International Journal of Law
www.lawjournals.org
ISSN: 2455-2194
Received: 25-07-2026, Accepted: 24-08-2026, Published: 08-09-2026
Volume 12, Issue 3, 2026, Page No. 388-393

A comparative analysis of local government financial autonomy in Nigeria, Ghana, Kenya, South Africa and India

Jedidiah Favour Gbolahan, Ilias B Lawal
Faculty of Law, University of Ibadan, Nigeria
DOI: https://doi.org/10.66856/ijl.2026.12.3.12290

Abstract
Financial autonomy is widely regarded as the single most consequential dimension of local government autonomy, because political and administrative independence at the grassroots level is of limited practical value to a local council that cannot control the resources needed to act on them. This article undertakes a comparative analysis of the constitutional and statutory mechanisms through which four jurisdictions, Ghana, Kenya, South Africa, and India guarantee financial autonomy to sub-national and local government institutions, and evaluates the Nigerian framework against each. It finds that Nigeria's State Joint Local Government Account, notwithstanding the Supreme Court's 2024 decision directing its bypass, remains structurally weaker than each of the four comparator mechanisms examined, because none of them depends, as the Nigerian mechanism still does, on continuous judicial enforcement of a single Supreme Court judgment rather than a self-executing constitutional guarantee. The article concludes that Nigeria's comparative deficit is not primarily a deficit of judicial doctrine, which the 2024 judgment has substantially remedied, but a deficit of institutional design, and it draws specific, comparator-derived recommendations for closing that gap.

Keywords: Local government financial autonomy, fiscal federalism, comparative constitutional law, State Joint Local Government Account, Sub-national fiscal transfers

Introduction

Financial autonomy is the dimension of local government autonomy on which comparative federalism scholarship places the greatest analytical weight, because a local council that lacks control over its resources cannot translate whatever political or administrative independence it possesses into service delivery.(Steytler ,2005) [13, 15].Nigeria's 774 local government councils have, since 1999, operated under section 162(6) of the Constitution of the Federal Republic of Nigeria 1999(CFRN 1999,as amended), which established a State Joint Local Government Account (SJLGA) through which Federation Account allocations to local councils were routed and, in a well-documented pattern, diverted by state governments. On 11 July 2024, the Supreme Court's judgment in *Attorney-General of the Federation v Attorney-General of Abia State & 35 Others*(Suit No *SC/*CV*/*343/2024, Supreme Court of Nigeria, 11 July 2024) directed that Federation Account allocations be paid directly to democratically elected local councils, bypassing the SJLGA mechanism.(The judgment has been widely described as the most significant affirmation of Nigerian local government autonomy since 1999, yet its subsequent implementation has been uneven, contested, and in places actively resisted by state governments.(Onanuga, 2026).

This article situates the Nigerian experience within a comparative frame, examining how four other jurisdictions Ghana, Kenya, South Africa and India have constitutionally structured the financial relationship between national or state government and local or sub-national institutions. Each jurisdiction was selected because it offers a materially different institutional solution to the same underlying problem: how to guarantee that resources constitutionally destined for local government actually reach local government, without depending on the continuous goodwill of the intermediate tier of government through which those resources must pass.

The four comparators were not selected at random. Ghana and Kenya are West and East African common-law jurisdictions of comparable population scale to Nigeria's constituent states, whose post-independence constitutional trajectories have been the subject of sustained comparative attention in the Nigerian federalism literature; South Africa shares with Nigeria a post-transitional constitutional settlement negotiated within roughly the same decade; and India supplies the most populous federal system with a constitutionally mandated rural local government tier anywhere in the world, making its Panchayati Raj framework a natural point of comparison for a Nigerian local government tier of similarly vast territorial and demographic scale.(Nwabueze, 1993) [10]

The comparative method adopted in this article is accordingly a most-different-systems design: rather than selecting jurisdictions expected to resemble Nigeria closely, the four comparators were chosen specifically because their institutional solutions diverge from one another and from Nigeria's, on the premise that the reform lesson most worth drawing is not the single closest analogue but the range of structurally distinct mechanisms by which the same underlying constitutional problem has been addressed elsewhere.

