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**Draft Report on Lessons Learned Dissemination Workshops
in Lagos, Enugu, Kano and Abuja**

by

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Acronyms/Abbreviations

CSO	Civil Society Organisation
DFID	Department for International Development
FCT	Federal Capital Territory
FCTA	Federal Capital Territory Administration
IFMIS	Integrated Financial Management Information System
LEEDS	Local Economic Empowerment and Development Strategy
LLDO	Lesson Learning and Dissemination Officer
LLR	Lesson Learning Review
LLD	Lesson Learning Dissemination
NEEDS	National Economic Empowerment and Development Strategy
OPS	Organised Private Sector
PFM	Public Financial Management
SBIR	State Board of Internal Revenue
SEEDS	States Economic Empowerment and Development Strategy
SLGP	State and Local Government Programme
WB	World Bank

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Monday Egume
Ebenezer Ajimokunola

1.0 INTRODUCTION

1.1 Introduction

In its final year of work, the State and Local Government Programme (SLGP) planned a series of short review, lesson learning and dissemination activities to ensure that lessons learned are disseminated, shared and finally etched into the institutional memory of all those working on similar reforms in Nigeria. Accordingly, in January 2007, SLGP commenced the process of lesson learning review (LLR) and dissemination of its support to Public Financial Management (PFM) in five states and the Federal Capital Territory Administration (FCTA). This was planned in phases. The LLR phase took place in January/February while March/April saw the dissemination across the focal states and the FCTA. In this regard, participants included SLGP and neighbouring states' representatives with a knowledge of SEEDS/LEEDS and PFM who had been invited to come to these workshops in each region (North - Kano, SE - Enugu, SW - Lagos, and Abuja) to share experiences.

This report documents the dissemination of the lesson learning review in Public Financial Management held in Lagos, Enugu, Abuja and Kano.

1.2 Aims of the Lesson Learning Dissemination Workshop

The aims of the workshop were to share:

- What has been achieved in the States with DFID/SLGP's support
- What the key challenges have been and how these could be managed
- How participants could learn from SLGP's experience to take forward similar work in their States most effectively

2.0 THE PROCESS

The process of dissemination can be sub-divided into two namely, pre-workshop preparations and activities during the workshop. In this regard, two National Consultants, Monday Egume and Ebenezer Ajimokunola, who were also the two nationals involved in the review together with the Lesson Learning Dissemination Officer, Bamidele Thomas, carried out the necessary preparations and presented the lessons from the review. Accordingly, the lessons presented were based on the report on the lesson learning review on SLGP support to States in Public Financial Management.

2.1 Pre-Workshop Preparations

Pre-workshop preparations include detailed definition of logistics support, and materials required for the workshop. In summary, initial preparations include:

- Review of report on lesson learning review
- Review of all case studies on elements of public financial management
- Preparation of workshop materials including agenda and slides
- Reviewing of logistics and quality control issues
- Dissemination team pre-meeting to review and map out strategies, etc.

2.2 Activities during the Workshop

Essentially, key activities during the workshop include:

- Participants' registration
- Official opening of the Workshop
- Workshop Formalities
- Presentation of Case Studies
- Questions and comments
- Evaluation

2.2.1 Participants' Registration

On arrival at the venue, each participant went through the protocol of registration and received a folder containing the agenda and writing materials. This was prior to the commencement of the business of the day. Annex 1 is the detailed listing of participants at the dissemination at the States and Federal levels.

2.2.2 Official Opening of the Workshop

Bamidele Thomas (the State and Local Government Programme's Lesson Learning and Dissemination Officer) welcomed participants and asked participants to introduce themselves. He went further to explain to those that were not so familiar with SLGP that the programme is part of DFID's support for effective poverty reduction in state and local government areas through building the capacity of government to make policy, manage resources and improve service delivery for the benefit of poor people. SLGP has worked since 2001 in six States, and with several federal agencies.

