

Policy and Strategy *How to Guide 3:*
Preparing a Medium-Term Sector Strategy

**NIGERIA
GOVERNORS'
FORUM**



About the Nigeria Governors' Forum

The Nigeria Governors' Forum (NGF) is a coalition of the elected Governors of the country's 36 States. The NGF is a non-partisan association that seeks to promote unity, good governance, better understanding and cooperation among the States, and to ensure a healthy and beneficial relationship between the States and other tiers of government. NGF was established in 1999 following a multi-party conference of all 36 democratically elected State Governors.

Contents

| | |
|--|-----------|
| Abbreviations and Acronyms | 1 |
| Foreword | 2 |
| Preface | 3 |
| Section 1: How to Use this Step-by-Step Guide | 4 |
| Section 2: About Medium-Term Sector Strategies | 4 |
| What is an MTSS | 4 |
| Why Prepare an MTSS | 5 |
| Policy and the MTSS | 5 |
| When Should MTSSs Be Prepared? | 8 |
| Section 3: How Should Medium-Term Sector Strategies be Prepared? | 8 |
| Getting Started | 10 |
| Stage 1: Prepare and Review | 10 |
| Stage 2: Develop Strategic Priorities and Strategic Options | 15 |
| Stage 3: Get Agreement and Finalise the Strategy | 20 |
| Stage 4: Rolling Over the MTSS | 22 |
| Section 4: A Final Word | 24 |
| Annex 1: Generic Costing Template Guide | 26 |
| Introduction | 26 |
| 1: Overview of General Template Features | 26 |
| 2: Existing Projects | 27 |
| 3: New Projects and Activities | 29 |
| 4: Summary Sheet | 30 |
| Annex 2: Checklist for Gender and Social Inclusion and Conflict Sensitivity in MTSS | 33 |
| Gender and Social Inclusion (G&SI)/Equalities | 33 |
| Conflict Sensitivity in MTSSs | 37 |
| Annex 3: Model MTSS Content | 38 |
| Annex 4: Glossary | 41 |
| Annex 5: MTSS Preparation Checklist | 44 |
| Strategy Process Standards | 44 |
| Strategy Content Standards | 44 |

Abbreviations and Acronyms

| | |
|----------|---|
| AIDS | Acquired Immune Deficiency Syndrome |
| BCC | Budget Call Circular |
| BPS | Budget Policy Statement |
| CBN | Central Bank of Nigeria |
| CBO | Community Based Organisation |
| CEDAW | Convention to Eliminate all forms of Discrimination Against Women |
| CSO | Civil Society Organisation |
| EFU | Economic and Fiscal Update |
| ESSPIN | Education Sector Support Programme in Nigeria |
| ExCo | Executive Council |
| FSP | Fiscal Strategy Paper |
| G&SI | Gender and Social Inclusion |
| GDP | Gross Domestic Product |
| HIV/AIDS | Human Immunodeficiency Virus/Acquired Immune Deficiency Syndrome |
| ICPD | International Conference on Population and Development |
| IGR | Internally Generated Revenue |
| KM | Knowledge Management |
| KPI | Key Performance Indicator |
| LGA | Local Government Area |
| MDAs | Ministries, Departments and Agencies |
| MDG | Millennium Development Goal |
| M&E | Monitoring and Evaluation |
| M/F | Male/Female |
| MIS | Management Information System |
| MoBP | Ministry of Budget and Planning |
| MoEP | Ministry of Economic Planning |
| MoE | Ministry of Education |
| MoF | Ministry of Finance |
| MoH | Ministry of Health |
| MoWA | Ministry of Women's Affairs |
| MTFF | Medium-Term Fiscal Framework |
| MTSS | Medium-Term Sector Strategies |
| NGF | Nigeria Governor's Forum |
| NGO | Non-Governmental Organisation |
| PATHS2 | Partnerships for Transforming Health Systems Phase II |
| PMF | Performance Management Framework |
| RBM | Results-Based Management |
| SAVI | State Accountability and Voice Initiative |
| SDP | State Development Plan |
| SEEDS | State Economic and Empowerment Development Strategy |
| SHoA | State House of Assembly |
| SMART | Specific, Measurable, Achievable, Realistic and Time-bound |
| SPARC | State Partnership for Accountability, Responsiveness and Capability |
| SUBEB | State Universal Basic Education Board |
| VAT | Value Added Tax |

Foreword

The Nigeria Governors' Forum has been partnering with the Department for International Development through its Governance Programme – State Partnership for Accountability, Responsiveness and Capability to promote reforms across the 36 States in Nigeria. This has resulted in significant measurable improvements in the way State Governments do their business which has contributed immensely to development outcomes in Nigeria.

This partnership was borne out of a need to address developmental issues in States in a sustainable and holistic rather than ad-hoc manner in order to ensure effective use of States' resources in the provision of public goods and services that meet the citizens' needs, which would eventually lead to reduced poverty. To support State government efforts to deliver public goods and services and to improve the impact on the welfare of citizens, several 'How To Guides' in key governance areas of Policy and Strategy/ Monitoring and Evaluation, Public Financial Management and Human Resource Management have been developed based on the wealth of knowledge generated over the life span of SPARC and will be used by the NGF Secretariat to continue the process of reform in States.

The NGF encourages States to adopt the approaches documented in these guides which have worked in many States in order to replicate similar results and reap the benefits of better governance and improved development performance.

We therefore express our profound gratitude to DFID–SPARC for the support provided in the preparation and production of this guide. We also thank all other staff members who contributed in one way or another to its successful production.

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Preface

Despite the wealth of resources in the country, development indices in Nigeria remain low. Although there is considerable variability across the country, 60.9% of the population live in poverty,¹ nearly one quarter of the working age population are unemployed,² 576 women still die in child birth per 100,000 live births³ and nationally 30% of girls do not complete their primary education.⁴ One underlying cause is thought to be weak governance.

Four Policy and Strategy Guides have been produced to improve the impact of state government efforts to deliver public goods and services in order to improve the welfare of citizens. The four guides are:

- Guide 1: Preparing a Policy;
- Guide 2: Preparing a State Development Plan;
- Guide 3: Preparing a Medium-Term Sector Strategy;
- Guide 4: How to Conduct a Sector Performance Review.

Taken together, the guides suggest a policy and planning cycle that embraces:

- Evidence-based policy priority choices;
- Preparing a State Development Plan to define the overarching policy position of the state and the expected outcomes;
- Detailing these policy priorities into programmes and projects that are realistic and costed in a Medium-Term Sector Strategy that provides the base for preparing the annual budget;
- A method for assessing performance of activities included in the strategy and funded in the budget to provide lessons for the future.

The Policy and Strategy Guides are multi-purpose. Although they can be read from the beginning to the end, this may not be the best way to use them. States may be at different stages in developing their policies, plans or strategies or may need to strengthen their work in certain areas. What is important is not to skip any steps, particularly in choosing and assessing options and getting buy-in from important parties. Time saved by cutting corners and not keeping those who need to know in the loop may lead to delays and poor or deficient policy further down the track. If priorities have not been thought through or accepted by those with important roles to play in developing policy, the process may falter or fail.

The Policy and Strategy Guides are intended to be useful for state governments (at a technical, executive and political level), legislatures and civil society. They are intentionally short and do not address all the nuances of what are complex issues. They do not cover everything. The steps are not exhaustive and there is scope to add. However, each guide is comprehensive enough to introduce concepts and methods that will provide a road map to lead politicians and civil servants through often difficult and sensitive tasks and decisions.

Well-articulated, evidence-based policies that set out a set of priorities, goals and programmes for the state government form the foundation for tackling poverty development. Throughout all of the guides there are five underlying principles:

1. Better governance is essential if efforts to provide services are not to be undermined by weaknesses where governments do not set adequate policy and strategy direction, do not manage public finances well and do not ensure the civil service is structured for delivery.
2. The production and consumption of public goods and services must be for the common good and satisfy both efficiency and equity criteria.
3. Policy must be focused on reducing poverty and should be used to eliminate excessively large disparities of living standards and access to basic services between individuals and communities.
4. The political decision-making process that determines policy and expenditure priorities must permit expanded popular participation so that social choices reflect the needs and preferences of all social groups, including the marginalised and deprived. The political decision-making process must also be accompanied by strong oversight by legislatures, the media and civil society.
5. Policy and strategy decisions must be based on sound, objective and verifiable evidence rather than unsubstantiated opinion or anecdote. There are dedicated DFID programmes that provide specific advice and support in this area, including Education Data Research and Evaluation in Nigeria, and the Independent Monitoring and Evaluation Project.

¹ Poverty Profile, National Bureau of Statistics, Nigeria, 2010

² Unemployment Survey, National Bureau of Statistics, Nigeria, 2011

³ Nigeria Demographic and Health Survey, Nigeria, 2013

⁴ National Schools Census, Federal Ministry of Education, 2011

Section 1: How to Use this Step- by-Step Guide

Preparing a Medium-Term Sector Strategy is one of a series of guides produced to facilitate development in the states in Nigeria. This guide is a revision of the State Partnership for Accountability, Responsiveness and Capability (SPARC) Guide to Developing Medium-Term Sector Strategies⁵ and the Nigeria Governors' Forum (NGF) How to Prepare a Medium-Term Sector Strategy Guide.

Preparing a Medium-Term Sector Strategy is one of the series of Policy and Strategy Guides⁶ and is a step-by-step guide to developing and agreeing a Medium-Term Sector Strategy (MTSS). It starts by explaining why MTSSs are important and then takes the reader through the three preparation stages. It then includes an additional stage that sets out an approach for revising/rolling over the MTSS. Practical tools are provided to help officers to develop an MTSS from scratch, or to review an existing strategy. The tools are of two types:

- **Checklists** that help review where a sector is at the moment, identify strategic deficiencies and plan ways to prepare and put an MTSS into practice;
- **Tips** to provide suggestions on tackling various tasks along the way.

A generic template to support states in the costing of an MTSS has also been developed. Annex 1 provides a summary guide to using the template for programme officers, state officials and consultants involved in the process. An electronic version of this guide and full instructions on the costing template spreadsheets can be found on the CD at the back of this publication.

Section 2: About Medium-Term Sector Strategies

What is an MTSS?

An MTSS links policy, planning and budgets. Whereas state policies, as set out in the State Development Plan (SDP) or similar document and individual sector policies, define the big picture with long-term goals and outcomes, medium-term strategies set out specific inputs and activities to deliver specific outputs in the medium term. An MTSS is thus a road map for delivering the state plan that combines ambition and realism, and clearly plots priorities, deliverables and costs. It shows the chain of results that will achieve policy goals (Figure 1). The MTSS sets out the projects and programmes that will be carried out in a sector over a three-year period and addresses the policy goals and outcomes defined in the SDP, how much each programme and project will cost, where the money for them will come from and who will carry them out.

Tips: Definition of MTSS

A document that describes how a particular vote head, or small cluster of vote heads, will deliver outputs that will contribute to government policy goals and outcomes. The document describes how this will be done in the medium term – usually three years – and within the limitations of resource constraints, so that it is realistic.

MTSSs are part of the broader process of policy making, planning and implementation. Other parts of the processes are dealt with in the first two Policy and Strategy Guides on preparing policy and preparing a State Development Plan.

As the name implies, the MTSS is prepared for a 'sector'. A sector describes a discrete area of government business under which key outcomes are defined but it may well include the work and outputs of more than one Ministry, Department and Agency (MDA). So for example, education outcomes might be contributed to by Ministries of Education, Science and Technology, Gender and Social Development, and

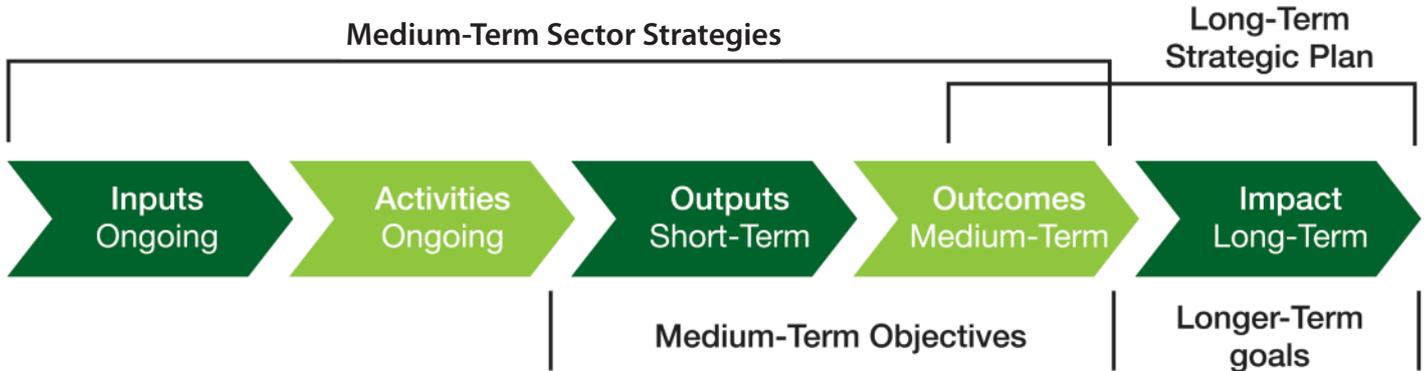
⁶ "Developing Medium Term Sector Strategies: A Guide for Main Vote Controlling Ministries and their MDAs" SPARC September 2012

⁵ Others in the series are: No 1: Preparing a Policy; No 2: Preparing a State Development Plan; and No 4: How to Conduct a Sector Performance Review

perhaps even Water Affairs. States have found it beneficial to define a small number of 'sectors' made up of closely related MDAs. For example, Jigawa State has

created seven sectors: Agriculture, Environment, Water Resources, Commerce and Investment, Education, and Health.

Figure 1. Medium-Term Sector Strategies link Policy and Strategy in a Results Chain



Example of a long-term **Impact**: 'a well-educated population contributing to economic growth'

Example of a medium-term **Outcome**: '50% of secondary school leavers are qualified to enter university by 2019'

Example of a short-term **Output**: '5% more qualified teachers recruited each year'

Example of an ongoing **Activity**: 'XXXX teachers (M/F) trained each year'

Example of an ongoing : 'purchase and maintenance of computers for schools'

Figure 2. Different plans should talk to each other



Why Prepare an MTSS?

A compelling reason for preparing MTSSs is that they help government MDAs make the best use of State Government resources to deliver public services and improve the welfare of citizens. MTSSs are important in translating State Government policies – the big picture and long-term goals that have been defined in the SDP or similar plans – into road maps for actions that make a difference on the ground. Another reason is to streamline planning and budgeting. In preparing MTSSs, officials have to factor in on-going costs, for example, of maintaining capital investments in future years. MTSSs also allow officials to allocate the costs of capital investments over several years rather than one year. This is more realistic given that many capital projects take several years to complete. They can also take account of differences between sectors but, at the same time, provide decision makers with a consistent framework for allocating sector budgets from year to year.

Perhaps most important of all, MTSSs shift the emphasis from inputs to outputs, that is, they encourage 'results-based management', in other words, delivering results to achieve policy goals. How the MTSS fits with other planning initiatives and documents is shown in Figure 2.

