



State and Local Governance Reform Project (P133045)

AFRICA | Nigeria | Governance Global Practice |
 Recipient Executed Activities | Technical Assistance Loan | FY 2015 | Seq No: 5 | ARCHIVED on 21-May-2017 | ISR27746 |

Implementing Agencies: International Donor Support, Ministry of Finance & Economic Planning, Ministry of Finance, Ministry of Budget & Economic Planning, Ministry of Budget & Planning, Ministry of Budget & Planning, Federal Ministry of Budget and National Planning, FEDERAL REPUBLIC OF NIGERIA

Key Dates

Key Project Dates

Bank Approval Date:17-Oct-2014

Effectiveness Date:21-Jan-2015

Planned Mid Term Review Date:09-Oct-2017

Actual Mid-Term Review Date:--

Original Closing Date:31-Mar-2017

Revised Closing Date:30-Sep-2019

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective (PDO) is to improve transparency, accountability and quality in public financial management in the participating states.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

Component A: Public Financial Management Reforms.:(Cost \$43.00 M)

Component B: Support to Local Governance.:(Cost \$5.50 M)

Component C: Project Coordination.:(Cost \$14.50 M)

Performance Challenge Fund and Contingency:(Cost \$10.50 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory
Overall Risk Rating	● Substantial	● Substantial



Implementation Status and Key Decisions

1. Since the last ISR, more progress has been recorded in project implementation. To date, the project has disbursed a total of Euro 14.99 million, being about 27.26 percent of the total Grant amount, with over Euro 750,000 currently being processed. Some of the early results achieved in the participating states include:

(a) In the area of supporting the respective tax administrations to enhance internally generated revenue, Taxpayer surveys to increase taxpayer bases and development of modern electronic taxpayer database management systems have been completed in Kano and Jigawa States, increasing taxpayer bases by 176,000 and 255,000 taxpayers, respectively. So far, Anambra, Kano and Jigawa States have also recorded substantial increases in their internally generated revenues which have grown by 74 to over 200 percent since the project inception.

(b) The States have also recorded some improvements in the area of external audits of public finances. In the area of timeliness of presenting the Auditor General's report to the Legislature, Yobe, Osun, Anambra and Jigawa States have reduced the timelines from the average of twelve months at project inception to between seven and nine months from the end of the financial year. In the area of coverage of the Auditors General's report, the States also reported improvements with Anambra, Cross River and Osun covering 100 percent of public expenditures, while Kano, Jigawa and Yobe have improved from the erstwhile average of about 50 percent, to 89 percent, 80 percent and 80 percent respectively. The States also now demonstrate a greater willingness to make the audit reports public and more accessible to the citizenry, with all the States having organized at least one Public Audit Forum in the last one year, bringing together stakeholders, including the civil society, to discuss the Auditors Generals' Reports.

(c) On the support to the Local Governance component, an agreement was reached with all States during the last implementation support mission that an assessment of the status of implementation across the States will be done in October 2017, during the project mid-term review. At that time, only States that have commenced the implementation of the road maps will qualify to partake in the distribution of the performance challenge fund initially set aside out of the overall project Grant funds.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	● Substantial	● Substantial
Macroeconomic	--	● Substantial	● Substantial
Sector Strategies and Policies	--	● Moderate	● Moderate
Technical Design of Project or Program	--	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	--	● Substantial	● Substantial
Fiduciary	--	● High	● High
Environment and Social	--	● Low	● Low
Stakeholders	--	● Moderate	● Moderate
Other	--	--	--
Overall	--	● Substantial	● Substantial

Results

Project Development Objective Indicators



► State Government audited accounts are submitted to the legislature within 6 months from end of financial year in any state. (Months, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	12.00	9.00	7.75	6.00
Date	27-Nov-2013	06-Oct-2016	21-Apr-2017	30-Sep-2019

Comments

(1) This indicator expects that two States will meet the target of submitting audit reports to the Legislature after two years of implementation; while four States will meet the target of submitting audit reports within six months of project closure by project closure. Based on current status, after two years of implementation, four States (Anambra - nine months; Jigawa - ten months; Osun - seven months; and Yobe - five months) are already able to submit within ten months from the end of the financial year.

(2) The actual result reported is based on the average for the four States, i.e. 7.75 months.

