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Effective Partnerships for Accelerating the Millennium Development Goals (MDGs) at the Sub-national Level:

Evidence from the implementation of Nigeria’s Conditional Grant Scheme (CGS)

By Colleen Zamba & Victor Oboh

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2013-2014 is a defining period in the MDG timeline, with countries focusing efforts towards accelerating progress while at the same time drawing lessons from their MDG experience to help shape the post-2015 development agenda.

These efforts were very much in evidence at UNDP’s Global MDG Conference (GMC): Making the MDGs Work held in Bogotá, Colombia, in February 2013. The conference brought together over 180 participants from about 40 countries, including representatives from 18 UN agencies, several governments, media, civil society and academia. The GMC sought to bring together practitioners from across the world to share knowledge and experience.

I am pleased to introduce and share with you the 2013 GMC Working Paper Series presenting a selection of the papers that featured at the conference. Papers in this series cover a range of themes - MDG breakthroughs and challenges; the final push for accelerating progress and sustaining results; mainstreaming the MDGs; tackling the unfinished business of the MDGs and the emerging agenda beyond 2015. Some of this evidence is also featured in UNDP’s 2013 report, “Accelerating Progress, Sustaining Results”.

I congratulate the authors of these papers upon their publication, and it is my hope that the analysis and recommendations presented in them will help inform a diverse group of practitioners in their endeavours towards achieving the MDGs as well as guiding the implementation of the post-2015 development agenda towards a sustainable future.

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Abstract

The deployment of the Sovereign Debt Relief Savings to finance the MDGs exemplified a unique approach towards advancing the goals and targets of the MDGs in a populous and complex federation like Nigeria. Using the Nigeria’s Conditional Grant Scheme (one of the interventions funded from the debt relief savings) as a case study, the paper attempts to demonstrate the effectiveness of vertical and horizontal collaboration among multi-level partners in accelerating the MDGs particularly at the sub-national levels of government. With support from UNDP and other development partners, the Conditional Grant Scheme (CGS) collaborates with ministries, departments and agencies at the federal level to provide overall policy framework and coordination while actual implementation takes place at the states and local government levels. The Scheme represents one of the few successful unique arrangements through which states and local governments demonstrated commitment to the mandatory counterpart funds that enabled them to access direct funds from the federal government, targeted specifically at providing pro-poor basic services. Focusing on key sectors with quick and direct impacts on human development, over 38 million people have so far benefitted from various CGS interventions mainly in the areas of health care, education, water and sanitation, electricity and poverty alleviation. The paper concludes that sub-national tiers of government are better positioned to implement development projects given their closeness to the grassroots and extensive knowledge of the local environment, while the federal tier should concentrate on planning, coordination and monitoring of development interventions.

Keywords:
Partnership, MDGs, Conditional Grant Scheme, Debt Relief Savings.

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1. Introduction

1.1 Nigeria’s socio-economic and political context

Since Nigeria’s return to civilian rule in 1999, the country has recorded stable democratic governance with government demonstrating strong commitment to political and economic reforms. The articulation of several national development plans and strategy documents such as the National Vision 20:2020 (NV 20:2020), the Vision’s first National Implementation Plan (NIP), and the National Transformation Agenda covering 2011 – 2015 are some of government’s efforts in charting a comprehensive long-term and medium-term economic road map for the country. In addition, the MDGs have been integrated into the national development strategies, especially the NV 20:2020 and the transformation agenda.

Within the last decade, Nigeria has achieved high economic growth averaging 7.4 percent as well as a relatively stable macroeconomic performance. This impressive economic score card is expected to help stimulate higher growth, reduce poverty and enhance sustainable development. But, instead, human development indicators for Nigeria remain weak overall, with significant variations among states and geo-political zones (Africa Economic Outlook, 2012).

According to the 2010 survey report by the National Bureau of Statistics (NBS), relative poverty incidence has worsened over the past three decades from about 27 percent in 1980 to 65.6 percent in 1996, 54.4 percent in 2004 and 69 percent in 2010 (NBS, 2012). A deeper analysis of poverty in Nigeria shows substantial variations by region, sector and gender. Geographically, it is more concentrated in the North than in the South. The 2010 report revealed that the North-East and North-West recorded the highest poverty rates with 76.3 percent and 77.7 percent, respectively, compared to 59.1 percent and 63.8 percent for the South-West and South, respectively.

