

# State and Local Government Programme, Nigeria

## DFID Annual Review

November 2005

### 1.0 Introduction

Not all the documentation for this annual review could be traced in March 2008. Only the completed annual review form is available.

This current document is compiled from extracts from the annual review form. These extracts have been put together in a pros format for ease of reading. From this point forward the actual words used are identical to those in the review form, *except where the words are in italics.*

*The structure of this summary follows that of the Review form, and is as follows:*

- Section 2: *Recommendations*
- Section 3: *Project Scoring Assessment*
- Section 4: *Risk Management*
- Section 5: *Lessons Learned*

*Note that at the time of the review it was expected that the programme would finish within 11 months.*

### 2.0 Recommendations

1. A no-cost contract extension from April 2006 to October 2006 *should be finalised* so that staff contracts can be extended and work plans agreed.
2. *There should be* agreement on water issue based projects in Kano and Lagos pending notification of the Secretary of State. (A Note has been prepared as directed by SLGP and State Government partners and presented for William Kingsmill's – *Head of Office* – 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.)
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. (*Note that the reference to joint donor here refers to the fact that DFID and the WB, and at the time potentially others, were developing a joint country strategy.*)
4. Internal and external reviews should be agreed within the next work plan of SLGP to ensure impact and lessons of SLGP are recorded by the end of the project.
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.

### 3.0 Project Scoring Assessment

*In each case below the purpose and output statements from the log-frame are reproduced, and then the "progress" sections from the review are reproduced, including the scoring.*

The Purpose of the Programme is that: 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.

*Progress:*

- Realistic, SEEDS related budgets *are* being produced for 2006 in SLGP-supported States as a result of policy analysis and consultation;
- Due process *is being* observed in selected service areas *and is* on track to produce improved services on a small scale;
- Support for pro-poor growth is weak;
- *There is* 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;
- Two examples of enterprise support centres *are* in place but *they are* not yet highlighting or addressing constraints; and
- Efforts at payroll and debt control and more efficient fiscal controls and billing have the potential for releasing resources for enhancing growth.

*On Purpose to Goal achievement,* the assumptions remain valid. Political commitment to the reform process in terms of openness about budget allocation and willingness to control 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 *of the programme.*

*Overall project purpose rating: 3 (This is an improvement from the rating of 4 provided during the JIR and seems to imply an improvement in programme design and approach following the inception reviews.) The justification for this rating is as follows:*

- 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 incentivise the reform process as a result of establishing benchmarks.

*Contribution to delivery of the Country Assistance Plan:* The programme is in line with the aims of the CAP and contributing to the next phase of CAP development *through* harmonising joint donor approaches to governance reforms.

Output 1 of the programme is: 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).

*Progress:*

- FCTA is piloting how to implement institutional reforms and providing evidence of improved service delivery.
- *Making reforms visible* is being planned as part of the next work plan.

- A FEEDS – LEEDS framework has been produced in 4 service sectors with the *Federal Ministry of Intergovernmental Affairs*, and is being taken up through SEEDS/LEEDS work in supported States.

*Recommendations/Comments:* More effort should be made in this period to review and disseminate lessons.

*Output 2 of the Programme is:* SEEDS / LEEDS – type benchmarks of performance are achieved in partner states.

*Progress:*

- Credible SEEDS documents have been produced and publicised in supported States;
- In most cases there is political backing for the documents and participation in preparation;
- The SEEDS Manual is completed and will be launched in December 2005; and
- SEEDS training has been piloted with top civil servants.

*Recommendations/Comments:* Political backing for actual allocation against the SEEDS budget is still weak and access to Treasury to monitor budget expenditure is still difficult. 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.

*Output 3 of the programme is:* Policy process at state and local government level 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.

*Progress:*

- Economic growth aspects are weak as noted above;
- Targets are being set, *and evidence collection and monitoring is being carried out* in limited contexts. Evidence of achievement should be possible;
- Although there is evidence of engagement with civil society this is weak in comparison with efforts at institutional reform within the civil service.

*Recommendations/comment:* Publicising policies and policy processes is important now to share good practice beyond the supported areas.

*Output 4 of the Programme is:* Fiscal and Budget management at state and local government level is improved. The improvement is based on the following: proper financial discipline, resource allocations reflecting strategies for policy achievement, project and programme evaluation.

*Progress:*

- Considerable progress is noted but measurement of off budget spending will still be challenging.

*Recommendations/comment:* 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.

Output 5 of the Programme is: Service delivery improved, with performance indicators and targets set, systems for monitoring, HR strategies established and implemented, partnership agreements and contracts established as necessary.

*Progress:*

- This output will be largely achieved in 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.
- Examples of effective institutional structures will be in place in supported States and plans are being made to share information about these more widely.

*Recommendations/comment:* Ensure that areas of service delivery are externally reviewed so lessons can be shared by the end of the programme.

Output 6 of the Programme is: Civil Society/Government interface is strengthened. The demonstration of transparent public management is improved.

*Progress:*

- Public participation has been a feature of producing SEEDS documents and strategies.
- There are examples of budgets being publicised, audited accounts being made public, open procurement and recruitment processes in States and the FCTA.

Output 7 of the Programme is: Issues-Based Projects will be implemented: Selected services improved, including the service of providing an environment for investment and growth; Institutional barriers to service improvement are highlighted and broken down; Sufficient public interest is mobilised for change; Acceptance widened of new ways of working.

*Progress:*

- Anecdotal evidence indicates small scale service improvements – a service delivery assessment tool is being developed.
- *The output* may be difficult to assess.
- *So far* IBPs have had insufficient time to mobilise coalitions for change.

*Recommendations/comments:* A system for assessing increased political commitment to reform needs to be agreed. IBPs will in general aim to provide examples of governmental change to inspire future public demand.

Output 8 of the Programme is: Programme core management and coordination delivered.

*Progress:*

- Materials are being uploaded onto the website.
- The SEEDS manual contains examples from IBPs.
- Enugu's experience of waste management is being imitated in Benue and Abuja.
- 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.

- Accurate and timely reports are produced as required for DFIDN.

*Recommendations/comments:* 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 to be disseminated by the end of the programme. There appear to be no plans to analyse political structures and civil society.

*Overall project output rating: 2 The justification for this rating is as follows:*

- 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 (*Security, Justice and Growth Programme – The previous A2J programme renamed after its re-design following the JIR*) Programme.
- 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.
- 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.
- 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.
- 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.

*Purpose attribution:* Project outputs will be largely achieved but *achieving* the overall project purpose depends on the political will in Nigeria to allocate budget in line with agreed pro-poor policies.

#### **4.0 Risk Management**

*The risk category is high, which does not represent a change from previous risks assessments.*

*New Risks Identified (they have been expressed as assumptions):*

- FGN and donors remain committed to the NEEDS –SEEDS strategy;
- Reform process environment continues;
- Space is allowed for civil society inputs to policy.

*Action being taken to monitor or manage these risks:*

- 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.

*Recommended Changes to programme strategy or activities:*

The Issues Based Approach was innovative *but* 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 log frame. 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 the future.

#### *Method of Scoring*

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.

## **5.0 Lessons Learned**

The Joint Inception Review of 2003 led to Contract Amendment 8 and a new log frame, finalised in 2004, which reflects the original goal and purpose of the first SLGP log frame 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.

The 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 to 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.