

**UNITED NATIONS DEVELOPMENT PROGRAMME**

**GOVERNMENT OF THE FEDERAL REPUBLIC OF NIGERIA**

**NIGER DELTA PILOT LOCAL DEVELOPMENT PROGRAMME**

**OPERATIONAL MANUAL**

**August 2007**

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## ACRONYMS AND ABBREVIATIONS

CBO	Community Based Organization
CDA	Community Development Assistant
CDO	Community Development Officer
CSO	Civil Society Organization
DFID	Department for International Development
HDI	Human Development Index
HDR	Human Development Report
H/LGA	Head of Local Government Administration
IPF	Indicative Planning Figure
LDF	Local Development Fund
LEEDS	Local Economic Empowerment and Development Strategy
LGA	Local Government Area
LGC	Local Government Council
M&E	Monitoring and Evaluation
MDG	Millennium Development Goal
NDDC	Niger Delta Development Commission
NEEDS	National Economic Empowerment and Development Strategy
NGO	Non-Governmental Organization
PMU	Programme Management Unit
PRU	Poverty Reduction Unit
PSC	Programme Steering Committee
PTC	Programme Technical Committee
SEEDS	States Economic Empowerment and Development Strategy
UNDP	United Nations Development Programme
WDC	Ward Development Committee

## Foreword

The overall goal of the UNDP Niger Delta programme framework is to improve human development. One of our strategies is to improve the responsiveness of local governments to the felt needs of the people living in the Niger Delta predicated on a stronger evidence base for intervention, better communication and dialogue with communities, participatory approaches to development planning and budgeting, and greater accountability based on citizen engagement with monitoring and evaluation. The strategy is being implemented through the UNDP Niger Delta Local Development Programme (LDP).

This operational manual has been developed for use by States, local governments (LGAs) and local communities. The manual is about the participatory planning procedure and managing the local development fund. It is about systems and processes that will involve local communities more in planning, implementing, monitoring and evaluating development activities. It is also about planning, monitoring and evaluation procedures that will make States and LGAs more responsive and accountable to their citizens.

The LDP will be piloted over a period of three years. The programme will pilot and test an inclusive, transparent and pragmatic procedure for local participatory planning and local development fund (LDF) management system. The LDF will be established to support investments in local public infrastructure and service delivery determined using the participatory planning procedure. The manual, therefore, serves as a basis for evolving the Niger Delta experience. It will be updated annually to capture lessons learnt and “good practices” for possible replication in other States in the Niger Delta.

The LDP was developed through a consultative process involving stakeholders, especially in the pilot States of Bayelsa and Ondo. During the process, the UNDP team working on the LDP held series of in-house meetings to review drafts. The team also carried out review workshops in Akure, Ondo State and Yenagoa, Bayelsa State in May 2007.

I take this opportunity to express our deep gratitude to Bayelsa and Ondo States officials for the time, effort and valuable contributions provided during preparation of the programme document and operational manual. A number of UNDP staff and partners who made substantive contributions to the LDP and operational manual are also gratefully acknowledged.

The LDP has been developed with financial assistance from Shell Petroleum Development Company of Nigeria. UNDP would like to thank Shell for its continuing contribution to improving human development in the Niger Delta region.

We are confident that the LDP processes and procedures will make a valuable contribution to improving local governance in the Niger Delta. I commend the manual to the pilot States and LGAs and to all States and LGAs in Nigeria seeking to build more effective and participatory local governance procedures.

Albéric Kacou  
UNDP Resident Representative

## **1. Introduction**

### ***1.1 Purpose of Manual***

This manual is a guide to operationalise the UNDP Niger Delta Pilot Local Development Programme, especially the participatory planning procedure and Local Development Fund. The guide explains the participatory planning procedure and how local communities will be involved in identifying, preparing and implementing investment schemes. It equally expounds requirements for accessing, utilizing, monitoring and evaluation of the LDF.

The basic principles and guiding philosophy of LGA in Nigeria are embodied in the Constitution and Handbook of Local Government Administration. This manual is a reflection of principles governing local planning and decision making. In addition, the manual covers the practical consequences of recent policy and organizational changes concerning LGA, in particular the application of LEEDS and Approved Schemes of Service for Local Government Employees.

### ***1.2 Programme Context and Strategy***

The Niger Delta Local Development Programme uses the decentralization and local governance approach as the entry point for sustainable poverty reduction, conflict prevention and recovery fully recognizing that to improve in a sustainable way the quality of life of inhabitants it is important to strengthen institutions of local governance and enhance their responsiveness to people's needs. Its institutional strategy builds on existing institutions and their organizational capacities to improve and sustain responsive, accountable local governance and effective service provision as well as promote a more integrated approach to local development. The main area of institutional focus are LGAs and local communities because local governments have a statutory mandate to provide services and are close to the people, hence can effectively alter human development conditions within their jurisdictions. In addition, local governments have an inclusive geographic constituency, a potentially better ability to integrate investment planning and budgeting, and political authority over frontline service delivery staff.

The programme also focuses on States given the plenitude of their supervisory powers over LGAs, particularly in determining local planning, decision making and accountability processes. Furthermore, the programme focuses on CBOs, civil society and private sector organizations given their role and comparative advantage of operating at the local level. In short, State Governments, LGAs, local communities, civil society and private sector organizations will be linked through their respective roles to improve coordination, synergy and efficiency of local development processes. The strategy here is to create social capital and enhance cooperation between local actors. At the same time, attention will be paid to constructive local dialogue to breakdown prevalent mutual mistrust as well as reinforce horizontal accountability and the vertical relation between local communities and LGAs and between LGAs and States.

The communication strategy will pay attention to encouraging public participation through public information and education. Public information and communication materials will be developed and widely disseminated.

In order to make the enabling environment for local development more supportive, the programme will initiate proposals to improve the policy, legal and regulatory framework.

The planning strategy is to make local planning more participatory.

The capacity building strategy is to promote practical “learning by doing” by matching the development and piloting of procedures and systems with required capacities for compliance with procedures and systems.

The financing strategy is to institutionalize the LDF based on the principle of subsidiarity so as to allocate resources to LGAs and local communities for community investments. In introducing the LDF, emphasis will be paid to introducing incentives. Compliance with the participatory planning procedure, improved local performance in service delivery and increased local revenue collection, through agreed access conditions and rewards/sanctions will be rewarded and non-compliance will be sanctioned.

The programme will make use of two LDF tracks or cycles: a first year onetime fast track delivery cycle and a normal delivery cycle in succeeding years. The programme will conduct a baseline study, data base assessment and develop a monitoring and evaluation framework with qualitative “process” indicators (outcome and output indicators, including baselines and targets).

The normal LDF delivery cycle will be implemented in the second and third years. It will follow performance assessment reviews and adjustments to the operational manual. During this period, the legislative framework and local revenue improvement strategies will be further expounded.

