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SEEDS Benchmark Scoring Exercise

by

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Acronyms/Abbreviations

NPC	National Planning Commission
SEEDS	State Economic Empowerment and Development Programme
SLGP	State and Local Government Programme
ToR	Terms of Reference

1.0 INTRODUCTION

The Federal Government makes more than 800 billion in annual allocations to State and Local Governments and very little effort is made to monitor their performances. Such payments to State and Local Governments are made entirely on the basis of a fixed formula related to state characteristics and are not performance related. There is no Federal evaluation of the services delivered to the public from these allocations and none from the States to the Local Governments.

The Federal Government recently, through the National Planning Commission (NPC), expressed an intention to make some part of the federal resources (those outside the current formula) available as performance-related payments. In order to do this, the Federal Government will begin to monitor performances horizontally and laterally. Donors have expressed a desire to mirror this approach in order to encourage improved governance, and ultimately to feel confident enough to provide budget support. To this end the key donors have developed a set of draft benchmarks, and these have received a positive reception from the NPC. The benchmarks are currently awaiting approval from the Economic Team and thereafter, they will be presented to State Governors at the NEC meeting.

The benchmarks comprise of 27 measures. Although each benchmark was assigned (in principle) a maximum score of 3 points (either 0, 1, 2 or 3), making a total potential score of 81, there has been no definition of the indicators to be used to determine what score should be assigned to each benchmark or what a state should have done to qualify for a certain score in each case. Also there has been no experience to test whether it is possible to collect the information defined, how long the exercise will take, or what score will be given if the information is not available.

A team of five consultants made up of the following persons was set up to define the indicators/measures, determine what score to assign to each benchmark and what each state should have done to qualify for a score. The team was also expected to carry out a test run in Lagos State. The members of the team, led by Oshuwa Gbadebo-Smith were:

- Oshuwa Gbadebo-Smith – Policy and Strategy
- Ike Okorie – Policy and Strategy
- Chris Umebese – Financial Management
- Stanley Ukeje – Financial Management
- Nkoyo Toyo – Participation and Communication

The two main objectives of this assignment are to:

- Define the performance level required to score 1, 2 or 3 points against each benchmark; and
- Test the benchmarking exercise in a state in order to learn how the exercise may be operationalised.



2.0 PROCESS

The team met on 19th and 20th 2004. Anne Ikpeme, with the approval of SLGP, joined the team on this assignment. Work started at about 10.00am to make time for those coming from out of town. The process employed was that the team:

- Agreed on the assumptions for the scoring exercise, for example, we agreed that consultants on site visits will look for SEEDS type policy document as we did not expect any state to have a SEEDS document in place yet.
- Agreed on variables/criteria that would aid the scoring by examining each measure and defining its variables/criteria for scoring.
- Assigned scores to each variable/criterion.

The scoring methodology employed was to examine the scoring options available to us, which were:

- Allocating three points to each measure giving a maximum of 81 points. The ToR advised this process.
- Reviewing each benchmark objective and applying equal weights irrespective of the number of criteria per benchmark objective.
- Examining key ingredients of various criteria and weighing them against certain standards defined in the policy documents.

It was agreed that all three options were not exclusive of each other. The team noted the comment that it is advisable to attach weights to the scoring as option i above (as advised by the Terms of Reference - ToR) could create discord in its use during assessment exercises, if the scoring is not standardized. Without the weights, the assessments might be seen to be subjective. Following deliberations, it was agreed that the process in option i above should be used, that is, distributing a maximum score of three points to each measure (total of 81), which will then be further divided amongst the criteria. Please refer to Appendix 2 below for defined criteria and scores applied.

We were not able to test the benchmarking exercise in Lagos State, as it was not ready for evaluation. This exercise was deferred until Lagos State or any other state advised of its readiness for evaluation. Oshuwa Gbadebo-Smith agreed to follow up with Lagos State Government and advise the rest of the team when Lagos State is prepared for evaluation. Thereafter, the team will agree on a suitable date.

