

Annex 8 Draft Completed Annual Review Form

Annual Review

Part A - Project Data

Project Short Title	State and Local Government Programme Nigeria		
Benefiting Country / Region	Nigeria	MIS code	
Current Project Officer Name	James Zasha, Steve Burton	Approved Commitment	
Actual Start Date	2001	Spend To Date	
Planned End Date	October 2006	Date of Review	November 2005

Part B - Recommendations

Summary of Recommendations	Responsibility
1. Finalisation of no-cost contract extension from April 2006 to October 2006 so that staff contracts can be extended and workplans agreed	DFIDN with East Kilbride
2. Agreement on water issue based projects in Kano and Lagos pending notification of the Secretary of State (The Note has been prepared as directed by SLGP and State Government partners and presented for William Kingsmill's attention on October 2005 - Water IBPs may not be completed by End of Project if authorisation to start is not forthcoming quickly. This has widespread ramifications for budget and work planning for different aspects of SLGP	DFIDN
3. Relevant lesson learning event(s) should be planned to involve the views of Nigerian partners and scheduled to fit with the design requirements of the joint donor successor programme	DFIDN with SLGP
4. Internal and external reviews should be agreed within the next workplan of SLGP to ensure impact and lessons of SLGP are recorded by the end of the project	PM with SLGP managers
5. Key documents for subsequent final ex-post evaluation should be collated by the end of the programme in line with the recommendations of the M&E report of November 2005	PM and Programme staff

Part C – Project Scoring Assessment

Goal Statement	Objectively Verifiable Indicators (OVIs)
Effective pro-poor state and local governments in Nigeria which enable people to realise their rights	FGN policies, spending programmes and procedures explicitly pro-poor and based upon recognition of poor peoples social, economic and political rights

Purpose Statement	Objectively Verifiable Indicators (OVIs)	Progress	Recommendations/Comments
The capacity and effectiveness of federal, state and local government to manage resources and support service delivery in response to the interests of poor people is enhanced.	<p>Balanced budgets (developed after transparent policy analysis), spending follows the budget, due process is followed in major contracts, visible improvements in service delivery, programmes on ground to encourage pro-poor growth</p> <p>Demand side social and political forces and institutions strengthened to ensure that government is responsive to needs, follows due process and maintains control</p> <p>Government service structures and processes enhancing growth opportunities</p> <p>Government service structures and processes enhancing growth opportunities</p>	<p>Realistic, SEEDS related budgets being produced for 2006 in SLGP-supported States as a result of pilcy analysis and consultation</p> <p>Due process observed in selected service areas on track to produce improved services on a small scale</p> <p>Support for pro-poor growth is weak</p> <p>Evidence of demand side reforms to consult about service improvement and to ensure community involvement in monitoring and management of selected services in some LGAs</p> <p>Two examples of entreprise support centres in place but not yet highlighting or addressing constraints</p> <p>Efforts at payroll and debt control and more efficient fiscal controls and billing have the potential for releasing resources for enhancing growth</p>	<p>Plans are in place to monitor some aspects of the budget in each State but access to treasury is limited to ensure compliance of allocation within the budget.</p> <p>Every effort is needed to spread good practice so as to increase the scale of impact between now and the end of the programme</p> <p>More work is needed to link up with the SJG programme on the economic growth aspects</p>

Purpose to Goal
The assumptions remain valid. Political commitment to the reform process in terms of openness about budget allocation and willingness to control of expenditure in line with the SEEDS and LEEDS process is still weak in all States. The speed of the reform process is slower than hoped and this is inhibiting the scaling up

Project Purpose Rating - General / Overall progress assessment	3
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Justification
Political will to control the allocation of government spending in line with the budget is still weak even in SLGP-supported States where there has been a commitment to an open SEEDS related budget planning process at least at the level of the civil service. Responsiveness to demand will take longer to achieve on all but a small scale. Donors have been slow to show a commitment of funds to incentives the reform process as a result of establishing benchmarks