The programme will be piloted in four LGAs in Bayelsa and Ondo States. The pilot LGAs will be selected on basis of transparent criteria. Two selected LGAs will be oil producing and two non-oil producing.

### ***1.3 Programme Objectives***

The principle objective of the programme is to support development of effective, responsive and accountable local governance institutions capable of delivering public infrastructure and services using participatory, transparent and gender sensitive planning, monitoring and evaluation procedures.

It is important to emphasize that the programme primarily intends to institutionalise systems, procedures and processes, in so doing help actualize effective, responsive and accountable LGAs. It is expected that the pilot States, LGAs and local communities, in line with their mandated functions and subsidiarity considerations, will adopt the procedures and processes. It is also expected that the programme will increase opportunities for and local communities’ capabilities to participate effectively in local planning, monitoring and evaluation. Furthermore, it is expected that the programme will build capacity and legitimacy of LGAs, accelerate improvements in public infrastructures and social services as well as improve the quality of life of the poor and marginalized groups such as women, youth and persons living with HIV/AIDS.

The specific objectives are to:

- Promote local dialogue, regular interaction and better communication between citizens, States, LGAs, civil society and private sector actors.
- Initiate measures to improve the policy, legal and regulatory framework for local development.
- Develop and pilot an inclusive, transparent and pragmatic procedure for local participatory planning.
- Establish local development fund to support investments (in public infrastructure and social services, environment and natural resources management, HIV/AIDS) in an effective, sustainable and participatory manner.
- Enhance institutional capacity to respond to local needs and capability of local actors to plan, finance, implement and manage public infrastructure and services.
- Establish system for both institutional and participatory monitoring and evaluation of investments, including poverty reduction indicators related to the MDGs.

#### ***1.4 The Local Development Fund***

The LDF is a development fund to be distributed on a formula basis to LGAs and local communities for investment in local public infrastructure and service delivery in accordance with needs determined using the participatory planning procedure.

The LDF is not a fund to be invested in personal assets, private income generating investments and small credit schemes, rather it is a fund meant to be used by LGAs and local communities to improve public infrastructure and service delivery in a participatory, transparent and accountable manner.

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## **2. Participatory Planning Process**

### **2.1 *Investment Menu and Projects Eligibility Criteria***

The LDF will be utilised for local public and community investments in line with the mandated functions of LGAs (ref Annex 1). Local public investments will be large intercommunity projects (for example, roads linking communities or LGA roads) and technically complex structures requiring specialized management (for example, bridges) and which must be fully contracted. Local community investments will be projects/schemes with a more intimate and clearly identifiable set of local beneficiaries (for example a community water well or health centre). The pilot will give emphasis to financing local community investments. Another important consideration that will be made is giving priority to pro-poor services as the poor invariably depend upon government for provision of essential services.

The menu of investments will include projects covering public infrastructure and social services, environment and natural resources management, and HIV/AIDS.

Below is an indicative list of eligible projects/schemes:

- Feeder or community access roads.
- Water supply, drainage and sanitation.
- Elementary or primary education facilities.
- Primary health care facilities.
- Public conveniences, sewage and refuse disposal.
- Environment or natural resources conservation or improvement.
- Market facilities.

The LDF will not finance projects that fall outside the mandate of LGAs nor will it finance the following:

- Projects that require use of land that is encumbered.
- Projects that involve involuntary resettlement of people.
- Construction of administrative and religious buildings.
- Projects that have detrimental impact on the environment, natural resources and public health.
- Projects that exclude sections of the community or provide for private or individual profit.
- Payment of salaries, honoraria and associated allowances.
- Purchase of vehicles, machinery or equipment.
- Purchase of road construction, building and other heavy equipment.
- Recurrent or non-development expenditure including printing, meetings and purchase of medicines.

It is emphasized that the list of eligible projects given above is an indicative, not exhaustive list. Additional projects are eligible provided they are requested by the majority of the population, will bring potential benefits to the majority, are within the investment menu and budget, and consistent with approved planning instruments.

## **2.2 Community Participation**

The participation of and greater involvement of local communities in planning is a major objective of the programme. Indeed, the LDF that is being introduced allows local communities to “own” the implementation process and decide on what they want, in an informed and disciplined way knowing what allocations and incentives/sanctions are available.

It is expected that a great deal of community inputs will be organised through local/ward development committees (WDCs) to be established as a voluntary body at ward level<sup>1</sup>. Each WDC will be composed of the councillor elected to represent the ward in the LGC and not more than ten other people (eleven in total), at least three of whom must be women, resident in the ward and elected by all residents at a public meeting. The committee shall select the chair and secretary from its members. The office of chair and secretary will be rotational among members every year.

It will be the responsibility of the WDC to:

- Foster dialogue based solution of local problems and conflicts about local planning, use of public funds and public investments.
- Energize and mobilize the community and stakeholders to be involved in local development and maintenance of facilities.
- Organize community contributions and control finances.
- Act as a liaison with other stakeholders.
- Keep/make sure the community is informed/public information responsibilities.
- Supervise all phases of the procurement cycle and oversee project implementation.
- Review and report on planning and implementation of projects.

Once WDC is elected, the next step is identification and prioritization of projects. Members of WDCs will receive basic training in public participation, project identification and prioritization. Community members will be informed about programme activities through public information and awareness campaigns.

The following will guide the identification and prioritization of community projects:

- Indicative planning figures (IPFs) will be announced at the beginning of the annual planning cycle to ensure that projects do not exceed the LDF budget.
- Each WDC shall keep in consideration the policy guidelines and framework of the respective LGA.
- Projects shall be initiated at grassroots level through public consultations.
- Following initial problem identification and raw project proposals, priorities shall be publicly determined according to locally agreed criteria.
- Projects shall be identified in accordance with the programme investment menu, eligibility criteria and in time frame issued by the programme and concerned LGA.
- Community Development Assistants (CDA) shall assist WDCs with initial “technical screening” to demonstrate that projects are feasible.

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<sup>1</sup> See additional note in Annex 4 on establishing WDCs at the ward level.

Following identification and prioritization is preparation and submission of projects by WDCs to LGA for technical review, consolidation and approval. The following steps need to be followed:

- Project proposals shall be prepared and submitted by the chairperson of the WDC to the LGA Chief Planning Officer<sup>2</sup> who shall review the proposal for conformity with programme and technical guidelines.
- Cost estimates shall be prepared. The WDC may obtain technical assistance to cost projects from relevant LGA sectors/departments.
- The community shall contribute at least 10 % of the total project cost in cash or “in kind”. The “in kind” contribution shall be costed and included in the project.
- If project involves two or more community development associations/wards, the concurrence of the respective WDC chairpersons shall be obtained.
- If proposals are not conforming to programme rules, the Planning Officer will recommend changes in the proposal. The WDC should resubmit proposal within a maximum period of one month.
- The Chief Planning Officer shall submit to the Treasurer compliant WDC projects for inclusion in the LGA annual development plan and budget.