► Participating States producing annual financial statements using new SIFMIS (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	0.00	0.00	4.00
Date	27-Nov-2013	06-Oct-2016	21-Apr-2017	30-Sep-2019

► Actual collection of internally generated revenue in participating states (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	10.00	111.00	40.00
Date	27-Nov-2013	06-Oct-2016	21-Apr-2017	30-Sep-2019

Comments

(1) While it is expected that three States will grow IGR by 30 percent after two years of implementation and four States grow their IGR by 40 percent by project closure. Based on current status (2016 collection performance) after two years of implementation, three States (Anambra - 78 percent; Jigawa - 271 percent and Kano - 74percent) have met expected targets. The fourth State Cross River is at 23 percent .

(2) Actual current report is based on the average for the four States, i.e. 111 percent.



► Public contracts above threshold awarded through open competition (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	20.00	70.00	82.60	80.00
Date	27-Nov-2013	06-Oct-2016	21-Apr-2017	30-Sep-2019

Comments

(1) While it is expected that four States will be awarding at least 50 percent of public contract after two years of implementation and four States will be awarding at least 80 percent by project closure. Based on current status after two years of implementation, five States (Anambra - 100 percent; Cross River - 80 percent; Jigawa - 68 percent, Kano - 65 percent and Osun - 100 percent) have met expected targets.

(2) Actual current reports is based on the average for the five States, i.e. 82.6percent .

Overall Comments

Intermediate Results Indicators

► Participating States with modern* Finance Legislation (* Legislation not more than 5 years old. Most states currently rely on Federal Finance Control and Management Act of 1958) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	2.00	4.00
Date	27-Nov-2013	06-Oct-2016	21-Apr-2017	30-Sep-2019

► Participating States publishing Auditor General's Report (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	4.00	6.00	4.00
Date	27-Nov-2013	06-Oct-2016	21-Apr-2017	30-Sep-2019



► Participating States' revenues and expenditure covered in Auditor General's annual report (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	75.00	91.25	97.25	90.00
Date	27-Nov-2013	06-Oct-2016	21-Apr-2017	30-Sep-2019

Comments

(1) While it is expected that Auditor General's Report in at least three States will cover 85 percent of public expenditure after two years of implementation and four States will achieve 90 percent coverage by project closure. Based on current status after two years of implementation, four States (Anambra - 100 percent; Cross River - 100 percent; Kano - 89 percent and Osun - 100 percent) have surpassed the 85 percent target.

(2) Actual current report is based on the average for the four States, i.e. 97.25 percent.

► Participating States convening Annual Audit Forums (with CSO participation) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	4.00	6.00	4.00
Date	27-Nov-2013	06-Oct-2016	21-Apr-2017	30-Sep-2019

► States that have implemented 3 key modules of SIFMIS (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	1.00	1.00	1.00	4.00
Date	27-Nov-2013	06-Oct-2016	21-Apr-2017	30-Sep-2019

Comments

The SIFMIS in Cross River State which was reported in the last ISR to have broken down has now been restored, with four modules - Accounts Payable, Accounts Receivable, General Ledger and Public Sector Budgeting, currently running.



► Participating States that have used the National Chart of Accounts for the production of Budgets (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	4.00	4.00	5.00
Date	27-Nov-2013	06-Oct-2016	21-Apr-2017	30-Sep-2019

Comments

After two years of implementation, two States ought to be using the new National Chart of Accounts. As at date, only four States (Anambra, Cross River, Jigawa and Yobe) are using the Chart.

► Participating States that have developed medium- term (3 year rolling) sector strategies in at least 10 pilot MDAs (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2.00	5.00	5.00	5.00
Date	27-Nov-2013	06-Oct-2016	21-Apr-2017	30-Sep-2019

Comments

After two years of implementation, four States are expected to have MTSS in at least three pilot MDAs/sectors. As at date, five States have met the target. Only Osun does not have MTSS.

► Taxpayer database established in participating states (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	2.00	3.00	4.00
Date	27-Nov-2013	06-Oct-2016	21-Apr-2017	30-Sep-2019

Comments

After two years of implementation, three States are expected to have modern taxpayer databases. As at date, the databases have been established in three States - Cross River, Jigawa and Kano.



► States with Procurement Regulatory Framework (Legislation, Regulation and Standard Bidding Documents) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2.00	5.00	5.00	5.00
Date	27-Nov-2013	06-Oct-2016	21-Apr-2017	30-Sep-2019

Comments

Four States are expected to have fully put in place Procurement Regulatory Frameworks after two years of project implementation. Based on current status, it was confirmed that these are only fully in place in three States and partially in place in two others.

