

# SLGP

## Annual Review 2006

### Part A - Project Data

<b>Project Short Title</b>	State & Local Government Programme (SLGP)		
<b>Benefiting Country / Region</b>	Nigeria	<b>MIS code</b>	048-542-029
<b>Current Project Officer Name</b>	Richard Butterworth	<b>Approved Commitment</b>	£28,371,000
<b>Actual Start Date</b>	01/01/2001	<b>Spend To Date</b>	£18,760,000
<b>Planned End Date</b>	01/12/2007	<b>Date of Review</b>	30/10/2006

### Part B - Recommendations

<b>Summary of Recommendations</b>	<b>Responsibility</b>
1. Within each partner state, SLGP should support officials to document and share lessons from the range of reform initiatives undertaken, particularly as an aid to briefing post-2007 administrations.	State Programme Managers
2. A new role for the SEEDS National component, to facilitate the sharing of good practice between states, and between federal and state governments. This should include, but not be restricted to, sharing the experience of reforms supported by SLGP.	SLGP and DFID to discuss.
3. SLGP should prioritise support to the planning and implementation of a conditional grant mechanism for states, as part of the plans for the use of debt relief savings in 2007.	State Programme Managers, National SEEDS Adviser.
4. SLGP should support partner states to develop an overall reform framework, particularly in public financial management, to assist states to coordinate donor activities.	State Programme Managers
5. SLGP should pilot (in some states) and disseminate emerging models of support for reform of Local Government. These pilots should combine support for pilot LGAs with systemic reforms to State-level constraints on the operation of LGAs.	SLGP Programme Coordinator
6. SLGP should, where appropriate, seek to collaborate with PATHS and CUBE in developing costed sector plans (as has already been done in Enugu).	State Programme Managers

7. DFID should provide clearer guidance on its future strategy in Jigawa and FCTA.	DFID
8. SLGP should start preparing now for the political transition in 2007.	State Programme Managers
9. SLGP should support officials in partner states to prepare technical briefings for incoming administrations.	State Programme Managers
10. SLGP should be selective in its response to requests to review or update SEEDS.	State Programme Managers
11. SLGP and DFID should jointly review the national adviser roles.	DFID, SLGP
12. SLGP should source some more regular international advisory input in public financial management, on a call-down basis, to ensure state PFM planning work is consistent with international best practice.	SLGP
13. DFID and SLGP should agree modified management arrangements to manage the final year of the programme, which should include more regular visits by DFID advisers to each state programme.	DFID, SLGP

## 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>Partner Governments develop credible plans for improved public financial management, and making progress towards:</p> <ul style="list-style-type: none"> <li>Balanced budgets (developed after transparent policy analysis),</li> </ul>	<p>All of SLGP's partner states have produced poverty reduction strategies, and achieved above average performance in the 2005 benchmarking. On PFM, Benue, Enugu and Ekiti were among the top 7 on measures of the strength of systems.</p> <p>The production of SEEDS has begun to revive a planning culture at state level.</p> <p>In some states, there is progress towards institutionalising similar planning processes at Local Government level (LEEDS).</p> <p>In most of SLGP's partner states, budget and treasury processes have improved, leading to improved revenue estimates, timeliness of the budget, and in some cases, greater consultation</p>	<p>SLGP is now working with some states to revise SEEDS, where the original document has not proved a useful aid to planning and budgeting (e.g. Kaduna).</p> <p>SLGP should pursue work in Lagos and Jigawa to start to tackle the systemic causes of poor local government performance.</p>