Inequality has remained a challenge for Nigeria. The nation’s overall inequality indicator (Gini coefficient) rose from 0.429 in 2004 to 0.447 in 2010 and has remained at this level, placing Nigeria among the countries with the highest inequality levels in the world – an indication that economic growth is not inclusive and job creation has not taken place in core sectors where most poor people reside. This and other evidence suggests that the country’s chance of achieving most of the Millennium Development Goals (MDGs) remains slim. However, as part of measures to address these challenges and accelerate the MDGs, government has launched several programmes, including the conditional grant scheme.

1.2 Advancing the MDGs through the Nigeria Sovereign Debt-Relief Savings

The deployment of the Nigerian Sovereign Debt Relief Savings to finance the MDGs presents a unique illustration of government commitment towards advancing the goals and targets of the MDGs. In September 2005, Nigeria successfully negotiated a debt-relief package with the Paris club of creditors that amounted to US$18 billion and translated into an annual debt-service savings of approximately US$1 billion. As part of the agreement, the federal government would commit its share of the savings (approximately US$750 million) from the reduced debt service burden to pursue the MDGs (OSSAP-MDG, 2010). Accordingly, the federal government established a Virtual Poverty Fund (VPF) christened the “Overview of Public Expenditure in NEEDS (OPEN)” to track the debt-relief gains (DRG) and to monitor the inflow of funds and to measure the resultant outcomes. Consequently, government created the new Office of the Senior Special Assistant to the President (OSSAP) on the MDGs with a mandate to design appropriate programmes for the effective administration of the fund in a manner that would help Nigeria achieve MDGs.

Thus, the MDGs became the policy target of the VPF and the yardstick against which the successful application of the DRGs would be measured. Furthermore, the MDGs provided the ideal framework for the international community and the Nigerian Government to coordinate and align their programmes to achieve common development objectives. For the purposes of effective targeting and achieving concrete results, key sectors with high potentials for reaching the poor who had previously suffered acute policy and financial neglect were identified for accelerated attention. These sectors include health, water and sanitation, agriculture and education.
Introduction

1.3 Funding the MDGs through a decentralized mechanism and process

Nigeria operates a three-tier political structure comprising federal, state and local governments. As a federation of 36 states, a federal capital territory (FCT) and 774 local government areas (LGAs), aligning and coordinating federal, state and local government policies towards a purposeful and result-oriented service delivery has remained an enormous governance challenge. One glaring consequence of this complex political arrangement is the failure of welfare benefits accruing from federally implemented projects to reach the grassroots or at best trickle down slowly to the beneficiaries. Although the constitution places the primary responsibility of delivering basic public services on the shoulders of states and LGAs, these subnational layers of government are not adequately equipped with resources and revenues to carry out these obligations. This is largely traceable to the lopsided revenue sharing formula that favours the federal tier of government. The current revenue-sharing formula empowers the federal government to retain 52.68 percent while the 36 states and 774 LGAs share 26.72 percent and 20.60 percent, respectively (Salami, 2011). It is therefore clear from the revenue-sharing formula that the local government administratively closest to the people receives the lowest proportion of transfers from the federation account. According to the 1999 Constitution, the local government is responsible for most of the key activities that are directly related to the MDGs, such as primary, adult and vocational education, agriculture and natural resources, and primary health care services. Table 1 shows Nigeria’s expenditure assignments as contained in the 1999 Constitution.

