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

Key words: *Nigeria, political economy, adaptive programming, governance, thinking and working politically*

Introduction

Since the early 2000s, the UK Department for International Development Nigeria country office (DFID Nigeria) has gradually adopted a thinking and working politically (TWP) approach in implementing a portfolio of governance and service-delivery reform programmes. Initially the focus was mainly on political economy analysis (*thinking politically*), but over time increased attention has been given to using the analysis to inform decision making on country strategy and programming (*working politically*). The purpose of this paper is to explain how these practices have influenced DFID's governance programming in Nigeria, how they have contributed to results, and what are their strengths and limitations in light not only of the complex embedded political economy of Nigeria itself, but also of the less-frequently-considered political economy of the donor partner and its priorities and constraints. In light of this, the paper addresses three research questions:

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

Although the story provides valuable evidence on the usefulness of the TWP approach, this paper does not attempt to prove causality through reference to a counterfactual case or comparator countries. Its purpose is to provide a detailed explanation of how the approach has developed and been applied in a single country. It shows how this has led to important changes in the nature and content of British aid programming in Nigeria and what types of results have followed. TWP is at heart a practice-based proposition, so our aim is to move beyond theoretical discussions on TWP to show how the approach can be applied in practice, what types of results can be expected and what limitations may be encountered. Thus, rather than focussing on a growing literature about organisational change, we tie our observations to the political science of Nigeria, to illustrate the nuances of the context and the role of donor programmes within that. Our argument is that the story of DFID programming in Nigeria shows how TWP can be used effectively in a relationship with a

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large, resource-rich, sovereign development partner to maximise the traction of donor-supported interventions with limited resources; but however well that is done, a key limiting factor will always be the political economy of aid bureaucracies and donor governments themselves.

The main source of evidence used to inform this assessment is participant observation by the authors of this paper, who have worked as consultants or staff of DFID Nigeria over the past 15 years. They have been closely involved in undertaking political economy analyses (PEAs), delivering training to DFID and programme staff on applied PEA, conducting programme reviews and programme design work, as well as working amongst project teams delivering DFID programmes.

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,[2] 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.[3]

This paper is structured along the lines of the three questions above. It begins with a general introduction on the political economy context of Nigeria and the challenges this raises for traditional models of aid programming. It then explains why a TWP approach is required to address these challenges. By tracing the evolution of DFID's country strategy and governance programmes since 1999, the paper then assesses how far DFID Nigeria has shifted towards applying this approach. Evidence on the results of DFID programmes is presented in order to assess how the approach may have contributed to these. The final section provides conclusions on the overall difference that TWP has made to DFID's governance programming in Nigeria and also highlights remaining weaknesses to be addressed, drawing particular attention to the need for donors to be reflexive thinkers about their own limits of possibility.

The political economy context in Nigeria

The broad features of Nigeria's political economy are well documented and analysed. There is broad consensus in the literature that development – if understood as provision of public goods and services, private-sector growth, human development and poverty reduction - has been undermined by a combination of factors arising from the oil economy and resource curse, weak state-society relations, clientelist politics, ethno-regional tensions and conflict (Heymans and Pycroft, 2005; Utomi *et al*., 2007, Bain *et al.*, 2015.). 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 that are needed for growth and poverty reduction. Government performance has been undermined by this system of rent-seeking and patronage resulting in the wasteful and corrupt use of public resources, abuse of public

[2] https://devtracker.dfid.gov.uk
[3] https://www.parliament.uk/business/committees/committees-a-z/commons-select/international-development-committee/inquiries/parliament-2015/dfids-programme-in-nigeria/

procurement to service political clients with lucrative contracts, and public service recruitment based on patronage. In response, 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 any sense of formal public accountability towards taxpayers and citizens while reinforcing particularist 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 accessing handouts and the immediate benefits of patronage. These dynamics are reflected in the conduct of elections where competition is shaped by money politics, vote buying, and the behind-the-scenes influence of political financiers who monetise electoral politics in expectation of returns (Joseph, REF, Hoffman 2010). Although elections led to a change in party political control (People's Democratic Party PDP to All Progressives Congress APC) in 2015 after 15 years of PDP federal government control, this does not appear to have led to any fundamental change in the rules of the game or a decisive shift from patronage to programmatic politics.

