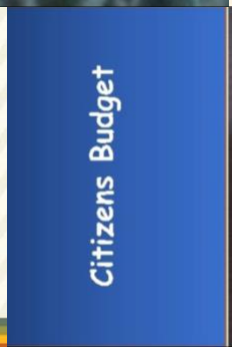
PERL Learning from Evidence-Based Results (JULY 2024)

Engaged Citizens Constitituency Influence Story No.4:

Citizen Budgeting: How citizen charters promote more transparent, accountable public finance in Nigeria's states



Embedding citizens voices into the processes of planning and budgeting – so that citizens can systematically weigh in on a range of public finance issues – requires a range of long-term support. In Nigeria, much of this assistance has come from three generations of UK Government-funded governance programmes which have helped to create vital links between state and local government budget and planning systems and citizens.

Locally created and directed forms of citizen oversight are having a positive impact on public finance management in Nigeria. Among these, Community Development Charters (CDCs) have proven to be one of the most effective ways to make sure sub-national government budgets are realistic and well suited to the needs of local populations. CDCs, or Citizens Charters of Demand (CCDs) are written documents containing

the development needs of a specified community, listed in order of communal priority, as agreed by all (see Box 1), for consideration in public planning. Engaging a range of citizens that reflect the makeup of the society in the budget cycle in this way is an important precursor, so that internally generated public revenues at state and local levels are allocated for development that is more inclusive.

Laying a foundation of mutual trust

The groundwork for PERL's efforts towards greater citizen participation in public finance issue was laid by two other UK government funded programmes out of which PERL was forged – the State Partnership for Accountability, Responsiveness and Capability (SPARC, 2008-2016) and the State Accountability and Voice Initiative (SAVI, 2008-2016). These too were preceded by another UK funded programme, the State & Local Government Programme (SLGP, 2001-2008) out of which SPARC and SAVI jointly emerged. These were crucial preparatory efforts that built relationships of trust between governments and citizens groups, the foundation on which future efforts could be laid to raise citizen's voices and to build structures for a more systematic way for citizens to weigh in on budgetary matters.

As a part of the overall process to strengthen state planning and budgeting, PERL provided technical advice for drafting development and sector plans and multi-year budgets and helped find ways for government to engage with CDCs during the entire cycle of public financial management deliberation and decision making. This included the all-important internally generated revenues and proposed changes in the tax system which have a tangible impact on citizens. Each stage of the budget process is treated as part of a whole, not isolated functions, helping spread reform throughout the entire budget and planning system.

Box 1: How CDCs make public finance more accountable

Community Development Charters are drawn up by groups of community leaders – leading members of traditional authorities, community development associations, community-based organisations, youth groups, women's groups, etc, coming together. CDCs are designed to be inclusive. Consultations are broad-based and specific provisions are made where necessary to include previously marginalised groups. The approach is more responsive and targeted as a specific community in a specific local government area is in charge of the consultation. These discussions are tied into a government process. CDCs make government budgeting processes more accountable because they track implementation. And because they make sure all voices of the society are included, CDCs are changing attitudes and power dynamics on women in positions of leadership and decision-making.

Anambra State offers lessons

Helping set up CDCs started more than a decade ago in Anambra State, from SAVI's support to another a UK government-funded initiative: Voice to People (V2P). Together they nurtured this local initiative and scaled it up to become state-wide.

In 2016, to spread Anambra's experiences to other states, PERL designated the State as a regional hub for other states in the southeast region and for other states in the north, to learn from Anambra's experiences in setting up CDCs, helping to accelerate the process of establishing CDCs elsewhere, and reinforcing Anambra's commitment to sustain them. As a result, CDCs are now working in all 181 communities and in 21 local government areas (LGAs) in Anambra State, and local and state budgeting and planning are fully linked.

Box 2: How CDCs attract life-changing projects for local communities

As a result of this initiative in Anambra State, many communities were able to attract life-changing projects: *"I remember Umunna community in Aguata local government area. Their children used to trek long distance to schools far away. In the first phase, they chose and constructed one block of eight classrooms. In the second phase of disbursement, they built another block of eight classrooms. Now, Umunna has a standard secondary school, and their children no longer have to trek long distance to school."* Architect Okey Ezeobi, coordinator of the Community-Choose-Your-Project initiative.

[see corresponding **Human Angle Story No.4**]

Today, CDCs or similar processes are now in operation in nine Nigerian states, and PERL has built up a body of experience that has been shared across these States, together with a body of knowledge and mechanisms to spread the learning on how to put CDC processes into effect.

Kaduna State: embedding citizen input on the budget cycle

Kaduna State is another leading example of what can happen when citizen involvement is fully taken on board and systematically institutionalised to provide broad, robust and sustainable oversight of public finances at state and local levels; a crucial precursor to better service delivery.

