

Performance of PERL States on PFM-Related Assessments and Grants Received in the 2018 SFTAS APA

Briefing Note | July 2020

Introduction

This report presents a comparative analysis of the 2018 performance of four PERL supported states (Jigawa, Kaduna, Kano and Yobe States) across three Public Financial Management (PFM) related assessment frameworks, to see how these relate to the states' achievement in the 2018 States Fiscal Transparency Accountability and Sustainability (SFTAS) Annual Performance Assessment (APA).

The three assessment frameworks adopted for this analysis are:

1. The Civil Resource Development and Documentation Centre (CIRDDOC)'s Nigerian Budget Transparency Survey (NBTS);
2. PERL's Public Financial Management Rapid Annual Assessment (PFM – RAA) and
3. The PERL Governance Assessment (GA)².

Summary of Findings

This analysis finds a relationship amongst these three assessment frameworks that indicates a positive effect on the states' achievements in the 2018 SFTAS APA and grants received. This suggests that though the methodologies for these assessments may be different, their objects of measurement and effects may be the same. For instance, Kaduna State, which maintained (68% average) good performance across all the three assessment frameworks (PFM RAA, GA and NBTS), received the highest proportion of the total funds available in the 2018 SFTAS APA grant; while Kano State that had the least (53% average) performance on the three assessments received the least grants.

Table 1 PFM Assessment and SFTAS Performance Summary

| PERL States | Assessment Framework - Performance | | | Average Score | Proportion of SFTAS Grant Received |
|-----------------------|------------------------------------|-----------------|----------------|---------------|------------------------------------|
| | PFM RAA | GA | NBTS | | |
| Kaduna | 75% | 60% | 71% | 68% | 61% |
| Yobe | 74% | 67% | 18% | 62% | 35% |
| Jigawa | 69% | 53% | 89% | 67% | 30% |
| Kano | 59% | 58% | 30% | 53% | 11% |
| Key | | | | | |
| 75%-100% Very Good | 55%-74% Good | 35%-54% Fair | 0%-34% Poor | | |

¹ The Nigerian Budget Transparency Survey (NBTS) indicator measures are also called 'Budget Transparency Index (BTI) and has been used interchangeably.

² The Governance Assessment has indicators adapted from the PFM RAA but include other indicators which spread across the three PERL thematic areas of accountability, responsiveness and capability. Its scope is broader than that of the RAA which covers in depth PFM indicators.

The report also finds that there exists a stronger relationship between the performance in the PFM RAA and the SFTAS DLIs used in the 2018 APA. As evidenced in Table 1 above, Kaduna and Yobe states received the highest rewards from SFTAS (61% and 35%) respectively. However, Jigawa State with the highest average score but ranked 3rd position in the PFM RAA, got 30% of the total SFTAS grant.

In the instances where a state performed well in these assessments but poorly in accessing the SFTAS grant, it was found to have been as a result of the state's inability to meet reporting and publication deadlines for the SFTAS, rather than in the non-existence of the required evidence. For instance, Jigawa State recorded the highest performance on citizens engagement in the budget process across the three assessments but failed to publish its citizens' budget on time, thereby was unable to qualify for the grant under this result area in the 2018 SFTAS APA. Therefore, a state may have implemented a piece of reform that satisfies the SFTAS requirement but, may fail to obtain the SFTAS grant because it inadvertently failed to publish it on time or in the right format for the SFTAS APA.

Overview of PFM Assessment Frameworks

A number of PFM-related assessment frameworks have evolved over the last two decades, mainly supported by development partners and international non-governmental organizations. They benchmark good practice as well as measure progression of achievements by national and sub-national governments in governance and public financial management.

Examples of such assessments include the Public Expenditure and Financial Accountability (PEFA) framework, Country Financial Accountability Assessment (CFAA), Global Initiative for Fiscal Transparency (GIFT), Open Budget Index (OBI), Nigerian Budget Transparency Survey (NBTS), PERL Public Financial Management Rapid Annual Assessment (PFM – RAA), PERL Governance Assessment (GA), the World Bank SFTAS PforR Annual Performance Assessment (SFTAS – APA), etc. The frameworks of interest in this analysis are described below.

World Bank SFTAS PforR Annual Performance Assessment

The State Fiscal Transparency, Accountability and Sustainability (SFTAS) Programme for Results (PforR) is implemented by the World Bank in collaboration with the Federal Government of Nigeria. The SFTAS PforR is a four-year programme designed to support state governments through the provision of technical assistance for capacity building. It aims to strengthen states' ability to implement fiscal reforms, as well as provide grants to motivate/reward states that successfully met the Public Financial Management reforms targets prescribed in the SFTAS. The SFTAS is worth USD\$750 million made up of USD\$700 million for PforR and USD\$50 million for the technical assistance component.

The SFTAS has two Eligibility Criteria: online publication of Annual Approved State Budget, and online publication of Latest Annual Audited Financial Statement; four result areas including increased fiscal transparency and accountability, strengthened domestic revenue mobilization, increased efficiency in public expenditure and strengthened debt sustainability; and nine disbursements linked indicators (DLIs).

The nine DLIs are: 1: Improved budget reliability and reporting; 2: Increased citizens' engagement in the budget process; 3: Implementation of Treasury Single Account; 4: Strengthened Internally Generated Revenue collection; 5: Biometric registration and BVN to reduce payroll fraud; 6: Improved procurement practices; 7: Strengthened debt management; 8: Clearance of domestic expenditure arrears; 9: Improved debt sustainability.

