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# After Transparency, What's Next?

Rethinking Systems & Scale

Oluseun Onigbinde | Director, BudgIT

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## Introduction



*BudgIT staff during a budget analysis session*

For BudgIT’s work to scale, our work must impact both citizens and government in a way that they see “data” as an opportunity to enhance better service delivery towards national development. From the citizens’ end, we hope that soon, out of their own self-enlightened interest, citizens will start using data to hold their governments to account, demanding action for institutional efficiency. We also see the government incubating our ideas and using a wide public channel or media to influence civic behaviour towards accountability. For example, we would like the Nigerian government to expand its monitoring and evaluation unit to track public projects and also include citizen-generated comments, complementing the work that our Tracka platform does. By doing so, the job of accountability runs

naturally, coming from both sides, with both parties supporting themselves while the civil society just plays a monitoring role.

BudgIT has worked to deliver fiscal transparency to over 13m Nigerians, raising their civic awareness on public finance and transforming their interest in holding government accountable. Founded in 2011, BudgIT is a civic organisation that applies technology to intersect citizen engagement with institutional improvement, to instigate societal change. A pioneer in the field of social advocacy, BudgIT uses an array of tech tools to simplify budgets and matters of public spending for citizens, with the primary aim of raising the standard of transparency and accountability in government. We are in constant partnership with the civil society,

public institutions and the media chiefly in the areas of fiscal analysis, civic technology and data representation.

Since 2011, our organisation has been leading the civic technology space in Nigeria and is arguably Nigeria's biggest fiscal transparency and service delivery tracking group, giving Nigerians on social media daily access to budget information through infographics and interactive applications. Our social hubs on Facebook and Twitter are hives for public commentary on issues regarding transparency and accountability. Through our Tracka tool ([tracka.ng](http://tracka.ng)), we have enabled local community members to have access to the budget and demand service delivery for roads, schools and water provision facilities. Tracka's work was archived by ONE, a global non-profit organisation, as one of the "follow the money" global stories.

At BudgIT, we do not approach our work from a messianic viewpoint, we think that our solutions should be distributed to citizens, thereby ceding ownership as well as the ability to close the feedback loop with elected officers. This paper looks at the work

of BudgIT in the last seven years, reviewing the emerging opportunities in Nigeria's fiscal space and how BudgIT can leverage to scale its impact in Nigeria and other prospective countries. BudgIT has four main units: Budget Access and Research, Extractive Transparency, Tracka (Service Delivery & Civic Education) and Institutional Support. Recently, there have been fiscal transparency initiatives from the Nigerian government and there have also been stronger institutional interests that leverage on the work of BudgIT. Organisations such as the World Bank, Independent Corrupt Practices Commission, Accountant-General of the Federation, Nigerian Extractives Transparency Initiative and others are leading initiatives that have immense potential to change the accountability landscape in Nigeria. This paper looks at how BudgIT and other civic actors can plug into these opportunities for accountability. We do this by showing how, if BudgIT continues its dedicated work in partnership with these fledgling accountability ideas, it will illuminate the changes in Nigeria's civic space in the next few years.

# The Four Emerging Trends

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# 1. States Fiscal Transparency and Accountability and Sustainability Programme (SFTAS)

After working on budgeting at the federal level, there was increased interest to analyse the fiscal state of sub-nationals, especially the 36 states. BudgIT has been at the forefront of analysing budgets at the state level but access to budgets has been weak. In Nigeria, institutions at sub-national level are grossly weak, due to the subjugation of critical oversight institutions such as the House of Assembly (legislature), Auditor-General of the Federation and others. State governors act as lords without any level of accountability. While the Fiscal Responsibility Act binds the federal government to make budgets available, state governors do not have any legal instrument that makes access to budgets and financial instruments a critical element.

In 2018, the World Bank released the States Fiscal Transparency and Accountability and Sustainability Programme, which provides incentives up to \$21m for states that meet a certain transparency threshold. The \$750m programme which runs from 2019 to 2023 has four major objectives:

## Objective 1: Increase Fiscal Transparency and Accountability

- Increase the quality (compliance with international standards), timeliness and transparency of the annual budget, budget implementation reports, and audited financial statements
- Increase citizens' participation in the budget process

- Improve budget credibility by reducing deviation in total state expenditure outturn.