3.0 OUTPUT

Following deliberations, criteria were assigned to each measure and each criterion was scored based on a total score of three points per benchmark. Please refer to Annex 2 for full details.

All suggested additions by the team to the benchmark document are in bold and made directly on the benchmark document marked Annex 2. Comments and explanations are noted after each section on the document. These include:

- Policy 1,a – we suggest the addition of **“which integrates gender dimensions,”** to the last half of the third line.
- Budget Process 3, a – we suggest the addition of a new benchmark and two criteria:



“a) Account of the process of budget formulation

- i. Evidence of broad consultation (youths, women, Civil society, private sector) at budget formulation stage through reports**
 - ii. Stakeholders’ feedback/evidence of stimulation of responses from stakeholders.”**
- Section 4: We comment that Section 4 is less on the quality and reach of service delivery and more on institutional reforms. While we recognize that institutional reforms will lead to better qualities in service delivery, we believe Section 4 should focus more on outputs and outcomes, which will provide more credibility to the SEEDS process.

4.0 SYNTHESIS

The team concluded the scoring exercise within the two days assigned for the task in the Terms of Reference. Given that Lagos State was not ready to have the scoring test performed on them, we agreed that Oshuwa Gbadebo-Smith will advise the team when they are ready. An agreed time will be scheduled for the test run.

Ike Okorie did not attend the 2-day workshop due to ill health.

Annex 1

Terms of Reference

SEEDS Benchmark Pilot Exercise

Background

Although substantial allocations are made annually from Federal to State and Local Government (in excess of 800 billion Naira a year), there is no effort made to monitor performance. There is no Federal evaluation of the services delivered to people resulting from these allocations. Payments are made entirely on the basis of a fixed formula related to state characteristics, and are not performance related.

The Federal Government has, through NPC, expressed an intention to make some part of the federal resources (those outside the current formula) available as performance related payments. In order to do this they will also need to begin monitoring performance. Donors have expressed a desire to mirror this approach in order to encourage improved governance, and so as to help progress to a position where they may feel confident enough to provide budget support.

To this end the key donors have developed a set of draft benchmarks, and these have received a positive reception from the NPC. The benchmarks are currently awaiting approval from the Economic Team. Following this they are expected to be presented to State Governors at the NEC meeting.

Objective

At present the benchmarks comprise a list of 27 measures. Each benchmark is meant to be scored out of 3 (either 0, 1, 2 or 3), making a total potential score of 81. However, there has been no definition of the indicators to be used to determine what score should be given for each benchmark – what a state should have done to qualify for a certain score in each case. Also, there has been no experience to test whether it is possible to collect the information defined, how long the exercise will take, or what score will be given if the information is not available.

There are therefore two main objectives for this assignment: These are to:

- Define the performance level required to score 1, 2 or 3 points against each benchmark; and
- Test the benchmarking exercise in a state in order to learn how the exercise may be operationalised.

Defining the scoring requires the consultant team to debate each benchmark and record definitions for each score, which they believe will be reasonably verifiable. This will be a desk exercise.

Lagos State has agreed in principle to have the scoring test performed there. Logistical details still need to be worked out. The team will visit Lagos State, probably for a period of about eight days. This may involve an initial visit to place the request for information, and then a follow-up visit to collect and assess it. Follow-up questions may need to be posed.



Inputs

The work will be undertaken by a team of five consultants, including two with a financial background.

Day 1 and 2: There will be an input of two days to begin with to meet, discuss and agree a set of scoring definitions for the 27 marks.

Day 3 and 4: These will then be communicated to the LSG. A contact person in the Commissioner of Budget and Planning's office will be identified, and an initial meeting held with that person to run through the marks. The team may be required to meet with the contact person, plus a series of senior people from the state government who will be charged with the responsibility to collect the information required. This group will then prepare information for the team.

