LAGOS STATE GOVERNMENT

Making Plans Work
Strengthening Linkages within MEPB

August 29th 2014

MINISTRY OF ECONOMIC PLANNING AND BUDGET

Content List

Abbreviations and Acronyms

AD	Accounts Department
AHRMD	Administration and Human Resources Department
COFOG	Classification of Functions of Government
BD	Budget Department
DPD	Development Partners Department
EIU	Economic Intelligence Unit
EPD	Economic Planning Department
EXCO	State Executive Committee
HoA	House of Assembly
IGR	Internally Generated Revenue
IP	Implementation Programme
IMSC	Inter-Ministerial Steering Committee
KPIs	Key Performance Indicators
LASEEDS	Lagos State Economic Empowerment and Development Strategy
LBS	Lagos Bureau of Statistics
LSDP	Lagos State Development Plan
M&E	Monitoring and Evaluation
MDAs	Ministries, Departments and Agencies
MED	Monitoring and Evaluation Department
MEPB	Ministry of Economic Planning and Budget
MoF	Ministry of Finance
MTBF	Medium Term Budget Framework
MTSSs	Medium Term Sector Strategies
PBB	Programme Based Budgeting
PMR	Performance Management Report
PS	Permanent Secretary

RF	Results Framework
SPARC	State Partnership for Accountability, Responsiveness and Capability
TWG	Technical Working Group

Executive Summary

The purpose of this report is to contribute to strengthening procedures and processes in the Ministry of Economic Planning and Budget (MEPB) and its various Departments in order to improve effectiveness in implementing the Lagos State Development Plan (LSDP) and the Medium Term Sector Strategies (MTSSs).

Specifically what the report seeks to do is to:

- Show the advantages of strengthening the planning system in order to improve the effectiveness of MEPB.

- Present details of the proposed alignments that are sought between the various Departments of the Ministry.

- Spell out the implications of a plan-led system to MDA operations.

The report seeks to address the mismatch between the high aspirations of the city to place its vision and the LSDP at the heart of the development process and the actual procedures and practices used in developing projects, budgets, research, monitoring and evaluation. Efforts are being made within MEPB to tackle these issues and progress has been made. This report identifies where such progress has been made and where further interventions are required.

The report is predicated on the view that a plan-led system to development is more effective in terms of cost and outcomes than a budget-led system that can lead to an ad-hoc approach that lacks integration and fails to work to common objectives.

The first part of the report sets out the concept of a plan-led system. The second part identifies areas where planning needs to achieve improved alignment with the various elements of the planning process as exemplified in the different Departments of the MEPB. The third part looks at the implications of seeking to develop an integrated and effective plan-led system for responsive rather than reactive management approaches. It further identifies possible roles and actions that can be taken at all levels in the Ministry to achieve a faster and more dynamic implementation of the LSDP.

The Ministry is in the process of up-dating the existing budget manual and wants all departments in the Ministry to contribute to the Manual. The contribution of Policy and Strategy based on this report is captured in Annex 1.

Part One Introduction and Background

Purpose of the Report

The purpose of this report is to contribute to strengthening procedures and processes in the Ministry of Economic Planning and Budget (MEPB) and its various Departments in order to improve effectiveness in implementing the Lagos State Development Plan (LSDP) and the Medium Term Sector Strategies (MTSSs). The LSDP was approved by the Executive Council (EXCO) in July 2013 and since that time the Ministry has been attempting to gain wide support for its implementation. The Ministry has sought through the Implementation Programme (IP) to bring out in clearer terms the LSDP Outcomes and build around these targets and appropriate Key Performance Indicators (KPIs) for 2016, 2020 and 2025. The aim has been to engage Ministries, Departments and Agencies (MDAs) so that they translate these outcomes into MTSSs and eventually to their annual budgets and outcomes. The strengthening identified in this report sought will go a long way towards accelerating and consolidating this process.

Specifically what the report seeks to do is to:

- Show the advantages of strengthening the planning system in order to improve the effectiveness of MEPB.
- Present details of the proposed alignments that are sought between the various Departments of the Ministry.
- Spell out the implications of a plan-led system to MDA operations. MDAs need to align their planning, budget, monitoring and research procedures to the requirements set by the Ministry.

The Ministry is in the process of up-dating the budget manual and wants all departments in the Ministry to contribute to the Manual. The contribution of P&S based on this report is captured in Annex 1.

The Challenge of a Plan-Led System

For the past 16 years Lagos State has striven to turn Lagos from an underperforming city into one that is modern, dynamic and progressive, seeking thereby to realise the potential for economic growth and social advancement. In doing so the state has always tried to drive the process through clearly stated plans and priorities. To this end it developed the 10 Point Agenda, then the Lagos State Economic Empowerment and Development Strategy (LASEEDS) and Vision 2020 and it has now succeeded in adopting an overarching long-term LSDP that harmonises agreed strategies and policies. But, there have been concerns:

There is a continuing mismatch between the high aspirations of the city to place its vision and the LSDP at the heart of the development process and the actual procedures and practices used in developing projects, budgets, research, monitoring and evaluation.

Whilst the adoption of MTSSs and associated Programme Budgeting has advanced the idea of plan-led budgetary processes as well as bringing linked MDAs together in sector clusters, there is a need to fully align MDA budgets to medium and long-term plans.

Although the adoption of Public Service Reforms has helped to place performance review at the centre of management practice and so gear a mind-set towards fulfilling tasks linked to objectives and ultimately to the long term vision for the state, current Performance Management Reports (PMRs) are not driving the process forward as

they are not reporting in a comprehensive manner on LSDP, MTSS and KPIs and have remained project bound.

Service Charters will assist in making MDA service delivery more responsive to citizens and help link such services to the intended outcomes of plans but they still remain to be fully rolled out and practised by all MDAs. Moreover, they need to be amended to take account of the LSDP as they pre-date the LSDP.

MEPB is addressing these concerns and working to establish an integrated and effective plan-led system.

Defining a Plan-Led System

A plan-led system rests on the principle that budgets, project choice and implementation of programmes/projects should be decided on the basis of an approved or adopted State Development Plan and linked Sector Strategies, unless there are other material considerations, such as emergencies, that may indicate otherwise.