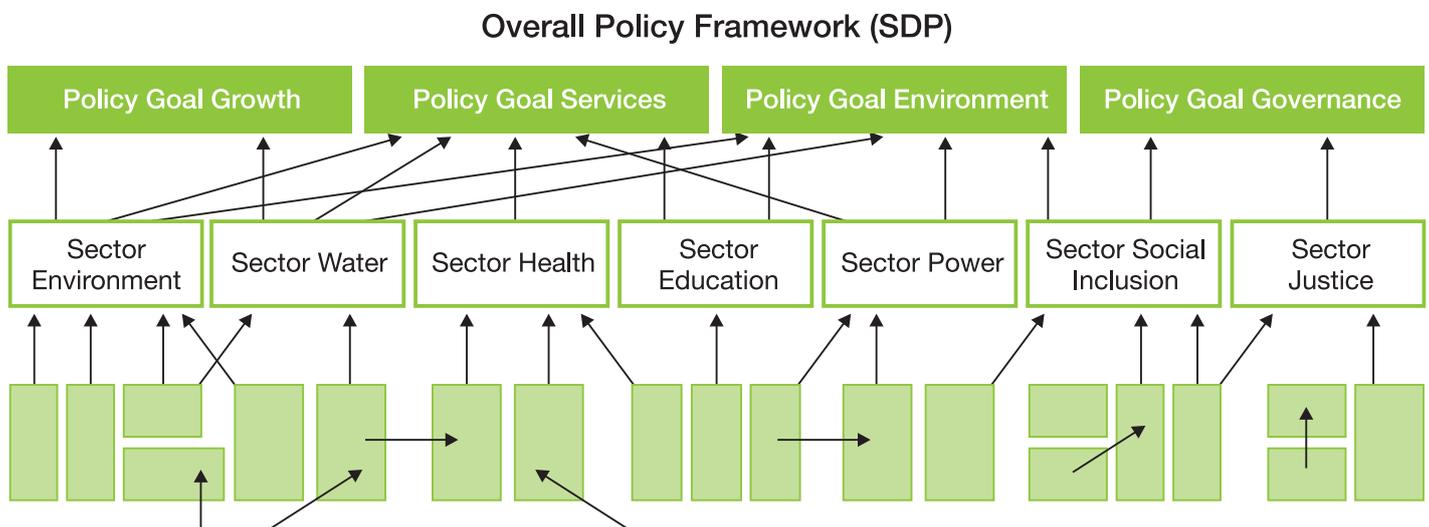
Policy and the MTSS

Preparing MTSSs involves a wide range of people at different stages, from political leaders to representatives of grass-roots organisations. Usually, a sector committee leads the process, often backed up by a central planning agency and in some cases development partners. In some sectors, a single vote head – the Ministries, Departments and Agencies under a single accounts code – will mostly lead the preparation of the MTSS for that sector. But sectors quite often cut across the organisational remits of vote heads. In these sectors, all the vote heads relevant to the sector will need to be involved. This means that in some cases a single vote head will prepare an MTSS but, in other cases, several vote heads will work together (Figure 3).

Figure 3 describes how the Policy Goals that are set by the political leadership of a state shape the strategic activities and programmes of sectors at the same time as it shows how the sectors contribute towards the achievement of the same policy goals set out in the SDP or similar.

The smaller boxes at the bottom of the diagram represent individual projects/schemes that are undertaken by individual MDAs: for example, construction of classroom blocks, procurement of learning materials, and construction of boreholes and toilets for girls and boys in schools. When put together, these individual projects start to contribute to the outcome results of different sectors. So, in the given example, while the borehole may have been constructed by the Water sector, combining it with the recruitment of qualified teachers and the provision of learning materials by the Education sector along with separate toilets for girls and boys to ensure both are allowed to attend school, will contribute

Figure 3. Policy Goals drive Sectors and Programmes



towards the outcome results of the Education sector with more schoolchildren making better grades in their exams.

The political leadership of the state at the level of Executive Council (ExCo) and the Governor set out the policy goals of the government and the various sectors while the management teams of the individual sectors/MDAs develop the strategic activities and programmes/projects that will enable the policy goals to be achieved. It is necessary that at the time of developing the programmes/projects the sectors/MDAs be conscious of the fact that their individual projects could be making contributions towards the strategic goals of other sectors.

It is important for the central planning agency to exercise some oversight over the programmes/projects that are developed by different sectors/MDAs to ensure that they are seamlessly coordinated in order for the best and most positive results to be achieved.

In the process of developing a new MTSS or rolling over an existing one, the priority will be to start with a consideration of the current realities before effectively planning the future. The task does not start with devising new goals and strategies but to consolidate on what has

been in existence and work out how to move from the present into the future. The whole point about a medium-term approach is to use each year to build on the other. It should be a journey, from where the sector is currently, to the desired position over a defined period. Systematic planning and budgeting are essential for effective policy decision making and implementation, fiscal efficiency and improved service delivery.

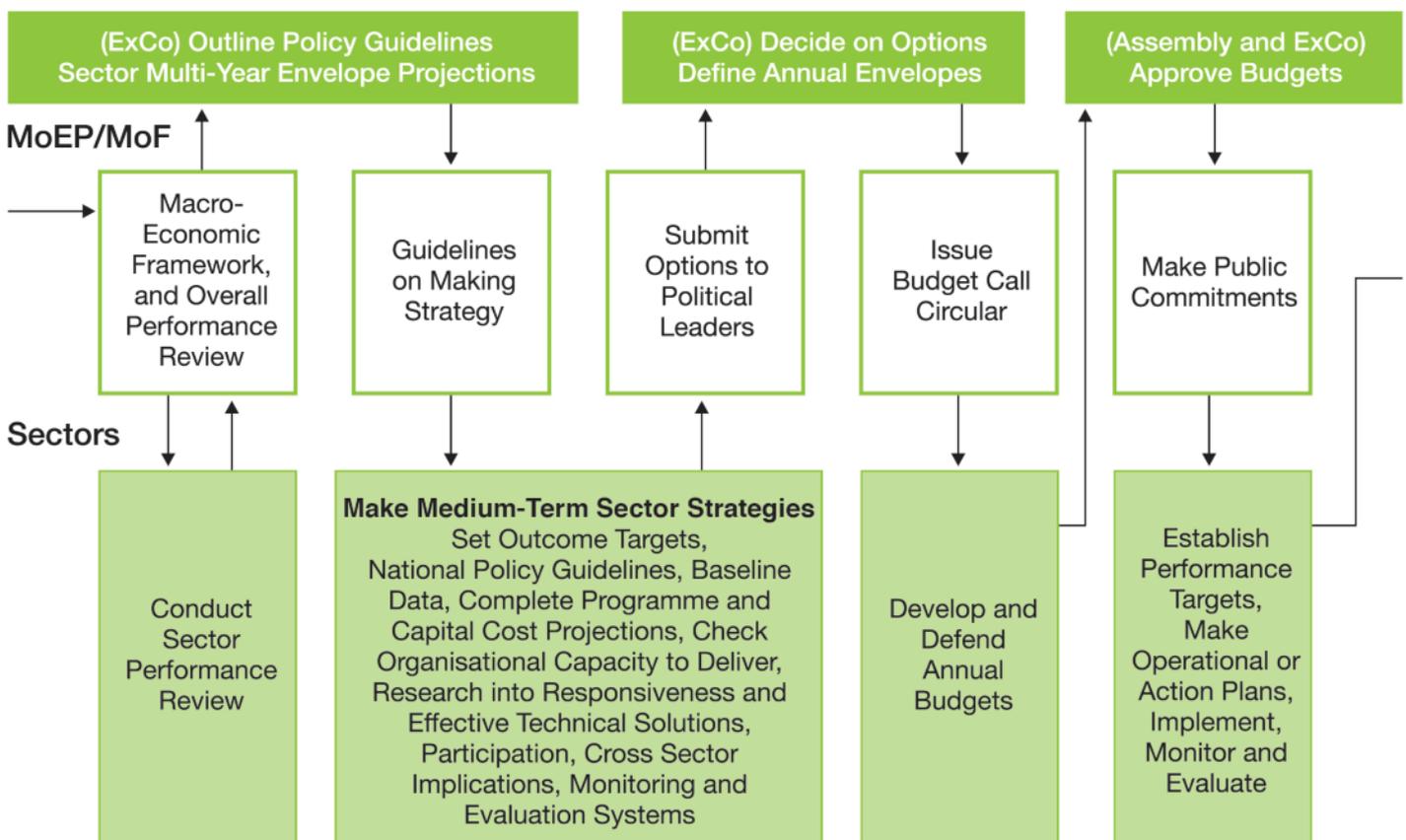
When Should MTSSs Be Prepared?

MTSSs are 'living documents' that need to be revised annually. Each year, between January and March, implementation performance in the previous year is assessed, lessons learned are evaluated and the strategy is adjusted in light of the lessons learned from the review and likely changes in the amount of money that will be allocated to the sector over the next three years.

The results of this review feed in to work between April and July when most of the preparation or revision of MTSSs takes place. Between August and the end of the year political leaders review MTSSs and approve sector budgets for the following year. This cycle repeats each year. For further consideration please refer to 'Stage 4: Rolling over the MTSS'.

Figure 4. MTSSs and the Medium-Term Expenditure Cycle – Ideal

Political Leadership



Section 3: How Should Medium-Term Sector Strategies be Prepared??

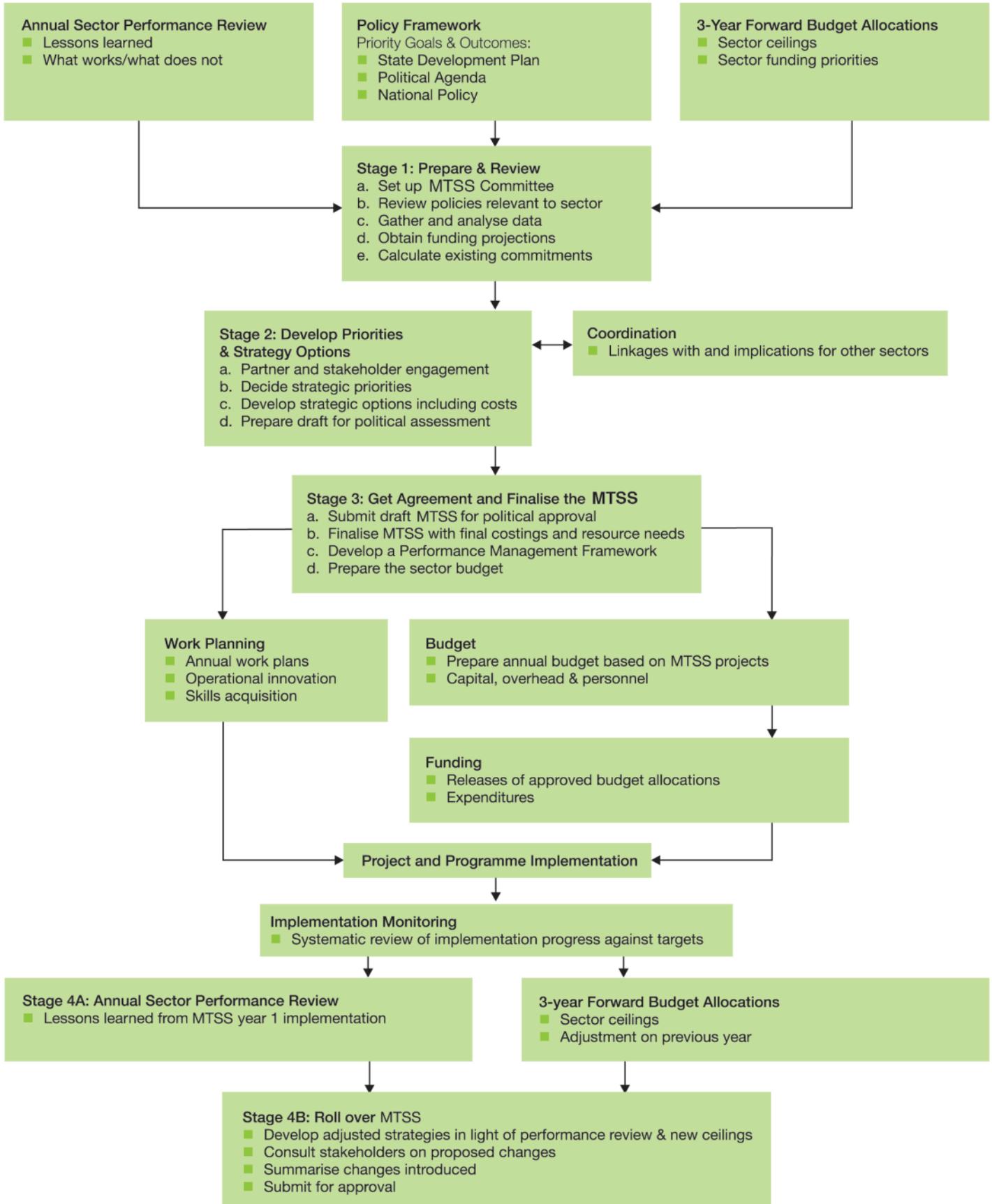
There is no hard and fast way of preparing an MTSS. This guide puts forward one approach that has been tested and found to be sound. Before embarking on the preparation process itself it is beneficial to think through some broad issues, outlined in the following box, that will impact on both the preparation process itself and the content of the MTSS.

Tips: Essential things to think about when preparing an MTSS

1. Think about affordability and sustainability:
 - Good plans and strategies must be achievable – the critical question is what can be done with the financial and human resources, and systems available?
 - Projections of financial availability are essential if realistic strategies are to be drawn up;
 - Projections must themselves be realistic and must be enough to sustain services and infrastructure implemented under the MTSS;
 - So think not only about capital expenditures but overhead and personnel costs – including capacity building – that will be needed to maintain government activities.
2. Think about inclusion and who should be involved in the MTSS preparation:
 - Stakeholder engagement in the MTSS development is critical as MTSSs are concerned with how to use public resources;
 - Stakeholders will be affected by MTSS proposals, some positively and some negatively, and their opinions may be different from the government's – and from each other's. Some stakeholders will be involved in, or responsible for, delivery of strategies;
 - Different perspectives will help develop a more robust MTSS;
 - Ensure that stakeholders understand the limitations of what the MTSS can achieve;
 - Involve a wide selection of 'stakeholders' including genuine 'grassroots' representation that includes both men and women as well as representatives of the disadvantaged groups particularly affected by the sector's activities.
3. Think about the needs of the whole population including those who are socially excluded:
 - The majority of people in Nigeria are poor and so the adopted strategies must address issues of those less able to help themselves;
 - It may be necessary to make extra efforts to ensure information and data are collected in order to develop strategies that capture the situation and needs of the whole population. This includes use of information to highlight inequalities, such as Local Government Area (LGA) data to identify areas where outcomes are the worst. It is essential to use data disaggregated by sex and other factors such as age wherever available and relevant. It is also important to involve representatives of marginalised people affected by the sector in planning exercises such as participatory needs assessment or focus groups. This includes groups such as rural or urban poor people, or people with disabilities, young people, and ensuring men, women and children are able to contribute meaningfully;
 - Think how the MTSS may support services and resources designed to reduce inequalities by targeting the people who are disadvantaged or experience inequalities including women, people with disabilities and youth or older people.
4. Think about potential for conflict:
 - Think about the nature of strategies to be developed and whether the interventions may exacerbate conflict and tensions in the community;
 - Recognise that there will almost always be 'winners' and 'losers' and consider ways to ameliorate the impact on the 'losers';
 - Recognise the obligation of the state to 'do no harm' and ensure state actions do not make imbalances and deprivation worse;
 - Think about positive steps that are needed to improve security and the rule of law;
 - Ensure that – in line with the constitution and other equalities-focused legislation – efforts are made to reduce inequalities; for example, by ensuring young people in slums or rural areas have realistic hopes of education and employment.

The suggested MTSS preparation process is illustrated in Figure 5.

Figure 5. Illustrative MTSS preparation process



Getting Started

An MTSS is as much a political issue as a technical issue. A technically sound MTSS may have limited value if there is no political commitment to its implementation. Political commitment takes place at two levels. The first level involves Commissioners and Permanent Secretaries as leaders in sector planning. Since the MTSS sets out objectives and programme outputs and outcomes, as well as the allocation of resources, Commissioners are important in ensuring ownership at the highest levels in the sector. The second level of political commitment is the Governor's commitment to funding the sector's programmes and projects. In view of the sometimes-limited resources that are available to the administration, an iterative process will almost certainly be required to bring the suite of programmes and projects within the funds that are available. If a Governor is committed to limiting planning and spending to the resources available to the State, it will augur well for the success of an MTSS.

