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Transcript

Reform and Resource Governance in Nigeria

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Richard Fuller:

Good morning ladies and gentlemen and welcome, or welcome back to Chatham House. My name is Richard Fuller. I am vice chairman of the All Party Parliamentary Group for Nigeria at Westminster and it is my pleasure today not only to welcome you all here, but also to welcome His Excellency Governor Amaechi to speak with us. You're most welcome sir.

Ladies and gentlemen, please welcome Governor Amaechi to speak on 'Reform and Resource Governance in Nigeria'.

Chibuike Rotimi Amaechi:

Your excellencies, distinguished ladies and gentlemen: I am thankful and pleased for another opportunity to visit you at Chatham House to share my thoughts and glean from you new perspectives on the whole question of reform and resource governance.

As you are most probably aware, Nigeria is a federation, made up of the centre and 36 federating units. We refer to those federating units as states. There is also a third level of government: the local governments. Based on the constitutional configuration of Nigeria and our political structure, the states play a significant role with respect to the development of the country. The role spans the implementation of reforms, development of infrastructure and the provisions of services.

Rivers State, where I am governor, is one of the 36 states in Nigeria. Like the other 35 states, it has enormous responsibility with respect to the security and welfare of the residents of the geographical territory. The magnitude of the responsibility, relative to the resources available in light of the prevailing social and economic conditions, demands a lot from the officials of the government of the state.

Today, I will highlight, with brief illustrations, the measures taken by the government of Rivers State under my administration to deal with the competing needs in the face of limited resources including our efforts at improving governance through the practice of accountability and transparency.

Let me begin my speech by sharing with you an email I received two days ago from a Nigerian from Rivers State who is now based in London:

'Your Excellency, Rt Hon Chibuike Rotimi Amaechi,

I am a lawyer and one of the beneficiaries of your PhD scholarship

program for Rivers State students in the UK. I write to thank you for uplifting my life forever. In appreciation for what you have done for me, I want to use my new position as a law lecturer in the United Kingdom to help by providing free training on legislative drafting and law reform skills for lawyers at the Rivers State Ministry of Justice and Rivers State House of Assembly.

With the kind approval of your Excellency, My plan is to bring experts from the UK who are professors of law to train these categories of staff on how to draft laws.

Your kind reply is anticipated.

Respectful regards,

Tonye Clinton Jaja'

This email came barely a week after five students from Rivers State graduated from the Nottingham Trent University with first class honours degrees. One of the graduates is a physically challenged person and a beneficiary of our administration's special intervention programme in education. He graduated first class in Law.

Three key ideas or concepts run through my speech. These include reform, resource, and governance. It may be necessary to explain them as used in this speech. To reform implies to improve or amend something that is not satisfactory or wrong. It may also mean to fine-tune without altering the fundamentals of the thing in question. To this extent, reform is different from revolution.

Resource generally refers to everything present in our environment that can be used to satisfy human needs as long as it is accessible technologically, feasible economically and culturally accepted. The concept of resource applies to different areas of life. There are economic resources, natural resources, biological resources, human resources and even computer resources. Every resource is connected to the notions of competition, conservation, sustainability and stewardship. A resource has three principal attributes: utility, limited availability – which is scarcity – and potential for depletion.

Governance relates to processes and systems. This is also very important and key. You need to ask the question: are we really governing? Because you should ask if there are processes by which the Nigerian government runs. How do we run our procurement process? How do we run our accountability process? How do we punish those who break the law: do we really punish

those who break the law, or are they celebrated? What is amnesty? Why are we forgiving those who have not been found guilty by law? What is our judicial process? Who goes to prison: you or I? Can the governor go to prison?

It is the act of governing. For purposes of definition, the World Bank defines governance as the manner in which power is exercised in the management of a country's economic and social resources for development. I'm quoting from World Bank, 'Managing Development: The Governance Dimension', Washington, DC, 1991, page one. A preferred definition is one put forward by Stephen Bell: that governance is the use of institutions, structures of authority or even collaboration to allocate resources and coordinate or control activity in society or the economy, and I'm quoting from *Economic Governance and Institutional Dynamics*, Melbourne, Australia: Oxford University Press, 2002.

Governance issues, reforms and the management of resources have gone beyond global mantras. They have become the indices for assessing how governments and leadership are viewed and trusted. This is more so the case with countries that have depended on natural resources especially the extractive industries to drive their economies. Nigeria, my country, happens to fall quite squarely in the middle of all of this.

