Reforming the budget process in Anambra: Improving government performance

In April 2012, the United Kingdom Department for International Development agreed to work in partnership with the State Government of Anambra. The State Partnership for Accountability, Responsiveness and Capability (SPARC) was one of the programmes designed to provide technical assistance for governance reform. The State Government provided SPARC with an office in the government house complex and a high level meeting between the programme and government officials in late 2012 agreed on an intervention approach.

Since August 2012, Anambra’s Government and SPARC have been working together to improve the budget process – the heart of government performance. In less than a year a guidance manual was produced, with an improved budget calendar and call circular developed and used, and better timed consultations with the public to shift budgeting from a supply to a demand perspective.

Governance reform in Anambra State

Known as the light of the nation, Anambra State was created in 1991, has a population of over 4 million people and is one of the most densely populated states in Nigeria. The state capital is Awka, and the market in Onitsha is one of the largest in West Africa.

Since July 2006 the European Union funded a governance reform programme, the Support to Reforming Institutions Programme (SRIP). One of the assessments conducted by this programme was a Public Expenditure and Financial Accountability (PEFA) assessment (in 2008).

In 2011 the Government was the first in the country to subject itself to the State Peer Review Mechanism (SPRM) run by the Nigeria Governors’ Forum – this is a process that assesses the performance of government against over 200 best practice indicators.

With support from the United Nations Development Programme (UNDP), Anambra State produced a “Fiscal Responsibility Implementation Manual and Toolkit” and a “Guideline for Participatory Budgeting”.

SPARC is now building on some of the findings of these reviews, assisting the State to better manage the civil service, finances and development planning.
A focus on the budget

At the heart of government performance is the budget – how well it is prepared and how well it is used. At the start of SPARC support in July 2012, a decision was made to focus on the State budget process. Both the PEFA and SPRM highlighted different issues around the budget process in Anambra State. SPARC used this information and conducted a rapid assessment which revealed that there was no budget manual and that the budget call circular was weak and needed to be strengthened.

One of the first things to do was to produce a manual that clearly set out a calendar and who had responsibility for doing what in the budget cycle. A "Budget Process and Management Manual" was published in November 2012 that included a calendar. Working closely with key officers in the Ministry of Economic Planning and Budget, SPARC pressed for the manual to be used in 2013 to develop the budget for 2014. An improved "Budget call circular", which gives guidance to all ministries on how (and when) to develop their budgets was issued, on schedule, in July 2013.

Alongside this, a fiscal model was used to forecast annual revenues over the next three years (2014–2016). The model helped to allocate funds to priority issues such as the Millennium Development Goals (e.g. health and education) based on a realistic assessment of the available revenues the government will have to spend.

Another interesting initiative introduced by the UNDP was a participatory budget forum – to seek the views of different sectors of society on what their priorities were. Anambra was the first state in Nigeria to do this, starting in 2009. However, the event was usually held after the budget process had nearly been completed and was seen as an 'annual ritual'. In 2013, based on SPARC advice, the event was brought forward to the beginning of the budget cycle. Different stakeholder groups were able to identify their needs at the forum, through a question and answer session with the Governor and by written submissions to the central ministry.

The next stage was to feed the public’s ideas into the individual ministry budgets, before they were compiled and reviewed by the Ministry of Economic Planning and Budget prior to their submission and approval by the Executive Council and the State House of Assembly.

What has been the main challenge?

Any aspect of governance reform is difficult. SPARC is designed to provide technical assistance to enable difficult reforms. There will always be resistance to change in some quarters but the programme has been trying to identify the incentives for government to reform. The programme has often been seen as ‘driving us too hard’ by government partners. This is probably the biggest challenge. But the fact that a lot of work on the budget cycle has been adopted by the government is testimony to the people who understand the benefits of reform in the long run.

Lessons learned

An important priority for SPARC is to learn lessons from its work. In less than a year, significant changes have been made by the Anambra Government in its budget process. What we have learned is how important and critical it is to:

- Identify key individuals to work with – both in terms of their position and interests. There is no point in engaging people who are not interested in change
- Involve key partners in the planning processes, so they know what to expect and can articulate this to their colleagues
- Involve citizens in the budget process so they can hold government to account for delivery
- Develop practical tools that are easy to use
- Be responsive to government needs – both short term and long term needs
- Identify people who can benefit from being exposed to other circumstances – sharing experiences with those already implementing reforms – in effect adding to their skills
- Use experienced consultants who can advise government on how to fast track reforms. Reforms that could expect to take several years have been done in less than a year in Anambra.

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