States that meet the eligibility criteria will qualify for the APA, which measures the performance of states against the nine disbursement-linked indicators (DLIs) under the four Key Result Areas (KRAs) using a detailed verification protocol. Each of the DLIs have specific annual Disbursement-Linked Results (DLRs) to be achieved for each year of the Programme.

States determined through the APA to have achieved the DLRs (by the end of the fiscal year/calendar year) will receive a PforR disbursement that will be the aggregate of the monetary values of all the DLRs achieved by them in any year. States can receive up to a total of US\$18.1 million from the performance-based financing component, depending on their performance as assessed during the APA.

CIRDDOC's Nigerian Budget Transparency Survey

The Nigerian Budget Transparency Survey (NBTS) uses the International Budget Partnership's Open Budget Survey (OBS) framework indicators to analyze how transparent, open, and participatory budget and procurement processes are in Nigerian states. All 36 Nigerian states are evaluated to see how much budget information is provided, spaces and mechanisms for public participation throughout the budget process, and how robust and transparent the procurement process is in the states.

Information generated through the survey is used to assess the states' performance on the State Budget Transparency Index, which can be disaggregated into three sub-indices as listed below:

- State Budget Document Availability Index, which measures the number of publicly available budget documents and their contents;
- State Public Participation Index, which measures the extent to which the state executive, State House of Assemblies (SHoAs), and Auditor-General (AG) involve citizens throughout the budget process; and
- State Procurement Process Index, which measures how robust state procurement processes are and how much information is provided throughout the process.

PERL PFM Rapid Annual Assessment framework

The Public Financial Management (PFM) Rapid Annual Assessment (RAA) framework is a DFID – PERL Nigeria specific PFM assessment framework. It consists of an adaptation of a set of indicators that are derived from the PEFA framework and other locally developed measures, including the 22-Point Fiscal Sustainability Plans adopted by Federal and state governments in June 2016, the National Economic Council Resolutions on 71 actions for reviving Nigeria's economy (as they affect PFM), as well as the Open Budget Indicators.

The PFM-RAA Framework does not only assess current performance, but also provides a monitoring framework for PFM reforms required particularly by the Fiscal Sustainability Plan (FSP) and other PFM systems improvement. The annual assessment allows for a 12-month period to implement an action plans aimed at improving PFM performance and ultimately facilitate improvements in core governance and public financial management systems and processes.

PERL Governance Assessment

The GA has 26 indicators selected from the simplified PFM-RAA performance indicators, the Open Budget Index (OBI) and Open Government assessments indicators spread across the three thematic areas of accountability, responsiveness and capability based on the specific areas of PERL's support to partners. The governance assessment is based on multiple indicators and criteria for measuring government accountability, responsiveness and capability, with dimensions to measure the extent to which governments have made progress in improving core governance.

The assessment report provides evidence for the governance performance based on the indicator analysis and other information to justify the scores in a concise and standardized manner. The Governance Assessment adopts the scoring method used by the PEFA Secretariat, where each dimension of the indicators measures performance against a four-point ordinal scale from A to D. The highest score is guaranteed for an indicator, if the core governance element meets the set standard of good performance.

Approach and Methodology

The approach adopted in this analysis seeks to relate the performance of Jigawa, Kaduna, Kano and Yobe states in the 2018 World Bank SFTAS APA, to the performance of the two important assessments conducted by PERL (the PFM RAA and GA) and the CIRDDOC – NBTS. The nine SFTAS DLIs were the basis for selecting indicators to be matched from the other three assessments reports.

A critical consideration and the technical meaning of each SFTAS Disbursement Linked Indicator (DLI) and its attendant Disbursement Linked Results (DLRs) were used to select and match indicators from the other three assessment frameworks.

For the purposes of this analysis, 10 indicators were selected from the Governance Assessment, 10 from the PFM RAA, and four from the NBTS and matched against 10 SFTAS indicators. The scores from the three assessment frameworks were taken on their face value and no attempt was made to recalibrate them. For instance, 100% in GA and 100% in NBTS are assigned equal value.

In other words, the scores and ratings given to the different indicators in their respective assessments were used as the indicator scores in this analysis, while the MS Excel conditional formatting was uniformly applied to format all cells in the matrix based on their values/indicator scores. The following rating scales were adopted:

| | | | |
|-----------------------|-----------------|-----------------|----------------|
| 75%-100% Very Good | 55%-74% Good | 35%-54% Fair | 0%-34% Poor |
|-----------------------|-----------------|-----------------|----------------|

There is no perfect match across the indicators of the four assessment frameworks, however there are few indicators that had one-to-one relationship with the SFTAS DLIs. Table 2 below presents the indicators from the four assessment types used in this analysis, matched according to the extent of their similarity or relatedness to each other using the SFTAS DLIs as a benchmark.

The SFTAS DLIs and all the indicators that have very good or very strong relationship are shaded **dark green**; those that have relatively good relationship are shaded light **green**, while indicators that are fairly related are shaded **amber**; and **red** where the indicators are poorly related or divergent.

