



Good Governance Understanding it and putting it in place

The Nigerian and UK Governments are working together to transform governance in Nigeria through the State Partnership for Accountability, Responsiveness and Capability (SPARC) programme. Through SPARC, the Nigerian Government can access some of the world's top advice on international best practice in areas like policy and strategy development, and financial and public service management, in order to build on reforms already underway. SPARC is all about support – concentrating on helping Nigerian politicians and

government staff access the tools and knowledge that they need to reform governance processes. Such reform will help Nigeria to make more efficient use of its resources and give more Nigerians access to clean water, sanitation, health care, education, and other basic public services.

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Good Governance

Understanding it and putting it in place

What's the difference between 'governance' and 'government'?

'Governance' and 'government' are not the same thing – even though people often mistakenly use the terms interchangeably. 'Government' refers to the state and state institutions with the authority to make decisions on behalf of the entire community. 'Governance' refers to all the processes, organisations and institutions, including the government and those outside government, that should contribute to the state's decision making.

What is good governance and why is it important?

What this means is that good governance is not entirely the responsibility of the government – although the government does play a major role in it. For governance to be effective, it needs input from a wide range of people such as community groups, non-government organisations, and traditional leaders.

So why is good governance important? Because governments have to listen to people in order to combat poverty and properly address their needs. Similarly, people need to have reasonable expectations. You can't expect the government to give you a house if you pay some taxes, but it is reasonable to expect them to ensure that you have access to clean water, medical care, and an education.

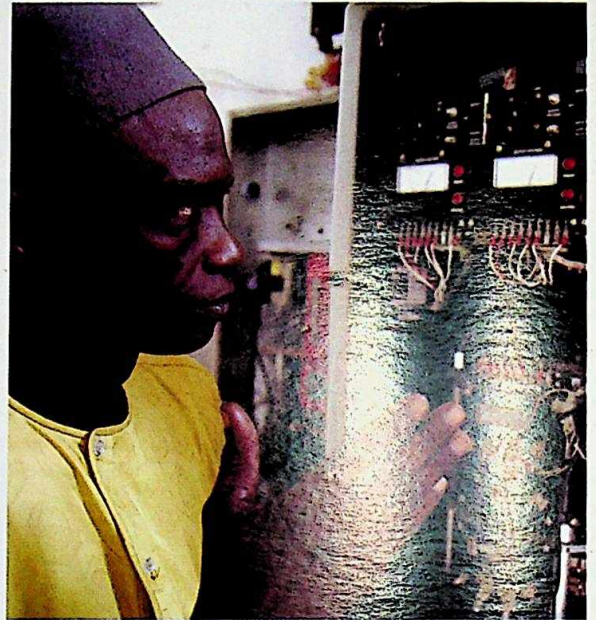
What are the key elements of good governance?

In order to bring about good governance, governments need to work closely with the people in order to achieve three key goals:

Appropriate policy and strategy – appropriate, achievable policies that respond to people's needs and well-thought out strategies to apply them.

Well-structured public financial management – a financial set up that allows staff to properly prepare, spend, monitor, audit, and report on budgets for both income and expenditure.

A well-organised public service – a public service of an appropriate size, with trained staff, workable rules and procedures, and well-organised management systems that provide public services that meet people's needs.



Why is it important to link these key elements of governance?

It is important to link these key elements of governance because, to be effective, policies must draw on sound financial planning and well-trained staff. They also have to recognise that the country's people are the ones who should ultimately benefit.

Inevitably in governance reforms there are blocks. Some officials, for example, will not want to change old systems that don't work as they benefit from them. Sharing information efficiently and linking the different sectors of governance (including all the different ministries, departments and agencies that make up government) will give forward-looking government staff more opportunity to bring changes about, even in the face of opposition.

What makes for good policies and strategies?

A 'policy' sets out what the government intends to achieve and how it intends to act. A 'strategy' describes the steps that the government will take to put that policy in place. So what makes for an effective policy?

Stating a clear target or outcome

Successful policies state clear targets that reflect the views, experiences, and preferences of the people that they will affect.

Using properly gathered information

Policy targets and strategies should be based on accurate information (such as the number of children under five currently being vaccinated against the main childhood diseases). But getting accurate policy-related information requires research, and ensuring that policies are properly and effectively applied requires testing.

Key reasons for testing and researching policy

One motive for properly researching and testing new policies is the fact that disadvantaged groups such as the poor can easily miss out if we don't (i) ask them what they need and want from a policy, or (ii) take the time to identify the best ways to apply and target it. Research and testing also checks that there are no technical blocks that might stop a policy being applied – by ensuring that government services have the capacity and training necessary to make it succeed, for example.

Another reason for testing policies is to ensure that they are financially sustainable. This means assessing over a sustained period (at least three years) how policy strategies are applied and whether targets are achieved. If this shows that targets aren't financially sustainable, then they can be revised.

Cross-checking

Policies should conform to national and international guidelines. In addition, policies in one sector should take into account the effects that they will have in other sectors – the structure of a water policy can have major implications for people's health.