The philosophical underpinning of a plan-led system resides in the general assertion that a planned approach to development is more effective in terms of cost and outcomes than a budget-led system which encourages a more ad hoc approach and lacks integration and fails to work to common objectives. In practice, this can mean, for example, that when the development of new infrastructure is planned that it is seen to link to future plans for expanding the city and to address key areas of need. It seems axiomatic that one should not develop new social facilities without planning access roads, water, power and the provision of qualified staff. No one MDA can undertake development on its own without synchronising its efforts with MDAs that have a linked role. But, without a plan-led system that provides the framework for effective integration of development this approach is hampered and can often be piecemeal. This can result in additional costs and poor quality development.

All development is predicated upon some high level goals. In general these goals seek to improve the quality of life of the people, expressed in terms of a long term Vision. At a level below this there are several high order objectives that are arranged and integrated into a rational and harmonious whole. The value of a plan-led system in charting the performance of progress towards the Vision and the key objectives is clear. An integrated plan contains integrated KPIs and by monitoring these it is possible to see how development in all its myriad features is progressing. Without a plan-led system monitoring progress is also fragmentary and lacks any charting of how the elements are contributing to a wider vision.

Other advantages of adopting a plan-led system can be said to include the following:

   a) Contributing to the achievement of sustainable development.
   b) Securing participation from the public and interested parties.
   c) Protection of the Environment.
   d) Clarity for developers and communities about what is proposed or is likely to be acceptable.
   e) Contributing to Good Governance.

Several of these issues can be adopted through a Development Plan (as they are in the LSDP), often as cross-cutting issues. Without such a Plan such considerations can easily be lost or simply ignored by MDAs that do not see the relevance to their specific functions.

There are six standards though that should be fulfilled in order to meet a functional and effective plan -led system as it applies to the State:

a) The system must be fit for the purpose of creating Africa's leading mega city.

b) The system requires strong institutional support mechanisms.

c) The management system for planning and development needs to be more effective, efficient and pro-active.

d) The planning and development system has to be made more inclusive.

e) The planning and development system should lead to sustainable development.

f) The LSDP and Sector Strategies must be kept up-to-date.

Arrangement of the Report

The report is in three sections:

- Introduction, which sets out the challenge and its impact on the effectiveness of the MEPB and introduces the concept of a plan led system as a means of overcoming that challenge.

- Section Two identifies those areas in MEPB where integration and alignment are critical for the success of a plan-led system. It responds to the challenge, notes where progress is being made and seeks to build on these to further re-align processes and systems for greater integration and co-operation between the Departments of MEPB. The Implications of moving to a full plan-led system for MDAs is also drawn up. The Ministry needs a common approach to MDAs to enable the plan led system to work.

- Section Three of the report presents the implications of effecting the adjustments on the management roles and responsibilities to various arms of the Ministry. The implications for the roles and responsibilities of the main actors in MEPB are provided.

- An Annex is presented that sets out a common approach across all departments in MEPB and provides an outline for a future possible MEPB Office Manual.