When forwarding planned projects to the LGA, WDCs are required to use Form 1 (Annex 3) and report on:

- How, when and where public consultations took place.
- Confirm whether participants included women, youth, the disabled and poor. The names, number and sex of each participant should be included in the minutes of the meeting.
- Indicate contributions made by participants.
- Provide record/minutes of consultations/minutes of meeting(s) held. Minutes of all meetings should be accessible to every citizen, say by being placed on notice boards or available at LGA offices upon request

A project planner’s checklist to assist the WDC and Planning Officer is attached in Annex 2.

Projects shall be approved by the concerned LGC when considering the development plan and budget<sup>3</sup>. Approval shall be communicated to WDCs immediately after Council passes the development plan and budget.

### ***2.3 Planning Steps***

Planning is a continuous and ongoing process. The sequence of planning steps, as given in this section, is to facilitate understanding of the participatory planning process at LGA level. Note should also be made that the suggested steps complement the LEEDS methodology, however place emphasis on inclusion of projects identified by local communities in the LGA development plan.

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<sup>2</sup> The PMU Liaison Officer shall provide technical assistance to the Planning Officer in reviewing proposals and a “no objection” to proceed to the next stage.

<sup>3</sup> To meet this requirement, a supplementary budget shall be presented to the LGC to approve the LDF for 2007.

The LGA planning cycle will involve the following steps:

1. Context Setting and **Identification of Priorities** by local communities and departments/sectors.
2. Stakeholders **Planning Conference/Meeting** to discuss and agree on priorities.
3. **Preparation and Submission of Project Profiles** by local communities and LGA sectors.
4. Technical Evaluation and **Review of Project Profiles by the Executive Committee.**
5. Formulation of **Draft Development Plan** for the LGA.
6. **Review of Draft Development Plan by LGA Executive Committee.**
7. Consideration and **Approval of Development Plan** and budgetary allocations **by the LGC.**
8. **Feedback**/communication of approval to local communities and forwarding of work plan and budget to the State Department for Local Government (for onward transmission to PMU).
9. LDF disbursed for **Implementation** of projects.
10. **Monitoring and Evaluation**, with requisite corrective measures - though not a separate step, yet an integral part of the planning process.

Details of what and how of some of the above steps are in the LEEDS methodology manual<sup>4</sup>. Additional details will be provided in the participatory planning training manual.

#### **2.4 Planning Responsibilities**

To achieve its goals and objectives, planning requires institutions working within an established framework. Here below is an overview of major institutions involved in local development planning and their responsibilities as set in the Handbook on Local Government Administration and the Approved Schemes of Service.

<b>Institution/Office</b>	<b>Planning Responsibilities</b>
Department of Local Government in State Deputy Governor’s Office	Issue guidelines for preparation of development plans and budgets. Assist needy LGAs in preparation of development plans and budgets. Monitor and ensure implementation of guidelines from higher levels of Government. Coordinate matters relating to local government reform. Coordinate common services where applicable.
Local Government Service Commission	Appoint, post, promote and discipline senior local government employees. Manpower planning, development and training of senior cadres in Local Government Service.
Local Government Council	Participate in stakeholders planning conference/meeting. Debate and approve development plan and budget. Vet and monitor implementation of projects.
Executive Committee of the LGA	Formulate local policy. Discuss and review project profiles.

<sup>4</sup> Refer to Ministry of Inter-Governmental Affairs, Youth Development and Special Duties, Department of Local Government Affairs, 2006, **Manual for Local Economic Empowerment and Development Strategy (LEEDS)**. Also see UNDP, **Methodology for the Participatory Formulation of Local Economic Empowerment and Development Strategy (LEEDS) in Local Government Areas in Nigeria**. For format of development plans, refer to chapter 41 of Model Financial Memoranda for Local Governments.

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Institution/Office	Planning Responsibilities
	Review draft development plan and budget. Supervise execution of projects.
Head of Local Government Administration	Assist Executive in formulation, execution and review of policy. Ensure full implementation of projects, plans and budgets. Ensure that adequate project records are kept. Ensure that all technical problems relating to project formulation, execution and evaluation are promptly attended to.
LGA Deputy Director Planning	Initiate projects and programmes. Take charge of planning section of the LGA. Coordinate activities of other sectors.
LGA Chief Planning Officer <sup>5</sup>	Undertake planning, monitoring and control duties. Facilitate stakeholders planning conference/meeting. Assist community WDCs formulate projects and plans. Compile community project profiles. Disseminate information/provide feedback to community WDCs.
LGA Planning Officers	Perform personnel and economic analysis. Undertake economic studies and surveys. Collect, analyse and interpret economic and statistical data. Undertake policy analysis and formulation.
LGA Community Development Officer	Carry out regular inspection of community development projects. Prepare progress reports on community development projects.
LGA Community Development Assistants	Assist local communities in identifying their development potentials and needs. Assist in identifying and removing factors that may impede the successful implementation of development projects. Keeping records and writing reports. Render regular progress reports on community development activities.
WDCs	Participate in stakeholders planning conference/meeting. Energize and mobilize the community to be involved in local development. Organize community contributions and control finances. Identify community investment priorities and projects. Develop and submit project proposals/profiles. Supervise and report on implementation.
Civil Society	Participate in stakeholders planning conference/meeting. Provide information about ongoing and planned interventions.
Private Sector	Participate in stakeholders planning conference/meeting. When contracted by LGAs and local communities, provide services including supply of goods, works and technical services.

### 2.5 Implementation of Community Schemes

The implementation of community projects is to be carried out in the following manner:

<sup>5</sup> This is a practically a new post established under the Approved Scheme of Service for Local Government Employees in Nigeria, Fourth Revised Edition, 2006.

- After approval of projects, the WDC will open a bank account.
- The Chairman and Secretary of WDC shall operate the project account jointly with the PMU Liaison Officer. The WDC shall deposit the community share in this account.
- The WDC shall enter into/sign an implementation agreement with the LGA.
- The WDC shall apply to the LGA Chairperson for release of funds for the approved projects. Funds will be released by the Head of Local Government Administration on the advice of the PMU Liaison Officer and Chief Planning Officer (or Officer currently responsible for community development).
- The WDC shall supervise duly approved projects as per agreement, with financial propriety, within the allocated period and funds approved and with appropriate support from the LGA Engineer, specialist NGOs (where contracted) and private sector (if contracted).
- The WDC will maintain a proper record of all transactions, assets and liabilities.

## ***2.6 Operations and Maintenance***

Lack of effective operations and maintenance is the most common investment management problem because a lot emphasis is usually placed on the construction of new schemes. To address this problem, operations and maintenance arrangements should be made during the appraisal/preparation phase, focusing on local communities' capacities to ensure reliable and sustainable investments.