2.2.3 Other Workshop Formalities

Using the tool of 'self-introduction' to 'break the ice', participants were asked to introduce themselves. This afforded participants the opportunity to get to know each other and where possible are able to call each other by name with a view to fostering interaction during and after the workshop.

2.2.4 Technical Presentation of Case Studies

Technical presentation drew heavily on use of participatory tools. Accordingly, it was a combination of discussion of cases, lessons, comments, questions and answers. The format may therefore be summarised as follows:

- Presentation of relevant case(s) and state specific lessons
- Comments, questions and clarifications
- Group work
- Group presentation and clarifications
- Presentation of key lessons across states

In addition, at the State level dissemination, State specific cases were presented with appropriate lessons, while the experiences from other States were share with participants. At the Federal level, this approach was modified to take account of the composition of the target audience, which include Federal government officials and development partners. Therefore, the consultants made presentation on state-by-state basis beginning with the FCTA.

2.2.5 Workshop Evaluation

Evaluation was the last activity undertaken by participants for each workshop, except at the Federal level. The objective was to assist the team to work out ways to improve and enrich subsequent dissemination of lessons learned. In this case, participants were asked to evaluate the dissemination workshop using three criteria as follows:

- Aspects I thought were good and useful
- Aspects that could be improved
- The main thing I have learnt that I will take away to improve in my own State.

The outcomes of that exercise are listed in Annex 3.

3.0 OUTPUT

3.1 Key Cases Presented

In all, the consultants presented fifteen cases during the dissemination at State and Federal levels. These are:

- Introduction of LG Audit Manual, in Lagos
- Improvement of Information Systems Audit in Lagos State AG's Office
- Support to LASG Budget Tracking
- Support to Lagos SBIR
- Introduction of a Budget Procedures Manual, in Enugu
- Budget Classification & C of A, in Enugu
- Budget Monitoring & Evaluation Committee, in Enugu
- Introduction of Computerised Warrants and Final Accounts, in Enugu
- Development of Audit Procedures Manual, in Enugu
- Budget Improvement Processes in FCTA
- Budget Monitoring Implementation Group (BMIG) in FCTA
- Budget Classification and Chart of Accounts in Kano
- Establishment of a Debt Management Unit in Kano
- Establishment of a Debt Management Unit in Ekiti
- Computerisation of the budget preparation process in Jigawa

3.2 Key Lessons Presented

SLGP State Offices worked mainly with local civil servants in all five states covered in this review. **Debt management** activity in Ekiti and Kano took the form of setting up of dedicated Debt Management Units, and assistance with related strategy processes. Through SLGP facilitation, officials in Kano were able to learn directly from the experience in Ekiti. **Budget preparation processes** were addressed through the development of new Budget Classifications and Charts of Accounts in Kano and Enugu, and again cross-State learning was facilitated between the two by SLGP. In Jigawa, assistance has been provided to set up a system for the computerisation of the budget process, which has led to the State's move towards IFMIS. Finally support to **budget monitoring and tracking** has been assisted in Enugu and Lagos as have audit institutions.



The choice of PFM related initiatives was always made based on the wishes of the State Government. Depending on the State context and timing within the overall SLGP cycle, initiatives were sometimes regarded as relatively uncontentious 'entry points' into PFM which were distinctive self-contained activities. This category includes the debt management work in Ekiti and Kano, and all three initiatives in Lagos where SLGP was working to a tight time-scale.

An alternative approach was through a deeper review process leading to choices being made from a suite of options. In Enugu, a series of incremental interventions around budget formulation and execution emerged from a PFM review carried out over four years. Similarly, the computerisation work in Jigawa and the Budget Monitoring Implementation Group in FCTA grew from initial reviews.

Many of the early activities resulted in a relationship of trust between SLGP and the State Government, and allowed more fundamental PFM work to follow such as: the Budget Classification and Chart of Accounts work in Kano and Enugu; the broad programme of budget improvement in FCTA; and the move towards IFMIS in Jigawa. The overall SLGP approach can be categorised as practical, responsive and opportunistic. It has always been a process of joint learning with the State Government, building on other State's experience where possible.