The following checklist will help to assess how favourable conditions are for developing an MTSS.

Checklist: Getting started

- Is there political support for preparing the MTSS?
- Is senior management committed to preparing an MTSS?
- Is senior management prepared to implement an MTSS?
- Can help to develop an MTSS be provided?
- Will time be set aside to prepare an MTSS?
- Will there be a budget to cover the cost of writing the MTSS?

Once you have an idea of the situation there are some important questions to think about.

Tips: Questions to consider before preparing an MTSS

Give some initial thought to these questions.

- Who will develop the MTSS?
- What process will be used?
- How will developing the strategy be addressed?
- What will be the key milestones?
- How will stakeholders be informed and involved?
- Over what time frame will the strategy be developed?
- Who will sign off on the strategy?
- How much will preparing the strategy cost (for example, running workshops, meetings)?

Stage 1: Prepare and Review

Stage 1 lays the foundations for developing an MTSS – setting up a committee to oversee the process and gathering background information on the government's long-term goals. Information will also be gathered on government policies that affect the sector, what is actually happening in the sector and on likely financing for the sector in the next few years. This information is important for finding out what the government wants in the sector, the current situation, and deciding to what extent, how and when the sector might deliver government goals in the medium-term given the resources available.

Stage 1 will involve:

- Setting up an MTSS committee;
- Reviewing policies relevant to the sector;
- Gathering and analysing data on how the sector is performing;
- Finding out approximately how much money will be allocated to the sector over the next three years;
- Working out what expenditure the sector has already committed to over the next three years;
- Looking at MTSSs from other states to see the level of consideration, content and focus as well as the nature of the sector strategies themselves.

Step 1A: Set up an MTSS Committee

Step 1A involves setting up an MTSS Committee. The process of preparing an MTSS needs a good driver. Usually this driver is a committee. This Committee needs to be made up of senior officers who represent key areas in the sector. Committees generally work best when they are not too large – preferably around 10 members. Too many members often means that there are too many

Checklist: MTSS Committee

- Has an MTSS planning committee been set up for the sector?
- If there is an existing committee, does the membership need modification?
- Who are the members of the committee, are they senior enough to make needed decisions?
- Are key areas in the sector represented?
- Do members of the committee have the skills to develop the MTSS?
- Are there Terms of Reference for the committee covering the overall function, tasks, membership, appointments and responsibilities?

Sectors are responsible for translating policies into practice. This means that State visions, agendas, development plans and other policy documents will need to be checked to seek guidance on directions for the sector.

In states where policies for a sector are limited or vague, this does not mean that preparation of an MTSS cannot be started. Knowledge of the sector can be drawn on to make suggestions as to what the long-term policy goals for the sector might be. These ideas can then be put forward, ideally through a State Commissioner, to the State Executive Council (ExCo). The response from ExCo will indicate whether the ideas align with theirs. It is useful to draw out and list the main long-term policy goals relevant to the sector. Use the list as a constant reminder of what the contribution of the sector should be to achieving government goals.

Step 1C: Gather and Analyse Data and Review Sector Performance

Step 1C involves gathering and analysing information on how the sector is performing. In this step, all available data and information on the sector need to be examined to obtain a clear picture of the current state of affairs.

Each state and sector will have different sets of data and different kinds of information and so will tackle this step differently. However, all states need reliable data and information that are current and disaggregated by a range of factors relevant to each sector. For example, in education, data should be disaggregated by sex for students at all levels of enrolment and completion, human resources and facilities (e.g. housing for teachers, toilets for students, etc.) as well as by LGA to show where access to education is worst and best.

vested interests and this leads to protracted negotiations.

Among them, committee members should have the skills that will be necessary to develop the strategy. The committee will be responsible for planning and managing the process, and assigning specialised tasks, such as data analysis or costing to officers in the involved MDAs who have the skills required.

Step 1B: Review Policies Relevant to the Sector

Step 1B is reviewing policies that affect the sector. Political leaders are responsible for developing policy.

Checklist: Policy documents providing guidance relating to the sector

| <i>Type of document</i> | <i>Title of document(s)</i> | <i>Year</i> |
|--|-----------------------------|-------------|
| <input type="checkbox"/> 'Vision' for the state | _____ | |
| <input type="checkbox"/> State Governor's 'agenda' | _____ | |
| <input type="checkbox"/> State Development Plan | _____ | |
| <input type="checkbox"/> State Economic and Empowerment Development Strategy (SEEDS) | _____ | |
| <input type="checkbox"/> Relevant National Policy for the sector ⁶ | _____ | |
| <input type="checkbox"/> Strategies or Plans in the sector Ministry | _____ | |

⁶ Note that this could include wider legislation or documents such as the Constitution, Child Rights Act or National Gender Policy.

Sectors relating to employment (e.g. agriculture, commerce) need data that will demonstrate where initiatives to stimulate the economy are required (e.g. by LGA) – and to show which sectors may need additional resources or support (e.g. information by type – such as fishing, agricultural products, various industries) as well as social issues (such as sex and age) to allow analysis of employment levels.

The current situation in the sector needs to be described as thoroughly as possible and areas where further information may be needed should be identified, which can be included as a developmental area in the MTSS.

Analysing data and information about the sector can be done in several ways. It will be important to have standards and targets – for example, those set in the Millennium Development Goals or achievements in other states – to compare where the state has reached, with required goals. It is also useful, for example, to examine Strengths, Weaknesses, Opportunities and Threats (a SWOT analysis). This kind of analysis – often done as

part of a strategy workshop – will help to describe where the sector is now and is important for developing strategy options to get the sector from where it is now to where it needs to be. It will be important when identifying threats or risks that mitigating actions for these are identified. These risks and their mitigation should be included in the MTSS.

Step 1D: Obtain Projections of Funds Available to the Sector

This step will determine approximately how much money will be allocated to the sector over the next three years. Most money allocated to sectors will come from the State Government. However, some funds may come from other sources, for example from the Federal Universal Basic Education Commission, the Conditional Grants Scheme or international development assistance. All the funds that will come to the sector need to be included in projections of revenue.

Tips: Data and information on Sector Performance

Comments or actions

What data are required/available to describe the current situation in the sector?

What sex-disaggregated data for the sector are required/available?

What data relevant to the sector are required/available on key populations experiencing inequalities in the sector, such as rural populations (e.g. through data disaggregated by LGA) or physically challenged people?

Are there any reports from monitoring systems in the sector?

What performance reviews of the sector are available?

Is there any information on the impact of previous programmes in the sector: what has been successful and what has not been successful?

Are there any gaps in the information about the sector?

Will it be possible to plug any information gaps as part of the process of developing the strategy?

Is there sufficient information to write a section in the MTSS describing the current situation?

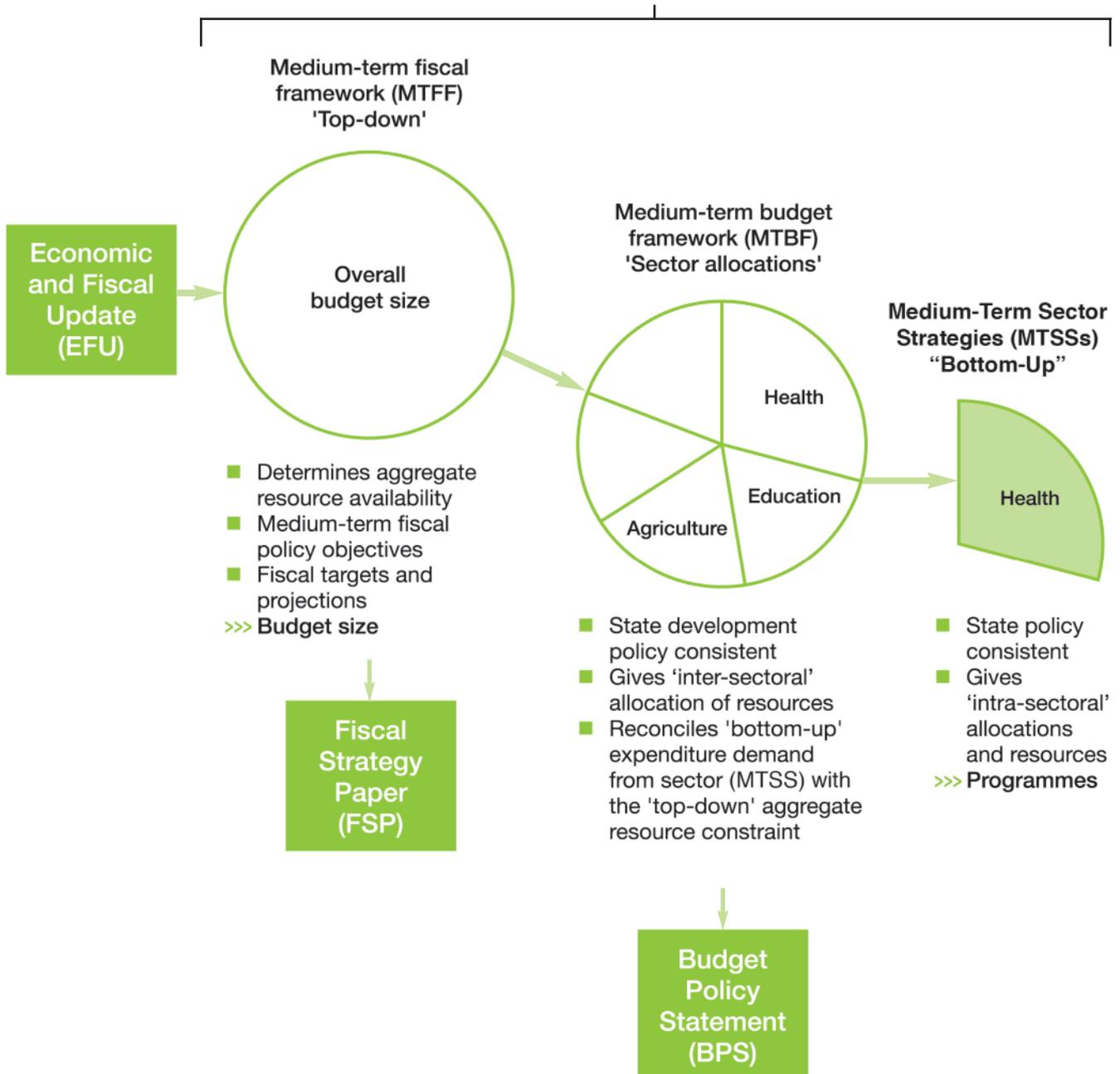
An important element in determining the projected revenues of the state is likely to be a State's Economic and Fiscal Update, Fiscal Strategy Paper and Budget Policy Statement (EFU/FSP/BPS) documents⁷, or comparable budget forecasting documentation. The Budget Policy Statement draws together key findings and policy recommendations from the EFU/FSP into a cohesive statement on budget policy which then informs

preparation of the annual budget and produces three-year sector allocations or 'spending envelopes' (either for all expenditure, capital only, or disaggregated by capital, overhead and personnel).

The relationship between budget forecasting and the MTSS is shown in the following diagram:

Figure 6. Relationship between budget forecasting and the MTSS

Comprehensive Medium-Term Expenditure Framework (MTEF)



⁷ See: *Government Resource Estimation and Allocation Tool*, NGF 2016 and *How to Guide on Realistic Budgeting*, NGF 2016.

The EFU/FSP provides both economic and fiscal analyses, considering historical budget performance and also fiscal variables: for example, oil price, estimated production levels which impact on expected federal allocations, VAT, state revenues including Internally Generated Revenue (IGR), existing debt and other financial commitments.

These budget documents form the basis for determining available budget resources, which are subsequently allocated to sectors through the Budget Policy Statement, and will update previous year projections. The sector envelopes or ceilings in both the MTSS and BPS should be consistent. The BPS will form the determination of annual sector budget ceilings, which should also be set out in the annual Budget Call Circular (BCC). The MDA responsible for budgeting should provide indicative budget envelopes by April each year and final ceilings by June.

The allocation of these resources to sectors as 'sector spending envelopes' should determine the scale of programmes/projects that are developed for the sectors in the MTSS. It should also be recognised that a current State Development Plan or equivalent should provide indicative sector expenditure projections that would provide broad sector ceilings for the MTSS. An early decision is required as to the apportionment of the gross sector envelope to subsectors (which may in some cases be separate vote holders). Such a decision is a policy decision that reflects priorities set out in the State Development Plan.

Note that the costs of the programme and projects in the MTSS should not exceed the financial resources that are allocated to each sector.

If sector spending envelopes are not disaggregated into capital, overhead and personnel, then the amount of money a sector will have available (discretionary funds) to spend on projects and programmes can be calculated from the projections of the funds coming to the sector and the annual spending commitments (staff and overhead costs).

To quickly establish how much funding may be available, consider the following example. Remember, simply:

$$\text{Balance available} = \text{Initial ceiling} - \text{personnel costs} - \text{overhead costs} - \text{committed capital costs}$$

Note that there may be non-discretionary or ring-fenced funds tied to specific lines of expenditure or projects. Discretionary funds can be spent on any activity.

Example: Calculation of discretionary funds for an MTSS
(*Illustrative amounts only*)

| | Deductions | Balance |
|--|---------------|---------------|
| A Initial sector spending envelope | | 5,000,000,000 |
| B Total personnel cost | 2,040,000,000 | 2,960,000,000 |
| C Current overhead costs | 1,197,000,000 | 1,763,000,000 |
| D <i>Less</i> existing capital commitments | 1,133,000,000 | 630,000,000 |
| E Balance remaining for new activities | | 630,000,000 |

Step 1E: Calculate Existing Sector Contract and Budget Commitments

Step 1E works out what expenditure the sector has already committed to over the next three years. In preparing an MTSS all existing commitments need to be identified to determine what funds will be available to spend on new programmes. Note that funds can be allocated for projects under way but not yet completed by spreading the cost over the remaining years they will take to complete.

Annex 1 provides guidance on using a sector costing template. The template serves as documentation of the costing assumptions for each year, guiding preparation of future MTSSs. It can be used at this stage as an *indicative costing tool* to determine broad sector strategy costs.

Checklist: Revenue Projections

Describe or comment

- Does the sector's budget envelope reflect the approved budgets of previous years?

- Does the central planning ministry provide budget envelope projections by April each year?

- Does actual spending in previous years show that the budget sums were made available?

- Is the estimate of funds available to the sector realistic?

- Are there other sources of revenue tied to specific activities, such as programmes of development partners for training, drugs, or buildings?

Checklist: At the End of Stage 1

At the end of stage 1 check that there is:

- A committee to lead the process of developing an MTSS;
- A list of the main current policy goals relating to the sector;
- A description of the current state of the sector and how it is performing, including key areas of inequality;
- An estimate of the funds that will be allocated to the sector in the next three years;
- A projection of the commitments for the sector in the next three years and the amount of discretionary funds that will be available.

Stage 2: Develop Strategic Priorities and Strategic Options

Once stage 1 has been completed and there is as good a picture of the current situation as possible, it is time to shortlist ways to address the major problems and grasp the opportunities that have been identified.

Stage 2 involves:

- Deciding strategic priorities;
- Developing strategic options;
- Costing options;
- Selecting most effective and affordable options;
- Preparation of a draft for political assessment.

In stage 2 it is useful to get a political 'nod' on options early in the process. Presenting a Governor with a list of options late in the process may not be advisable, especially if it is not an area in which there is much political interest, or which a Governor did not originate. It is also necessary to involve civil society. This can be done by inviting representatives of groups relevant to the sector to take part in meetings and discussions. Arranging this participation may take time but the process of developing strategy cannot be hurried. It usually takes three to four months. Time taken to get buy-in is well spent.

