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FCDO governance programming in Nigeria: What difference has thinking and working politically made in practice?

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Key Insights

The UK's engagements in Nigeria are a showcase for the gradual integration of a thinking and working politically (TWP) approach into development practice. The Department for International Development (DFID) Nigeria country office has gradually adopted TWP in implementing a portfolio of governance and service delivery reform programmes. Based on The Policy Practice's involvement since the early 2000s, this Working Paper provides an overview of these nearly two decades of TWP mainstreaming.

The paper also documents a trajectory which can inform reflexive thought as both parties to the UK-Nigeria relationship undergo further changes. On the one hand, we have seen the emergent economic effects of the Covid-19 pandemic upon Nigeria since March 2020, as global lockdowns affected oil prices and thus public finances. This has accelerated a move away from the feasibility of reliance on oil incomes, as well as more noticeably exposing developmental gaps within the country and attendant divergent priorities. On the other hand, the UK has had official development spending cut by around 20% due to the effects of the pandemic on public finance. The move to a new single Foreign, Commonwealth and Development Office (FCDO) in September 2020 with unified leadership and goals will have implications for what TWP means in practice.

- Political economy analysis is best used over the long term, not only as a design tool but also as an embedded method to help implementers think through their working options as these develop. DFID has achieved notable successes in Nigeria with mainstreaming a TWP approach since the early 2000s, evolving from thinking politically in programme design to integrating working politically in flexible ways with decentralised leadership of programme implementation.

- The real value of PEA is not in 'picking winners' but in shaping programming in a way that enables winners to be picked. In other words, not in providing ready-made answers but in embedding ways of working that allow the right questions – and their answers – to be generated reflexively throughout the lifespan of a programme.

- TWP can only achieve results if programme managers are willing to embrace risk, flexibility and experimentation at the level of both intentions and targets.

- Limiting factors include not only the political economy of Nigeria but also the shifting politics of the UK, and the opportunities and restrictions these have created. Politically aware design must also address the political contexts and parameters of the donor country – that is, the political economy of donors themselves.

- The TWP approach has not gone far enough. This is demonstrated by the lack of a portfolio-wide response to the severe fiscal and economic crisis that affected Nigeria from 2014 to 2017, and inconsistent state-level engagements. The Covid-19 crisis offers a point of engagement to work towards rectifying this.

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Acronyms

CSO	Civil Society Organisation
DFID	Department for International Development
EU	European Union
FCDO	Foreign, Commonwealth and Development Office
ICAO	Independent Commission for Aid Impact
IMEP	Independent Monitoring and Evaluation Project for the DFID Nigeria State Level Programmes
LEAP	Learning, Evidence and Advocacy Partnership
PDP	People's Democratic Party
PEA	Political Economy Analysis
PERL	Partnership to Engage, Reform and Learn
SAVI	State Accountability and Voice Initiative
SPARC	State Partnership for Accountability Responsiveness and Capability
TWP	Thinking and Working Politically
UK	United Kingdom

1 Introduction

The engagements of the UK Department for International Development (DFID) in Nigeria, now the Foreign, Commonwealth and Development Office (FCDO), are a showcase for the gradual integration of a thinking and working politically (TWP) approach in development practice. Based on The Policy Practice's involvement since the early 2000s, this paper provides an overview of nearly two decades of TWP mainstreaming. It examines how TWP practices have influenced DFID's governance programming in Nigeria and contributed to results, as well as their strengths and limitations. It takes into account not only the complex political economy of Nigeria itself but also the less frequently considered political economy of the donor partner and its priorities and constraints.

The paper addresses three research questions:

1. To what extent have DFID Nigeria and its governance programmes adopted TWP, and why?
2. To what extent has this approach influenced the design and delivery of the DFID country strategy and individual governance programmes?
3. What is the evidence that the practical application of the approach has enhanced the results of DFID governance programming in Nigeria? Which problems have been resolved and which endure?

This paper does not attempt to prove causality. Its purpose is to provide a detailed explanation of how the TWP approach has been developed and applied in a single country. It shows how this has led to important changes in the nature and content of UK aid programming in Nigeria and the types of results that have followed. Since TWP is at heart a practice-based proposition, our aim is to move beyond theoretical discussions to show how to apply the approach, what results to expect and what limitations may be encountered.

The story of DFID programming in Nigeria shows how it is possible to use TWP effectively in a relationship with a large, resource-rich, sovereign development partner to maximise the traction of donor-supported interventions with limited resources. The key trajectory has entailed moving from a focus mainly on political economy analysis (PEA) (thinking politically) to giving increased attention to analysis to inform decision-making on country strategy and programming (working politically). However well this is done, a key limiting factor will always be the political economy of aid bureaucracies and donor governments themselves. Donors need to be reflexive thinkers about their own limitations.

