

SLGP Annual Review - 2007

Part A - Project Data

Project Short Title	State & Local Government Programme (SLGP)		
Benefiting Country / Region	Nigeria	MIS code	048-542-029
Current Project Officer Name	Scott Caldwell	Approved Commitment	£32 million
Actual Start Date	01/01/2001	Spend To Date	£23,319,576
Planned End Date	30/06/2008	Date of Review	31 July to 9 August 2007

Part B - Recommendations

Summary of Recommendations	Responsibility
As the PFM reform plans are finalised in Jigawa, Kaduna and Kano over the coming months, SLGP should advise state governments on the completeness and consistency of their plans.	SLGP Programme Managers (by end December 2007)
SLGP management to review SEEDS National component work plans and ensure continued focus on Conditional Grants Scheme, sharing of good practice, and measuring (and maximising) impact of the CMD training.	SLGP Programme Coordinator (by 30 September 2007)
DFID and SLGP together to consider how to engage more strategically with the World Bank in Lagos and Kaduna where the Bank are also supporting substantial governance programmes.	DFID Governance Adviser and SLGP Programme Coordinator, with Lagos Programme Manager (by 30 September 2007)
SLGP and DFID together should discuss with the MDG Unit whether it could pay for some consultants to provide similar support to states that are not SLGP partner states.	DFID Governance Adviser (by 30 September 2007)
SLGP should support partner States whose CGS bids are successful to ensure that the necessary M&E arrangements	SLGP Programme Coordinator and

are put in place. The flexible response fund could be used to fund this support.	State Programme Managers (Ongoing)
There should be no expansion in any of the states to the work on growth, without prior consultation with DFID	SLGP Programme Coordinator and State Programme Managers (with immediate effect)
Ownership and access issues relating to the HR/Payroll system in FCTA should be resolved.	FCTA programme Manager (by end December 2007)
Appropriate institutional arrangements for the Central Budget Office (CBO) in FCTA should be considered and agreed with key stakeholders.	FCTA programme Manager (by end December 2007)
SLGP should assist each state to develop a strategy for supporting SEEDS2 to ensure it is evidence based, has wide consultation and political buy-in. Where possible, this should be linked to MTSS's.	State Programme Managers (Ongoing)
SLGP needs to provide continued support with helping Kano State Government to institutionalise the changes achieved at Wudil through (i) facilitating legislative reform by approval of water policy by EXCO and (ii) assisting with the planning of its replication in other semi-urban areas.	State Programme Manager (Ongoing)
Replicating the mobilisation of community groups in other semi-urban water schemes and well-publicising Wudil is essential. SLGP needs to explore avenues for doing this.	State Programme Manager (by end December 2007)

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 are explicitly pro-poor and based upon the 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	<p>Partner Governments develop credible plans for improved public financial management, and making progress towards:</p> <ul style="list-style-type: none"> Balanced budgets (developed after transparent policy analysis); Spending follows the budget; 	<p>It is probable that by June 2008 there will be credible programmes being implemented in Jigawa, Kaduna and Kano. PEFA reviews have been carried out in Kano and Jigawa and draft PFM reform plans have been prepared.</p> <p>Recent PEFA review indicated that aggregate</p>	<p>PFM reform plans need to include sufficient attention on procurement and on strengthening PFM in spending MDAs</p> <p>Recommendation – as the PFM reform plans are finalised in Jigawa, Kaduna and Kano over the coming</p>

enhanced.	<ul style="list-style-type: none"> • Due process is followed in major contracts; • Visible improvements in service delivery; • Programmes on the ground to encourage pro-poor growth. 	<p>spending in Kano is in line with budget, but there are large variances at Ministry level.</p> <p>Several states are implementing Due Process Units</p>	<p>months, SLGP should advise state governments on the completeness and consistency of their plans</p>
	<p>Government reforms and activities open up new space for demand side social and political forces and institutions strengthened to help ensure that government is responsive to needs, follows due process and maintains control.</p> <p>Government services, structures and processes enhancing growth opportunities.</p>	<p>Technical support for a coalition for issues-based politics in Lagos (CIPOGG) helped to secure government interest in the run-up to the elections.</p> <p>Improvements in PFM (CoA, IFMIs) will assist spending. On DFID's advice SLGP has limited its engagement in this area.</p>	<p>Recommendation - No expansion into work on growth.</p>

