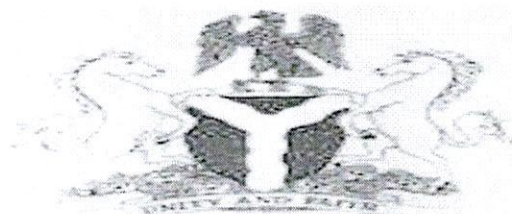


NIGERIA GOVERNORS' FORUM

PEER REVIEW REPORT

ON

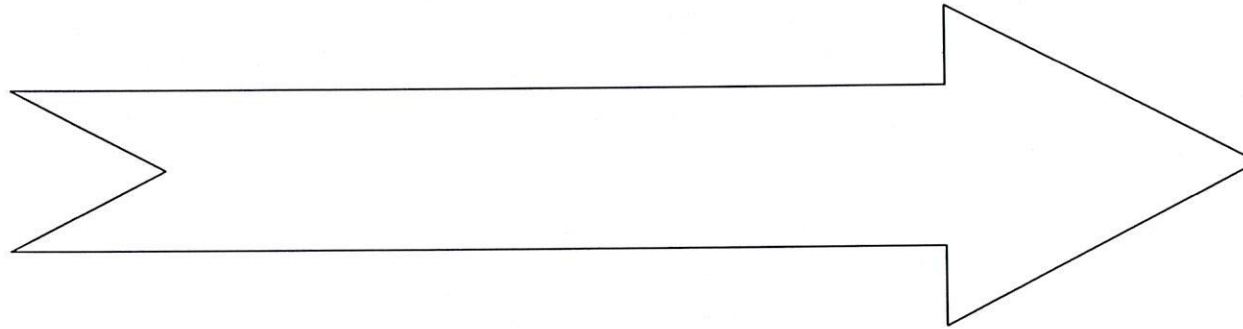


OSUN STATE

December, 2010

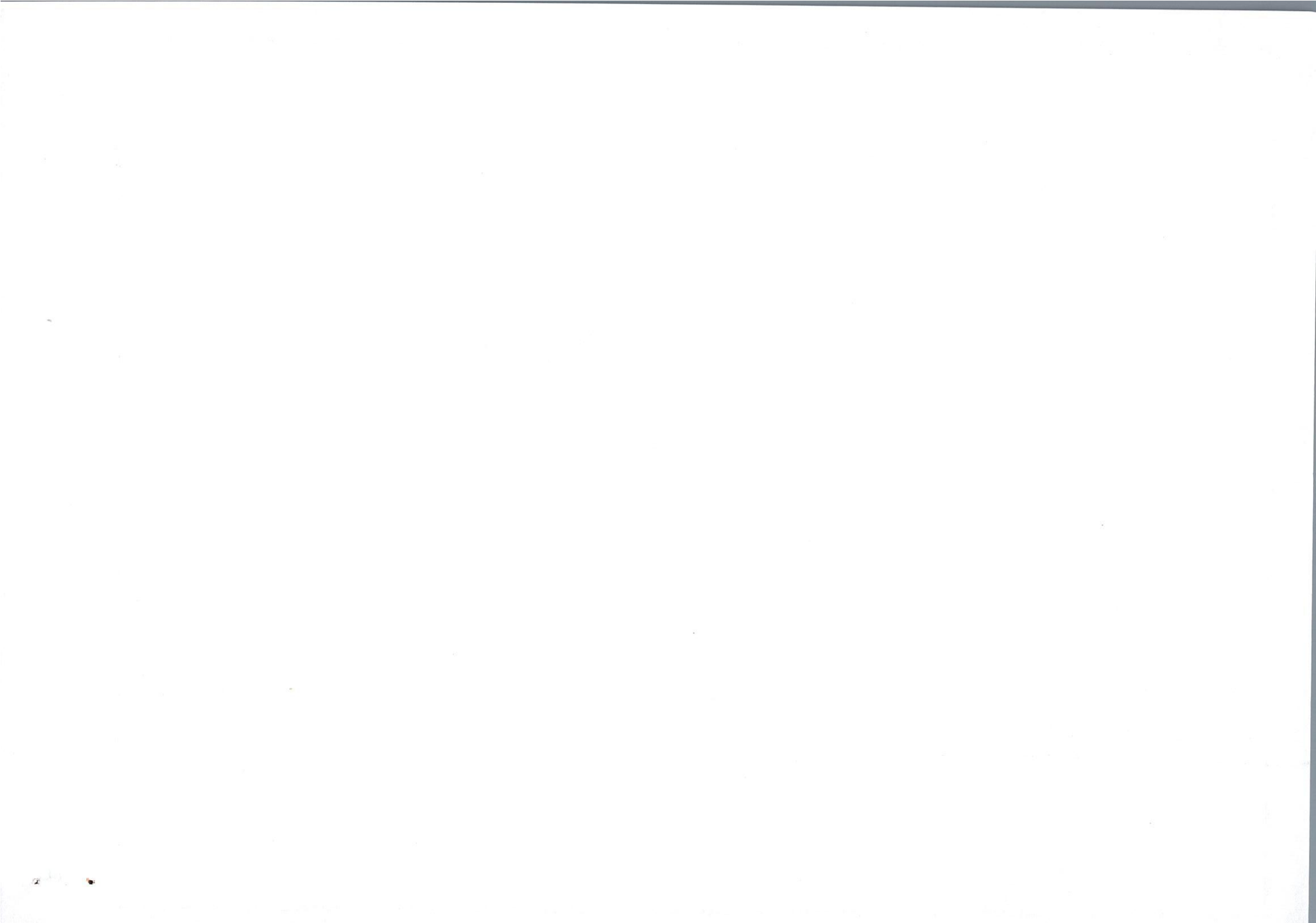
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PART 1: PREAMBLE

- ❖ Acknowledgements
- ❖ Political Map of the State
- ❖ State Fact Sheet
- ❖ 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 Kwara 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 His Excellency Rauf Aregbesola, the Executive Governor of Osun State, His Excellency Olagunsoye Oyinlola the erstwhile Governor of Osun State, and the good people of Osun for their hospitality and warm reception of members of the Review Mission during the exercise.

