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Nigeria's Conditional Grants Scheme in the Light of the Sustainable Development Goals (SDGs): Lessons and Policy Options in a Post-2015 Era

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Abstract:
Scholars (like Kenny and Sumner, 2011) have contended that one of the immense benefits of the MDGs period (i.e. 2000 – 2015) was that this period saw the drive for creation of institutions, programmes and policies aimed at assisting the achievement of the development goals. The flagship of such programmes in Nigeria unarguably was the Conditional Grants Scheme (CGS) which was clearly designed by way of making freed financial grants (from debt relief gains of 2005) available to Federal, States and Local Governments in a clearly designed conditional partnership agreement to provide necessary social infrastructures covering sectors of education, health, water and sanitation, and agriculture. Since the MDGs ended in 2015, there appear questions raised as to what should happen to this programme? This study examined the CGS under the prism of the Sustainable Development Goals (SDGs) situating probable options for maintaining the momentum gained during MDGs implementation. Using qualitative research methodology and descriptive statistics, the study answers the overall research question of what lessons and options are available for the CGS in a post-2015 environment in Nigeria. One conclusion which this paper reaches is that the CGS should not be discarded rather reviewed to work under the ambits of the SDGs which like the MDGs is time-bound, thus the need for quick action(s).

Keywords: *Conditional Grants Scheme (CGS), Development Policy, MDGs, Nigeria, SDGs*

1. Introduction

The origin of the Conditional Grants Scheme (CGS) in Nigeria is traceable on one hand to the debt relief which Nigeria negotiated from her Western debtors in 2005. While on the other hand CGS has its origin inherent in the United Nations Millennium Village Projects (MVPs). The Conditional Grants Scheme is a programme in which State and Local Governments are availed the opportunity to access funds annually from the Federal Government's share of Debt Relief Gains. According to the *MDGs CGS Implementation Manual*, the programme is clearly designed by way of making financial grants available to State and Local Governments. The CGS is organised into two tracks. The First Track is CGS to States which is a combination of State and Local Government projects and programmes; while the Second Track is CGS to LGAs which is to support projects and programmes implemented at the Local Government level. All States are eligible to apply for grants under CGS to States to fund projects/programmes that meet the criteria specified in the *CGS Implementation Manual*. Grants are awarded to the projects/programmes that best reflect National, State and Local Government priorities in the context of the objectives of the MDGs and that meet the evaluation criteria. After three rounds of CGS to States (i.e. 2007, 2008 and 2009 appropriations), it became clear that deep and meaningful collaboration towards the shared MDGs agenda is possible and that improved coordination can be readily achieved. As such, in 2010, the Conditional Grants Scheme was extended to LGAs (as CGS to LGAs). The scale-up of the CGS to LGAs was designed to strengthen intergovernmental collaboration and coordination among Federal, State and Local Governments. (Phillips, 2009) The framework encourages Federal and State Governments to support Local Governments in taking responsibility for key activities within their locality for the attainment of MDGs.

Extending Conditional Grants Scheme to LGAs was on the premise that Local Governments are well placed to coordinate the provision of local social infrastructure, human and financial resources required for the attainment of the MDGs. These social infrastructures, human and financial resources would have more impact at Local Government level than State wide since the average population of a Local Government is 180,000 and is more manageable than the 4,000,000 or more that many States have to contend with (as projected by the National Population Commission).

In whatever track considered, these grants are designed conditional partnership agreement where the States and /or Local Governments contribute equal amounts for the execution of projects/programmes in line with the objectives of the MDGs. Such contribution is achieved as fifty percent from Federal Government and fifty percent as cash counterpart contribution from the State Government and/or Local Government for the CGS to State; and twenty percent from the Local Government, thirty percent from the State and fifty percent from the Federal government for CGS to LGAs.(OSSAP-MDGs, 2013) In overall terms, the objective of the CGS in Nigeria (particularly, CGS to LGAs) could be considered as an extension of the ideals of the Millennium Villages Projects - MVPs in Africa. Consequently, the Federal Government in Nigeria has argued in many publications that the programme seeks to foster genuine consultations and commitment among the Federal, State, Local Governments, communities, and civil societies.

The CGS also came based on the understanding of experiences in MDGs implementation in 2006. Such experiences revealed that the MDGs will not be met by stand-alone federal initiatives in primary healthcare, basic education, water services, etc. More so, the activities and investments needed to address poverty were viewed as more of the constitutional roles and financial responsibilities of the States and Local Governments. Thus, investments by Federal Government in primary healthcare, basic education and water services will rely on recurrent expenditures funded by States and Local Governments, for example payment of salaries, maintenance of buildings, supply of power and water, and regular delivery of consumables.

Consequently, the specific objectives of the CGS are:

- Investing in the MDGs at the sub-national level and ensuring local ownership and sustainability;
- Empowering State and Local Governments to carry out their constitutional responsibilities;
- Leveraging improvements in public service delivery.
- Encouraging improvements in public expenditure reform.
- Strengthening the partnership between the three tiers of government for national planning. (OSSAP-MDGs, 2010) (SPARC, 2010)

Nigeria in 2015 faced a dual transition. The first transition from one political regime to another, while the second transition from Millennium Development Goals (MDGs) to Sustainable Development Goals (SDGs). The first transition is national, peculiar to the country, but the second is shared with the rest of the world. While transitions between political regimes usually carry with them challenges for sustainability of programmes given changing priorities, funding and management, the transition from the MDGs to the SDGs carries with it challenges for focus and approach. Under the SDGs for example, the goals are much more in number, and deal with a wider range of issues than were the case under the MDGs. While work to harmonize and agree on the specific goals to pursue has been concluded by global institutions, the responsibility to sift and prioritize which goals to pursue relative to country development needs remains and Nigeria is yet to start work in this direction. And also is the need to start the debate and thinking towards the appropriate instrument for achieving the set goals.