Table 2 Key Governance/Public Financial Management Indicators

| Governance Assessment GA | NBTS | PFM – RAA | SFTAS | SFTAS Amount (US \$'M) |
|-------------------------------------|---|---|--|------------------------|
| Open Government | Budget/Financial Document Availability Index; Budget Transparency Index | Openness and Transparency | Budget Transparency | - |
| Budget Realism | Budget Transparency Index | Fiscal Performance | Improved Budget Reliability and reporting | 1.30 |
| Public Scrutiny of the Budget | State Public Participation Index | Public Access to Citizens' Budget | Increased Citizens' Engagement in Budget Process | 0.80 |
| Policy Development & Monitoring | | Consolidate Governments Cash Balances | Use of TSA to Reduce Revenue Leakage | 1.50 |
| Real IGR Growth | | Effective Internal Revenue Process | Strengthened IGR Collection | 4.00 |
| Efficient Public Service Management | | Biometric Assessment of Employees Undertaken | Biometric Registration/BVN to Reduce Payroll Fraud | 1.50 |
| Fighting Corruption | State Procurement Process Index | Procurement Law in Place and Adhered to | Improved Procurement Practices | 3.00 |
| Accountability | | Debt Management Strategy | Effective Debt Management Strategy | 2.50 |
| Responsiveness | | Stock of Expenditure Payment Arrears | Reduction of Stock of Domestic Expenditure Arrears | 2.00 |
| Capability | | Scope / Frequency of Debt Sustainability Analysis | Improved Debt sustainability | 1.50 |
| | | | Total | 18.1 |
| 75%-100% Very Good | 55%-74% Good | 35%-54% Fair | 0%-34% Poor | |

As observed from the table above, indicators from the PFM – RAA are relatively more strongly related to those of the SFTAS, followed by the Governance Assessment – GA, while CIRDDOC – NBTS is relatively more unrelated to the SFTAS DLIs (linked to only one result area – transparency).

States that performed relatively higher in the PERL's PFM RAA and GA received greater proportion of the amount allotted to each of the states in the 2018 SFTAS APA. The maximum total amount disburseable to any state under the 2018 SFTAS APA is eighteen million, one hundred US dollars (US\$18.1 m) as presented in the Table 2 above.

Analysis and Findings

Based on the indicators selected for this analysis using the SFTAS DLIs as a benchmark, Table 3 below shows the varying levels of reform progress made across the PERL locations discussed in this report. Evidence drawn from the 2018 assessment reports (for PFM RAA, Governance Assessment and BTI) and matched with the levels of SFTAS achievements, are quite revealing.

Performance of PERL's States in the 2018 PFM Assessments

Analysis of the performance of each of the assessment type as presented in Table 3 below, shows that on the PFM – RAA, with an average score of 75%, Kaduna emerged as the state with the best performance in 2018, followed by Yobe 74%, Jigawa had an average score of 69% while Kano recorded the least performance at 59%.

Conversely, Yobe State recorded the best performance (67%) on indicators under the Governance Assessment (GA), Kaduna followed with 60%, Kano had an average score of 58%, while Jigawa State recorded the least performance in the GA – 53%. Across the 24 indicators, Kaduna State recorded the best performance with an average score of – 68%, followed by Jigawa – 67%, Yobe – 62%, while Kano had the least score at – 53%.

Table 3 Performance of States in Public Financial Management Assessments

| Assessment Type | Indicators | Indicator Scores | | | |
|-------------------------------------|--|------------------|----------------|---------------|-----------------|
| | | Jigawa | Kaduna | Kano | Yobe |
| PFM RAA | Openness and Transparency | 89% | 82% | 50% | 79% |
| | Fiscal Performance | 71% | 50% | 61% | 63% |
| | Public Access to Citizens' Budget | 90% | 90% | 60% | 50% |
| | Using TSA to Consolidate Governments Cash Balances | 65% | 78% | 60% | 67% |
| | Effective Internal Revenue Process | 75% | 88% | 63% | 94% |
| | Biometric Assessment of Employees Undertaken | 73% | 83% | 78% | 50% |
| | Procurement Law in Place and Adhered to | 90% | 85% | 40% | 80% |
| | Effective Debt Management Strategy | 58% | 75% | 46% | 90% |
| | Stock of Expenditure Payment Arrears | 30% | 45% | 40% | 75% |
| | Scope / Frequency of Debt Sustainability Analysis | 70% | 75% | 87% | 90% |
| Governance Assessment | Open Government | 33% | 50% | 42% | 70% |
| | Budget Realism | 80% | 55% | 50% | 69% |
| | Public Scrutiny of the Budget | 50% | 50% | 75% | 75% |
| | Policy Development & Monitoring | 90% | 65% | 42% | 68% |
| | Real IGR Growth | 50% | 75% | 90% | 45% |
| | Efficient Public Service Management | 50% | 38% | 56% | 55% |
| | Fighting Corruption | 50% | 68% | 35% | 78% |
| | Accountability | 42% | 74% | 72% | 68% |
| | Responsiveness | 35% | 64% | 46% | 71% |
| | Capability | 66% | 52% | 49% | 68% |
| Budget Transparency Survey | Budget Transparency Index | 87% | 72% | 27% | 21% |
| | Budget/Financial Document Availability Index | 84% | 73% | 19% | 29% |
| | State Public Participation Index | 100% | 56% | 44% | 5% |
| | State Procurement Process Index | 83% | 82% | 28% | 18% |
| Average PFM Assessment Score | | 67% | 68% | 53% | 62% |
| SFTAS Grant Received | | US\$5.5m | US\$11m | US\$2m | US\$6.3m |

Noticeably, in the 2018 Governance Assessment, the result for three core thematic areas (Accountability, Responsiveness and Capability), indicated the best performance recorded by Yobe, followed by Kaduna and Kano States while Jigawa State performed much lower. On the contrary, in the 2018 NBTS, Jigawa emerged as the state with the best performance on the Budget Transparency Index with an overall score of 89%, indicating that the state provides citizens with extensive budget information, has effective mechanisms for public consultation throughout the budget process, and has an open and robust procurement process.

