

Keynote Address Delivered by His Excellency, Dr. Kayode Fayemi
Governor of Ekiti State and Chairman, Nigeria Governors' Forum (NGF)
At the 8th IGR Peer Learning Event and Launch of the NGF Public Finance Database
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Protocol

I am delighted to be here to participate in the 8th edition of our annual IGR peer learning event. For one, the event today beckons a nostalgic feeling, as it reminds me of a collective decision we took as governors in 2019 to be deliberate with reforming our tax administrations to become more efficient and effective. Consensus reforms were focused on ending multiple taxation; professionalising and modernising our revenue services; embracing a taxpayer-centric culture that eases taxpayer compliance and strengthens the existing social contract.

This pact birthed the State Action Plan for Revenue Generation (SAPRG), whose implementation progress we will be examining today with the objective of underscoring what has worked and what we need to do better to foster an enabling tax environment and administration that allows us to optimise our revenue potential as subnationals.

Our pursuit to do things differently has benefitted from the relentless efforts of our state officials, technical assistance programmes within our Secretariat and partners' support. Your collaboration and support have ensured we stay the course of implementation, delivering far reaching reforms, which have yielded the results we see today. We have seen total IGR of States grow from NGN1.31 trillion in 2019 to NGN1.67 trillion in 2021 and the share of IGR (as % of total recurrent revenue) grow from 31% in 2019 to 35% in 2021. While this is good progress, we must not lose sight of the need to sustain and advance the momentum of reforms, considering the decline in FAAC receipts.

Our renewed effort must take into consideration the emerging dynamics surrounding private income in Nigeria today including the devaluation effect of the rising inflation rate, structural transition in employment, business dealings and investments, driven by the evolution of technology. Beyond the laws and regulations, we have passed, we must occasionally by policy respond to the fast-changing tax environment, if we must stay ahead of evasion and avoidance tactics. We recognise the need to support our internal revenue services and continue to empower them with the necessary political support and financial resources required for them to execute their mandate effectively. We remain committed to keeping this pact. However, mutual accountability must exist – to whom much is given, much is expected.

Broadly, we must seek out ways to expand the tax net and improve our taxpayer database. This will require ending the proliferation of taxpayer identification numbers and databases. It is pertinent we harmonise; leveraging a unique identification number as is global best practice. For us to achieve this, information sharing between jurisdictions must be seamless, not only between the tiers of government but also inter and intra-State. I would like to encourage the Joint Tax Board (JTB) in its pursuit for a plausible solution to this anomaly.

On strengthening public legitimacy for tax collection, we have improved the transparency not just around tax revenues but the entire treasury. Today our budgets and audited financial statements are not just publicly available but also in citizen-friendly versions. This will be supported by the NGF Public Finance Database which we will be launching today. A database that allows users to easily filter and analyse states' fiscal data and information. We understand the need to build greater accountability, especially showing citizens the linkage between their taxes and service delivery. We are working with our revenue services and other MDAs to expand our tax-for-service initiatives in rewarding compliance while ensuring citizens know where we expend their taxes annually.

I am optimistic about the tax reform journey and believe even within the time some of us have left, we can achieve a lot. As is often said, government is a continuum, so I trust those after us to continue in these reforms and many more, as may be necessary in guaranteeing the fiscal sustainability of our States.

On behalf of my colleagues, I thank you all for converging here today to chart the future of this tax reform journey we have chosen to pursue vigorously. We look forward to your recommendations and wish you a fruitful deliberation.

Today, I officially launch the Nigeria Governors' Forum (NGF) Public Finance Database – Nigeria's first reference database for State-level public finance data. This database reiterates our commitment to fiscal transparency and accountability as well as our resolve to strengthen governance in the country. We welcome your continuous support.

Dr. Kayode Fayemi
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