The Conditional Grants Scheme (CGS) has been implemented for about 8 years, enough to evaluate its direction and process. The CGS has been acknowledged to demonstrate the possibility that huge results could be achieved with a clearly articulated and focused programme of action. It was however, not immune to the capacity and systemic challenges that face the country. For example, as part of efforts to accelerate progress of the MDGs using the CGS, a number of extra-institutional arrangements had to be made. Likewise, while it established what has probably been one of the most successful linkages among the three tiers of government in the history of project implementation in the country, there are indications that the broad objectives and channels for delivery the CGS projects and programmes need reexamination. Overall then, even with the sterling performance of the CGS programme as a key driver of the MDGs realization, the country's overall scorecard in the achievement of the MDGs falls short of both expectations and requirements. For instance, most recent Nigeria MDGs report contends that that poverty headcount is at 62.6 per cent against the 2015 target of 21 percent while infant mortality rate was about 61 per 100 live births against the 2015 target of 30.3 while under-five mortality rate stands at about 94 per 1000 live births against the target of 63.7 by 2015. (See OSSAP-MDGs, 2014) Yet in more ways than one, the implementation of the CGS is unique. It not only demonstrated opportunity, but showed how the harnessing of areas of strength can help support development in a complex environment like Nigeria's. It created linkages with visible results showing in project execution and resource management in a way not seen in other programmes implemented in the country.

Consequently, it is important that the lessons of the CGS are not lost. Given the records of its success, it is important to evaluate how relevant the approach has been and still is to Nigeria's pursuit of development in a post-2015 environment. This forms the objective of this study. As such, it is important to show what options exist to ensure that a successor programme avoids some of the pitfalls and shortcomings in its design and implementation in a post-2015 environment. The research is significant as it answers questions like: should the CGS be taken beyond 2015? What needs to change to ensure that its impact on the Nigerian development landscape are not only sustained but improved upon? It is therefore also important to ask whether the CGS is still a potent instrument for achieving set SDGs and targets. If it is, in what form should it be implemented? What should be the focus of investments under a post 2015CGS, especially given the expanded scope of areas covered under the SDGs? How can the programme be made more effective and what options exist for raising resources towards achieving its targets? These are questions which this study intends to provide answers to.

2. Theoretical Framework and Empirical Literature Review

The CGS and the general idea of grants to aid development could be anchored under the Big Push Theory. The general foundation of this theory is the idea of 'poverty traps' which besets developing economies in the world. By the 1940s, scholars had put forward this idea that underdeveloped countries could be trapped in the vicious circle of poverty which could result from low savings and unattractive investment opportunities. Consequently, the idea of "Big Push" as one of the earliest theories in development economics, which was coined by Rosenstein-Rodan in a classical work on "the problem of industrialization of eastern and south-eastern Europe"

(Wang, 2014). To scholars who support the Big Push theory, "A poor country can be caught in a low-equilibrium, "poverty trap", and government intervention [or foreign aid and investment] can potentially solve the coordination problem, and "push" the economic (sic) into the better equilibrium allowing a "take-off" into sustained growth (Rodrik, 2006). The case for Big Push is desirous to bridge issues of growth (from macro) and general equilibrium (from micro).

It is important to note that from the 1940s when this theory was first introduced, it has again returned to the center of development policy within our contemporary period. In lieu of this, Easterly (2006) describes the year 2005 as the "year of the Big Push" and can be considered mostly in the context of Africa. The compelling normative case to transform development possibilities of Africans has been associated with renewed emphasis on the positive case for a Big Push. This has been linked to the case for major expansion in aid which can be used to augment development as reflected notably in the work of the Commission for Africa and the Millennium Development Goals (See Sachs, 2005). Providing empirical evidence of the Big Push, Murphy *et al* (2002) in their study of the Big Push and its practicability in Ethiopia, considers this model to be anchored on three parts; the first outlines the analytics: it uses the prism of the Solow growth model to look at three possible cases for multiple equilibria, and focuses on the coordination problem as one account. The second looks at approaches to evidence for cross-country patterns, and from country experiences. The third poses the question of Big Push ideas is applicable to Ethiopia.

From the foregoing, it can be concluded that the theory of Big Push has been the philosophical foundations for direct investments which is reflected in the CGS. As such, investments to the tune of 1 billion USD annually generated from the debt relief granted to Nigeria in 2005 (the same year Easterly referred to above) can be referred to the "social infrastructure investment push" Nigeria has constantly channeled via the CGS to move her teeming population away from increased poverty, high maternal and infant mortality, lack of water and good sanitation, and achieve a reduction in malaria cases, mal-nutrition and numerous health challenges she faces. Such push is done with the intent that by 2015, Nigeria can achieve global development targets set during the beginning of the new millennium (i.e. in 2000).

Empirical Studies on the process and achievement of the CGS programmes abound. Specifically, numerous Nigerian scholars (and others alike) have taken an in-depth look into the workings and performance of the CGS and other similar programmes. Overall, these studies have discovered important information which could be geared towards improvement of the CGS programme.

Aribigbola (2009) studied the institutional constraints to achieving the MDGs in Africa, using the example of CGS implementation in Ondo State, Nigeria and Ikaram/Ibaram Millennium Villages Projects and observed that although both the CGS and Millennium Village projects have taken off as programmed, however, the effect of the programme has not been widespread especially in Akure, Ondo State; although the effect of the programme seems visible in the millennium village themselves. He discovered that the problems which programmes are design to solve are still widespread and lack adequate conceptualization of the project militate against full implementation of the project. He identified problems like: lack of conceptualization and understanding both by the implementers and the will be beneficiary (people at the grass root); over-politicization by the government; lack of interest on the part of grass root and would-be beneficiary/community; and inadequate funding, capacity and under-utilization as the major problems militating against the success of the project. His recommendation centered on collective participation that will carry the community along in project design, and implementation as crucial to achievement of the MDGs cum complete removal of civil service bureaucracy.

In a related study, Ajayi (2008) studied the success of MDGs in using CGS and Millennium Village project and found out that despite impressive in-roads made by these programmes and institutions, Nigeria is at present off track and very slow, when it comes to MDGs implementation and execution. He therefore called for a better understanding between the policy formulators and executors as well as the need to ensure that programmes like the CGS in properly integrated into overall development planning process of Nigeria. Similarly, Falade (2008) observed that most African countries are backward when it comes to implementation and execution of the MDGs, when compared with other regions of the world. This, he explained is due to poor technical capacity in formulating, implementing and monitoring the operational MDGs based Poverty Reduction Strategy Process (PRSPS). This he believed is the same fate which has befallen the CGS programme housed by OSSAP-MDGs in Nigeria.

Adedoyin, *et al* (2012) in a paper titled "Analyzing the achieving MDGs in Nigeria: prospects and challenges" adopted the Chi-Square techniques of analysis. The data used were secondary data collected from Central Bank of Nigeria Annual Abstract of Statistics for various year, African Development Bank Indicators for the year 2008 and World Bank World Development Indicators also for the year 2008. Also, data from the National Bureau of Statistics (NBS) Social Statistics in Nigeria 2009, the United Nations Development Programme (UNDP) Human Development Report 2011, Millennium Development Goals Nigeria 2010 Report, UNDP-MDG International Assessment 2010 were utilized for their study. The study observed that the degree of achievement recorded in Nigeria is convincingly bellow expectation. Based the works of other authors as reviewed in this work, the study identified poor funding, lack of conceptualization and understanding both by the implementers and the would be beneficiary (people at the grass root), over-politicization by the government as challenges which mitigated against the achievement of the MDGs despite impressive programmes like the CGS.