State how far the project has helped to deliver the objectives of the Country Assistance Plan (where appropriate)
The programme is in line with the aims of the CAP and contributing to the next phase of CAP development of harmonising joint donor approaches to governance reforms

Outputs	Objectively Verifiable Indicators (OVIs)	Progress	Recommendations/ Comments	Score
1. A) NEEDS Federal level institutions including pilot federal ministries reform areas of policy, fiscal budget management and service delivery. The outputs with the Federal level institutions will be based around those being achieved under SEEDS (see below).	Federal level reforms <ul style="list-style-type: none"> Pilot Federal Ministries implement visible reforms Visible reforms widely publicised FGN institutions and processes link NEEDS and SEEDS (and LEEDS) 	FCTA is piloting how to implement institutional reforms and providing evidence of improved service delivery This is being planned as part of the next workplan A FEEDS – LEEDS framework as been produced in 4 service sectors with MolGA, and is being taken up through SEEDS/LEEDS work in supported States	More effort should be made in this period to review and disseminate lessons	2
2. B) SEEDS / LEEDS – type benchmarks of performance	SEEDS General		Political backing for actual allocation against the SEEDS	3

<p>are achieved in partner states.</p> <p>Partner states selected based on evidence of performance track record and of political commitment to pro-poor growth and MDG achievement.</p>	<ul style="list-style-type: none"> • Credible SEEDS policy documentation produced. • Evidence of political backing for the document • Evidence of participation in the preparation of a SEEDS document 	<p>Credible SEEDS documents have been produced and publicised in supported States</p> <p>In most cases there is political backing for the documents and participation in preparation</p> <p>The SEEDS Manual is completed and will be launched in December 2005.</p> <p>SEEDS training has been piloted with top civil servants</p>	<p>budget is still weak and access to Treasury to monitor budget expenditure is still difficult</p> <p>In States not supported by SLGP the SEEDS budget costs are not as yet based on realistic assessments of costing MDG achievement, but donors have not yet clarified how they will support this process</p>	
<p>3. B1. Policy process produces policies that are: responsive to needs, participative, targeted on MDG achievement and growth, promoting effective use of human and financial resources, and engaged with civil society.</p>	<p>Policy</p> <ul style="list-style-type: none"> • Policies reflect both poverty alleviation and economic growth as objectives; • Targets set for key service areas with monitoring procedures and evidence of achievement. 	<p>Economic growth aspects are weak as noted above</p> <p>Targets are being set- evidence and monitoring in limited contexts evidence of achievement should be possible</p> <p>Although there is evidence of engagement with civil society this is weak in comparison with efforts at institutional reform within the civil service</p>	<p>Publicising policies and policy processes is important now to share good practice beyond the supported areas</p>	2
<p>4. B2. Fiscal and Budget management is improved. The improvement is based on the following: proper financial discipline, resource allocations reflecting strategies for policy achievement, project and programme evaluation</p>	<p>Fiscal and Budget management</p> <ul style="list-style-type: none"> • Movement towards a balanced budget • Spending off budget reduced • Budget and spending reflect priorities 	<p>Considerable progress is noted but measurement of off budget spending will still be challenging</p>	<p>Lessons about how off budget spending has been tracked and indicating where remedial action has been taken should be widely publicised by the end of the programme</p>	3
<p>5. B3. Service delivery improved,</p>	<p>Service Delivery</p>	<p>This output will be largely achieved in</p>	<p>Ensuring areas of service</p>	2