These dynamics have become institutionalised in Nigeria's constitutional arrangements and administrative practices that serve mainly to control how oil revenues and economic rents are captured and distributed amongst ethno-regional elites. The federal structure appears mainly designed to balance competing ethno-regional interests and to maintain stability rather than to ensure government effectiveness and accountability (see Suberu 2001; Mustapha 2006; Adebanwi and Obadare 2013).

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).[4]

The potential for reform

Although this political economy is deeply entrenched, there are many potential and actual drivers of change, which if effectively harnessed can generate reform. There is a diverse and active civil society, a vocal press, vibrant debate conducted in public and through traditional and new media, and large pool of human resources and expertise (including development professionals) both within the country and in the diaspora. Within the state, Nigeria's institutional systems contain latent capacity and professionalism even if these are 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). These "positive deviance" examples include the success of the National Agency for Food and Drug Administration and Control (NAFDAC) in controlling counterfeit medicines under the leadership of Dora Akunyili (2001-2008), public financial management reforms under President Obasanjo's second administration (Okonjo-Iweala, 2012; Abah, 2012), national

[4] https://www.brookings.edu/blog/future-development/2018/06/19/the-start-of-a-new-poverty-narrative/

debt management (Akunyili *et al.*, 2013), banking and telecoms reforms, as well as the response to the Ebola threat in 2015 (BPSR, 2015). In addition, there are numerous examples of successful reforms at state level, most notably in Nigeria's richest and most populous state, Lagos, where the state government has made remarkable progress in improving security and infrastructure over the past 15 years (Chambers and Kulutuye, 2016). Improvements in state level government effectiveness have also been observed in Edo State under Governor Oshiomhole (Bain *et al*., 2015) and Kaduna state since 2015 under Governor El-Rufai. A number of other states have recorded success in more specific limited domains such as internal revenue generation, higher education, governance and documentation capacity, or 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 reforms 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. the 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).

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

A challenging context for development partners

Nigeria is one of Africa's least aided countries with aid per capita of only US$13 compared to the sub-Saharan average of US$43.[5] This reflects a wariness by donors to engage in a context of weak governance where reform commitment is generally lacking, and the risk of aid misuse and diversion is high. In addition, development partners are conscious that they have limited financial leverage because their resources are dwarfed by Nigeria's oil revenues; at the outset of the recent period of recession, Nigeria's 2015 budget was still US$22.6 billion.[6] Nigeria is also not a country with an institutionalised culture of aid-reliance; being a dominant regional actor with a history of international aid itself[7], Nigerian policy

[5] World Bank Open Data. 2016 figures. https://data.worldbank.org/
[6] https://www.vanguardngr.com/2015/05/jonathan-approves-2015-budget-2/ Accessed 7th January 2017.
[7] Nigeria extensively bank-rolled political, educational and social relief, as well as institution-building assistance for the southern African 'frontline states' during the anti-apartheid era, and remains a key actor in regional peacekeeping since the 1960s.

actors have a keen sense of national sovereignty and therefore engagement through example and suasion is the key viable mode of engagement.

In spite of these challenges, a small group of donors led by DFID, the European Union, the World Bank and USAID have become 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 period, so that the relationship has seen both parties growing up together. DFID has significantly increased its funding for Nigeria from £20 million in 2001-2 to £266 million in 2016-17 (House of Commons, 2016). Even at this scale, however, the scope for impact must be tightly-defined. Rather than try to effect wholesale change or supplement large government functions, this level of resources calls for a targeted effect, seeking to create durable examples of positive change by acting as a catalyst or exemplar. An additional layer of complexity – but also of opportunity – is added by the fact that Nigeria operates a Federal system, where the 36 State governments have extensive responsibility for service-delivery in additional to the centralised functions of national (Federal) government. There was initial optimism that the return to democracy would create conditions for accountable governance and developmental leadership that would use Nigeria's oil wealth to foster shared growth and pro-poor service provision. However, the developmental ambition of the first Obasanjo administration (1999-2004) was rapidly undermined by factionalism within the ruling PDP party and power struggles between the executive and 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 the Bank's programme for the period 1998-2007 as "moderately unsatisfactory". This failure was attributed to the Bank's lack of understanding of the political economy context. The evaluation found 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 lack of lack of reform progress. An influential study in 2003 (Heymans and Pycroft, 2003) drew attention to the importance of "structurally induced and deeply institutionalised obstacles to reform". It concluded that DFID had been working under three assumptions that had proven to be 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

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, 2005, page vi) this review can be regarded as one of the first statements of the TWP approach.