Efiong (2014) adopted a Gender Analysis perspective of Nigeria's Millennium Development Goals Implementation Reports using content analysis and latent analysis to analyses primary data. The research found out that there is a need for an adequate understanding of the gendered nature of the development concerns flagged in the MDGs. This understanding should however be evident in the language of analysis of the MDGs implementation and programmes (like the CGS), and without which the goals remain unattainable despite the enormous technical and financial resources channeled towards the successful programme.

3. Methodology and Source of Data

This paper is an attempt at examining some of these questions identified in the earlier section. It aims to examine some of the options available for diverse aspects of the conceptual and implementation issues involved in the CGS. It is not as much about providing answers as it is about evaluating implications of alternatives for moving forward. The methodology used to achieve these objectives dwells mainly on qualitative analysis. This qualitative methodology adopted for this research entails a comparative analysis of relevant primary (mostly interviews) and secondary sources to determine their level efficacy and efficiency in answering the research questions raised. For further clarity and presentation, the research presents some secondary data using descriptive statistics. Specifically, this methodology helps to show trends/direction of CGS investments covering relevant sections within a given period.

In doing this, the research relied heavily on the following as data sources:

- Interviews with key OSSAP-MDGs staff including the Senior Special Assistant to the President (SSAP) MDGs, Secretary of Programmes, Head of CGS and former staff of OSSAP-MDGs.
- Interviews with representatives of international development partners including Department for International Development (DFID), UN Post-2015 Development Planning Team New York, United Nations Development Program (UNDP) and World Bank that collaborated with OSSAP-MDGs in the design and implementation of the scheme.
- Interviews with State and Local Governments functionaries that are responsible for actual implementation of CGS at State and Local Government levels.
- Interviews with non-state actors that participated in monitoring of DRGs investment (including CGS investments) at State and Local Government levels.
- Desk review of assets and liabilities of CGS and as well as review of relevant secondary data source materials e.g. the CGS Implementation Manuals, CGS evaluation reports, data base of CGS investments in States and LGAs, monitoring and evaluation framework/reports, etc.
- Reviewing documents on the post 2015 agenda such as the United Nations high level panel resolution, Common African Position (CAP) on post 2015 agenda, and the final Nigeria position paper on post 2015.
- Reviewing some international models of grant schemes including World Bank Programme for Result implemented in Nigeria with a view to learning lessons.

Given responses from practitioners who have interfaced with the CGS over the years as well as other relevant schemes, the research taking into consideration of the objectives, successes, challenges and options concluded that the CGS should continue. However, this paper interrogates the processes and examines the pros and cons of diverse methods towards realizing the CGS. The outcome is expected to feed into the debate on the institutional framework for the implementation of the SDGs.

4. Discussions

4.1. CGS Expenditure, 2007 – 2014: Trends and Lessons

The CGS concept was born out of the understanding that many of the activities that are required to meet the MDGs are in fact the constitutional responsibilities of State Governments. Through the Conditional Grants Scheme, the Federal Government, States and Local Governments have committed total sum of N313,375,933,260.34 (Three Hundred and Thirteen Billion, three Hundred and Seventy-Five Million, Nine Hundred and Thirty-Three Thousand, Two Hundred and Sixty Naira, Thirty-Four Kobo) to fund various MDGs initiatives at State and Local Government levels from 2007 to 2014. (OSSAP-MDGs, 2014) The detailed investments through both the State and Local Government tracks of the CGS are as shown in **Table 1** below.

Year	CGS to States Total Investment (N' billion)	CGS to LGAs Total Investment (N' billion)	CCT	Total (N' billion)
2007	18.41	0.00		18.41
2008	48.80	0.00		48.80
2009	53.65	0.00		53.65
2010	0.00	0.00		0.00
2011	36.06	22.60		58.66
2012	12.89	29.60	13.06	55.55
2013	10.21	42.00		52.21
2014	12.50	13.60		26.10
Total	**192.52**	**107.80**	**13.06**	**313.38**

Table 1: Summary of Total CGS to State and CGS to LGAs Fund from 2007 to 2014
Source: CGS Unit of OSSAP-MDGs

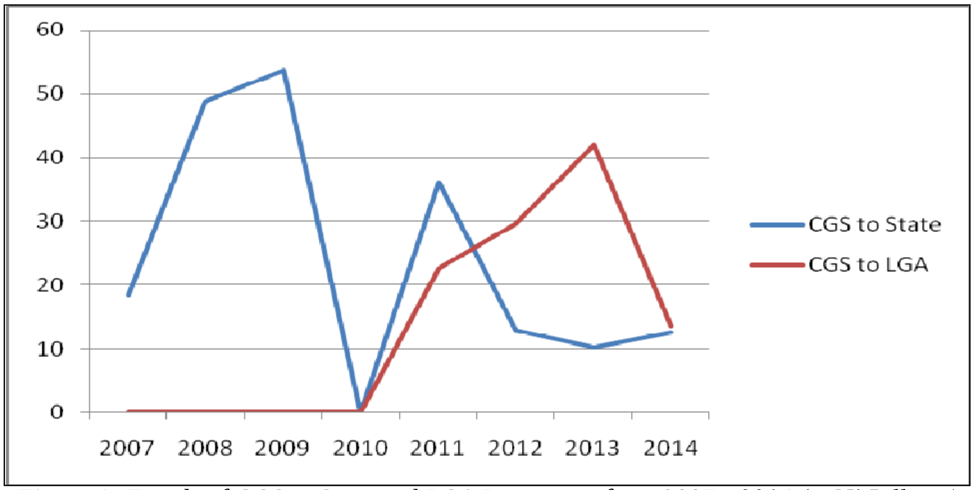

Figure 1: Trends of CGS to State and LGA Investment from 2007 - 2014 (in N' Billions)

The sum of N192.52 Billion representing 61.43 percent of entire CGS expenditure was for CGS to States from 2007 to 2014 while the sum ofN107.80 Billion representing 34.40 percent of entire CGS expenditure was to fund CGS to LGAs projects from 2011 to 2014. The sum N13.06 Billion represented 4.17 percent of entire CGS expenditure was utilised to fund Conditional Cash Transfer-CCT[i] from 2011 to 2013. The sum of N313.38 Billion as shown in Table 1 above includes Federal Government CGS Grants and State/LGAs cash counterpart contribution. The proportion of Federal Government grants and State/LGAs cash counterpart contribution for CGS to States from 2007 to 2014 and, CGS to LGAs from 2011 to 2014 are shown in **Tables 2 and 3** below.