<p>with performance indicators and targets set, systems for monitoring, HR strategies established and implemented, partnership agreements and contracts established as necessary.</p>	<ul style="list-style-type: none"> • performance indicators and targets set for pro-poor service delivery • effective institutional structures designed and in place • monitoring provides evidence that implementation conforms with policy 	<p>selected service areas with some HR strategies defined but it is unlikely that any of these will be fully implemented by the end of the programme.</p> <p>Examples of effective institutional structures will be in place in supported States and plans are being made to share information about these more widely</p>	<p>delivery are externally reviewed so lessons can be shared by the end of the programme</p>	
<p>6. B4. Civil Society/Government interface is strengthened. The demonstration of transparent public management is improved.</p> <p>C) Issues Based Projects</p> <p>C1 Selected services improved, including the service of providing an environment for investment and growth</p> <p>C2 Institutional barriers to service improvement are highlighted and broken down</p> <p>C3 Sufficient public interest is mobilised for change.</p> <p>C4 Acceptance widened of new ways of working.</p>	<p>Public participation</p> <ul style="list-style-type: none"> • public participation strategies demonstrated • public management transactions (accounts, procurement, recruitment, promotion etc.) are available for public scrutiny <p>• Service levels improve</p> <p>• Political commitment to reform improved</p>	<p>Public participation has been a feature of producing SEEDS documents and strategies</p> <p>There are examples of budgets being publicised, audited accounts being made public, open procurement and recruitment processes in States and the FCTA</p> <p>Anecdotal evidence indicates small scale service improvements – a service delivery assessment tool is being developed</p> <p>This may be difficult to assess</p> <p>In IBPs have had insufficient time to mobilise coalitions for change</p>	<p>A system for assessing increased political commitment to reform needs to be agreed</p> <p>IBPs will in general aim to provide examples of governmental change to inspire future public demand</p>	<p>2</p>

<p>7. D) Programme core management and coordination</p> <p>D.1 Experience and best practice of NEEDS, SEEDS, LEEDS and IBP disseminated</p> <p>D.2 Drivers of Change –Political structures and civil society analysed</p> <p>D.3 Programme progress monitored and evaluated</p> <p>D.4 Programme Coordinated</p> <p>D.5 Programme financial management</p>	<p>Materials produced and activities held for dissemination</p> <p>Knowledge of the political economy updated</p> <p>Evaluations of programme activities produced</p> <p>Accurate and timely financial reports produced</p>	<p>Materials are being uploaded onto the website</p> <p>The SEEDS manual contains examples from IBPs</p> <p>Enugu’s experience of waste management is being imitated in Benue and Abuja</p> <p>The programme is being internally monitored and extensive plans are being costed for reviewing key elements of the programme to tease out impact and lessons</p> <p>Accurate and timely reports are produced as required for DFIDN</p>	<p>Plans are being made for the experience of payroll reform, debt management and IGA reform, water policy change and community engagement in the management of services will be disseminated by the end of the programme</p> <p>There appear to be no plans to analyse political structures and civil society</p>	<p>2</p>
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<p>Project Outputs Rating - General / Overall progress assessment</p>	<p>2</p>
<p>Justification</p>	
<p>Outputs will largely be met as planned (albeit on a relatively small scale in some cases), except in the area of pro-poor economic growth where there has been limited action in terms of removing the constraints to business development. This element has become a part of the SJG Programme.</p> <p>The SEEDS documentation and training has been highly valued by Nigerian partners. The benchmarking exercise has shown that fiscal management and budget are weak areas across all States but all SLGP supported States and FCT have performed relatively well. All SLGP States and FCT are in the highest groups in relation to SEEDS policy.</p> <p>There is likely to be evidence of improved service delivery in the limited number of areas covered by Issue Based Projects, assuming they can be completed in time.</p> <p>There is evidence of public participation in SEEDS preparation and some evidence of more transparent public management through the Issue Based Projects. This element will be better documented through reviews completed by the end of the Programme</p> <p>Sustainable impact on civil service reform, improved political commitment to reform through mobilised public interest and improved service delivery would only be measurable through external evaluation after the Programme ends</p>	

Purpose Attribution

Project outputs will be largely achieved but the overall project purpose depends on the political will in Nigeria to allocate budget in line with agreed pro-poor policies. The SEEDS exercise implies that