Key lessons presented for discussion include the following:

- Political Commitment and Leadership are crucial both to start and sustain PFM reform and to ensure that new practices are implemented
- There is no single ideal entry point which can be prescribed as a relevant to all states at any one point in time. Government must demand the initiative and be willing to invest in both human and material resources to mitigate the impact of implementation challenges
- Debt management can represent an unthreatening entry into PFM reform, but once operational it will expose other weaknesses and will require executive support to continue
- Introducing a high level mechanism for budget tracking is not enough to ensure the institutionalisation of the culture of budget tracking. It requires sustained commitment over a long period.
- In the right environment, support to Audit bodies can be a powerful entry point as it tends to expose other weaknesses and thus provide the spur to change. It is also possible to improve procedures and build audit capacities. However, if accountability institutions fail to show sufficient interest, the impact will be limited
- It is possible to support an initiative without a comprehensive PFM review and still make a significant difference
- Senior Bureaucrats' commitment to change is also critical, particularly where the change is operational and requires consistent support to embed changes



- It is important to understand the nature of capacity weaknesses in order to improve design and pitch training at the appropriate level
- The State Government must take ownership of the reform process and thus responsibility for it
- Clarifying the possible outcomes of where an entry point might lead is important even in adhoc 'quick win' situations.
- Clarifying expected outcomes would also enable the development of milestones and/or indicators so that progress can be evaluated. Therefore it is important to work out a strategy that would enable both parties assess progress and decide whether the continuation of inputs will yield commensurate results
- Donor Coordination is vital

3.3 Key Comments and Discussions

Participants' comments during discussions in plenary and group presentation were quite robust. In summary, some of these are as follows:

- In recognition of the tendency for politicians to kill off reform under the guise of bringing in newer reforms, it is important to institutionalise reforms so that the gains of the reform cannot be 'killed off' when new government comes into power. In that case, people would resist if a new government wanted to turn the clock back. It was felt that in general, civil servants are seeking continuous improvement, but they are hampered by the change of government.
- Legislators and the executive need to be given orientation on the roles of governance institutions ab initio. Donors, for example, could provide a retreat for the political leadership, at both executive and legislative levels, in order to appreciate and embed reforms.
- Once officers in key functions are trained through programmes like SLGP, they should not be moved. That notwithstanding, it was argued that sector specialists in line Ministries need to be exposed to business management and health economics – for example, doctors should be made more aware of administrative requirements. There should be some evaluation of how to build learning and growth to replicate skills so that specialists can eventually become generalists irrespective of their original profession.
- There was discussion about how autonomous a Bureau of Inland Revenue should be from the Ministry of Finance. In Lagos State, the law allows 5-10% retention by SBIR but the question was how this should change over time as effectiveness improves? The original specification for such private sector agencies is crucial. Civil servants were very sensitive to issues of privatisation when they are not able to compete and have not been given similar levels of infrastructural support, training and incentives to do a similar job. The structure of the civil service was seen as the factor that kills initiative, as civil servants have the same potential as the private sector.



- More consideration should be given to monitoring and evaluation to measure progress against objectives through developing indicators. NEEDS and SEEDS are driving everything but should not be regarded as new - just part of poverty alleviation. Policy language has to be translated into MDG language and the MTEF. This will launch a trajectory that cannot be changed easily.
- States should develop a budget tracking culture that involves the executive, legislative and LGAs. At present, it appears that no one in the State Executive Council is aware of budget tracking, let alone the benefits. This is a major gap in SLGP's approach. Along this line, there is a need to carry the legislature along and build its capacity in budget tracking, as well as in the analysis of the budget in relation to the MDGs
- When staff capacity is increased, it is easy to lose those individuals to the private sector. Government should improve the conditions of service of civil servants in order to retain them.
- It is important to clarify what policy commitments should be made - pre and post - before starting the reform process
- Sustainability will be enhanced through increased commitment and ownership to continually improve the system, and providing adequate incentives and infrastructure to change the work culture. Furthermore, there is a need to implement a strategy to raise awareness with the top political officials to show that making progress towards the MDGs is aligned with their purpose in coming to power, and then to make sure that they understand the necessary PFM changes and reforms.
- To be effective, the Budget Monitoring/Tracking Committee membership should include the organised private sector (OPS), civil society organisations (CSOs), as well as government officials. However, such monitoring should be institutionalised and the capacity of CSOs built for sustainability. This will include creating a budget line for monitoring and evaluation.
- The impact of budget tracking in Lagos State did not come out strongly in the lesson learning review report.
- There was no model training programme for PFM reform.
- SLGP PFM support seemed to have been restricted by insufficient international expertise in terms of both quality and quantity.
- There seemed to be no clear partnership agreement between SLGP and Partner States to guide the relationship.
- In future design, programmes such as SLGP should provide indicators for elements of PFM and focus more on procedures for better performance. Any support should be preceded by detailed diagnostic review, then the design and delivery of training. However, the support should be piloted over a period before rolling out.