By 2016, Kaduna also had a favourable environment in which the CDC approach could take hold, when there was a change of political party and the reform-minded governor El-Rufai was elected in 2015, ushering in a new spirit of government reform. Prior to El-Rufai taking office, several of PERL's predecessor programmes and other UK-funded initiatives helped to advocate for a framework for connected and inclusive, responsive and realistic planning, so that CDC-driven and locally directed planning could be integrated. DFID also then increased its investment through SPARC and SAVI in planning and budgeting reforms to reinforce this.

To support the CDC setup in Kaduna, PERL facilitated a visit to Anambra state in 2017 for Kaduna State government and non-government officials to learn and build on their own experiences, how to link up the public finance processes between government and local voices.

The Kaduna State government made a number of structural reforms to embrace CDCs. A unit was set up inside the Planning and Budget Commission in 2017 to manage the CDC process, as well as a Joint State Planning Board and a manual that was published on local government budgeting and planning website. The call circular for local government budgeting in Kaduna State now requires local governments to comply with their longer-term development plans and CDCs. In 2022, The State Executive Council adopted and approved the CDC framework as a tool for ensuring citizen's priorities have direct access into the state and local government budgets, and a new app now automates and accelerates transmission of community priorities for consideration into the state and local government budgets. To further institutionalise the CDC process, 5% of Kaduna state ministries, departments and agencies (MDAs) capital expenditure captured in the state's annual budget was ring-fenced for nominated projects via the CDC framework. With support from PERL, CDCs have become institutionally embedded in Kaduna State, fully connected with the entire local and state government planning and budgeting systems and processes.

The CDC and overall modernizing of the budgeting approach were also buttressed by parallel developments. In 2017, encouraged by the programme and its local partners, Kaduna was the first state in Nigeria to sign up to the Open Government Partnership (OGP), reinforcing the state governments commitments to budget transparency through citizens engagement. And by the start of a World Bank States Fiscal Transparency, Accountability and Sustainability (SFTAS) program in 2018, which had disbursement indicators that relied on transparent and accountable budgeting – including publication of a citizens' budget and a citizen accountability report – Kaduna was well ahead of the game in meeting a number of the requirements.

In the second year of their use in Kaduna, roughly 35% of projects making up the State's 23 local government budgets were drawn from the CDCs. By 2020, the proportion was just over 50%, of which more than half were duly implemented, including putting maternity rooms and laboratories in primary health centres, adding classrooms and basic amenities in schools, and building small bridges, tarred roads, rural roads and culverts. This was a significant achievement, given the government's attention that year was primarily on managing the Covid-19 pandemic.

Throughout, with patient development and nurturing on both sides, PERL supported state-level civil society organisations and government partners to organize training programmes for community-based organisations so they could further spread the learnings, and in so doing scale up use of CDCs. Through this they also identified CDC champions in each of the 255 political wards. The CDC Champions created a WhatsApp group that regularly charts progress at the state and local levels. The CDC champions share pictures and information from monitoring exercise on the

implementation of CDC projects, reaction of members in the group is showing that citizens satisfaction is improving on project execution in the benefiting communities across the state.

PERL also helped ensure the CDC process was as inclusive as possible, promoting involvement of youth, women and girls, people with disability, across the state, so that all 255 wards in all 23 local government areas submitted CDCs to be included in state and local budgeting processes. Statistically, CDC influence on local government budgets improved from 35% to 50% on average between 2018 to 2023, while the execution rate improved from 20% in 2019 to 40% in 2023.

Jigawa State: strengthening role of the citizen-led Project Monitoring Partnership

Over the course of a 15-year period of support from SAVI, PERL and a whole host of other development programmes, Jigawa State has made the full transition to take ownership of the development of its public financial management systems, from budget analysis to advocacy and communications, and in turn has trained its communities to do the same. This knowledge now sits within its civil society organisations as well as media outlets.

During this time, the Project Monitoring Partnership (PMP) has played an important role in supporting civil society to focus media attention on problems in procurement. By highlighting issues such as shoddy or unfinished works, further adding to the widening circle of citizen monitoring of government projects, it has kept up the pressure on the state's Due Process & Project Monitoring Bureau to respond to citizen's concerns. SAVI and SPARC supported in the early days by training the groups to interpret bills of quantities, and to help communities monitor project implementation, and set up working relations between the PMP and the State House of Assembly (SHoA), the media and other civil society groups. In turn, the PMP shared these skills with community groups (CBOs) in 17 LGAs across the state to ramp up grassroots support to make sure government contractors followed due process during project implementation.

By the time PERL began work in Jigawa State in 2016, thanks to its predecessor programmes, a partnership was already flourishing between the Jigawa State Due Process & Project Monitoring Bureau – first set up in 2006 to ensure good practice by the state's MDAs – and the PMP. PERL supported greater transparency and accountability of the Bureau via the PMP. This led to a series of improvements in health and education, with filing of complaints, reporting of malfunctioning equipment and incomplete construction works to the Bureau, and monitoring of projects, leading to cost savings of around 350 million naira in 2018/19. PERL also worked to raise citizen involvement in monitoring projects by training CBOs in all LGAs across the state through the PMP. PERL helped the PMP introduce CBOs to the Bureau, which in turn trained all local chapters on budget tracking and project monitoring. Today, communities can now directly approach the Bureau. PERL also provided technical training for citizens on evidence-based advocacy and analyse the budget and facilitated sessions so citizens groups could share experiences on tools and techniques to analyse the budget.