Nigeria and Britain have a historical relationship that developed primarily from the quest for resources, and culminated in colonialism and later independence. The laws, mores and ethos that define government and politics in Nigeria still have strong leanings on the British system. This is despite the fact that we practice the presidential system of government with the attendant incursions of the American political culture.

The above background is to help situate some of the assumptions that underpin my speech. Naturally, my discourse will centre on Rivers State where I am the governor and which, as you already know, is the second largest economy in Nigeria and accounts for a significant amount of its oil and gas earnings.

Discussing reforms is quite topical, some may even say urgent, especially as my country prepares for general elections scheduled for 2015. Most second-term governors, like myself, are approaching the end of their tenures. Our democracy, for the first time, will have gone on unbroken for 16 years by 2015. Clearly, this is a good time for assessments and evaluations.

At the heart of the matter, therefore, as we draw the curtains on our tenure, is how well have we utilized the resources in our care? Remember that I had indicated that the concept of resource is linked with the notion of stewardship.

How much better are the lives of our citizens today? What legacies would we be leaving behind? Have we arrived at our El Dorado? If not, are we getting anywhere close?

When I assumed office as governor, my team and I made a pledge to 'render transparent and accountable stewardship anchored on good governance and integrity'. This was a goal we set as we had watched our nation suffer from the effects of a mono-economy. Worse still coming from a state that is the centre of the oil and gas industry but whose populace suffer the negative impact of oil exploration, it was important that we created new opportunities for our people not just to survive but to excel as well.

Our administration's opportunity to govern Rivers State did not come easy. Therefore, it was imperative that we addressed the issues of under-development and poverty. In these respects, we set out to tackle the issue of poor service delivery caused by weak governance structures and leadership, which had left the populace wary of government and its promises. Our administration therefore focused on rebuilding confidence in government by focusing on fast tracking development. We drew up an agenda geared towards rebuilding our state from the foundations. This required addressing the basic issues of education, healthcare and physical security.

What we've seen here is physical security. When we discuss security we will discuss what I call social security and physical security. If you don't address social security you can never achieve physical security. And what do I refer to as social security? You must address hunger; you must address poverty. A man who is hungry will do anything to address hunger, because if he doesn't eat he will die. So if he takes a risk of robbing, he may likely die, or he may not die, so we'll address those issues.

At the base of the educational agenda is the tripod: literacy, numeracy and life skills. Our education agenda seeks to provide the proper education beginning from scratch. We identified that the problems of our young people began from a destroyed foundation. The educational system was in a very bad state but worse off was primary education. Owing to widespread poverty many children could not stay in school and, even when they did, did not have the right quality of education as their parents could not afford the price for good quality education. We have 500 primary schools at various stages of construction and will begin commissioning 250 by October. All the children in our primary schools have free uniforms, free school sandals, free school bags and free textbooks and that includes free tuition.

Beyond primary education, the administration is building 24 modern secondary schools equipped to prepare students for life in the 21st century. One of the schools had commenced operations. We also plan to renovate and upgrade existing secondary schools. Eight schools from different parts of the state are in the first phase of this programme.

Finally, plans are at an advanced stage to build a new campus of the state university within an environment conducive to learning and research.

We are also addressing issues regarding healthcare delivery, beginning with the provision of primary healthcare facilities. Our aim is to provide a facility within every ward to make for accessibility and thus improve health care delivery. My administration has completed and commissioned 60 facilities. Another 70 facilities are due for commissioning in the last quarter of this year.

In addition to the primary care facilities, we have built referral facilities in Port Harcourt. There is Professor Kelsey Harrison Hospital and there is the Dental and Maxillofacial Hospital. Subject to completion of the processes under the public procurement regime, construction works will commence on another referral facility in Port Harcourt called the AK Hart Memorial Hospital. We planned four of such facilities in four major towns in the state: Ahoada, Bori, Degema and Okehi.

In addition to the construction and equipping of health care facilities, we are also interested in the development of capacity for this facility. With support from the federal government under the Millennium Development Goals scheme, we are constructing a modern school of nursing in Port Harcourt. The administration has also proposed specialist training programmes for medical personnel in the state civil service.