Detailed comments and discussions is provided in Annex 2.

3.4 Emerging Issue: State Selection Criteria

At the State level, participants from non-SLGP states were keen to know what the selection criteria for choosing SLGP states had been. It was explained that SLGP was a programme of DFID and that the selection had been made by DFID in conjunction with the Government of Nigeria and other donors. At that time Benue, Ekiti, Enugu and Jigawa were selected as DFID's focal states representing different regions and where it was felt that Governors were committed to reform. Over time, the programme in Benue drew to a halt and there was a political change in Ekiti that led to DFID winding down SLGP in those states and starting up in Lagos and Kano where it was felt that there were coalitions of interest for change. While bilateral governments may be subject to a wide range of political processes in making choices of where to work, SLGP and SLGP stakeholders are now in a position to feedback lessons from experience to influence the better design of future governance reform programmes.

In concluding, it was emphasised that this workshop is part of the process of contributing to the better design of future reform programmes. Lessons from this workshop will be shared during the workshop in Abuja to which donor and Federal Government of Nigeria representatives will be invited.

3.5 Evaluation

Participants expressed satisfaction with the presentation, stressing that the information presented was simple, clear and vivid and the interaction fostered through discussions has been very valuable. According to them, the initiative about the experience sharing and learning process is quite useful as it provided opportunity to gather information in a broad way about what SLGP/DFID has been able to do in some states in Nigeria. That notwithstanding, participants expressed the desire for more details on the initiatives so that they can better appreciate what has been done. See details of theses in Annex 3 of this report.

4.0 CONCLUSION

The series of dissemination of lessons learnt was well received by participants who believed it is a step in the right direction. In concluding the workshop therefore, the Lesson Learning and Dissemination Officer, expressed SLGP's gratitude for invaluable contributions and reminded all of further opportunities to find information, offer comments and ask questions by joining the electronic discussion group. This e-group would be set up on the website together with completed reports of all the workshops.

Annex 1

List of Participants at PFM Dissemination Workshop 2(A): Lagos

No.	Name and Title	Dept /Organisation	Contact details
1	Mr. E. Fagbemi	Ekiti State Planning Commission, Ado Ekiti	State Planning Commission State Secretariat Ado Ekiti
2	Mr. S.I Folrunsho	Ekiti State Planning commission, Ado Ekiti	Ekiti State Planning commission, Ado Ekiti
3	Mr. S.A Raji	Ogun State Ministry of Local Government, Osogbo	Ogun State Ministry of Local Government, Osogbo
4	Mr. O.M. Bakare	Office of State Auditor General – Lagos State,	Office of State Auditor General – Lagos State,
5	Mr. O.O. Arowa	Office of the State Auditor General Lagos State	Office of the State Auditor General Ikeja
6	W. A Onibon	Lagos State Ministry of Finance State Treasury Office	State Treasury Office Alahausa
7	Mr. B.T. Osenii Ope	L/S Ministry of Finance	Minister of Finance
8	Kehinde Sogunle	Bureau of Management and Budget Governors Office, Ogun State	Director Generals Office Gov Office Abeokuta
9	Adenupo Muyiwa Directors of Planning	As above	Dept of Planning
10	Alhaji SOA Busairi Secretary	Community/ Govt partnership, Ibadan North L.G. Ibadan Oyo State	Box 7647, Secretariat, Ibadan
11	O. M Olugbile	Lagos State Office of Auditor General	Ass. Director Planning and Development
12	Dr. Jemilade Longe	Lagos State Ministry of Health	
13	A.T Adio Moses	State Treasury Office, Lagos State Government	Directorate of Financial Intelligence and Research