Step 2A: Partner and Stakeholder Engagement

As part of the process of developing the MTSS, a range of partner and stakeholder engagements should be undertaken.

Partners who contribute directly or indirectly to achievement of goals should be involved in planning. This would include, for example, other sector MDAs whose programmes and services may need to be in place to achieve the sector's goals (e.g. transport and infrastructure need to ensure roads and transport are in place to allow agricultural products to be delivered to markets). The private sector could be involved as a partner in this way.

Civil society engagement is important to ensure that services planned and delivered meet the needs of the whole population. Representatives of the private sector and civil society, because of their job, where they live or the public or private services they use, will be affected by the proposals of the MTSS and will therefore bring a different perspective that may help to develop more robust strategies.

It will be important to ensure representative views of all those affected by the programmes and services of a sector. Factors need to be taken into account that can have an impact on inequalities in terms of outcomes or access to services such as gender, ethnicity, age, poverty or location (e.g. slums, rural areas). Who should be included will depend on the sector; for example, gaining the views of pupils and students – as well as young people out of school – will be important for the education sector. Both service and non-service users should be involved to ensure the sector planners are aware of problems non-users may have in accessing programmes and services. It is important that the views of women are taken into account in discussions with all stakeholder groups.

Getting stakeholder views may be part of the sector's data collection processes, such as participatory needs assessment to determine what is required by geographical (e.g. rural communities) or social groups (women, older people, children and young people, people with disabilities, etc.). In addition, it will be important to gain the views of civil society about strategic priorities through a range of consultation processes as part of the MTSS planning, such as through radio phone-ins and focus groups. Input from service charter processes and complaints procedures should be fed systematically into planning. Engagement with representative non-governmental organisations (NGOs) and civil society organisations (CSOs) will be important to ensure coverage and also in wider group sessions (see Step 2B), below.

When communicating with civil society – particularly in local focus groups and meetings – it is important to produce information that is accessible to a range of audiences in community languages and taking account of people who may not be able to read. It may be necessary to hold meetings that are women-only or young people-only to ensure participants are able to speak frankly.

Step 2B: Decide Strategic Priorities

Step 2B involves arranging discussions to decide strategic priorities. For the purpose of developing an MTSS, the committee needs to arrange a preliminary sector-wide session. This session will bring together a range of partners, representative stakeholders and technical staff. The group will either make suggestions for revision of the sector strategy if one already exists, or priorities and strategies for developing one from scratch. It is suggested that the following should be invited to participate:

- Sector MDAs;
- MDAs in other sectors with common or related goals;
- Unions;
- Private sector;

- Representatives of civil society, including marginalised groups relevant to the sector;
- Professional bodies or academic institutions with an interest in the sector.

As noted, engaging representatives of a broad range of stakeholders and partners including the private sector and civil society is important because the MTSS is about deciding how to use public resources to deliver public services. To ensure adequate representation of the diverse views of civil society in the sector-wide session, it is helpful to use NGOs or CSOs that have experience of representing their constituents' opinions in planning processes and will feed back results. These may be sector-specific groups, such as health watch organisations or School Based Management Committees, or wider civil society organisations or monitoring groups. Strong sectors generally have already built up good working relationships with a range of civil society organisations, which should be considered as part of the planning process, although other organisations may also be usefully involved.

Stakeholder representatives should be identified and engaged with when work starts on the MTSS. They may need to be partnered throughout the process if they have not had previous experience of strategic planning. Involving civil society and other partners is not passing decision making on to others, but stakeholders may well have a different perspective on what the 'problem' is and which strategies may be best to address issues and problems, and they may well be part of the solution.

These sector-wide sessions should consider the following:

- The current situation in the sector and what could happen in the future based on information obtained in step 1;
- Current policy goals and objectives of the sector;
- The strengths, weaknesses, opportunities and threats of the sector (as well as mitigation for any risks identified);
- The service needs of disadvantaged people such as women, older people, young people, and people with disabilities;
- How service provision can be planned to reduce inequalities and minimise conflict among different groups of service users in the state (see Annex 2 for guidance).

The discussion can then move on to putting forward priorities for the sector and listing strategic options.

Tips: Involving Civil Society in developing MTSSs

- Explain the limitations of strategic plans such as MTSSs, for example financial constraints, so that civil society representatives have realistic expectations;
- Invite civil society representatives, including those of marginalised communities relevant to the sector, to provide information on approaches that have worked and those that have not;
- Keep in mind the fact that civil society groups represent different interests and may not agree with each other on which strategies should be adopted. Ensure diverse views are taken into account by having representation from groups whose views may disagree, such as community and religious leaders, women's organisations and young people's groups;
- Ensure that needs analysis takes into account all communities and issues that could contribute to conflict such as ethnicity, religion, poverty, competition for resources;
- Consult local representatives to ensure greater local community buy-in and that information-sharing feedback mechanisms are constructed to handle any potential grievance at the community level;
- Ensure that transparent and inclusive selection criteria for strategies are clearly shared with the public;
- Identify geographical areas where outcomes (e.g. health, education, access to water) are worst and have potential to exacerbate conflict and ensure views from these areas are taken into account with a view to considering targeting these areas with additional resources;
- Ensure that the needs of target vulnerable beneficiaries are taken into account (e.g. latrines for girls/boys, single-sex wards in hospitals, private breastfeeding facilities, access ramps for physically challenged people);
- Ensure socially excluded groups (e.g. rural people, older people, people living with HIV/AIDS, people who are physically challenged) are targeted, based on needs assessment and evidence of effectiveness;
- Ensure that conflict and needs analyses include consideration of the needs of all groups in an area, not simply of the main or more powerful population group.

Tip for Central Planning Agencies

- Give responsibility for developing and running strategy sessions with civil society to planning departments in relevant sector Ministries, Departments and Agencies.

When the group has agreed on the priorities for the sector and drawn up a list of strategic options (projects and programmes), ideally the options need to be put to politicians and a range of senior management, staff and high-level decision makers to get their initial reactions. If projects and programmes are to be adopted and plans made to deliver them, politicians in particular must be supportive and senior management and high-level decision makers must agree that these are indeed the options to be considered to achieve policy goals.

The strategic options then need to be examined in detail. The MTSS committee may want to split the large sector-wide group into smaller subsector groups for detailed work on strategic options before bringing the whole group together again to review them.

Checklist: Developing Strategic Priorities

- Sector-wide group has reviewed the current situation and what is likely to happen in the future based on the information the committee gathered and analysed;
- Inputs from a wide range of stakeholders has been obtained;
- Sector-wide group has agreed strategic priorities;
- Sector-wide group has developed a draft list of strategic options;
- Draft list has been discussed with a selection of senior management;
- Draft list has been discussed with a selection of staff;
- Draft list has been discussed with politicians and high-level decision makers;
- Small subsector groups have been tasked with detailed work on strategic options.

Step 2C: Develop Strategic Options

By now, senior officers in the sector will have agreed priorities and the draft list of strategic options. In Step 2C these will be developed further. Now the MTSS Committee needs to get the people who will be responsible for delivering projects and programmes involved in fleshing out the strategic options further. If projects and programmes that are unrealistic are imposed from above, the strategy is not likely to succeed. Sector subgroups will be responsible for seeing that the strategic options are financially and organisationally feasible.

For each project or programme there will be:

- A description of the objectives, outputs and outcome of each project and programme. The outcome should contain targets that are SMART (Specific, Measurable, Attainable, Relevant and Time-bound), with realistic, feasible, challenging and appropriate Key Performance Indicators (KPIs);
- A description of the outputs and outcomes in the medium term that will contribute to achieving a long-term policy goal;
- A description of the activities that will be undertaken in projects and programmes over three years and the resources required to successfully implement them;
- The cost of each activity/project/programme (see Annex 1 for guidance) in terms of capital, overhead and personnel costs;
- A statement of where the funds will come from to cover the costs.

Care must be taken to explicitly link proposed projects and programmes of the MTSS back to the original policy as described in the State Development Plan or Sector Policy Statements and forwards within the MTSS to descriptions of activities and their costs. Thus, it is important that throughout the MTSS there is consistent titling, wording and numbering of outcomes, objectives and indicators.

If the total estimated cost of projects and programmes exceeds the amount the sector is to be allocated, then the draft may need to be revisited to keep the total within the allocation for the sector. It should be noted that the costs must be analysed by category as well as total costs for it is necessary to ensure that the ceilings set for

capital, overheads and personnel are not exceeded. Revising the draft may mean:

- Postponing some programmes;
- Dropping or consolidating some proposed programmes or activities;
- Preparing to make a very strong case to political leaders for additional (no more than 10% of the sector allocation) resources (bearing in mind that if they agree it will take away resources from other sectors).

Checklist: Strategic Options

- Senior management has agreed a list of strategic options;
- The number of strategic options is realistic;
- Operational teams have turned options into costed projects and programmes with set outcomes and targets;
- All targets are SMART;
- The organisational implications of the strategy have been considered and there are proposed strategies to deal with them;
- The budgetary implications of the MTSS have been considered and budgets are realistic.

Tips: Project Outcomes and KPIs

| Sector | No. | Project Outcome | Outcome Indicator (Key Performance Indicator – KPI) | Baseline | Target 2016 | Target 2025 |
|--------|-----|---|---|----------------------------|----------------------------|---------------------------|
| Health | 1 | Improved health care services that are available and accessible to its citizens | Percentage of electoral wards with at least one health care facility providing the minimum healthcare package | 34% | 65% | 95% |
| | 2 | Improved quality and affordable health care services | Maternal mortality ratio | 555/100,000 | 370/100,000 | 165/100,000 |
| | | | Infant mortality ratio | 75 deaths per 1000 births | 60 deaths per 1000 births | 35 deaths per 1000 births |
| | | | Under-5 mortality ratio | 157 deaths per 1000 births | 104 deaths per 1000 births | 50 deaths per 1000 births |

Step 2D: Prepare to present the draft MTSS for Political Assent

Step 2D is preparing to get political agreement to finalise the strategy. Steps 1A–1E and 2A–2C should give a realistic draft MTSS that can be presented to political leaders for their assent. The strategy will explain the rationale for the programmes proposed for the sector and show that the strategy is achievable within the funding available. It will then be up to political leaders to give their assent.

To smooth the path, at this stage the MTSS committee may find it useful to approach Commissioners and Chairs of State House of Assembly Committees to brief them on the options that were considered, the implications of different options and why certain options were chosen. Bringing such influential people together in a high-level

group can be particularly useful in getting assent from the executive and legislature. Convening a forum to consult the public may also influence leaders to go with options preferred by citizens.

Tips: Convening a High-Level Group to review Strategic Options

- Convene a small group of high-level officials such as Sector Permanent Secretaries, Special Advisors, Directors of Planning, Commissioners, Chairs of State House of Assembly Committees, prominent civil society representatives;
- Brief the group on the various options and their implications for the quality of outcomes, quality of outputs and impact on different parts of society. Their understanding of why certain projects and programmes have been chosen can help them influence politicians.

Checklist: Questions to address when Considering and Evaluating a Draft Strategy

- In order to achieve medium-term outputs that will contribute to sector policy goals, what infrastructure and operational costs (*e.g. in the education sector, number of schools, classrooms, teachers, books*) are needed? Will the inequalities that exist currently due to factors such as gender, poverty and location be reduced? How does what is needed compare with what is in place now? What are the current infrastructure and operational costs?
- What needs to be done each year to close the gap between what you have now and what you need by the target date?
- What needs to be done to improve the standards required by sector policy goals (*e.g. to improve standards in nursing or teaching*)?
- How are these improvements going to be made (*e.g. through a training programme*)?
- Can some of the improvements be achieved by changing regulations (*e.g. in the agricultural sector would changing regulations on market prices improve farmers' profits, be enforceable or affect incentives to expand production*)?
- Does the sector really have the human and organisational capacity to carry out the programmes in the strategy?
- Are there technical issues that would prevent programmes being successful?

Checklist: At the end of Stage 2

At the end of stage 2 check that you have:

- Sector-wide agreement on strategic priorities;
- A list of strategic options (projects and programmes);
- An assessment of the budget required for each strategic option;
- Smoothed the way for getting assent from politicians to finalise the strategy.

Stage 3: Get Agreement and Finalise the Strategy

Stage 3 involves getting political assent for the strategy, finalising the strategy document and preparing a budget submission based on the strategy. The aims of stage 3 are to:

- Submit draft MTSS for political approval;
- Finalise MTSS with final costings and resource needs.

Step 3A: Seek Political Approval

Step 3A is about getting political assent. If Governors were consulted and Commissioners or a high-level group were involved in strategy sessions, they may already be in favour of the strategy. In this case, politicians may approve the MTSS without further ado. If, however, political leaders are not ready to approve the strategy, there will need to be formal discussions to get their buy-in. Their backing is essential to secure the budget for the strategy.

Step 3B: Finalise the MTSS

Step 3B involves finalising the strategy document once political leaders have given their comments and approval. The document will:

- Describe the strategic planning process;
- Describe the sector priorities and explain how these priorities were chosen;
- Explain how projects and programmes will deliver outputs and outcomes that will contribute to achieving policy goals;
- Set out the costs and resources required;
- Explain how performance of the strategy will be monitored and evaluated.

The outline table of contents for an MTSS document given in Annex 3 is generic. The content is not set in stone – it can be adapted to particular requirements.

The MTSS need not be of great length particularly where there is a State Development Plan that can be directly referred to. Background on the state and the sector should be very brief while the descriptions of, and justification for, the main strategies and associated activities should be straightforward.

Step 3C: Develop a Performance Management Framework

A Performance Management Framework (PMF) consists of a set of management and analytical tools that enable the state to define, manage and measure performance against its strategic priorities (outcomes) and strategic objectives (outputs) that are included in the MTSS. The PMF should include:

Strategic priorities (Outcomes) and Strategic Objectives (Outputs), which are the objectives as stipulated in the MTSS.

Key Performance Indicators, which are used to measure progress against the strategic priorities (outcomes) and strategic objectives (outputs). The definition and the purpose of the indicator should be clearly articulated to ensure it adequately measures the objectives. Where possible the KPIs should have an equity focus to ensure that equity issues can be measured and assessed.

Baseline Data is collected to determine the current situation (step 1C).

Targets are developed to determine what you want to achieve. Targets should be SMART and should be developed over three forward years in line with the length of the MTSS.

Data Source is assigned to ensure the source of data is known. Data sources should be independent, relevant, credible, accurate, reliable and accessible.

Checklist: Questions to consider before preparing a Performance Management Framework

Give some initial thought to these questions.

- Do you have a comprehensive MTSS?
- Who will develop the performance management framework?
- What process will you use?
- What data will you use?
- How will you go about developing the Key Performance Indicators?
- How will you go about developing the Targets?
- How will you keep people informed and involved?
- What help will you need?
- Who can provide this help?
- Over what time frame will the PMF be developed?
- Who will sign off on the PMF?
- How much will preparing the PMF cost (for example, running workshops, meetings)?

There are no 'right' answers to these questions. The answers will depend on the state, the sector, the resources available and the challenges faced. But the questions apply to all sectors.