Part 2: Proposals for a Plan-Led System

Framework for a Plan-Led System

One of the requirements of a successful plan led system is that the system must be fit for the purpose of creating Africa's leading mega city. The current framework of plans and instruments in the planning and development system sets the basis to plan effectively for a range of different types of development, and achieve the necessary impacts. This framework consists of a hierarchy of plans with the LSDP at the apex followed by MTSSs prepared in the context of the Medium Term Budget Framework and effectively linked to the LSDP strategies and objectives. Budgets are then derived from the costed MTSSs (otherwise known as Programme Based Budgeting (PBB). The MDA annual operational plans are then drawn up. The system is shown in the diagram below.
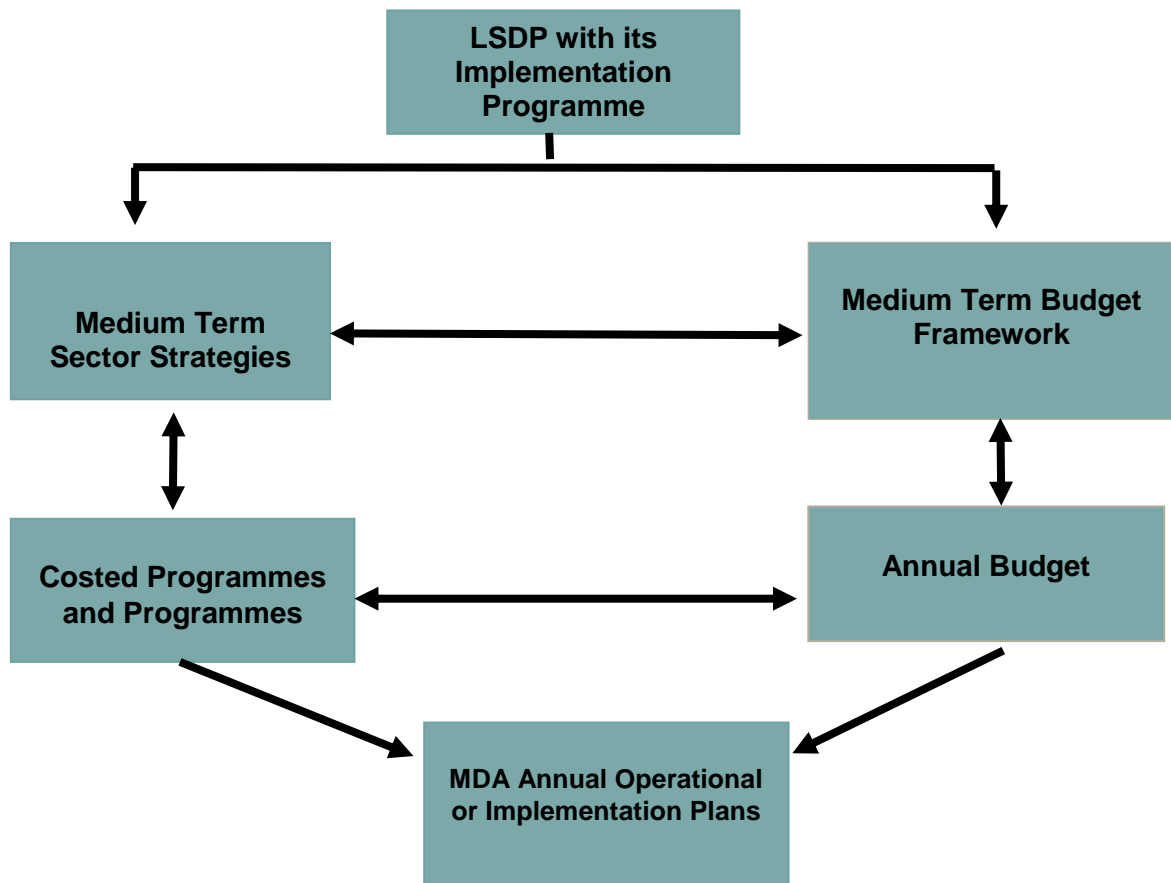
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                    ┌─────────────────────┐
                    │     LSDP with its    │
                    │    Implementation    │
                    │      Programme       │
                    └─────────────────────┘
                      │                 │
          ┌───────────────────┐   ┌──────────────────────┐
          │   Medium Term     │◄─►│  Medium Term Budget  │
          │  Sector Strategies│   │      Framework       │
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          │ Costed Programmes │◄─►│    Annual Budget     │
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                  │  MDA Annual Operational  │
                  │  or Implementation Plans │
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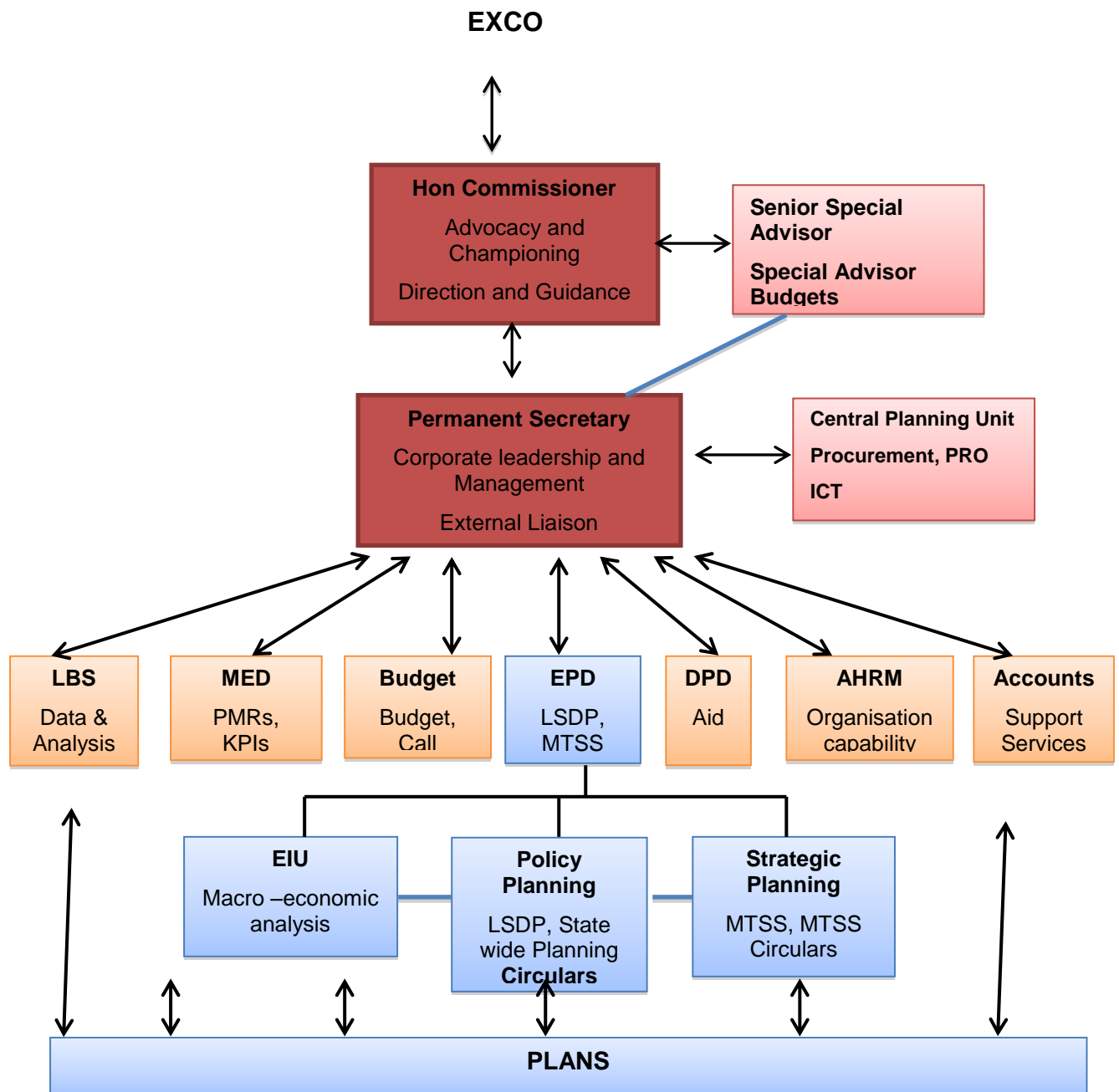
To make this system work effectively and in harmony requires adjustments and re-alignments to existing practice and procedure between the various departments of the MEPB. This is work in progress. Thus all Departments in the Ministry need to be fully aligned and properly linked to the needs of the LSDP and MTSSs, rather than to any other externally derived system or procedure. Account must be taken of the needs of other parts of the state system but the primary purpose of MEPB is to ensure that development is driven and derived from the agreed state Vision as set out in some detail in the LSDP and MTSSs.

Context for Harmonising Planning in MEPB

MEPB will have seven core departments, once re-organisation that has been initiated by Head of Service is complete, namely Economic Planning (EPD), Budget (BD), Monitoring and Evaluation (MED), Bureau of Statistics (LBS), Development Partnerships (DPD), Administration and Human Resources Management (AHRMD) and Accounts (AD). The diagram below sets out the variety of activities pertinent to planning arranged in terms of the different levels and Departments of the Ministry.