Performance of States in PFM Assessments and SFTAS Achievements

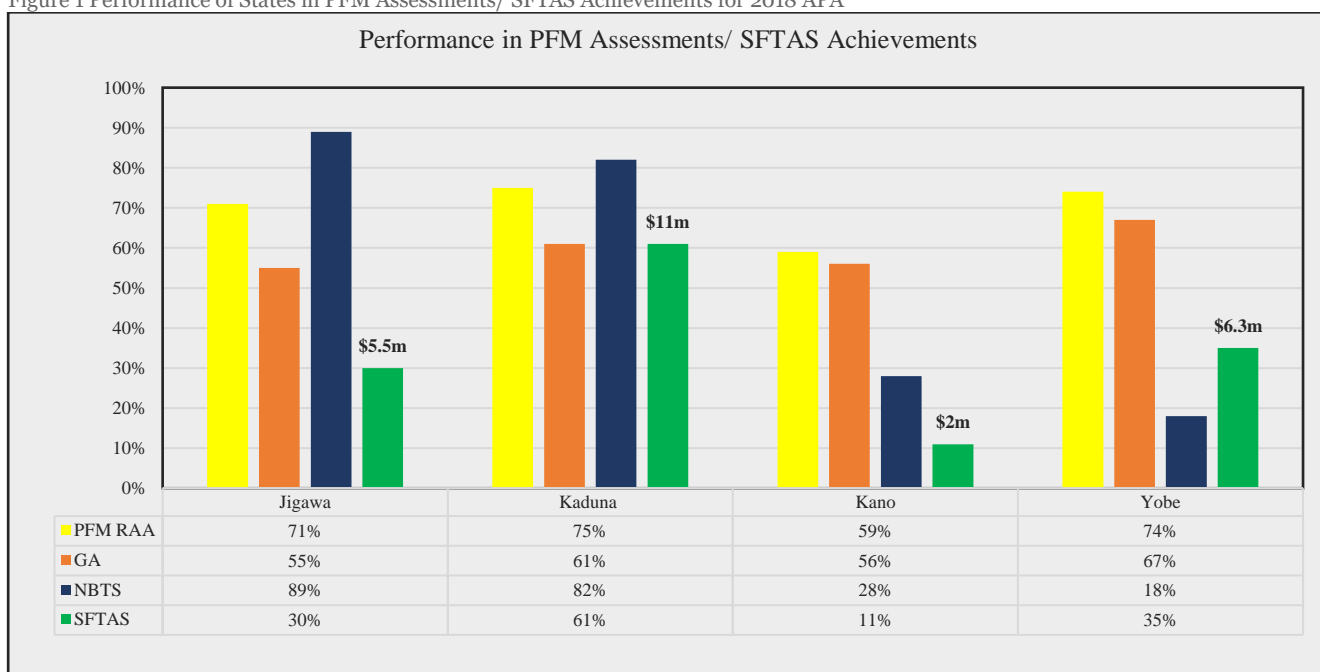
The 2018 SFTAS Annual Performance Assessment (APA) was completed by the Independent Verification Agent (IVA) in Quarter 1 of 2020. It assessed the states in the Federation against the Eligibility Criteria and nine DLIs.

This analysis suggests that the performance of states in the three governance/public financial management assessments reviewed in this report is reflected in the level of success recorded across the various SFTAS DLIs. Presented below is the performance of four state governments supported by PERL on these assessments and their corresponding SFTAS DLIs achievements.

The eligibility criterion that qualifies states to draw from the SFTAS grant, hinges on fiscal transparency and suggests that each year of the programme, states would need to publish online in a timely manner the annual approved state budgets and annual audited financial statements.

The four DFID-PERL partner states under review (Jigawa, Kaduna, Kano) and Yobe satisfied the eligibility criteria and received varying amounts from the SFTAS grant based on the number of DLIs and DLRs achieved. These four states received a total of US\$24.8 million which is equivalent to 21% of the total US\$120.6 million disbursed for the 2018 APA.

Figure 1 Performance of States in PFM Assessments/ SFTAS Achievements for 2018 APA