Communities will be required to develop operations and maintenance plans. Plans should not only list repairs programme but should also cover actual running of schemes, preventive maintenance and specify responsibility centres. Operations and maintenance costs will be worked out and communities and LGAs will contribute to meet the costs. Community level training for operations and maintenance will be organized and simple models of operations and maintenance will be provided as a guide.

Operations and maintenance will be a programme performance measure.

## ***2.7 Role of the PMU in Planning and Implementation of Community Projects***

The programme management arrangements are described in detail in Annex 4.

To ensure success, the PMU Liaison Officer shall issue “no objections” to proceed with the following:

- Call for planning conference.
- Prepare detailed costs for each project.
- Submit projects to LGA Executive and Council.
- Transmit work plans and budget to State Government.
- Release funds from the LGA Special Account to Community Projects Account.
- Prepare bill of quantities and technical specifications.
- Pre-qualify and shortlist contractors/suppliers.
- Bid evaluation.
- Make payments to contractors/suppliers.

The above is a capacity building measure, to be reviewed at end of first year of implementation.

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### **3. Requirements for Accessing LDF**

#### **3.1 Minimum Conditions**

Access to the LDF will be subject to compliance with agreed minimum conditions and performance criteria. Unless the minimum conditions are met at the beginning of every planning cycle, no LDF allocations will be made to WDCs.

To access the LDF in 2007 LGAs have to meet the following conditions:

- A draft LEEDS strategy document or development plan.
- An approved recurrent and development budget for the financial year.
- Treasurer, Community Development Officer and Community Development Assistants<sup>6</sup> in post.
- Establish WDCs.
- Up to date monthly and quarterly returns of income and expenditure.
- Final accounts for 2005 verified by the State Auditor General for Local Government and found to be in order.

It should be noted that the minimum conditions used in this manual are statutory, i.e., set in Government regulations.

Qualifying LGAs will sign annual agreements and make 10 % contribution in the first year and 20 % in the second and third years. They will also open a special bank account into which the LDF will be paid and accept regular audits of the LDF.

A rapid assessment will be carried out in June 2007 to determine which LGAs meet the minimum requirements for accessing LDF in the second half of 2007. The decision of who qualifies will be made by the Steering Committee and communicated to States by the second week of July 2007. If none of the LGAs make the grade, two LGAs that are closest to qualifying will be given a grace period of one month (up to August 31) to remedy the situation. LGAs will qualify to access LDF when they provide evidence that they have remedied situation but will be sanctioned with 10 % penalty for lack of compliance at time of assessment. If still failing, LGAs will not receive any LDF in 2007.

The allocation of LDF for 2008 and 2009 will be determined after assessing the performance of LGAs. In this period, LGAs have to meet the following minimum conditions:

- Held regular executive committee and local government council meetings in past year.
- An approved LEEDS strategy document or development plan.
- An approved annual development plan prepared in a participatory way, identifying projects to be financed by the LDF.
- An approved budget for the financial year with provisions for operation and maintenance of investments.
- Treasurer, Chief Planning Officer, Community Development Officer, Community Development Assistants and Internal Auditor in post.
- Establish WDCs.

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<sup>6</sup> In 2007, particular emphasis will be placed on the availability of CDAs to assist communities plan investment schemes for the first year.

- Staff salaries paid and up to date.
- Up to date monthly and quarterly returns of income and expenditure.
- Increase in internally generated revenues.
- Final accounts for previous financial year submitted to the State Auditor General.

### ***3.2 Performance Measures***

Performance measures will be used to assess actual performance<sup>7</sup> of LGAs and WDCs in the year they received the LDF. The assessment will measure the following:

- Executive committee and local government council performance.
- Staff, especially guidance and mentoring provided to WDCs by Finance and Community Development Departments.
- WDCs' performance.
- Local revenue performance.
- Operation, maintenance and sustainability of investments.
- Gender mainstreaming and performance.
- Communication/availability of information to the public about the programme and projects being implemented.

### ***3.3 Incentives and Sanctions***

To encourage good performance and establish proper accountability, incentives and sanctions linked to performance will be introduced. LGAs that perform well will get a 20 % LDF reward/bonus and those that perform poorly will get a 20 % sanction/penalty in 2008 and 2009.

LGAs will be responsible and accountable for the performance of WDCs. LGAs have, therefore, to put in place arrangements to ensure effective performance by WDCs. Such arrangements may include planning and community development staff mentoring, supporting and monitoring local communities more regularly than before.

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<sup>7</sup> A separate manual will be prepared to guide the assessment of LGAs conformity to minimum conditions and performance measures.

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#### **4. Financial Management and Accountability**

##### **4.1 LDF Allocation Formula and Distribution**

###### **Basic Facts about Bayelsa and Ondo States**

<b>State</b>	<b>Population (2006 Provisional Results)</b>	<b>Area in Km<sup>2</sup></b>	<b>LGAs</b>	<b>HDI</b>
Bayelsa	1,703,358	11,007	8	0.499
Ondo	3,441,024	15,086	18	0.529

It is estimated that US \$ 8 million will be made available by UNDP as LDF for the years 2007 to 2009. US \$ 1.4 million is for allocation in the first year, US \$ 3.3 million for the second year and US \$ 3.3 million for the third year.

Bayelsa and Ondo State Governments are to contribute 10 % in first year and 20 % in second and third years. With State contributions, total LDF is US \$ 9.46 million and it is allocated by formula with following criteria and weights - population 40 %, area 20 % and HDI 40 % - as follows (see table below).

###### **LDF Calculated with State Contributions**

<b>State</b>	<b>2007</b>			<b>2008</b>		
	UNDP	State	UNDP + State	UNDP	State	UNDP + State
Bayelsa	\$575,365	\$57,537	\$632,902	\$1,356,218	\$271,244	\$1,627,462
Ondo	\$824,635	\$82,463	\$907,098	\$1,943,782	\$388,756	\$2,332,538
<b>Total</b>	<b>\$1,400,000</b>	<b>\$140,000</b>	<b>\$1,540,000</b>	<b>\$3,300,000</b>	<b>\$660,000</b>	<b>\$3,960,000</b>

<b>State</b>	<b>2009</b>			<b>Total</b>		
	UNDP	State	UNDP + State	UNDP	State	UNDP + State
Bayelsa	\$1,356,218	\$271,244	\$1,627,462	\$3,287,801	\$600,025	\$3,887,826
Ondo	\$1,943,782	\$388,756	\$2,332,538	\$4,712,199	\$859,975	\$5,572,174
<b>Total</b>	<b>\$3,300,000</b>	<b>\$660,000</b>	<b>\$3,960,000</b>	<b>\$8,000,000</b>	<b>\$1,460,000</b>	<b>\$9,460,000</b>

The LDF allocated to each State will be distributed to qualifying LGAs using same criteria and weights as the State allocation formula. Qualifying LGAs will sign implementation agreements and make 10 % contribution in first year and 20 % in second and third years.