The Thinking and Working Politically (TWP) approach

TWP is covered by a growing and diverse literature covering 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).[8] The approach requires development actors to change their behaviour at three levels: (1) analysis, (2) strategy and (3) programme management. The following table highlights the key changes at each level and is used as a framework in the following sections 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	Thinking and Working Politically
Thinking politically	1. Analysis	Development problems are viewed as technical problems arising from knowledge and financial gaps.	Development problems are mainly the result of poor governance arising from misaligned political incentives, unequal power relations and dysfunctional institutions.
	2. Strategy	Development Partners can fix development problems by offering a mix of financial and technical assistance and policy advice, including normative models of ‘best practice’ borrowed from other countries.	Governance problems can only be solved by 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 that offer a ‘best fit’ with national institutions, brokering change coalitions and supporting policy entrepreneurs.
Working politically	3. Programme management	Theory of change, results framework and work plan defined up front with limited possibilities to change direction except following infrequent external reviews.	Flexible programmes with freedom to explore, experiment and innovate. Investment in ‘small bets’ that can be rapidly scaled up or down depending on results and emerging risks and opportunities. Experimentation, reflection, learning and adaptation driven from within project teams.

The adoption of the TWP approach by DFID Nigeria

[8] For a bibliography and review of the tools available for pollical economy analysis and politically-smart, locally-led development see https://thepolicypractice.com/onlinelibrary/

By taking a historical approach it is possible to illustrate how TWP has developed and been progressively adopted by DFID Nigeria and its programmes. Over the three periods described below, a progression can be observed starting with a focus on the level of analysis and moving to strategic questions and programme management issues.

Stage 1 (2003-2008): The emergence of the issues-based approach

The Drivers of Change exercise conducted by DFID Nigeria between 2003 and 2005 began with an intensive phase of PEA (*analysis*) and moved into decision making on adapting the country portfolio (*strategy*).

Analysis. An initial overview assessment challenged DFID's working assumptions and reflected on the reasons for limited reform progress (see above). This 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) and agents (individual actors and organisations driven by incentives). is 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 the institutional rules and structural conditions (levels 1 and 2) would only bring limited results.

The following key recommendations are adapted from Heymans and Pycroft (2005):

1) Return to civilian rule was an important institutional change, but would need to be reinforced by a range of institutional reforms across the political economy.
2) Change will be driven by pressures within the system, driven by coalitions of actors from across civil society, the media and the private sector, and linked to reform elements within government.
3) Building coalitions around specific issues would provide focus and generate the interests required to exert pressure for changing the rules of the game, thus the institutional environment.
4) It would be necessary to engage at multiple levels: federal, state and local and to apply different approaches in different localities.

Strategy. The insights from the 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", emphasising using 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 a recognition that 'supply-side' programming working with government to build capacity and strengthen government systems would not be sufficient. In addition, it would be essential 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, matching 'pull' inside government with 'push' from the outside.

Another key innovation developed by DFID Nigeria was the adoption of an *issues-based approach* in several programmes, rather than concentrating on abstracted governmental capacity issues such as financial or personnel management in and of themselves. The essence of the approach is to bring together multiple stakeholders to focus on a locally-defined outcome, or problem, such as improvements in the delivery of specific services, reduction in corruption in a particular Ministry or State, greater transparency in oil revenues or decreases in youth unemployment. This requires working with all stakeholders that have an interest in the issue (both supporters and opponents of change), supporting the emergence of coalitions covering actors in government and across civil society and the private sector and facilitating a process of planning and delivering actions to support change. The issues-based approach is intended to provide a demonstration of how collective action can bring about changed behaviours and institutional practices leading to broader replication, changed expectations of government and citizens' ability to address problems and the gradual emergence of a social contract based on the delivery of public goods and services rather than political patronage. The issues-based approach has been influential across DFID Nigeria's portfolio and beyond (see Piron *et al*., 2016).