Year	No of Benefiting States	Federal Grant (N' billion)	State Contribution (N' billion)	Total (N' billion)
2007	19	18.41	0.00	18.41
2008	34	24.40	24.40	48.80
2009	34	26.82	26.82	53.65
2010	0	0.00	0.00	0.00
2011	37	18.03	18.03	36.06
2012	14	6.44	6.44	12.89
2013	8	5.10	5.10	10.21
2014	11	6.25	6.25	12.50
Total		**105.45**	**87.04**	**192.52**

Table 2: CGS to State Federal and State/LGAs counterpart funding contribution (2007 to 2014)
Source: CGS Unit of OSSAP-MDGs

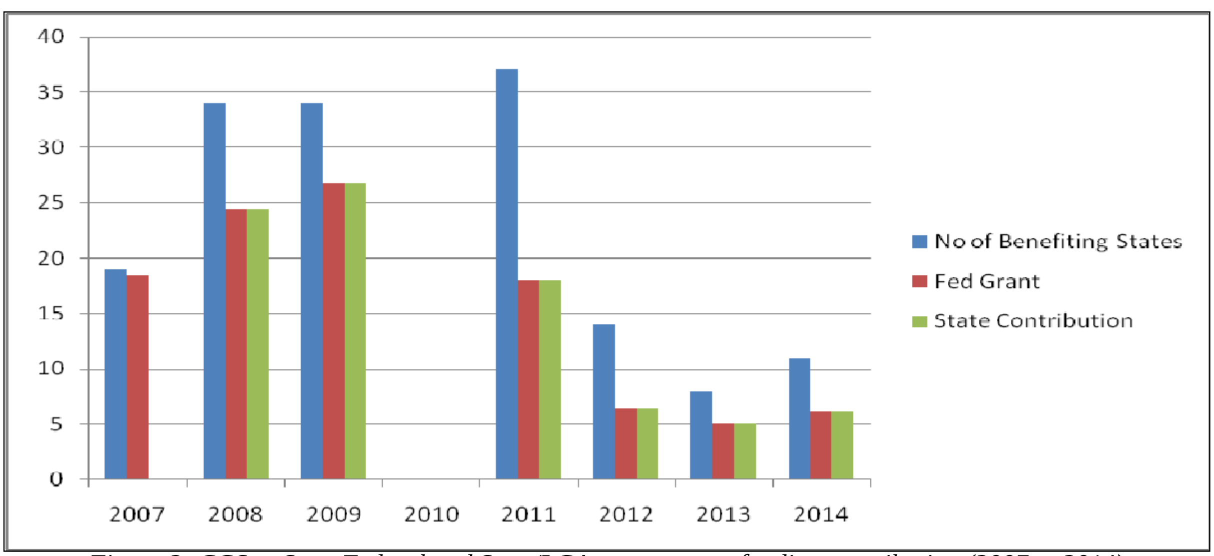

Figure 2: CGS to State Federal and State/LGAs counterpart funding contribution (2007 to 2014)

4.1.1. Researcher's Computation Based on above Figures

Year	No of Benefiting LGAs	Federal Grant (N' billion)	State/LGA Contribution (N' billion)	Total (N' billion)
2011	113	11.3	11.3	22.6
2012	148	14.8	14.8	29.6
2013	210	21.0	21.0	42
2014	68	6.80	6.80	13.6
Total	**471[ii]**	**53.90**	**53.90**	**107.8**

Table 3: CGS to LGAs Federal and State/LGAs counterpart funding contribution (2011 to 2014)
Source: CGS Unit of OSSAP-MDGs

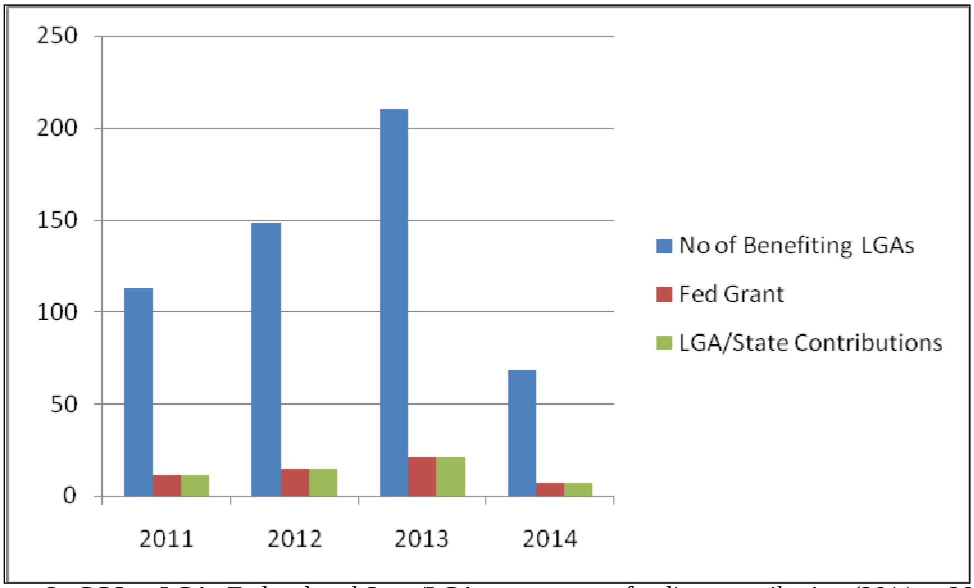

Figure 3: CGS to LGAs Federal and State/LGAs counterpart funding contribution (2011 to 2014)

4.1.2. Researcher's Computation Based on above Figures

Under the CGS to State the Federal Government grants of N107.80 Billion leveraged additional sum of N87.94 Billion as State cash counterpart fund to fund CGS to States projects and programmes in the 36 States and FCT. Also under the CGS to LGAs the Federal Government grants of N55.4 billion leveraged additional sum of N55.4 Billion as State and LGAs cash counterpart contribution to fund CGS to LGAs projects and programmes in 471 LGAs.