The authors of this paper have worked as consultants or staff of DFID Nigeria over the past 15 years, closely involved in undertaking PEA, delivering training and carrying out programme design and review, as well as working among implementing teams delivering DFID programmes.[2]

[2] Additional evidence is sourced from an extensive published literature on the political economy of reform in Nigeria as well as published evaluations and reviews including annual programme review reports published on DFID's development tracker. This includes evaluations conducted by the Independent Commission for Aid Impact (ICAI) and an enquiry on DFID's Nigeria programme conducted by the House of Commons International Development Committee in 2016.

2 The Nigerian Context

2.1 The political economy context in Nigeria

The political economy of Nigeria raises particular challenges for traditional models of aid programming. There is broad consensus in the literature that a combination of factors have undermined development (if understood as the provision of public goods and services, private sector growth, human development and poverty reduction), including the oil economy and the attendant resource curse, weak state–society relations, clientelist politics, ethno-regional tensions and conflict.[3]

Fundamentally, Nigeria's reliance on revenues arising from oil and gas has distorted incentives towards rent-seeking rather than the delivery of public goods and services. This system of rent-seeking and patronage has undermined government performance, resulting in the wasteful and corrupt use of public resources, abuse of public procurement and the debasement of public service recruitment to service political clients. In response, many private sector incentives have shifted towards servicing public contracts and capturing policy-induced rents, with damaging effects on competitiveness and growth.

Easy access to oil revenues has weakened formal public accountability towards taxpayers and citizens while reinforcing narrow, particularist, personalised and informal ties. Citizens afflicted by poverty, inequality, powerlessness and lack of provision of public goods and services have low expectations of government and tend to shape their demands around the immediate benefits of patronage. These dynamics are reflected in electoral competition shaped by money politics, vote-buying and the behind-the-scenes influence of political financiers who monetise electoral politics in expectation of returns. Although elections in 2015 led to a change in federal government control to the All Progressives Congress after 15 years under the People's Democratic Party (PDP), this does not appear to have led to fundamental change in the structure of the political game.

These dynamics have become institutionalised in constitutional arrangements and administrative practices that serve mainly to control how oil revenues and economic rents are captured and distributed among ethno-regional elites – a structure mainly designed to balance competing ethno-regional interests and to maintain stability rather than to ensure government effectiveness and accountability.[4] Taken together, these factors have been extremely damaging to development. Policy and governance failures have undermined growth and enriched elites. Recent estimates by the Brookings Institute suggest that Nigeria has overtaken India as the country with the most people living in extreme poverty (87 million as of May 2018) (Kharas et al., 2018).

2.2 Potential for reform

Although this political economy is deeply entrenched, there are many potential and actual drivers of change towards greater accountability and performance, including a diverse and active civil society, vibrant debate conducted in public and through traditional and new media, and a large pool of human resources and expertise

3 Heymans and Pycroft (2005); Utomi et al. (2007); Bain et al. (2015).
4 See Suberu (2001); Mustapha (2006); Adebanwi and Obadare (2013).

(including development professionals) both within the country and in the diaspora. Within government, Nigeria's institutions contain latent capacity and professionalism, even if this is not often incentivised.

Within the broader context of poorly functioning institutions, there are numerous cases of successful reforms that have occurred as pockets of effectiveness (Roll, 2015). 'Positive deviance' examples include the success of the National Agency for Food and Drug Administration and Control in controlling counterfeit medicines, public financial management reforms under President Obasanjo's second administration (Abah, 2012; Okonjo-Iweala, 2012), national debt management (Akunyili et al., 2013), banking and telecoms reforms, and the response to the Ebola threat in 2015 (BPSR, 2015). In addition, there are numerous successful reforms at state level, most notably in Nigeria's richest and most populous state, Lagos, which has made remarkable progress in improving security and infrastructure over the past 15 years (Chambers and Kulutuye, 2016), but also in other states such as Edo, Ekiti, Kaduna and others, which have recorded success in specific limited domains such as internal revenue generation, higher education, governance, documentation capacity and internal security management.

Many of these cases can be attributed to the decisive influence of reform-minded leaders who are able to draw on personal conviction and political power to drive through changes and overcome opposition. Beyond leadership, other factors can be important – for example pressure from key constituencies (e.g. private sector bodies in Lagos), fiscal pressure (e.g. oil revenue declines leading to the adoption of the 2016 Fiscal Sustainability Plan) and international influences (e.g. adoption of the Extractive Industries Transparency Initiative under President Obasanjo and the Open Government Partnership under President Buhari). Case studies of pockets of effectiveness have highlighted the important role of institutional changes that allow parts of government greater operational autonomy and freedom from political interference (Rogger, 2014).

But these numerous cases of positive deviance are not part of a process of sustained and transformational change. In many cases, reforms have been rapidly reversed following changes in leadership, or have even precipitated a backlash (as observed in the loss by a reformist incumbent administration of the Ekiti state elections in 2011). However, some reforms have proven durable, most importantly in Lagos, where improved performance of the state government has been sustained over four governorships. This has been linked to growth in tax revenues and corresponding pressures from taxpayers for government to deliver public goods and to demonstrate accountability (Cheeseman and de Gramont, 2017).