Ministry of Economic Planning and Budget – Context of the Plan Led System

EXCO

Hon Commissioner
Advocacy and Championing
Direction and Guidance

Senior Special Advisor
Special Advisor Budgets

Permanent Secretary
Corporate leadership and Management
External Liaison

Central Planning Unit
Procurement, PRO
ICT

LBS	**MED**	**Budget**	**EPD**	**DPD**	**AHRM**	**Accounts**
Data & Analysis	PMRs, KPIs	Budget, Call	LSDP, MTSS	Aid	Organisation capability	Support Services

EIU
Macro –economic analysis

Policy Planning
LSDP, State wide Planning
Circulars

Strategic Planning
MTSS, MTSS Circulars

PLANS

Strengthening the plan-led system requires maintaining and improving the linkages between all of these levels and making sure the various MEPB Departments are well aligned to a plan-led system. This section looks at the following component parts:

- The Institutional support mechanisms between the levels.
- Harmonising Planning and Budget.
- Harmonising Planning and Monitoring and Evaluation.
- Harmonising Planning and Statistics and Data Provision.
- Harmonising Planning with sourcing and directing Donor Support.
- Harmonising Planning with Human Resources and Capacity.

These are dealt with in turn.

Institutional support mechanisms

The plan-led system requires strong institutional support mechanisms. At the highest level EXCO agreed to establish an Inter-Ministerial Committee of 7 Commissioners to drive the LSDP. The EXCO Committee is to be supported by the Working Group of Permanent Secretaries. Neither of these mechanisms has been inaugurated.

Within MEPB a new inter-departmental Committee of 9 officers has been established initially to certify MTSS submissions from MDAs but now acting as team to drive improved integration and co-operation between the various parts of the Ministry. Specifically, in terms of the LSDP Implementation a Technical Working Group has been established to ensure the Working Group of Permanent Secretaries is supported and the LSDP is implemented. Appropriate officers from the different directorates in MEPB constitute such a Committee. At another level, the MEPB Planning Research and Statistics Directors in each MDA help to orientate the MDA's towards a proper plan-led system.

Whilst these decisions represent important steps towards driving a plan-led system progress needs to be made in the full implementation of these decisions. The following steps are necessary:

a) EXCO will be requested to set up the EXCO Committee.

b) Once the EXCO Committee has been established the co-operation of Head of Service will be sought to constitute the Committee of Permanent Secretaries.

c) The new Inter-Departmental Working Group of 9 will work on aligning the various parts of the Ministry to implementing a plan-led system and so drive the implementation of the LSDP and MTSSs.

d) Each head of Department will commit themselves to appointing senior officers to the LSDP Technical Working Group and ensure that those officers nominated attend the meetings.

e) The EPD will ensure that the Committees have an agenda and are given the necessary technical support.

To make this system work effectively and in harmony requires adjustments and re-alignments to existing practice and procedure between the various departments of the MEPB. This is work in progress. Thus all Departments in the Ministry need to be fully aligned and properly linked to the needs of the LSDP and MTSSs, rather than to any other externally derived system or procedure. Account must be taken of the needs of other parts of the state system but the primary purpose of MEPB is to ensure that development is driven and derived from the agreed state Vision as set out in some detail in the LSDP and MTSSs.

Harmonising Planning and Budgets

One of the key aims of a plan-led system is to ensure that MDA Annual Plans are effectively linked to budgets, budgets to MTSSs and all these are effectively integrated to the Medium Term Budget Framework (MTBF) and LSDP. Progress has been made but there are a number of budget instruments that have made linking MTSSs directly with budgets difficult. For a long time the budget circular did not accord with the MTSS costing template. Changes have now been made to the budget call circular and the latter is now talking to the MTSS. Unfortunately, another challenge remains. The new challenge concerns the lack of compatibility of the MTSS template with the ORACLE financial management system, with the latter further grouping programmes and projects into various budget codes. The ORACLE is used for generating data for the various codes used in the budget. Lack of compatibility means that data from the MTSSs has to be modified to suit this system, by the time the MTSS were produced there was no time to carry out such data translations and entries. MDAs found it easier to go direct to entering the data into the ORACLE system rather than the route of MTSS programmes and projects followed by the re-grouping exercise. This window of opportunity to by-pass the MTSS and still have the MDA budget proposals accepted threatens the credibility of the MTSS process by suggesting to MDAs that they can do without the MTSS. Fortunately this issue is now being addressed by MEPB. Further issues may arise, however, over the application and experience of using the new Programme Based Budgeting. It is being interpreted as if MTSS are not part of it.

Two areas that require continued attention are:

a) Continued focus on the MTSS process is required so that full alignment up to the LSDP and down to the Annual Budget and Operational Plans can be achieved. Through the MTSS roll-over process, MDAs will be consistently reminded of the need for their sectoral budgets to be derived from their MTSS and that MEPB will seek to ensure compliance with this requirement. This information will be communicated through an annual MTSS Call Circular, developed by the inter-departmental working group. The MTSS Call Circular will include a checklist or criteria through which MTSSs will be certified.

b) EPD and the Budget Department will keep the PBB process under review to ensure that there is a seamless flow from the MTSS to the Budget process. So far the translation of MTSS to the Budget process has caused some problems but it is at an early stage and such problems are possible to overcome. The problems are attitudinal and with more dialogue and discussion, the problems should ease off.

c) EPD and the Budget Department will also continue to monitor the application of ORACLE to ensure that it does not frustrate the aim of aligning annual budgets with approved long-term and medium-term plans. To this end the MTSS Implementation Process Guidelines for MDAs, that includes roll-over issues, will be kept under review.