Programme management. At this stage there was limited change in programme management practices, but programmes were offered greater flexibility and more scope to experiment. For example the State and Local Government Programme (2000-8) experimented with a flexible portfolio of issues-based projects such as an initiative to improve Solid Waste Management in Enugu.

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

This period marked rapid growth in the size and breadth of DFID's portfolio to its peak at £244 million in 2015-16 with governance programmes accounting for around 25% of the total. DFID operated in the five states (subsequently 10 states) where it implemented a suite of connected programmes (the State Level Programmes) supporting improved governance, health, education and private sector developments. In addition, DFID also stepped up engagement with Federal Government with the Federal Administration and Public Administration Reform (FEPAR) programme.

Analysis. While the original Drivers of Change studies provided a 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 the State Level Programmes starting in 2009 and subsequently updated in 2012 and 2015. In addition, PEAs were undertaken on thematic questions of interest to DFID and its programmes, for example the political economy of budget processes, the political economy of national monitoring and evaluation systems, the political economy of low-cost private education and the political economy of trade policy.

Over this period PEA was increasingly embedded within DFID programmes. The state level analyses were conducted jointly by the State Partnership for Accountability Responsiveness and Capability (SPARC) and State Accountability and Voice Initiative (SAVI), initially by commissioning external expert support, but increasingly embedding the process within the project teams to enable more regular update, reflection and use of the analyses. The state level analyses were intended to decentralise operational decision-making, 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 followed in different states (see below).

The DFID Nigeria office also regularly conducted studies of the political economy of specific sectors mainly for the purpose of programme identification and design. A PEA of low-cost education in Lagos state was used to develop a business case for the Developing Effective Private Education in Nigeria programme. 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.

Over this period DFID in Nigeria was increasingly successful at being recognised as an agenda-setting and thinking organisation in Nigeria, and was sought after as a partner by other donors and by reform-minded individuals within government seeking 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 2008-12. DFID Nigeria used the global DFID-funded £100 million Governance Partnership Facility Trust Fund to support a process of embedding a political economy approach in the World Bank country programme. This was used to commission PEAs feeding into the preparation of new operations including the Saving One Million Lives Program for Results and the Staple Crop Processing Zone project.

Strategy. Over this period DFID of growing interest in issues-based working, DFID also maintained a strong supply-side focus on strengthening core governance systems through SPARC (at state-level) and FEPAR (at federal-level), both of which worked on strengthening public financial management (PFM) and public administration. New demand side programmes were launched, including SAVI that worked with civil society, 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 the Voices for Change that aimed to use social media to change social norms around girls empowerment. The Lagos education programme attracted controversy (House of Commons, 2016) for supporting low-cost private schooling in Lagos, but is arguably a pragmatic response to the reality of service provision in Lagos and the potential for public-private partnership.

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 developed between SPARC and the

Executive Council in several states.[9] DFID often drew on these relationships established by its programmes for its own political engagement.

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

The SAVI programme was also identified as a model of 'politically-smart, problem-driven, adaptive, locally-led development' (Booth and Chambers, 2014). Reviewers described the programme as having developed an effective model to identify locally salient issues, and broker political engagement by multi-stakeholder coalitions linking civil society actors, media and State Houses of Assembly. A particularly intelligent piece of self-awareness was that SAVI also reflexively incorporated donor experience with civil society organisations (CSOs) during the C4C era which suggested that many CSOs could be overwhelmed, redirected and distracted from their core goals by demanding and well-funded donor programmes. To avoid distorting civil society organisations' agendas and incentives, SAVI developed an alternative model to grant provision where its funds and staff time could be deployed flexibly in support of plans developed by coalitions of CSOs for the purpose of convening meetings, enabling outreach, training, and selected evidence gathering and advocacy initiatives.

The SPARC and SAVI programmes also brought new innovations in monitoring and evaluation supporting a shift towards more flexible programming and greater risk taking. This included experimentation with ways of 'defining and monitoring results that are not predictable in advance' and capturing unexpected and less tangible results.' [10] 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

[9] The Executive Council or EXCO 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.