Purpose to Goal

Effective pro-poor state governments remain a long term objective with SLGP providing support in key areas within only 6 out of the 36 states in Nigeria. However the focus on helping state governments to adopt rational and evidence based policy priorities linked to structured planning processes will go a long way to put in place the necessary foundations. Efficiencies will accrue through the implementation of more robust systems such as PFM and M&E. The status of local governments remain significantly under capacitated and there is little likelihood of SLGP having an impact within the life of the programme.

Project Purpose Rating - General / Overall progress assessment

2

Justification

The programme has continued to build on the progress made up to the date of the last review in September 2006. There are stronger indications of likely long term success. The political agendas being formulated post the national elections are consistent in their support for the achievement of the MDGs. Improved service delivery remains a priority especially in the areas of health, education and water. PFM reform is taking the centre stage in several states. Increased accountability features more strongly than in the past. SLGP through its adoption of a more focused and structured approach is able to engage with governments on a more strategic and programmatic basis. The development of PFM reform plans in Jigawa, Kano and Kaduna are good illustrations of this new approach. Closer working with the complementary DFID funded

programmes in health (PATHS) and primary education (CUBE) is providing a stronger basis and increased opportunity for improved service delivery in these sectors.

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
<p>A) NEEDS and SEEDS National Output A.1 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)).</p>	<p>A.1 Federal level reforms (NEEDS)</p> <ul style="list-style-type: none"> • Pilot Federal Ministries implement visible reforms. • Visible reforms widely publicised. 	<p>There is strong support and ownership of FEEDS (FCT version of SEEDS) among senior civil servants¹.</p> <p>The Community Scorecard has introduced a culture of public consultation with regard to FEEDS.</p> <p>Following Community Scorecard consultations there is an acceptance of the need for more realistic/achievable targets to be incorporated into FEEDS</p> <p>The development and introduction of a computerised payroll system has resulted in a reduction in payroll costs through the removal of ghost workers.</p>	<p>Recommendation - Ownership and access issues relating to the HR/Payroll system should be resolved.</p> <p>Support to the FCTA Central Budget Office (CBO) has been more problematic with a perception that the budget process was consultant driven</p> <p>Recommendation - Appropriate institutional arrangements for the CBO should be considered and agreed with key stakeholders.</p>	<p>3</p>

¹ The old NEEDS office was split into the current PSR Programme and the SLGP FCT Office earlier this year. In essence, the FCT office now operates in much the same manner as other state offices and the PSR programme contains the federal level.

	<p>A.2 SEEDS National</p> <ul style="list-style-type: none"> • FGN institutions and processes link NEEDS and SEEDS (and LEEDS). • Good practice in governance reform is shared between states, and federal gov't and states. 	<p>SLGP has done more to promote the sharing of good practice between States, particularly through:</p> <ul style="list-style-type: none"> • Lesson Learning and Dissemination work; and • The "Northern Alliance" – an informal grouping of the three northern states. <p>The impact of SLGP's investment in the Centre for Management Development (CMD) (developing SEEDS training modules for other states) is not yet clear, but a review of impact is planned for the next six months.</p>	<p>SEEDS National component needs a stronger focus on programme outputs and key areas where the programme can have impact by June 2008. The presentation to the review team focused on organisations and tools, rather than programme outputs.</p> <p>Facilitating the sharing of good practice, beyond the development of more CMD training modules, has only recently started as it was dependant on NPC releasing the benchmarking results (this happened May 2007).</p> <p>The one attempt at sharing federal good practice with states (DMO) is not far advanced, but current plans look too prescriptive and top-down.</p> <p>Recommendation - SLGP management to review SEEDS National component work plans and ensure continued focus on Conditional Grants Scheme, sharing of good practice, and measuring (and maximising) impact of the CMD training.</p>	
	<p>A.3 Conditional Grants Scheme</p>	<p>Conditional Grant Scheme (CGS) is</p>	<p>CGS is starting very late (due to</p>	