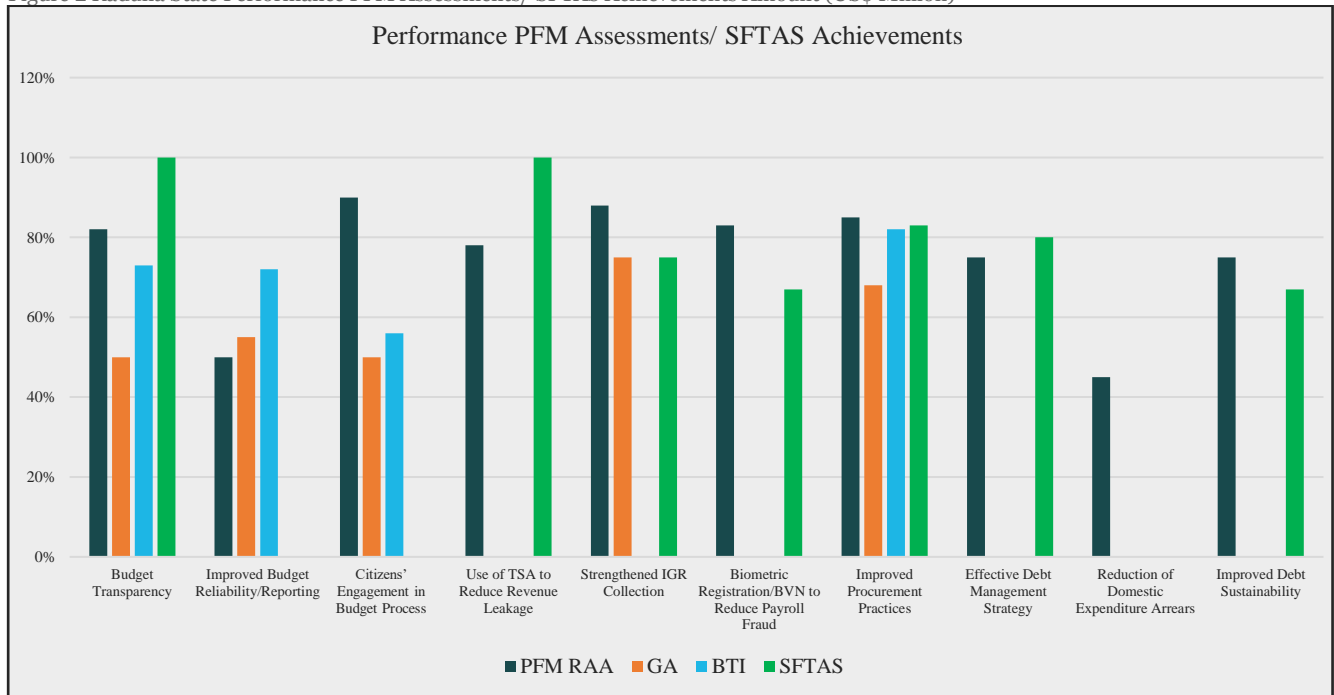
Kaduna State achieved the highest number of the nine DLIs assessed and received the highest grant amount of US\$11million, representing 61% of the maximum \$18.1million grants available to any participating state for meeting all basic DLI targets. Yobe got 35% (US\$6.3million); Jigawa received 30% (US\$5.5million); while Kano got the least 11% (US\$2million).

Kaduna State

As mentioned above, Kaduna State recorded tremendous performance and received a total SFTAS grant of \$11 million out of the \$18.1 million being total grants available for the 2018 APA. As shown in Figure 2 below, the state recorded the best performance in the PFM – RAA indicators but performed relatively above average in the other two assessments. The state’s remarkable performance was noticed in the areas of use of Treasury Single Account (TSA) BTI, strength of Internally Generated Revenue (IGR) collection, improved procurement process and debt management strategy. In all, Kaduna State achieved nine out of 14 DLRs.

The state performed poorly in three areas, namely DLI – 1 Improved Budget Reliability/Reporting; DLI – 2 Citizens’ Engagement in Budget Process; and DLI – 8 Reduction of Domestic Expenditure Arrears but was able to receive some amount of money from all the other six DLIs, meeting the target for most of the Disbursement Linked Results (DLRs).

Figure 2 Kaduna State Performance PFM Assessments/ SFTAS Achievements Amount (US\$ Million)



| Indicators | PFM RAA | GA | BTI | SFTAS | SFTAS Amount (US\$ Million) |
|--|------------|------------|------------|------------|-----------------------------|
| Budget Transparency | 82% | 50% | 73% | 100% | na |
| Improved Budget Reliability/Reporting | 50% | 55% | 72% | 0% | - |
| Citizens' Engagement in Budget Process | 90% | 50% | 56% | 0% | - |
| Use of TSA to Reduce Revenue Leakage | 78% | na | na | 100% | 1.50 |
| Strengthened IGR Collection | 88% | 75% | na | 75% | 3.00 |
| Biometric Registration/BVN to Reduce Payroll Fraud | 83% | na | na | 67% | 1.00 |
| Improved Procurement Practices | 85% | 68% | 82% | 83% | 2.50 |
| Effective Debt Management Strategy | 75% | na | na | 80% | 2.00 |
| Reduction of Domestic Expenditure Arrears | 45% | na | na | 0% | - |
| Improved Debt Sustainability | 75% | na | na | 67% | 1.00 |
| Average Performance Score | 75% | 60% | 71% | 57% | US\$11 m |