The administration is also involved in agriculture, tackling the twin problems of food security and employment generation. We collaborated with the founder of the Songhai initiative to develop a facility suitable for agro-tourism as well as training of farmers in Bunu Tai, Rivers State. We are developing modern fish farms in four local government areas of the state. The pilot farm with a capacity for 1,000 tonnes per annum located in Buguma is nearing completion.

We engaged in massive infrastructural development to encourage businesses. This administration is conscious of the loss of time and other resources occasioned by traffic congestion and, following professional advice, has undertaken the construction of major roads, highways and bridges across the state. Road projects commenced by the previous administration are continuing toward completion.

We have also invested in power generation in the state. In the last 18 months, we have embarked on aggressive intervention with respect to distribution to ensure that residents and businesses in the state enjoy the benefits of the investment in power generation. However, the activities of vandals have continued to undermine efforts in these respects.

However, all the infrastructure and provision of amenities appear like dealing with the symptoms rather than the problem itself. For any society to transit from poverty, developments relating to wealth creation, poverty alleviation and robust economy must be sustained. For this to happen, strong institutions, and the appropriate legal and regulatory frameworks need to be put in place. This is when reform begins to make sense and have far-reaching implications. Realising this, therefore, we are putting in place appropriate frameworks that will guarantee the sustenance of the work we are doing, encourage investment and expand the economy of our state.

Under the Rivers State Sustainable Development Strategy, this administration has set up the Rivers State Sustainable Development Agency through which interventions in the areas of capacity building and agriculture are implemented. Most of the scholarships we are awarding come under the strategy. Additionally, initiatives on wealth creation and poverty reduction through measures such as the microfinance and venture capital and private equity financing are being pursued. On 17–18 July 2013 we held a summit on wealth creation and poverty reduction. The executive bill for the law to establish the framework for the venture financing is ready.

In line with our goal to render transparent and accountable stewardship of the resources of the state, in 2008, the state enacted a public procurement law as part of the broader governance reforms and a subset of the public finance management reforms. We had stated that weak governance structures predated our administration. One way of improving governance was the enactment and implementation of legislation aimed at improving outcomes from public expenditures, particularly in the face of limited resources and competing demands.

Our public procurement reforms seek to improve the return on investment or the public value of public expenditure by insisting on planning prior to every expenditure such that the purpose of the expenditure must be clarified and the potential impacts – economic, social and environment – clearly identified. The reforms revolve around the fundamental issues of accountability, transparency, equity, timeliness, economy, efficiency, fitness for purpose and value for money. The reforms have introduced the need for evaluation of

every expenditure to ascertain whether the purpose was met and whether the benefits to the people of the state justified the expenditure. With the reforms, the dangers of bloated costs of projects and abandoned projects are being checked.

One challenge from the reforms is that operators have been slow in embracing the demands with the result that there is delay, which is not good for time-bound administration in the face of pressing needs of the state.

In the face of limited resources, the administration has chosen to revive businesses and put to use wasting assets belonging to the state through the engagement of the private sector. This has led to the revitalization of the Risonpalm oil palm estate with the incidental job creation opportunities. We have leased a major shopping complex belonging to the state with a proven operator. Extensive renovations are going on preparatory to the commencement of operations by the end of the year. Similarly, the state had collaborated with a Mexican firm to commence a banana plantation with capacity to provide direct employment for over 2,000 persons. We are also in partnership with the LR Group from Israel in connection with an integrated farm. All of these are pointers to our determination to reduce unemployment, and encourage economic growth.

The importance of security to our developmental agenda is self-evident. Without security, it will be difficult to undertake developmental projects. Security is critical. The administration has provided support to the security agencies in the areas of logistics and equipment as well as training to enhance their capacity to provide security for residents. In collaboration with the federal government, the state had acquired equipment to provide aerial surveillances and protection for the state and the economic activities within the state, particularly the oil production activities. Our focus on security is inevitable as that is the first responsibility of the state to guarantee the lives and properties of its citizens, individuals and corporates.

The key thrust of our reform and governance intervention is to prepare our citizens to depend less on oil, a non-renewable resource. We need an educated and healthy population and appropriate institutions insulated with the right legislations against the vagaries of political reversal. To achieve this we need to build a cleaner way of applying oil revenue through new ways of doing government business guided by openness and transparency so that our people can get value for money. In Rivers State we can say that by the end of our tenure, we would have laid the foundations for a take-off of a more

sustainable non-oil economy and hopefully have fulfilled our mission to guarantee our people's future.

Thank you very much.