For information on improving, developing and applying policies and strategies please email info-p&s@sparc-nigeria.com.

What makes for good public financial management?

Without good financial management, funds tend to be used inefficiently and can easily be misused. You can divide improvements to public financial management into three key areas: resources management, fiduciary risk control, and management skills.

Resources management

Achieving good financial resources management means achieving the following:

- Better fiscal management – which helps governments use financial resources efficiently

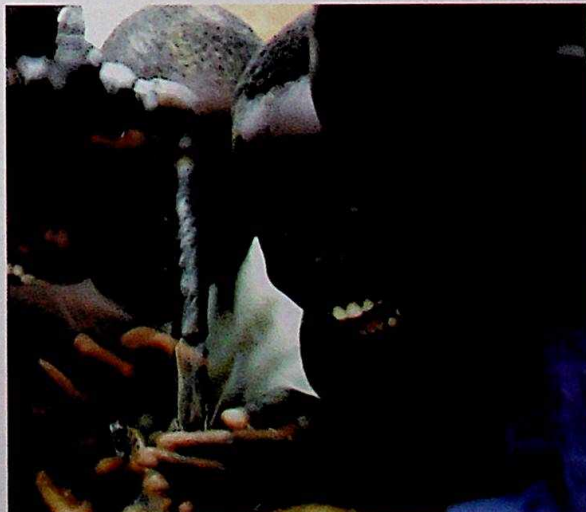
and effectively, and makes them more accountable and responsive.

- Better resource allocation – which helps state-level governments (i) to use public resources like taxes more effectively, (ii) to ensure that more is done with government budgets aimed at vulnerable groups like women and the poor, (iii) to make sure that agreed budget funds are delivered to ministries, departments and agencies efficiently and on time, and (iv) to find ways of encouraging the Federal Government to improve its performance.
- Greater technical efficiency – which helps to ensure (i) that contracts are completed on time and within budget, (ii) that failures in efficiency are properly investigated according to laid-down processes, and (iii) that allocated funds are released on time.

Fiduciary risk control

Fiduciary responsibility refers to the responsibilities involved when you are handling someone else's money and goods. This is really what governments do all the time – as they are handling the assets of the people they govern. So governments (and the politicians and officials who work for them) have a duty to care for the funds that they manage on behalf of others. Again, good management of fiduciary risk can be broken down into three key goals:

- Proper accountability and transparency – this means ensuring that officials and politicians are accountable for what they do by making budget and audit reports publicly available.



- The use of funds for their intended purpose – this means ensuring that mechanisms are in place to check that money was spent on an intended purpose, such as building and staffing schools or building roads as laid down in the budget.
- A sound financial control framework – this means establishing public financial control systems that provide for regular audits and investigations to identify any difficulties in fund release or use.

Management skills

Improving managerial skills should help governments (i) to provide value for money (by ensuring that resources are used efficiently and effectively) and (ii) to establish rigorous monitoring and evaluation. Skilled managers also make financially-informed decision making possible, which improves budgeting for strategies, as they base decisions on careful analysis of past, current and projected financial flows of funds.

For information on improving financial management, please email info-pfm@sparc-nigeria.com.

Why is it important to improve public service management?

Public service reform is all about improving the ways that the civil services work – so that governments can deliver better services to citizens.

What does public service reform involve?

- Improving policies and rules so that they are up to date, clear and in a format and language accessible to everyone (civil servants and the public) who wishes to see them.
- Ensuring that the government is well-organised in order to carry out its plans and deliver its services. This is a big task. The first step is to define the responsibilities of each government ministry, department or agency; the next is to ensure that ministers and staff have the funds, people, equipment and other resources necessary to meet their responsibilities. It is rarely possible to deal with everything at once, so improvement plans usually set out step-by-step measures, sometimes over a number of years.
- Ensuring that public servants are motivated and have the skills to work effectively. This is about establishing a 'performance culture' and includes:
 - describing each public servant's job and responsibilities correctly, and ensuring that they are understood and agreed with,

- identifying the knowledge or skills which each person requires to do their job, and providing training in relevant areas,
- holding public servants accountable, by assessing their performance and ensuring that they understand the assessment, and
- ensuring that government is a 'good employer', which looks after its workforce properly.

Do we have to reform everything, everywhere?

Clearly public service reform can include almost anything which could affect the effectiveness (doing the right things), and efficiency (doing things in the right way) of public service delivery. There may be many things which need to change, and the big challenge is deciding where to start. There is no single right answer. In some cases, new rules are essential; in others, reorganising parts of the government structure or providing training may start to improve performance.

SPARC and state governments are working together to understand where changes are needed, and to decide which areas to tackle first. With this initiative, government staff and the people can feel confident that change will happen and will be for the better.

For information on improving public service management, please email: info-psm@sparc-nigeria.com

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The logo for SPARC (Special Programme for Africa's Rural and Community Development) features the word 'sparc' in a lowercase, sans-serif font. A stylized green leaf-like graphic element curves over the top of the letters 'a' and 'r'.

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