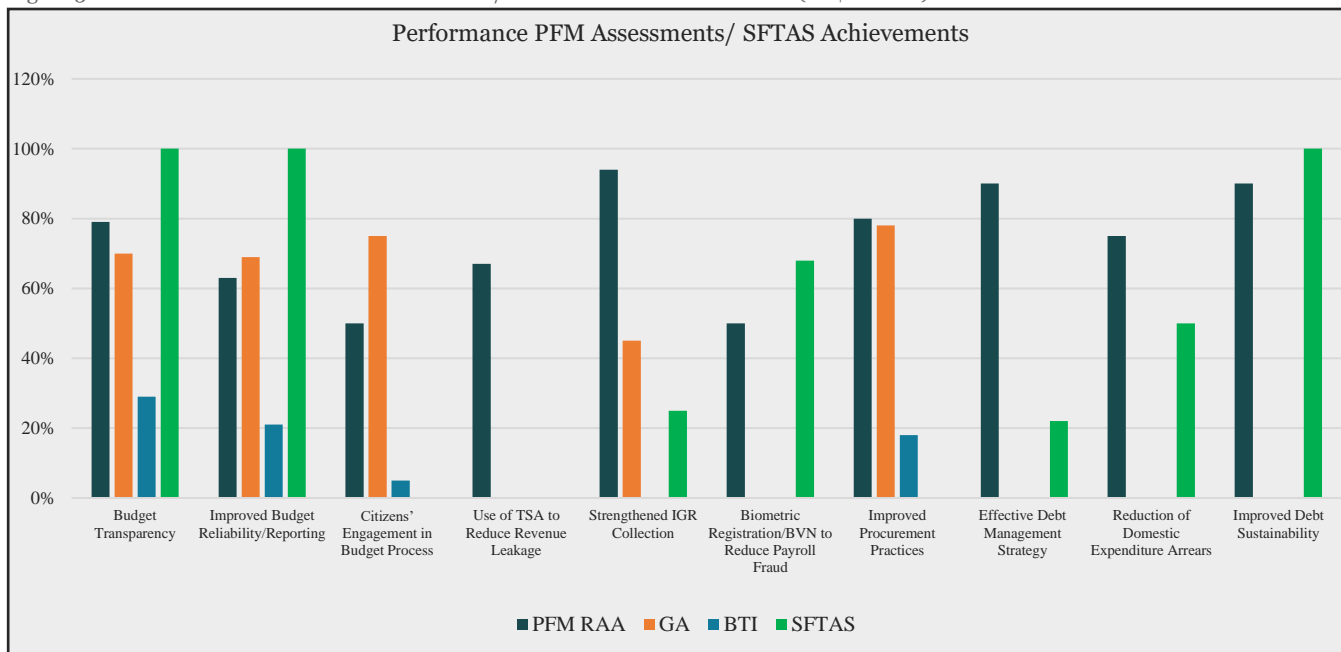
For the SFTAS indicators of measuring the Strength of IGR and improvements in procurement process, Kaduna State’s high performance is reflected across all the assessment types and translated to the state getting US\$3 million, representing 70% and US\$2.5 million, representing 83%, from these two most important DLIs in the 2018 SFTAS APA.

Yobe State

Yobe State had the topmost performance in PERL’s Governance Assessment when compared with the three partner states, as well as the second most impressive performance under the PFM – RAA. This performance earned Yobe State the second-best state among the four states under review. The state achieved eight (8) DLRs out of 14 DLRs, and six out of the nine DLIs.

The state was the only one to receive the full share of the grant under the indicators of Improved Budget Reliability/Reporting (DLI – 1) and 50% of the total grant under (DLI – 8), Reduction of Domestic Expenditure Arrears.

Figure 3 Yobe State Performance PFM Assessments/ SFTAS Achievements Amount (US\$ Million)



| Indicators | PFM RAA | GA | BTI | SFTAS | SFTAS Amount (US\$ Million) |
|--|------------|------------|------------|------------|-----------------------------|
| Budget Transparency | 79% | 70% | 29% | 100% | na |
| Improved Budget Reliability/Reporting | 63% | 69% | 21% | 100% | 1.30 |
| Citizens' Engagement in Budget Process | 50% | 75% | 5% | 0% | - |
| Use of TSA to Reduce Revenue Leakage | 67% | na | na | 0% | - |
| Strengthened IGR Collection | 94% | 45% | na | 25% | 1.00 |
| Biometric Registration/BVN to Reduce Payroll Fraud | 50% | na | na | 68% | 1.00 |
| Improved Procurement Practices | 80% | 78% | 18% | 0% | - |
| Effective Debt Management Strategy | 90% | na | na | 22% | 0.50 |
| Reduction of Domestic Expenditure Arrears | 75% | na | na | 50% | 1.00 |
| Improved Debt Sustainability | 90% | na | na | 100% | 1.50 |
| Average Performance Score | 74% | 67% | 18% | 47% | US\$6.3 m |

Yobe State recorded the highest comparative score in the PFM – RAA indicator on ‘strength of IGR collection’ but received only 25% of the total amount for this DLI, given that the state has not produced a consolidated and codified IGR law, empowering state Bureau of Internal Revenue as the sole agency responsible for state revenue collection.

Also, the state was scored high in the PFM – RAA and GA indicators of improved procurement practice but was unable to receive any fund from this DLI due to the absence of an independent procurement board, e – procurement and inability to publish online, contract award information above the requisite threshold, using the Open Contracting Databases (OCDS) format.