<table>
<thead>
<tr>
<th>Tier of government</th>
<th>Expenditure category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal</td>
<td>Defence; shipping; federal inter-state roads; aviation; railways; postal, telegraphs and telephone services; police and other security services; regulation of labour, interstate commerce, telecommunications; mines and minerals; social security; insurance; national statistical system; national parks; guidelines for minimum education standards at all levels; water resources affecting more than one state</td>
</tr>
<tr>
<td>Federal-state (shared)</td>
<td>Antiquities and monuments; electricity; industrial, commercial and agricultural development; scientific and technological research; statistics and surveys; university, technological and post-primary education; health and social welfare</td>
</tr>
<tr>
<td>State-local (shared)</td>
<td>Primary, adult and vocational education; health services; development of agriculture and non-mineral natural resources</td>
</tr>
<tr>
<td>Local</td>
<td>Economic planning and development; cemeteries, burial grounds; homes for the destitute and infirm; markets; sewage and refuse disposal; roads, streets, street lighting, drains, other public facilities</td>
</tr>
</tbody>
</table>

Source: 1999 Constitution and various sector policy reports

Informed by the poor fiscal conditions of the subnational tiers of government coupled with the need to scale up investments in key MDG sectors, the federal government decided to channel a significant portion of the DRGs to the states/LGAs to complement the existing MDG budgetary allocation to the MDGs. The main justification for the intervention is the federal government’s recognition that the only sustainable approach to improving the performance of state and local government was to partner with them and provide them with additional funding. So, from the beginning, the CGS was designed as a governance intervention to provide better coordination among the three tiers. A unique feature of the intervention was the counterpart funding to which all tiers of government demonstrated commitment. The other justification for the intervention is the proximity of state and local government structures to the poor in terms of geography and institutions. Since the poor are the direct target beneficiaries, the CGS was considered an effective and more decentralized mechanism for implementing the MDG programme at the subnational level. To ensure accountability, the funds are appropriated by the national assembly and managed in accordance with government budgetary and procurement guidelines.
2. Collaboration among multi-level partners for effective management of the CGS

2.1 Vertical and horizontal cooperation among tiers and agencies of government

Nigeria’s multi-layer political structure requires strong inter-governmental relations and coordination among the three tiers and arms of government for effective service delivery. To ensure effective planning and implementation, the national government at the centre is expected to coordinate the overall policy framework, while the actual implementation should be undertaken at the state and LGA levels. As indicated earlier, the proximity of the sub national tiers of government to the grassroots where majority of the poor resides places them at an advantage to implement programmes and projects. Therefore, inter-governmental cooperation is an essential, if not inevitable, ingredient for the achievement of human development goals in a complex and pluralistic federation like Nigeria.

However, there are practical challenges to forging relationships among the federal, state and local government tiers in Nigeria. A key source of the problem is the existence of overlaps in the constitutional responsibilities of the different layers of government. For instance, critical basic services such as primary education and health, water and sanitation, and local roads are assigned as shared responsibilities between the state and local governments, with no clear legal delineation between the relative roles of these two sub national tiers of government. The Constitution states: “The functions of a local government council shall include participation of such council in the Government of a State as respects the following matters: (a) the provision and maintenance of primary, adult and vocational education; (b) the development of agriculture and natural resources, other than the exploitation of minerals; (c) the provision and maintenance of health services; and (d) such other functions as may be conferred on a local government council by the House of Assembly of the State.” (FRN, 1999)

It is important to note that the state-level discretion with regard to the powers of the local government councils has led to wide variation in the extent of autonomy afforded to LGAs within and across states and, in many cases, local governments function as mere administrative extensions of state governments.

The CGS structure was therefore designed to stimulate collaboration and partnership to address these lapses. Figure 1 below shows the organizational structure of the CGS.

The multi-layer administrative structure and the overlapping economic and political responsibilities among tiers of government therefore justify the need for a much stronger and effective multi-tier cooperation. The CGS fits in appropriately as a vehicle for helping to strengthen inter-governmental partnership and cooperation in achieving the MDGs. At the federal level where the ministries, departments and agencies (MDAs) are more equipped with better expertise, the CGS worked with the MDAs to provide overall policy framework and coordination, such as in the appropriate design of projects. The actual implementation of the MDG projects is then undertaken at the state and LGA levels, where there is better knowledge of the local environment, needs and constraints.

Through the CGS, states and LGAs were able to access funds that are released directly from the federal government on an annual basis. This is one of the few unique arrangements that enable sub national layers of government to access funds specifically targeted at providing pro-poor basic services. Through this arrangement, it is mandatory for the benefiting states and LGAs to contribute to a counterpart fund that equals 100 percent of the federal government’s grant for the execution of the MDG-related projects.