	<ul style="list-style-type: none"> <li>• Spending following the budget,</li>   <li>• Due process followed in major contracts,</li>   <li>• Better control of salary costs that frees up resources for other purposes,</li>   <li>• Visible improvements in service delivery,</li> </ul>	<p>in budget setting. For example, Enugu State has moved from a largely incremental budget process to a more consultative one that reflects the Executive's real spending priorities, and has not had recourse to supplementary budgets since 2004.</p> <p>In some states there is also better integration between the ministry of budget and planning and the ministry of finance.</p> <p>Budget execution is still weak in most states.</p> <p>SLGP's support has led to the development of new charts of accounts in at least one State.</p> <p>In 1-2 states there is some budget monitoring/tracking by officials and coalitions of CSOs, but this tracking has not brought much greater accountability of actual spending.</p> <p>There is some evidence of increased use of due process in specific services where SLGP is working on an IBP. The benchmarking has also encouraged more transparent procurement. However, there is less evidence of a general trend towards greater transparency in procurement.</p> <p>There have been significant improvements in control over payroll costs, as a result of payroll/HR databases and other measures to tackle payroll ghosts. Jigawa has reduced its pensions budget by two thirds, Enugu is saving N21m per month, and FCTA has removed an estimated 5000 ghost workers from the payroll.</p> <p>Service delivery has improved where the IBPs have been completed, in FCTA and some states. However, allocation of more resources to MDG-related services has not yet happened in all states – as noted above.</p>	<p>This will be addressed as part of a more structured donor dialogue with Lead States. SLGP experience has shown that capacity building alone will not achieve this.</p> <p>Savings from these reforms have not yet been used for poverty reduction in Jigawa or Enugu. However, there may be a clearer link in FCTA. Another DFID programme will seek to document the service delivery benefits from these savings.</p> <p>More work is needed to roll out good practice in IBPs to other ministries in partner states.</p>
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	<ul style="list-style-type: none"> <li>Programmes on the ground to encourage pro-poor growth.</li> </ul>	<p>Enugu and FCTA have both set up agencies to support small businesses. In FCTA, it is doubtful whether the short-term impact will outweigh other actions that have had a detrimental impact on small businesses. See below.</p>	<p>The environment for business and pro-poor growth in states will be highlighted in the next few months by one or more surveys of the investment climate.</p>
	<p>Government reforms and activities open up new space for demand side social and political forces to help ensure the government is responsive to needs, follows due process and maintains control.</p>	<p>There are several examples of SLGP opening new space for the demand side to operate – e.g. the <i>Hannu Daya</i> Radio program in Jigawa State, FEEDS Focal Persons (FFP) in the FCTA, and the involvement of civil society in IBPs.</p> <p>The benchmarking has contributed to more informed media scrutiny of states' performance, including spending and procurement.</p>	<p>SLGP has not provided, and should not be expected to provide, direct support to the demand side.</p> <p>However, other parallel activities (including Coalitions for Change, and funding for EC/BBC media activities in the SLGP extension) will seek to strengthen the demand side of governance in lead states.</p>
	<p>Government services, structures and processes enhancing growth opportunities.</p>	<p>SEEDS strategies highlight growth issues, and agencies supported by SLGP (e.g. the Abuja Enterprise Agency, Enugu SME Centre) are directly building capacity and creating opportunities.</p> <p>States have all (for now) agreed to comply with the oil price-based fiscal rule promoted by the Federal government, contributing to prudent economic management.</p>	<p>Further work by SLGP or successor programmes in lead states should be part of an overall DFID/donor growth strategy. The starting point for these will be a forthcoming survey of the investment climate in Lead States. For now, SLGP should avoid new growth-related activities.</p>

### Purpose to Goal

The Purpose to Goal assumptions remain valid. Political commitment to the reform process (measured in terms of openness of budget allocation and willingness to control expenditure in line with SEEDS and LEEDs process) is still weak in all States.

### Project Purpose Rating - General / Overall progress assessment

2

### Justification

Previous reviews have recognised that the purpose OVIs originally set for SLGP were too ambitious for the time scale of the programme. Reforms in partner states started from a low base. The high degree of autonomy enjoyed by State Governors, and weakness of formal accountability mechanisms, mean that some of the original purpose OVIs are better seen as longer-term outcomes which SLGP can contribute towards, but cannot realistically be expected to achieve.

The rationale for the extension of SLGP, as contained in the submission to the Secretary of State, was that it could deliver:

- Consolidation of the reforms of the current administrations;
- Support to sustain reform momentum through the political transition in 2007; and
- A foundation for multi-donor support for the next round of poverty reduction strategies at state level.

The Purpose OVIs have been revised to recognise that SLGP will make progress towards the original goals, but will not achieve them in the next year.