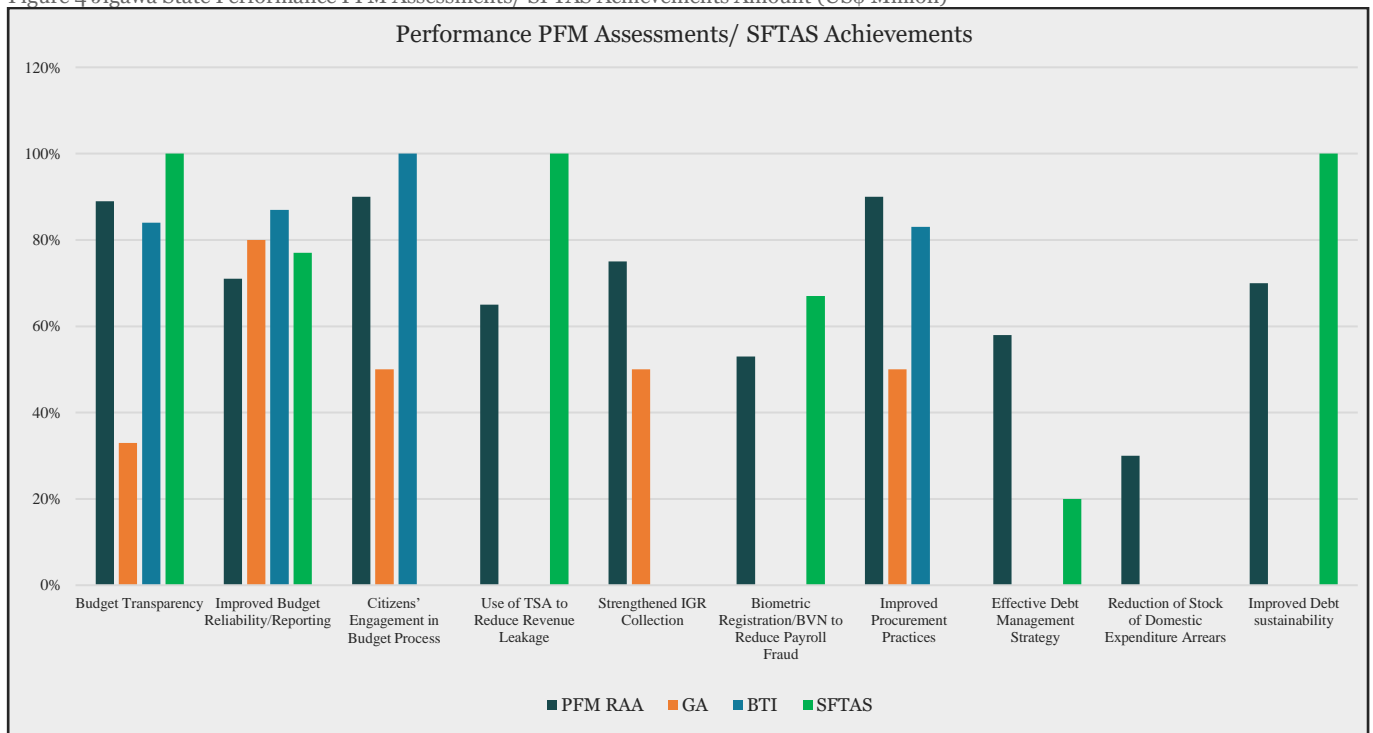
Jigawa State

As depicted in the chart below, across the four assessment types, Jigawa State had its highest performance (89%) in the NBTS but scored an average of 69% on the PFM RAA indicators that are related to the SFTAS DLIs.

The state had the lowest score for the GA indicators and came third place in the amount received from the SFTAS grants, when compared with the other four states. Jigawa State’s performance were in five DLIs including improved budget reliability, use of Treasury Single Account (TSA) to reduce

revenue leakage, Biometric Registration/BVN to reduce payroll fraud, effective debt management strategy and improved debt sustainability.

Figure 4 Jigawa State Performance PFM Assessments/ SFTAS Achievements Amount (US\$ Million)



| Indicators | PFM RAA | GA | BTI | SFTAS | SFTAS Amount (US\$ Million) |
|--|------------|------------|------------|------------|-----------------------------|
| Budget Transparency | 89% | 33% | 84% | 100% | Na |
| Improved Budget Reliability/Reporting | 71% | 80% | 87% | 75% | 1.00 |
| Citizens' Engagement in Budget Process | 90% | 50% | 100% | 0% | - |
| Use of TSA to Reduce Revenue Leakage | 65% | na | na | 100% | 1.50 |
| Strengthened IGR Collection | 75% | 50% | na | 0% | - |
| Biometric Registration/BVN to Reduce Payroll Fraud | 53% | na | na | 67% | 1.00 |
| Improved Procurement Practices | 90% | 50% | 83% | 0% | - |
| Effective Debt Management Strategy | 58% | na | na | 20% | 0.50 |
| Reduction of Domestic Expenditure Arrears | 30% | na | na | 0 | - |
| Improved Debt Sustainability | 70% | na | na | 100% | 1.50 |
| Average Performance Score | 69% | 53% | 89% | 46% | US\$5.5 m |

