PERL Learning from Evidence-Based Results (JULY 2024)

Engaged Citizens Constitituency Influence Story No.5:

Local Government: The final frontier in pursuit of better grassroots services in Nigeria

Millions of Nigerians receive inadequate healthcare, sanitation and access to education. A major cause is the underfunding of local governments mandated to deliver these services. By fostering trust, transparency, and accountability from the top tier of government to the grassroots, the Partnership to Engage, Reform and Learn (PERL) programme is working to enhance the administrative and financial autonomy of local governments – from the centre of power in Abuja to local wards nationwide.

The Nigerian Constitution empowers local governments to provide and maintain healthcare services, education, sanitation, and roads in Nigeria. In practice, however, Nigeria's powerful State Governors have traditionally called the shots on local government spending with a grip on the local government council's public purse sanctioned by constitutional amendments. Easing that grip is critical to better provision and maintenance of local services in Nigeria

Local governments' lack of control over their annual budgetary allocation to effectively conduct their affairs, has become deeply engrained in the 1999 Constitution of the Federal Republic of Nigeria. As a result, constitutional change is seen as crucial to empower the 774 local governments across Nigeria to redress this and be able to deliver better public services to local communities, deepening government accountability, trust, and transparency.

On the one hand, the Constitution recognises the role of local government in delivering public services. On the other hand, it also allows State Governors in the nation's 36 states to control how centrally allocated revenues are spent by both state and local governments.

With most of Nigeria's states heavily reliant on federal revenue, this means a lot of resources are often concentrated in a few hands. The system of allocation of federal funds into a 'joint account' intended for both state and local government, has led to local government funds (and funds voted for improving local security) often being dubbed "pocket money" for the Governors.[i] [ii] This has entrenched a top-down political culture of patronage. In December 2022, President Buhari openly accused State Governors of "pilfering" funds meant for local governments.[iii] To make matters worse, State Houses of Assembly (SHoA) in Nigeria, which are constitutionally empowered to check the excesses of the Governors, have until recent been co-opted into this system, limiting moves to secure local government autonomy.

Greater power for local government

The Partnership to Engage, Reform and Learn (PERL) programme, funded by the UK Foreign, Commonwealth and Development Office (FCDO), leverages two decades of experience supporting governance reform in Nigeria. PERL has worked successfully with civil society, media, legislatures, and trade unions to promote constitutional reforms which passed a major milestone in 2018 when the President signed off on changes to the 1999 Constitution of the Federal Republic of Nigeria. This gave SHoAs financial autonomy for better scrutiny of public spending at the state level [See **Story 1 – Constitutional Change: UK support for Nigeria's critical fight against corruption**]. It also marked the first significant step towards securing the financial and administrative autonomy of local government in Nigeria to break the hold of State Governors.

PERL's subsequent work with the National Assembly (NASS) helped to ensure passage and transmission of 44 bills to the SHoAs for approval in March 2022. These included bills to grant greater powers to SHoAs, as well as financial and administrative autonomy to local governments. While empowerment of SHoAs had moved forward incrementally, progress towards local government autonomy had been blocked and rejected in many states.

Patience and persistence on the road to reform

PERL has taken a patient approach to constitutional amendment in support of local government reform, much as it did with the State Assemblies to improve their oversight of state government. Constitutional reforms to date have led to greater scrutiny of public expenditure, through greater financial autonomy and the loosening grip of elites, albeit through the lens of the power granted to state legislatures rather than local governments.

The long-term goal for PERL is constitutional change to strengthen the financial and administrative autonomy of local government, increasing the involvement of citizens in the scrutiny of public spending at the grassroots. While this is the end game for lasting local government reform in Nigeria, the push for increased accountability and transparency around the joint accounts of state and local government is bearing fruit.

The Nigeria Financial Intelligence Unit (NFIU),[iv] issued a directive in 2019 stipulating that the joint accounts of state and local governments be operated solely as transit accounts from which funds would be distributed directly to the accounts of local governments. This was seen as a move to stop state governments from making withdrawals from local government funds for other purposes. PERL provided technical and logistics support to its lead partners – the Nigerian Union of Local Government Employees (NULGE), Democracy Vanguard's advocacy group, and several media groups – which created awareness and engaged citizens groups in robust advocacy consultation across the country on LG autonomy. Primarily, the advocacy engagement was targeted at State Governors, members of the State Houses of Assembly and other critical stakeholders to solicit their political support.

PERL supported the partners, including civil society groups and the media, to convince the Governors and SHoAs that have not yet shown commitment to local government autonomy to do so. PERL has also worked closely with legislatures across Nigeria to foster demand for local government reform. It has provided coordination amongst the SHoAs, the National Assembly (NASS) and the Secretariat of the Conference of Speakers (CoS) in supporting processes aimed at achieving local government autonomy. This included technical guidance and support to SHoAs on the process of transmitting ratified Bills to the CoS Secretariat; to the CoS Secretariat in collating and transmitting ratified Bills to the NASS; and to the

Secretariat of the NASS Constitution Amendment Committee in reviewing them.