2.3 A challenging context for development partners

Nigeria is one of Africa's least-aided countries, with aid per capita of only $13 compared with the sub-Saharan average of $43.[5] Donor resources are dwarfed by Nigeria's oil revenues; at the outset of the mid-2010s period of recession, Nigeria's

5 World Bank Open Data 2016 figures: https://data.worldbank.org/

2015 budget was still $22.6 billion.[6] But this also denotes wariness among donors of engaging in a context of weak governance where reform commitment is unpredictable and the risk of aid misuse is high. In addition to development partners' limited financial leverage, Nigeria also does not have an institutionalised culture of aid reliance – being a regional actor with its own history as an international aid donor. Nigerian national sovereignty is key for policy actors, making engagement through example and suasion the key viable mode.

In spite of these challenges, a small group of donors led by DFID, the EU, the World Bank and the United States Agency for International Development became active in Nigeria following the return to civilian rule in 1999. DFID's reorganisation as a full ministerial department (in 1997) and the end of military dictatorship and international re-engagement with Nigeria (in 1999) took place at broadly the same time, so the relationship has seen both parties growing up together. DFID significantly increased its funding for Nigeria from £20 million in 2001–2002 to £266 million in 2016–2017 (House of Commons, 2016).

Even at this scale, however, the scope for impact must be tightly defined. Rather than trying to effect wholesale change or supplement large government functions, there is a need for a targeted approach, seeking to create durable examples of positive change by acting as a catalyst or exemplar. Another layer of complexity (but also opportunity) is added by the federal system, whereby 36 state governments have extensive responsibility for service delivery while national (federal) government performs centralised functions.

2.4 The political fortunes of governance reform

Initial optimism that the return to democracy would create conditions for accountable governance and developmental leadership during the first Obasanjo administration (1999–2004) was rapidly undermined by factionalism within the ruling PDP and power struggles between the executive and the legislature. The return to democracy did not bring about fundamental change but instead led to intensified patronage politics and competition between elites to capture resources and rents. Donors became disillusioned with the lack of reform progress and the poor results of their programmes. A World Bank evaluation rated the overall outcome of its programme for the period 1998–2007 as 'moderately unsatisfactory', mainly because of a lack of understanding of the political economy context, finding that 'a large number of lending operations were started, often without the base of local knowledge needed for success' (World Bank, 2008).

Confronted with disappointing results, DFID also began to re-examine its assumptions and analyse the reasons for the lack of reform progress. A study by Heymans and Pycroft (2003) concluded that DFID had been working under three assumptions that had proven unrealistic – namely, that:

1. 'Democracy' creates political space for pro-poor change.
2. 'Champions of change' will drive reform.
3. Lack of capacity is the problem.

6 https://www.vanguardngr.com/2015/05/jonathan-approves-2015-budget-2/

The review called for DFID to improve its understanding of the political economy context and to find new ways of working to support more realistic change pathways. Calling for 'a rethink of change strategies in Nigeria and of the way donors engage with this society', Heymans and Pycroft's review can be regarded as one of the first statements of the TWP approach.

3 The Thinking and Working Politically Approach in Nigeria

TWP is covered by a growing and diverse literature on PEA and the emergence of new aid management practices, such as politically smart, locally led development (Booth and Unsworth, 2014) and problem-driven iterative adaptation (Andrews et al., 2012).[7] The approach requires development actors to change their behaviour at three levels: 1) analysis, 2) strategy and 3) programme management. Table 1 highlights the key changes at each level and can be used to assess the extent to which the TWP approach has been adopted in DFID Nigeria's governance programming.

Table 1: Key Elements of the TWP approach

	Level of change	Traditional approaches	TWP
Thinking politically	1. Analysis	Development problems are viewed as technical problems arising from knowledge and financial gaps.	Development problems arise through poor governance deriving from misaligned political incentives, unequal power relations and dysfunctional institutions.
Thinking politically	2. Strategy	Partners can fix development problems by offering financial and technical assistance and policy advice, including normative 'best practice' borrowed from other countries.	Governance problems can only be solved through domestic actors realising common interests, engaging in collective action and driving reform. Development partners can facilitate domestically driven change processes by bringing evidence to policy debates, offering ideas with 'best fit' with national institutions, brokering change coalitions and supporting policy entrepreneurs.
Working politically	3. Programme management	A theory of change, results framework and work plan are defined first, with limited possibilities to change direction except following infrequent external reviews.	Programmes are flexible with freedom to explore, experiment and innovate. Investment is made in 'small bets' that can be rapidly scaled up or down depending on results, emerging risks and opportunities. Experimentation, reflection, learning and adaptation are driven from within project teams.

Over the three periods described below, we can observe a progression, starting with a focus on the level of analysis and moving to strategic questions and programme management issues.