As LDF is intended mainly for local investment projects, the LDF allocated to LGAs shall be earmarked for utilization at ward level and apportioned using a simple formula of population weighted at 50 % and area 50 %.

Qualifying LGAs and WDCs will be informed about IPFs at least three months before start of the financial year, except in 2007.

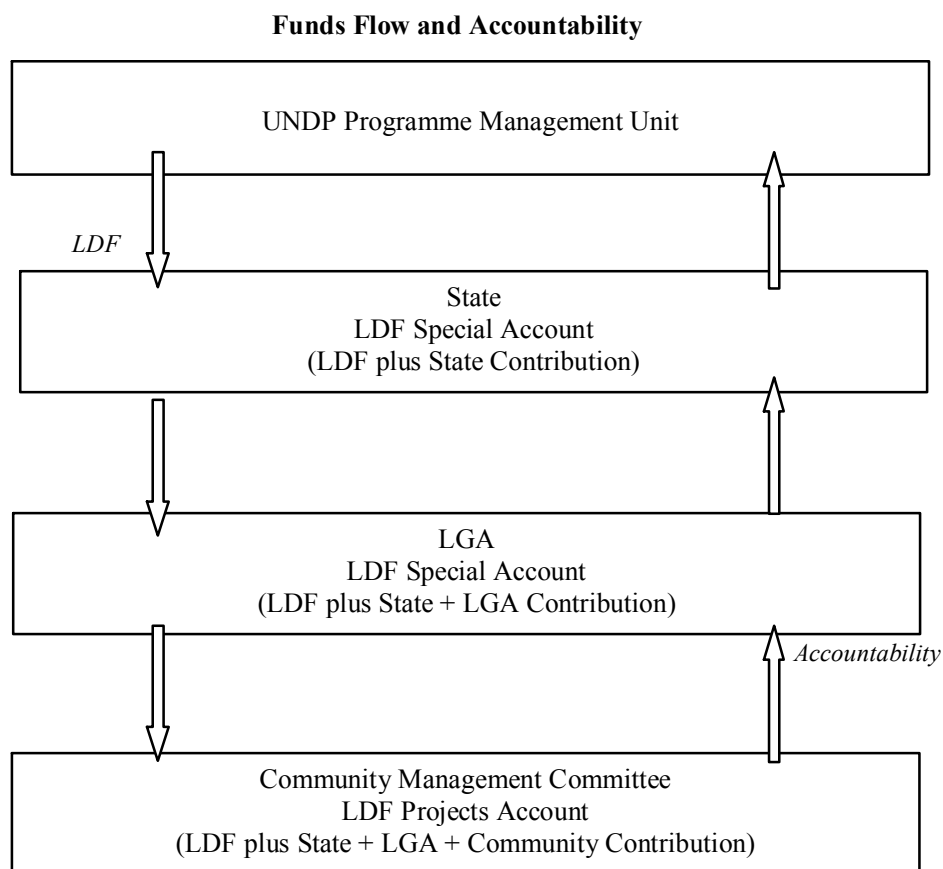
**4.2 LDF Funds Flow and Disbursement**

Funds will be disbursed in quarterly installments to the State special account. The State will confirm deposit of its contribution on the special account and submit quarterly work plans to PMU to trigger first release. However, further disbursements will be made upon satisfactory accountability for previous releases as specified in Section 4.4.

The State will make quarterly releases of funds to the LGA which will also place the funds on a special account. Funds will be released from the State special account on the advice of the State Director General for Local Government<sup>8</sup> and after confirmation that LGA has accounted for previous releases.

Each State and LGA will keep and maintain a record of all disbursements – in the case of State, disbursements to LGAs and in the case of LGAs, disbursements to WDCs. A schedule of disbursements shall be prepared every quarter using Form 3 (Annex 3).

The WDC shall apply to LGA Chairperson for quarterly releases of funds for approved projects. Funds will be released by the Head of Local Government Administration on advice of PMU Liaison Officer and Chief Planning Officer (or Officer currently responsible for community development). As communities' contributions may be in kind, the release of funds to WDCs will not be predicated on confirmation of deposits to the project account but on submission of quarterly work plans.




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<sup>8</sup> In Ondo State, the Coordinator of the Multilateral Relations Unit will perform this responsibility.

### ***4.3 Accounting Rules and Audit Procedures***

States, LGAs and WDCs will utilize existing accounting rules and procedures for special/project accounts. All investment units must keep and regularly maintain cash book, vote book, ledger, journal, abstract and assets registers.

The State Auditor General for Local Governments shall audit LGA accounts while the LGA Internal Auditor shall audit WDC project accounts.

### ***4.4 Accountability Forms***

Future disbursements of LDF will follow submission and verification of accountability.

Accountability will start with WDCs submitting reports to LGA. The LGA will compile accountability for all WDCs and forward it to the State Department for Local Government for scrutiny and onward transmission to the PMU.

Every accountability submitted should present the following:

- Work Plan – Form 2 (Annex 3)
- Disbursement Schedule – Form 3 (Annex 3)
- Financial Summary/Progress Report - Form 4 (Annex 3)
- Bank Reconciliation Statements (using LG Financial Memoranda Form LGT 70)
- Schedule of Outstanding Obligations
- Physical Progress Report – Form 5 (Annex 3)
- Monitoring Reports
- Completed Projects Report – Form 6 (Annex 3)

LGAs will be responsible for ensuring that WDCs' work plans and cash flow are within the IPF and that they have the capacity to account for funds in time by assigning an Accounts Assistant to assist them keep and maintain records. In addition, the LGA may recommend remedial action to a WDC where progress is unsatisfactory advising the committee of actions required and, if necessary, an LGA may withhold payments to the WDC.

### ***4.5 Procurement Guidelines and Procedures***

All WDCs will prepare procurement plans for projects to be financed by LDF.

Procurement is to be managed in accordance with statutory requirements, however existing regulations do make provisions for procurements by WDCs. PMU will, therefore, issue procurement rules.

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## 5. Participatory Monitoring and Evaluation

### 5.1 Principles of Monitoring and Evaluation

The programme M&E will take into consideration the following principles:

- *Simplicity* – M&E systems and procedures should be simple. They should have as few results and indicators as possible and involve simple straightforward steps for data collection.
- *User Driven* – Systems and procedures should focus on what is essential for decision making. They should be designed and implemented in close consultation with decision makers and should meet their information needs.
- *Appropriate to the Context* – M&E systems and procedures should be designed and implemented in ways that will work and are suitable to the given context.