The project areas for CGS to States from 2007 to 2014 covered investments in Primary Healthcare Infrastructure and Human Resource Development (Goals 4 to 6), Improving access to safe water and sanitation in line with National policies on Water and Sanitation (Goal 7 and support for Health and Education Goals), Poverty Eradication & Wealth Creation (Goal 1), Social Safety Net/Conditional Cash Transfers (Goal 1), Governance and Special Interventions. The distribution of CGS to Statesfrom2007 to 2014 in these project areas are shown in Table 4 below.

Year	Primary Health Care	Water & Sanitation	Wealth Creation	SSN/CCT	Governance	Sum Total
2007	7.37	8.47	2.58	-	-	18.41
2008	23.91	20.50	4.39	-	-	48.80
2009	23.07	25.75	4.83	-	-	53.65
2010	-	-	-	-	-	-
2011	21.76	14.30	-	2.76	-	38.83
2012	7.36	4.45	0.52	9.00	0.56	21.89
2013	4.18	4.06	0.38	1.30	1.60	11.51
2014	5.08	3.48	1.73	-	2.20	12.50
Total	92.72	81.01	14.42	13.06	4.36	205.58[iii]

Table 4: Summary of CGS to States 2007 to 2014 Investments in the Project Areas
Source: CGS Unit of OSSAP-MDGs

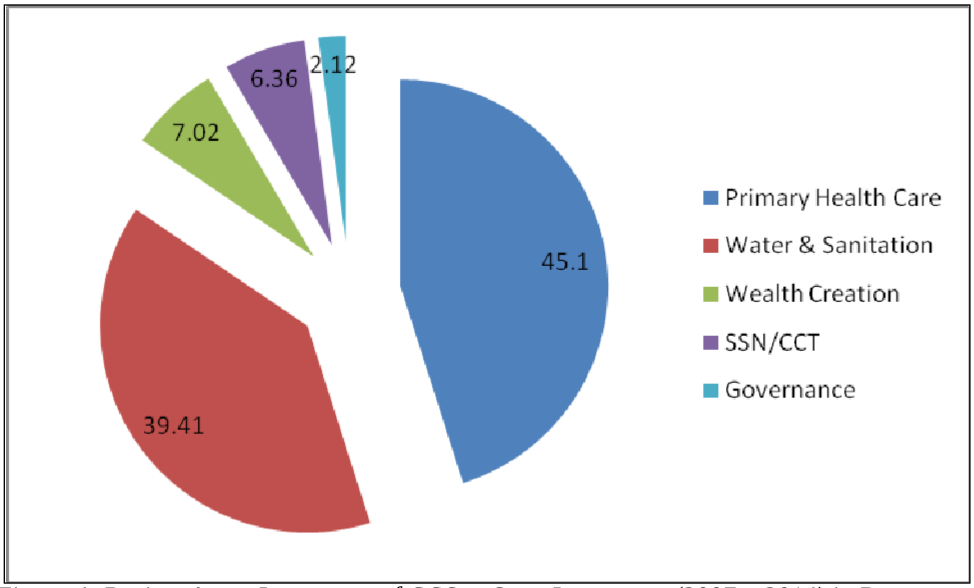

Figure 4: Project Areas Investment of CGS to State Investment (2007 – 2014) in Percentage
Researcher's computation based on above figures

The project areas for CGS to LGAs from 2011 to 2014 covered investments in Primary Healthcare Infrastructure and Human Resource Development (Goals 4-6), Improving access to safe water and sanitation in line with National Policies on Water and Sanitation (Goal 7 and support for Health and Education Goals), Poverty Eradication & Wealth Creation (Goal 1), Primary Education (Goal 2) and Governance. The distribution of CGS to LGAs from 2011 to 2014 CGS in these project areas are shown in **Table 5** below.

Year	Primary Health Care	Water & Sanitation	Wealth Creation	Education	Governance	Sum Total
2011	6.68	4.67	0.79	7.54	2.92	22.60
2012	9.89	6.94	0.80	8.82	3.15	29.60
2013	13.46	8.30	0.59	13.98	5.67	42.00
2014	3.75	2.75	1.18	3.53	2.40	13.60
Total	33.78	22.65	3.37	33.86	14.14	107.80

Table 5: Summary of CGS to LGAs 2011 to 2014 Investments in the Project Areas
Source: CGS Unit of OSSAP-MDGs

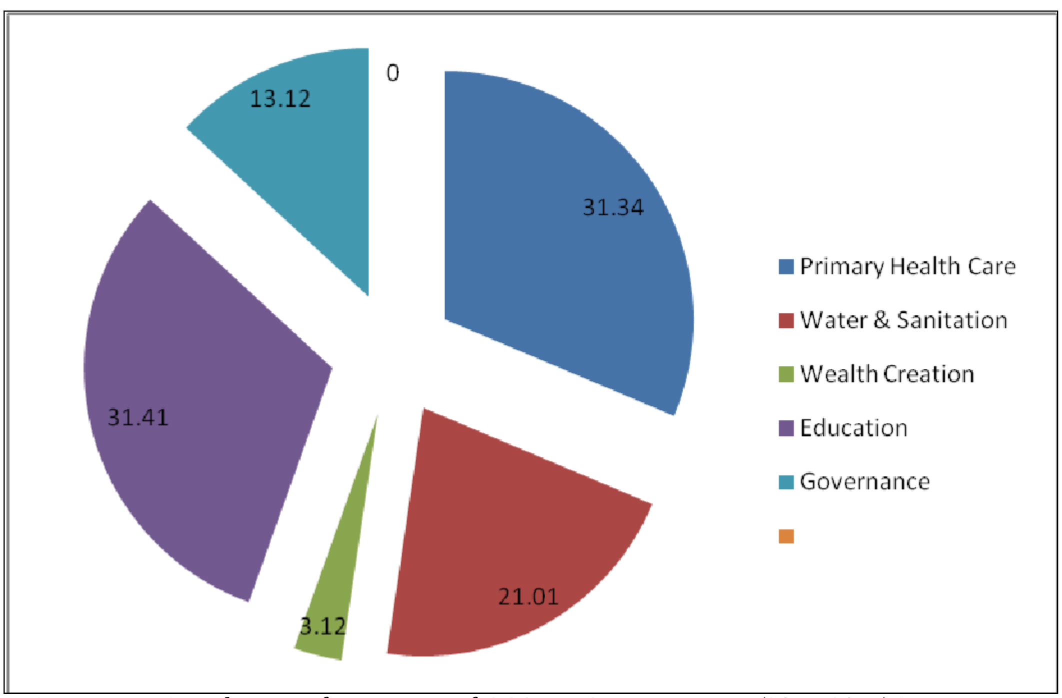

Figure 5: Projected Areas of Investment of CGS to LGAs Investment (2011-2014) in Percentage

4.1.2. Researcher's Computation Based on Figures Above
The following lessons were learnt within the period of 2007 to 2015 as the CGS was implemented both at State and LG levels under both tracks of the CGS.