7 For a bibliography and review of the tools available for PEA and politically smart, locally led development, see https://thepolicypractice.com/onlinelibrary/

Stage 1 (2003–2008): Emergence of the issues-based approach

The Drivers of Change exercise DFID Nigeria conducted between 2003 and 2005 began with an intensive phase of PEA (analysis) and moved into decision-making on adapting the country portfolio (strategy). The initial overview assessment (discussed above), which challenged DFID's working assumptions and reflected on the reasons for limited reform progress, was followed by over 30 studies analysing specific sectors and the role of change agents. The studies adopted a three-level analytical framework covering:

1. Structural factors (e.g. dependence on oil revenues);
2. Institutions, both formal (e.g. the federal constitution) and informal (e.g. patronage politics); and
3. Agents (individual actors and organisations driven by incentives).

The key insight was that reforms need to be driven by changes at each of these three levels, and that working in support of reform-minded actors (level 3) in the absence of changes in institutional rules and structural conditions (levels 1 and 2) would bring only limited results. The best results would come from pressures within the system, by coalitions of actors from across civil society, the media and the private sector, linked to reform elements within government. Building coalitions around specific issues would provide focus. It would be necessary to engage at multiple levels – federal, state and local – and to apply different approaches in different localities.

These insights from Drivers of Change were reflected in the DFID Country Assistance Plan 2004–2008, which defined its key strategic goal as 'helping Nigeria to use its own resources more effectively'. This emphasised the use of DFID resources to strengthen actors and systems promoting greater accountability in the use of domestic resources. Improved public financial management and broader strengthening of government systems became a major focus of the country programme. There was also recognition that 'supply-side' programming – working with government to build capacity and strengthen systems – would not suffice. It would be essential also to work with 'demand-side' actors from outside government, in civil society and the private sector. A key principle was established that any supply-side initiative should be matched with a corresponding intervention on the demand side.

Several programmes adopted an innovative issues-based approach, rather than concentrating on government capacity issues, such as financial or personnel management, in and of themselves. The essence was to bring stakeholders together to focus on a locally defined outcome, or problem, such as improved delivery of specific services, reduced corruption in a particular ministry or state, greater transparency in oil revenues or decreased youth unemployment. This required working with everyone with an interest in the issue (both supporters and opponents of change), supporting the emergence of coalitions of actors and facilitating a process of planning and delivering actions to support change. This approach, with the aim of demonstrating how collective action could bring about changed behaviours and institutional practices, was also intended to be sustainable and to lead to different expectations of government and citizens' ability to address problems. Over the longer term, the vision was for the gradual emergence of a social contract based on the delivery of public goods and services rather than on political patronage. The issues-based approach has been influential across DFID Nigeria's portfolio and beyond (see Piron et al., 2016).

Stage 2 (2008-2016): Growth of the portfolio using a TWP approach

The following period was marked by rapid growth in the size and breadth of DFID's portfolio in Nigeria, to a peak of £244 million in 2015–2016, with governance programmes accounting for around 25% of the total. DFID operated in five (subsequently ten) states, where it implemented a suite of connected State Level Programmes supporting improved governance, health, education and private sector developments. In addition, DFID stepped up engagement with the federal government through the Federal Administration and Public Administration Reform programme. Alongside the original broad overview of Nigeria's political economy, the period 2008–2016 saw a shift in focus towards state-level analyses. PEAs were commissioned for all of the states covered by programmes, starting in 2009; these were updated in 2012 and 2015. In addition, studies were undertaken on thematic questions of interest to DFID and its programmes – for example the political economy of budget processes, of national monitoring and evaluation systems, of low-cost private education and of trade policy.

PEA was increasingly embedded within DFID programmes, with the State Partnership for Accountability Responsiveness and Capability (SPARC) and the State Accountability and Voice Initiative (SAVI) jointly conducting analyses. Initially, external expert support was commissioned to carry out analyses, but the process was gradually brought within the project teams to enable more their regular update, discussion and use. The state-level analyses were intended to decentralise operational decision-making, to enable state-level teams to understand and navigate the particular context in which they were working, to assess and respond to key political events such as elections and high-level political appointments, to identify local priorities for issues-based working and to assess the feasibility of alternative reform strategies. This information fed directly into programme decision-making and contributed to the increasing differentiation of approaches in different states (see below).

DFID stepped up political engagement at state level and strengthened the role of regional and state-level coordinators to manage these relationships. Memoranda of understanding were signed between DFID and several state governments linked to an agreed programme of support and reforms. DFID's programmes were also expected to develop their own political contacts at state level. This led to close links between SPARC and the Executive Council in several states,[8] links on which DFID often relied for its own political engagement, as civil service personnel growth slowed and reliance on outsourcing grew.

The DFID Nigeria office also regularly conducted studies of the political economy of specific sectors, mainly for the purpose of programme identification and design. In one example, when considering preparing a new trade policy support programme, DFID commissioned a PEA that ultimately led to a decision not to proceed, because the problems of policy capture appeared too intractable for a small programme to address.