[10] DFID (February 2016) Moving Targets, Widening Nets: monitoring incremental and adaptive change in an Empowerment and Accountability Programme: The experience of the State Accountability and Voice Initiative in Nigeria

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 a ‘A’ rating at annual review, a key modification if experimentation were to be incentivised. Both of these cases balanced the need for the programmes to demonstrate accountability for delivering results while also enabling flexibility in a situation where it is difficult and inappropriate, to pre-determine 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. Equally, success in focal states conformed to an ‘islands of effectiveness’ model, but showed very limited ability to spread and reproduce themselves. 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, for instance urgent humanitarian need from the Syrian conflict and the partly-related migration crisis.

Stage 3 (Changes since 2016): consolidation 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 programme is referred to as the Programme to Engage, Reform and Learn (PERL) and was initially set up as three separately contracted but connected ‘pillars’.

Analysis. There has been a noticeable shift in the nature of PEA work towards shorter and more regular analyses conducted by state, regional and federal level delivery teams, supported by analytical specialists. Within PERL a community of practice has been established to coordinate this work and share lessons. This approach helps to ensure a 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.

Strategy. By bringing the previous, SPARC, SAVI and FEPAR programmes within a single framework, the aim was to integrate supply- and demand-side programming by brokering connections across multi-stakeholder coalitions connecting government and non-state actors. The three predecessor programmes were recombined into a supply-side ARC, demand-side ECP and an innovative third leg, LEAP, (Learning, Evidence and Advocacy Programme) designed to help with the identified need to gather evidence on what works and help good examples move around the system, geographically and institutionally. By working at both federal and state levels, the programme can also address problems of inter-governmental relations, which are often a barrier to the coordination of federal and state level priorities. Another important feature of PERL has been the reemphasis 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, which has gained citizen and political interest because of the lack of satisfaction with service quality, but has drawn attention to the need to reform systems of teacher recruitment and deployment.

Programme management. DFID Nigeria's latest programmes have also continued a trend towards increased Nigerian leadership of programmes with increasingly limited use of expatriate technical assistance. This has been driven by value for money arguments as well a 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 now normally occupying the key programme management position of Senior Responsible Officer.[11]

These recent changes have enabled further consolidation of the TWP approach, but important challenges remain. 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 that 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 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. In the case of PERL, DFID has required the programme to report against high level results (e.g. policy reforms and service delivery improvements), which serves well the accountability function of demonstrating results, but arguably reduces incentives for tracking the effectiveness of PERL's engagement with actors and governance processes and learning about how the programme can most effectively promote change. An increased focus on payment for results emanating from domestic UK political pressures, as aid budgets became more politically scrutinised and debated, has also shifted programme incentives towards the delivery of milestones or progress markers determined in advance. While these are intended to be adjustable there are concerns that these can constrain programme flexibility, redirecting priorities towards clearly-defined deliverables and away from more nebulous but often more effective long-term programme evolution.[12] In addition, rigidities in contracting and procurement procedures make timely programme deployment and adjustment more challenging, and have sometimes led to slow programme start-up or abrupt discontinuation (e.g. in the case of the Learning, Evidencing and Advocacy Partnership under PERL). Despite increases in local staffing, DFID Nigeria has also been affected by rapid turnover of Senior Responsible Officers, which has undermined continuity in programme oversight.

[11] This also coincides with an increasing number of in-country-recruited staff across the DFID portfolio being promoted globally and thus a diversification of the experiences which feed into policymaking.
[12] Even this brings its own domestic political risks however, as newspaper reporting can reduce a programme to the apparently disproportionate amount of money paid for a key deliverable.

The impact of TWP on development effectiveness

It is difficult to provide a complete assessment of the impact of TWP on development effectiveness due to the lack of counterfactual evidence and the relatively limited number of formal evaluations of DFID programmes. However, it is possible to draw inferences for evaluation findings indicating 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 (SLPs) was completed in 2017 (IMEP, 2017). This found that the SLPs had contributed in focal states to improvements in capacity and systems, 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 the SLPs have 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 in focal states. This finding is supported by an econometric study conducted by SPARC that found that supported states had improved public financial management outcomes (measured by budget realism and increased allocations to health and education) compared to states that were not supported by SPARC (SPARC 2015). The evaluation concluded that there had also been considerable variation between states with Lagos and Jigawa standing out as the best performers over the period 2008-2016.