While there are no CDCs per se in place, by 2022 civil society in Jigawa State was conducting robust monitoring of projects, to make sure marginalized groups get better services, while civil society platforms are led by youth. A citizen's budget has been published every year since 2017, which for the last few years the government has named the 'citizens budget.' Citizens are now embedded in the entire budget process. Community FM radio continues to provide a platform for citizens to query the government on emerging issues – as under previous Governors – and religious and ethnic minorities are involved in planning and distribution of citizen inputs. Consistent and long-term UK support has led to these sustained governance changes.

Kano State: citizens gain greater say on the annual budget

Efforts in Kano State over more than a decade, backed by technical assistance from predecessor programmes, now PERL, have created the necessary underpinnings to improve budget and planning and 'institutionalize' citizen participation in budget and planning discussions. The main citizen groups, such as the Budget Tracking Group and Coalition of Budget Tracking Platforms in Kano were started at the time of SAVI, and gradually began to adopt a more conciliatory style of engagement, replacing a more confrontational and less productive approach. A range of efforts by SPARC and other state-level programmes

supported corresponding technical improvements in public financial management systems.

From these beginnings, PERL helped in the formation of a number of Working Groups, drawing from a wide swathe of citizen's groups and state government representation, offering technical guidance to citizens on how to engage in the budget process, how to articulate their needs, and how to engage government more effectively by mentoring CBOs and other groups on budget meetings. PERL also helped facilitate a closer working relationship between citizens groups and the media, to get the media reporting more on budget reforms.

Gradually with PERL's support, citizens have become even more involved in the budget process, and currently citizen's needs are now reflected in budgetary provisions. PERL supported the Budget Working Group, as it's now known, to engage government and traditional authorities in collectively gathering a diverse range of citizen inputs across all the LGAs, and the Group now regularly analyses the annual state budget, while Town Hall Meetings now offer an opportunity to a wide range of citizens across the state to have their say on the annual budget.

Citizens budget engagement in Kano in 2021 provided a stepping-off point for citizens to air their views. In 600 communities and 305 political wards, citizens had their say across all five emirates, during which a solid quorum of youth, women and people with disabilities participated. By the following year, the input of these previously side-lined groups was reflected in the issues these citizens raised for the budget, such as girls' education and basic health care. At the same time, about one-fifth of the 2022 state budget reflected citizen priorities on water, agriculture, infrastructure and the environment. Citizen input is also reflected in the new law on public financial management and policies, that includes the needs of women and people with disabilities.

In 2023, community groups ran a successful campaign to convince contesting political parties and gubernatorial candidates to commit to a Kano State Citizens Charter of Demand (CCD) aligned with State Development and OGP Action Plans [see **Story 2 – Open Government: Public are the eyes and ears of increased scrutiny of government spending in Nigeria**] has further consolidated citizen budgeting in Kano. The CCD included 94 spending recommendations in areas of education, health, agriculture, environment, information technology and infrastructure. These action plans support OGP global recommendations, including open budgeting, open contracting, ease of doing business, access to information and civic participation to support economic and social development.

The long road to building well-functioning institutions

Community Development Charters (in Anambra and Kaduna), Project Monitoring Partnerships (in Jigawa) and Citizens Charters of Demand (in Kano) are practical ways for government and citizens to work together towards more accountable public finance in Nigeria. They are all ways to make policy and budget participatory. And they have made the process for taxation and budget planning, spending and accounting more transparent.

Since 2019, state budgets in these states have become much more focused on citizen priorities, and citizens are having greater influence on public expenditure. Between 2019 and 2023, citizen oversight and influence increased from 21% to 40% in Kaduna, and from 5.4% to 54% in Jigawa. These states are now using their own resources to finance health and education initiatives with decreased reliance on external donor support – a powerful advert for locally-led development.

The process of building modern institutions for better public financial management and helping citizens to articulate their views through these institutions, is a long-term endeavour that has taken decades to develop in Nigeria. Previous generations of governance programmes spent a critical 15 years fostering mutual trust between citizen groups and governments, and to move away from a historically adversarial stance by civil society towards the government at all levels.

The evolution of the bonds of trust between citizen groups and the government, and the systems they now support, are relatively unique to each state, reflecting their different development trajectories, social and political make-up. Periodic interactions and learning shared has nevertheless helped to enhance and reinforce their budget and planning processes and participatory mechanisms.

The opinions expressed above are those of the authors and do not necessarily represent the views of the UK's Foreign, Commonwealth & Development Office (FCDO)

PERL is the FCDO's flagship Public Sector Accountability & Governance programme in Nigeria since May 2016

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