Harmonising Planning and M & E

Whilst the main function of Monitoring and Evaluation (M&E) in the Ministry is vested in the MED it needs to be noted that various other parts of the Ministry also undertake various types of M&E activity. There is a need to ensure a harmonisation of these activities so that duplication does not take place and the various elements of M&E dovetail into one another and all are oriented to the needs of the LSDP and MTSS.

a) The approval of the LSDP and the development of MTSSs provides a major opportunity for MED to review how it can most effectively monitor these plans and present regular reports to other Departments. To assist in the work of tracking the progress of plans a Results Framework (RF) has been produced as part of the Implementation Programme of the LSDP. This framework seeks to outline Outcomes, Targets and KPIs for all the various parts of the Plan under the four development pillars. The KPIs in the RF have been based as far as possible on existing KPIs and further refinements will take place as experience in tracking plan progress is gained.

b) EPD has an important function in keeping the policies and strategies of the plans under review and evaluating whether changes or adjustments are needed. To do this effectively they need monitoring results from MED that address policy and strategic issues. The two departments will discuss how best they can inter-act on this issue.

c) LBS has the important function of gathering data and publishing statistics. Ideally, such statistics should provide a valuable input into the work of MED and EPD, especially in the work of the Economic Intelligence Unit (EIU). The close co-operation between LBS and the EIU will be maintained and where necessary strengthened, as will that between LBS and MED.

d) The Budget Department undertakes regular monitoring of budget performance. This tends to be done on the basis of tracking expenditures against approved budgets. Developing such a scrutiny to LSDP and MTSS targets would greatly enhance the capacity of MEPB to report regularly on the progress of the Plans.

Harmonising Planning and LBS

The Lagos Bureau of Statistics (LBS) provides an important resource for planning, both in terms of the skills available in that Bureau and the outputs of published statistics and reports. Planning and monitoring rely upon a good statistical and informational base. The expertise of the LBS will be more directly oriented to the needs of the LSDP and MTSS. This is required in two main fields. The provision of relevant data to enhance an understanding of existing situations and trends in fields covered by the four pillars of the LSDP, and the provision of regular data on KPIs to monitor the LSDP and MTSSs. This will enhance the work of EPD as it seeks to implement and recommend adjustments to the plans and to MED as it seeks to track the performance of the plans. An additional benefit from LBS can be the up skilling of other sections of the Ministry in statistical evaluation methods so that the level of evaluation undertaken in EPD and MED can be improved.

Harmonising Planning with DPD

The role of Development Partnership Department (DPD) needs to be closely aligned to the central planning function of the Ministry, so that its work relates effectively to the successful implementation of the LSDP and MTSSs. This may be seen in terms of orienting potential donors to the LSDP and MTSSs so that any support will relate to the achievement of the Lagos Vision, resource mobilisation and the provision of information on the role and impact of donor support towards achieving plan outcomes. In addition, DPD's role in co-ordinating report on the Sustainable Development Goals, the successor to the MDGs report, should be seen as part of the wider M&E function and close liaison maintained with MED and EPD to feed in the information and implications of results obtained.

The Implications of Moving to a full plan-led system for MDAs.

In adopting a plan-led system MDAs are re-focussing their respective MTSSs to reflect the strategic thrust of the LSDP as developed through the four Development Pillars. More guidance will be issued on this task to assist MDAs achieve a seamless route from the long-term to the medium-term; and then to annual budgets. This will assist in anchoring the projects and programmes of respective MDAs to long-term outcomes.

A plan-led approach also places greater emphasis on strengthening linkages and collaboration between MDAs within the same Development Pillars and the Classification of Functions of Government (COFOG) groupings so as to achieve cross-cutting objectives and improve specific project and service delivery.

There is also a need for MDAs to put into practice one of the central tenets of the LSDP, that of working closely with development partners, covering the private sector, the civic sector and local government, if they have not already done so.

In summary MDAs will be required to:

- Adjust their planning and budget and associated procedures to comply with the plan-led approach as guided by the MEPB.

- Work more closely and effectively with other MDAs in their LSDP Development Pillar and their COFOG groupings.

- Develop a Stakeholder Participation Plan that incorporates existing consultative processes with their respective development partners in line with the guidance to be issued by MEPB.
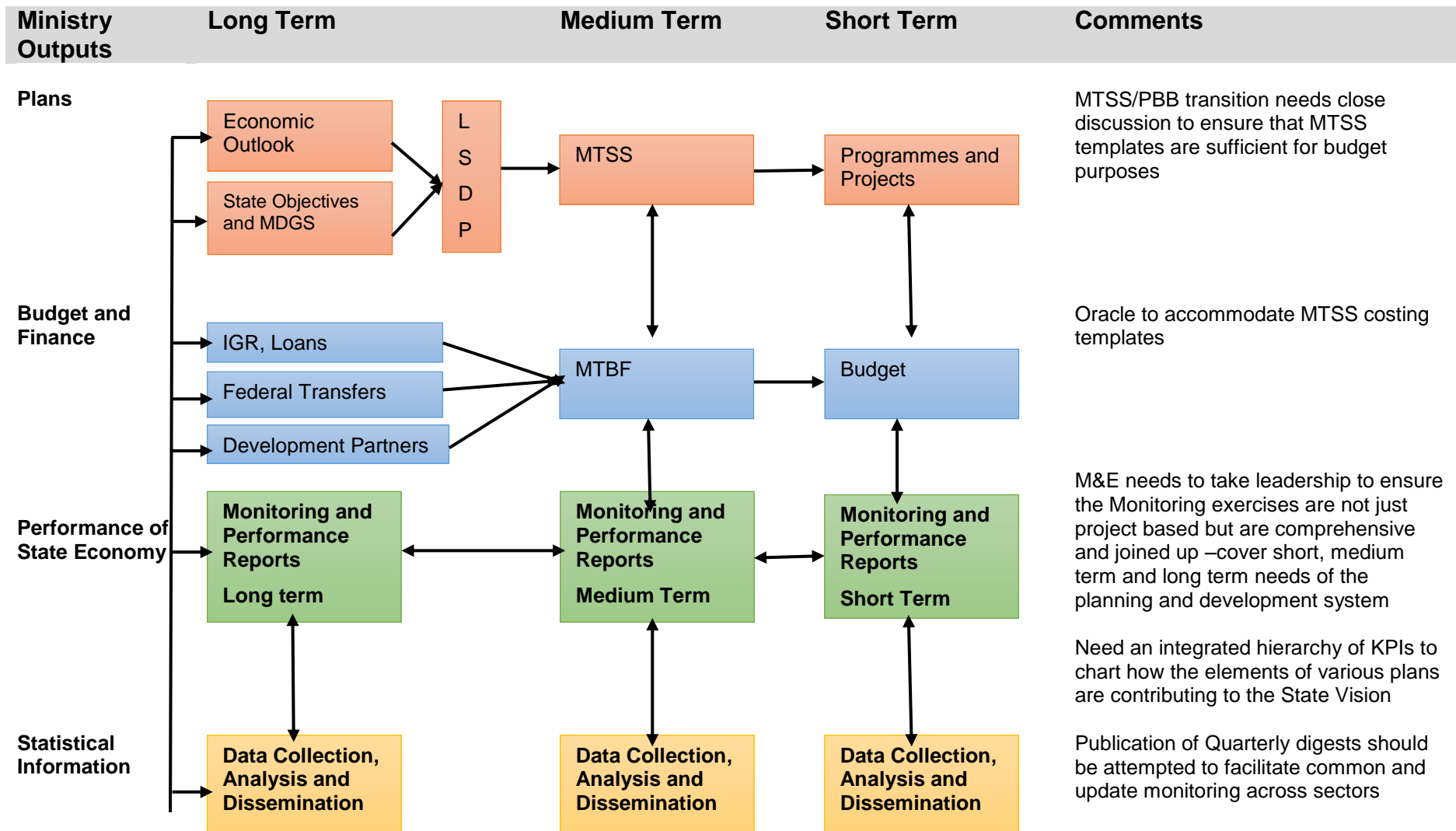
The LSDP will not achieve results on its own. An RF that outlines in a clear and concise manner the Outcomes, Targets and KPIs of the LSDP has been created. The responsibility for each of the outcomes is also provided. The challenge is to get action on the ground. The various State actors will need motivation and prompts to act on their responsibilities.