1(B): Enugu

No.	Name and Title	Dept /Organisation	Contact details
1	Mrs. Ngozi Obichukwu	Macro Planning Dept Ebonyi SPC	Ebonyi State Planning Commission. Government House
2	Mrs. Theresa Oselebe SPO Macro Planning	New Macro Planning Dept Ebonyi SPC	Ministry of Economic Planning & Development
3	A. O Umeobi	Planning Dept Ministry of Economic Planning and Development Anambra	Ministry of Economic Planning and Development, Awka
4	Mrs Nkiru Nwobodo Executive Director	Economic Empowerment and Development Initiative (EEDI)	
5	Omogo BOC	Economic Affairs Cabinet office	Cabinet office GH
6	Tasie Nnenna Programme Officer	WIDO- Widows Dev Org	
7	Dr. (Mrs.) K E Eze	Economic Development Unit Government House, Enugu	Economic Development Unit, Government House 6/8 Nza St Ind L/out
8	Wilson Njoku	Enugu State Planning Commission Enugu	ESEPC, Enugu
9	Bridget Onyema	Director Office of the Accountant General Ministry of Finance, Umumahia	Office of the Accountant General Ministry of Finance, Umumahia
10	Elder E. Nwakoro	Abia State Planning Commission, PMB 7231 Umuahia	Computer Services Dept , ASPC
11	Asuzu L.N.	Imo State Planning and Economic Development Commission, Imo State	Block 6, State Secretariat P.H. Road Owerri
12	Lady E.I Magulika	Min of Finance & budget, Awka, Anambra	Ministry of Finance & building, Akwa

1(C): FCTA

No	Name and Title	Dept/Organisation
1	Lev Freinkman	World Bank
2	Christine Owre	Policy and Knowledge
3	John Sanchez	SLGP
4	Richard Butterworth	Governance Adviser, DFID
5	Phillips Oki	PricewaterhouseCoopers, Public Sector Group
6	Abubakar Yusuf	Education Secretariat, FCTA
7	Zainab Ibrahim	SLGP
8	Margaret Joshua	GTZ, Abuja
9	Sina Fagbenro	DFID
10	S. I. Ojo	National Planning Commission, Abuja

1(D): Kano

No.	Name and Title	Dept /Organisation	Contact details
1	Mallam Madu Kakaba	Ministry of Budget and Planning, Yobe State	MBEP, Governors Office, PMB 1015, Yobe
2	Babaji A Galadima	Ministry of Budget and Economic Planning, Yobe State	MBEP, Governors Office, PMB 1015, Yobe
3	Rilwanu Musa Zurmi	Ministry of Budget and Economic Planning, Gusau, Zamfara State	Ministry of Budget and Economic Planning, Gusau Zamfara State
4	Dalha Ibrahim Zareng	Ministry of Finance, Kano	MOF Kano
5	Nasiru Kado	Ministry of Budget and Economic Planning, Gusau, Zamafara	MBEP, Gusau Zamfara state
6	Peter Kure Bakam	Ministry of Economic planning, Kaduna State	Ministry of Economic Planning, Kaduna
7	A.I Abubakar	Ministry of Finance, Kano State	Ministry of Finance, Kano, Kano state
8	Ismail Kabir	Ministry of Planning and Budget , Kano	MOP and Planning
9	Haruna Mohd Yusufu	Ministry of planning and Budget Kano	MPB Kano
10	Anwal Abdulkadir	Ministry of Finance Kano	Treasury Kano
11	Lucius Tila Bossen	Ministry of Finance , Kaduna	Treasury, Kaduna
12	Abdullahi Umar Kabomo	Ministry of Finance, Budget and Economic Planning Katsina	Planning Dept, Katsina
13	Zakari Sadiq	MOF Kano	MOF, Kano
14	Adamu M. Garungabas	Ministry of Budget Jigawa	Ministry of Budget
15	Muhammad Muhammad	MOF Jigawa	Treasury, Jigawa
16	Muhammad Yaro	MP&B Kano State	MP&B