In the end, only 18 out of the 36 SHoAs voted in favour of the Local Government Autonomy Bills in 2023. A minimum of 24 SHoAs (a two-thirds majority) is required to change the constitution. Nevertheless, this was a marked improvement on the vote in 2019 when only eight SHoAs voted in favour of similar bills. Work to encourage others to follow suit resumed immediately after national elections in 2023 brought in a new administration at the federal level and in many of the states. Calls for renewal and passage of the Bills by the NASS ahead of the next round of constitutional amendments have gained ground. Fresh rounds of media debates and public dialogues organised by partners have taken place, strategically aligning this reform agenda with that of President Tinibu's government and relating it to the economic and security challenges currently facing the country.

Kano's quest for greater local government autonomy

In November 2022, the Kano SHoA backed administrative autonomy for its local government. It was only a partial victory because the Assembly also rejected financial autonomy for local government. Nonetheless, the vote represented a landmark for local government reforms in Nigeria given that the Assembly, like many others, had rejected both bills on three previous occasions, in 2008, 2011 and 2019.

This victory was, in part, thanks to pressure by pro-reform groups supported by PERL, including civil society organisations, media, unions, traditional leaders, community-based organisations, and women's groups who met with local government officials and SHoA members.

Professional bodies and trade unions played a particularly prominent role, including the Medical and Health Workers Union of Nigeria (MHWUN), National Union of Local Government Employees (NULGE), National Union of Teachers (NUT), Nigeria Labour Congress (NLC) and the Nigeria Union of Journalists (NUJ). In addition, the Association of Local Governments of Nigeria (ALGON) in Kano provided behind the scenes support to NULGE to sustain pressure on LG autonomy.

The campaign put local government reform in Kano State on the map, highlighting public demand for greater local government accountability and greater scrutiny by communities of spending on public services. PERL has also deepened public scrutiny of planning and budgets to ensure better public services.

While constitutional reform is critical to achieve lasting local government autonomy across Nigeria, it is not the only avenue for ensuring increased accountability, trust, and transparency in spending by state and local government.

Kaduna puts citizens at the centre of local government

Kaduna State, which has rolled out a series of significant local government reforms, is a case in point. It has embarked on a series of reforms to strengthen the credibility of local government budgeting, planning and delivery of public services. At the same time, it has increased state, local and sector planning to ensure all levels of government work together more effectively and efficiently for the public good. This was achieved with UK support through aligning direct technical assistance to Kaduna State Government with engagement of citizens in state and local government budget and planning processes.

In 2017, Kaduna took a big step towards increasing the role of citizens and communities in scrutinising and prioritising local government spending by enshrining cooperation between citizens and the government in Community Development Charters (CDCs) [see **Story 4 – Citizen Budgeting: How citizen charters promote more transparent, accountable public finance in Nigeria's states**].

At the heart of the charter is the concept of co-creation and consultation. These charters short-list community needs for inclusion in local government budgets. The use of these charters has boosted financial openness and promoted participation and accountability across the State. PERL has supported a push for open government to be reflected in federal, state, and local government development plans, to ensure accountability to citizens trickles down to local projects.

PERL also technically assisted the development of a 2017 Local Government Planning and Budget Manual and Local Government Development Plans for all 23 local government areas (LGAs) that recognised CDCs. In 2018, the Kaduna Local Government Reform Law boosted the improved delivery of public services by setting up a board for joint planning of public spending by the State and local government councils. Steering the wheel of local governance even further, Jigawa State passed its own Local Government Autonomy Law in 2024, making it a unique case in Nigeria, making its local governments more responsive to citizen demands.

In Kaduna, PERL has also worked successfully with the Planning and Budget Commission to support the State Government to implement a Local Government Fiscal Transparency, Accountability and Sustainability (LFTAS) program, which it modelled on an equivalent state-level (SFTAS) program supported by the World Bank [see **Story 2 – Open Government: Public are the eyes and ears of increased scrutiny of government spending in Nigeria**]. These programs aim to strengthen fiscal transparency, accountability, and sustainability in participating states. This can include significant financial rewards for improvements in public financial management (PFM), such as grants for improving public services.

The drive for greater openness and transparency around local government spending has gone from strength to strength with the establishment of the Kaduna Local Government Accountability Mechanism (KADLGAM), piloted in 10 LGAs in 2019 and scaled up to the remaining 13 LGAs in 2021. This platform was co-created by government and citizens, with equal representation and co-chairing arrangement, based on 'open government partnership' principles. It gives citizens significant oversight in local government budgets, planning and spending in all 23 LGAs in Kaduna. That co-creation is firmly rooted in CDCs.