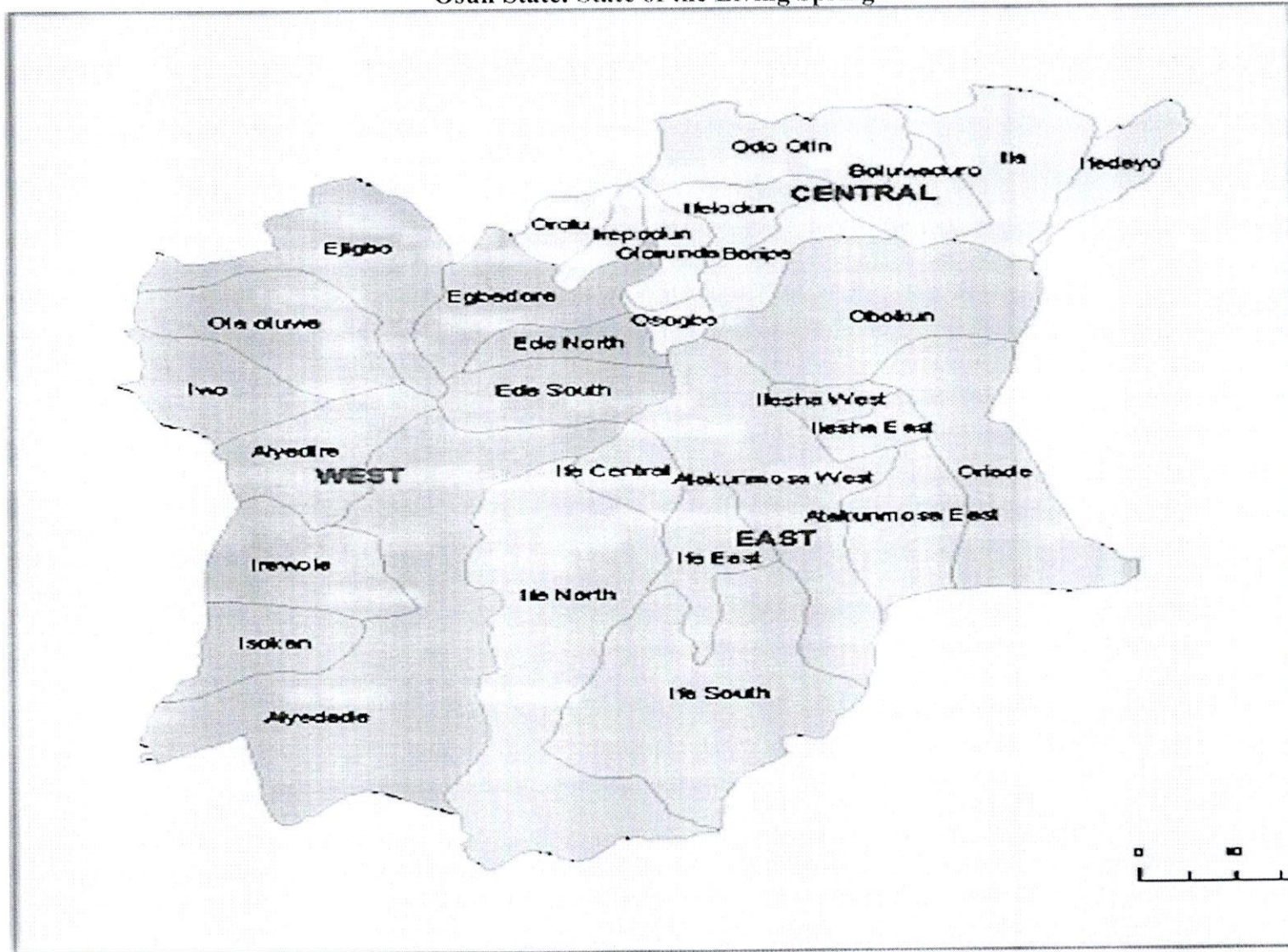
The mandate of the Peer Review Exercise is drawn from the National Economic Council's decision of January, 1999 where it was decided that all thirty-six states of the federation should review themselves; modelled after the African Union (AU) Peer Review Exercise. The key objective is to benchmark best 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
Nigeria Governors' Forum

Osun State: State of the Living Spring



Osun State: Fact Sheet

COUNTRY	NIGERIA
STATE	OSUN
DATE CREATED	27 TH AUGUST, 1991
CAPITAL	OSOGOBO HIS EXCELLENCY
GOVERNOR	RAUF AREGBESOLA
TOTAL AREA	9,251km ²
AREA RANK	28/36
LGAs	30
POPULATION ESTIMATE (2006)	3,416,959
POPULATION RANK	19/36
DENSITY	238.1/km ²
GDP (2007)	\$7.28Billion
GDP PER CAPITA (2007)	\$2,076

Acronyms and Abbreviations

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
OS	Osun
OSSG	Osun State Government
LGAs	Local Government Areas
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
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
PFMPFM	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
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

Historical Background

Osun State is located in south-western Nigeria which was created on the 27th of August, 1991 from part of the old Oyo State. The state's name is derived from the River Osun, the venerated natural spring that is the manifestation of the Yoruba goddess of the same name. Osun State is a repository of Yoruba culture. Ile-Ife, the Cradle of the Yoruba Nation, is only thirty minutes' drive from Osogbo, the State Capital. Prince Olagunsoye Oyinlola took over the administration of the State on May 29, 2003. He held sway until 26th November 2010, when an appellate court annulled his re-election into the second term of office in April 2007 and the erstwhile opposition party Action Congress of Nigeria candidate Engr. Rauf Adesoji Aregbesola, was declared the winner of the April 2007 gubernatorial election. Aregbesola was sworn into office on Saturday, 27th November 2010, and has since assumed duties as Executive Governor of Osun State.

Geography

Osun state is an inland state with a land co-ordinates 7°30'N 4°30'E. The state is bounded in the West by Oyo State, Ondo and Ekiti States in the East, Kwara State in the North and Ogun in the South.

Local Government Areas

Osun State has 30 local government areas: Atakunmosa East(Iperindo), Atakunmosa West (Osu), Aiyedaade (Gbongan), Aiyedire (Ile Ogbo), Boluwaduro (Otan-Ayegbaju), Boripe (Iragbiji), Ede North (Oja Timi), Ede South (Ede), Egbedore (Awo), Ejigbo (Ejigbo), Ife Central (Ile-Ife), Ife East (Oke-Ogbo), Ife North (Ipetumodu), Ife South (Ifetedo), Ifedayo (Oke-Ila Orangun), Ifelodun (Ikirun), Ila (Ila Orangun), Ilesa East (Ilesa), Ilesa West (Ereja Square), Irepodun (Ilobu), Irewole (Ikire), Isokan (Apomu), Iwo (Iwo), Obokun (Ibokun), Odo Otin (Okuku), Ola Oluwa (Bode Osi), Olorunda (Igbonna, Osogbo), Oriade (Ijebu-Jesa), Orolu (Ifon-Osun), Osogbo (Osogbo)

Demography

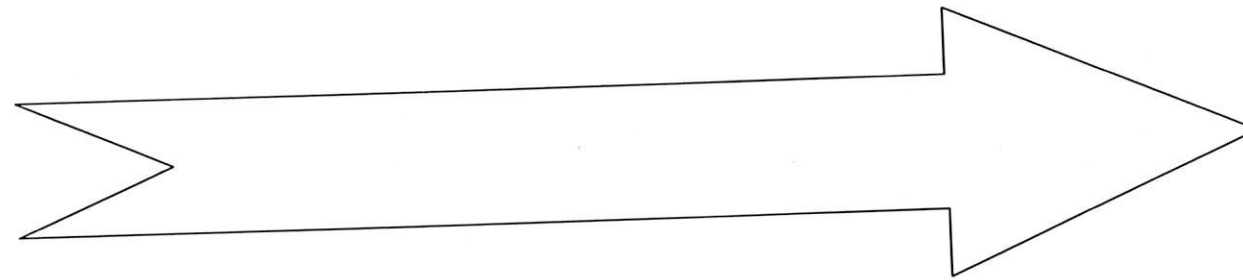
According to the population census of 2006, the state had 1,734,149 males and 1,682,810 females making a total of 3,416,959.