Conceptual and Theoretical Frameworks

1. Financial Autonomy as the Critical Dimension of Local Government Autonomy

Local government autonomy is conventionally analysed along three dimensions: political, administrative and financial; and the empirical literature on Nigerian local government consistently identifies the financial dimension as exerting the strongest independent effect on governance and service delivery outcomes. (Aluya, 2025) [1]. A politically autonomous council without financial autonomy possesses electoral legitimacy but lacks the resources to act on it; an administratively autonomous council without financial autonomy possesses operational discretion but nothing to exercise that discretion over. (Oshọ and Adams, 2025).

This article accordingly treats financial autonomy not merely as one dimension among three, but as the dimension whose comparative institutional design most directly determines whether local government autonomy is real or nominal.

2. A Normative Benchmark: The European Charter of Local Self-Government

Although none of the five jurisdictions examined in this article is a party to it, the European Charter of Local Self-Government, adopted by the Council of Europe in 1985(Council of Europe, 1985 ETS No 122) supplies a useful normative benchmark against which financial autonomy mechanisms can be comparatively assessed. Article 9 of the Charter provides that local authorities are entitled to adequate financial resources of their own, commensurate with their constitutional responsibilities; that at least part of those resources must derive from local taxes and charges over which the local authority has rate-setting power; that the financial system must be sufficiently diversified and buoyant to keep pace with the real cost of local authority functions; and that financially weaker authorities are entitled to equalization measures. This article uses these four Article 9 criteria commensurate resourcing, own-source revenue control, buoyancy, and equalization as an organizing framework for the comparative analysis in Part 4.

3. Theoretical Framework

Wheare's legalistic theory of federalism supplies the doctrinal benchmark against which each jurisdiction's local government tier can be measured: government at each level must possess authority within a sphere that is "coordinate and independent" of the others. (Wheare, 1963) [18]. Fiscal decentralisation theory, in turn, supplies the economic rationale for financial autonomy specifically: sub-national units closer to the citizens they serve are better positioned to allocate resources efficiently in line with local preferences, provided they possess genuine, rather than merely nominal, control over those resources.(Steytler,2025) [14].The five jurisdictions compared in this article represent five different institutional attempts to satisfy that *proviso*, and the comparative method adopted here treats the degree of self-execution the extent to which the financial guarantee operates without requiring case-by-case enforcement as the central variable distinguishing stronger from weaker models.

The Nigerian Framework: Constitutional Promise and Fiscal Subordination

1. Section 7, Section 162 and the State Joint Local Government Account

Section 7(1) of the 1999 Nigerian Constitution guarantees "a system of local government by democratically elected local government councils," while the Fourth Schedule assigns local councils responsibility for primary healthcare, primary education, agricultural development and rural infrastructure. Section 162(6) directed each state to maintain a State Joint Local Government Account into which Federation Account allocations to local councils were to be paid, and section 162(5) further empowered state Houses of Assembly to determine, by law, the proportion of that revenue accruing to local councils a design that gave state governments two independent points of leverage over local government finance. For twenty-five years, the SJLGA mechanism was the principal instrument of local government fiscal subordination in Nigeria, extensively documented in the empirical literature on SJLGA abuse. (Shuaib, 2010).

2. The 2024 Supreme Court Judgment and Its Contested Implementation

In *Attorney-General of the Federation v Attorney-General of Abia State & 35 Others*, the Supreme Court held that routing Federation Account allocations through the SJLGA without ensuring their prompt and undiminished transmission to local councils was inconsistent with the constitutional guarantee of local government autonomy, and directed direct payment into accounts maintained by democratically elected councils. The judgment did not, however, amend section 162(6) itself, which remains on the constitutional text; its practical effect depends entirely on continued compliance by the Central Bank of Nigeria and thirty-six state governments. That dependence has proved consequential: in January 2025, seven months after the judgment, N361.754 billion in local government allocations was diverted through state governments rather than paid directly, and as of December 2025 compliance across the federation remained uneven, with several states relying on administrative bottlenecks and, in at least one documented case, new state legislation reproducing the substance of the SJLGA mechanism the judgment had abolished.(Central Bank of Nigeria(CBN, 2026)

The longitudinal Federation Account data situates this diversion within a broader pattern: local governments received a total of N2.26 trillion from the Federation Account between July 2022 and June 2023; this rose to N3.09 trillion in the following year; and further increased to N4.47 trillion between July 2024 and June 2025, following the judgment.(Dataphyte, 2025) [3] That the absolute quantum of local government revenue has risen even as a single documented diversion removed N361.754 billion from distributable revenue in one month alone illustrates precisely the comparative point developed in Part 5: Nigeria's constitutional entitlement to Federation Account revenue is not, in itself, inadequate in scale, but the mechanism for enforcing that entitlement lacks the self-executing character of each of the four comparator frameworks examined below. This implementation record is the central comparative datum against which the four jurisdictions examined below are assessed: each supplies a mechanism which, unlike Nigeria's, does not depend on ongoing enforcement of a single judicial pronouncement for its continued operation.