Annex 2

Detailed Comments and Discussions

Plenary comments from Enugu State and its surrounding neighboring SLGP states on its own PFM experience.

- Noted the difficulties of different ministries reconciling their budget allocations
- The warrant system should work but there are sometimes differences between Ministries and MoF and the AG's records
- Different state representatives explained the route taken to ensure permission to spend which in some cases involves being checked twice by the Governor after clarification of actual expenditure against estimated expenditure and what the running balance maybe. An excess of demand over the estimate may on occasion lead to a supplementary budget later in the year, but the warrant is always necessary before expenditure can be authorised. Computerising the warrant system should mean that consistent information is available to all parties
- In Anambra the management of public funds is in the AG's office and every approved expenditure is paid. The process as described takes two days to complete. All the recurrent expenditures are contained in a computerised spreadsheet for the whole state maintained by the Ministry of Finance
- Other states want a system of PFM as transparent as that of Anambra State with an active Treasury system - this would need more training and sensitisation to achieve
- House of Assembly should support ministerial control of the budget but HoA members need training in the rudiments of the budgetary process to perform their control function
- Budget ceilings are necessary but ceilings need to be realistic and based on evidence from previous experience (analysis of previous year's budgets and project evaluations)
- Priorities should be based on what people want rather than what the political class or Governors' want, the political class need to be educated about NEEDS and SEEDS objectives and the importance of setting budget priorities where consulting people is not tokenistic and priorities are adhered to
- Development of local consultants will ensure local in-state support as needed and not force civil servants to schedule their work around when outside consultants are available. It will also save resources spent on hotel bills and make sure that consultant documents and institutional memory remain available locally. Others felt there was a role for national or international expertise and the issue was writing the correct specification and ensuring the right person with the right skills to do the job.
- The Public Accounts Committee needs to make use of Audit Reports to make the audit function more relevant and effective
- CSOs have a role in scrutinising the use of budgets but governors may not wish to be exposed hence CSOs are often excluded from key meetings
- Civil servants are beginning to value the role that civil society can play in working closely with them to monitor budgets
- Enugu's experience of SLGP- supported PFM reform was felt to be quite relevant to all the neighbouring states



- Federal Government sometimes forces states to incur costs that should normally be paid for by the relevant federal agencies e.g. local costs for transport and hospitality for police and army officials. The costs of the Law School in Enugu were a drain on the state government account that the federal level should reimburse
- The state is being pushed from above and below by the federal level and LGA budgetary demands. In Enugu this is extended to CDCs to respond to their demands
- States need to follow SEEDS through at least to LGAs to track progress
- Once the Fiscal Responsibility Bill is enacted into an Act, the budget will become law and this will strengthen due process at all level of government.
- All budget stakeholders need to play their part e.g. PAC but they need training to fulfil their roles
- Issue of late or non-payment should not happen, as warrants should not be authorised unless funds is available to meet the obligation.
- In Imo State, macro-economic planning is done to track the financial aspects of the budget and a combined team monitors SEEDS in relation to the physical changes for which the funding is being used as a value for money audit. This involves Macro-economic Planning, MDAs and CSOs
- In Enugu State the 8-day training of one day for each group civil servants was not sufficient to make the new Chart of Accounts work, as civil servants still do not understand the new classification. The internal computer network is not working. The HOA is unable to analyse the budget against the agreed ceilings
- Before the budget is prepared the MoF should meet with the executive to understand the policy thrusts that need to be accommodated within the IGR that is likely to be generated. Then ceilings can be set for each sector.