Ethnic Composition and Culture

The major sub-ethnic groups in Osun State are Ife, Ijesha, Oyo, Ibolu and Igbomina of the Yoruba people although there are also people from other parts of Nigeria. The people practice Islam, Christianity and the traditional faith.

Natural and Mineral Resources

Osun State is blessed with vast mineral resources. These include gold, clay, limestone, kaolin and granite. It also has many agricultural resources.



PART 2: PEER REVIEW REPORT HIGHLIGHTS

- ❖ **The Nigeria Governors' Forum (NGF)**
- ❖ **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**

The Nigeria Governors' Forum (NGF)

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

The NGF brings governors together to share experiences, promote cooperation among States, serve as a mechanism for conflict resolution between states and federal government on the other.

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:

- 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 headed by Dr. Abubakar Bukola Saraki was restructured for the enormous challenges of governance and development. The first of the efforts to revitalize the Forum was the establishment of a new Secretariat headed by a Director General and supported by two (2) Executive Directors. Further attempts at institutionalizing the Forum culminated in the appointment of Mr Peter Obi, Executive Governor of Anambra State as Vice-Chairman.

Benchmarking State Governments: Lessons from Previous Efforts

Following the articulation 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 measuring four areas of state governments' performance in 2005: policy, budget and fiscal management, service delivery, and communication and transparency. The four areas were those highlighted in the State Economic Empowerment and Development Strategy (SEEDS) developed by States in 2004. SEEDS drew on the federal government's National Economic Empowerment and Development Strategy (NEEDS) adopted in early 2004 that articulated national programmes for economic growth, public sector reforms and poverty reduction. A second SEEDS benchmarking exercise was carried out in 2006 and a report on the achievements and weaknesses of States as revealed by the exercise were published. Since several States reacted negatively to the ranking in the benchmarking report of 2005, the 2006 benchmarking report was not ranked and subsequent rounds beyond 2006 were discontinued.

Mandate of the States' Peer Review Exercise

At the onset of debates regarding the best way to optimize the utilization of the Excess Crude Account (ECA), the National Economic Council, (NEC), in 2007, concluded that there was the need for the States throughout the federation to peer review themselves. Consequently, the NEC, which also has all the 36 (thirty-six) States 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 that would carry out the exercise.

It is important to note that the Secretariat of the NGF toured the 36 states of the federation as part of a preliminary effort to gather general information, develop a set of benchmarks, identify unique practices and document

challenges to development efforts at the state level. The NGF Secretariat now has a robust library of information on all the states in addition to reaching out to the networks of officials, persons and institutions around our principals.

Purpose and Objectives

The objective of this initial peer review tour is to assist States to improving 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 the 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 and promote cooperation among states; and encourage experience sharing through peer pressure.*
- c. Assess the states' strengths and challenges within the identified thematic areas on the basis of which a state's Programme of Action will be drawn up to redress the identified challenges as part of the review process.*
- d. Make appropriate value-based recommendation(s) for the Government's optimal performance within the thematic areas of: 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; achieving better service delivery (timeliness, quality and public access) nation-wide through the progressive improvement of policies, planning, budgeting and public service reform on the one hand, and core sectors such as education, health, roads, and agriculture on the other.*

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. All the non-enumerated or residual functions are the exclusive responsibility of the State Governments. Typically, there were clear jurisdictional overlaps, which sometimes made it difficult to precisely determine and assess the performance of each tier of government in the delivery of certain services.

Typically, the scope of the Peer Review essentially covered only a select set of core sector areas common to all state governments. Therefore, the following core sectors formed the basis for this exercise: **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 budget; 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.*
- **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.*

Osun 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 Osun State subsumed the entire state's executive, legislative the judicial arms of government into one entity which was further divided into 6 (six) key thematic policy areas thus: 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. 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 managed through three principal layers: MDAs' Interactive Sessions in plenary, Technical Sessions with designated State Officials, and an Exit Discussion Session with the Governor. The MDAs' Interactive Session in plenary was followed up with physical confirmatory and observatory and guided inspection visits to designated projects and activity areas.
- b. Two major sources of data constitute the evidence base for this assessment; data from primary and secondary sources. These were instrumented through a randomly domesticated questionnaire which was complemented by desk research for reviewing 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 focused group discussions.
- c. The General Session was conducted to provide opportunity for the State Officials to present their programmes, achievements and challenges in plenary.
- d. Technical Interactive Session was conducted to assist the Peer Review Team to weigh the balance of reliability of the information and related matters contained in the substantive submissions and presentations by the State. 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-related technical persons.

The scheduled visit to Osun State took place from Sunday 29th August to Friday 3rd September, 2010. The NGF Secretariat Mission comprised of 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.

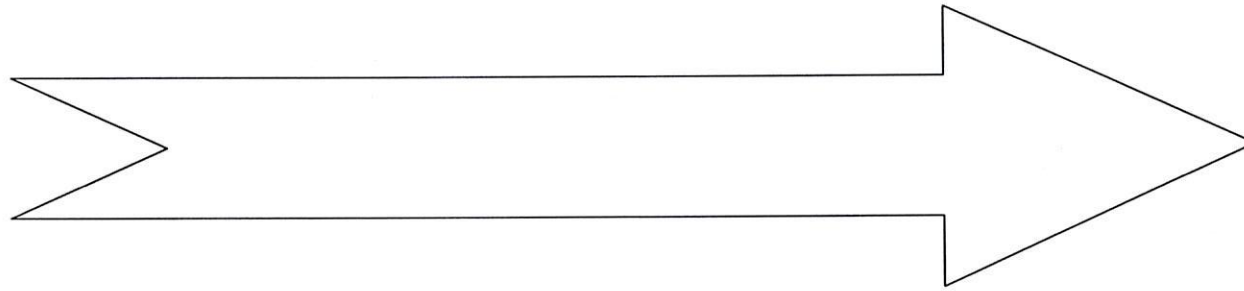
The team arrived Osogbo, the capital of Osun State. On Sunday, 29th of August, 2010 purposely to peer review the state, a process which had been carried out in thirty-three other states in Nigeria.