4.1.3. Investing in the MDGS at the Sub-National Level and Ensuring Local Ownership and Sustainability
From 2007 to 2015 the Federal Government fund MDG-related projects at the State level through the CGS. The intention is to increase MDGs investment at sub national level through States and LGAs direct cash counterpart contribution as well as using the CGS mechanism to leverage additional resources from State federation accounts receipts and internally generated revenue to fund MDG-related projects/programmes. (Okere, 2013) The UNDP in its working paper titled '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)' contends that "…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". (Colleen and Oboh, (2013)
Over the years of implementation, it became clear that the CGS fund has also leveraged additional resources from States and Local Government federation accounts (statutory allocation and Value Added Tax (VAT)) receipts and internally generated revenue to fund MDGs related programmes and projects. A total sum of N143.37 Billion (N87.94 Billion through State track and N55.4 Billion through LGA track) have been leveraged as additional resources for implementation MDGs related projects through States and LGs cash counterpart contribution from 2007 to 2014. (OSSAP-MDGs, 2014) The Analysis of MDGs Expenditure in Nigeria's Federal, State and Local Governments indicated that in 2009 the budgetary allocation of all the Local Governments to MDGs projects and programmes was approximately N310 Billion. Through CGS mechanism as well as MDGs advocacy the budgetary allocations of all the Local Governments to MDGs projects and programmes increased to approximately N841 billion in 2012. (Agu, 2014) In the same study, the budgetary allocations of all the States to MDGs projects and programmes was approximately N1.6 trillion in 2009 budgets and N2.25 trillion in 2012 budgets. From 2009 to 2012 the budgetary allocations of all the States and Local Governments to MDGs projects and programmes increased by over N1.1 trillion.

4.1.4. Empowering State and Local Governments to Carry out Their Constitutional Responsibilities
State and Local Governments are more familiar with the local conditions, demands and constraints. However, fiscal or other constraints can mean that sub-national governments find it difficult to effectively provide the services for which they are accountable. Staffing requirements, and sometimes limited management capacity, can quickly soak up what little resources they have. (Phillips, 2009) The Federal Government, on the other hand, is better positioned to coordinate policy and nationally-focused programs, while ensuring the necessary checks, balances and feedback. Through the CGS, the Federal Government has made use of its access to a wide variety of external assistance and best-practice to support State and Local Governments. Conditional grants channel funds, technical assistance, and best-practice from the Federal Government to sub-national governments. They reduce the fiscal constraints that States and Local Governments face, whilst improving their capacity and demand for effective service delivery. The programme has optimized the use of information, expertise and resources at every level of government. Additionally, by bringing together the different tiers of government, conditional grants foster positive consultations, cooperation and sustainability among the Federal, State and Local Governments, communities and civil society. This has helped improve the responsiveness of Government to community needs. In a way, the CGS has also leveraged States' spending towards national objectives such as the MDGs, and facilitated coordination of responsibilities for effective service delivery. Commenting on this experience and lesson learnt, Colleen and Oboh (2013) observed:
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.

4.1.5. Encouraging Improvements in Public Expenditure Reform
CGS 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 local governments to establish systems and procedures that would ensure transparency and accountability in the use of funds. (OSSAP-MDGs, 2013) This has stimulated public expenditure reforms and modernization of budgetary processes at the state level.
In 2010, DFID funded programme, State Partnership for Accountability, Responsiveness and Capability (SPARC) in collaboration with OSSAP-MDGs undertook an assessment of the impact of CGS on state reform efforts. The study was based on the following: status of fiscal responsibility bill; percentage of budget allocation to key MDGs sectors; improved budget classification system; provision for recurrent costs of completed CGS projects; regularity of in-year budget monitoring reports; completion of audited financial statements and accounts for 2007 and 2008; and status of public procurement bill and procurement process. The assessment found out that through the mechanism of CGS and other processes, significant progress has been recorded in Public Financial

Management reforms particularly the passage of Fiscal Responsibility and Public Procurement laws by many States, improvements in the budgetary process and regular preparation budget performance report and financial statements. (SPARC-DFID, 2010).

4.1.6. Strengthening the Partnership between the Three Tiers of Government for National Planning

The World Bank *Public Expenditure Management and Financial Accountability Review 2006* stated that "So far, fiscal decentralization in Nigeria has not been accompanied by strengthened intergovernmental coordination in the areas of fiscal and sector policies. This complicates progress in service delivery." (World Bank, 1997)

An evaluation of the CGS by OSSAP-MDGs revealed that the introduction of CGS is regarded as a good example of federal/state collaboration by both political and administrative leaders in the states. The evaluation reports further states, there is evidence that states have adjusted to the criteria for accessing the CGS which are linked to governance and public sector reforms that are intended to assure the effective and efficient use of the proceeds of the CGS. (OSSAP-MDGs, 2011) Through the CGS the Federal, State and Local Governments have developed a robust Nigeria MDGs Information System (NMIS) which houses data on tracking status of both States and local governments' performance level on the MDGs. In addition to this, the Needs Assessment results, baseline facility inventory and planning documents for CGS are hosted on the NMIS. The Needs Assessment is an integrated assessment where existing data available at the Federal, State and Local Government levels were used to estimate the activities and resources required in a Local Government to accelerate progress towards the MDGs. For example, for Goal 2, indicators include the number of classrooms, number of teachers, number of textbooks, etc., and their cost. While the baseline facility inventory complements the available household survey data with data on the status of facilities providing services crucial to progress on the MDGs. The NMIS helps Federal, State and Local Government to identify service delivery gaps and up-to-date information on the facilities (schools, health facilities, water sources, power, communication network, markets, and access roads to localities). The Government can effectively decide on interventions based on need to maximize impact and avoid duplication.

4.2. Suggested CGS Options in a Post-2015 Era

There are numerous options for the positioning of the CGS Unit of OSSAP-MDGs within the workings of the Sustainable Development Goals (SDGs). However, this study draws most of its suggestions based on interviews with key stakeholders and lessons from experiences learnt during implementation. The following suggestions are made. The first could be to retain the CGS Unit as a unit of the OSSAP-MDGs as provided in its manual. For accountability, the CGS Unit, which is a coordinating and secretarial body, should not also be an implementing agency. The second is to take off the Unit from its current extra-institutional framework and embed it within the regular planning structure. The third is for CGS Unit to be upgraded and stand on its own. These options are discussed in greater detail below.