In addition to strengthening vertical cooperation among the three tiers of government, the CGS also contributed to promoting horizontal collaboration among the MDAs at the national and sub national levels. Through the scheme, government agencies with related or overlapping MDG mandates worked together to achieve common objectives. For instance, some states with a shortage of midwives built clinics in anticipation of the CGS midwifery service schemes. In this manner, the two programmes complemented each other. These have facilitated extensive sharing of ideas and challenges, peer learning of best practices and the strengthening of collaboration resulting in improved service delivery.
Collaboration among multi-level partners

Figure 1: Organizational structure of the conditional grant scheme

As noted by Phillips (2009), the essence of partnership among the three tiers of government facilitated by the CGS has several unique advantages:

- The CGS arrangement has contributed significantly towards strengthening partnership, coordination and collaboration among the three (federal, state and LGA) tiers of government.
- It has helped to scale up investments in rural and social infrastructure, thereby promoting ownership and sustainability.
- The CGS partnership has assisted states and LGAs in performing their mandatory constitutional responsibilities, which is crucial for the advancement of good governance.
- The transparent and competitive approach employed in the selection of projects and the release of funds promotes accountability and improves the quality of public service delivery.
- Ensuring decentralization is matched by local accountability.

2.2 Horizontal collaboration between government and development partners

For a large country like Nigeria, with its diverse development challenges, the importance of close and effective collaboration between government and development partners in tackling the various obstacles to developments cannot be overstated. The CGS therefore provided the appropriate platform for development partners to form close alliances and work with government in accelerating the progress on the MDGs.

From inception, government demonstrated strong commitment to the implementation of the DRGs and sought UNDP’s support to make it a reality. Government’s commitment was evident in two key areas: first was the establishment of the Office of the Senior
Collaboration among multi-level partners

Special Assistant to the President on MDGs (OSSAP-MDGs) in 2005. OSSAP-MDGs was wholly dedicated and mandated to effectively manage the DRG funds and other funds meant for the achievement of the MDGs. To avoid the civil service bureaucracy, OSSAP-MDGs reports directly to the president. It is guided by the Presidential Committee on MDGs, which meets quarterly to assess the level of MDG progress. Second was the roll-out of a clearly defined framework designed for implementing the CGS. The Implementation Manual articulates the mechanisms and procedure for accessing and disbursing the DRG funds to states and LGAs and also provides a robust monitoring plan to track progress and promote accountability.

2.2.1 UNDP’s support to the CGS

From the outset, UNDP provided significant technical inputs throughout the design and take-off stages of the CGS. The second CGS (local government) track also benefited immensely from UNDP’s technical support. UNDP’s technical collaboration with the Earth Institute was key to the design and management of Millennium Villages and this informed the need to scale up interventions in the LGAs.

UNDP’s substantial support to the CGS also included the provision of technical and financial assistance to the zonal supervisors. The decision to technically support and fund the zonal offices was borne out of the need to provide strong supervisory oversight for the CGS-LGA track.

It must be emphasized that the success of the CGS depends substantially on effective and regular supervision and monitoring of activities of TAs at the grassroots. First, UNDP in collaboration with OSSAP-MDGs conducted a high-quality recruitment exercise for the zonal officers. Second, UNDP has been offering several technical trainings to zonal and local government officers to update their capacity and management skills. These series of trainings have significantly enhanced the performance of the technical officers, particularly in the areas of needs assessment surveys and submission of M&E reports.

For effective management and monitoring of projects, provision was made for the recruitment and training of technical officers at the zonal and LGA levels. A zonal supervisor was posted to each of the six geo-political zones in the country, while a technical assistant was deployed to take charge of each of the 113 participating LGAs. The zonal supervisor is responsible for providing technical support to the technical assistants within the zone especially in the areas of needs assessment surveys, intervention designs and implementation, capacity-building, monitoring and evaluation, among others.

Other general supports provided by UNDP towards the attainment of the MDGs are:

- Support for the production of about five editions of the country’s MDG reports, beginning with its maiden edition in 2004, as well as the Mid-Point Assessment Report. Over 20 progress reports have also been produced at the state level while the 2013 MDG report is in progress.