Plenary comments on the PFM experience of other States

- In Lagos State the PAC is pressurising for good practice, now local LGA Chairmen come to ask for a certificate to show that they have acted on the recommendations of the audit report. No one can vie under different headings now. The AG is now proud of having a group of well-trained auditors. The problem is how to retain them from being poached by the private sector. Within the MoH, the PS can track the budget in relation to preventative as well as curative effort
- In Anambra State, every warrant issued is honoured because of good cash flow management. The AG has charge of the final account.
- State problems with debt were uneven, but everyone recognised the link with good PFM
- All states wanted to emulate the Lagos IGR target and not rely on the Federal Allocation
- All non-SLGP state representatives put in a strong plea for receiving similar donor support for PFM as those provided by SLGP

Plenary comments on the Lagos PFM experience

- 30-40% non-performance of budget tacking in Lagos is in the area of the MDGs
- Quarterly analysis gives food for thought but budget tracking needs more analysis than the one currently provided.
- Budgets could be arranged to ensure that priorities are reflected in guaranteed budget lines which are not met first
- The Chart of Accounts is intended as a mechanism to track expenditure and analyse results. The Ministry of Health want to be sure that they can track expenditure using a template that relates to the MDGs



- Ekiti State civil servants are seeking continuous improvement but are hampered by the change of government
- Reforms need to be institutionalised so that they cannot be killed off when new administrations come into power. Then people will resist if new government want to turn the clock back. Unfortunately politicians may seek to kill off reform under the guise of bringing in newer reforms
- Once officers in key functions are trained through programmes like SLGP, they should not be moved e.g. people from accounts being seconded to line Ministries that are not under the control of the PS of the Ministry of Finance. But it was argued that sector specialists in line Ministries need to be exposed to business management and health economics e.g. doctors made more aware of administrative requirements. There should be some evaluation of how to build learning and growth to replicate skills and that this should be measured and consciously built so that specialists can move to become generalists irrespective of their original profession.
- When staff capacity is increased it is easy to lose them to the private sector
- If government addresses the condition of service for auditors it could retain them. A National Council is addressing this issue. Status and pay issues have not been attended to and parastatals have been brought in as a quick fix.
- There was discussion about how autonomous a Bureau of Inland Revenue should be from the Ministry of Finance. The law allows 5-10% retention by LABIR but how should this change over time as effectiveness improves? The specification is crucial. The Lagos model was proposed by government and supported by SLGP. Civil servants were very sensitive to issues of privatisation when they are not able to compete and have not been given similar levels of infrastructural support, training and incentives to do a similar job. The structure of the civil service was seen as the factor that kills initiative taking as civil servants have the same potential as the private sector.
- Ogun State representatives wanted to clarify what should be put in place first before starting the reform process - what policy commitments should be made pre and post the budget process
- In tax reform - what minimum conditions should apply and what should then be strengthened?
- More consideration should be given to monitoring and evaluation to measure progress against objectives through developing indicators. NEEDSA and SEEDS is driving everything but should not be regarded as new - just part of poverty alleviation. Policy language has to be translated into MDG language and the MTEF. Once this is done, it will launch a trajectory that cannot be easily changed.
- State should develop a budget tracking culture involving the executive, legislative and LGAs. No one in ExCo is aware of budget tracking or the relationship between the Legislative Assembly and the LGAs. This is a major gap in SLGP's approach. In Lagos, the MoLG is seeking to link LGA and State finances.
- Capacity building is needed with the legislative and the ability to analyse the budget in relation to the MDGs

Plenary comments on the PFM experience of other States

- Early success in Ekiti could not be sustained without continued political support for the technocrats. The DMU also needs further training and computerisation to be effective.
- So far, donors have been weak in disseminating these lessons through consultations of this kind.