[8] The Executive Council is the decision making cabinet in a Nigerian state In at least one state known to the authors the SPARC representative was the only person outside government regularly invited to join meetings of the Executive Council.

Over this period, DFID in Nigeria was increasingly recognised as an agenda-setting and thinking organisation, sought after as a partner by other donors and by reform-minded individuals within government looking for external allies. One example was DFID's engagement in a collaborative approach with the World Bank, which led to the development of a joint County Assistance Strategy for 2008–2012, embedding a political economy approach in the World Bank country programme (Bain et al., 2015). This was used to feed into the preparation of new operations, including the Saving One Million Lives Program-for-Results and the Staple Crop Processing Zone project.

DFID also maintained a strong supply-side focus on strengthening core governance systems, such as public financial management and public administration. New demand-side programmes were launched, including SAVI, which worked with civil society, the media and state Houses of Assembly, and another programme that worked with business associations. DFID launched a new programme to promote greater transparency in the oil sector, known as the Facility for Oil Sector Transparency and Reform in Nigeria. This period also saw greater innovation with the launch of several experimental and high-risk initiatives, including Voices for Change, which aimed to use social media to change norms around female youth empowerment. The Lagos education programme attracted controversy (House of Commons, 2016) for supporting low-cost private schooling in Lagos but was arguably a pragmatic response to the reality of service provision in the area.

DFID programmes began to adopt more flexible and adaptive models of programming. SAVI and SPARC applied decentralised management structures to empower state delivery teams, focus state programmes around locally owned priorities and encourage flexible approaches to problem-solving. This resulted in considerable differentiation, with SPARC distinguishing three categories of states: 'category A' states, where SPARC could align with strong home-grown reform processes; 'category B' states, where it was working to strengthen reform commitment; and 'category C' states, where it had only recently started to engage and was scoping reform possibilities. Alongside this, a graduated menu of technical support options and a system of decision points and triggers to move between each was developed, embedding a move from thinking to working politically. SPARC also maintained a 'helpdesk' function of uncommitted resources to make available to any state that approached the programme for help. A review found that SPARC demonstrated considerable flexibility to adapt to different contexts and move resources between states and workstreams but at the same time had a tendency to fall back on predefined technical models and had limited capacity to experiment (Chambers et al., 2015).

SAVI was also identified as a model of 'politically-smart, problem-driven, adaptive, locally-led development' (Booth and Chambers, 2014). Reviewers credited the programme with its ability to learn and adapt from previous donor experience of supporting civil society organisations (CSOs). In particular, this included learning from the predecessor Coalitions for Change programme, which had shown how the incentives created by donor funding could distort CSO agendas. To avoid this, SAVI developed an alternative model that eschewed the use of grants and instead deployed its funds and staff time flexibly in support of plans developed by coalitions of CSOs to support convening meetings, enabling outreach, training, evidence-gathering and advocacy initiatives.

SPARC and SAVI also brought new innovations in monitoring and evaluation, supporting the shift towards more flexible programming. This included experimentation with ways of 'defining and monitoring results that are not predictable in advance' and 'capturing unexpected and less tangible results' (DFID, 2016a). SAVI used 'outcome harvesting', which collects evidence of what has changed, and then, working backwards, determines whether and how an intervention has contributed to these changes. SPARC developed a system of ratings to assess whether each of its partner states was on track to deliver a programme of reforms agreed with each state in advance. Flexibility was built into this arrangement by setting expectations with DFID so that only seven out of ten states would need to be considered to be 'on track' for the programme to receive an 'A' rating at annual review – a key modification if experimentation were to be incentivised. Both of these cases found a balance – between the need for the programmes to demonstrate accountability for delivering results and enabling flexibility in a situation where it is difficult and inappropriate to predetermine the areas in which a relationship may work over a multi-year period.

Yet even the successes of this model showed the need for further work. SPARC's increasing embeddedness within local contexts, combined with a limited managerial staffing capacity in DFID, sometimes meant that state teams found themselves in the position of waiting at key bottleneck decision points for sufficient managerial bandwidth to address high-level problems of political goodwill or delicate diplomacy; inaction from DFID limited some of the potential of SPARC to follow up on success, as DFID was relied upon to make key interventions with political decision-makers. Equally, success in focal states conformed to an 'islands of effectiveness' model but showed limited ability to spread and reproduce results more widely. And external conditions sometimes intruded, with resources intermittently allocated or restricted on a 'stop-start' basis in response to pressures from other parts of the UK international development portfolio.

Stage 3: Consolidating the TWP approach

In 2016, the State Level Programmes reached their planned completion. DFID launched a new public sector reform programme covering both state and federal governance, explicitly designed around the principles of learning and adaptation. This five-year, £100 million Partnership to Engage, Reform and Learn (PERL) was initially set up as three separately contracted but connected 'pillars'.