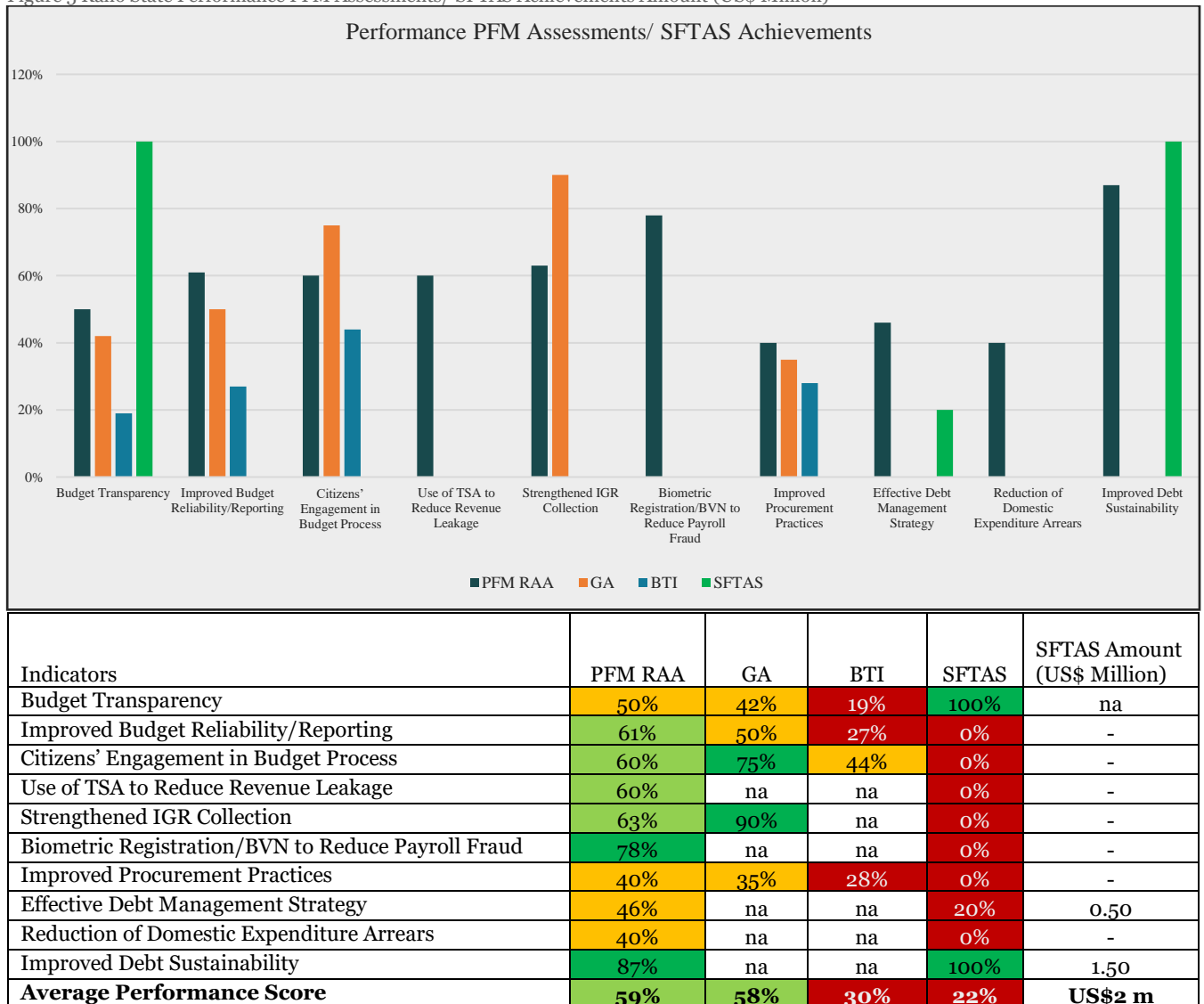
Jigawa State recorded the highest performance on the combined indicator of citizens' engagement in the budget process scoring 100% on NBTS 90% on PFM RAA and GA – 50%; but could not publish its citizens' budget in a timely manner, resulting in the state not accessing the fund voted for the DLI 2 in the 2018 SFTAS APA. The state received just 20% of the total amount on DLI – 7 'debt management strategy', 67% on DLI – 5, 'reduction of payroll fraud using biometric registration/BVN; and 77% on DLI – 1, 'improved budget reliability and reporting'.

Kano State

Kano State recorded the least performance both in its score in the PFM RAA and the SFTAS DLIs, and consequently received US\$2 million, representing only 11% of the total US\$18.1 million earmarked for 2018 SFTAS APA. The state met only two SFTAS requirements which were DLR 7.2 – on publishing annual debt sustainability analysis and quarterly debt reports; and DLI – 9 on improved debt sustainability.

Compared with the other three states, Kano recorded the poorest performance in the PFM – RAA scoring 59%; and with an average score of 73% and 30% in the GA and NBTS respectively, to attain the third position in each of those two assessment types.

Figure 5 Kano State Performance PFM Assessments/ SFTAS Achievements Amount (US\$ Million)



The poor performance of the state was as a result of poor implementation of the TSA, poor procurement process, inefficient utilization of biometric registration/BVN to reduce payroll fraud, inability of the government to institute a systematic process of clearing domestic expenditure arrears, and inability of the state to produce a consolidated and codified state revenue law among others.

The performance recorded by Kano State is largely due to poor up take of reforms and observable low level of political commitment. The state is yet to implement various governance and public financial management reforms to the scale required to obtain the associated rewards.

Conclusion

This analysis brought together results from four different public financial management and good governance assessment reports. These include the Civil Resource Development and Documentation Centre Nigeria (CIRDDOC)'s - Nigerian Budget Transparency Survey (NBTS), the PERL's Governance Assessment (GA) and Public Financial Management Rapid Annual Assessment (PFM – RAA) as well as the World Bank 2018 SFTAS APA. These four assessment methods are adaptations of PFM and good governance indicators from other international assessment methodologies including the Public

Expenditure and Financial Accountability (PEFA) framework, Open Budget Index (OBI), Open Government Partnership (OGP) commitments and Nigeria's 22-Point Fiscal Sustainability Plan.

Given that the SFTAS combines a 'carrot' and 'stick' approach to incentivize state governments into pursuing relevant reforms geared towards strengthening fiscal management to guarantee effective mobilization and utilization of financial resources and ultimately delivering public goods and services in a transparent, accountable, inclusive and sustainable manner, the SFTAS DLIs were used in adopting and benchmarking key indicators for this analysis.

This report shows that whereas PERL offers technical support to these four states, the level of reforms uptake and implementation varies, leading to varying results in the assessment and in the SFTAS achievement; for instance, Kaduna State's performance in the PFM – RAA translating into better results in the 2018 SFTAS APA. PERL should sustain its technical assistance and advocacy to these states to uptake the various reforms being supported, as the states not only stand the chance to improve its governance delivery but, also the opportunity to earn more SFTAS discretionary grants that can be ploughed into the funding of improvements in service delivery to citizens.