

DECENTRALISING GOVERNANCE IN NIGERIA FOR IMPROVED LOCAL GOVERNMENT ADMINISTRATION AND SERVICE DELIVERY

POLICY BRIEF

Executive summary

Nigeria, Africa's most populous nation has been in a political and development predicament for years. The clamour for change as well as for political and economic models that work is now more strident than ever before. Among the many recommendations for solving the development problem is a call for decentralisation of authority. The desired results of decentralisation are greater accountability in governance, better local participation, and improved efficiency in service delivery.

Recognising that adequate water, sanitation and hygiene (WASH) have a role to play in improving quality of life, some development partners have advocated the Local Millennium Development Goals Initiative (LMDGI), a regional initiative for achieving the WASH-related targets of the Millennium Development Goals (MDGs). The process also requires the development and use of local development plans (LDPs). However, for the LDPs to be financed and for the LMDGI to have an impact, there must

be a review of the system of allocation to local government authorities (LGAs).

The Nigerian government is committed to meeting the MDGs, yet there exists chal-



lenges in transforming that commitment into action. Many of the challenges are fundamental in nature, and require constitutional approaches that include decentralisation to resolve.

Efforts to decentralise governance in Nigeria are aimed at improving service delivery, particularly at the grassroots. The efficacy of decentralisation has been established, but to achieve it there is the need for action at the level of the ongoing constitution review.

Background

Nigeria's LGAs are unable to generate sufficient revenue to enable them discharge their responsibilities. Consequently, access to important social and economic services remains low, particularly for rural populations. One of the most important areas affected by this state of affairs is the WASH sector, and it is becoming increasingly important to decentralise roles and responsibilities to improve service delivery. This

need for decentralisation is expressly stated in the 2004 National Water and Sanitation Policy. Indeed, the Water Investment Mobilization and Application Guideline (WIMAG) was developed as a tool to aid decentralisation in the sector.

WaterAid Nigeria has conducted various studies to understand decentralisation and the effective financing of local governments. In collaboration with other development organisations, WaterAid Nigeria initiated the LMDGI,

whose main objective is to achieve the safe water and sanitation targets of the MDGs using a number of strategies. One of these is to encourage LGAs to discharge their duty of care and accountability, particularly in rural areas, which are the most deficient in WASH services.

WaterAid believes that water, sanitation and hygiene are a first step out of poverty. Therefore, the provision of safe water, improved sanitation and good hygiene promotion are important components of any poverty alleviation effort. WaterAid's approach focuses on a workable framework for reducing poverty and disease. In doing this, WaterAid works with decentralised governments and local community groups, and has supported the establishment of WASH departments in LGAs and WASH committees (WASH-COMs) in communities.

Decentralisation, LMDGI and LGA autonomy

The three tiers of government—federal, state and local—should participate in water and sanitation investments. The situation, however, is that local governments often do not have the resources to do so, and the federal and state governments provide only limited funding. Thus, most public WASH investments in Nigeria are financed by donors.

The state and LGA joint account is administered by the Joint

Account Allocation Committee (JAAC), which determines what goes to each local government. Typically, states have joint projects with the LGAs and deduct funds for such projects through JAAC. The balance of their allocations from the federation account, which is usually only enough to pay salaries and manage administration costs, is then transferred to the LGAs. Consequently, the LGAs have a challenge financing social services

Impact of decentralisation and LMDGI on LGA autonomy



Decentralisation is generally considered supportive of the objectives of economic development and poverty alleviation. The potential benefits include improvements in governance, equity and efficiency. It is also assumed that closer physical proximity between citizens and government will result in greater availability of information and enhance citizen participation. Ultimately, these should lead to improved levels of accountability.

With the support of the European Union Water Facility (EUWF) programme, WaterAid

Nigeria is providing support to LGAs in Enugu and Jigawa States through decentralised approaches. This followed a study of the impact of decentralisation in three WaterAid-supported states implementing the LMDGI—Benue, Enugu and Jigawa. Three other states—Cross River, Yobe and Ogun—were used as a control measure to provide a comparative analysis of the findings. The key findings were that:

1. There exists a weak monitoring and evaluation system, resulting in conflicting data on access to water and sanitation due to divergent definitions, indicators and methodologies applied by different agencies.
2. While urban sanitation is the responsibility of state governments, it is not always clear under whose purview rural sanitation falls.
3. In respect of water and environmental sanitation, the policy provides for a working relationship between the state government and all the local governments in the state. However, the study revealed that there is weak capacity of the LGA WASH units to perform their roles as stipulated in the state WASH policy. The WASH departments are merely responsible for environmental sanitation while the works department undertakes water supply.
4. Although most states have an approved water and

sanitation policy that specifies the establishment of a WASH department, the policy is yet to be implemented. The main focus of the policy is to improve the activities of the state government agencies and other service providers in the WASH sector such that the stakeholders, communities and groups can articulate their interests, and exercise their obligations and rights.

5. There is a huge gap in the flow of information and transfer of knowledge of the LDP from the previous WASH units to the new WASH departments. The implementation of the LDP became difficult because the new WASH departments have mostly new staff that were not there when the LDPs were developed. Also, most LGA staff are not computer literate; therefore digital data use becomes difficult. The research also found that some LGAs do not have the necessary resources to access the Internet.
6. The WASH units do not have a separate budget for WASH activities as the unit is under the works department of the LGA. In addition, the LGA expenditures on water supply, sanitation and hygiene are built around operating and capital expenditures.