### 5.2 Levels of Monitoring and Evaluation

M&E will be carried out at three levels:

- **Community level** – This is the primary level where activities are actually taking place. The objectives of M&E at this level are to ensure that schemes are implemented on time, are of good quality and that project inputs are properly utilized.
- **LGA Level** – This is the secondary level of M&E and is based on information/feedback obtained from the lower level.
- **State Level** – The objective of M&E at this level is to find out if project inputs are well used, desired outputs are being realized, and project designs appropriate for learning and future usage. Another objective is to examine whether Federal and State priorities and procedures are not neglected or ignored by the lower levels.

### 5.3 Monitoring and Evaluation under the Programme

The programme will develop a comprehensive M&E framework with performance indicators measuring inputs, processes, outputs, outcomes and inputs. The framework will build on an extensive baseline survey and data assessment to be carried out in June – July 2007.

The M&E mechanisms that will be put in place will include the following arrangements:

- Monitoring committees constituted by LGAs and WDCs will conduct regular monitoring of projects.
- LGA technical officers shall be involved as technical members of monitoring committees.
- Reports of monitoring committees and LGA officials shall be presented to the respective local government councils and WDCs.
- It shall be ensured that monitoring does not interfere in the day-to-day work of WDCs nor stop ongoing work.
- WDCs are bound to provide monitoring committees and officers access to project records.

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- The State Ministry responsible for Local Government, State Local Government Service Commission, the State Ministry of Finance and Planning and State Ministry of Works will constitute State monitoring committee<sup>9</sup>.
  - The PSC will monitor/oversee implementation at the national level.
  - There will be annual performance assessments.
  - Targets and achieved benefits will be measured, reported and communicated to stakeholders.
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<sup>9</sup> The Ondo State Multilateral Relations Unit and the Price and Project Monitoring Unit will be co-opted to the State Monitoring Committee.

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**6. Timeline of Activities for 2007**

Activity	May	June	July	Aug	Sept	Oct	Nov	Dec
Project document signed.	30 ◀							
State Governments inform eligible LGAs about LDF “competition” and minimum conditions.		1 5 ↔						
LGAs prepare for assessment of minimum conditions, mobilize local communities and establish WDCs.		5 30 ↔						
PMU shortlists/selects community facilitators		5 25 ↔						
PMU prepares training materials and conducts training of trainers for community facilitators.		25 ↔	30					
PMU conducts rapid assessment on meeting the minimum conditions.		15 ↔						
PMU makes recommendation to PSC on qualifying LGAs and LDF distribution.		15 30 ↔						
PSC approves qualifying LGAs and distribution of LDF.			1 5 ↔					
Qualifying LGAs notified of IPFs, in turn inform WDCs.			5 ↔					
Qualifying LGAs and community WDCs sign participation agreements.			5 10 ↔					
PMU organizes training for WDCs in public participation and project identification.			5 10 ↔					
WDCs hold public meetings and agree on investment priorities.			10 15 ↔					
WDCs prepare project profiles/proposals and submit to Planning Officer.			10 25 ↔					
Planning Officer reviews WDC proposals.			25 ↔	5				
In case non-conforming, Planning Officer provides comments or recommends changes in WDC proposals.			25 ↔	10				
WDCs re-submit proposals to Planning Officer.				5 20 ↔				
LGAs compile WDC proposals, quarterly work plans, procurement plans and disbursement schedules.				20 30 ↔				
Executive Committee reviews project proposals and submits to LGC.					5 ↔			

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LGC debates and approves projects. WDCs informed about LGC approval.					5 10 ↔			
LGA Chair submits approved projects to the State.					10 15 ↔			
LGAs and WDCs informed that project proposals forwarded to the State and PMU.					15 ◆			
State compiles work plans and disbursement schedules and submits to PMU.					15 20 ↔			
PMU reviews quarterly work plans and disbursement schedules.					20 30 ↔			
PMU makes quarterly transfer to State special account.						1 5 ↔		
State transfers funds to LGAs.						5 10 ↔		
WDCs requisition funds.						10 15 ↔		
Implementation of community projects starts.						15 →		

**Annex 1: Functions of a Local Government Council**

1. The main functions of a local government council (as listed in the Fourth Schedule to the Constitution of 1999) are as follows:

- (a) the consideration and the making of recommendations to a State commission on economic planning or any similar body on –
  - (i) the economic development of the State, particularly in so far as the areas of authority of the council and of the State are affected, and
  - (ii) proposals made by the said commission or body;
- (b) collection of rates, radio and television licenses;
- (c) establishment and maintenance of cemeteries, burial grounds and homes for the destitute or infirm;
- (d) licensing of bicycles, trucks (other than mechanically propelled trucks), canoes, wheel barrows and carts;
- (e) establishment, maintenance and regulation of slaughter houses, slaughter slabs, markets, motor parks and public conveniences;
- (f) construction and maintenance of roads, streets, street lightings, drains and other public highways, parks, gardens, open spaces, or such public facilities as may be prescribed from time to time by the House of Assembly of a State;
- (g) naming of roads and streets and numbering of houses;
- (h) provision and maintenance of public conveniences, sewage and refuse disposal;
- (i) registration of all births, deaths and marriages;
- (j) assessment of privately owned houses or tenements for the purpose of levying such rates as may be prescribed by the House of Assembly of a State; and control and regulation of
  - (i) out-door advertising and hoarding,
  - (ii) movement and keeping of pets of all description,
  - (iii) shops and kiosks,
  - (iv) restaurants, bakeries and other places for sale of food to the public,
  - (v) laundries, and licensing, regulation and control of the sale of liquor.

2. The functions of a local government council shall include participation of such council in the Government of a State as respects the following matters –

- (a) the provision and maintenance of primary, adult and vocational education;
  - (b) the development of agriculture and natural resources, other than the exploitation of minerals;
  - (c) the provision and maintenance of health services; and
  - (d) such other functions as may be conferred on a local government council by the House of Assembly of the State.
-

## **Annex 2: The Project Planner's Checklist**

Before project execution, the WDC and Chief Planning Officer need to examine every project proposal in detail particularly its design and potential benefit, also how it assists the community achieve its development vision.