Tips: Essential things to think about when preparing a Performance Management Framework

1. Think about data availability:
 - If there is a shortage of data available in the state, use what is available and use accurate and reliable data.
2. Think SMART:
 - Targets should be SMART (Specific, Measurable, Attainable, Relevant and Time-bound).
3. Think about identifying the socially excluded:
 - Key performance indicators should be able to identify vulnerable groups in society (e.g. the poor, the aged, children and socially disadvantaged);
 - It may be necessary to make extra efforts to ensure information and data are collected in order to capture the situation and needs of the whole population;
 - The targets set should ensure that the aim is to reduce social inequality.
4. Think affordability and sustainability:
 - Targets must be achievable – the critical question is what can be done with the financial and human resources available?
 - Projections of financial availability are essential if realistic targets are to be drawn up;
 - Projections must themselves be realistic and must be enough to sustain services and infrastructure implemented under the MTSS;
 - So think not only about capital expenditures but overhead and personnel costs – including capacity building – that will be needed to maintain government activities.
5. Think about inclusion and who should be involved:
 - Stakeholder engagement in the PMF development is critical as PMFs are concerned with what targets to set to help the people of the state;
 - Different perspectives will help develop a more robust PMF;
 - Involve a wide selection of 'stakeholders' including genuine 'grass roots' representation that includes men and women as well as the disadvantaged groups.
6. Think 'demand driven':
 - Stakeholders will be affected by PMF targets, some positively and some negatively, and their opinion may be different from the government's;
 - KPIs and targets should be established to meet state information needs both for monitoring the MTSS and for good governance and accountability. The aim is to increase the demand for data and results.

Step 3D: Prepare the Sector Budget

Step 3D is preparing a budget submission for the sector. MDAs that have jointly prepared an MTSSs should base their budget submissions on MTSS. If MDAs are involved in more than one sector, their budgets will have to take account of the MTSSs for each of those sectors. Budgets based on MTSSs:

- Clearly link activities and programmes to policy goals: this is fundamental and critical if MDAs are to determine whether the approaches they are taking are effective, for example, in relation to reducing inequalities;
- Are realistic because they are based on the resources available.

The projected budget allocations given to the MTSS committee when planning started may have changed while the strategy was being prepared, for example because of fluctuations in oil prices or changes in the revenue from value-added tax. Budgets may have to be adjusted – up or down – to take account of changes in allocations. Once a project is included in an MTSS, it cannot be abandoned. If it is not completed it can be rolled over to the next period, unlike before when abandoned projects proliferated.

Checklist: At the end of Stage 3

At the end of stage 3 check that you have:

- Political approval for the MTSS;
- An MTSS document that is ready for dissemination;
- A Performance Management Framework that has been developed and made operational;
- A sector budget ready for policy makers to approve.

Stage 4: Rolling Over the MTSS

Over a period of time, circumstances will change – low priorities may become high priorities, governments may change, the national or global economy may falter or surge. The MTSS must thus be regarded as a working document, not 'set in stone'. It provides a benchmark against which to annually review and revise priorities in view of changing needs and changing circumstances. The annual process of revising a medium-term plan provides Ministries, Departments and Agencies with a systematic process for adapting to deal with changes. This means that they are not blown about like a leaf in the wind when conditions change, but can adjust course while keeping the ultimate goals in sight.

Stage 4 involves the annual review of performance against targets set in the MTSS and the subsequent revision of the MTSS (rollover) to produce a new version that reflects present 'realities' and circumstances. This means that subsequent generations of MTSSs are directly linked to and drawn from a preceding MTSS but all should reflect the policy priorities and outcomes laid out in the development plan.

Stage 4 involves two distinct but interrelated steps:

- Step 4A – annual review of the sector's performance;
- Step 4B – revising the MTSS (rolling over the MTSS).

Step 4A: Annual Review of the Sector's Performance

At the end of each implementation year, there will be a need to roll over the MTSS to another year. A key aspect of the rolling process of MTSS implementation is an annual review of sector performance. The purpose of such a performance review is to make an assessment of the actual results achieved by sector strategies and programmes in achieving policy outcome Key Performance Indicator (KPI) targets. The recommendations from performance assessment should then be used to help adjust medium-term strategies and budgets within the MTSS in order to ensure they remain relevant and effective in achieving medium- and longer-term goals and objectives for the sector.

The rolling over of MTSSs should commence with the review of the sector's performance against the performance targets that were set in the MTSS of the preceding year. Therefore, for an MTSS covering, for example, 2015–2017, the rollover of the MTSS to a 2016–2018 version will commence with the review of sector performance up to 2014. In line with the planning and budget calendar, the annual sector performance review should be conducted by no later than April in the year of preparation. The annual review should be undertaken within the context of the Performance Management Framework (see Step 3C). This topic is covered in more detail in the Policy and Strategy Guide

No 4: How to Conduct a Sector Performance Review.

The considered practice should be for performance information to be collected and collated on a quarterly basis during the course of the year. That way, details of the annual performance will be readily available at the end of Q4 or by the end of Q1 of the following year at the latest. This will usually be easier where a Management Information System (MIS) exists and is in use. However, where an MIS does not exist, performance data collection instruments – simple but appropriate record-keeping documents – have to be developed to enable this to happen.

The performance assessment should cover the following:

- Actual performance against output and outcome targets including a focus on changes in inequalities;
- Financial performance – budget versus actual expenditure vis-à-vis actual performance in the provision of services;
- Use of resources – whether or not organisational arrangements (human and material resources) were organised in a way that allowed for successful programme and project implementation.

Further consideration needs to be given to the political environment and whether the political leadership in the state is still committed to the same set of policy priorities, strategic actions and outcome targets. This should be done through a presentation of the outcome of the performance review to the political leadership in the person of the appropriate Honourable Commissioner(s) with responsibility for the sector.

Once the outcome of the sector's performance review, together with the recommendations for adjustments to the strategies and investments/expenditure in the MTSS are agreed, this can then be used by the MTSS development team to commence the revision (rollover) of the MTSS. Reference also needs to be made to information from the central planning ministry which details the expected budgetary allocation for the sector over the next three years.

Step 4B: Revision (Rollover) of the MTSS

It is at this point that an assessment is made about the extent to which actual performance has gone towards achieving the outcome targets that were originally set in the MTSS.

The MTSS development team which should include officers from the central planning ministry will subject the outcome of the performance assessment to a critical review. Questions should be asked to establish the extent to which actual recorded sector performance has contributed to the achievement of the sector's outcome targets, including those that focus on reducing inequalities. It is only after this that recommendations for strategy changes will be developed. The outcome of the

sector performance assessment helps to objectively justify the strategic activities that should be carried out over the next MTSS period.

A second critical issue will be the level of financial resources that can be expected to be available in the coming three years and whether the level of allocations to individual activities of the MTSS can be maintained or whether new activities can be funded. Thus, each year the spending envelope that will be provided to the sector must be taken into account to establish what level of implementation can be afforded.

The results of the validated sector performance assessment will next be presented to the political leadership of the sector's MDAs. It is at this point that the political leadership of the state will restate its commitments to the specific strategic activities and projects which it believes will continue to deliver the expected outcomes.

The summary of the outcomes of the performance assessment will usually be any of the following:

- Good/Exceptional progress (Green rating) is being made – continue with current strategic activities;
- Moderate progress (Amber rating) is being made – assess the effectiveness of the strategic activities and revise them accordingly as appropriate;
- Poor/No progress is being made – assess the effectiveness of strategic activities and either discontinue such activities, modify them, or replace them with alternative strategic activities capable of delivering better results.

Note: All strategic projects that are assessed as not having met up to 30% of the performance target need to be considered along the lines of whether to discontinue the strategic actions/projects or to replace them with other alternative strategic projects.

Given that the rolled over MTSS will be a successor of an already existing MTSS, it will not always be necessary for it to be rewritten in its entirety. Many elements of the sector will remain constant, for example the policy framework, and can simply be replicated in the rollover MTSS. While all the sections contained in the previous MTSS have to be written in the new (rolled over) MTSS, the sections should be kept short with summaries of the contents of the previous MTSS which is then followed by more detail of new items that are being introduced in the new MTSS for the first time.

The process of annually rolling over the MTSS should be managed in the same way that the initial MTSS was produced as has been outlined in earlier sections.

Checklist: Steps for revising (rolling over) the MTSS

- Collect and collate performance data on a quarterly basis throughout the year;
- Conduct a performance assessment on the sector's annual performance;
- Obtain details of expected three-year revenue allocations to the sector from the central planning ministry;
- Validate the outcomes of the performance assessment and make recommendations for revisions of key strategic activities/projects;
- Present sector performance review results to the political leadership to gain their continuing commitment to specific strategic activities/projects;
- Revise/roll over the MTSS – include, where necessary, adjustments to the programmes and projects.

Section 4: A Final Word

The approach to preparing an MTSS set out in this guide has been found to be suited to circumstances in Nigeria. This is not to say that other approaches are not equally appropriate. There are many ways to prepare an MTSS. The steps described in the guide can be used as a planning tool, or other additional tools can be used.

What is important is – one way or another – to make sure to cover the issues in the Final Checklist.

Final checklist: Preparing an MTSS

Secure buy-in: Ensure that senior management is committed to the planning process and to implementing the strategy.

Committee

- Analyse current and recent trends in the sector including inequalities related to factors such as poverty, gender, age;
- Identify current and future external challenges;
- Predict where 'business as usual' will take the sector over the next three years.

Senior management

- Commit to planning.

Establish a planning process: Set key milestones and responsibilities in the strategic planning process.

Committee

- Decide who will develop the strategy;
- Decide on the time frame;
- Outline the method;
- Set deadlines for the key phases;
- Set deadlines for making key decisions;
- Decide what help will be needed;
- Set a budget.

Senior management

- Approve the process and budget.

Agree strategic priorities: Review possible strategic alternatives, choose from the alternatives and set strategic priorities.

Committee

- Organise internal and external analysis;
- Consult with a broad range of stakeholders;
- Develop list of possible strategic priorities;
- Analyse alternatives;

Continued....

Continued....

- Present suggested priorities to senior management for discussion;
- Review draft priorities with staff;
- Agree strategic priorities with senior staff.

Senior management

- Discuss initial draft ideas;
- Approve.

Turn strategic priorities into objectives: Turn the agreed strategic priorities into a few SMART outcomes.

Committee

- Develop SMART outcomes for the agreed activities;
- Prepare an outline of the MTSS to include strategic priorities and strategic objectives;
- Seek senior management review and approval of the outline strategy;
- Review outline strategy for organisational implications and decide how to tackle the changes needed;
- Review the financial implications of the strategy and adjust to meet financial constraints;
- Produce a costed MTSS;
- Present to senior management for approval.

Senior management

- Review and approve the outline plan and then the final priorities costed plan.

Turn activities and outcomes into budgets: Turn agreed strategic objectives into budgets.

Committee

- Organise departmental and cross-departmental teams to develop budgets to carry out agreed strategic objectives, where those budgets are clearly linked and traceable to strategic objectives.

Continued....

Continued....

Senior management

- Approve all budgets.

Measure and review progress: Ensure that there is a process to measure performance and review the MTSS regularly.

Committee

- Assimilate the MTSS into normal performance and appraisal systems;
- Senior management to review strategic priorities and objectives every year.

Senior management

- Ensure that there is a system for monitoring work plans;
- Review strategic priorities and objectives each year.

-
- Have the G&SI/equalities and conflict sensitivity issues raised in Annex 2 been addressed systematically through the strategy and budget?

Annex 1: Generic Costing Template Guide

Introduction

SPARC has developed a generic Medium-Term Sector Strategy (MTSS) template to support states in the costing of an MTSS. This annex provides a summary guide to using the template for programme officers, state officials and consultants involved in the process. The MTSS costing template spreadsheet can be found on the CD at the back of this publication.

The first part of the costing guide, entitled **Overview of General Template Features**, provides an overview of the costing template and introduces aspects of the template that will require state-level agreement so that it is used correctly by MDAs. One central issue is that of the annual rate of inflation to be applied in the preparation of the MTSS. A decision as to what rate to use needs to be made at the state level and will need to be disclosed in advance of MTSS preparation. The rate of inflation published by the Central Bank of Nigeria (CBN) is a common metric that can be used.

The sections of the costing guide entitled **Existing Projects, New Projects** and **Summary Sheet** provide instructions on completing the template and include an illustration of the template after entries have been made, using the Niger State Education MTSS as an example. This is to ensure that users are able to follow the various template applications as they make entries and adjustments.

The information that forms the basis of the costing exercise should be sourced as widely as possible:

1. Past experience of expenditure – this will be particularly important in costing existing initiatives as evidence can easily be provided of current costs;
2. Recent estimates and quotations;
3. Survey-based research.

All costings should adhere to two rules:

1. The estimated cost should be the minimum reasonable cost:
 - a. Minimum reasonable unit cost;
 - b. Minimum reasonable number of units. This includes the minimum reasonable staffing levels when considering human resource requirements;
2. Costs should be extended over a three-year time frame.

Costing of each activity or initiative should take into account the following components:

1. Personnel costs for the core activities of the MDA – those functions that are directly in support of the basic administrative functions of the MDA;
2. Personnel costs that relate to the delivery of particular programmes or other functions of the MDA that fall outside its basic administrative function;
3. Overhead costs for the basic administrative functions of the MDA – broken down into the major components;
4. Overhead costs that relate to the delivery of particular programmes or other functions of the MDA that fall outside its basic administrative function – broken down into the major components;
5. Administrative purchases associated with core activities of the MDA, e.g. office equipment;
6. Administrative purchases required to support specific programme and non-basic functions, e.g. project vehicles;
7. Administrative Capital – the creation of permanent assets that contribute to the administrative functions of the MDA, e.g. the building of an headquarters;
8. Programme Capital – purchases that are necessary for the running of programmes that do not create assets, e.g. vaccines for immunisation;
9. Developmental Capital – capital projects that create assets that directly benefit the state, e.g. hospitals, roads, dams, etc.

1. Overview of General Template Features

The MTSS template is organised into three sheets: Sheet 1 which has some notes to guide its use; Sheet 2 which is the template for capturing all the financial cost projections; and Sheet 3 which collates the projections in a summarised format.

Sheet 1: Introduction and User Notes

This sheet provides key points to note in the use of the template. It provides a brief guide to the following:

- Costing/Phasing;
- How to use the costing template;
- Summary sheet.

Sheet 2: Costing Sheet

The second sheet provides the template where the costings are collated. It is organised into two sections:

- Existing projects;
- New projects.

Sheet 3: Summary Sheet

The summary sheet is a collation of all the entries made in the costing sheet, comparing it to the allocations across the various account summary heads. The

summary heads are:

- Personnel Resource Ceiling (Envelope);
- Overhead Resource Ceiling (Envelope);
- Capital Resource Ceiling (Envelope);
- Total Resource Ceiling (Envelope);
- Resource Outstanding (Surplus/Deficit).

This section provides a snapshot of allocations within the various envelopes allowing the user to compare them with the assumptions made in the costing sheet. Where there is a surplus or deficit the user is able to go back to the costing sheet to make necessary adjustments.

2. Existing Projects

Existing projects are activities being carried over from previous years that require the provision of resources either to complete them or progress them. The costs may already be captured in the previous year's MTSS and might just require a reflection of their status in the numbers that are captured here.

2.1 Personnel costs

Cells G10, H10 and I10 of Chart 1 are the parts of the template that need to be updated with projected numbers (Sheet 2). They are labelled [Year] 1, [Year] 2 and [Year] 3.

Chart 1 illustrates the template after it has been populated with numbers. The numbers in the subsequent

years will reflect the assumed inflation rate entered in cell I2. This rate will be applied to the numbers in Year 1 to generate numbers for Years 2 and 3. Only the rows that are numbered from 1 to 33 are to be filled out. 'Overhead Costs' and 'Section 1: Existing Projects' are designed to collate the totals of the various entries made. 'Personnel Costs' needs to be filled out and should reflect the total costs of personnel that will be needed for existing projects.

2.2 Overhead costs

Chart 1 also illustrates the template for overheads once it has been populated with numbers. Overheads for Year 1 are captured on cells B11 to I11 of the template. The numbers in the subsequent years will be generated automatically based on the assumed rate of inflation entered in cell I2. They need to be consistent with the other parts of the template. Unlike personnel costs, overheads have more details in terms of components. They are listed in the Table 2.