## Objective 2: Strengthen Domestic Revenue Mobilisation

- Increase Internal Generated Revenue (IGR) collection while providing more transparency and certainty to taxpayers
- Reduce revenue leakages by implementing the Treasury Single Account (TSA) at the state level.

## Objective 3: Increase Efficiency in Public Expenditure

- To reduce payroll fraud through the use of biometric and Bank Verification Number (BVN)
- Improve the transparency, open contracting standards and value for money of public procurement through the implementation of e-procurement systems in Ministries, Directorates and Agencies (MDAs), including those delivering education and public health services.

## Objective 4: Strengthen Debt Sustainability

- Strengthen the legal framework for debt management and fiscal responsibility, to improve state debt reporting and debt sustainability analyses
  - Reduce the stock of domestic expenditure arrears
  - Strengthen debt sustainability ratios.
-

The first and third objectives of the programme are of immense interest to BudgIT and we have worked together with the World Bank on the delivery of these goals. With the World Bank, and Open Government Partnership Secretariat, we developed a citizen budget template, which has been adopted by all Nigerian states. The states are highly incentivised due to their participation in the World Bank SFTAS project in Nigeria. The World Bank projects that \$700m will be disbursed to states with \$131m in 2018, \$171m in 2019, \$205m, in 2020 and \$194m in 2021<sup>2</sup>. A sum of \$50m

is proposed under the project for capacity building to be provided by the Federal Ministry of Finance, Auditor-General of the Federation and other key institutions. The fiscal incentives show positive results as access to state budgets has grown from 21 budgets in 2016 to 33 states in 2019. BudgIT is working with the states through the Federal Ministry of Finance to design the citizen accountability template, a critical tool that will strengthen accountability at the state level.

States	Number of States with Public Budgets as at Year End
2016	21
2017	18
2018	25
2019	33

Source: BudgIT Research

*The Question: It is without doubt that the access to grants up to \$21m coupled with the foundational work by BudgIT is strengthening fiscal transparency and improving access to the budgets at the state level. The question is that will states continue to publish their budgets at the expiration of the grant in 2023. How does BudgIT plug itself within the states' frameworks, to ensure that access to budget in Nigeria is not solely tied to access to grants? How does BudgIT distribute current budgets at scale, ensuring civic interactions and accountability, in a way that lays the groundwork for continuous demand for public projects?*

<sup>2</sup> We are not certain that the World Bank kept to these timelines as payments have not been made as of December 2020.

## 2. Open Treasury

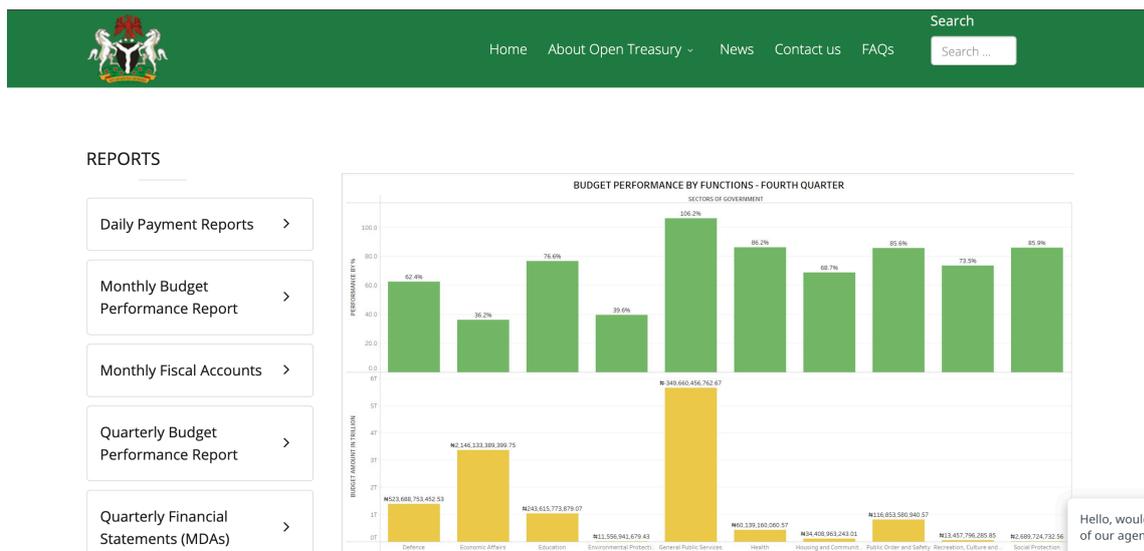
While it might be important to talk about budgets, the budget is a statement of projections and recent analysis has shown that the Nigerian budget suffers huge incredibility, due to low revenue collections and this is why BudgIT has been at the forefront of the advocacy that actual public spending especially at the capital expenditure level be published for citizens.