The voices of local communities are not just being heard. They are also reflected in public spending priorities. In Kaduna, the input from citizens in annual budgets across all 23 LGAs has risen from 35 percent to 48 percent between 2018 and 2023. The rate at which CDC projects have been delivered over a six-year period has also risen rapidly from 21 percent in 2019 to 49 percent in 2022. The impact of this is also being felt in Jigawa and Kano, where the CDC approach in Kaduna has been adapted and evolved to amplify voices of local communities right across these states in the planning and budgeting of local government projects.

Box 1: How community advocates are yielding better grassroots services in all three PERL partner states

Musawa, a rural community in Kudan local government area of **Kaduna State**, effectively utilized the opportunity offered by the CDC process to ameliorate the suffering of pupils of L.E.A. Primary School. The school had delipidated buildings and lacked chairs and tables for pupils to learn. According to Jamilu Abdullahi, a champion in Kudan local government, *"pupils sat on bare floor and during rainy seasons, pupils sought refuge elsewhere due to roof leakages."* Between 2021 and 2022, Musawa community identified and nominated the school for renovation during the CDC session. The project was prioritized, included in the budget and funded. *"The renovated classrooms now have chairs and tables thereby improving the learning environment for pupils in Musawa L.E.A. School,"* Abdullahi concludes.

In **Kano State**, a civil society advocate and local government champion, Malam Sulaiman Ismail, narrates the experience of Badawa and Ginginyu communities. *"So, with the support of PERL, we trained community members on budget tracking and advocacy. Then, they went ahead on their own to identify projects to be captured in the budget. After that, they mapped the relevant ministry to implement the project. Badawa got public toilets constructed, Now, the community is more hygienic and open defecation has reduced significantly."*

Malam Ahmed Ilallah, a member of the Partnership for Improved Local Governance (PILGO) in **Jigawa State** recounts how the plight of the people of Mejama changed through effective citizen engagement with Hadejia Local Government. *"They (Mejama) didn't have PHC facility before. They used to go long distance to get healthcare. After advocacy to the local government, the local government secured land and built PHC facility, fully equipped and adequately staffed. The PHC facility is usually filled with people seeking healthcare on a daily basis. In Mejama, people are now happy."*

[see corresponding **Human Angle Stories No.4 and No.5**]

As a result, Kaduna has become a trail blazer for local government reform in Nigeria. It has highlighted that every step towards greater autonomy and alignment in public spending between the state, local government, and citizens, is a step in the right direction.

Local government autonomy now in reach

As renewed Bills on LG financial and administrative autonomy were being drafted by the NASS in preparation for another round of constitutional amendments scheduled for 2025, other advocates of this reform were now pursuing it through the courts. In a lawsuit filed by the Attorney General of the Federation and Minister of Justice, Lateef Fagbemi, in May 2024, the Federal Government of Nigeria took all 36 State Governors to court for violating the 1999 Constitution, seeking full autonomy for all LGAs in the country as the third tier of government.[v] The National House of Representatives also asked the Attorney General to sue all 21 State Governors currently operating caretaker committees at the local government level on the same grounds.[vi]

Prior to and during the case, PERL facilitated two National Dialogues on the issue to ratchet up public pressure, saturate the airwaves with discussion and garner political support. The first of these Dialogues was attended by the Attorney General, who had been working closely with the NASS Constitutional Amendment Committee.

On 11th July 2024, the Nigerian Supreme Court ruled in favour of the Federal Government and granted full financial and political autonomy to Nigeria's third tier of government.[vii] For supporters of local government reform in Nigeria, it had no longer been a question of if, but when this long-desired reform would be realised. Many had still had their doubts that the courts would be able to overcome the stranglehold State Governors have had over this issue for the past two decades. But a tipping point has been reached, and many of the Governors are now coming out in public support of this 'landmark' development.

While administrative and financial autonomy for local government nationwide may not be a practical reality just yet, and significant improvements in grassroots services may still be a long way off, Nigeria is now much closer to crossing this final frontier.

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[i] https://nairametrics.com/2024/01/28/serap-to-governors-wike-account-for-n40-trillion-lga-funds-in-7-days/
[ii] https://thenewsdesk.ng/2024/01/04/insecurity-caused-by-governors-theyve-turned-security-votes-to-pocket-money-ngige/
[iii] https://www.premiumtimesng.com/news/top-news/701700-money-goes-to-them-directly-nigerian-governor-denies-tampering-with-lg-funds.html
[iv] *The central coordinating body for Nigeria's anti-money laundering and counter-terrorist financing operations*
[v] https://www.thisdaylive.com/index.php/2024/06/02/can-fg-rescue-lgs-from-governors-stranglehold/
[vi] https://dailypost.ng/2024/07/09/sue-state-governors-over-lg-caretaker-committees-reps-urges-agf/
[vii] https://punchng.com/breaking-supreme-court-grants-lgs-financial-autonomy/