

CHAIRMAN'S SPEECH BY THE DIRECTOR GENERAL, NIGERIA GOVERNORS' FORUM AT THE WORKSHOP ON 'IMPROVING REVENUE GENERATION THROUGH TAXATION IN NIGERIA' ON TUESDAY 9TH OCTOBER, 2012 AT VALENCIA HOTELS LTD, ABUJA

Protocol

On behalf of the Nigeria Governors' Forum, I wish to welcome you all to this very important workshop with the theme "Improving Revenue Generation through Taxation in Nigeria." You will all agree with me that this is indeed a topical event, coming at a time when the 36 States Governors- our mutual principals- under the auspices of the NGF have identified the increasing need to diversify State's revenue base with the aim of improved service delivery.

In the year 2012, the cumulative budget for our 36 State Governments was over 5.7 trillion naira, composed of 60% (3.4 trn) capital and 40% (2.3 trn) recurrent expenditure. This is expected to be financed from a variety of sources including statutory transfers and internally generated revenue (IGR) mainly taxation. Data on IGR from 2007 to 2010 show wide disparities across the country with some States collecting as much as N176 billion (Lagos 2010) while other States collect as low as N1.5 billion per year (Taraba 2010).

Clearly there is a need to understand how to increase state tax collections in general and to share experiences on revenue generation between states.

We are here thus today mainly for two reasons; firstly to disseminate the findings of a research study jointly undertaken by CLEEN Foundation, American University Washington and Oxford University, in the United Kingdom. This research attempted to interrogate the literature on tax compliance in established democracies and extrapolate some implications for policy in Nigerian States. The findings are both interesting and provocative and we sincerely hope that you will find it relevant for the work you are currently engaged in.

Secondly, we are here to listen and learn from you as well. To understand the constraints you face in carrying out your responsibilities and indeed the successes you have recorded. While the data on IGR exhibits huge disparities between States, there is also clearly an increase in tax collection in almost every single State from 2007-date. By listening therefore, we also hope to share best practices from other States and collectively brainstorm on effective strategies for improving State Revenues across the entire country.

As you are aware, the Nigeria Governors' Forum is a non-partisan platform of the 36 elected State Governors' across the country. The main objective of the NGF is to bring the Governors' together to share experiences, promote cooperation among States, and serve as a mechanism for conflict resolution. The NGF Secretariat serves as a policy hub, a strong knowledge based institution that is able to supply useful analytical information that could assist the Governors.

I wish to extend our profound appreciation to our partners in this initiative, the CLEEN Foundation, American University and Oxford University. We are indeed proud to partner with you on this and other issues that could be beneficial to the 36 States across Nigeria.

To our distinguished guests, I thank you personally for taking out the time to embark on the long journey in order to make it here today. I look forward to hearing your views on the topic of today as we work hard to improve State revenues.

Thank you for listening

A.B. Okauru Esq.

Director General