The peer review exercise commenced with a courtesy call on His Excellency, Prince Olagunsoye Oyinlola, Executive Governor of Osun State, who warmly welcomed the team to Osun State. Having enumerated many other pass marks of his stewardship to the people of Osun State, His Excellency, Prince Olagunsoye Oyinlola, concluded his welcome address which was followed with an elaborate briefing by the Secretary to the State Government, Hon. Kazeem Adio. The Imperial Majesty, Ooni of Ife, Oba Okunade Sijuade further noted that the NGF should be strengthened beyond writing reports of inspection tours for the consideration of the governors to making specific suggestions to the Federal Government in areas that needed urgent intervention. The peer-review tour of Osun State ended with a dinner and an interactive session with His Excellency, Prince Olagunsoye Oyinlola, the Governor of Osun State, where preliminary reports of the findings of the team and suggestions on improvements were tabled before His Excellency who further clarified areas of doubts.

Limitations of the Peer Review Methodology

The methodology adopted was, however, limited by the inability of the Policy Consultants/Advisors to access operational source documents in some cases. It was evident that the State officials were not briefed beforehand on the format and extent of technical information that would be required of them. It is noted that the initiative of Peer Review by NGF Secretariat is novel, so this limitation is normal and expected. Thus, the following limitations were observed particularly in Osun:

- i. Osun 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. Osun 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.
- 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.



PART 3: REPORTS ON THE CORE SECTORS

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

AGRICULTURE AND WATER

A) Assessment Indicator 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.

A. Assessment Indicator 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

Identified benchmarks

- ❖ The State Government took delivery of 1,710 metric tonnes of fertilizer from the Federal Government at a cost of N54,085,000. The fertilizer was distributed to farmers irrespective of their scale of operation. This has resulted in forcing down the market price of the commodity. Also, agro-chemicals were procured for cocoa farmers through the National Cocoa Development Committee [NCDC].
- ❖ The agricultural in school programme aims to impart agricultural skills to students so that on graduation, they would easily take to agriculture as means of livelihood. All the primary schools in the State participate in the programme. While some schools are participating in the crops component, cultivating crops like maize, cassava, yam, melon, etc, others engage in livestock production such as piggery, fisheries, poultry, etc. A sum of N 1.6 million was released to the Programme, which was used for the supply of weaner pigs, fish fingerlings, rabbits, tree and horticultural seedlings to post primary schools in the State.
- ❖ In addition to the Community-based water schemes, the state government committed a sum of forty million Naira to rehabilitate old water- works and extend pipes to new areas. It is also remarkable that the State was able to secure a N193 million Federal Government approval for the rehabilitation of Iwo and Ilesha water schemes.

Key Observations

Agriculture

- ❖ To promote agriculture in Osun State, the state government procured 36 Steyr tractors at a cost of ₦73.9million and 36 ploughs at a cost of ₦16.2million. The government had also purchased and distributed to the LGAs an additional 300 tractors and ploughs as well as 150 harrows, ridgers and tipping trailers at a total cost of ₦1,340, 860, 500.00
- ❖ Osun State is at a threshold of agrarian and industrial revolution. The State Government has invested heavily in agriculture with the intention of mass production of various crops for direct human consumption and industrial utilization. This, coupled with the agro-allied provision of an investment-friendly environment has set the stage for massive agro-allied industrial investment in the State.
- ❖ There were 8 farm settlements in the State located at Ago-Owu, Oyere, Esa-Oka, Oke-Osun, Iwo, Igbaye, Oluponna and Ila- Orangun. A total of 6,139.36 hectares of land was cultivated to various crops while 49 settlers were recruited. Additional two farm settlements have also been opened at Ipetumodu and Ifon-Orolu. These are expected to provide land for landless farmers.
- ❖ The Poultry Investigation Centre at Oloba procured 4,000 day old chicks as replacement stock to the old 3,400 parent stock. At maturity, these stock birds will produce day old chicks for sale to poultry farmers all over the State. A total of 33,354 various livestock and 459,965 fowls had been treated. 12,320 animals

slaughtered were inspected and passed as wholesome for human consumption while 74,500 different species of animals were vaccinated.

Water

- ❖ In realisation of the importance of water to the physical health, economic activities and infrastructural development of Osun State and in cognisance of the fact that the existing water plant in Ede which was serving 16 LGAs of the State was already functioning below its capacity, the government embarked on the construction of at least one water scheme in each of the 30 LGAs. So far, the state government had initiated and completed about 33 water scheme while the state had also secured ₦193million federal government fund to rehabilitate water schemes in the state.
- ❖ At the Okuku 600m³ per day capacity Mini Water Works, the team was informed that each of the similar schemes across the state was provided with staff quarters to ensure regular maintenance and conduction of regular quality checks on the water before being supplied to the public.
- ❖ Apart from the erratic power supply from PHCN which necessitated huge expenses on diesel purchase (20,000 litres was required to power 500KVA generator to make the pumping machines work at full capacity) , some of the residents complained that they had not benefited from the scheme owing to the activities of construction companies that usually destroyed water pipes without replacing them.

Recommendations

- ❖ Solar based water plants should be explored to provide a viable alternative to present water plants.
- ❖ The state is not achieving maximal water reticulation and would therefore require further development of the present design.
- ❖ Current agriculture policies should be updated in to a comprehensive and applicable agriculture working policy.
- ❖ Micro-credit facilities to farmers should be encouraged further by the state government.
- ❖ Further exploration of harvest processing and storage facilities.

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).

Identified Benchmarks

- ❖ The Osun State University (UNIOSUN) operates a multi-campus system with the aim of strategically impacting all the senatorial districts of the state. The campuses are located at Osogbo, Okuku, Ikire, Ejigbo and Ipetu Ijesha. Interestingly, they all have different academic focus. At the rate of development on these campuses, Osun State could very well reclaim its position as an education state. Most commendable is the use of virtual classroom method of instruction and fair admission process for students.

Key Observations and Other findings

- ❖ The state government's recall of teachers has done a lot to bring a new lease of life to schools while morale of others hitherto at its lowest ebb has been lifted. The government has also followed this action with enforcement of strict discipline among teachers and pupils of public schools. Today, it can be said that sanity has returned to the schools.
- ❖ One major area of government action in the education sector was the payment of WASC Examination fees for all final year secondary students in the state. This programme cost the government N130 million just as it paid N49 million bursary to final year students in tertiary institutions.
- ❖ As a double-barrel approach to reduce unemployment among the teeming graduates in the state and at the same time get more teachers for public schools, the government has introduced a voluntary teaching scheme tagged "Oyincorps" where 2,500 teachers have been recruited.