A consolidated planning and budget calendar incorporating the budget calendar, MTSS and PMR preparation and completion periods is to be put in place to coordinate the timing of MDA inputs and outputs.

MEPB will maintain the 26 Key MDAs as the structure for MTSS and PMRs. MDAs are used to preparing MTSSs within this framework. Budget ceilings continue to be issued according to the COFOGs and disaggregated within the groups to MDAs. Ensure all MDAs are aligned with their parent ministries.

Conclusion

The diagram below seeks to show how the various functions and activities of the Ministry relate to the main outputs geared to the long-term (LSDP), the medium-term (MTSS) and short-term (annual programmes, projects and budgets). The main functions are seen to be the formulation and preparation of plans; the formulation and preparation of budgets; identifying the performance of the economy and development; and the provision of the necessary statistics and information.

Ministry Outputs	Long Term	Medium Term	Short Term	Comments
Plans	Economic Outlook / State Objectives and MDGS → LSDP →	MTSS	Programmes and Projects	MTSS/PBB transition needs close discussion to ensure that MTSS templates are sufficient for budget purposes
Budget and Finance	IGR, Loans / Federal Transfers / Development Partners	MTBF	Budget	Oracle to accommodate MTSS costing templates
Performance of State Economy	Monitoring and Performance Reports **Long term**	Monitoring and Performance Reports **Medium Term**	Monitoring and Performance Reports **Short Term**	M&E needs to take leadership to ensure the Monitoring exercises are not just project based but are comprehensive and joined up –cover short, medium term and long term needs of the planning and development system

Need an integrated hierarchy of KPIs to chart how the elements of various plans are contributing to the State Vision |
| **Statistical Information** | Data Collection, Analysis and Dissemination | Data Collection, Analysis and Dissemination | Data Collection, Analysis and Dissemination | Publication of Quarterly digests should be attempted to facilitate common and update monitoring across sectors |

Part 3: Management of a Plan-Led System

Management Approaches

It follows from the foregoing that each part of the Ministry in MEPB has a responsibility to drive the implementation of the plan-led system in ways appropriate to its functions and roles. If the necessary alignments are to be achieved and maintained attention will need to be paid to the management approaches being deployed both centrally and within each Department. This needs to go beyond re-energising the professionals and staff in each department (although that is important). The change required is to seek to get each department to appreciate that it is part of the central drive of the Ministry to implement the Vision of the state rather than to see work only in terms of the department one is in and the specific functions that are undertaken. This approach should be wider than MEPB and attaches to all MDAs and development partners. Whilst MEPB cannot drive the wider process of management change across the State it can seek to develop itself as the role model of this approach and influence others.

As well as this overarching management approach there is a need within that to develop greater motivation and initiative at all levels of the Ministry if the Plans are to be implemented with dynamism and enthusiasm.

The following motivational prompts will help improve performance for each department or officer:

- *Improve practical thinking.* Practical thinking captures the strengths of how one thinks for everyday problems, calling on experience more than formal models. Practical thinking includes creative and critical elements. Signs of a practical thinker include a willingness to try alternate approaches to thinking, being open to others' positions, being prepared to think about issues instead of ignoring or dismissing them, and asking insightful questions.

- *Apply guidelines.* A number of guidelines have been prepared for most of the subjects dealt with by the ministry and these are referenced under each department. There is no perfect set of guidelines for success; to improve requires self-reflection and hard work to adopt new habits.

- *Move thinking upstream.* Thinking ahead and predicting potential ways that a situation assessment may be wrong or that a course of action could depart from what is anticipated will make one better prepared to handle the unknown. Having identified and thought about various contingencies will better prepare one for various future events.

- *Find hidden assumptions.* Coming up with reasons against a preferred conclusion or option instead of in favour of that conclusion or option will improve thoroughness of reasoning and give one a basis to prepare for contingencies that may occur.

- *Keep track of unexpected events.* A natural tendency is to discount information when it does not fit into our expectations. Over time accumulated unexpected information can cause one to shift one's understanding of a situation. The first step in this direction is to pay special attention to information that does not fit into expectations.

- *Think from varied perspectives.* Looking at problems from different perspectives will improve everybody's understanding of a situation, available options and solutions. Taking multiple perspectives helps to understand situations, find new or creative solutions, and reason about solutions. These

require an openness of mind to be willing to apply a different perspective and practice in flexibility at shifting perspectives.