On December 9, 2019, the Federal Government launched the OpenTreasury portal, an incredible addition to the growing wave of transparency in Nigeria. Our appraisal of the portal shows that projects with amounts of 10m Naira and above are posted. While we cannot vouch for the comprehensiveness of the data but access to such data is a big win for transparency in Nigeria.

Despite the importance of the website, we are asking ourselves as an organisation:

how do we make value out of the data in a manner that builds insights into ways of reducing corruption, contract inflation and gross inefficiency? At BudgIT, we are developing a strategy to ensure that the data is structured and creatively interpreted in formats that engage citizens and builds deep awareness.

This is a big step for the Federal Government but we are curious about how we spread this impact to the state level either through legislative or structural means. Improving transparency at the state level is important to public service efficiency in Nigeria. How will Nigerian states also publish actual spending data in a comprehensive manner? How will it make sense and become an action tool for citizens? The access to actual spending data at all levels is noteworthy and it is important that BudgIT stands at the pivot to make this happen.



Nigeria's opentreasury.gov.ng Portal

### 3. Tracka, ICPC and Tracka Community Champions Programme

As a response to our work on access to budgets, BudgIT launched a service delivery platform, Tracka, in 2014. Tracka has had monumental success with its robust presence in 26 out of 36 states in Nigeria. With 30 project officers in 26 states, BudgIT has tracked 20,413 projects, and reached 3m Nigerians in rural and semi-urban communities. Tracka is the leading project delivery platform in Nigeria and its incredible work has facilitated the delivery of over 1,200 projects in Nigeria. Tracka's advocacy has delivered schools, hospitals, rural roads and also empowerment projects.

For Tracka to scale beyond its current trajectory, we considered that it must be scalable on the supply and demand side of governance. We believe that the Nigerian government needs to close the feedback loop based on several revelations on abuse of public resources, poor facility delivery, appropriation of public projects for private use and labelling of public projects as private donations. In 2019, the Independent Corrupt Practices Commission (ICPC) partnered with BudgIT to investigate abuse in the use of public funds for constituency projects. Through our work, we have delivered constituency projects to three communities<sup>3</sup>, thereby producing tips to the anti-corruption agencies. Our plan is to deepen the relationship and be in a position to pass information to government agencies for immediate action.

The next phase is a question of how do we scale beyond 30 project officers who cost around \$500 each to maintain monthly. However, hiring more project officers is deemed unsustainable considering escalating costs. A continuous appraisal of the current system led to the development of the "Community Champions" Initiative. Based on our current reach, BudgIT engaged 120 persons in focus states to track projects and engage citizens on community projects. Our community projects will see scale as we increase the number of Nigerians involved in the programme. We hope this will stem the rising costs of funding our project tracking officers, deepen reach and even give communities a sense of ownership of the project. We are committed to ensuring that a total background check of our "Community Champions" is done to ensure accuracy of reports that are not tinted by political bias.

As we strive to improve Tracka with the new platform expected to be launched in March 2020, we are asking: how wide should be our reach in Nigeria and can this model be scalable across other African countries? More than this, we also continue to seek multiple ways to deepen our partnerships with institutions such as the ICPC, Auditor-General of the Federation and Economic and Financial Crimes Commission.

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<sup>3</sup> <http://saharareporters.com/2019/08/08/shame-afraid-prosecution-nigerian-senator-utazi-finally-distributes-n117-million>  
<https://punchng.com/icpc-recovers-ambulances-transformer-from-kashamu/>  
<https://punchng.com/icpc-recovers-ambulances-transformer-from-kashamu/>

## 4. NEITI & Beneficial Ownership

In 2015, BudgIT added extractive transparency to its portfolio for two reasons: first, the significance of oil and gas revenues to Nigeria's fiscal regime; second, the notoriety of the sector for corruption. In 2016, BudgIT partnered with Facility for Oil Sector Transparency and Reform (FOSTER) in Nigeria, a UK Aid programme, to share the need for beneficial ownership in the Nigerian extractive sector. In addition to this, the Open Government Partnership programme, a coalition of countries committed to transparency and accountability also added beneficial ownership as part of Nigeria's commitments.