3. The Political Dimension: Caretaker Committees as a Compounding Constraint on Financial Autonomy

Financial autonomy in Nigeria cannot be assessed in isolation from the political dimension of local government autonomy, because the two have historically been mutually reinforcing failures. In *Ajuwon & Ors v Governor of Oyo State & Ors* (2021) LPELR-55339 SC)decided in 2021, the

Supreme Court described the practice of state governors appointing caretaker committees in place of elected councils as reflecting a governor's misguided belief that local governments are mere parastatals of the state.. Data covering the period from 1999 to 2024 documented that in over half of Nigeria's thirty-six states, local governments were routinely administered by such unelected caretaker committees rather than democratically elected officials, with Anambra State the most extreme example, having conducted no local government election between 2014 and 2024.(The Palladium Group, 2024).The 2024 judgment's decision to condition Federation Account disbursement on the existence of a democratically elected council reflects a recognition, also implicit in each of the four comparator frameworks examined in Part 4, that financial and political autonomy are functionally inseparable: none of Ghana's MMDAs, Kenya's counties, South Africa's municipalities or India's panchayats receive their constitutional fiscal entitlement independently of possessing an elected governing body, and Nigeria's belated 2024 linkage of the two dimensions brings it, on this specific point, into closer alignment with comparative practice than it had previously been.

Comparative Analysis of Financial Autonomy Mechanisms

1. Ghana: The District Assemblies Common Fund

Ghana's Local Governance Act 2016 (Act 936) establishes 261 Metropolitan, Municipal and District Assemblies (MMDAs), which receive their share of the District Assemblies Common Fund (DACF) a share constitutionally guaranteed at not less than five percent of total government revenue under Article 252 of the 1992 Constitution of Ghana. The critical structural feature of the Ghanaian model is that DACF disbursement flows directly from national government to MMDAs, without passing through any regional government account. Functionally, Ghana has no equivalent of Nigeria's SJLGA intermediary layer at all.(Steytler ,2005) [13, 15].This direct-payment architecture, combined with institutional enforcement by Ghana's Local Government Service, has enabled MMDAs to receive their fiscal entitlements promptly and in full, and Ghanaian districts consistently outperform comparable Nigerian local government areas on primary healthcare, primary education and local infrastructure indicators. Measured against the Article 9 criteria set out in Part 2, Ghana satisfies the commensurate-resourcing and buoyancy criteria more fully than Nigeria, though its five percent constitutional floor, like Nigeria's revenue-sharing formula, is not itself immune to legislative amendment.

Furthermore, the Ghanaian Parliament's Local Government and Rural Development Committee reviews DACF disbursement annually, and by section 125 of the Ghanaian Local Government Act 2016 (Act 936), disputes over allocation formulae are subject to review by Ghana's Common Fund Administrator, a statutory office with a narrower but still independent mandate over disbursement mechanics.. Ghana's principal comparative weakness, relative to Kenya and South Africa, is that it's five percent floor and its Common Fund Administrator both rest on ordinary legislation rather than an entrenched constitutional guarantee of the kind found in Article 252 itself, leaving open a narrower but still real risk of legislative erosion that a purely constitutional guarantee would foreclose.

2. Kenya: The County System and the Controller of Budget

Article 203 of the Constitution of Kenya, 2010, establishes a devolved county system that guarantees counties not less than fifteen percent of the most recently audited national government revenue. The distinguishing institutional feature of the Kenyan model is procedural rather than purely quantitative: disbursement is administered by the Controller of Budget, an office established under Article 228 of the Kenyan Constitution with express constitutional independence from executive direction or control. Because the Controller of Budget's independence is itself constitutionally entrenched rather than merely statutory, county allocations are structurally insulated from the kind of discretionary executive interference that has characterized SJLGA administration in Nigeria a form of institutional protection for sub-national fiscal entitlements that has no functional Nigerian equivalent even after the 2024 judgment. Kenya's fifteen percent constitutional floor, more than double Ghana's, together with the Controller of Budget's independence, places the Kenyan model closest among the four comparators to full satisfaction of the Article 9 commensurate-resourcing criterion.