In this most recent period, there has been a noticeable shift in the nature of PEA work towards shorter and more regular analyses conducted by state, regional and federal delivery teams, supported by analytical specialists. Within PERL, a community of practice has been established to coordinate this. This approach helps ensure closer connection between analysis and programme delivery, which has been useful to capture local political dynamics and to keep track of events, but has tended to focus attention on local politics and short-term political developments perhaps at the cost of bigger picture reviews of the changing or sectoral political economy context.

Bringing the previous SPARC, SAVI and Federal Administration and Public Administration Reform programmes within a single framework, the aim was to integrate supply- and demand-side programming by brokering connections across multi-stakeholder coalitions, linking government and non-state actors. The three predecessor programmes were recombined into supply-side (accountable, responsive and capable government pillar), demand-side (engaged citizens pillar) and an innovative third leg, the Learning, Evidence and Advocacy Partnership (LEAP), designed to help with the identified need to gather evidence on what works and to enable good examples to move around the system, geographically and institutionally.

By working at both federal and state levels, the programme also intended to address problems of inter-governmental relations, which are often a barrier to the coordination of federal and state priorities.

Another important feature of PERL has been the re-emphasis on issues-based programming and the use of service delivery problems as an entry point to draw attention to underlying governance problems. One example is PERL's cross-pillar work on teacher quality. This gained citizen and political interest because of the lack of satisfaction with service quality but drew attention to the need to reform systems of teacher recruitment and deployment.

These latest programmes have also continued a trend towards increased Nigerian leadership, with increasingly limited use of expatriate technical assistance. As well as value for money arguments, this stems from the recognition that local staff are in a better position to understand and work effectively in the political economy context. A similar shift has occurred within the DFID Nigeria office, with Nigerian staff normally occupying the key programme management positions.[9] These changes have enabled further consolidation of the TWP approach – but important challenges remain.

In terms of consolidation, the architecture of PERL, the empowerment of locally situated 'delivery teams' and DFID's willingness to create an authorising environment have enabled the programme to deepen its political analysis and engagement, to respond to locally defined priorities and to design interventions that fit the political economy context, which is highly variable across states and levels of government. There is evidence of considerable programming flexibility, and a tendency towards experimenting with a large number of 'small bets' that can be rapidly scaled up or scaled down depending on context and results. In some cases, this approach has enabled PERL to 'pick winners' – for example the rapid spread of community development charters as a mechanism to feed citizen demand into state budgeting processes (started through DFID support in Anambra state with a rapid spread to Enugu and Kaduna). Experimentation with new models for programme delivery, such as the regional hubs, has enabled a more flexible approach to piloting, demonstration, advocacy, scale-up and replication across states.

However, DFID's management, funding and contractual practices have also created obstacles to TWP. DFID required PERL to report against high-level results (e.g. policy

9 This coincides with an increasing number of in-country recruited staff being promoted globally across the DFID portfolio and thus a diversification of the experiences that feed into policy-making.

reforms and service delivery improvements), which serves the accountability function of demonstrating results but arguably reduces incentives for tracking the effectiveness of engagement with actors and governance processes and for learning how the programme can most effectively promote change. An increased focus on payment for results, emanating from domestic UK political pressures on aid budgets, has also shifted programme incentives towards the delivery of milestones or progress markers determined in advance. There are credible concerns that these can constrain flexibility, redirecting priorities towards clearly defined deliverables and away from more nebulous but often more effective long-term programme evolution.[10]

In addition, contracting and procurement procedures increasingly based around deliverables can make timely programme adjustment more challenging. Despite increased local staffing, DFID Nigeria remains affected by rapid turnover of the 'senior responsible officers' for its programmes. This has undermined continuity in programme oversight. Perhaps also affected by the rapid turnover in ministers during years of political discontinuity in the UK since the Brexit referendum, DFID has been late to put in place the two large-scale health and education sector programmes that were intended to complement its investment in governance reform through PERL.

4 What is the impact of TWP on Development Effectiveness

It is difficult to provide a complete assessment of TWP's impact on DFID Nigeria's development effectiveness, given the lack of counterfactual evidence and the relatively limited number of formal evaluations of DFID programmes. However, it is possible to draw inferences on the type of results delivered by programmes that have embodied elements of the TWP approach.

A major evaluation of the suite of State Level Programmes in 2017 (IMEP, 2017) found they had contributed to improvements in capacity and systems in focal states and demonstrations of approaches to improving service delivery. However, it also concluded that evidence was not available to test whether these had led to sustained improvements in government effectiveness and service delivery. The evaluation noted that these programmes had been flexible and adaptive in tailoring initiatives and engagement approaches to different contexts, and concluded that they had contributed to increased health and education expenditures. This finding is supported by a study that found that programme states had improved public financial management outcomes compared with states that were not supported (SPARC, 2015). The evaluation concluded that there had also been considerable variation between states, with Lagos and Jigawa standing out over the period 2008–2016.