- *Apply practical reasoning.* There are different ways to improve one's reasoning ability. One way is to have a standard set of questions to ask oneself when faced with uncertainty, when there is an over-willingness to accept what is heard, or when there is a lack of critical thinking.

The table below sets out how the above approach can be applied to all levels of the Ministry in terms of Management roles and related actions to implement a plan-led system.

Expected Roles and Actions at all Levels in MEPB for a Plan-Led System[1]

Management Role	Actions
Leadership 1: The Honourable Commissioner *Provision of a clear sense of **Direction** for the Ministry in implementing Plans.* *Maintaining **Momentum** in Plan Implementation* ***Liaising with, Informing and Prompting** other leaders of the State on all LSDP/MTSS matters*	To EXCO: - Requests Implementation of Agreed Resolutions on setting up the top-level drivers of the LSDP, i.e., the IMSC[2] and the PSs Committee. Keeps doing that until it is achieved. - Chairs IMSC - Reports regularly to EXCO on the progress of the LSDP/MTSS and identifies issues that require resolution at EXCO. To Press - Establishes, if necessary, a Press and Publicity Officer in MEPB that could deal with all issues in MEPB that deserve good press and publicity, including the LSDP/MTSS. To House of Assembly (HoA) - Provides regular information on LSDP and MTSSs to HoA - Seeks to utilise the HoA as a channel between the State and the Public in so far as the Plans are concerned - Takes feedback from HoA and feeds into MEPB.
Leadership 2: Permanent Secretary (PS) ***Clarity** of Management Goals and Objectives for implementing the LSDP and MTSSs* *Encouraging **Initiative and Dynamism** among the Directors in implementing the LSDP/MTSSs*	External - Takes the lead in organising the Committee of PSs on the LSDP - Chairs the Committee and drives the process of integration on LSDP Implementation at senior administrative level. Internal - Takes the lead within the Ministry to

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[1] These roles and responsibilities should be read in conjunction with existing job description of each level. The implementation of recommendations in this report may lead to the need for adjusting existing job descriptions. The roles and responsibilities may thus provide useful material for making the needed adjustments to the existing job descriptions.
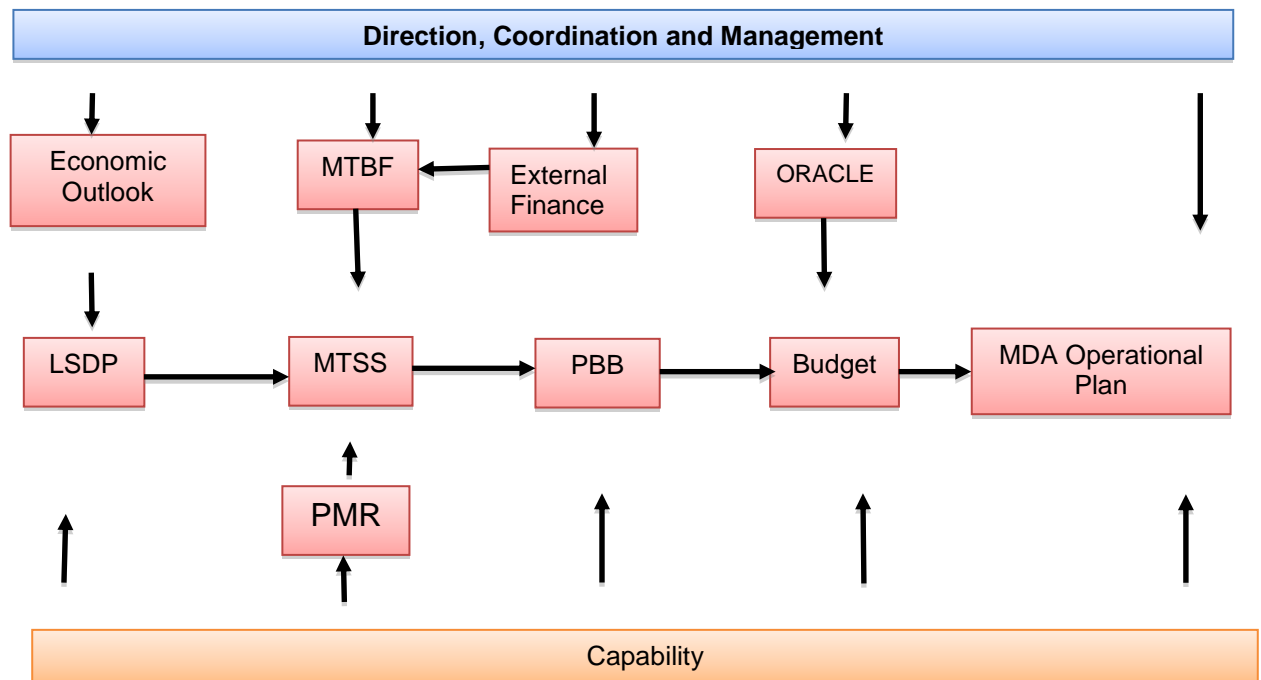[2] Inter-Ministerial Steering Committee

*Establishing the principle of **Delegation** to Deputies or other officers at all levels so that work is not delayed through absence* *Ensuring the **Optimal Organisational Structures** are in place and that appropriate procedures and methods are adopted to effectively implement the LSDP/MTSSs*	ensure LSDP Implementation operates smoothly and efficiently - Reports back to the Hon. Commissioner on a regular basis on progress, issues, problems and proposed solutions to LSDP /MTSS Implementation. - Provides leadership to the Ministry Management Team on the LSDP/MTSS and obtains the full support and cooperation of all Directors to achieve the targets and actions of the IP. - Receives reports from Directors on a regular basis detailing how they have undertaken assigned tasks under the LSDP IP. - Receives reports from the Technical Working Group (TWG) and addresses any issues raised. - Ensures compliance among senior Directors with agreed LSDP targets and actions.
Directors ***Responsive and Pro-Active** to goals, objectives and targets of LSDP Implementation.* ***Informing** leadership of needs, issues and progress on LSDP IP* ***Galvanising** staff to perform well and in accordance with agreed programmes of action* ***Ensuring Compliance** with agreed approaches, milestones and processes* ***Encouraging Initiative and Dynamism** among all staff* ***Working Co-operatively** with other Directors as an effective Management Team for LSDP IP* ***Sharing** information and providing and receiving Support from other Directorates as required.* ***Delegation** agreed when Director and other key staff unavailable or away.*	- To coordinate their actions effectively in implementing the LSDP. - To agree and follow respective roles and responsibilities in implementing the LSDP - To report to PS on progress on their areas and highlight issues and challenges with suggested solutions. - Ensure their Departments deliver allocated actions on time and with quality. - The share information and involve other Departments in relevant areas of mutual concern and responsibility. - To ensure their staff are effective and competent and to provide training and support where necessary. - To provide appropriate and competent staff for any shared activities such as the TWG.