- Does project conform to the schedule of functions of a Local Government Council?
  - Is project compatible with the policy framework of the State Government and LGA? How does it fit with/adhere to government policy and programme objectives?
  - Are funds committed or allocated for the entire gestation period of the project?
  - What is schedule of implementation up to completion?
  - Does project require land and has title been obtained?
  - Were all stakeholders consulted? What is size and percentage of benefiting population? What is location of project in relation beneficiaries?
  - How does project contribute to poverty reduction? Does it meet the most urgent needs of the people?
  - How does project help vulnerable persons? Is project catering for the interests of groups like women, youth, children or persons with disabilities?
  - Does project address gender, environmental and HIV/AIDS concerns? Will project have a positive or negative effect on the environment, natural resources and public health?
  - Will project lead to involuntary resettlement of people?
  - Does project suit the way of life of the people? Does it use locally available resources?
  - Does project require consultation/coordination or approval from government or other agencies? Has such approval been obtained?
  - Have government land use and municipal laws/regulations been followed?
  - Is there any support expected from the LGA, State, NGOs, private sector or voluntary agencies? How will support be managed?
  - What are the arrangements for operations and maintenance? Will people be able to support and manage the facilities? What arrangements are in place in terms of requirements for funds and manpower after completion?
  - What arrangements have been made for water supply and disposal of affluent and solid waste?
  - Was economic analysis done?
  - Does project encourage, discourage/reduce or increase local self-help activities?
  - Will project lead to more investment?
  - What is the income generation potential of the project and arrangements for collection of say user charges?
  - Has impact on other programs been considered and accounted for?
  - Are there any similar projects carried out in the area? Have they been successful or not? If not, why?
  - Were procurement guidelines and procedures followed?
  - What are the names of members of monitoring committee and schedule of visits?
  - What are the arrangements for inspection and certification of completion of projects, operations and maintenance?
-

**Annex 3: Planning, Financial Accountability and Reporting Forms**

*LDP Form 1*

**WARD DEVELOPMENT COMMITTEE PROJECT PROPOSAL**

**Programme:**

To: Chairperson                      Local Government

From:                                      Ward Development Committee

Brief Project Description:

*(Detailed project description should be attached)*

Location:

Cost: ₦

Community Contribution:

Were projects decided or confirmed at a public meeting?                      Yes/No

If there were public meetings, how many people attended?

When and where did public consultations take place?

Did participants include women, youth, the disabled and poor?

What contributions were made by the participants?

*Please attach record of public consultations/minutes of meetings held.*

Were contributions from participants used in deciding on the project?    Yes/No

Were proposals checked against the project planner's checklist?        Yes/No

Signed                                      Signed

Chairperson                              Secretary

Date    Date





**FINANCIAL SUMMARY**

**Programme:**

**For the period**            **to**            \_\_\_\_\_ **Local Government**

Item	Period Amount	Annual Budget	Expenditure (Year to date)	Available Balance
Opening Balance				
Advance Received				
Co-funding				
<b>Available Funds</b>				
<b>Expenditure</b>				
<b>Total Expenditure</b>				
Closing Balance				
Outstanding Obligations				
Planned Expenditure				
Total Requirements				
Less Closing Balance				
Advance Requested				

Prepared by:

Checked by:

Approved by:

Treasurer

H/LGA

Chairman

Date

Date

Date

*Note: Completed form must be submitted by the LGA through the State within ten days of the end of each quarter together with the physical progress report.*

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*LDP Form 5*

**PHYSICAL PROGRESS REPORT**  
*(To be submitted quarterly)*

**Programme:**

**For the period**                      **to**                                      **for** \_\_\_\_\_ **Local Government**

Sector	Project/Scheme Description	Code	Project Cost		Completion Date		Expenditure				
			Approved	Revised	Planned	Revised	Funds Released	Expenditure to date	Quarter Expenditure	Cumulative Expenditure	% Utilization

Prepared by:  
Treasurer  
Date

Checked by:  
H/LGA  
Date

Approved by:  
Chairperson  
Date



**Annex 4: Why Establish Community Development Committees at the Ward Level**

The aim of establishing ward development committees is to *promote ward as a basic unit of local governance and as a “planning unit” for local community development that can be replicated* in other parts of Nigeria.

Additional reasons for promoting the ward are:

1. Existing community development committees in Ondo State were established to execute the Accelerated Poverty Alleviation Programme that started in 2003. Their responsibilities include community mobilization, capacity building, youth in agriculture, women programmes, health care and M&E. In practice, however their main responsibility is to facilitate development through micro credit: identifying beneficiaries, serving as guarantors and putting in place loan recovery mechanisms.
2. In Ondo State, available committees - Community Development Committees (CDCs) at LGA level, Community Development Associations (CDAs) at the ward level and Community Development Units (CDUs) with representatives from cooperative societies, clubs, towns and community unions - are not directly linked to the local government system<sup>10</sup>. The LGA chairperson is an ex-officio member of CDC and the councillor representing the ward in LGC is an ex-officio member of the CDA.
3. The number of emerging community development associations is unwieldy large. Community development associations are being established at “kinship<sup>11</sup> community level”; moreover, communities are small and dispersed populations.

**Size Distribution of Settlements in Bayelsa and Ondo States**

State	Less than 1,000 people	%	Between 1,000 and 5,000 people	%	Between 5,000 and 20,000 people	%	20,000 people and above	%
Bayelsa	290	41.66	317	45.44	85	12.21	4	0.57
Ondo	1,463	80.65	278	15.32	57	3.14	16	0.88

Source: UNDP Niger Delta Human Development Report 2006

4. The area and population of wards can easily be determined, in contrast to community development units whose populations are sometimes mobile.
5. The ward will provide the local government councillor with an official medium to consult on issues to be discussed and report back decisions and actions taken by the council. In turn, WDC members will consult and discuss development issues with residents and report back.

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<sup>10</sup> The chairperson and members of CDC and CDA are appointed by the State Government. CDCs, CDAs and CDUs congregate twice a year as a community development assembly chaired by chairperson of the State Poverty Alleviation Board.

<sup>11</sup> This is true of communities in Ondo State.

**How WDCs will be formed?**

The chairperson and members of CDCs in Bayelsa are directly elected by the people in compounds and villages. This arrangement will continue.

In case of Ondo, each community will directly elect a representative.

Chairpersons of CDCs in Bayelsa and elected community representatives in Ondo will form an electoral college from which ten members shall be elected to constitute the WDC. The councillor representing the ward in the LGC shall be the eleventh member of the WDC. The WDC shall elect a chair and secretary by simple majority.

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## **Annex 5: Programme Management Arrangements**

The programme will have a PSC responsible for overall direction and strategic guidance. The PSC will also:

- Provide official mechanism for coordination and reporting on programme activities.
- Consider and approve annual and quarterly work plans and budgets.
- Approve Terms of Reference and engagement of Consultants and PMU staff.
- Make appropriate arrangements for locating and equipping the programme office.
- Monitor activities against work plan and propose modifications where required in order to maximize results.
- Review progress, monitoring and evaluation reports and assess overall progress towards achievement of the programme outcomes and outputs.
- Coordinate mid-term review and final evaluation.
- Ensure integration and coordination of programme activities with other related government and donor funded initiatives.

The UNDP Country Director, the Deputy Resident Representative/Programme, the National Planning Commission, the Governors of Bayelsa and Ondo, and the CTA/Programme Manager will constitute the PSC. The PSC shall meet at least once every six months.