Kenya's model is reinforced by a second constitutionally independent institution, the Commission on Revenue Allocation, established under Article 215 of the Kenyan Constitution to recommend the basis for equitable revenue sharing between national and county government and among counties themselves an institution whose function overlaps with, but is formally distinct from, the disbursement role of the Controller of Budget, giving Kenya a bifurcated system in which the formula-setting and disbursement functions are held by separate constitutionally independent bodies. This separation of functions reduces the risk, present in systems that concentrate both roles in a single office, that formula-setting discretion could be exercised to favour politically aligned counties, and it represents a degree of institutional redundancy that neither Ghana's nor Nigeria's framework currently replicates.

3. South Africa: The Division of Revenue and the Financial and Fiscal Commission

The Constitution of the Republic of South Africa 1996, Chapter 7, provides the structurally most robust comparator examined in this article. Section 152 enumerates the objects of local government to include the provision of democratic and accountable government and the promotion of social and economic development; section 153 imposes a developmental duty on municipalities; and section 214 requires Parliament to enact an annual Division of Revenue Act providing for an equitable division of nationally collected revenue among the national, provincial and local spheres. Critically, and unlike Nigeria, South Africa's constitutional scheme does not interpose a province-level intermediary between the national revenue pool and local government transfers flow from the Division of Revenue Act directly to municipalities. (Steytler, 2005) [13, 15]. Section 220 of the South African Constitution further establishes the Financial and Fiscal Commission, a permanent constitutional advisory body mandated to advise Parliament and provincial legislatures on fiscal matters affecting all three spheres of government, providing an ongoing institutional monitoring mechanism entirely absent from the Nigerian framework. South Africa's own local government sector is not without difficulty; municipal financial distress and service delivery failures are well documented in the post-apartheid literature. (Steytler, 2005) [13, 15]. However, its constitutional architecture eliminating the intermediary tier altogether and institutionalizing permanent fiscal oversight is structurally superior to Nigeria's on the commensurate-resourcing, buoyancy and equalization criteria alike.

Section 173 of the South African Municipal Finance Management Act 2003 supplies a further layer absent from the Nigerian framework: a statutory regime of personal accountability for municipal officials who mismanage transferred funds, including personal liability provisions that operate independently of, and in addition to, ordinary criminal law. The combination of a constitutionally direct transfer mechanism, a permanent advisory commission, and a statutory personal-accountability regime gives South Africa the most layered institutional architecture among the four comparators, even though, as noted above, the practical record of South African municipal governance has not been uniformly successful in translating that architecture into service delivery outcomes. (Steytler, 2005) [13, 15].

4. India: The 73rd Constitutional Amendment and State Finance Commissions

India's 73rd Constitutional Amendment Act 1992, which inserted Part IX into the Constitution of India 1950, establishes a constitutionally mandated three-tier system of rural local self-government (*Panchayati Raj)* Article 243H authorises state legislatures to empower *panchayats* to levy, collect and appropriate taxes, duties, tolls and fees a form of own-source revenue authority that satisfies the Article 9 criterion of local rate-setting power more directly than any of the other jurisdictions examined. Article 243I requires the governor of each state to constitute a State Finance Commission every five years, to review panchayat finances and recommend the distribution of revenue between the state and *panchayats*. The Indian model differs from the Kenyan and South African models in relying on periodic expert review rather than a permanent independent office or a constitutionally direct transfer mechanism, and the Indian experience supplies an important cautionary lesson: despite the 73rd Amendment's constitutional mandate, significant disparities persist among Indian states in the degree to which Finance Commission recommendations are actually implemented, and *panchayati raj* institutions in many states remain financially weak. (Steytler and Ghai, 2015) [14] .India illustrates that constitutional mandate alone, unaccompanied by binding implementation mechanisms, does not guarantee financial autonomy in practice a lesson of direct relevance to Nigeria's own post-2024 implementation difficulties.