4.2.1. Sustaining and Keeping CGS Institutional Agreements and Structures

The extra-institutional arrangements under the Office of the Senior Special Assistant to the President on MDGs -OSSAP-MDGs- have a number of advantages. First, it gets things done quickly without being bogged down by bureaucratic requirements as encountered by other government arrangements. In particular, where the administrative structures are kept lean, they can be quite efficient, saving time and other resources, enabling decisions to be taken in record time and in manners that support speedy execution of projects. (Phillips, 2009) For the MDGs/SDGs, this is a particularly important advantage given the time delineation of the goals. But there are also disadvantages. Therefore, there are advantages in keeping the CGS Unit within the OSSAP structure as an extra-institutional arrangement as currently is the case.

However, it is important that in doing so, some of the expanded the roles of the Unit need to be re-examined. Specifically, the Unit need not take on responsibilities beyond coordination. First, the understanding underpinning the CGS is that all implementation should be by existing federal and subnational MDAs traditionally charged with those responsibilities. Precisely, the State and LG tracks of the CGS are supposed to be implemented only by States and Local Governments, with the CGS Unit (and the OSSAP-MDGs) providing only coordination as well as monitoring and evaluation services. This arrangement was borne out of the understanding that local needs are best understood and solved by governments nearer the people. The idea of a matching grant is therefore to increase ability of States to engage in social sector related investments that speed up the achievement of the MDGs. Thus, engaging CGS Unit and the OSSAP-MDGs in any form of implementation negates the fundamental principle of the CGS. The CGS *Implementation Manual* underscored this very clearly and set up the structures to be consistent with these differentiated roles for both the CGS and other agencies it coordinates. It will then not be reasonable to retain the CGS if it should duplicate functions already assigned to MDAs or States and LGs. Furthermore, considering the financial implications of such and the lean resources available to the current government in Nigeria[iv], such duplication raises costs as some projects may end up being duplicated.

4.2.2. Integrating CGS into overall Country Planning and Coordinating MDA Structures

Nigeria has other development plans and programmes besides the MDGs/SDGs. There is the Vision 20-2020 as well as the Transformation Agenda of the former President. Areas of emphasis among these plans and between these plans and the MDGs are often divergent. Without proper domestication of the SDGs and harmonization with other plans, the country risks having diverse, disparate and uncoordinated goals and targets. This will likely lead to duplication and waste emanating from isolated institutions working in silos, as has apparently been the case over the years. Within development circles in Nigeria, it is evident that domestic development plans do not usually work alongside those conceived internationally. Lessons from the MDGs showed, according to stakeholders that MDGs realization, even at the state level, was seen as the sole responsibility of OSSAP MDGs and the plans are seemingly hanging separately from other goals. (Igbuzor, 2011) In the post-2015 era, this can be changed. The MDGs/SDGs planning process should be incorporated into the any subsisting national development plan and the National Implementation Plan should clearly outline how they are to be achieved.

As the MDGs/SDGs implementation is incorporated within the national development plan, it will also be reasonable that the implementation agency, here the CGS Unit, be incorporated within a national planning/coordinating agency. This will integrate the SDGs within the nation's broad planning framework and lead to a more effective coordination and synergy with other plans. Besides, the Planning agency will most likely have better equipment and manpower to monitor the implementation of the conditional grants among the subnational governments through any of its already existing channels of communication, monitoring and evaluation. Similarly, such an institution, like the National Planning Commission, will likely wield more political weight and be able to push the requisite conditional grants agenda at the highest policy levels, given statutory position in such decision platforms as the Federal Executive Council and the National Economic Council.

There is the understanding that the CGS Unit is an ad hoc institution tasked with 'special responsibilities'. Experience seems to indicate that for very quick and short assignments, ad hoc structures work well. But when such ‘special missions’ begin to elongate and conclusion time is neither immediate nor determinate, the entities begin to show same signs of fatigue as their regular institutional counterparts. It then becomes a matter of when, not if, such an entity would settle to the same predictable (often inefficient) mode as other regular public institutions. Worse, some new interests emerge with the institution such that disbanding them becomes difficult. Consequently, at some point in their useful life especially where the span of the responsibility for which they are set up elongates, it might be more useful to ‘institutionalize’ or embed the ‘special unit’ within existing regular institutions. The SDGs target the next 15 years, and given an early start, implementation will likely go the entire duration, and this may only represent the first phase of the implementation with subsequent phases likely to follow. Thus, the SDGs project is for the very long haul. Keeping management in an extra-institutional office may therefore not be very helpful.

Likewise, coordination with other MDAs and tiers of government is critical for the success of the SDGs on a sustainable basis. Ad hoc institutions come with the burden of struggling to carve out own implementation space in the face of more established institutions. Initial conflicts (and resistance) on role definition and responsibility assignment with and from other more established institutions charged with similar or related assignments could be a clog in efficiency of the new entity. Anecdotal evidence (from interviews with stakeholders) seems to suggest that the CGS Unit has so far been more successful in coordinating the States and LGs than it has been in coordinating Federal MDAs. This owes in part to the understanding that they do not have traditional coordinating roles with these and so seem incapable of influencing their actions. While some coordination channels have been established under the current CGS implementation structure, the level of recognition and cooperation by affiliate institutions may not be very high and could weaken efficiency of the CGS.

Transition to the SDGs provides a defining point for making the important transition to proper coordination with other plans in the country. Where the Unit gets embedded should be determined by the requisite core functions. The ultimate goal of MDGs and SDGs is development and the NPC is the entity with the mandate of initiating and managing development plans. So embedding the CGS within the NPC has an appeal and could make sense. There is the added advantage that this will be consistent with the practice at the States level where the MDGs CGS implementing units are mostly in the State Planning Commissions/Ministries of Economic Planning rather than existing differently which is the current situation.

But it is also a fact that questions are regularly raised over the capacity of National Planning Commission to effectively coordinate and implement the CGS. The NPC is thought in some quarters not to possess the requisite speed and efficiency required for a time-bound development programme like the MDGs. However, it will be important that in defining where to eventually keep the CGS Secretariat, all such questions be raised and addressed. An alternative to the National Planning Commission is the Federal Ministry of Finance (FMF), the disadvantage of hosting it at FMF is that it further erodes the weak status and role of the National Planning Commission.