From a very weak starting point, the reforms of HRM, PFM and service delivery in SLGP's partners have produced tangible results and have generated enough support and momentum within government partners to make it likely that the objectives of the SLGP will be largely achieved. For example, although resource allocation to MDG spending has not yet improved in Enugu and Jigawa, the improvements in systems create a solid base for a subsequent administration to review spending priorities. SLGP has also worked with influential officials and politicians in both states who are convinced of the need for change. In addition to work at state level:

- The benchmarking has provided extra incentives for better performance at state level.
- The SEEDS Manual and subsequent training is helping to 'embed' a planning culture, especially in the SLGP states.
- SLGP is working with other donors – EC/SRIP, World Bank and USAID – on PFM, Sector Policy development and service delivery improvements. A larger group of donors, working together around commonly agreed priorities, are more likely to influence states' spending priorities than a single donor programme.

Issues-based projects were added to the programme in 2004 to tackle the issue of political will for reform. Most IBPs will be completed, and produce clear and visible evidence of improved service delivery. The processes involved in executing some of them have demonstrated transparent procedures and due process in the award of contracts as well as good practices in project management, leading to the initial stages of institutional change. Reform in the area of PFM requires discipline and political will on part of political leaders to sustain it. SLGP alone will not achieve that change in political will, but alongside more structured political and technical dialogue between donors and states, and other changes in incentives, it can contribute to that change.

### 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.

The programme (and successor programmes) are at the core of DFID's package of support to Lead States. Many of the reforms that SLGP has been supporting will be essential to enable DFID and other donors to move towards higher levels of support, and different types of support, to Lead States.

Outputs	Objectively Verifiable Indicators (OVIs)	Progress	Recommendations/ Comments	Score
1. <b>NEEDS</b> Federal level institutions including	Pilot Federal Ministries	SLGP has provided valuable support	Some of this work will transfer to	2

<p>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).</p>	<p>implement visible reforms. Visible reforms widely publicised.</p>	<p>to FCT, in its dual role as a pilot reform ministry for federal public service reform, and the 37<sup>th</sup> State. Progress includes:</p> <ul style="list-style-type: none"> <li>• HRM system reform involving computerisation of personnel and pension almost complete.</li> <li>• PFM reform, with an improved budget calendar, an inclusive budget process, and a fiscal strategy document.</li> <li>• A FEEDS poverty reduction strategy linked to budget.</li> <li>• Reform of the billing system and operations in AEPB, the waste management agency</li> <li>• The Abuja Enterprise Agency (AEA) set up to promote small business development.</li> </ul> <p>HRM reform in FIRS is also on-going. SLGP work in FCT has enabled lessons from state-level experience (e.g. on service delivery) to feed into federal reforms.</p>	<p>another DFID programme (Public Service Reform) after this review. SLGP will continue to support work on FEEDS and PFM.</p>	
	<p><b>SEEDS General</b> FGN institutions and processes link NEEDS and SEEDS (and LEEDS).</p>	<ul style="list-style-type: none"> <li>• SLGP supported the collection and review of SEEDS documents for all states, and developed a database of SEEDS documents.</li> <li>• SLGP contributed to the methodology for the 2005 benchmarking, and elements of the process.</li> </ul>	<p>Following the success of the 2005 benchmarking, NPC proposes to use the 2006 exercise as a starting point to share best practices between states and between the states and federal government.</p> <p>Up to now the focus of this work has been on NPC. The review</p>	<p>2</p>

	<p>Good practice in governance reform is shared between states, and between federal and state governments.</p>	<ul style="list-style-type: none"> <li>• SLGP supported the NPC to produce a SEEDS Manual, which was officially adopted by the NPC as a guide to the planning and implementation of SEEDS at state level.</li> <li>• SLGP has facilitated some sharing of good practice between its partner states.</li> </ul>	<p>recommends a new role for the SEEDS National (Generic) component, to facilitate sharing of good practice between Federal and State Governments and between States. This strategy will include support to NPC but will not be restricted to it.</p>	
<p><b>2. B) SEEDS/LEEDS – type benchmarks of performance are achieved in partner states.</b> Partner states selected based on evidence of performance track record and of political commitment to pro-poor growth and MDG achievement.</p>	<p><b>SEEDS Documents</b></p> <ul style="list-style-type: none"> <li>• Credible SEEDS policy documentation produced.</li> </ul> <p>• Evidence of political backing</p>	<ul style="list-style-type: none"> <li>• SLGP supported 16 states in preparing SEEDS.</li> <li>• SEEDS documents have been produced and widely publicised in all partner States.</li> <li>• Lagos State, originally reluctant to take part in SEEDS, developed LASEEDS from its existing 10 point plan.</li> <li>• Four partner states (Enugu, Ekiti, FCTA &amp; Jigawa) were among the five best performers on the “Policy” benchmark.</li> <li>• In most states, there are doubts about whether the current SEEDS documents are credible as a guide to action. The difficulty in applying SEEDS to budgets has led some states (e.g. Kaduna) to propose a review of SEEDS, which could – in due course, and with appropriate support – lead to a more credible second iteration</li> </ul>	<p>While some states are (rightly) looking to review their SEEDS documents in the light of actual implementation, SLGP should be selective in requests for support with revising the SEEDS, particularly where no serious attempt has yet been made to implement the original SEEDS.</p>	<p>2</p>