Day 5 to 9: The team will then examine the information provided by the LSG, and spend some days working with the LSG team to ensure that all available information is provided, to try to determine in selected cases the authenticity of the information, and to agree upon the scores.

Day 10: The scores will be presented to the LSG team for an interactive comment and feedback session, and the final scores will be agreed.

Day 11: The team will meet finally on its own to review the process, and make decisions about necessary modifications to the scoring criteria. The team may also make *recommendations* for the review of the benchmarks.

An additional day will be provided to cover report writing.

The designated team leader will be responsible both for coordinating formal liaison with the LSG, and for overseeing the writing of the report.

Findings will be fed back to the whole SEEDS consultancy team at a joint meeting planned for early August.

Each team member is therefore expected to make 11 days of inputs, with the team leader making 12. The TL will maintain a timesheet of inputs.

Note that the days of input may not be made contiguously. In particular there may be some delay between initial discussions with the LSG, and the main input to verify information.

Outputs

The outputs of the assignment will be:

- A list of scoring criteria for each benchmark as listed prior to the test;
- An agreed list of criteria plus a described process for assessment following the test;
- A provisional agreed score out of 81 for the LSG;
- Recommendations for changes to the benchmarks if this is deemed necessary; and
- A report describing the work done, the process followed and the results as described in the bulletpoints above.

Annex 2

Benchmark, Objectives and indicators – Phase 1

To qualify for SEEDS support, a state must score at least 2 for benchmark 1a and must score 3 for benchmark 3g.

Phase 1	Score
1. POLICY <i>To ensure that the state government develops, publishes and implements a strategy that advances its policy targets.</i>	
<p>a) The state government produces a SEEDS document (or equivalent) that defines policy targets in areas such as primary health care, basic education, pro-poor growth, which integrates gender dimensions, (see manual) and provides a reasoned and fully costed strategy of how they will be achieved.</p> <p>i. Evidence of SEEDS type/equivalent document</p> <p>ii. Outline set policy targets in key sectors of education, health, economic and infrastructure, (such as MDGs) performance indicators</p> <p>iii. Detailed strategies for realization of the targets.</p> <p>iv. Detailed action plans/specific activities consistent with the strategies.</p> <p>v. Full costing of programmes and projects to realize the targets and objectives.</p>	<p>Must score a minimum of 2 to qualify</p> <p>1.0</p> <p>0.5</p> <p>0.5</p> <p>0.5</p> <p>0.5</p> <p>0.5</p>
<p>b) Evidence is provided to show that a participatory process has been undertaken, and that the state assembly, the private sector and people across the state have been involved in developing the SEEDS.</p> <p>i. Describe the process of participation</p> <p>ii. Evidence in the following areas:</p> <p>a) Information dissemination strategy through IEC materials (radio jingles)</p> <p>b) Evidence of contributions through reports, memoranda etc</p> <p>c) Composition of participants through attendance register eg ratio of women to men; youths; private sector; State Assembly; NGOs; CBOs, LGAs etc</p> <p>d) Attendance at the fora</p> <p>e) Resource persons</p> <p>f) Feedback mechanism</p>	<p>1.0</p> <p>0.3</p> <p>0.3</p> <p>0.5</p> <p>0.3</p> <p>0.3</p> <p>0.3</p>

Phase 1	Score
1. POLICY <i>To ensure that the state government develops, publishes and implements a strategy that advances its policy targets.</i>	
c) The SEEDS document is published and made widely available (also on the internet) in the form of a political commitment from the governor to the people. <ul style="list-style-type: none"> i. Printed copies of documents ii. Distribution plan in place (including the web site) iii. Evidence of Public presentation iv. Political will to be determined by governor's participation at launching and the link of the budget speech to the SEEDS or equivalent policy document 	<ul style="list-style-type: none"> 1.0 0.5 1.0 0.5

Comment: We recommend the inclusion of “**which integrates gender dimensions**” to para. 1a above.