- Support for MDG awareness campaigns with participation from a broad spectrum of society, including school children, youths, and grassroots women. Specialized training for the media also helped to publicize the relevance of the MDGs in peoples’ daily lives. Apart from enhancing the general awareness of the MDGs, the campaign also advocated for increased public investment expenditure for MDG-related programmes.

- Support for the production of the 2008 country needs assessment, which helped to determine the financial costs, human resources and infrastructure facilities required to achieve the MDGs by 2015. The MDG costing exercise that was carried out in eight sectors (agriculture, energy, environment, housing, road, water, health and education) substantially informed the preparation of subsequent annual budgets, medium-term development plans/strategies and Vision 2020.

- UNDP also supported the step-down process of needs assessment and costing to the state level, which helped states to linking planning and budgeting of their development plans.

1 Nigeria’s 36 states and the federal capital territory are grouped into six unofficial geo-political zones for political convenience. They include the South-South, South-East, South-West, North-Central, North East and North-West.
3. Performance and key outcomes of CGS

3.1 Profile of CGS grants released by the federal government and counterpart funding by states and LGAs (2007 and 2011)

Table 2 and Figure 2 show the annual total grants released by the federal government and the matching contributions provided by the states and LGAs for the period from 2007 to 2011. It should be observed that, in 2007, only the federal government provided funding, as the states/LGAs were insufficiently prepared to release their matching contributions during the first year of implementation.

<table>
<thead>
<tr>
<th>Year</th>
<th>Federal government contributions (N)</th>
<th>State/LGA contribution (N)</th>
<th>Total (N)</th>
<th>% change</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>18,414,780,000</td>
<td>0</td>
<td>18,414,780,000</td>
<td>-</td>
</tr>
<tr>
<td>2008</td>
<td>24,398,921,284</td>
<td>24,398,921,284</td>
<td>48,797,842,568</td>
<td>+165</td>
</tr>
<tr>
<td>2009</td>
<td>27,043,320,584</td>
<td>26,602,710,089</td>
<td>53,646,030,673</td>
<td>+9.9</td>
</tr>
<tr>
<td>2010</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>2011 (1st track)</td>
<td>11,300,000,000</td>
<td>11,300,000,000</td>
<td>22,600,000,000</td>
<td>+20.7</td>
</tr>
<tr>
<td>2011 (2nd track)</td>
<td>21,051,691,092</td>
<td>21,051,691,092</td>
<td>42,103,382,184</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>102,208,712,960</td>
<td>83,353,322,465</td>
<td>185,562,035,425</td>
<td></td>
</tr>
</tbody>
</table>

Source: OSSAP-MDGs, CGS report, 2012. Note: No grants were released in 2010 to ensure that all projects from previous years were fully implemented and to enable the extension to include local governments.

Figure 2: CGS Grants released (2007–2011)
Performance and key outcomes of CGS

In 2007, 27 states (and the FCT) of the 36 states submitted proposals amounting to about N74 billion – an indication of state government’s strong desire to participate and invest in projects that are capable of improving peoples' welfare. However, following a thorough evaluation process, only 18 states and FCT representing 68 percent scaled through and were granted funds amounting to about N18.4 billion.

The following year (2008) recorded a significant improvement in the number of states that indicated interest in CGS. The number rose sharply from 27 in 2007 to 34, in addition to the FCT. For all states of the federation (except two) to have expressed interest by submitting applications is also a strong indication of state governments’ buy-in and patronage for the programme. Of the 34 applications received, 33 (97 percent) scaled through evaluation and were awarded a total grant of N24.4 billion. The increased number of states that scaled through the selection process implies significant improvement in the quality of applications that were submitted in 2008 compared to 2007. It is also interesting to note that all participating states demonstrated positive commitment by providing their counterpart contributions of N24.4 billion, thus raising the total amount of investment in 2008 to N48.8 billion.