Existing policies on or affecting water, sanitation and hygiene

1. The constitution of the Federal Republic of Nigeria:
 - The constitution provides for the sharing of powers among the three tiers of government and has WASH services in the concurrent legislative list.
2. The National Policy on Water and Sanitation:
 - The policy recognises the constitutional responsibility of states and local governments to provide their electorates with WASH services as well as the need for hygiene as a subject in school curricula;
 - It recognises that nationally, WASH services are less than optimal; and
 - It provides for assistance from the Federal Government to provide all Nigerians with sustainable access to safe water by the year 2011
3. Some states have codified policies on WASH while others do not. A number of ministries and agencies support WASH-related activities.
4. At the local government level, there is no codified policy on WASH. Most LGAs have a water and sanitation

unit (WASU) which is responsible for the coordination and implementation of WASH activities in the area. Such units are being transformed into departments.

Policy and other options to achieve decentralisation

1. LGA status, revenue allocation and some of the WASH issues are constitutional in nature and require a constitutional means of redress. Nigeria is currently in the process of reviewing the 1999 constitution. It is therefore important to engage with stakeholders and key actors in the process. It is important that the new constitution takes into account the comparative advantages at each level of government and its ability to perform the services assigned to it.
2. A new revenue allocation formula that takes into account the fact that development can only go upwards from the bottom – and provides resources to support that development model – needs to be adopted. The National Revenue Mobilisation, Allocation and Fiscal Commission (NRMAFC), which is one of the policy instruments for the achievement of national fiscal objectives, must undertake and discharge its functions in a way that minimises political pressures, and assures the achievement of national objectives.

- To ensure that LG authorities can generate the resources they need to discharge their duties effectively, there should be devolution of tax powers to them. Property tax and rating should be made entirely an LGA responsibility. This will include the power to assess and fix rates as well as collect taxes.
- The decentralisation of functions should be matched by decentralisation of revenue collec-

tion. In other words, the infringement on the revenue rights of local governments by the states needs to be checked. For example, state governments need to give LGAs back some sources of internal revenue generation such as liquor licensing fees and water rates.

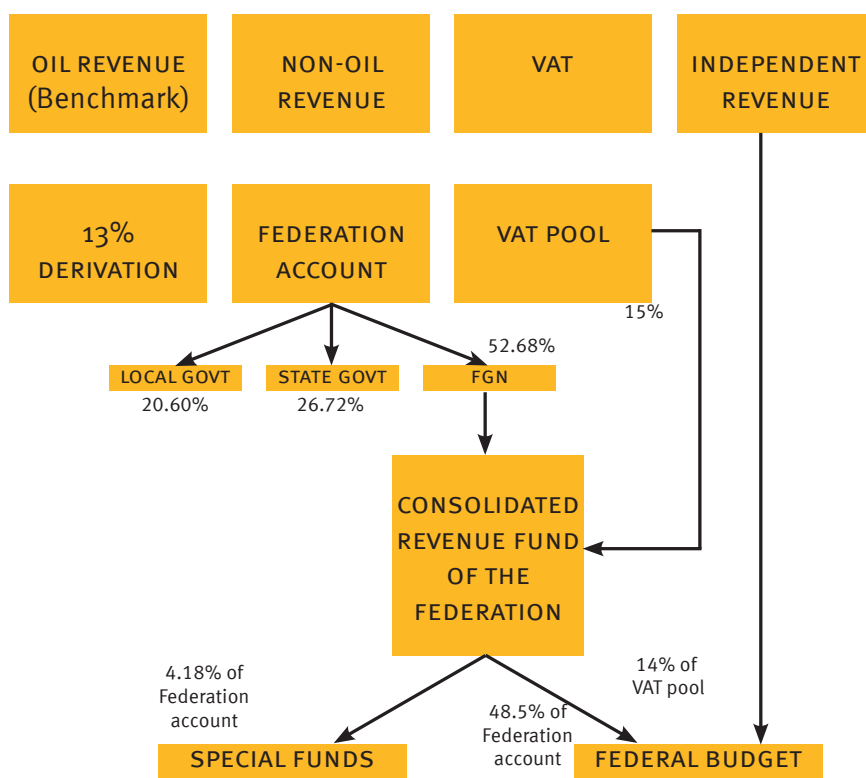
- Local governments should be allowed not just to collect revenues from their assigned sources, but also to prepare, discuss and approve their annual budgets. The state control of such

processes, facilitated by Section 7(i) of the constitution, needs to be reviewed in favour of allocating more resources to local governments – especially bearing in mind their closeness to the people.

- International development partners should target local government reform and decentralisation of the WASH sector. They will do well to provide more technical support to LGAs in the areas of capacity building for planning, budgeting, and institutional reform processes such as organisational reviews, and functional reviews.

- A functional review of the LGA WASH department is required to develop capacity and structure to deliver WASH services. The possibility of bringing the staff of the WASH unit into the department should also be explored.

Current Revenue Sharing formula and Resource Mapping in Nigeria



Source: Office of the Honourable Minister, Federal Ministry of Finance, Abuja



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