	<p>established, included in the 2007 Federal Budget and grants successfully used by at least 2 partner states.</p>	<p>up and running (with timely support from SLGP). Conditions for the Grants are well thought out, and we heard reports that they have already prompted States and LGs to work together better in producing proposals.</p> <p>SLGP has also facilitated the production of CGS proposals by some partner states (Kano and Jigawa and FCT).</p> <p>SLGP-FCT has also supported the development an FCT gender mainstreaming strategy – which gained N50 million MDG DRG funding for implementation</p>	<p>factors outside SLGP's control) and there is a risk that there will be little to show on the ground by the end of 2007. This is unavoidable, and MDG Office thinks that it can ensure a continuation of the CGS in the 2008 budget, with (at a minimum) current levels of budgetary provision.</p> <p>Recommendation - SLGP and DFID together should discuss with the MDG Unit whether it could pay for some consultants to provide similar support to states that are not SLGP partner states. SEEDS National would have to manage this.</p> <p>Recommendation - SLGP should support partner States whose CGS bids are successful to ensure that the necessary M&E arrangements are put in place. The flexible response fund could be used to fund this support. This support should be managed by SPMs, with technical input from SEEDS National.</p>	
<p>B) State level - SEEDS Partner states selected based on evidence of performance track record and of political commitment to pro-poor growth and MDG</p>	<p>SEEDS Documents</p> <ul style="list-style-type: none"> • Credible SEEDS policy documentation produced. • Evidence of political backing for the document and 	<p>Current SEEDs are coming to the end of their lifeline. There has been no assessment of the SEEDS by States, but the LLR suggested areas for development. FCTA has begun to</p>	<p>Recommendation - SLGP should assist each State to develop a strategy for supporting SEEDS2 to ensure it is evidence based, has wide consultation and</p>	

achievement.	participation in the preparation or review of a SEEDS document.	<p>assess progress against FEEDS, with the help of a community scorecard piloted with SLGP support. and the Service delivery assessment (managed by SEEDS Office, FCT case study)</p> <p>FCT translated FEEDS1 into MTSS in 2006</p>	political buy-in. Where possible, this should be linked to MTSS's.	
Output B.1 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>B.1 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. 	Although implementation has been an issue in most cases, the preparation of SEEDS has increased the focus on poverty alleviation and economic growth in policy documents.		
Output B.2 Fiscal and Budget management is improved. The improvement is based on proper financial discipline, and resource allocations reflecting strategies for policy achievement.	<p>B.2 Fiscal and Budget management</p> <ul style="list-style-type: none"> • Movement towards a timely, balanced budget. • Spending off budget reduced. • Budget and spending reflect SEEDS priorities. • At least 2 Partner states develop credible, sequenced, reform plans to improve PFM systems. • At least 2 States develop costed sectoral plans in health or education, with support from SLGP and 	<p>In Lagos there is no overarching reform plan for PFM. It is unlikely that SLGP alone will make much progress towards this, but SLGP/SPARC might do in partnership with the Bank and LMDGP. IGR levels are increasing and the overall budget envelope is expanding, but variances between budget and actual expenditure remain dramatic, and there is no predictability in budget releases and spending.</p> <p>Work on Chart of Accounts and BC in Kano, Jigawa and Kaduna is making steady progress, providing a link between budget and SEEDS priorities.</p> <p>Both Jigawa and Kano will deliver</p>	<p>Recommendation - DFID and SLGP together to consider how to engage more strategically with the World Bank in Lagos and Kaduna where the Bank are also supporting substantial governance programmes.</p>	2