Outside State Level Programmes, a study of the £14 million Facility for Oil Sector Transparency programme found it had helped recoup over £300 million of Nigeria's public funds, and begun to tackle the problem of illegal gas flaring (Bhalla et al., 2016). This is noteworthy, given the federal government's deep mistrust of reformist efforts within the oil sector between 2011 and 2015.

DFID's support to Nigeria's Debt Management Office represents another success story. A review found that DFID's effective support over 15 years had led to marked

10 Even this brings its own domestic political risk, as controversy-oriented newspaper reporting can reduce a programme to the apparently disproportionate amount of money paid for a key deliverable.

improvements in the quality of debt management and improved access to debt markets (Akunyili et al., 2013). This had been achieved through DFID's ability to respond to a Nigerian-led reform initiative.

The large number of reviews and project completion reports published on DFID's DevTracker provide additional evidence of programme impact. Of the numerous results these indicate, most are limited in scale and can be considered 'islands of success' rather than examples of 'transformational change'. An Overseas Development Institute case study found that these demonstrations had mainly been restricted to working on 'softer' policy issues relating to service delivery and upstream policy planning; more contentious issues likely to generate strong political backlash have largely been avoided (Booth and Chambers, 2014). They have therefore 'nudged' policy 'with the grain' of existing governance logics rather than risking outright confrontation with the dominant political economy.

The examples of 'positive deviance' are encouraging and show that much can be achieved in a difficult political economy context using a TWP approach in governance programmes. However, it is harder to discern broader improvements in institutional quality and how DFID has contributed to longer-term transformational change where reformist intentions may compete with other logics. Nevertheless, a recent LEAP study of election campaigning in Osun and Ekiti states (Husaini, 2018) provides a possible linkage between reform and mainstream political organisation, where fiscal crisis and public debt open up a receptive space for debating public financial management solutions.

Yet the real gains of TWP may be to a significant extent invisible, in terms of bad work avoided and wastage prevented. Outside of the governance portfolio, evaluation findings have attributed disappointing programme results to lack of PEA and a tendency to follow technical blueprints. For example, on power sector reform, a UK Parliamentary Enquiry criticised DFID support for following a flawed privatisation model that was not developed on the basis of adequate research (House of Commons, 2016). Similarly, a 2012 Independent Commission for Aid Impact (ICAI) evaluation criticised the United Nations Children's Fund-implemented Girls Education Project and another education programme for their centralised management systems, lack of political engagement with state authorities and reliance on a few standard instruments and incentives that were implemented in a uniform way.

5 Conclusion: the Political Economy of Donors

This historical analysis indicates that DFID Nigeria and its programmes have gone far in adopting the principles of both thinking and working politically. The initial focus was mainly on strengthening analysis, but this has progressively been linked to discussion on country and programme strategy, as well as programme management practices. DFID recognised early on that the challenging political economy context in Nigeria limited the room for development agencies to contribute constructively, but has found ways to utilise this space effectively. This has depended on DFID Nigeria providing the space for critical reflection, experimentation and learning. DFID Nigeria has created an enabling environment for its programmes that has encouraged them to analyse the political economy context, engage directly politically at state and federal level and to work in experimental ways to discover issues with political traction and reform space. This has required a hands-off approach and an appetite for risk-taking on DFID's part, which is commendable in view of the level of UK scrutiny of the Nigeria programme.

Yet, in some cases, DFID's own political economy has distorted the incentives affecting programmes in ways that work against the principles of TWP. A narrow focus on measuring results and value for money tends to make it more difficult to justify investing in promoting reform in governance systems, which requires long-term engagement.

The TWP approach has led to fundamental changes in the design of the country strategy and individual programmes. Critical changes have included 1) recognition of the importance of fostering demand from non-state constituencies; 2) enabling spaces for constructive engagement between state and non-state actors; 3) more strategic selection of issues to work on where reform is more feasible; and 4) improved identification and engagement with stakeholders likely to have political influence.

However, there are also shortcomings in DFID Nigeria's programming that suggest the TWP approach has not gone far enough. For example, DFID did not direct a coherent, portfolio-wide response to the severe fiscal and economic crisis that affected Nigeria in 2014–2017, and programmes have been left to react in an ad hoc manner. Similarly, it has not established programmes dedicated to support national policy initiatives under the Buhari administration, such as the Economic Recovery and Growth Programme and the Social Investment Programmes. These weaknesses indicate two difficulties in systematically adapting a TWP approach across a country portfolio: 1) the still-insufficient use of PEA at portfolio level; and 2) the problem of bureaucratic inertia, which makes it difficult to adjust the country portfolio in the face of rapid contextual changes.