A further comparative feature of the Indian model deserves note: because Article 243H leaves the scope of panchayat taxation power to be defined by state legislation rather than fixing it constitutionally, the degree of own-source revenue autonomy actually enjoyed by *panchayats* varies as significantly across India's twenty-eight states as compliance with the 2024 judgment currently varies across Nigeria's thirty-six an instructive parallel suggesting that even a constitutionally mandated framework can reproduce the kind of state-level unevenness that this article's Part 3 documented in the Nigerian post-judgment record, where the source of discretion is statutory rather than judicial.

Critical Comparative Evaluation

1. A Comparative Summary

All the four institutional dimensions examined above, namely, the constitutional revenue floor, the disbursement mechanism, the presence of a standing independent oversight body, and the degree of self-execution can be summarized jurisdiction by jurisdiction. Nigeria has no fixed constitutional revenue floor for local government, since the local government share of the Federation Account is set by ordinary federal law rather than entrenched in the Constitution itself; its disbursement mechanism remains the SJLGA, nominally bypassed by the 2024 judgment but not removed from the constitutional text; it has no standing independent oversight body of any kind; and its guarantee is not self-executing, depending instead on continued judicial and executive enforcement. Ghana, by contrast, entrenches a five percent floor of total government revenue under Article 252 of its 1992 Constitution; disburses directly through the District Assemblies Common Fund, and is overseen by a statutory Common Fund Administrator, making its guarantee largely, though not fully, self-executing, since the five percent floor remains subject to ordinary legislative amendment. Kenya guarantees counties not less than fifteen percent of audited national revenue under Article 203; disburses directly through the constitutionally independent Controller of Budget, and is further overseen by the Commission on Revenue Allocation, giving it the most fully self-executing guarantee among the five jurisdictions. South Africa entrenches an equitable share formula under section 214 of its 1996 Constitution; disburses directly through the annual Division of Revenue Act, and is overseen by the constitutionally established Financial and Fiscal Commission, making it, like Kenya, fully self-executing. India has no fixed constitutional floor, relying instead on periodic State Finance Commission recommendations to determine panchayat funding; because those recommendations are advisory rather than binding, India's guarantee is only partially self-executing, closer in that specific respect to Nigeria's position than to Kenya's or South Africa's, notwithstanding India's considerably stronger constitutional entrenchment of the underlying local government tier itself.

2. A Comparative Assessment Against the Article 9 of European Charter of Local Self-Government Criteria

Assessed against the four Article 9 benchmarks commensurate resourcing, own-source revenue control, buoyancy, and equalization. Nigeria performs weakest of the five jurisdictions on every criterion examined. According to the August 2024 Policy Brief of the Nigerian Economic Summit Group, Nigeria's local government share of Federation Account revenue has historically been inadequate to the Fourth Schedule functions assigned to councils; a mismatch that one 2024 policy analysis estimated at over N1.5 trillion annually for primary healthcare alone against total local government allocations far below that figure.(NESG Policy Brief, 2024). On own-source revenue control, Nigerian local councils' internally generated revenue base remains underdeveloped relative to Ghana's district-level revenue mobilization and India's panchayat taxation powers under Article 243H. On buoyancy, Nigeria's near-total dependence on Federation Account allocations, compounded by historical SJLGA diversion, has left local councils unable to keep pace with the real cost of service delivery in a manner South Africa's Division of Revenue framework and Ghana's DACF have more consistently avoided.(Dataphyte, 2025) [3]. On equalization, Nigeria's horizontal revenue-sharing formula lacks the needs-based component found in South Africa's Financial and Fiscal Commission-advised framework based on section 214 of the South African Constitution. This means that unlike what obtains in South Africa, the most financially weak Nigerian councils do not necessarily receive proportionately larger allocations.

3. Why Nigeria Lags: The Self-Execution Deficit

The single structural feature that most clearly distinguishes Nigeria from all four comparators is the degree to which each jurisdiction's financial autonomy guarantee is self-executing. Ghana's DACF, Kenya's county allocation, and South Africa's Division of Revenue all operate through constitutionally mandated, formula-driven, directly disbursed transfers that do not require case-by-case judicial enforcement to function in a given fiscal year. (Steytler, 2005) [13, 15].