Building on the successful take-off of the CGS projects within the first two years, the year 2009 recorded increased funding totalling N53.6 billion from the federal and state/local governments. The federal government’s share increased to N27.04 billion in 2009 – up from N24.4 billion in 2008 – while the states/LGA share also rose from N24.4 billion in 2008 to 26.6 billion in 2009.

Government declared 2010 as the year of consolidation for all CGS projects; hence no grants were released from the federal and state/local government coffers. Instead, OSSAP-MDGs concentrated its efforts on data collection and the development of a central database system and processes that were deemed critical for proper documentation and tracking of CGS activities. Some of these system-strengthening activities included the comprehensive survey and mapping exercise of all health care, education and water supply infrastructure in 113 local governments, including the global positioning system (GPS) coordinates. The purpose of the mapping exercise was to provide primary information on the quality of service delivery in each local government and to identify the gaps in infrastructure and capability that needed to be prioritized in future funding. This would enhance accountability and improve planning, monitoring and evaluation. In addition, data on all DRG investments appropriated between 2006 and 2008 were collected through geographic information system (GIS) in order to achieve an accurate and reliable visual mapping for integration into a general MDG database. So far, the information system developed has helped to identify the geographical locations and attributes of all projects and programmes including the GPS coordinate. Other activities carried out in 2010 include the needs assessment exercise of 113 LGAs as well as the establishment of key systems to facilitate implementation and monitoring of projects. Data gathered from the monitoring exercise has assisted substantially in identifying service delivery performance gaps, providing advice for effective location of intervention projects in order to maximize impact and to avoid duplication, as well as providing a baseline for effective monitoring and evaluation in the future.

The original track continued with state-led interventions while the new track extended special release of funds to the LGAs to fund pro-poor projects. It should be noted that, for the purpose of synergy between the two tracks of the CGS, the state government still remained a key partner in the implementation of the second track. The first track attracted a combined fund of N22.6 billion while the second track got N42.1 billion, putting the total amount of grants in 2011 at N64.7 billion – an increase of about N11 billion over 2009.

3.2 Analysis of the CGS projects by sectors

Table 3 provides data on the types and number of CGS-funded projects that were completed between 2007 and 2009. As indicated earlier, the year 2010 was used to consolidate the activities of CGS and therefore no key capital projects were executed. In addition, detailed information showing the number of completed projects for 2011 was not available, as M&E reports were in progress.

As shown in Table 3, all projects were generally identified and classified into three categories including health care, water and sanitation, and electricity and poverty alleviation. These sectors were carefully selected in conformity with government policy priorities to scale up investments in the most lagging MDGs.
One of the sectors that have been identified to suffer severely from public service delivery failure is the primary health care system, which is the closest source of medical care to people in rural areas. The health care delivery system, particularly child and maternal care, has been ineffective with primary health centres grossly understaffed, ill-equipped and poorly maintained. Against this background, the CGS identified the primary health care delivery system as one of the key priority sectors for intervention. The primary health care projects support child and maternal healthcare (Goals 4 and 5). According to Table 3, the number of constructed and rehabilitated primary health care centres increased sharply from 335 in 2007 to 801 in 2008 (139 percent increase) and to 958 in 2009 (19.6 percent increase) – an indication of government resolve to commit huge investment to implementing MDG-related projects. In addition, over 2 million treated mosquito nets were distributed to address the increasing cases of malaria-related deaths, particularly among women and children, while over 5,000 health workers received training.

Another sector that attracted substantial attention during the period was water and sanitation. Boreholes and small town water supply schemes were provided to accelerate the achievement of MDGs 6 and 7. Prior to the intervention in this sector in 2007, available evidence suggested that only 47 percent of rural Nigerians had access to safe water and 30 percent to improved sanitation facilities. Wide rural-urban disparities were also recorded, as only 30 percent of the rural populations had access to safe drinking