	sectoral programmes.	PFM reform plans by the end of 2007 Progress being made with developing costed sector strategies in Kaduna and Kano.		
Output B.3 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>B.3 Service Delivery</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 on whether implementation conforms with policy. • Action taken to reduce payroll fraud in at least 2 states. 	<p>M&E work in Kano provides the basis for better target setting and monitoring.</p> <p>Support for community scorecard work in FCTA has given an external assessment of FCTA services.</p> <p>Ghost workers removed from payrolls in Jigawa and Kaduna and FCT</p>		3
Output B.4 Civil Society/Government interface is strengthened. The demonstration of transparent public management is improved.	<p>B.4 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. 	In Lagos - Support for CIPOGG, and issues briefs developed with SLGP support, helped stimulate a more informed political debate on issues in the run-up to the election.	In Lagos, there is an opportunity to follow this up in government/ CSO relationships after the election – but needs to maintain a clear focus on issues.	3
<p>C) Issues Based Projects</p> <p>Output C1 Selected services improved.</p>	C.1 Sustainable improvement in selected services.	2 IBPs reviewed briefly: Wudil in Kano, Dutse Hospital water supply in Jigawa. Both have resulted in marked improvements in the supply of water	The developmental aspects of these 2 IBPs, especially with regard to testing new	2

		<p>to the different consumer groups.</p> <p>The Wudil 'model' is being rolled out by state government to a further 14 water supply units over the coming years.</p>	<p>approaches, varies. In Dutse the solution rested more on SLGP making sufficient budget provision</p>	
<p>Output C2 Institutional barriers to service improvement are highlighted and broken down</p>	<p>C.2 Relevant institutional changes.</p>	<p>In Lagos, evidence of the multi-stakeholder approach to urban regeneration of the Obalende project being considered for other similar projects in Lagos. However, not all State Ministries signed up to this way of working.</p> <p>In Kano, through the Wudil IBP, there are complex institutional issues being examined in terms of the relationships between state level service providers and the roles and responsibilities of communities. It is still early days. A similar review of institutional arrangements for water provision is taking place in Enugu, partly as a result of IBPs there.</p>	<p>Recommendation – SLGP needs to provide continued support with helping Kano State Government to institutionalise the changes achieved at Wudil through (i) facilitating legislative reform by approval of water policy by EXCO and (ii) assisting with the planning of its replication in other semi-urban areas.</p>	<p>2</p>
<p>Output C3 Sufficient public interest is mobilised for change.</p>	<p>C.3 Public actions pushing for change</p>	<p>There is no evidence of groups forming, as a result of SLGP support, in order to lobby for change. There are isolated examples of groups like CIPOGG in Lagos forming as a result of wider forces and being strengthened by technical input from SLGP.</p>	<p>Programmes in the media, such as Hannu Daya in Jigawa, provide a mechanism for complaints to be expressed but they do not lead to the formation of organised pressure groups.</p> <p>Recommendation - Replicating the community groups in other</p>	<p>3</p>