India's State Finance Commission model, contained in article 243I of the Indian Constitution, is comparatively weaker on self-execution, given the documented gap between Finance Commission recommendations and state implementation, but even India's model does not depend, as Nigeria's now does, on the continuing vitality of a single Supreme Court judgment construing a constitutional provision, section 162(6), that itself remains unamended.(Steytler and Ghai 2015) [14].Nigeria's 2024 judgment removed the principal judicial obstacle to direct disbursement, but it did not convert section 162 into a self-executing guarantee of the kind Ghana, Kenya and South Africa each independently possess; the January 2025 diversion and the uneven post-judgment compliance documented in Part 3 are the direct and foreseeable consequence of that gap.(Dataphyte, 2025) [3].

The absence of any Nigerian equivalent even a body with a purely advisory mandate akin to South Africa's Financial and Fiscal Commission means that ongoing compliance with the 2024 judgment currently depends on ad hoc investigative journalism and civil society monitoring, of the kind that documented the January 2025 diversion, rather than on any standing institutional mechanism.(Dataphyte, 2025) [3].

4. Lessons Nigeria Can Draw From Each Jurisdiction

Each comparator supplies a distinct, transferable lesson. From Ghana, Nigeria can draw the model of direct disbursement without an intermediate regional account, precisely the mechanism the 2024 judgment sought to approximate judicially rather than establish constitutionally. From Kenya, Nigeria can draw the model of a constitutionally independent disbursing office analogous to the Controller of Budget, addressing the self-execution deficit identified in Part 5.2. From South Africa, Nigeria can draw both the elimination of the intermediate tier for fiscal transfer purposes and the establishment of a permanent advisory commission on the Financial and Fiscal Commission model. From India, Nigeria can draw the caution that constitutional mandate without binding implementation mechanisms is insufficient, and correspondingly the case for making any new Nigerian oversight institution's recommendations legally binding rather than merely advisory, avoiding the Indian State Finance Commission's principal documented weakness. (Steytler and Ghai, 2015) [14].

Conclusion and Recommendations

This comparative analysis has shown that Nigeria's local government financial autonomy framework, notwithstanding the 2024 Supreme Court judgment, remains structurally weaker than each of the four comparator jurisdictions examined Ghana, Kenya, South Africa and India when assessed against the European Charter's Article 9 criteria of commensurate resourcing, own-source revenue control, buoyancy and equalisation. The comparative evidence identifies the central deficiency with some precision: Nigeria's mechanism, unlike each of its comparators, is not self-executing, but depends on the continuing enforcement of a single judicial pronouncement construing a constitutional provision that itself remains unamended and on the absence of any standing institution comparable to Kenya's Controller of Budget or South Africa's Financial and Fiscal Commission with an express mandate to monitor or administer local government fiscal entitlements. Nigeria's comparative disadvantage, in other words, is not a disadvantage of judicial doctrine, which the 2024 judgment substantially addressed, but a disadvantage of institutional design, and comparative constitutional reform, rather than further litigation, is the more durable route to closing it.

Flowing from the comparative analysis undertaken in this article, the following recommendations are proposed.

First, the 1999 Nigerian Constitution should be properly amended to replace the State Joint Local Government Account with a direct disbursement mechanism modelled on Ghana's District Assemblies Common Fund, so that the 2024 judgment's prohibition on SJLGA-mediated routing is entrenched in constitutional text rather than resting on the continuing vitality of a single decision.(Lawal, 2015) [7]. Furthermore, the difficulty in implementation of the 2024 local government fiscal autonomy decision is largely due to judicial overreach by the Supreme Court because the apex court acted *ultra vires* its constitutional powers by tactical amendment of the unambiguous provision of section 162 of the 1999 Nigerian Constitution through judicial pronouncement without any legislative input; a duty it is ill-suited to perform. Therefore, the judiciary is enjoined to always defer to the letters and spirits of the law when interpreting constitutional provisions for the sustenance of our nascent democracy. (Lawal, 2008) [8].

Nigeria should also establish an independent local government finance disbursement office, modelled on Kenya's Controller of Budget, contained in article 228 of the Kenyan Constitution, with express constitutional independence from executive direction, so that Federation Account allocations to local councils are administered by an institution structurally insulated from the discretionary interference that characterized SJLGA administration.

Besides that, the country should establish a permanent advisory body modelled on South Africa's Financial and Fiscal Commission enshrined in section 220 of the South African Constitution, with an express mandate to monitor local government fiscal adequacy and advise the National Assembly and state Houses of Assembly on the equalization component of the revenue-sharing formula, so that the needs of the most financially weak local government areas are systematically addressed rather than left to the existing formula's undifferentiated allocation.