Interaction with relevant stakeholders indicates this is not the first time this issue is being highlighted. In the words of one of the respondents, active in the design of the subsisting structure, *“*The only contentious issue was the location of the PSU. We wanted it in planning, especially given that this will cohere with the fact that State Planning Commissions or Ministries of Economic Planning were made the coordinating centers at the State level. It would have helped much to improve ownership of investments even at the Local Government level.” Another stakeholder was a little more vehement in his opinion. He posits, “Institutions have mandates. If Government is willing to fix things going forward, they cannot continue to proliferate ad hoc institutions. Not only is it not a good idea for sustainability, the fact remains that for any plan to work, someone must take leadership. It is either that leadership rests with an individual as is always the case with ad hoc institutions, or it rests on an institution; the latter, of course, is more sustainable. We need institutional capacity to take us through changes in the democratic cycles of government. Nigeria is not serious unless planning is serious. If planning is not serious and given some teeth, there isn’t much that can be achieved. There is nothing wrong with our visions or plans but to transform these and mobilize all stakeholders towards a common agenda is the challenge*”.*

Where the option of embedding within a more established MDA is chosen, it is important to ensure that the roles of the MDA in SDGs are limited to coordination, evaluation and approval. It must not make the similar mistake of dabbling into implementation and disbursement; but must restrict its functions to planning and coordination.

4.2.3. An Independent CGS Unit

The third option might be for the CGS Unit to be upgraded as a parastatal and stand on its own, with full administrative and reporting capabilities and functions. This implies that it ceases to be answerable to the Office of the Senior Special Assistant to the President on MDGs (OSSAP-MDGs). To do this, it will have to increase its manpower and take on the regular structure of the civil service, including being led by a political appointee and/or a Permanent Secretary. This option will definitely increase its footing among MDAs and increase its ability to push through its agenda, including guiding and controlling response from other MDAs at it sets about its responsibilities. Such political and operational independence also has the advantage of possibly increasing the pace of its action given that current restrictions to the activities of the Unit, especially those emanating from delays in approvals, will be removed. The moment the new agency is able to have its budgets approved, it can implement its activities with little or no constraints. Some of the advantages emanating from being embedded within a 'bigger' institution will also arise here. For example, the new CGS Agency will be in a position to push its own agenda using its own political officers. That way, it is able to command hearing and push its programmes at the highest policy platforms a lot more easily than it would as a sub unit of another agency.

However, this option faces a challenge in that currently, the federal government is keen on rationalizing and merging existing parastatals as a means of reducing the over-bearing cost of governance. As such, adding a new one to the already long list of parastatals may not be very attractive to the authorities and might not seem smart to some.

5. Conclusions and Recommendations

The Conditional Grants Scheme has been a very useful tool towards achieving the MDGs in Nigeria. It has proved to be a very potent channel for reestablishing a footing for social services at the grassroots following the infrastructural decay of the 1980s and 1990s. It clearly outperformed expectations compared to other similar programmes in Nigeria and is deservedly the flagship programme of the OSSAP-MDGs. However, as the target date for the realization of the MDGs comes to an end, the programme needs a review. This is particularly important as Nigeria undergoes a change in government at the Centre and joins the rest of the world in transiting from the Millennium Development Goals to the Sustainable Development Goals. Affirmation for the programme to continue is quite strong from practitioners, beneficiaries and several others who have interfaced with the programme. However, concerns were also expressed on the need to strengthen programming and planning, monitoring and evaluation as well as oversight of the programme. This paper examined proposed options for ensuring that the CGS remains relevant going forward in a post-2015 environment. Specifically, in respect of the post 2015 Sustainable Development Goals stakeholders foresee a possible expansion of the scope of the programme, but notes that it will then need stronger interface with the broader development planning framework in the country.

By way of recommendations, should the CGS programme continue (either as a standalone entity or it is embedded within a larger body), it is important that some efforts are made to make it sustainable, and somewhat, even if only minimally, insulated from the vagaries of political and financial changes in the country. Of course, complete insulation is neither desirable nor feasible. For one, the process that birthed the CGS is political; and will always need political leadership to drive it, give resources to it and sustain its tempo. In addition, absolute insulation (if that is feasible) may ultimately translate to the inability of the programme to respond to the changing political and development. However, it is important that the programme has some measure of independence from political arbitrariness if the gains are to be sustained. This can largely be achieved through a combination of processes. Without doubt, the output of the unit would be the biggest assurance of its longevity, with its legitimacy largely coming from demand for its outputs. Thus, it is important that the institution be staffed with very capable (and adequately motivated) hands.

At the local level, the programme’s biggest sustainability complement would be the training of local government and community participating units to ensure that capacity is built at that level. Indeed, this is both a means to achieving the goals of CGS as well as an end to be pursued for its own sake. Such capacity building will ensure that CGS does not only hand over better projects to the people, but hands over capacity to replicate such over time. There have been a number of capacity building programmes including trainings on monitoring and evaluation, development planning, public finance management and project application. These need not only be sustained, but improved upon. Such trainings will both increase the demand for CGS as well as ensure that even if the CGS as is currently structured discontinues at any point, the end to which it was designed is not discontinued, in effect having the CGS without the CGS. Given Nigeria’s governance structure and the acknowledged problem of local governance, this is also a major contribution that CGS could make to the broader governance challenge facing Nigeria especially at the lower tiers of government. Following participation in CGS, Local officials should be able to develop and follow through own local plans as well as manage resources towards achieving sustainable development. Technical Assistants engaged under the CGS LGA track, if properly chosen, trained and motivated, may provide a significant chunk of resources needed to do this, on a hands-on training basis.

In all, the CGS although introduced during the MDGs dispensation, should also form a basis to build on for the achievement of the Sustainable Development Goals in Nigeria.

6. Notes

i. Conditional Cash Transfers (CCTs) only became part of the Conditional Grants Scheme in 2011 after extensive studies of mechanisms of Social Safety Nets (SSN) were carried out. Studies from Brazil as well as a poverty mapping constituted veritable data for CCT implementation in Nigeria.
ii. Note that the number of local governments that have benefited from the interventions do not really sum given that some local governments benefitted in more than one round of CGS to LGAs.
iii. Note that this figure includes CCT which is not in Table 1. If the CCT of 13.06 is subtracted from 205.58, you get 192.52.

iv. The dwindling oil prices have drastically affected the President Buhari's government ability to keep to most monetary commitments.

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