The current NEITI leadership has been zealous with the publication of a beneficial ownership register which would unravel the real beneficiaries of Nigeria's oil and gas industry. On December 8, 2019, NEITI launched the Beneficial Ownership Register, thereby providing a list of Nigeria's oil mining leases and production lines as well as their owners. While the webpage might not provide comprehensive data, this is a step in the right direction. Yet, more than just taking steps, we are concerned about the larger impact of activities as we ask: how will this data be beneficial on a mass scale? How will it connect to public institutions that apply punitive measures?

**Search Result For: GABRIELE VOLPI FAMILY** [Download Disaggregated Data](#)

Beneficial Owner	Nationality	Age	% Holding	No. Shares	PEP	Stock Exchange Link	Owners
Oando Oil Limited			60%			<a href="#">View Stock Exchange</a>	<a href="#">View</a>

NEITI's Beneficial Ownership Portal

## Our Strategic Thinking

This paper acknowledges that the Nigerian Government is taking the right steps on the transparency journey but after a deluge of information to the public, how do citizens interact with the data, build actionable insights and also provide a basis for an efficient society? Based on our interactions, we have identified five major points that can add meaning to the current season of improved transparency. The major points are:

- 1. Build Actionable Plans:** We believe user design with effective interaction must be the focus of our design as we proceed. We should not only make data simpler and more accessible but constantly query if it can also be actionable, that is, it is important to make data a unit for citizens to act and create pathways for accountability through the medium.
  - 2. Low-cost Technology:** In October 2019, we launched the LG Alert, a platform that provides citizens with local council allocations by using a short code. In less than three months of use, over 400,000 citizens have accessed the platform, providing them with access to budget information at the lowest level of government administration. We are constantly thinking of how to expand this low-cost technique to access budgets and other fiscal data. We are not unmindful of our current environment with its limited access to technology and poor literacy levels. To reach more people, especially at the grassroots, we are planning to use sms, language localisation and other tools to increase access and improve usage of published data.
  - 3. Partnerships with Relevant Public Institutions:** Our work with ICPC on the constituency projects is clear evidence that there has to be synergy between civil society and credible public institutions for impact. We must think clearly on how we work with public institutions who have the mandate for civic engagement such as the National Orientation Agency (NOA) and also institutions that handover sanctions such as ICPC and Economic and Financial Crimes Commission (EFCC). BudgIT is committed to seeking genuine partnerships with public institutions geared towards the improvement of public service delivery
  - 4. Partnership with the Media:** Through our Civic Hive programme, BudgIT sees the media as veritable partners and we need to leverage on its requisite role to deliver investigative pieces for the public. Through the media, we believe that more Nigerians will be better informed on public service delivery in their communities and better empowered to engage with their elected representatives. BudgIT will improve its Media Fellowship Programme which trains journalists on use of data and fact-based writing to spur civic engagement.
  - 5. Build Long-term Strategy for Impact:** We are geared towards long-term and far-reaching impact. As such,
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we will treat our lessons, challenges and successes with a long-term view. This will include how we strengthen relationships with key stakeholders and also influence how we measure results over a periodic time. We see

the work involved as requiring strong institutions who keep data immune from political control and we want to ensure that current transparency initiatives are institutionalised.

## Immediate Steps

1. Engage the 36 states to scale the OpenTreasury platform, a platform that publishes Federal Government daily spending, thereby making states more open and transparent.
2. Scale the adoption of Tracka's Community Champions Programme even as we work to connect them with functional line ministries and punitive agencies such as ICPC.

Consequently, we hope to build a trust system between the champions and these agencies aimed towards one goal: service delivery for the communities.

3. Ensure that the institutionalisation of access to state budgets, audit reports and budget implementation reports, beyond the SFTAS project.



*Participants at a constituency townhall meeting organised by Tracka*



55, Moleye Street, Alagomeji, Yaba

  budgitng | [info@yourbudgit.com](mailto:info@yourbudgit.com) | [www.yourbudgit.com](http://www.yourbudgit.com)

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