These need to be studied closely in order to be sure that they reflect the cost heads of the MDA.

Chart 1: Existing Projects Template after Entries

| S/N | INITIATIVE | Year | | | Inflation% | Yearly Total | | | GRAND TOTAL |
|-----|-------------------------------|------|-----------|-------------------|------------|------------------|------------------|------------------|-------------------|
| | | 2014 | 2015 | 2016 | | 2014 | 2015 | 2016 | |
| | Description | Unit | Cost Base | Cost per Unit(=N) | | | | | 2014-2016 Total |
| | | | | | | 16,250,713,977 | 13,619,269,599 | 12,321,548,189 | 42,191,531,765 |
| 1 | Section 1 : Existing Projects | | | | | 8,950,201,230.65 | 9,345,133,009.46 | 9,812,389,659.94 | 28,107,723,900.05 |
| | Personnel Costs | | | | | 6,475,170,336.68 | 6,796,339,303.72 | 7,139,895,219.31 | 20,412,933,899 |
| | Overhead Costs: | | | | | 2,424,947,338.80 | 2,546,184,705.74 | 2,673,504,441.03 | 7,644,646,485.57 |
| 2 | Travel & Transport | | | | | 90,282,253.95 | 94,796,396.65 | 99,536,784.98 | 284,614,806 |
| 3 | Maintenance of Office | | | | | | | | - |
| 4 | Motor Vehicle Repair | | | | | | | | - |
| 5 | Motor Vehicle Fuel | | | | | | | | - |
| 6 | Workshop & Training | | | | | 37,701,782.90 | 39,586,252.55 | 41,565,565.17 | 118,853,011 |
| 7 | Conference & Seminar | | | | | | | | - |
| 8 | Stationery | | | | | | | | - |
| 9 | General Utility | | | | | 66,571.05 | 69,899.60 | 73,394.56 | 209,865 |
| 10 | Publicity & Press | | | | | | | | - |
| 11 | Management Inform. Syst. | | | | | | | | - |
| 12 | Special Duties Expenses | | | | | | | | - |
| 13 | Uniform & Protective | | | | | | | | - |
| 14 | Grants | | | | | 10,500,000.00 | 11,025,000.00 | 11,576,250.00 | 33,101,250 |
| 15 | Monitoring and Evaluation | | | | | | | | - |
| 16 | Audit Expenses | | | | | | | | - |
| 17 | Consultancy Fees | | | | | 13,834,800.00 | 14,526,540.00 | 15,252,867.00 | 43,614,207 |
| 18 | Generator/ Diesel Consumption | | | | | | | | - |
| 19 | Publication & Documentation | | | | | | | | - |
| 20 | Celebrations & Ceremonies | | | | | 2,336,105.10 | 2,452,910.36 | 2,575,555.67 | 7,364,571 |
| 21 | Maintenance of Equipment | | | | | 24,931,642.05 | 26,178,224.15 | 27,487,135.36 | 78,597,002 |

Table 2. Overhead costs

Overhead costs:

| | |
|----------------------------------|----------------------------------|
| Travel & Transport | Generator Diesel Consumption |
| Maintenance of Office | Publications & Documentation |
| Motor Vehicle Repair | Celebrations & Ceremonies |
| Motor Vehicle Fuel | Maintenance of Equipment |
| Workshop & Training | Overseas Medical/Dental Expenses |
| Conference & Seminar | Medical/Dental Expenses Others |
| Stationery | Cleaning Materials |
| General Utility | Library Services |
| Publicity & Press | Electricity |
| Management Information System | Servicing of Meetings |
| Special Duties Expenses | Security Services |
| Uniforms and Protective Clothing | Printing Expenses |
| Grants | Maintenance and Repairs Others |
| Monitoring and Evaluation | Research and Development |
| Audit Expenses | Postal and Postage |
| Consultancy Fees | Awards and Rewards |

2.3 Capital expenditure

Capital expenditure is captured in rows B51 to I51 of the template. Unlike overheads where the labels are given, in this part of the template the headers are to be determined by the MDA based on existing projects that require resources. The numbers in the subsequent years will also need to reflect the assumed inflation rate

provided in I2 of the template. They need to be consistent with the other parts of the template.

Chart 2 illustrates the capital expenditure template for existing projects after entries have been made. Only the rows that are numbered need to be filled out as the row labelled 'Capital Expenditure – Existing and Ongoing

Chart 2: Capital Expenditure after Entries

| S/N | INITIATIVE | 2014 | | | 2015 | | | 2016 | | | GRAND TOTAL |
|-----|---|----------------|----------------|----------------|------|------|------|------|------|------|----------------|
| | | 2014 | 2015 | 2016 | 2014 | 2015 | 2016 | 2014 | 2015 | 2016 | |
| | Capital Expenditure - Existing Projects: | | | | | | | | | | |
| | | 16,250,713,977 | 13,619,269,539 | 12,321,548,189 | | | | | | | 42,191,531,765 |
| 51 | Rehabilitation of 1 No. Block of 4 classrooms at DSS, Evuti | 50,083,554.97 | | | | | | | | | 50,083,554.97 |
| 52 | Rehabilitation of 1 No. Block of 4 classrooms at GSS, Badegi | 1,149,500.50 | | | | | | | | | 1,149,500.50 |
| 53 | Rehabilitation of 1 No. Block of 4 classrooms at GSS, Doko | 1,098,149.40 | | | | | | | | | 1,098,149.40 |
| 54 | Rehabilitation of 1 No. Block of 4 classrooms at DSS, Lemu | 751,696.98 | | | | | | | | | 751,696.98 |
| 55 | Rehabilitation of 1 No. Block of 4 classrooms at DSS, Kpaki | 747,355.98 | | | | | | | | | 747,355.98 |
| 56 | Rehabilitation of 1 No. Block of 4 classrooms at DSS, Paiko | 726,637.48 | | | | | | | | | 726,637.48 |
| 57 | Rehabilitation of 1 No. Block of 4 classrooms at DSS, Erena | 653,632.97 | | | | | | | | | 653,632.97 |
| 58 | Rehabilitation of 1 No. Block of 4 classrooms at DSS, Erena | 737,039.96 | | | | | | | | | 737,039.96 |
| 59 | Rehabilitation of 1 No. Block of 4 classrooms at GGSS, Kafin-koro | 731,763.48 | | | | | | | | | 731,763.48 |
| 60 | Rehabilitation of 1 No. Block of 4 classrooms at GSS, Gwada | 741,637.48 | | | | | | | | | 741,637.48 |
| 61 | Rehabilitation of 1 No. Block of 4 classrooms at AASS, Kagara | 827,967.98 | | | | | | | | | 827,967.98 |
| 62 | Rehabilitation of 1 No. Block of 4 classrooms at DSS, Salka | 796,870.98 | | | | | | | | | 796,870.98 |
| 63 | Rehabilitation of 1 No. Block of 4 classrooms at CSS, Ibeta | 833,902.98 | | | | | | | | | 833,902.98 |
| 64 | Rehabilitation of 1 No. Block of 4 classrooms at DSS, Mariga | 801,895.98 | | | | | | | | | 801,895.98 |
| 65 | Rehabilitation of 1 No. Block of 4 classrooms at GDSS, Kontagora | 827,737.98 | | | | | | | | | 827,737.98 |
| 66 | Rehabilitation of 1 No. Block of 4 classrooms at GSS, Agwara | 834,023.48 | | | | | | | | | 834,023.48 |
| 67 | Supply of furniture and double bunk beds at GTC Minna, Eyagi-Bida and Kontagora | 13,584,500.00 | | | | | | | | | 13,584,500.00 |
| 68 | Construct of 4 blocks of classrooms, office and stores at GTC, Minna | 6,301,564.50 | | | | | | | | | 6,301,564.50 |
| 69 | Construction of administrative block at GTC Minna and Kontagora | 13,954,123.67 | | | | | | | | | 13,954,123.67 |
| 70 | Renovation of electrical/Chemistry Lab and school Library at GTC, Eyagi-Bida | 2,028,240.75 | | | | | | | | | 2,028,240.75 |
| 71 | Renovation of MVM workshop, Dinning Hall and 2 blocks of 4 classrooms at Eyagi-Bida | 1,954,946.22 | | | | | | | | | 1,954,946.22 |

Projects' collates the total for all the entries made. In the example, only one year has been completed for the identified projects. This assumes that these capital projects will be completed within the first year of the MTSS. However, there may be instances when the projects take longer to be completed and in this case, the template would need to be filled out to encompass further years.

3. New Projects and Activities

This section describes the part of the template that deals with new projects. These are projects that will start within the first year of the preparation of the MTSS. There are several sections within the template to accommodate as many separate projects as necessary.

3.1 Project name

The first project is labelled '145' as indicated in Chart 3. The name of the project is to be entered in the column next to this number. The cell for this is B157. There are 15 lines for the user to add account heads. These account heads should be consistent with the titles used in the 'Existing Projects' section of the template. Other projects would be numbered in this same format, with the next project being assigned '146'.

Chart 3 illustrates the template after entries have been made. The 'New Projects' section requires a little more

Chart 3: NISA Projects Template after Entries

| S/N | Description | Unit | Cost Base | 2014 | 2015 | 2016 | 2014 | 2015 | 2016 | 2014 | 2015 | 2016 | GRAND TOTAL |
|-------------------------|---|------|-----------|------------------|------------------|------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Section 2: New Projects | | | | | | | | | | | | | |
| 145 | Construct 11 blocks of 3 classrooms each in primary schools, 27,492 sets of pupils furniture and 1090 sets of teachers' furniture | | | 7,300,512,746.48 | 4,274,136,589.38 | 2,509,158,529.56 | 177,082,692.00 | 178,451,346.60 | 135,255,180.06 | 16,250,713,977 | 13,619,269,599 | 12,321,548,189 | 42,191,531,765 |
| 146 | Construct perimetre blockwall fence at, Kwassau, Taiji, New Tunga, Umar Faruk Primary/Junior Secondary school, Minna | | | 50,375,405.00 | | | 50,375,405.00 | | | 50,375,405.00 | | | 50,375,405.00 |

detail than the previous sections covered so far. The columns labelled Quantity/Unit, Cost per Unit (N), and Inflation Rate will all need to be filled out. This is illustrated in more detail in the following sections.

3.2 Description

The column labelled 'Description' (cell B7) is meant to capture as clearly as possible the nature of the item (cells C7 to E7) that is to be procured. The headers would need to be determined before populating the template so that all MDAs are using the same descriptions.

3.3 Quantity/unit

The units will reflect the number of a particular item that will be required in a given year. Row 174 in Chart 3 which is labelled 'Advertisement' indicating one unit in Year 1 would suggest one advert will be placed in that year. The fact that Years 2 and 3 show zero indicates that adverts will not be required in those years.

3.4 Cost per unit

The cost per unit should reflect the assumptions behind the unit cost of the service that is to be procured. The cost per unit would need to be filled out for each year. The link with any calculations is based on the number of units that is estimated to be required in each year. If there is a year in which the units are set to zero, the cost per unit would be redundant as it would result in a zero calculation.

3.5 Inflation (%)

As discussed in earlier sections of Annex 1, the inflation numbers will have to be set state-wide and should be expressed in the format XXX%. If the inflation number is expected to be 3% in each year, the inflation number to be entered would be 103% in each of the years. If the rate varies from year to year the number would be changed reflecting the actual rate projected but still kept in the same format, XXX%.

3.6 Yearly and Grand Totals

These sections reflect the aggregate of the entries made in the various columns described. No entries need to be made and these cells should not be edited in order not to disrupt the structure of the template. Any changes required in this section of the template will need to be made by adjusting the figures in the columns for either the number of units or the cost per unit.

4. Summary Sheet

The Summary Sheet (Sheet 3) is an aggregate of all the entries from the Costing Sheet. The majority of the headers in the Summary Sheet cannot be edited. The rows that can be edited are the rows showing envelope ceilings.

4.1 Envelope Ceilings

Envelope ceilings reflect the resources that have been assigned to each expenditure head and are usually

made available in the BCC provided by the MDA responsible for budget preparation. The main expenditure heads are: personnel, overheads and capital resources. The numbers that are collated within the MTSS template will, in a sense, reflect the wishes of the MDAs. The expenditure heads and associated resources will reflect what can be accommodated.

Chart 4 illustrates how the template will look after entries have been made. The cells to be filled out are C3 to C5, D3 to D5, and E3 to E5. The template will calculate the total resource ceiling, which is the sum of C3 to C5 for Year 1. The row labelled 'Resource Outstanding' will calculate the difference between the ceiling and the costings that have been collated in the MTSS to arrive at either an under-spend (surplus) or over-spend (deficit).

The column for Year 1 of Chart 4 shows that there is a deficit of N7.8 billion. This deficit largely reflects the exclusion of the assumptions in the new projects cost in the resource ceilings. Once this is reflected in the capital expenditure numbers the deficit should either reduce or change to a surplus.

4.2 Envelope Ceilings – Personnel & Overhead

The two headers that relate to existing projects are 'Personnel Resource Ceiling' and 'Overhead Resource Ceiling'. The numbers collated here are aggregates of the entries in the Costing Sheet. They should either match or be lower than the entries made in the section

Chart 4: Envelope Ceilings after Entries

| S/N | Education Sector 2014 - 2016 Costed MTSS | 2014 | 2015 | 2016 | 2014 -2016 Total |
|-----|--|-------------------------|-------------------------|-------------------------|-------------------------|
| 3 | PERSONNEL RESOURCE CEILING (ENVELOPE) | 6,200,000,000.00 | | | 6,200,000,000.00 |
| 4 | OVERHEAD RESOURCE CEILING (ENVELOPE) | 2,200,000,000.00 | | | 2,200,000,000.00 |
| 5 | CAPITAL RESOURCE CEILING (ENVELOPE) | 49,000,000.00 | | | 49,000,000.00 |
| 6 | TOTAL RESOURCE CEILING (ENVELOPE) | 8,449,000,000.00 | 0.00 | 0.00 | 8,449,000,000.00 |
| 7 | RESOURCE OUTSTANDING (Surplus/Deficit) | 7,801,713,977.13 | 13,619,269,598.84 | 12,321,548,189.49 | 33,742,531,765.46 |
| 8 | | 16,250,713,977.13 | 13,619,269,598.84 | 12,321,548,189.49 | 42,191,531,765.46 |
| 9 | Section 1 : Existing Projects | 8,950,201,230.65 | 9,345,133,009.46 | 9,812,389,659.94 | 28,107,723,900.05 |
| 10 | 1 Personnel Costs | 6,475,170,336.88 | 6,798,938,303.72 | 7,138,885,218.91 | 20,412,993,859.51 |
| 11 | Overhead Costs: | 2,424,947,338.80 | 2,546,194,705.74 | 2,673,504,441.03 | 7,644,646,485.57 |
| 12 | 2 Travel & Transport | 90,282,253.95 | 94,796,366.65 | 99,536,184.98 | 284,614,805.58 |
| 13 | 3 Maintenance of Office | | | | 0.00 |
| 14 | 4 Motor Vehicle Repair | | | | 0.00 |
| 15 | 5 Motor Vehicle Fuel | | | | 0.00 |
| 16 | 6 Workshop & Training | 37,701,192.90 | 39,586,252.55 | 41,565,565.17 | 118,853,010.62 |
| 17 | 7 Conference & Seminar | | | | 0.00 |
| 18 | 8 Stationery | | | | 0.00 |
| 19 | 9 General Utility | 66,571.05 | 69,899.60 | 73,394.58 | 209,865.24 |
| 20 | 10 Publicity & Press | | | | 0.00 |
| 21 | 11 Management Inform. Syst. | | | | 0.00 |
| 22 | 12 Special Duties Expenses | | | | 0.00 |
| 23 | 13 Uniform & Protective | | | | 0.00 |

for ceilings. Where the aggregate exceeds the ceiling, adjustments would need to be made to proposed MTSS expenditures in the Costing Sheet until it is within the ceiling.