- ❖ Promotion of teachers which had been in abeyance for years received the attention of the state government. A total of 18,000 teachers [14,000 primary and 4,000 secondary school teachers] were promoted. In appreciation of the gesture, the Nigeria Union of Teachers [NUT] and the Federal Ministry of Education gave Prince Oyinlola an award of distinction.
- ❖ The government has also awarded contracts for the provision of prototype laboratories for seven new Technical Colleges in the state in addition to paying for the home economics equipment and instructional materials for public secondary schools. Also, the government has resuscitated Parent Teachers Associations [PTA] in public schools to further engender discipline and development in these institutions.
- ❖ The State established the Education Resource Centre to retrain teachers in a new Science instructional methodology that is student-centred with teachers acting as learning facilitators. To ensure this new instructional ideology gets to the end users, the State purchased learning Kits for all Schools, through an Israeli company “Skill G”. An integral part of the teacher retraining is a pre-assessment and continuous assessment while the intervention is taking place. The programme has deepened teachers’ knowledge content and sharpened their instructional skills.
- ❖ Despite the bright spots enunciated above, there are some major challenges. In addition to the physical observations, interviews with teachers, students and parents revealed the following:

1. Poor learning environment / community encroachment / lack of perimeter fencing.
2. Lack of manpower, especially in science and mathematics
3. Poor parenting
4. Lack of instructional materials / laboratories / libraries
5. Poor teacher remuneration
6. Lack of potable water / toilet facilities
7. Lack of ICT and training for teachers.
8. No Sick bay for students

- ❖ Interviews with some students also revealed that there had been no electricity for the 2-3 months preceding our visit. There were leaks from the toilets to the rooms and not enough core textbooks. Students paid N5, 000 for stationery but did not receive any and had to find it elsewhere at their own cost. They paid N2, 000.00 each for sport, but did not receive any equipment or training. There might be a need to look closely at what is happening with the leadership of the schools.
- ❖ Though ICT certification is a requirement for graduation, there are no functioning computers in the School of Nursing while the School of Midwifery had four computers with six to seven students at each terminal learning basic skills.
- ❖ Sustenance of schools depends partly on contributions from alumni. The schools management should look into the feasibility of alumni cooperation.

Policy Recommendations

- ❖ The authorities should collate comprehensive data on all schools and the data to be used to drive all school reform initiatives.
- ❖ Due to the fiscal constraints, the state should develop a strategy for managing and implementing school improvements.
- ❖ The State should have policy standards for the establishment of public and private schools
- ❖ The schools must have:
 - ✓ Potable water / clean toilets
 - ✓ Perimeter fencing (gated)
 - ✓ Library / Laboratories – well equipment
 - ✓ ICT exposure in all tiers of education, it should drive curriculum and instruction
 - ✓ Continuous professional learning for all teachers / enforce professional ethics.
 - ✓ Teachers / Principal / School Inspectors performance evaluations with implication for retention and promotion (Formative and summative evaluations). However, this must include intervention strategies.
 - ✓ Teachers that are adequately remunerated.
 - ✓ Student sick bays
 - Vertically aligned and rigorous curriculum
 - Emphasis on Numeracy / Literacy

- ❖ To be a global economic player, it's important to recognize the need for ICT, Maths, Science and technology.
- ❖ Parenting skills classes / PTO
- ❖ Carry out recruitment drives for qualified and committed teachers. Have ongoing articulation with teacher prep institutions on standards required for the job.
- ❖ Consider Attendance zones and feeder patterns to drive the quality of education. This can only be done with comprehensive data. The idea is to create millennium schools.
- ❖ Adopt a phase in process in repositioning education in the state, with the greatest focus on primary education (Lay solid foundation)
- ❖ To supplement government efforts at UNIOSUN multi-campus system, due to fiscal constraints, it is important to encourage partnerships between the campuses and businesses in the immediate communities. The University trains the new work force for businesses and are clients / patrons of these businesses. The businesses should give back.
- ❖ Include fieldtrips / career days at the primary and secondary levels to make learning lively and realistic to students. Consider including entrepreneurship as part of secondary education curriculum. (Ekiti State).
- ❖ As a matter of policy, the state must institute special education to take care of the range from learning disabled to the exceptional (Toheeb to Daguduro Keinde)
- ❖ Invest at least 26% of annual budget on education, consider school “drop- out – round –up “ for vocational skills training, especially pregnant young girls.

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 for 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 State's decisive policy of job creation had resulted in the provision of employment to many graduates of tertiary institutions, through the administration's Graduate Gainful Employment Scheme. Also, an estimated 6,000 workers that were laid off by the previous administration were recalled to their various duty posts by the present administration.
- ❖ Furthermore, the State had purchased 100 buses and a number of taxi cabs which were distributed on interest free loan to National Union of Road Transport Workers (NURTW) and Road Transport Employers Association of Nigeria (RTEAN) to further provide jobs for unemployed youths. In addition, 720 motorcycles were purchased and given out to some youth beneficiaries on interest free loan to generate employment and alleviate poverty.

Key observations

- ❖ The Cocoa Processing Industry was established in March 1979 to process an annual 30,000 metric tonnes of cocoa beans into semi-finished products such as cocoa liquor, cocoa butter, cocoa cake and cocoa powder. However, the company had since 1982 been grossly underutilised, and went through a series of operational problems and all efforts to resuscitate the factory which shut down since February 2002, had failed.
- ❖ In a bid to resuscitate the company, the Coordinating Accountant/Acting Chief Executive Officer of the Company, had approved ₦98,854,000 million to pay 22 months accrued salary of the staff of the company

while the present administration had also concluded plans to diversify 85% equity stakes of the company to Qianchan Trading Company Limited, China.

- ❖ The State's efforts at harnessing the rich agricultural base of Osun State to promote industrial growth and generate wealth for the citizens, culminated in the establishment of the cassava integrated industries in Okuku, Ogbaagbaa and Ijebu Ijesa. These industries were mainly targeted at cassava flour production, thereby providing guaranteed market for cassava farmers in the state. The companies were leased to private outfits such as Murry-Murrison International Nigeria Limited.
- ❖ The team was informed that, the cassava plant in the past 2½ years had supplied over 300 tonnes of cassava flour to Flour Mills of Nigeria, Apapa, Lagos and Dangote Flour Mill Plc, Ilorin, Kwara State. He, however, identified short supply of cassava tubers to the factory as a major challenge owing to the competitive demands for cassava by man and the industries.
- ❖ The Osun State Investment Company Limited (OSICOL) had been capitalised which had enabled the company to float some wholly owned subsidiary companies to handle various business opportunities in the state. These companies included Livingspring Bulk Purchase Company limited, Helikite Watch Security Limited, Livingspring Capital Company Limited and OSICOL Water Nigeria Limited.
- ❖ While conducting the team from NGF round the subsidiary companies of OSICOL, the team was informed that the state government had invested a total sum of ₦2billion in the Livingspring Bulk Purchase Company Limited while a total sum of ₦80million was invested to establish the OSICOL Waters Nigeria Limited

whose product Essence Table Water had become household name in Osun State. The factory was producing over 5000 packs of table water weekly.