	<p>for the document.</p> <ul style="list-style-type: none"> <li>Evidence of participation in the preparation of a SEEDS document.</li> </ul>	<p>of the document.</p> <ul style="list-style-type: none"> <li>There is a general political ‘buy in’ and support for the documents, particularly from civil servants. However, political backing is not always demonstrated by spending.</li> <li>A range of stakeholders were consulted in the preparation of the SEEDS in partner States, although in some states, participation appears to have been more with the civil service class.</li> <li>The benchmarking gave all of SLGP’s original partner states above average scores on participation. Kano and Lagos (where SLGP started work later) did not perform so well.</li> </ul>		
<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><b>Policy</b></p> <ul style="list-style-type: none"> <li>Policies reflect both poverty alleviation and economic growth as objectives.</li> <li>Targets set for key service areas with monitoring procedures and evidence of achievement.</li> </ul>	<ul style="list-style-type: none"> <li>The SEEDS documents reflect concerns with poverty and growth. Policy documents typically include support to agriculture, commerce and industry aimed at creating wealth and reducing poverty, and support for social sector programmes and projects.</li> <li>SLGP’s review of SEEDS documents indicated that some states had set realistic targets in education, health and</li> </ul>	<p>SLGP is now working with some states to revise SEEDS, where the original document has not proved a useful aid to planning and budgeting (e.g. Kaduna).</p> <p>However, SLGP should be wary of supporting the rewriting of SEEDS for purely political or presentational reasons.</p>	<p>2</p>

		<p>environment.</p> <ul style="list-style-type: none"> <li>• Kano State has set up a strong monitoring Bureau at the technocratic level. Monitoring at the political level is rather weak.</li> </ul>		
<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><b>Fiscal and Budget management</b></p> <ul style="list-style-type: none"> <li>• Movement towards a balanced budget.</li> <li>• Spending off-budget reduced.</li> <li>• Budget and spending reflects priorities.</li> <li>• At least 2 Partner states</li> </ul>	<ul style="list-style-type: none"> <li>• Budget revenue estimates have improved and budget are generally balanced.</li> <li>• Incidence of deficit budgeting, though reduced, still continues to plague the system</li> <li>• Budget execution is still generally weak and spending often does not correspond with budget provisions. Off budget spending still remains a problem, although reduced</li> <li>• In some states (e.g. Enugu) budget preparation has been improved to the extent that supplementary budgets are no longer used (since 2004).</li> <li>• Spending is generally within the broad policy priorities in the SEEDS documents, but is not yet always related to the specific strategies and targets in the SEEDS.</li> <li>• Spending is still generally biased towards large projects. However, in two states (Enugu and Jigawa) there is evidence of a growing awareness of the need to budget</li> </ul>	<p>In the last year of the programme, SLGP should prioritise support for the development of overarching PFM reform plans. As well as helping to sequence reform initiatives, this will also help the states coordinate future donor support.</p>	2