Another feature has been abrupt changes in geographical focus – for example a rapid expansion into northern states around 2011 and the subsequent pull-back in 2016, followed by re-engagement in the northeast from 2018. This appears not to have been linked to careful analysis of the potential to use aid effectively in these states but rather to have been driven by factors such as resource availability and awareness of the Boko Haram insurgency, which forged a sense of priority around the link between security and human development. While this shift captures the growing gap between a southern Nigeria on the road to middle-income status and a northern Nigeria with severe human development challenges, the expansion included two states where PEA had already indicated that conditions for reform were not present. Conversely, in 2016, DFID scaled back in states where progress had been relatively strong (Lagos, Anambra, Niger and Yobe). In general, country programming needs to strike a better balance between ensuring continuity and shifting focus to where results indicate that good performance can be achieved.

This paper has been able to review some partial evidence pointing to the effectiveness of the TWP approach in enhancing the results of DFID Nigeria programmes. This shows that TWP has proven relatively successful in terms of generating and supporting 'islands of effectiveness' but has had more limited impact with regard to more systemic, transformational change. This tendency is reinforced by the emphasis within the TWP approach on experimentation around 'small bets', while some of the 'big bets', for example a portfolio-wide response to the fiscal crisis, may have been missed. Encouragingly, following the PERL mid-term review in 2019, DFID has encouraged the programme to focus on six 'big bets', including relatively new areas of engagement such as local governance reform and building a social contract around internally generated revenues.

UK management's appetite for risk must recognise that, even with the best analysis, some programmes will inevitably fail. Risk management, and the need to be able to record at least some successes, mean that individual programmes must be embedded within a wider portfolio whose composition will change over time, reflecting lessons of success and failure. TWP can help guide these decisions, and enable programmes to make more informed bets. However, it will not eliminate the inherently high risks of operating in Nigeria's challenging political economy context. Perhaps the most abiding lesson is that PEA must tread a careful line between the hard-to-eradicate expectation that it is a shortcut to 'picking winners' and communicating its real value, which is in shaping programming in a way that enables winners to be picked. In other words, not in providing ready-made answers but in embedding ways of working that allow the right questions – and their answers – to be generated reflexively throughout the lifespan of a programme.

Finally, heightened awareness of the political context in which the country programmes take place needs to be complemented by another kind of PEA, one usually left outside the frame of what is defined as political knowledge: the political economy of donor bureaucracies themselves. Bringing this into the picture not only gives us a better understanding of what the real limitations on action are, and why and how some programmes succeed and others fail, but also corrects for a particularly powerful and invisible blind spot with regard to the powerful influence exerted by the politics of the donor partner. Here, we mean not headline political programmes, ideologies and messages, which tend to change comparatively little in content despite the newspaper headlines, but more the sustained influences of everyday bureaucratic prioritisation and practice. Therefore, this paper has documented the suite of programmes in light of continuities and shifts in UK political practices and possibilities.

The period in question was one in which international development described an arc. It began with the Blair–Brown Labour governments' landmark untying of aid and the prioritisation of poverty reduction (1997–2010). It continued through an era of Conservative–Liberal Democrat coalition government (2010–2015), which sustained the UK's commitment to the United Nations-recommended 0.7% of gross domestic product in aid as a public good, combined with an austerity agenda in which that 0.7% spend was also called upon to finance official development assistance goals more broadly defined (ranging from urgent refugee crises to subsidising higher education institutions). Latterly, an emergent trend is re-associating development with strategic partnerships with potential developing world markets for UK outputs, more pronounced under recent successive Conservative governments (since 2015), in particular in the context of Brexit.

In September 2020, this resulted in the restructuring of DFID and the Foreign and Commonwealth Office into FCDO with a unified leadership and aims. This process may take a long time to complete and may generate a mixed portfolio of engagement aims and approaches in Nigeria. Within one country, Nigeria offers a mix of emergent middle-income economies which may be seen as partners for trade or other strategic partnerships, and low-income areas with pressing basic developmental issues in areas such as health, education and human security. However consistently throughout the recent past, and across party and ideological divides, the push for greater capital and less recurrent spending within the aid portfolio has entailed putting more money through the hands of fewer civil servants; and externalising more project management into the hands of private sector or third sector contractors, increasingly consolidated into preapproved consortiums.

What does this entail in terms of TWP and organisational learning? Partly and most obviously, it means that the job of internalising these lessons is split between donors and those who implement programmes on their behalves. This demands several considerations:

1. Understanding how to embed the flexibility needed within contracts and the way that performance is measured against them;
2. Recognising that institutional memory and key personal relationships with governmental or civil society partners may be located as often in the long-term staff of contracted implementers as in the staff of a donor such as DFID, wherein many supervisory staff have on average of three-year placements;
3. Acknowledging that flexible and adaptive programming on which different contractors are to work together demands sophisticated tools for measuring and rewarding successful attainment of goals (or falling short of them) when these are shared between organisations.

Clearly, in this complex environment, PEA has to take into account conditions at both ends of the development assistance chain in order to make it possible to design robust, sustainable and successful programmes.

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