2. FISCAL MANAGEMENT <i>To ensure responsible and prudent fiscal management that effectively contains the negative impacts of revenue fluctuation.</i>	
a) The state government presents a coherent strategy to reduce/manage its fiscal deficit (if any). <ul style="list-style-type: none"> i. Evidence of a fiscal policy unit in the Ministry of Finance ii. Evidence of strategy document (Operating Procedures) iii. Existence of a stabilization fund 	<ul style="list-style-type: none"> 1.0 1.0 1.0
b) As budget transparency improves, the state government establishes a realistic target for Internally Generated Revenue (IGR) taking into account the varying ability of citizens to pay for services. <ul style="list-style-type: none"> i. Basis for IGR projections ii. Basis for user charges-utilities and services for evidence of hidden rents 	<ul style="list-style-type: none"> 2.0 1.0
d) Where appropriate, a debt management strategy and plan are developed and agreed with the DMO in Abuja. <p>Evidence of:</p> <ul style="list-style-type: none"> i. Public debt desk/unit/office in the Ministry of Finance ii. Domestic/external debt profile for last 3 years iii. Debt Management strategies and reconciliation of external debt with DMO, Abuja 	<ul style="list-style-type: none"> 1.3 0.5 1.2

2. FISCAL MANAGEMENT *To ensure responsible and prudent fiscal management that effectively contains the negative impacts of revenue fluctuation.*

e) The state government either issues its own, explicit fiscal policy or signs up to the Fiscal Responsibility Act. In either case, a clear and effective mechanism to manage the ups and downs of the oil cycle is in place.	
i. Evidence of existence of State Financial Regulations (in the absence of the Fiscal Responsibility Act)	
ii. When last reviewed and coded	1.0
iii. Evidence of implementation/usage and in what ways (evidence of compliance with Financial Regulations)	0.5
iv. Revenue volatility and management strategy and evidence of existence of stabilization account/fund	1.0

3. BUDGET PROCESS *To establish the budget as a comprehensive, transparent and binding tool for the implementation of government priorities.*

a) Account of the process of budget formulation	
i. Evidence of broad consultation (youths, women, Civil society, private sector) at budget formulation stage through reports	1.5
ii. Stakeholders' feedback/evidence of stimulation of responses from stakeholders.	1.5
b) Core budget circular goes out before 1st August and includes realistic budget ceilings.	
i. Date of circulation of core budget circular	1.0
ii. Evidence of budget ceilings and the floors advised in the core circular	0.5
iii. Evidence that capital expenditure items are drawn from the rolling plan or Medium Term Expenditure Framework MTEF agreed with stakeholders.	1.5
c) The budget demonstrates a clear link between resource allocations and the strategies defined in SEEDS.	
i. Evidence of public participation in the House of Assembly on processes leading to budget adoption	1.5
ii. Evidence of consistency between the policy thrust and targets set in the policy documents and the budget expenditure items	1.5
d) The budget includes only realistic revenue sources – loan finance is backed up by already signed loan agreements.	
i. Actual revenue profile in the last 5 years under various revenue head and revenue estimates for those years	1.5

3. BUDGET PROCESS <i>To establish the budget as a comprehensive, transparent and binding tool for the implementation of government priorities.</i>	
ii. Tracking of state loan drawdowns against budget estimates over the last 5 years.	1.5
e) Starting with the 2003 accounts, all accounts are audited, according to statutory requirements, and recommendations are acted on.	
i. Copies of State Auditor General's reports for the last 5 years.	1.0
ii. Evidence of the public hearings on the Auditor General's report by the Public Accounts Committee of the House of Assembly	1.0
iii. Evidence of actions and remedies taken on the queries and exceptions	1.0
f) Accounts are made available to the Auditor General in accordance with statutory requirements.	
i. Dates on which Accountant General's reports are submitted to the Auditor General in the last 5 years.	1.5
ii. Evidence of budget releases according to heads and sub-heads of expenditure.	1.5
g) A review of budget experience and output performance is completed at the end of each year	
i. Evidence of budget implementation reviews and participation of stakeholders in the processes during the fiscal year.	1.0
ii. Evidence of periodic performance measurements in relation to set policy targets	1.0
iii. List of membership of monitoring committees for Ministries, Departments and Agencies MDAs (including Civil Society Organizations CSOs)	1.0
h) The government publishes and widely disseminates (also on a website to be up-dated monthly) the budget, budget allocations and releases (both to line-ministries and to the state's joint account with LGAs), available accounts and audit reports.	Must score a minimum of 3 to qualify
i. Evidence of publication and dissemination strategy of copies of the budget, budget allocations and releases	1.0
ii. Evidence of publication and dissemination strategy of performance indicators and monitoring benchmarks	1.0
iii. Evidence of gender mainstreaming in the budget process	1.0