4.3 Capital Expenditure

The two cost items that make up the capital expenditure section of the Summary Sheet are both found on the Costing Sheet, namely the existing projects section under capital expenditure, and the new projects section.

The resource allocations need to take into account these two parts of the MTSS, as subsequent adjustments would need to be made to either side to arrive at a balanced, deficit or surplus MTSS. Chart 5 illustrates the template after entries are made. Where it exceeds the ceiling, adjustments will need to be made to proposed capital expenditures shown in the Costing Sheet until totals are within the ceiling.

Chart 5: Capital Expenditure Summary after Entries

| S/N | Education Sector 2014 - 2016 Costed MTSS | 2014 | 2015 | 2016 | 2014 -2016 Total |
|-----|---|----------------------|-------------|-------------|----------------------|
| | Capital Expenditure - Existing Projects: | 50,083,554.97 | 0.00 | 0.00 | 50,083,554.97 |
| 51 | Rehabilitation of 1 No. Block of 4 classrooms at DSS, Evutri | 1,149,500.50 | | | 1,149,500.50 |
| 52 | Rehabilitation of 1 No. Block of 4 classrooms at GSS, Badegi | 1,098,149.40 | | | 1,098,149.40 |
| 53 | Rehabilitation of 1 No. Block of 4 classrooms at GSS, Doko | 751,896.98 | | | 751,896.98 |
| 54 | Rehabilitation of 1 No. Block of 4 classrooms at DSS, Lemu | 747,355.98 | | | 747,355.98 |
| 55 | Rehabilitation of 1 No. Block of 4 classrooms at DSS, Kpaki | 726,697.48 | | | 726,697.48 |
| 56 | Rehabilitation of 1 No. Block of 4 classrooms at DSS, Paika | 653,832.97 | | | 653,832.97 |
| 57 | Rehabilitation of 1 No. Block of 4 classrooms at DSS, Erena | 737,039.98 | | | 737,039.98 |
| 58 | Rehabilitation of 1 No. Block of 4 classrooms at GGSS, Kafin-koro | 731,763.48 | | | 731,763.48 |
| 59 | Rehabilitation of 1 No. Block of 4 classrooms at GSS, Gwada | 741,637.48 | | | 741,637.48 |
| 60 | Rehabilitation of 1 No. Block of 4 classrooms at AASS, Kagara | 827,867.98 | | | 827,867.98 |
| 61 | Rehabilitation of 1 No. Block of 4 classrooms at DSS, Salka | 796,870.98 | | | 796,870.98 |
| 62 | Rehabilitation of 1 No. Block of 4 classrooms at CSS, Ibeo | 833,902.98 | | | 833,902.98 |
| 63 | Rehabilitation of 1 No. Block of 4 classrooms at DSS, Manga | 801,895.98 | | | 801,895.98 |
| 64 | Rehabilitation of 1 No. Block of 4 classrooms at GDSS, Kontagora | 827,737.98 | | | 827,737.98 |
| 65 | Rehabilitation of 1 No. Block of 4 classrooms at GSS, Agwara | 834,023.48 | | | 834,023.48 |
| 66 | Supply of furniture and double bunk beds at GTC Minna, Eyagi-Bida and Kontagora | 13,584,500.00 | | | 13,584,500.00 |
| 67 | Construct of 4 blocks of classrooms, office and stores at GTC, Minna | 6,301,564.50 | | | 6,301,564.50 |
| 68 | Construction of administrative block at GTC Minna and Kontagora | 13,954,129.87 | | | 13,954,129.87 |
| 69 | Renovation of electrical/Chemistry Lab and school Library at GTC, Eyagi-Bida | 2,028,240.75 | | | 2,028,240.75 |
| 70 | Renovation of MVM workshop, Dinning Hall and 2 blocks of 4 classrooms at Eyagi-Bida | 1,954,946.22 | | | 1,954,946.22 |

4.4 New Projects

Although the 'New Projects' section of the MTSS provides more details in the Costing Sheet than the other headers, in the Summary Sheet the entries are collated as a list with the final cost assumptions. Any adjustments must be made in the Costing Sheet rather than in the

Summary Sheet. Chart 6 reflects the status of the Summary Sheet for new projects after entries have been made. The assumptions in the 'New Projects' section form part of the capital expenditure, and resource allocations in the ceilings need to take that into account.

Chart 6: New Projects Summary after Entries

| Education Sector 2014 - 2016 Costed | | Summary | | | |
|-------------------------------------|---|-------------------------|-------------------------|-------------------------|--------------------------|
| S/N | Education Sector 2014 - 2016 Costed MTSS | 2014 | 2015 | 2016 | 2014 -2016 Total |
| | Section 2: New Projects | 7,300,512,746.48 | 4,274,136,589.38 | 2,509,158,529.56 | 14,083,807,865.41 |
| 145 | Construct 11 blocks of 3 classrooms each in primary schools, 27,402 sets of pupils furniture and 1090 sets of teachers' furniture | 177,082,682.00 | 178,451,346.60 | 135,255,180.06 | 490,789,208.66 |
| 146 | Construct perimetre blockwall fence at. Kwasau, Tayi, New Tunga, Umar Faruk Primary/Junior Secondary school, Minna | 50,375,405.00 | 0.00 | 0.00 | 50,375,405.00 |
| 147 | Construct 11 blocks of 3 classrooms each in primary schools, 27,402 sets of pupils furniture and 1090 sets of teachers' furniture | 177,082,682.00 | 178,451,346.60 | 135,255,180.06 | 490,789,208.66 |
| 148 | Recruite 800 federal teachers scheme (FTS)[The state handle onlt trasport/ accommandation] | 4,650,000.00 | 5,520,000.00 | 4,600,000.00 | 14,770,000.00 |
| 149 | Train 300 caregivers on management of ECC centres | 2,961,249.00 | 2,961,249.00 | 2,961,249.00 | 8,883,747.00 |
| 150 | Train 600 primary and 300 jss teachers on the use of english language in classroom delivery | 8,883,747.00 | 8,883,747.00 | 8,883,747.00 | 26,651,241.00 |
| 151 | Train 900 primary and 750 jss teachers on the use of phonology and methodology of teaching social studies in class room delivery | 17,944,752.00 | 16,449,356.00 | 14,953,960.00 | 49,348,068.00 |
| 152 | Train 1500 primary teachers on school base teacher development SBTd | 14,806,250.00 | 14,806,250.00 | 14,806,250.00 | 44,418,750.00 |
| 153 | Train 950 jss teachers on methodology and basic science in jss | 11,455,370.50 | 9,818,889.00 | 9,818,889.00 | 31,093,148.50 |
| 154 | Train 600 SBMC on whole school development plan (WSDP) | 17,767,500.00 | 17,767,500.00 | 17,767,500.00 | 53,302,500.00 |
| 155 | Train 600 head teachers and 300 principals on ICT | 8,883,750.00 | 8,883,750.00 | 8,883,750.00 | 26,651,250.00 |
| 156 | Train 450 LGEA education managers and 360 principals on guidance and counselling | 9,179,875.00 | 7,403,125.00 | 7,403,125.00 | 23,986,125.00 |
| 157 | Train 12000 primary teachers on methodology of teaching mathematics and science (SAMASE) | 3,761,100.00 | 48,421,040.00 | 48,421,040.00 | 145,263,120.00 |
| 158 | Train 8,229 teachers to obtain minimum teaching qualification (NCE) | 10,900,078.64 | 21,943,999.96 | 32,915,999.94 | 65,760,078.54 |
| 159 | Support 190 students with scholarship | 924,300.00 | 924,300.00 | 853,200.00 | 2,701,800.00 |

Annex 2: Checklist for Gender and Social Inclusion and Conflict Sensitivity in Medium-Term Sector Strategy

Gender and Social Inclusion (G&SI)/Equalities

In line with the Government of Nigeria's commitment to equality in relation to gender and other social factors (through the Nigerian Constitution and related legislation) and plans for achievement of Millennium Development Goals (MDGs), MTSSs and budgets should be based on need and include a focus on reducing inequalities. There should be clear identification of the needs of those who need services most, depending on the sector (e.g. ensuring equitable access to education for girls and boys in rural and urban areas, or access to resources for women and other marginalised communities in the agricultural sector). The goals, objectives, indicators, activities and budgets should identify specific targets and actions to address those target beneficiaries. For example, the 10 or 20% of LGAs with the worst outcomes could be given additional targets and resources for improvement (and the LGAs change as outcomes improve in those LGAs).

Where data and information – such as data disaggregated by sex or LGA – are not available or reliable, plans should be made to improve them to ensure those who plan, deliver and monitor programmes and services are able to target resources effectively.

The following checklist is taken from sources such as the United Nations Development Programme Gender Mainstreaming Manual and other examples of international good practice and has been successfully piloted in 10 Nigerian states.

| 1. MTSS/budget content | Included? | Recommendations |
|--|-----------|-----------------|
| <p>A) Context and justification</p> <ul style="list-style-type: none"> ■ Background: G&SI are highlighted in background information to the MTSS/budget using convincing arguments; ■ Policy context: the MTSS references and aligns with the wider G&SI policy context, including international agreements (e.g. Convention to Eliminate all forms of Discrimination Against Women (CEDAW), International Conference on Population and Development (ICPD), Convention on the Rights of the Child, African Union Protocol on Women's Rights, MDGs, Convention on the Rights of Persons with Disabilities, etc.), national policy (e.g. National Gender Policy) and any state G&SI guidelines/policies; ■ Data and information: Key G&SI-sensitive indicators are provided, both general information that demonstrates extent of inequalities (e.g. the following list) and sector-specific information, including: <ul style="list-style-type: none"> ■ Literacy rates; ■ Primary education; ■ Secondary completion; ■ Life expectancy; ■ Birth rates; ■ Infant mortality rates; ■ Maternal mortality rates; ■ Population by age, sex and location (urban/rural); ■ Employment rates; ■ Information by Local Government Area (LGA). | | |
| <p>B) Goals</p> <ul style="list-style-type: none"> ■ The MTSS goal reflects the needs of men, women, girls and boys and other prioritised or disadvantaged groups arising from G&SI issues raised in the content analysis; ■ The goal seeks to transform social and other institutions that perpetuate inequality. | | |
| <p>C) Target beneficiaries</p> <ul style="list-style-type: none"> ■ Except where interventions specifically target men, women, boys, girls there is a gender balance in the work; ■ Socially excluded groups/areas are targeted, based on need assessment and evidence of effectiveness; ■ Infrastructure needs of target beneficiaries are taken into account (e.g. latrines for girls/ boys, single sex wards in hospitals, private breastfeeding facilities). | | |
| <p>D) Objectives</p> <ul style="list-style-type: none"> ■ MTSS objectives address the needs of men, women, girls and boys and other priority groups. | | |
| <p>E) Activities</p> <ul style="list-style-type: none"> ■ Planned activities are targeted on men, women, boys, girls and other relevant socially excluded groups; ■ Additional activities needed to ensure that a G&SI perspective is made explicit (e.g. in training in G&SI issues, additional research, etc.) are in place. | | |

| 1. MTSS/budget content <i>Continued...</i> | Included? | Recommendations |
|---|-----------|-----------------|
| <p>F) Indicators</p> <ul style="list-style-type: none"> ■ Indicators measure G&SI aspects of objectives; ■ Indicators are disaggregated by sex or other social factors as required; ■ Where required, targets are set to ensure a sufficient level of gender balance in activities (e.g. quotas for male/female participation). | | |
| <p>G) Implementation</p> <ul style="list-style-type: none"> ■ Implementers have the skills required to deliver G&SI-sensitive policy and programmes; ■ Men, women/other relevant community members will participate in implementation. | | |
| <p>H) Monitoring and Evaluation</p> <ul style="list-style-type: none"> ■ The M&E strategy includes a G&SI perspective and involves relevant communities in a meaningful way; ■ The M&E strategy will consider both substantive (content) and administrative (process) aspects of the MTSS. | | |
| <p>I) Risks</p> <ul style="list-style-type: none"> ■ G&SI issues have been taken into account in risk assessment; ■ The potential negative impacts of interventions have been considered (e.g. increased burden on women or social exclusion of men). | | |
| <p>J) Budget</p> <ul style="list-style-type: none"> ■ Financial inputs reflect G&SI-related outcomes, outputs and activities (e.g. maternal mortality programmes; school latrines for boys and girls); ■ Budgets include resources for relevant G&SI training or expertise. | | |
| <p>K) Annexes</p> <ul style="list-style-type: none"> ■ Relevant evidence (e.g. research papers/excerpts) is included as annexes to contribute to a sound justification for attention to G&SI. | | |
| <p>Other issues</p> | | |
| 2. MTSS/budget process | Included? | Recommendations |
| <p>A) Data and Evidence</p> <ul style="list-style-type: none"> ■ Data and information disaggregated by sex and other social factors (e.g. rural/urban) are used to inform planning; ■ Participatory needs assessment involving affected communities or their representatives informs the process; ■ Evidence of effectiveness in G&SI issues was used to inform the MTSS, using sources such as: <ul style="list-style-type: none"> ■ Local, state, national and regional practice; ■ Technical assistance from experts; ■ Research institutes/publications; ■ Internet. | | |

| 2. MTSS/budget process <i>Continued...</i> | Included? | Recommendations |
|---|-----------|-----------------|
| <p>B) Partnership and Engagement</p> <ul style="list-style-type: none"> ■ Partnerships: The MTSS/budget were developed in partnership with the relevant range of MDAs, professional bodies, representatives of civil society, development partners, etc., taking into account dependencies for achievement of sector targets⁹ including: <ul style="list-style-type: none"> ■ MDAs (e.g. MoBP, MoF, MoH, MoE, Ministry of Industry, Ministry of Agriculture, other key sector MDAs; e.g. if MOWA does not cover social inclusion issues including young people); ■ NGOs/CBOs representing G&SI community members/focused on G&SI; ■ Development partners and programmes (e.g. State Accountability and Voice Initiative (SAVI), Education Sector Support Programme in Nigeria (ESSPIN), Partnerships for Transforming Health Systems Phase II (PATHS2), UN bodies, other development partners); ■ Professional bodies relevant to sectors; ■ Academic institutions; ■ Engagement: Male/female service users and communities/their representatives (e.g. CBOs/NGOs) were meaningfully involved in needs assessment, planning, delivery, monitoring and review. | | |
| <p>C) Leadership</p> <ul style="list-style-type: none"> ■ Champions for G&SI in the MTSS have contributed to ensuring G&SI content. | | |
| <p>D) Resources and Capacity</p> <ul style="list-style-type: none"> ■ Planners and reviewers have capacity to input effectively on the MTSS/budget. | | |
| <p>E) Communication</p> <ul style="list-style-type: none"> ■ Partners/wider community: Effective communication mechanisms are in place to facilitate planning with partners (e.g. schedule of meetings set, up-to-date contact details maintained, adequate notice of meetings) and wider engagement (e.g. notice of consultation meetings); ■ Documentation and Dissemination: There is a plan for documentation of processes and dissemination of publications to a range of audiences (e.g. summary versions for the service providers, information sheets for the public, etc.). | | |
| <p>F) Monitoring and Evaluation</p> <ul style="list-style-type: none"> ■ The MTSS partnership and process of planning/review are assessed and recommendations made for improvements in the next cycle; ■ Partners or representatives of these participate meaningfully in M&E with a focus on G&SI issues. | | |
| <p>Other issues</p> | | |

⁹ For example, in order to achieve health targets, the education sector needs to be involved to promote health messages, ensure the education of girls (which is directly related to improved infant mortality rates) and encourage young people to train for science and health care professions.