- ❖ The State initiated Living Spring Free Trade Zone purposely to establish Osun State among large-scale industrialised states in Nigeria and beyond. The LFTZ, constructed on 1,650 hectares of land was planned to be completed in eight (8) phases, the phase 1 of which his Excellency, Prince Olagunsoye Oyinola said he would commission in December 2010.
- ❖ Already, construction work at the LFTZ site in Osogbo had reached advanced stage with ₦1.5billion spent to provide asphalt road network, perimeter fence, street light, electricity, administrative building e.t.c. The project, which was largely designed to fully utilise major agricultural food products cultivated in the state, would provide over sixty thousand jobs for skilled and unskilled labour when fully operational.
- ❖ Osun State had great potentials in tourism industry with over 58 tourist centres in the state. The popular Osun Osogbo Sacred Grove had for years attracted tourists from across the globe to Osun State; a development which spurred the state government into working assiduously to ensure the Osun Osogbo Sacred Grove was listed by UNESCO as a world heritage site.
- ❖ Following the approval of UNESCO, the state government, as part of its contribution to the realisation of the vision embarked on the provision of infrastructural facilities for the Centre for Black Culture and International Understanding, the first of its kind in Africa established by UNESCO in Osogbo to confirm Osun State as the home of culture and tourism. Over ₦1billion was spent by Osun State government to

provide administrative block, auditorium, *bukateria*, workshop/vocational centre, library, gate house, 3 shops, electricity, water and dual carriageway complemented with necessary road furniture for the centre.

- ❖ Similarly, the administration had completed the construction of a new Presidential Lodge, Governor's Lodge Abuja in 2007, six four-bedroom Guest Lodges, Abuja Liaison Office, Abuja and reconstruction of government house at Ikoyi in Lagos state.
- ❖ To continually build the confidence of civil servants in the state government, the state had implemented numerous pro-workers policies targeted at making them comfortable while working for the state government. Since the inception till date, a total of ₦510.87million had been released by the state government as motor vehicle loans to 4,244 public officers. In the same vein, the state government had settled outstanding ₦2.5billion unpaid gratuities of retired workers in the service of Osun State.
- ❖ The state government had been very supportive of youth development programmes, particularly the National Youth Service Corps (NYSC) scheme in Osun State. The state used to conduct its orientation programmes from a temporary site, Baptist High School, Ede. However, later a millennium camp was built to provide a befitting orientation centre for the NYSC scheme in Osun State.
- ❖ According to the Osun State Director, NYSC, the facility provided by the state government could accommodate 2,500 corps members and 200 camp officials. Other interventions by Oyinlola administration at the camp included the supply of a total of 2,600 mattresses, 1,160 bunks, perimeter fence, ICT –centre, 3 boreholes, electricity, brand new Toyota bus and Toyota Corolla car e.t.c. The State Director however

requested for construction of a bigger hall with a capacity for 5,000 corps members as the population of posted youth corps had since exceeded the facility on ground.

- ❖ Owing to the turbulent business environment, characterised by rapid technological innovation, unpredictable advancements and accelerating globalisation, the state resolved to harness Information and Communications Technology (ICT) to stimulate and enhance rapid development in all sectors of the state economy.
- ❖ Towards evolving paperless governance, the state had created the Bureau of Computer Services and Information Technology to midwife e-governance of Osun State Government, a project which had a budget of ₦500million in 2009 and 2010.
- ❖ The vision of the Governor was to make Osun State a key player in the ICT sector, thus every LGA and the 54 MDAs in the state were connected to the ICT centre even though there were autonomous Very Small Aperture Technology Satellite Communication Technology (VSAT) at the LGAs.
- ❖ To ensure an efficient service delivery system in ICT, the state government had partnered some giant companies in ICT industry such as Microsoft, CISCO, Oracle, National e-Governance Strategies (NeGSt) for effective development and deployment of ICT in the state. Already, the Bureau had embarked on computer appreciation course for all members of the State Executive Council, the Governor and the Deputy Governor and ICT trainings for permanent secretaries, heads of non-ministerial agencies and professionals such as engineers, architects, surveyors, etc.

- ❖ The State had forged harmonious working relationship with the thirty LGAs in the state by releasing to them their monthly allocations after the deductions of statutory deductions had been effected at the Joint Allocation Committee of the LGAs and the state government.

- ❖ Addressing the NGF team at the ₦34million Olorunda Local Government Shopping Complex which consisted of 38 lock-up shops and other infrastructures, the Vice-Chairman, Hon. Ojetola Nathaniel Adekunle disclosed that after paying out ₦700million as salary to teachers, what remained of their ₦1.3billion FAC allocation was barely enough to undertake any capital projects for the economic development of the state.

- ❖ Similarly, Hon. Teslim Igbalaye, Chairman, Osogbo LGA, reiterated the fact that inadequate funds at the LGA level deterred effective performance of their statutory duties because the bulk of allocated funds to the LGAs, were spent on the salary of primary school teachers. He suggested NGF intervention towards convincing state governments to take over the responsibility of paying primary school teachers' salaries so that the LGAs could focus on developing the grassroots.

- ❖ The State, through electronic media, had put Osun State on the airwaves and the activities of the state government were constantly reaching the people no matter where they resided within the state. Some of the giant strides of the state government in the information sector included:

- ❖ The television station in Iwo which was initiated by the administration of Chief Bola Ige in 1980 as part of the Television Service of Oyo State (TSOS) has been completed. The project was abandoned since 1983 and had been left uncompleted for 25 years before the government in 2005 re-awarded the contract for its completion.
- ❖ The present administration had committed the sum of ₦1 billion to procure transmitter and other necessary equipment to enable the television station take off. The television station, christened Reality Television, was designed to include a film village and a video production facility.
- ❖ To sustain the television station, its management had gone into a private partnership with some investment concerns that used part of the sprawling edifice as a College of Arts and Sciences. However, the NGF team on visit to the station advised that the management of the broadcasting outfit should consider maximum utilisation of the facility in areas of manpower and necessary skills level development for broadcasting houses, most especially as a TV College, similar to the one in Jos, Plateau State.
- ❖ The state government had equally converted a one-time repeater station of the Television Service of Oyo State (TSOS) to a full broadcasting outfit, christened New Dawn Television. The television station, which claimed to be the first ahead of NBC's 2012 deadline to change from the analogue mode of transmission to digital mode, would be dedicated to preaching, entertainment and teaching, according to Engr. Samson Oyebanji, Director-General, OSBC, who conducted the team round the station's facilities.

- ❖ The 20 KW dual cast television transmitter provided for the station was capable of transmitting six (6) programmes simultaneously, an advantage digital transmission has over analogue which could only transmit one programme at a time.
- ❖ The State had also established a due process office now called Bureau of Public Procurement purposely to handle all government contract transactions in a transparent manner. The Bureau had developed benchmarks for the various types of jobs and items for procurement. That benchmark had enabled the government to get value for money spent on projects and items purchased.