Comments:

We are recommending the inclusion of para (3a) to reflect the participatory process and a shared commitment to budget process and its implementation.

*Para f should come before para. e. We are therefore recommending renumbering.

4. SERVICE DELIVERY <i>To ensure that government strategies to improve service delivery, both in terms of quality and in terms of reach, is developed and can be implemented.</i>	
<p>a) An effective system of data collection, processing and dissemination is established (starting from the CWIQ survey), maintained and used to inform policy decisions.</p> <ul style="list-style-type: none"> i. Evidence of a central databank ii. Evidence of survey and other related data collection researches (reports) on the state of service delivery in the last 3 years iii. Data collection and processing methodology iv. Evidence of statistical and information bulletins and web posting v. Evidence of data usage in policy and decision making through request from MDAs and citizens vi. Evidence of data supply before core circular ceilings and floor are set. 	<p>0.5</p> <p>0.5</p> <p>0.5</p> <p>0.5</p> <p>0.5</p> <p>0.5</p>
<p>b) A professional procurement system is put in place and evidence of procurement subsequently becoming more efficient is provided.</p> <ul style="list-style-type: none"> i. Evidence that procurements are linked to budget ii. Evidence of procurement law/policy/procedures iii. Evidence of Procurement Units iv. Evidence of transparent procurement system (IT/manual) v. Evidence of previous bids, assessments and awards vi. Evidence of capacities and procurement experts vii. Evidence of inventory tracking and monitoring. 	<p>0.6</p> <p>0.4</p> <p>0.4</p> <p>0.4</p> <p>0.4</p> <p>0.4</p> <p>0.4</p>
<p>c) Value for money audits of public investments are carried out and the results are acted on. Subsequent audits show clear improvements.</p> <ul style="list-style-type: none"> i. Evidence of processes for selection among alternative projects and decisions ii. Evidence to show that there is commitment and capacities for investment decision analysis iii. Evidence of the utilization of existing capacities and analysis/results iv. Evidence of value for money policies and procedures in place (IT/manual/routinized) v. Evidence of exception reports and actions taken 	<p>0.6</p> <p>0.6</p> <p>0.6</p> <p>0.6</p> <p>0.6</p>

4. SERVICE DELIVERY <i>To ensure that government strategies to improve service delivery, both in terms of quality and in terms of reach, is developed and can be implemented.</i>	
d) The state government has a consistent policy on the delivery of services, informed by baseline data and through the SEEDS process.	
i. Evidence of existence of baseline data for performance measurements	0.6
ii. Evidence of performance indicators (access, value for money,	0.6
iii. Evidence of annual performance requirements given the most recent performance measures	0.6
iv. Evidence of exception reports/feed back on performance	0.6
v. Evidence of channels for providing feed back	0.6
e) The process of developing strategies for each sector advances and takes due account of developments both at the level of federal and local government.	
i. Evidence of active participation in and commitment to inter-governmental policy making	1.0
ii. Evidence that state policy decisions and strategies are reflective of national and LG actions.	1.0
iii. Evidence of application of inter-governmental decisions in state decisions and SEEDS/ SEEDS type processes.	1.0
f) Progress to computerize the State's human resource and pensions database, linked to payroll, is made so that a significant reduction in both ghost worker numbers and pay and pension fraud is achieved.	
i. Evidence of computerization of human resource and pension database.	1.0
ii. Evidence of integration of payroll into HR and pensions database	1.0
iii. Evidence of updating of the database	0.5
iv. Publication of staff list and respective grades	0.5
g) A freeze on net recruitment of civil servants is observed.	
i. Evidence of the basis for HR planning	1.0
ii. Evidence of a recruitment policy and current staff strength of the public service	2.0
h) A plan for civil service reform, reflecting on the right size as well as the capacities required, is elaborated with costs .	
i. Evidence of assessment of the current state of civil service in relation to service delivery.	0.6