- The need for sustainability through increased commitment and ownership to continually improve the system, and providing adequate incentives and infrastructure to change the work culture.
- Implement a strategy to raise awareness with the top political officials to show that making progress towards the MDGs is the same as their purpose for coming to power and then to make sure that they understand the necessary PFM changes and reforms
- Legislators and the executive need to be orientated of the roles they have to play in ensuring an effective PFM in their respective States.
- Budget tracking is crucial to combine the goals, targets and strategic projects with the budget and then publishing information on the finances and the impact - this require better data collection, PFM and institutionalising these reforms
- Improve public awareness
- Sustain the tenure of principal officers to pursue a structured programme
- Ensure civil service reform
- Link policy makers and reform minded staff
- Disputes on the location of a DMU between the AG and MoF can hamper progress on debt management
- Strengthen M&E with Planning and Statistics and as part of audit
- Use external consultants where they can be useful and use those with ability within the system too.
- Staff can be exchanged between SLGP states and other states to spread ideas.

Plenary Comments and Discussions on the PFM experiences at the presentation to the Donor Community in Abuja

- Budget monitoring/Tracking Committee membership should include the organised private sector (OPS), civil society organisations (CSOs), apart from government officials. However, such monitoring should be institutionalised for sustainability.
- Creating a budget line for monitoring and evaluation is required for sustainability.
- The impact of budget tracking in Lagos State did not come out strongly in the lesson learning review report.
- There was no model for training programme for PFM reform.
- SLGP PFM support seemed to have been setback by insufficient international expertise in terms of both quality and quantity.
- There seemed to be no clear partnership agreement between SLGP and Partner States to guide the relationship.
- In future design, programmes such as SLGP should provide indicators for elements of PFM and focus more on procedures for better performance.
- Any support should be preceded by detailed diagnostic review, then design and deliver trainings.
- PFM reform should be piloted over a period before rolling out.

Annex 3

Evaluation

Aspects I thought were good and useful

- The PFM budget tracking are good and useful
- The layout and intervention on IGR, audit and budget tracking
- Debt management
- The presentations had been well summarised and were still lucid and explanatory
- Computerisation of budget preparation and systems
- All aspects were quite OK and useful
- All aspects discussed were good
- It is interactive and expository
- The initiative about the experience sharing and learning process is quite useful. We have been able to gather information in a broad way about what SLGP/DFID has been able to do in some states in Nigeria. This has enabled us to know the pattern of entry and the impacts of intervention. The information was presented in a simple, clear and vivid way and the interaction fostered through discussions has been very valuable

Aspects that could be improved

- *The impact of budget tacking is still more than what was stated*
- Good governance and debt management
- Consultation and dissemination of the donor ideas with the stakeholders for proper understanding and implementation
- It should be assigned more days; not rushed
- Reorientation of the political class in governance
- Support/capacity for my State in the budget implementation strategy
- Computerisation of the budget
- Provision of software for baseline data for Ekiti State
- More time could have been allowed for group work
- Computerised warrant tracking
- Continuity of the programme in Ekiti- debt management could still be improved upon in order to ensure that it is not a once and for all thing
- Room for improvement in all human endeavour
- Budget tracking
- I think some more details can be provided on the initiatives so that we can have a better appreciation of what has been done
- Getting a more conducive workshop venue
- Always be focused to address subject of discuss.

The main thing I have learnt that I will take away to improve policy and strategy in my own State

- The knowledge that many states have a lot of challenges that we have taken for granted
- Improvement process and experience sharing
- Experiences of other states shared with a view to improving my state situation
- Institutionalise strategies for budget tracking
- Ensure that audit reports are complied with
- Sustainability of debt management in Ekiti State



- The need to anticipate and understand the various outcomes of any reform process at the outset
- Debt management process
- Reform of the management structure for PFM in my State - the staff of the office need to remain in office over a long period to make things work
- The debt management issue in Ekiti and the budget management in FCT and Enugu
- Budget tracking
- I would definitely be willing to encourage initiatives on audit, internal revenue management and budget formulation, implementation and tracking in my State
- My State could benefit from future programmes in the area of need.
- Positive improvement in Public Expenditure Management