Conflict Sensitivity in MTSSs

With the distribution of resources seemingly being the cause of conflicts between different groups of people across the world, and a realisation that development cannot take place in an environment of conflict, it is necessary for the MTSS to consider sensitivities and issues that may lead to conflict.

It is necessary for the government and the sector to have an understanding of both the history of conflict in the area as well as the conditions that may lead to potential conflicts in the future. Such understanding needs to extend to plans for how the sector could implement its programme and projects should conflict arise.

The key questions to address around conflict sensitivity when developing and subsequently rolling over the MTSS are:

- Are sector programmes and projects designed and implemented in an equitable way that ensures that no sections of the population are excluded?
- Are natural and other material resources allocated/distributed and utilised in a way that makes it available to all sections of the population, and in a way that meets their various and specific needs; e.g. farmers need land for agriculture while herdsmen need grazing land for their livestock?
- Are specific programmes and projects designed and included in the MTSS, which will meet the needs of special groups; e.g. providing special arrangements for delivering education to nomadic children?

Annex 3: Model Medium-Term Sector Strategy Content

Example: Table of Contents for an MTSS

1 Introduction

| | | | |
|-----|--|--|--|
| 1.1 | Aims and objectives | A brief section explaining where the MTSS fits among the planning documents for the state and the sector. | |
| 1.2 | Summary of the process | A description of how the MTSS was developed, and who was involved. | |
| 1.3 | Summary of conclusions | A short, snappy summary of the key strategic directions for the sector, why these priorities were chosen and how they make best use of the budget available to the sector. | |
| 1.4 | Outline of the structure of the document | A summary of what is in each chapter. | |

2 State sector policy

| | | | |
|-----|---|---|--|
| 2.1 | Brief introduction to the sector in the state | A brief introduction to issues that are particularly relevant to the sector in the state, for example, population growth and distribution (disaggregated by factors such as age, sex and location), current demand for sector services in different parts of the state, potential growth in demand, new technology. | |
| 2.2 | Current situation in the sector | An analysis of the current quality and levels of service based on the available data, surveys, research and performance reviews, setting out the key challenges, including a focus on inequalities that exist in relation to factors such as poverty, gender, location. (Put data in annexes rather than making this section too long.) | |
| 2.3 | Sector policy | A description of the main policy goals for the sector. Refer to relevant documents, such as State Plans and national policies relating to the sector. Ensure wording of goals is the same as policy statements. | |

3 Developing sector strategy

| | | | |
|-----|----------------------|---|--|
| 3.1 | Strategic challenges | A description of the main challenges identified and discussed in strategy meetings. | |
| 3.2 | Sector resources | A description of projected revenue for the sector, recurrent and capital commitments, amount available for discretionary spending and any resource constraints. | |

3 Developing sector strategy *Continued...*

| | | | |
|-----|--|---|--|
| 3.3 | Contributions from partners | A description of partner activities in the sector (may include donor, NGO, federal and local government, private sector, public–private partnerships, religious and other organisations' projects and programmes). | |
| 3.4 | Links within the sector and with other sectors | A description of: <ul style="list-style-type: none"> ■ Programmes which run across Ministries, Departments and Agencies (MDAs) in the sector; ■ How sector programmes contribute to broader policy goals outside the sector; ■ How programmes in other sectors contribute to goals in the sector. | |
| 3.5 | Summary of key strategies | A description of the main medium-term strategies and main activities associated with them. Explain how the strategy builds momentum and growth (e.g. by building skills and putting in place processes rather than just buying things) and how inequalities will be reduced. | |
| 3.6 | Justification | An explanation of how and why projects and programmes were chosen. State the criteria for choosing each (e.g. cost effectiveness, expected benefits, expected impact) and explain how each will contribute to a policy outcome. Give the reasons why certain options were discarded (e.g. too costly, lack of skills to carry through). | |
| 3.7 | Results Framework | A description of the targets the strategy has set, including goals, outcomes and KPIs. This should have clear numbering relating to the policy goals and consistent wording. | |
| 3.8 | Responsibilities and operational plan | A description of the organisations responsible for carrying out the different components of the MTSS. | |

4 Three-year expenditure projections

| | | | |
|-----|-------------------------|---|--|
| 4.1 | Expenditure assumptions | A description of the assumptions made in working out the costs of the strategy. | |
| 4.2 | Expenditure projections | A summary of projected expenditure: <ul style="list-style-type: none"> ■ Emphasising changes in the balance between recurrent and capital expenditure; ■ Describing how changes in the pattern of expenditure in the medium term support the achievement of policy goals; ■ This should be numbered and relate to KPIs so that expenditure is easily traceable to strategic goals. | |

5 Monitoring and Evaluation

| | | | |
|-----|-----------------------------|--|--|
| 5.1 | Identifying data | A description of the data that will be collected to measure progress towards targets, including data disaggregated by factors such as sex and LGA to allow measurement of changes in inequalities. | |
| 5.2 | Annual sector review | A description of when, how and what form the annual review of the MTSS will take, who will be involved and how the results will be used in revising the strategy the following year. | |
| 5.3 | Organisational arrangements | A brief description of who will collect data and who will perform analyses. | |

Annex 4: Glossary

Activity: Actions taken or work performed through which inputs, such as funds, technical assistance and other types of resources, are mobilised to produce specific outputs. Examples of 'activities' could include: development of a data base; building a school; recruiting staff; providing training; and procuring equipment.

Arrow and pillar approach: A method of policy development where the arrow is a high-level goal and the pillars are the supporting programmes needed to achieve that goal.

Baseline: Information gathered at the beginning of a project or programme against which variations that occur in the project or programme are measured.

Benchmark: Reference point or standard, including norms, against which progress or achievements can be assessed. A benchmark refers to the performance that has been achieved in the recent past by other comparable organisations, or what can be reasonably expected to have been achieved in similar circumstances.

Budget Call Circular: The Circular sent out by the central planning or budget Ministry each year, ideally around July, giving guidance on the annual budget process, and providing MDA budget ceilings based upon fiscal projections and policy direction.

Capital–recurrent ratio: The ratio of capital expenditure to recurrent expenditure.

Conflict sensitivity: Conflict sensitivity means the ability to understand the context in which the Plan operates; understanding the interaction between Plan intervention and the context and acting upon the understanding of this interaction, in order to avoid negative impacts and maximise positive impacts.

Cost/benefit analysis: The process of comparing the costs involved in doing something with the advantage or profit that it may bring.

Economic code: The code in the budget document and chart of accounts referring to a separate type of expenditure by input.

Equality: Ensuring equality of opportunity between women and men, or socially excluded groups and the rest of society, so that all have equal rights and entitlements to human, social, economic and cultural development and an equal voice in civic and political life.

Equity: The exercise of rights and entitlements leading to outcomes that are fair and just. Examples:

- Ramps for buildings so that people with mobility problems can enter;
- Pictorial signs for people who are unable to read;
- Maternity leave for pregnant women.

Executive: That part of a government that is responsible for making certain that laws and decisions are put into action.

Fiscal projection: This is a projection over a defined medium-term period of the expected financial resources that will be available to a government unit (state government for example). It will normally be based upon assumptions and estimates of key fiscal elements, including the assumed oil price and production volume, the level of taxation, the level of inflation and projection of gross domestic product (GDP).

Gender: Socially defined roles for men and women, girls and boys. These can vary widely based on differences in social norms, from area to area, region to region and country to country. Examples: women should/should not be able to choose paid employment; men can/cannot change a baby's diaper.

Goal: A specific end result desired or expected to occur as a consequence, at least in part, of an intervention or activity. It is the higher-order objective that will assure national capacity building to which a development intervention is intended to contribute.

Gross domestic product (GDP): The total value of goods and services produced in a country (or part of a country) in a year.

High-level goal: A high-level objective or goal that exists at the level of the parent organisation, in this case for the state government. It describes a key result over the longer term towards which all combined activities and efforts should be aiming.

Impact: Impact implies changes in people's lives. This might include changes in knowledge, skill, behaviour, health or living conditions for children, adults, families or communities. Such changes are positive or negative long-term effects on identifiable population groups produced by a development intervention, directly or indirectly, intended or unintended. These effects can be economic, socio-cultural, institutional, environmental, technological or of other types. Positive impacts should have some relationship to the Millennium Development Goals (MDGs), internationally agreed development goals, national development goals (as well as human rights as enshrined in constitutions) and national commitments to international conventions and treaties.

Input: A financial, human, material, technological and/or information resource used for development interventions. What is needed to create an output. Examples of inputs:

- If a road is an output, it needs the inputs of labour, planning, finance, materials and equipment to build it;
- For numbers of students educated, inputs include teachers, schools, books, toilets and other facilities.

Key Performance Indicator (KPI): A KPI provides government departments with a way of ensuring that policy objectives will be achieved in the future. It provides a framework to ensure policy objectives will achieve the desired outcomes, and that strategies are translated into action. Critically, it provides management teams with an early warning system that policy objectives may not be met as a result of internal shortcomings. A KPI monitors how well policy objectives are met. In short, a KPI is a measure of current activity and desired outcomes that will have an impact on a department's ability to deliver on policy objectives and targets in the future.

Legislature: The group of people in a country or part of a country who have the power to make and change laws.

Ministries, Departments and Agencies (MDAs): A collective term covering Ministries, non-Ministerial agencies, and the Departments within them. Each will normally have a separate budget vote functional code.

Medium-Term Expenditure Framework (MTEF): A MTEF describes the outline division of planned expenditures over a medium term, all within the confines of projected known financial resource constraints.

Medium-Term Sector Strategy (MTSS): Sets out specific inputs and activities for a particular vote or small cluster of vote heads, to deliver specific outputs in the medium term (three years) and within the limitations of resource constraints so that it is realistic.

Objective: A specific result that an organisation aims to achieve within a time frame and with available resources.

Outcome: Change in the institutional and behavioural capacities for development conditions that occur between the completion of outputs and the achievement of goals. A result that contributes to the achievement of a goal. It must contain reference to a measure of improvement in some aspect of business related to the goals of government. The result or effect of an activity, particularly insofar as it affects people.

Output: Changes in skills or abilities and capacities of individuals or institutions, or the availability of new products and services that result from the completion of activities within a development intervention within the control of the organisation. They are achieved with the resources provided and within the time period specified. Something tangible and measurable produced by an activity or project, particularly a physical object or a physical measure of some activity (e.g. the number of training courses carried out). Examples of outputs:

- Numbers of students (M/F) graduating from university;
- Percentage of children (M/F) vaccinated.

Performance: The degree to which a development intervention or a development partner operates according to specific criteria/standard/guidelines or achieves results in accordance with stated plans.

Performance indicator: Unit of measurement that specifies what is to be measured along a scale or dimension but does not indicate the direction of change. Performance indicators are a qualitative or quantitative means of measuring an output or outcome, with the intention of gauging the performance of a programme or investment.

Performance monitoring: A continuous process of collecting and analysing data for performance indicators, to compare how well a development intervention, partnership or policy reform is being implemented against expected results (achievement of outputs and progress toward outcomes).

Policy: A course or principle of action adopted or proposed by a government, party, business or individual. Policy making is the process by which governments translate their political vision into programmes and actions to deliver 'outcomes' – desired change in the real world. Policy can take a range of different forms, including non-intervention, regulation, for instance by licensing, or the encouragement of voluntary change, as well as direct public service provision.

Programme: A programme is a defined collection of inputs and activities, resulting in one or more outputs. It will normally include inputs under all of the three major budget groupings of personnel, overheads and capital.

Project: A piece of planned work or an activity that is finished over a set period and intended to achieve a particular aim.

Results: The changes in a state or condition that derive from a cause-and-effect relationship. There are three types of such changes – outputs, outcomes and impact – that can be set in motion by a development intervention.

The changes can be intended or unintended, positive and/or negative.

Results-Based Management (RBM): Management strategy by which all actors, contributing directly or indirectly to achieving a set of results, ensure that their processes, products and services contribute to the desired results (outputs, outcomes and higher-level goals or impact) and use information and evidence on actual results to inform decision making on the design, resourcing and delivery of programmes and activities, as well as for accountability and reporting.

Results chain: The causal sequence for a development intervention that stipulates the necessary sequence to achieve desired results – beginning with inputs, moving through activities and outputs, and culminating in individual outcomes and those that influence outcomes for the community, goal/impacts and feedback. It is based on a theory of change, including underlying assumptions.

Results Framework or Matrix: This explains how results are to be achieved, including causal relationships and underlying assumptions and risks. The Results Framework reflects strategic-level thinking across an entire organisation, a country programme, a programme component within a country programme, or a project.

Sector: A sector describes a discrete area of government business under which key outcomes are defined, normally at the Vote Head Ministry level, but it may include the work and outputs of more than one vote head category. So for example, education outcomes might be contributed to by Ministries of Education, Science and Technology, and perhaps even Water Affairs.

Social exclusion: A process whereby certain individuals or groups are pushed to the edge of society and prevented from participating in economic, social and cultural life, because of factors such as poverty, age, gender, ethnicity, religion, location (e.g. slum or rural dweller), HIV status, marital status, mental health, physical or mental disability.

Social inclusion: A process to ensure that those at risk of poverty and social exclusion have the resources to participate fully in economic, social and cultural life and enjoy a standard of living and well-being that is considered normal in the society in which they live.

Stakeholders: People or organisations such as employees, customers or citizens or bodies such as NGOs, CBOs, MDAs, private sector organisations, development partners, unions or academic institutions,

with an investment, share or interest in something such as an organisation, project or society, who therefore have responsibilities towards it, and benefit from it.

State Plan: An approved public document outlining a state's overarching policy position and the outcomes that the government expects these policies will deliver. The document describes how this will be done within the limitations of resource constraints, so that it is realistic. Also called a State Development Plan.

Strategy: A detailed plan for achieving objectives in situations such as politics, business, industry, war or sport, or the skill of planning for such situations. A statement about how policy outcomes and goals are to be achieved.

Target: A particular value that an indicator should reach by a specific date in the future. For example: 'Total literacy rate to reach 85% among groups X and Y by the year 2010'.

Vision: An aspirational description of what an organisation, in this case the state, would like to achieve or accomplish in the mid-term or long-term future. It is intended to serve as a clear guide for choosing current and future courses of action.

Vote Head: Ministries and Agencies that are designated a main budget code number under which other MDAs are listed.

Annex 5: Medium-Term Sector Strategy Preparation Checklist

Strategy Process Standards

1. Politicians and the Central Planning Ministry are providing timely annual policy guidance and envelopes, based upon the SDP, within which sector strategy can be developed.
2. Approaches to achieving meaningful civil society involvement (including women and representatives of marginalised groups) in strategy making are understood and utilised.
3. Strategies are published, and a political commitment to implement them is being made – attached to service charters where appropriate.
4. MTSS teams (or committees or focus groups) in each 'sector' have been established, and receive support on how to develop MTSS according to all the contents standards listed adjacent from the central planning Ministry.
5. Sector strategies are developed into (or iteratively on the basis of) sector implementation or action plans.

Strategy Content Standards

1. Objectives are output and outcome based, and the sector strategy includes Key Performance Indicators (KPIs).
2. Sector Strategies cover three years, and rolling versions demonstrate changes made on the basis of performance reviews.
3. Sector Strategy demonstrates specific means of achieving or contributing to the achievement of relevant Policy Statements in the State Development Plan.
4. It is possible to discern in the Sector Strategy consistency with National and Regional Policy Guidelines.
5. Sector Strategies incorporate reference to cross-government and cross-stakeholder working.
6. Sector Strategies are financially feasible.
7. Budgets can be traced to strategic priorities.
8. Evidence including research findings is used in the development of strategies.
9. Sector strategies demonstrate that there is the human resource and organisational capacity to implement them.
10. Sector strategies demonstrate that public views have been taken into account.
11. Sector strategies demonstrate their contributions to MDG achievement and to G&SI targets to reduce inequalities.

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