Outside the State Level Programmes, there is also evidence of significant results. A study of the Facility for Oil Sector Transparency (FOSTER) found that “this £14 million programme has helped recoup over £300 million of Nigeria’s public funds, influenced major legislation [the Petroleum Bill} and begun to tackle the problem of illegal gas flaring.” (Bhalla *et al.*, 2016, p17). The study attributed FOSTER’s success to its combining “technical expertise with a deep understanding of the political economy of the sector to identify how and when to intervene. Long-term partnerships to strengthen institutions, laws and policies are pursued alongside more opportunistic short-term goals.” This performance is more 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 also provides another success story. A review found that DFID had been able to provide effective support over a fifteen year period leading to marked 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 identify and respond to a Nigerian-led reform initiative and to provide well timed, appropriate and high-quality technical assistance.

The large number of annual and mid-term 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 to be “islands of success” rather than examples of “transformational change”. For example, the Programme Completion Review for the SAVI programme recorded results, including domesticating of Nigeria’s gender policy for application to Muslim populations in Jigawa, a breakthrough on disability policy and legislation in Lagos state in 2012. However, it found that the large majority of these results have yielded only partial or incremental change and have not yet led to transformational change in the broader political economy factors that have generally acted to undermine public accountability. Overall the programme demonstrated the potential to engage citizens in key policy, planning, service delivery and accountability processes using inclusive and sustainable approaches (DFID, 2016). An Overseas Development Institute case study found that these demonstrations have mainly been restricted to working on 'softer' policy issues relating to service delivery and upstream policy planning, and more contentious issues that are likely to generate strong political backlash, for example misuse of public resources, 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 supported by DFID 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. A recent LEAP study of election campaigning in Osun and Ekiti States however provides a possible linkage between reform and mainstream political organisation, where fiscal crisis and public debt open up a receptive space for debating PFM solutions.

Conversely, outside of the governance portfolio, evaluation findings have attributed disappointing programme results to lack of political economy analysis 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 para 55). Similarly, an ICAI evaluation (ICAI, 2012) criticised the UNICEF implemented Girls Education Project's (GEP) and another education programme (ESSPIN) 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.

Conclusions

The overall findings of this study can be summarised by returning to the three original research questions:

1. *To what extent has DFID Nigeria and its governance programmes have adopted a TWP approach and why?*

The historical analysis indicates that DFID Nigeria and its programmes have gone far in adopting the principles of 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 depended critically on DFID Nigeria creating the space for critical reflection, experimentation and learning. DFID Nigeria created an enabling environment for its programmes that has encouraged them to analyse the political economy context, engage directly at a political level 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 level of UK scrutiny of the Nigeria programme.

Yet in some cases DFID's own political economy has distorted 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 and careful reading of the political economy context.

2. *To what extent has the TWP approach influenced the design and delivery of DFID country strategy and individual governance programmes?*

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 that the TWP approach has not gone far enough. DFID Nigeria has tended to be slow to adjust its portfolio to the changing political and economic context. For example, DFID has not directed a coherent, portfolio-wide response to the severe fiscal and economic crisis that affected Nigeria from 2014-17, and programmes have been left to react in an ad-hoc manner. Similarly, it has not established programme to support national policy initiatives under the Buhari administration such as the Economic Recovery and Growth Programme and Social Investment Programmes. These weaknesses indicate two difficulties in systematically adapting a TWP approach across a country portfolio: first the still insufficient use of PEA at portfolio level, and second the problem of bureaucratic inertia makes it difficult to adjust the country portfolio in the face of rapid contextual changes.