Recommendations

- ❖ For effective planning and policy formulation, the role of data collection and management is very crucial. 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.
- ❖ Concerted attempts should be made to strengthen PPP arrangements in the State. This could provide alternative source of funding infrastructure 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 spending money not budgeted for should be adequately addressed.

STATUS OF THE FISCAL RESPONSIBILITY AND PUBLIC PROCUREMENT BILLS

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

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

Identified Benchmarks

- ❖ There are more than one thousand and thirty (1030) health facilities located throughout the State. Two of these are Tertiary Teaching Hospitals; 52 are Secondary Health Care Facilities owned and managed by Osun State Government; more than 532 are Primary Health care facilities owned and managed by the 30 Local

Government Councils while more than 300 are owned and managed by private individuals. Some of these are owned by missionary groups.

- ❖ The Health/ Medicare policy of the state government is predicated on the fact that every other programme of government requires a healthy citizenry to accomplish. It is this prime place which the health sector occupies that informs the various programmes and projects being executed by government. It is the conviction of the government that a well coordinated health policy must be supported with skilled highly motivated staff as well as provision of facilities in order to achieve maximum results

Key Observations

- ❖ It is because of this that government has implemented free and efficient Primary Health Care services in the state. Thus, thirty-one ambulances were purchased and distributed to all local governments under the referral scheme. This project has definitely enhanced access to health care facilities and reduce mortality rate resulting from delay in accessing better free health services.
- ❖ To boost health care service delivery with complementary essential drugs, the government from June 2003 to December 2004 spent ₦248million to procure necessary drugs, an effort that was expanded in 2009 to the tune of ₦500million for drugs and other medical consumables in addition to 31 ambulances distributed across the 30 LGAs of the state for easy referral to higher hospitals.

- ❖ The government had also spent ₦30,800,000 to procure 22,000 long lasting insecticide nets (LLIN) distributed to all the LGAs purposely to free people in the state from deadly attack of mosquitoes, the chief cause of malaria.
- ❖ Unprecedented efforts of the government was equally felt in its investment at making the School of Nursing and Midwifery, Asubiaro, Osogbo, outstanding. Apart from ensuring the School of Nursing courses were fully accredited, the present administration had provided hostel accommodation for male and female students of the school and befitting library and laboratory facilities to aid effective teaching and learning process.
- ❖ The Chairman also conducted the team round the ₦8.7million Primary Health Care facility which would be dedicated to the treatment of Sickle Cell Anaemia cases in partnership with an NGO from the United States of America.
- ❖ Furthermore, the state government had completed blocks of classrooms and a laboratory at the School of Nursing and Midwifery Asubiaro, Osogbo. The project which cost almost thirty-five million Naira brought major relief to student nurses and their teachers who had operated on the new site of the school for two years without enough space for teaching and research. Similarly the state government has completed the construction of a 20 -bed comprehensive health centre in Modakeke - Ife, in Ife East Local Government at a cost of 18.5 million Naira.

Recommendations

- ❖ The free care for maternal and children under five years should be implemented in all the 27 LGAs.
- ❖ The state government should also encourage implementing the infant mortality and immunisation programmes across the state.
- ❖ In regards to infrastructure the state should continue to pursue the renovation of Awo-Omamma general hospital. The state should also monitor and rehabilitate where necessary PHC centres and general hospitals across the state
- ❖ Focus should be placed on the health care facilities, essential services and quality of care to ensure they meet standards.
- ❖ The state should provide quality training institutes to meet the human resources demands.
- ❖ The improvement of science education in secondary schools.
- ❖ Public Private Partnership should be explored.
- ❖ NHIS coverage in the state should be encouraged.
- ❖ Effective and participatory monitoring and evaluation system to be put in place.
- ❖ The state government should consider harmonize activities of Ministry of Religious Affairs, Women Affairs , Budget and Planning (MDG) with Ministry of Health.

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.

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

Benchmark

- ❖ In realisation of the importance of water to physical health, economic activities and infrastructural development of Osun State and coupled with the fact that the existing water plant in Ede which was serving 16 LGAs of the State was already functioning below its capacity, Oyinlola administration embarked on the construction of at least one water scheme in each of the 30 LGAs. So far, the state government had initiated and completed about 33 water schemes while the state had also secured ₦193million federal government fund to rehabilitate water schemes in the state.

Key observations and Other Findings

- ❖ In 2003, when Prince Olagunsoye Oyinlola assumed office as the governor of Osun State, many roads within the state capital and elsewhere in the state were in deplorable conditions. However, in fulfilment of his electoral promises, Oyinlola administration embarked on the construction and rehabilitation of inter and intra-city roads within the state.
- ❖ In the seven years of the administration, about 1000km of roads had been constructed or rehabilitated. Some of these roads included:
 - Dualisation of Oke-fia Osogbo West Bye-Pass Junction Road (4.35kms)
 - Construction of Oba Oyinlola Afolabi Adigun Road, osogbo (1.26kms)
 - Construction of Gbongan-Odeyinka-Orile-Owu Road (30kms)
 - Construction of Ifewara – Faforiji – Olode Road (334kms)

- Reconstruction of Iwo – Obamoro – Ikonifin – Ife – Odan Road (21kms).
 - Construction of Ajebamidele – Gbongan – Ile-Ogbo Road (23.60kms).
 - Rehabilitation of Ila – Ora – Kwara State Boudary Federal Road (22.10kms).
 - Reconstruction of Iree – Ada Road (5kms).
- ❖ The dualisation of Akoda to Osogbo and rehabilitation of Igbona-Oke Oniti in Osogbo were some efforts at providing good roads for the people of Osun State. Others were Oke – Gada – Awo - Ejigbo Road, Aisu – Ede Road, Ife Township Road and networks of roads linking Okuku, Irusa, Ekusa, Igbaye, and Iyeku all in Odo-otin LGA of the state, (28.50kms) awarded to Nigercat Construction Ltd at the cost of ₦592,446,657.59.
- ❖ The team visited Akoda – Osogbo – Kwara State Boundary Road dualisation (15.7kms) and Ife Township networks of roads project (23.0kms) both of which were handled by Nigercat Construction Ltd at the cost of ₦3,032,609,072.60k and ₦857,048,466.07k respectively. The team was conducted through the road projects by Engr. Bassam Assi, the Site Engineer for Nigercat Construction Ltd.
- ❖ The administration of Prince Olagunsoye Oyinlola had through Osun State Property Development Corporation (OSPDC) established over ten housing estates in Osun State with a view of providing the people access to affordable housing. At the time of the team’s visit, the government’s desire to provide infrastructures such as road, electricity and water, were ongoing.