### Table 3: Distribution of CGS projects by sectors

<table>
<thead>
<tr>
<th>Sector</th>
<th>Projects</th>
<th>Year</th>
<th>Estimated beneficiaries*</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>2007</td>
<td>2008</td>
</tr>
<tr>
<td><strong>Health</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Primary &amp; maternal health care centres constructed or rehabilitated</td>
<td>335</td>
<td>801</td>
<td>958</td>
</tr>
<tr>
<td>Health care workers trained</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Insecticide treated nets distributed</td>
<td>1,292,760</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Water &amp; sanitation</strong></td>
<td>Solar-powered boreholes provided</td>
<td>1176</td>
<td>511</td>
</tr>
<tr>
<td>Hand pump boreholes</td>
<td>946</td>
<td>2858</td>
<td>2222</td>
</tr>
<tr>
<td>Motorized boreholes</td>
<td>130</td>
<td>174</td>
<td>185</td>
</tr>
<tr>
<td>VIP toilet blocks</td>
<td>1423</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Small town water supply schemes</td>
<td>-</td>
<td>221</td>
<td>-</td>
</tr>
<tr>
<td><strong>Power</strong></td>
<td>Solar electrification schemes</td>
<td>74</td>
<td>-</td>
</tr>
<tr>
<td><strong>Poverty alleviation, skills acquisition and agriculture</strong></td>
<td>Households benefiting from CCTs</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Skill acquisition and women development centres</td>
<td>-</td>
<td>37</td>
<td>-</td>
</tr>
<tr>
<td>Agriculture facilities</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

*Source: OSSAP-MDGs, CGS report, 2012.*

*As at June 2010.*
Performance and key outcomes of CGS

water compared to 65 percent of urban dwellers. Also, only 25 percent of rural inhabitants accessed improved sanitation facilities compared to the 35 percent of the urban inhabitants (JMP, 2008). Against the backdrop of these poor statistics, the CGS embarked on the provision of over 9,000 boreholes, 1,423 VIP toilet blocks and 335 water schemes. Provision of functional borehole water particularly enjoyed significant support, as the number of completed boreholes increased from 2,252 in 2007 to 3,543 in 2008 (an increase of about 57 percent). Sanitation projects were targeted at schools and primary health care centres in rural areas.

The rural electrification intervention that is linked to wealth creation and poverty alleviation (Goal 1) also received reasonable attention from the CGS. This included the provision of solar-powered electricity to rural households, primary schools and primary health care centres.

Other projects that were implemented include skill acquisition programmes for the unemployed youth and women, agricultural facilities and conditional cash transfer (CCT) schemes. Youth employment schemes targeted the alarmingly high rate of youth unemployment, while a CCT programme was introduced to target chronically poor households. About 3,790 households benefited from the CCT in 2009. Public-private partnerships were also strengthened in health, water and education sectors, leading to increased private investments in these sectors.

The design and implementation of CGS benefited significantly from the lessons and experience of implementing of the Universal Basic Education Commission (UBEC) conditional grant arrangement. Prior to the establishment of the CGS, the federal government had put in place a similar conditional grant arrangement for the funding of primary education through the UBEC. Under this arrangement, state governments access UBEC funds to provide school infrastructure, including the construction and rehabilitation of school buildings, the supply of learning and teaching materials as well as teacher training. Like the CGS, access to UBEC funds is conditional on the submission of a concrete proposal and payment of counterpart funding by states. Experience gained by government, particularly concerning implementation challenges associated with the UBEC conditional grant arrangement, therefore provided useful lessons in supporting the design and execution of the MDG CGS.

3.3 Observed variations in the effectiveness of CGS across the states and LGAs

The CGS has been generally rated as successful since the commencement of implementation, with average completion rates as high as 90 percent between 2007 and 2009. However, there are wide interstate variations in the level of performance, suggesting that the interventions are more successful in some states than in others. In 2008, for instance, while some states recorded 70-82 percent completion rates, others could only achieve 5-27 percent (OSSAP-MDG M&E Report, 2008).

Some of the reasons responsible for the disparity in the degree of performance include:

(i) Quality of project monitoring by host state government/community

Regular and effective monitoring of CGS interventions has proven to be essential for attaining a high completion rate. Some states and LGAs accorded high priority to monitoring and supervision of projects, while others did not. Some of the projects that suffered poor execution or abandonment due to inconsistent monitoring include boreholes and buildings.

