

Improving lives through the Millennium Development Goals Conditional Grant Scheme

Nigeria's Millennium Development Goals (MDGs) Conditional Grants Scheme (CGS) has been designed to address the MDGs at the local level by providing financial and technical support to scale-up the MDGs related activities of state and local governments. In federal systems of government, state and local governments are responsible for delivery of basic services to communities. They are better placed to do this than the federal governments, as they are more familiar with the local conditions, demands and constraints.

The UK Department for International Development (DFID) has been partnering the MDGs office in Nigeria since 2009, through the State Partnership for Accountability, Responsiveness and Capability (SPARC), by improving the criteria for selection of projects, assisting with the evaluation process, and in the design and coordination of the Local Government CGS.

In September 2005, Nigeria successfully negotiated a US\$18 billion debt relief package from the Paris Club of creditors, giving rise to annual debt savings of roughly US\$1 billion. The Federal Government decided to channel these funds into pro-poor projects that would catalyse the quick achievement of the MDGs using the OPEN initiative (Overview of Public Expenditure in NEEDS). This initiative is coordinated by the Office of the Senior Special Assistant to the President on MDGs (OSSAP-MDGs).

Due to Nigeria's slow start in implementing the MDGs action plan to eradicate poverty, the OSSAP-MDGs needed to find a mechanism that would

bridge the gap between federal and state governments' MDG efforts. Discussions with governors indicated a demand to improve intergovernmental fiscal cooperation and to integrate investment into local development plans. The National Assembly were also keen to find innovative ways to effectively implement public projects.

As a result, in 2007 the CGS was introduced. The CGS would allow for both the federal and state government to contribute counterpart funding to projects.

Aims of the CGS

The main objectives of the CGS are to:

- Lever up investment in the MDGs at the state and local government authority (LGA) level, and ensure ownership and sustainability
- Empower state and local government to carry out their constitutional responsibilities
- Promote improvements in public service delivery
- Encourage improvements in public expenditure reform
- Strengthen the partnership between the three tiers of government for national planning.



Enugu water supply

An application process was established, with criteria and conditions to ensure transparency and that would, in the long run, have a positive impact on the way state governments conduct their affairs.

Achievements

Since the creation of the CGS in 2007, all states have benefited from the grant. The CGS has invested over Naira 120 billion (US\$805 million) focusing on primary health care and water and sanitation. Some of the projects include:

- Investments in over 2,844 primary health care facilities
- Training of 6,673 health workers and provision of 2.4 million long-lasting insecticide-treated nets
- 3,524 small town boreholes with solar-powered pumps, 6,031 boreholes with hand pumps, 393 small town water supply schemes and 3,709 VIP toilets
- Investments in vocational training for 7,673 people and conditional cash transfers for 3,790 households.

Extension to local government level

OSSAP-MDG recently commenced an extension of the CGS to local governments. Local governments are constitutionally responsible for providing primary services at the local level, and thus have immediate and direct impact on the achievement of the MDGs. With the support of the Earth Institute's Millennium Villages Project, the CGS office embarked on choosing LGAs with low development/MDG indices that would benefit from CGS intervention. 113 LGAs from across the country were finally selected.

To support this process, technical assistants for each LGA and six supervising officers were recruited. A critical element of CGS support to local government is to deepen community engagement in local government decision-making. In November 2010, the CGS Unit released a concept paper titled *"Scaling up citizen action for participatory governance and development as a means of accelerating attainment of MDGs in Nigeria"*. The aim of this was to strengthen and develop tools and mechanisms that would ensure that a community's voice is part of decision-making, that a community can influence the outcomes of development projects, and to improve responsiveness of local government authorities to community demand. The same conditions apply to the LG CGS as to the state CGS. The LGA is required to contribute 50% (with 30% coming from the state and 20% from local government) counterpart funding to implement its projects.

The CGS office also implemented baseline studies and needs assessments to appraise the situation of the chosen LGAs. The information received from these studies will be fed into the Nigeria Millennium Development Goals Information System (known as NIMS), an online interactive data management system designed to monitor and evaluate data generated by surveys and studies. NIMS will be used to collate data that is

specific at the state, LGA or facility level and to present the status of sector-specific indicators. NIMS can generate profiles of LGAs and also track progress against indicators. This system will be kept up to date through rapid SMS reporting mechanisms that facilities use to submit data based on their reporting cycles. The data reported through rapid SMS will be used to monitor and track facility performance over time.

Lessons learned

The CGS has been able to achieve results because of its consultative processes; it has encouraged ownership, accountability, smart conditions¹ and the use of technology. These conditions have encouraged the states to improve their planning, governance and accountability environments. A recent study of the CGS at state level shows that there has been significant progress, with the states showing an increasing commitment to the CGS – providing not only 50% counterpart funding, but also a rising number of applications and approvals (which far outstrips the available funds). While the demand for the CGS has increased, it is too early to tell whether this equates to an increased commitment to the MDGs by state governments. This will only be seen as data on the various indicators are gathered.

While the CGS is currently the success story of MDG interventions in Nigeria, its impact is likely to be limited given the relatively small size of the fund when compared to the enormous estimated costs of meeting the MDGs. It is only if the CGS can leverage additional funds and governance reforms that it can provide a meaningful contribution to achieving the MDGs. More ways should be explored to enable states to channel more funds to MDG projects.

¹ Such as a supporting letter from the Governor, bank guarantees and evidence of past projects undertaken

For more information

Email: info@sparc-nigeria.com

Telephone: +234 (0) 7029 682832

Visit our website: www.sparc-nigeria.com

sparc



The opinions expressed in this leaflet are those of the authors and do not necessarily represent the views of the Department for International Development.