In addition, drawing on the Indian cautionary lesson , any new Nigerian oversight institution's core recommendations on local government funding adequacy should be made legally binding, rather than merely advisory, to avoid replicating the documented gap between India's State Finance Commission recommendations and their uneven implementation by Indian state governments.(Steytler and Ghai, 2015) [14].

Moreover, the civil society organisations, the Nigerian Bar Association and investigative media should sustain the kind of independent monitoring that documented the January 2025 diversion, pending the establishment of a standing Nigerian institution equivalent to those found in three of the four comparator jurisdictions examined in this article. (Dataphyte, 2025) [3].

Finally, for the effective implementation of all the above suggestions and recommendations, the members of the executive at all levels of government in Nigeria are enjoined not to abuse their executive power, but to use it responsibly within constitutional limits ,not recklessly, nor as if they were in quandary.(Lawal, 2005) [6].

References

1. Aluya S. Autonomy of Local Governments in Nigeria: Issues and Implications. IIARD International Journal of Political Science and Leadership Research,2025:11(11):1-26.
2. Anaje, Olumide, Oke, Akinkugbe. The Supreme Court's Decision in Attorney General of the Federation and Attorney General of Abia State & 35 Others: Appraising the Fiscal Implications of Local Government Autonomy. AO2 Law [Internet], 2024. Available from: https://ao2law.com [Accessed 1 March 2026].
3. Dataphyte. Local Government Autonomy Falters as N4.48 Trillion Remains Underutilised. Dataphyte Insight [Internet], 2025. Available from: https://www.dataphyte.com [Accessed 1 March 2026].
4. Elazar DJ. Exploring Federalism. Alabama: University of Alabama Press, 1987.
5. Freedom House. Nigeria: Freedom in the World 2025 Country Report. Freedom House [Internet], 2025. Available from: https://freedomhouse.org [Accessed 1 March 2026].
6. Lawal IB. Is the Nigerian Executive in Quandary? Igbinedion University Law Journal,2005:3:116-130.
7. Lawal IB. The Review of the Constitutional Amendment Procedure and Presidential Assent in Nigeria. Journal of Law and Conflict Resolution,2015:7(55):26-30.
8. Lawal IB. The Role of the Judiciary in the Protection of Human Rights and Sustenance of Democracy in Nigeria. Igbinedion University Law Journal,2008:6:38-63.
9. Nigerian Economic Summit Group. Financial Autonomy: Examining the Functions of Local Government Councils under the Constitution of the Federal Republic of Nigeria, 1999 (as amended). NESG Policy Brief [Internet], 2024. Available from: https://www.nesgroup.org [Accessed 1 March 2026].
10. Nwabueze BO. Federalism in Nigeria under the Presidential Constitution. London: Sweet & Maxwell, 1983.
11. Onanuga B. Nigeria's Supreme Court Protects Autonomy of Local Governments. ConstitutionNet [Internet], 2024. Available from: https://constitutionnet. org [Accessed 1 March 2026].
12. Osho GS, Adams MO. Nigeria Local Government Autonomy and Economic Growth: The Path to Stable and Sustainable Federalism. ResearchGate [Internet], 2025. [Accessed 1 March 2026].
13. Steytler N (ed). The Place of Local Government in Federal Systems. Johannesburg: Konrad-Adenauer-Stiftung, 2005.
14. Steytler N, Ghai Y (eds). Kenya-South Africa Dialogue on Devolution. Cape Town: Juta, 2015.
15. Steytler N. The Place and Role of Local Government in Federal Systems. Johannesburg: Konrad-Adenauer-Stiftung, 2005.
16. The Guardian Nigeria. Supreme Court Verdict: 19 Months After, Govs Explore Gaps in Constitution, Resist LG Autonomy. The Guardian Nigeria [Internet], 2026. Available from: https://guardian.ng [Accessed 1 March 2026].
17. The Palladium Group. Nigeria's Local Governments Get a Lifeline in Supreme Court Win. Palladium Impact [Internet], 2024. Available from: https://thepalladiumgr oup.com [Accessed 1 March 2026].
18. Wheare KC. Federal Government. 4th edn. Oxford: Oxford University Press, 1963.
19. World Bank. World Development Indicators: Nigeria. World Bank [Internet], 2024. Available from: https://data.worldbank.org [Accessed 1 March 2026].