	<p>develop credible, sequenced, reform plans to improve PFM systems.</p> <ul style="list-style-type: none"> <li>At least 2 States develop costed sectoral plans in health or education, with support from SLGP and sectoral programmes</li> </ul>	<p>for maintenance of facilities.</p> <ul style="list-style-type: none"> <li>SLGP's support for PFM reforms has led to improvements in the budget and treasury processes. In one state, it has led to the development of a new budget classification and charts of accounts (Kano), which are expected to improve spending profiles and accountability.</li> <li>There are credible plans to improve PFM systems but spending still remain over-centralised</li> <li>SLGP has supported Enugu State to pilot its new Chart of Accounts in the Ministry of Health, with assistance from costed health sector plans than PATHS helped to develop.</li> </ul>		
<p>5. B3. Service delivery improved, with performance indicators and targets set, systems for monitoring, HR strategies established and implemented, partnership agreements and contracts established as necessary.</p>	<p><b>Service Delivery</b></p> <ul style="list-style-type: none"> <li>Performance indicators and targets set for pro-poor service delivery.</li> <li>Effective institutional structures designed and in place.</li> </ul>	<ul style="list-style-type: none"> <li>Performance indicators are well stated in the SEEDS documents under health and education. Few have yet been achieved.</li> <li>In several partner states (e.g. Enugu, Jigawa, FCTA) improved payroll/HR systems have reduced the costs relating to ghost workers and pensioners.</li> <li>Restructuring of the civil service has been limited to pilot ministries &amp; agencies – e.g. Enugu solid waste. Most states have too many MDAs, with overlapping functions creating</li> </ul>	<p>Where examples of effective institutional structures are in place, SLGP should assist states to share information about these more widely.</p>	<p>2</p>

	<ul style="list-style-type: none"> <li>Monitoring provides evidence on whether implementation conforms with policy.</li> </ul>	<p>confusion as to who is responsible for policy targets.</p> <ul style="list-style-type: none"> <li>Institutional structures, such as the SEEDS monitoring committee, budget implementation and project monitoring are in place, but not always functioning as well as they should.</li> <li>SEEDS benchmarks provide targets and performance indicators.</li> <li>The Community Service Delivery Survey in Enugu (supported by SLGP) will provide data to challenge the state on its strategies to achieve stated priorities.</li> <li>In the benchmarking, service delivery systems was one of the better areas of performance, especially in SLGP-supported states.</li> </ul>		
<p>6. B4. Civil Society/Government interface is strengthened. The demonstration of transparent public management is improved.</p>	<p><b>Public participation</b></p> <ul style="list-style-type: none"> <li>Public participation strategies demonstrated.</li> </ul>	<ul style="list-style-type: none"> <li>There is evidence of public participation in developing the SEEDS document.</li> <li>Radio programmes such as “Good Day Enugu, Journals such as “Dateline Abuja” and Websites as well as CSO inclusion in capacity building programmes in Lagos offer new opportunities for</li> </ul>	<p>SLGP cannot readily be seen to strengthen the demand side at the same time as being a trusted provider of technical assistance to government.</p> <p>However, the programme extension contains some support for a separate media training activity, in partnership with the</p>	<p>3</p>

	<ul style="list-style-type: none"> <li>Public management transactions (accounts, procurement, recruitment, promotion etc.) are available for public scrutiny.</li> </ul>	<p>public participation</p> <ul style="list-style-type: none"> <li>Some states have published their audited accounts.</li> <li>Work with pilot LGAs in Lagos and Jigawa has begun to open up the workings of local government to wider scrutiny.</li> <li>Procurement processes have largely remained 'closed' to the public.</li> <li>Some of the IBPs (e.g. Enugu solid waste) have shown the benefits of open and competitive recruitment and other MDAs have copied.</li> </ul>	<p>EC and the BBC.</p> <p>The lessons from IBPs need to be more widely disseminated within partner governments.</p>	
<p><b>7. C) Issues Based Projects</b></p> <p>C1 Selected services improved, includes the services 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>	<ul style="list-style-type: none"> <li>Service levels improve.</li> </ul> <p>Political commitment to reform improved.</p>	<ul style="list-style-type: none"> <li>There is evidence of improvements in selected services– e.g. water supply in Enugu and Jigawa, waste disposal in Enugu and Abuja.</li> </ul> <p>There is evidence that specific institutional barriers to service improvement have been identified: e.g.</p> <ul style="list-style-type: none"> <li>The need for better budgeting for maintenance and running costs (Jigawa) – i.e. PFM;</li> <li>The need for an overhaul of Enugu's solid waste management agency – i.e. public service reform.</li> <li>The need for government and civil society to work more closely</li> </ul>	<p>The lessons from IBPs are set out in the report.</p> <p>Where infrastructure is involved, engineering advice is essential.</p> <p>A key point is the need to be clear, at the outset, what sort of institutional changes the project is supposed to encourage, and to design the project in a way that maximises the potential for change.</p> <p>In some cases, relatively small and inexpensive (but visible) actions can have a significant institutional impact – for example if it starts to demonstrate the relevance of government to a community, and encourages</p>	<p>2</p>