► Direct project beneficiaries, percentage of which are female (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	10.00	30.00	31.00	35.00
Date	27-Nov-2013	06-Oct-2016	21-Apr-2017	30-Sep-2019

Comments

It is expected that 20 percent of project beneficiaries should be women, after two years of implementation. This mark has been met by four States - Anambra - 55 percent, Cross River - 25 percent, Kano - 28 percent and Osun - 45 percent. Based on current status, the average for all six States is 31 percent.

► Road map for devolution of authority and function to LGs by States' Governments (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	1.00	1.00	3.00
Date	27-Nov-2013	06-Oct-2015	18-Apr-2017	30-Sep-2019

Comments

After two years of implementation, the road map ought to have been developed and under implementation in two States. Currently, though all States have developed road maps, it is however only operational in one State (Jigawa).



Overall Comments

Data on Financial Performance

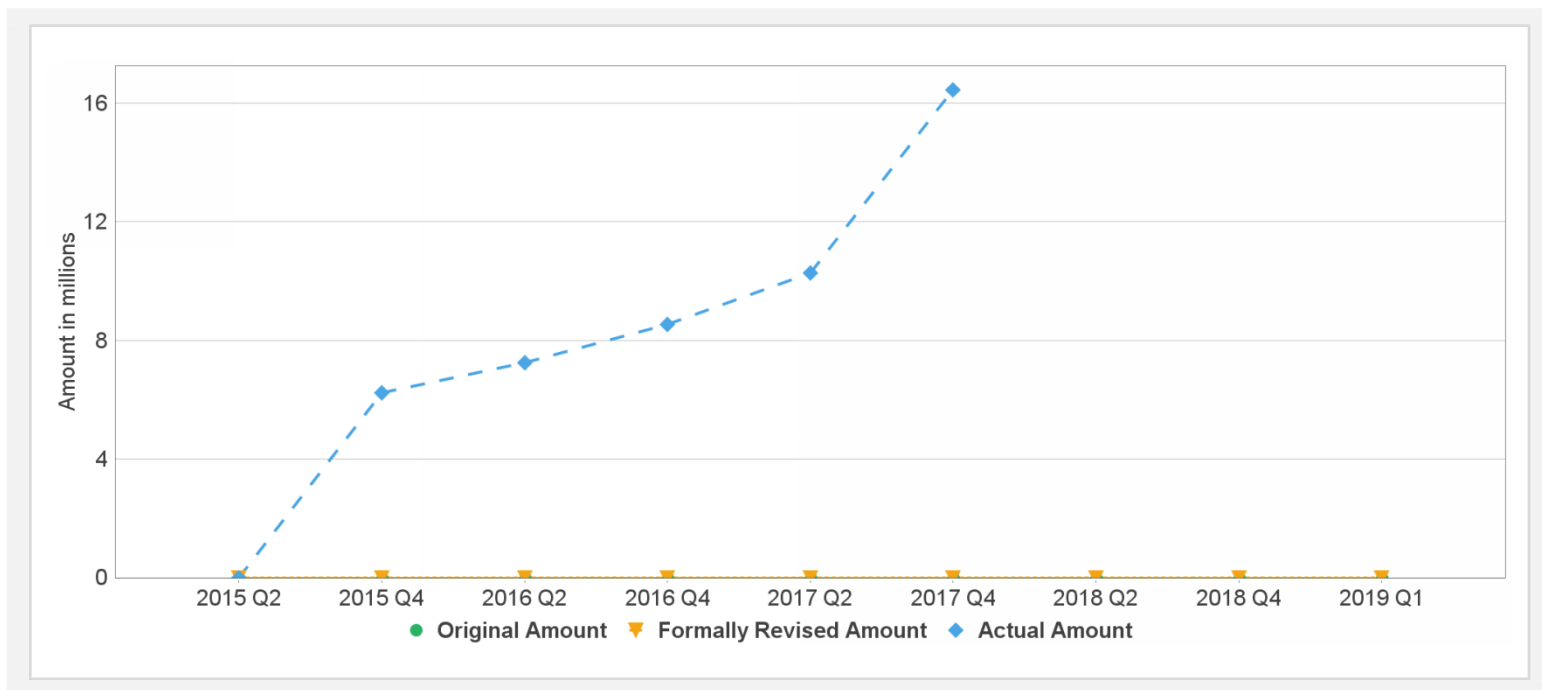
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P133045	TF-18335	Effective	USD	60.03	60.03	0.00	16.45	43.67	27%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P133045	TF-18335	Effective	01-Dec-2014	01-Dec-2014	21-Jan-2015	31-Mar-2017	30-Sep-2019

Cumulative Disbursements



Restructuring History



Level 2 Approved on 28-Mar-2017

Related Project(s)

There are no related projects.