4. SERVICE DELIVERY <i>To ensure that government strategies to improve service delivery, both in terms of quality and in terms of reach, is developed and can be implemented.</i>	
ii. Evidence of a reform plan or process for addressing issues raised in the assessment.	0.6
iii. Evidence of strategies and costing to support the reform process.	0.6
iv. Evaluation of the reform plan with respect to its ability to efficiently and effectively impact positively on service delivery	0.6
v. Evidence that the reform plan is reflective of gender and merit considerations	0.6
i) Evidence provided that the planning and implementation of reform activities takes place in broad consultation with people across the state.	
i. Evidence of structured and institutionalized consultations with stakeholders for planning and implementation of the civil service reforms.	1.25
ii. Evidence of outcomes of consultations and debates	0.5
iii. Evidence of implementation plan through participatory and transparent processes.	1.25

Comment: The focus of Section 4 is less on the quality and reach of service delivery and more on institutional reforms. While we recognize that institutional reforms will lead to better qualities in service delivery, we need to focus more on outputs and outcomes. These will provide more credibility to the SEEDS process.

5. COMMUNICATION, TRANSPARENCY AND CORRUPTION <i>To ascertain that policies are planned and implemented in a transparent and accountable manner.</i>	
a) Plans to ensure 'due process', particularly in procurement procedures should be developed and positively assessed against current Federal Government due process standards.	
i. Evidence of a framework that incorporates due process in procurement and other businesses of government	0.6
ii. Evidence of participation by a cross section of the public service in the development of the framework	0.6
iii. Evidence of the implementation of the framework	0.6
iv. Evidence of dissemination strategy (also on websites), which involves feed back process.	0.6
v. Evidence of actions taken to deal with abridgements, exceptions and feedbacks arising from the implementation of the framework.	0.6

5. COMMUNICATION, TRANSPARENCY AND CORRUPTION To ascertain that policies are planned and implemented in a transparent and accountable manner.	
b) Publication of all procurement processes for contracts above N1,000,000 on internet (i.e. the issuing of tenders, the awarding of contracts as well as the payments effected). <ul style="list-style-type: none"> i. Evidence of publication of procurement processes, manual and information for contracts in excess of N1,000,000 ii. Evidence on publication of contract awards, values and payments 	 2.0 1.0
c) The state government publishes a report (also on its website) on its efforts to expose corrupt practices, to prosecute corrupt individuals (at all levels of the hierarchy) and to recover assets. <ul style="list-style-type: none"> i. Evidence of existing anti-corruption policy which incorporates exposure of corrupt practices ii. Evidence of publications on corrupt practices and individuals prosecuted iii. Evidence of assets recovered through prosecution of corrupt individuals and the utilization of the assets iv. Evidence of publication of exception reports on procurements and how they are dealt with 	 0.75 0.75 0.75 0.75
d) People across the state have the opportunity to publicly question their leaders about performance, sector by sector, for example through radio programmes. <ul style="list-style-type: none"> i. Number of public based accountability programmes ii. Evidence of feedback processes from citizens and how they are funded iii. Evidence that feedbacks from accountability programmes are integrated into policy review decisions iv. Evidence that sectoral accountability generates priority concerns for policy making 	 0.75 0.75 0.75 0.75