		<p>together (Lagos and Enugu).</p> <ul style="list-style-type: none"> <li>The systemic reasons at state level why local government does not work (Lagos).</li> </ul> <p>In some cases, IBPs have been able to mobilise greater public interest in the workings of government. A prime example is the urban regeneration project in Lagos.</p> <p>There is also evidence of acceptance of new ways of working – e.g. competitive procurement (Jigawa) or competitive recruitment (Enugu).</p>	<p>them to take an interest in it.</p>	
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<b>Project Outputs Rating - General / Overall progress assessment</b>	2
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**Justification**

In most cases the project is making good progress towards the outputs. Although some of the original OVIs (particularly on PFM) will not be fully achieved by the end of the programme, this is because the original OVIs were over-ambitious at the outset. For PFM, as noted below, two additional OVIs have been added to reflect important changes that SLGP can realistically achieve between now and the end of 2007. In both cases, these will be important steps towards the longer-term OVIs, as well as important groundwork for future donor reform programmes at state level.

**Purpose Attribution**

In most partner states, SLGP has been the only donor programme supporting governance reforms up to now, and it also gave more support to the SEEDS process and the early stages of benchmarking than any other donor programme.

There are some cases where SLGP has had an indirect impact, which has still been significant. For example, SLGP was not involved in pension reform in Jigawa, but the support it provided to a group of reform-minded officials and commissioners helped to strengthen them to drive reforms without direct financial or technical support.

**Part D – Risk Management**

<b>Risk Category</b>	High
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**Has the Risk Category changed since the last review? If so explain why.**

No change.

### New risks identified

None identified. However, a previously identified risk – the handover to new administrations in most partner states in 2007 – is now closer and takes on greater significance.

### Action being taken to monitor / manage risks

- DFID is working with the World Bank and USAID to agree Statements of Partnership Principles and Results Matrices with Lead States. These will set out the expectations of DFID and the other development partners for the sorts of reform and spending commitments that SLGP is trying to promote.
- DFID took a leading role in multi-donor support to the benchmarking to ensure it had sufficient credibility.
- DFID's recently approved Coalitions for Change programme provides another way for DFID to strengthen the demand side of governance. One of the initial sub-projects in Coalitions for Change will build coalitions around monitoring of the use of debt relief money through a virtual poverty fund. This will stimulate more informed civil society interest in budget implementation issues, at state level as well as federal.

### Recommended changes to plans or management strategies in respect of project associated risks

The project extension focused on the need for SLGP to provide continuity of support through the political transition, while supporting officials to embed existing reforms and manage the transition to new administrations.

This review has recommended three specific ways in which SLGP can do this:

- By refocusing the SEEDS National component on encouraging the sharing of good practice between states and between state and federal governments.
- By supporting states in developing overarching plans for reform, particularly in public financial management. This will also assist in donor coordination, which is becoming a pressing priority in states like Kano.
- By assisting officials to consolidate the lessons from reform activities in various ministries within a state, and prepare briefings for the incoming administrations on the experience of reforms in the last four years.

### Does the Logframe Require Revision?

As detailed above, the Purpose OVIs require revision, to reflect the more realistic set of project deliverables agreed by the Secretary of State when he approved the SLGP extension in July 2006.

A further change is recommended to the purpose-level OVIs, to reflect the review's conclusions on demand side work. Reference to *strengthening* the demand side should be removed, because in most states the review concluded that SLGP cannot and does not contribute directly to that. Instead, the OVI should refer to government activities that *create space* for the demand side to operate – a different but equally important role.

