (Administration and Finance)
4.	C.C. Chuku	Head (Legal)
5.	Bode Aiyenimelo	Head (Documentary and Press)

**NGF SECRETARIAT PEER REVIEW MISSION: POLICY CONSULTANTS/ADVISORS**

S/N	NAME	DESIGNATION
1.	G.U. Owoh B.Sc, M.Sc, Ph.D, FCA	Policy Consultant (Infrastructure and Finance)
2.	A.B. Gambo B.Sc, M.Sc, Ph.D	Policy Consultant (Water and Agriculture)
3.	Olufemi Ayewoh BA, MA, Ph.D	Policy Consultant (Education)
4.	Dale Ogunbayo MBBS, MBA	Policy Consultant (Health)
5.	Prof. Phillips A. Olomola B.Sc, M.Sc, Ph.D	Policy Consultant (Economy and Budget)
6.	I.B. Gashinbaki B.Sc, MLC, CNA, ACTI, CFE, ACSCMP	Policy Consultant (Internally Generated Revenue)

## **ANNEXURE (2)**

### **LIST OF DEVELOPMENT PARTNERS & DONORS SUPPORTING IMPLEMENTATION OF THE PEER REVIEW REPORTS**

- **Department For International Development (DFID)**
- **World Bank**
- **United Nations Development Programme (UNDP)**
- **United Nations Children's Fund (UNICEF)**
- **Bill and Melinda Gates Foundation**
- **National Governors Association (NGA) USA**
- **International Labour Organisation (ILO)**
- **United Nations AIDS (UNAIDS)**
- **United Nations Educational, Scientific and Cultural Organisation (UNESCO)**

**ANNEXURE (3)**  
**CONTACT INFORMATION FOR NGF SECRETARIAT PEER REVIEW MISSION**

**NIGERIA GOVERNORS' FORUM**  
**The Secretariat**  
**1, Deng Xiaoping Street, Off AIT Junction, Asokoro Extension, Abuja**  
**(234)-09-8703926, 09-8703927, 09-8703928**  
**[www.nggovernorsforum.org](http://www.nggovernorsforum.org)**