Day to day management of programme will be a responsibility of PMU based in Port Harcourt with liaison offices in Akure, Ondo State and Yenagoa, Bayelsa State. The PMU will also:

- Serve as the programme administration and liaison office.
- Prepare and present work plans and budgets for approval by Steering Committee.
- Ensure that programme activities are properly coordinated and integrated, especially the participatory planning and budgeting procedure, LDF investments, capacity building and monitoring and evaluation.
- Provide technical assistance and support monitoring to LGAs.
- Be responsible for financial management including payments, accounting and reporting.
- Be responsible for programme monitoring and evaluation.
- Monitor progress against agreed work plans, prepare progress reports as well as identify issues and actions requiring the Steering Committee's approval.
- Ensure delivery of outputs as outlined in programme document.
- Prepare documents and inputs for mid-term review and evaluation.
- Provide secretarial support to Programme Steering Committee.

Core PMU staff shall be the Chief Technical Adviser who will also serve as Programme Manager, Operations Manager, Community Management Specialists, Information and Communications Officer, Monitoring and Evaluation Officer, IT Associate, Finance Assistant and Administrative Assistants.

Lastly, the programme will have a PTC to ensure that activities are implemented in accordance with agreed plans, to the highest standards, appropriately phased, and coordinated. The PTC will also:

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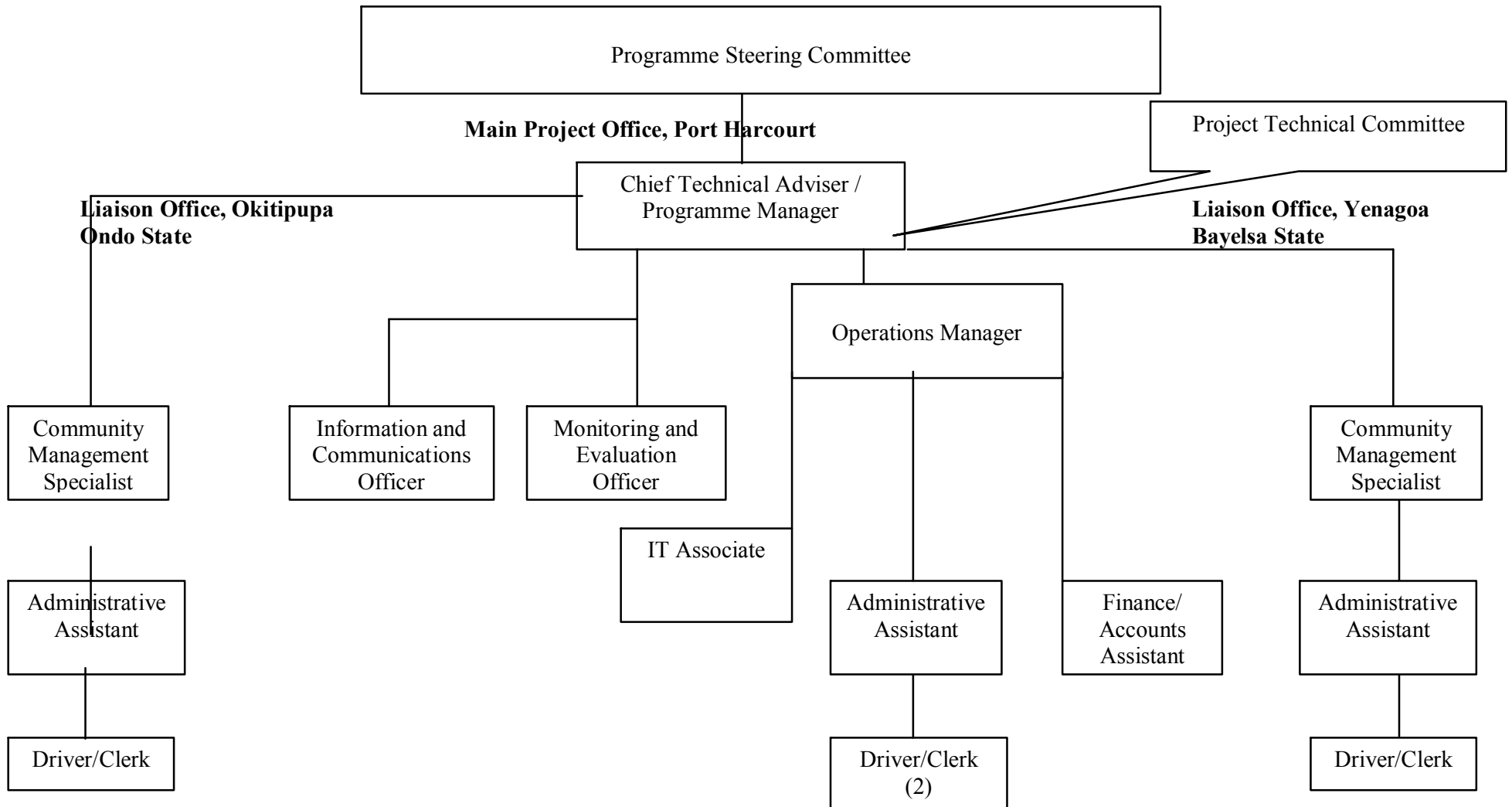
- Review annual and quarterly work plans and budgets.
- Monitor progress against agreed work plans.
- Highlight and resolve, where practicable, technical or coordination issues affecting programme progress.
- Ensure that programme activities are properly coordinated and integrated.
- Review progress reports and identify issues and follow-up actions for the Steering Committee, participating States, LGAs and PMU.

The PTC will be composed of chairpersons of participating LGAs and their respective HLGA, two representatives of CBOs and NGOs in the pilot States, a representative of UNDP Poverty Reduction Unit and the CTA/Programme Manager. The PMU shall be the PTC secretariat. Meetings of PTC will be held at least once a quarter in pilot LGAs, on a “rotating basis”.

A pictorial view of the programme management arrangements is presented on the next page.

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PROGRAMME MANAGEMENT STRUCTURE



**Annex 6: References**

1. UNDP Niger Delta Human Development Report 2006
  2. Constitution of the Federal Republic of Nigeria 1999
  3. Handbook on Local Government Administration 1992
  4. Model Financial Memoranda for Local Government 1998
  5. Manual for Local Economic Empowerment and Development Strategy (LEEDS) 2006
  6. Approved Scheme of Service for Local Government Employees in Nigeria, Fourth Revised Edition, 2006
  7. Civil Service Handbook 1997
  8. Bayelsa State Local Government Law 2000
  9. Bayelsa State Local Government Guidelines 2004
  10. Ondo State Local Government Service Commission Edict 1995
  11. Ondo State Local Government (Composition of Legislature, Executive and Allied Matters) Law 1999
  12. Ondo State Joint Local Government Account and Allocation of Funds to Local Governments and Other Ancillary Matters Law 2003
  13. Digest of Demographic Statistics of Ondo State 2000
  14. Ondo State Socio-Economic Indicators 2002
  15. Ondo State Community Development Statistics Survey Report 2005
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