Part D – Risk Management

Risk Category	High
Has the Risk Category changed since the last review? If so explain why.	
No change	
New risks identified	
<p>FGN and donors remain committed to the NEEDS –SEEDS strategy Reform process environment continues Space is allowed for civil society inputs to policy</p>	
Action being taken to monitor / manage risks	
<p>DFIDN has retained an additional governance fund to support the work of the high-powered Federal level Economic Management Team DFID has sought to act in a harmonised way with the WB, EU and USAID DFID intended to fund alternative support for civil society in parallel to SLGP</p>	
Recommended changes to plans or management strategies in respect of project associated risks	
<p>The Issues Based Approach was innovative and made assumptions about the possibility of responding to issues formulated through coalitions of interests in the space of one year left to the Programme. This assumption was not noted in the logframe. In practice, most issues have had to be selected to exemplify the benefits of reform and to raise awareness of the potential for the public to come together to demand change rather than being able respond to demand. Without perceived benefits or incentives for States to improve, it may be more difficult to encourage poor performing States to engage in SEEDS benchmarking exercises and SEEDS capacity building in future</p>	

Does the Logframe Require Revision? No
At this stage of the project it would not be appropriate to amend the logframe

Do the PIMS Markers Require Revision? [Mandatory for projects approved prior to 01/04/1998]

Method of Scoring – state the team composition, the methods used to conduct the review, how the scoring was agreed upon,

and whether partners and stakeholders were involved.

Initial scoring was conducted by an M&E consultant experienced in DFID’s scoring system, DFIDN’s CAP, and the context of Nigeria. The consultant is acting as the M&E adviser to SLGP and the scores were derived inform consultations with the SLGP team, rather than with stakeholders during a week long review of the SLGP Monitoring Framework. This process alone cannot be regarded as objective or external and therefore the draft has been submitted to DFIDN for further verification as necessary

Part E – Lessons Learned

Lessons learned, and suggested dissemination.

1. Working with Partners

2. Best Practice / Innovation

3. Project / Programme Management

Key Issues / Points of information

If appropriate, please comment on the effectiveness of the institutional relationships involved with the project (eg comment on processes and how relationships have evolved)

The Joint Inception Review of 2003 led to Contract Amendment 8 and a new logframe (above) finalised in 2004, which reflects the original goal and purpose of the first SLGP logframe but introduces changes in three key dimensions:

- working in two different States
- using DFID’s Drivers of Change thinking to pilot the idea of “issues Based Projects “and
- enabling the Programme to reflect a major contextual change in Nigeria towards developing poverty related plans in the form of NEEDS, SEEDS and LEEDS.

Relationships have been established over the first phases of SLGP with four focal States. DFID has directed SLGP to close down their programme in two of these States and to start up in two new States that are regarded as more reform-minded for the final two-year phase of the Programme.

This Relationships between DFID programmes at State level have not been close since this depends on the limited time for busy State Programme Managers to meet, when each prioritises time to meet with other partners in the State more highly.

Relationships with DFID have been cordial but DFIDN is engaged in intense internal discussions about its new programmes in Nigeria and how these may be harmonised with funding partners. This affords limited time for the SLGP team t share their experience of governmental reform with DFID colleagues or for DFIDN officers to visit the States and to meet with SLGP’s Nigerian State partners.

What key documentary evidence is available to support the conclusions of this report? List any supporting documents

annexed to this report.

List of review documents and Progress Reports to DFID

Notes for completion

- Where ratings are required please consider the following:

1. = Likely to be **completely** achieved. The outputs /purpose are well on the way to completion (or completed)

2. = Likely to be **largely** achieved. There is good progress towards purpose completion and most outputs have been achieved, particularly the most important ones.

3. = Likely to be **partly** achieved. Only partial achievement of the purpose is likely and/or achievement of some outputs.

4. = Only likely to be achieved **to a very limited extent**. Purpose unlikely to be achieved but a few outputs likely to be achieved.

5. = **Unlikely** to be achieved. No progress on outputs or purpose

X. = It is impossible to say whether there has been any progress towards the final achievement of outputs or purpose.

This score should not be used unless they meet at least one of the following criteria:

- Project is postponed because of conflict
- External Constraints
- Recruitment delays

Other reasons: contact PRISM support