(ii) Level of political will and financial commitment by host government

Interstate variation in the level of political will and financial commitment also accounted significantly for the observed disparity in the measure of performance of CGS projects. In demonstrating high political commitment to the success of the projects, some states sanctioned non-performing contractors and consultants by blacklisting them and this has helped to reduce cases of project abandonment. In other states, politicians were barred from negatively influencing project site selection and execution. To ensure high-quality output, some states even paid the difference between CGS budget and actual cost of projects where necessary. A typical instance is the case of boreholes that may need to be drilled deeper than indicated in the original geophysical surveys.
Challenges facing CGS implementation

(iii) Degree of participation by benefiting communities:

CGS monitoring reports have indicated that low community participation in the selection and location of projects in some states was partly responsible for apathy in the monitoring and maintenance of projects. This was common in communities where needs assessment did not take place before projects were selected and sited. In areas where communities participated in project selection and locations, cases of abandonment were rare and, in some instances, local communities provided security around project sites to prevent vandalism.

4. Challenges facing CGS implementation

Data gaps: Unavailability of timely and reliable data is a major hindrance to effective planning and implementation of most development programmes, including the CGS. This is caused largely by the low capacity of institutions to gather and analyse data. As a result, CGS assessment reports consistently reflect the poor quality and inadequacy of data. Strengthened collaboration between the National Planning Commission, the National Bureau of Statistics and OSSAP is essential for providing credible data for monitoring MDG progress, especially at the sub national level.

Inadequate resources: Inadequate budgetary provision has hindered efforts to scale up the CGS to all LGAs in the country. The size of the fund is relatively small when compared with the huge cost of meeting the MDGs. There is still a need to further strengthen cooperation between the executive and legislative arms of government, which would result in increased budgetary allocation for the CGS.

Weak human capacity in designing and implementing CGS programmes: Although CGS has helped in building the implementation capacity of civil servants and the ability to articulate the link between improved public services and MDG indicators, the human capacity deficit, especially at the state and local government levels, has hampered the optimum design and execution of most CGS projects. This has been often mentioned in most CGS monitoring and evaluation reports. Across all levels, the acute shortage of human capacity is evident in delays in critical activities such as needs assessment, financial accounting and regular project monitoring, often resulting in poor project execution and contract failures.

Other challenges include:

Delays associated with cumbersome due process procedures.

Logistic challenges relating to difficult terrain.

5. Key lessons learned and implications for the post-2015 development agenda for Nigeria

• The experience gained from the implementation of CGS has amply demonstrated that deep and meaningful fiscal cooperation among tiers and arms of government is essential for sustainable development. The key lesson is that, given their extensive knowledge of the local environment, the sub national levels of government (states and LGAs) are better positioned to implement development projects while the federal tier of government should concentrate on planning, coordination and M&E. Through this partnership, various tiers of government are living up to their constitutional responsibility, which is essential for promoting good governance and accountability.
Key lessons learned and implications for the post-2015 agenda

• The CGS experience has also established that a grant mechanism anchored on consultative participation and mutual cooperation among partners can be effective in leveraging resources for financing development projects. Available records have shown state governments’ extraordinary commitment to the payment of counterpart funding of CGS activities. This has helped to promote state ownership and to ensure sustainability of the projects.

• Another key lesson is that a mutually beneficial grant scheme is a veritable instrument for advancing public sector reforms and improved local governance. One of the key requirements for participation in CGS is for states and institutions to establish systems and procedures that would ensure transparency and accountability in the use of funds. This has stimulated public expenditure reforms and modernization of budgetary processes at the state level.

• The CGS has also demonstrated that development partners are capable of supporting and encouraging effective governance reforms and linking them to specific sectoral interventions. Some of the conditions that made the partnership possible include (i) considerable political will and leadership from the federal government (despite a generally complex governance environment), (ii) government flexibility to accommodate innovative ideas and approaches, and (iii) well-designed policies that link governance and service delivery and give people ownership.

• Finally, active participation of benefiting communities has been shown to be critical for the ownership, security and sustainability of development projects. According to CGS monitoring reports, projects implemented based on needs assessment, wide consultation and participation of benefiting communities enjoyed better supervision, patronage and protection from vandals than those that resulted from a limited participatory process.
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