Another feature of DFID's Nigeria country programme has been the abrupt changes in geographical focus, for example the rapid expansion into northern states around 2011 and the subsequent pull-back in 2016. This does not appear to have been linked to careful PEA of the potential to use aid effectively in these states, but appears to be driven by resource availability, changing leadership in DFID Nigeria, and UK public and political awareness of the human impact of the Boko Haram insurgency, which forged a clear link in many policy circles between security and human development as a priority. While in one way, this shift of resources captured a growing reality that a gap was emerging between a southern Nigeria on the road to middle-income and a northern Nigeria with very different and severe human development challenges, trge expansion into the north in 2011 included two states where PEA had indicated that conditions for reform were not present (Katsina and Zamfara). Conversely in 2016 DFID opted to scale back programming in states where reform progress had been relatively strong (e.g. Lagos, Anambra, Niger and Yobe). In general, to better respect TWP, DFID Nigeria's country programming needs to strike a better balance between ensuring continuity of long-term engagement in states while also shifting focus depending on where PEA and programme results indicate that good performance can be achieved. The SLP evaluation recommended that “flexible modes of engagement that allow resources to be switched (…) to support states where there is evidence of reform commitment are likely to have a greater impact than approaches that limit engagement to a small number of states” (IMEP 2017, vi).

3. *What is the evidence that the practical application of the TWP approach has enhanced the results of the DFID governance programming in Nigeria?*

This study 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 to be relatively successful in terms of generating and supporting ‘islands of effectiveness’, but has had more limited impact in terms of generating more systemic, transformational change. This tendency is reinforced by the emphasis within the TWP approach on experimentation around ‘small bets’. Some of the ‘big bets’, for example a concerted, portfolio wide response to the fiscal crisis, may have been missed.

DFID management’s appetite for risk must recognise that it is necessary to take bold positions and 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 need to change over time reflecting lessons of success and failure. TWP can help to guide these decisions, and enable programmes to make more informed and well timed bets. This can help shift the balance from risks to rewards, but will not eliminate the inherently high risks of operating in Nigeria’s challenging political economy context.

Overall, perhaps the most abiding lesson is that political economy analysis 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 which enables winners to be picked.

Finally, our documentation of this story brings out another emergent point.This heightened awareness of the political context in which the country programmes take place needs to be complemented by another kind of PEA; one well-known in terms of the tacit knowledge and daily experience of practitioners, but one usually left outside the frame of what is defined as political knowledge. We are talking here about the political economy of donor bureaucracies themselves. Bringing that kind of knowledge into the picture not only gives us a fuller picture and better understanding of what the real limitations on action are, and why and how some programmes succeed and others fail; it also rebalances a particularly powerful and invisible element of the subjectivities created within international development knowledge. If we define the ‘politics’ we are talking about as only the politics of the recipient country, we create a deliberate blind spot to the powerful influence exerted by the politics of the donor partner. Here, we mean not the headline political programmes, ideologies and messages, which tend to change comparatively little in content despite the headlines in domestic newspapers, but more the sustained influences of everyday bureaucratic politics especially those reinforced by daily prioritisation and practice. Therefore, this paper has documented the suite of programmes in light of continuities and shifts in British political practices and possibilities.

The period in question covered an era in which international development described a partial arc; beginning with the Blair-Brown government's landmark un-tying of aid from strategic trade goals and the prioritisation of poverty reduction, through an era of coalition government's sustained mainstreaming of the UN-recommended 0.7% of GDP in aid as a public good in and of itself, to an austerity era in which that 0.7% spend was also called upon to finance ODA goals more broadly defined, ranging from urgent refugee crises on the margins of the European Union, to subsidising higher education institutions via ODA-eligible research projects; and most latterly, to an emergent trend in re-associating development with trade and strategic partnerships with potential developing-world markets for UK outputs. However, throughout the era and consistently across party and ideological divide, the push for greater capital and less recurrent spending within the aid (and wider public sector) portfolio has entailed a push to put more money through the hands of fewer civil servants; essentially externalising larger and larger parts of project management into the hands of private-sector or third-sector contractors, increasingly consolidated and organised into pre-approved arrays of consortiums.

What this entails in terms of thinking and working politically and in terms of organisational learning has been a subject of our evolving understanding. Partly and most obviously, we observe that it means that the job of internalising these lessons is a job split between donors and those who implement programmes on their behalf. That demands several considerations – firstly understanding how to embed the flexibility needed within contracts and the way that performance is measured against them. Secondly, understanding that institutional memory and key personal relationships with governmental or civil-society partners might be as often located in the long-term staff of contracted implementors as in the staff of a donor such as DfID wherein many supervisory staff are on three-year placement rotations. Thirdly, in the case of flexible and adaptive programming on which different contractors are to work together, it 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 design robust, sustainable and successful programmes.

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