- ❖ The Akoda Housing Estate, where the team from NGF was received by the General Manager OSDPC, Mrs. Modupeola Adetoye, was designed to provide 350 units of housing, out of which 43 units had been completed. The estate tagged Prince Olagunsoye Oyinlola Workers' Estate had been provided with concrete drains, earth road, electricity and water. Each of the 2 bed-room semi-detached and detached was sold for ₦1.5million and ₦2.5million respectively.
- ❖ In addition, the Osun State government had signed a MoU with private developers to develop 200 units of housing within the estate
- ❖ The administration was committed to the achievement of the millennium development goals before the year 2015. The Special Assistant to the Governor on MDGs, Chief Kayode Dairo, informed the team from NGF that the state government had constructed 60 motorised and 12 solar powered boreholes in the 2008 MDGs project.
- ❖ The state government had further planned another sixty solar powered boreholes in the 2009 MDGs projects while 3Nos Primary Health Centres per LGAs would be constructed from the 2010 MDGs grant.
- ❖ While showcasing one of the motorised borehole projects of the state in Iwo town, a project executed at the cost of N8million, Chief Kayode Dairo, said the state government had successfully instituted Water and Sanitation Hygiene (WASH) committee chaired by school head teachers in every

community where MDGs had water project to ensure the issue of ownership and security were surmounted for the sustainability of MDGs projects.

- ❖ The state government had significantly impacted on the life of people living in the rural communities by providing electricity to further boost the economic activities in those areas and to check rural-urban drift. So far, 63 rural electrification projects had been completed or still ongoing in all the LGAs of Osun State as at the time of the visit.
- ❖ Apart from erratic and for most of the time non-existent power supply from PHCN, huge cost of diesel of which 20,000 litres was required to power 500KVA generator to make the pumping machines work at full capacity, some of the residents complained they had not benefited from the scheme owing to the activities of construction companies that usually destroyed water pipes without replacing them.

Recommendations

- ❖ In order to manage projects within the state in a systematic and effective manner, the state should adopt a data base for planning and monitoring of projects. This would enable for effective Post – Project Execution Audits.
- ❖ To track all revenues collected by Ministries, departments and Agencies of all levels the state should adopt a centralised collection mechanism.

- ❖ The state government should establish a systematic method to track all levels of government allocations.
- ❖ The state should recognize the importance of managing their debt both locally and internationally and implement a monitoring mechanism.
- ❖ 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 regards to the advances rating category which should be applicable to political appointees, such as DGs and SAs.

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.

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
- ✓ 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

- ❖ Lack of Land Reforms for greater Revenue Generation.
- ❖ Lack of fiscal and operational autonomy of the Board of Internal Revenue.
- ❖ Large unregulated informal sector and lack of identity management infrastructure.
- ❖ Inadequate motivation of staff and poor office infrastructure.

- ❖ Inadequate Technology Infusion into tax administration systems.
- ❖ Inadequate logistical support for tax administration.
- ❖ Decentralization of revenue account and oversight function of BIRS over MDAs.
- ❖ Weak enforcement and inadequate tax collection mechanism especially in hard-to-reach areas.

Policy Recommendations

- ❖ 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 to neither taxes nor the state's Gross Domestic Product (GDP) are larger than those under the purview of formal control in Osun State. These include everything from small-scale farming, backyard employment and self-help finance to street vending, unregulated craftsmanship and small-scale manufacturing which make up the informal sector. Therefore, Osun State needs to immediately deploy proactive measures/interventions built on community/grassroots foundations through Strategic Community Involvement Partnership (SCIP); Formation of Osun Trade Council; Development of Standard Operations Procedures (SOPs) for the informal sector.

- ❖ Harness the huge untapped IGR potentials from Land; Housing and Urban Development related revenue sources e.g.

- ❖ 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 and;
 - ❖ Scale down processing duration for the issuance of certificates and grants to the irreducible minimum lead-time ;
 - ❖ Introduce Service-based Revenue Enhancement Strategy: Intensify Collection of all revenue from all channels and sources in Land & 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 (as in 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 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.

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

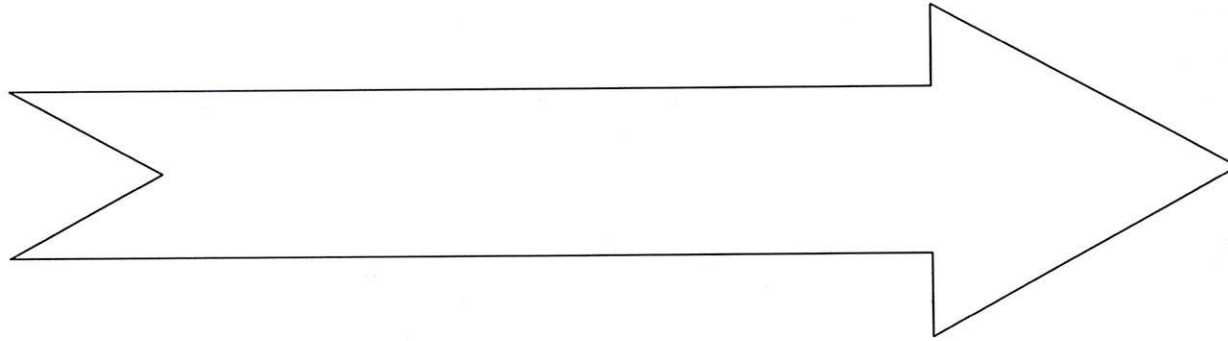
- ❖ Osun State has the propensity of increasing its ranking amongst African Governed Entities. The State Gross Domestic Product (GDP), (\$7.28 billion) is greater than that of 22 African countries GDP. Thus, the State should invite international rating agencies for proper appraisal of the state financial status with a view of attracting Foreign Direct Investment. These countries are listed on the following table.

OSUN STATE 2007 GDP COMPARED WITH AFRICAN COUNTRIES

Osun State Gross Domestic Product (GDP) of (\$7.28billion) is greater than 22 African countries' Gross Domestic Products (GDP).

S/N	AFRICA	GDP(\$) BILLION
1	Benin	6.71
2	Niger	5.38
3	Guinea	4.52
4	Rwanda	4.46
5	Malawi	4.27
6	Mauritania	3.16
7	Zimbabwe	3.15
8	Togo	2.89
9	Swaziland	2.84
10	Central African Republic	2.00
11	Sierra Leone	1.95
12	Cape Verde	1.74
13	Lesotho	1.62
14	Eritrea	1.48
15	Burundi	1.10
16	Djibouti	0.98
17	Liberia	0.85
18	Seychelles	0.82
19	The Gambia	0.81
20	Comoros	0.53
21	Guinea Bissau	0.46
22	Sao Tome and Principe	0.18

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 1st 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 Osun 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 Osun State especially in those areas of weakness highlighted in this Report. Therefore, the Osun 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 Chairman of the NGF 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 Osun 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

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