		In Kano, communities in Wudil are starting to expect supply of water, have been formed into organised group and are beginning to lobby the Government for continued reform.	semi-urban water schemes and well-publicising Wudil is essential. SLGP must explore avenues for doing this.	
Output C4 Acceptance widened of new ways of working.	C.4 Political commitment to reform improved	Political commitment to reform has tended to be subject specific and linked to the drive of individual commissioners. There has been no comprehensive programme of public service reform adopted in any government. However, there are examples of new ways of working piloted in IBPs being accepted more widely in government, for example, competitive recruitment in Enugu.	The rhetoric of the new administrations after the 2007 elections is pro-reform. The content of the new SEEDS plans and the allocations in the 2008 budgets (combined with the release of funds during 2008) will start to indicate the level of real commitment.	3
D) Programme core management and dissemination of lessons Output D.1 Experience and best practice of NEEDS, SEEDS, LEEDS and IBP disseminated	D.1 Materials produced and activities held for dissemination. D.2 Lessons from SLGP experience fed into design of successor programmes (DFID, World Bank and others). D.3 SLGP experience fed into SEEDS Manual and training modules for states.	Comprehensive exercise to document the lessons learned is close to completion The design of SPARC has incorporated many of the lessons learned The SEEDS 2 processes have been informed more by national guidelines than SLGP's experiences	The dissemination, and eventual take up of the experiences, is proving more challenging than the documentation. The proposal to enhance the SLGP website is a start but there needs to be some way to incentivise the wider adoption of better practices and new approaches.	2

Project Outputs Rating - General / Overall progress assessment	2
Justification	
Progress across the outputs varies but generally the achievements reflect the trajectory of change that was reflected in the 2006 review. In several areas there are significant examples of major progress being made, especially in recent months. PFM reform in the northern states is the best example.	

Purpose Attribution
The progress with starting to implement PFM reform provides the basis for strengthening all aspects of the planning for, and the delivery of, pro-poor services. Although there is a long way to go before all the linkages and inter-dependencies are established, the initial work on SEEDS, combined with the PFM reform activities, is increasing the awareness that effective resource management is the solution to improved service delivery, rather than only the commitment of additional funding on an incremental basis.

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	
The transition from SLGP to SPARC may not proceed as smoothly as planned resulting in disruption and lack of momentum to the reform activities during mid 2008. DFID is planning to commence SPARC in April 2008 and to conclude SLGP in June 2008, providing a handover of 3 months. This handover, from one consultancy firm to another, will need careful planning and supervision by DFID. In the absence of a handover period, the 'learning curve' for the new consultancy firm will inevitably delay implementation as consultants are mobilised, logistical arrangements put in place and relationships established.	
Action being taken to monitor / manage risks	
DFID Nigeria has mapped out a timetable to have the new programmes approved and in place before the end of current programmes.	
Recommended changes to plans or management strategies in respect of project associated risks	

Does the Logframe Require Revision?
Given the short period remaining to the end of the programme, no revisions are proposed.

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

No

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.

The Review Team comprised 4 advisers from DFID(N): Richard Butterworth, Renwick Irvine, Lindsey Block and Scott Caldwell; and an independent consultant, Ken Robson. In addition to reading programme documents, the Team visited FCTA, Jigawa, Kaduna and Kano where meetings were held with senior officials. Scoring was completed by the Team.

Part E – Lessons Learned

Lessons learned, and suggested dissemination.

1. Working with Partners

Donor coordination remains a challenge especially where Governments are not taking an effective lead over their reform activities. The absence of agreed reform plans results in continued ad hoc and opportunistic interventions by donors trying to gain a 'foothold' in the States. Attempts by the donors themselves to coordinate at the activity level are difficult and tends to be ineffective largely due to differing implementation arrangements and schedules. Coordination is only likely to be effective at the programme level with governments in the 'driving seat' and donors responding to clearly articulated demands within an agreed, single work plan. Having a Governance Advisor based in a district office (Kano) has added significant value in terms of focus and coordination with state governments, and other donors.

2. Best Practice / Innovation

It has not always been possible within Nigerian States for a technical assistance (TA) programme to the government to be seen to be supporting civil society to advocate for reform. However, to bring government into a dialogue there is a need (in Nigeria at least) for civil society to be briefed well enough to identify issues that are real policy issues for government itself, and have an informed view. A successor to SLGP needs to find a way to provide this technical input to wider public debate without either supporting government propaganda or losing its position as a trusted TA provider to government.

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)

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

SLGP Progress Report January to June 2007