The main output where the original OVIs look unrealistic is output 4 – Fiscal & Budget Management. Here, it is suggested that two additional OVIs be added, both consistent with the deliverables in the programme extension document:

1. "At least 2 Partner states develop credible, sequenced, reform plans to improve PFM systems". This is a priority both for PFM reform and for donor coordination. It would be appropriate for all states, but may not be politically achievable in all states, so a target of 2 states seems appropriate.
2. "At least 2 States develop costed sectoral plans in health or education, with support from SLGP and sectoral programmes". Once again, this may apply to more than two states, but a target of 2 is achievable.

Another OVI is recommended for Output 1, to reflect the new emphasis for SEEDS National: “Good practice in governance reform is shared between states, and between federal and state governments”.

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

N/A

**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.**

SLGP Programme Managers carried out an initial self-assessment, with the assistance of an international M&E specialist retained by the programme. A team made up of DFID Advisers, two independent consultants and two specialists from other development partners carried out a 2-week review in September 2006. The review team visited the four states where SLGP is currently active (Lagos, Enugu, Kano and Jigawa) and held meetings in Abuja to discuss the NEEDS and SEEDS national components. The team met with SLGP consultants and programme staff, Government officials from Federal, State and Local Governments, State and Local level politicians, and representatives of civil society.

## Part E – Lessons Learned

**Lessons learned, and suggested dissemination.**

**1. Working with Partners**

- SLGP, and successor programmes, would benefit from a clear written agreement with each partner state, setting out what each partner will commit to, and for how long. The absence of these clear written agreements has made it harder for SLGP to put pressure on partner states to honour commitments – for example to take over the funding of a new service once a pilot has been set up. It has also created unrealistic expectations of the support that SLGP will provide, and for how long.
- SLGP is currently piloting two approaches to tackle the capacity and governance issues at local government level. The lessons from these – and the work of other DFID programmes such as PATHS – could usefully feed into the design of a successor programme. That design should also consider allocating separate budgets to work on local governments, to highlight the need for early engagement with the issues of local government.

**2. Best Practice / Innovation**

- SLGP has pioneered an issues-based approach to reform, in which improvements in specific services are used as an entry point and catalyst for reform and institutional change. The initial evidence is that this approach helps build confidence in the government partner, and can be used successfully to concretise reform – making the need for reforms of systems clear by demonstrating how they can help deliver tangible services. However, it also highlights the need to be clear at the outset what sort of institutional change the project is trying to bring about, and how it is likely to achieve it.
- In Nigeria’s federal system, effective support to reform in states needs to be tailored to each state’s

	<p>own priorities. However, it is possible to design a programme that is responsive to state priorities, but also benefits from common themes and sharing of good practice. SLGP has largely achieved this by basing its work plans on the national SEEDS framework, which it helped the National Planning Commission to develop.</p>
<p><b>3. Project / Programme Management</b></p>	<ul style="list-style-type: none"> <li>• Any successor programme to SLGP would benefit from clearer medium-term commitments on the type and level of support to be provided, to avoid the sort of stop-go cycle in expenditure limits that SLGP has had to deal with.</li> <li>• Recent experience of collaboration between SLGP and PATHS indicates that synergy can be achieved by separate programmes working in the same state with separate management structures. However, a successor programme should build synergy into the management arrangements – for example, by requiring joint work plans, or joint reporting.</li> <li>• Any successor programme to SLGP should build in international PFM expertise at the outset. If issues-based projects involving infrastructure are included in a successor programme, then engineering advice should also be included (on a call-down basis if appropriate).</li> </ul>

**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)**

It was clear from the review that SLGP – and by extension, DFID – is seen as a valued partner by the states that it works with. State interlocutors gave three reasons for this:

- It has a full-time presence in the state, with programme managers who are able and willing to act as an informal sounding board to reformers in government, as well as a formal provider of consultancy and other technical assistance.
- It is designed to support the state’s own reform agenda and priorities, rather than trying to impose an externally-determined set of reforms.
- It has been prepared to work with states on tangible service improvements, not just on systems. As well as giving the government something to show for its “reforms”, this also gives SLGP credibility by working with government officials to overcome *all* the obstacles to improving the service, not just specific systems that were identified as the obstacle at the outset.

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

The review team has produced a report setting out the main findings of the review. An annex for each state (or project component) gives more detail on the activities, achievements and impact of SLGP, and gives more detailed state-specific recommendations.

## Notes on Scoring:

- 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