Staff *Well **Motivated** to perform agreed tasks and to achieving Ministry Goals and Objectives.* *Encouraged to **take Initiative** and to be **Responsive** to changing needs and events* *Adequately **Trained and Oriented** to undertake their roles* *To act **Without Prompting** once agreed approaches, programmes and processes established.*	- Various assigned actions as set out in Job Descriptions and other broad directives.

Annex 1: Instruments to enhance the Plan-Led System / Contributions from P&S on the Integrated MEPB Manual

Overall MEPB Processes and Outputs

Direction, Coordination and Management

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Economic        MTBF  ←  External          ORACLE
Outlook                   Finance

   ↓               ↓                          ↓

LSDP    →    MTSS   →   PBB   →   Budget   →   MDA Operational
                                               Plan
              ↑
             PMR
```

Capability

The strategic outputs from MEPB processes are:

- Data, Statistics and Analysis.
- Plans.
- Resource Mobilisation.
- Budgets.
- Monitoring and Evaluation: Progress and Analytical Reports.
- Capacity and Training.

It is important that MPB ensure that the above departmental inputs are well coordinated and their release well timed. This was the objective of introducing an integrated planning calendar in the "Making Policy Guidelines".

Planning

This section sets out the principle steps to be undertaken in preparing both long term and medium term plans. It is national and state policy to undertake all planning on the basis of **Public Consultation and Participation.** The plans involve all development partners, including the public generally, as stakeholders in the process and in the outcomes. Due consideration, therefore, needs to be given to how best to involve the public and specific stakeholders at each stage of the process. A separate

report on involving stakeholders in the planning process has been produced by MEPB to guide all MDAs in this activity.

State Development Plan (LSDP)

The **purpose of the LSDP** is to provide overall direction for the growth and development of the State. It provides a framework through which all sectors of the economy – public, private and civil society - can direct their energies and contribute to the improvement of the quality of life of people in the State. It also seeks to harness all three parts of the State: the Executive, the Judiciary and the Legislature in a joint endeavour to realise the Vision of Lagos.

There is a detailed Operational Manual that is available to those involved or interested in the preparation of a state development plan. **"Making Policy Guidelines"** is the most appropriate reference for the preparation of a state development plan.

The main stages to go through in preparing a State Development Plan are set out below:

- Stage 1: Making State Government preparations for developing a State plan.
- Stage 2: Review of existing situation and stakeholder consultation.
- Stage 3: Developing State Vision and setting up the Strategic Direction for Development.
- Stage 4: Determining Outcomes.
- Stage 5: Establishing and/or confirming baselines.
- Stage 6: Mainstream Gender and Social Inclusion.
- Stage 7: Plan Approval and Stakeholder participation.
- Stage 8: Arranging for Plan Implementation.
- Stage 9: Monitoring and Evaluation.
- Stage 10: Review and re-planning.

Other important considerations made in the Operational Manual include the following:

- It is important to make a distinction between "Policy" and "State Development Plan". It is suggested that "Policy" is contained in the 'State Development Plan'.

- The administrative and legal context for making 'Policy' and preparing a 'State Development Plan' is important. Making policy or taking political decisions about the path development should take does not happen in a vacuum. There are political, socio-economic and administrative processes to follow and each process is driven by different actors. These combine in ways that makes the policy making process complex.

- The State Development Plan content is important. The Plan should focus on what is to be done (results or outcomes). "Outcomes" are consequences and not things – e.g. life will be better tomorrow, better than yesterday. The 'How' part of the plan comes later, usually through Sectors and Local Governments in their Medium Term Sector Strategies.

- The stages of plan preparation above are presented as separate, distinct and sequential and logical set of activities. While that may be so the user is cautioned against a rigid interpretation of each stage since these stages are intrinsically linked. The process presented is thus a very much an iterative process.

- The demands and challenges of implementation must be highlighted. Experience shows that the Plan by itself will achieve nothing. Results will come through action. There is need to identify what needs to be done and what new institutional arrangements will be needed to ensure that the Plan is an effective mechanism for realising the Vision for the State.

Medium Term Sector Strategies (MTSS)

The vehicle for implementing the LSDP will be provided through the LSDP Implementation Programme and Medium Term Sector Strategies (MTSS).

An MTSS is a plan that describes how a particular vote head or small cluster of vote heads will deliver outputs that will contribute to cross-government outcomes. The plan must describe how this will be done in the medium-term –three years – and within the limitations of resource constraints, so that it is realistic.

It extracts relevant goals and outcomes from the LSDP and translates them into Sectoral goals and objectives that cover a three year period. It then, within the confines of sectoral expenditure envelopes, converts these into affordable fully costed and well defined set of initiatives over the same period. The MTSS thus represents a crucial link in the process of translating the LSDP into the spending reality of the Annual Budget.

The procedure for preparing MTSS is as follows:

Stage 1: Review and Preparation.

- Set up an MTSS Committee and Agree Terms of Reference
- Review Existing Policy Statements
- Gather Data, Analysis and Performance Reviews
- Obtain Revenue Projection Information
- Existing Contract and Budget Commitments

Stage 2: Developing Strategy.

- Commence Strategy Sessions
- Develop Strategy for the Achievement of Outcomes
- Activities Costs, Ceilings, and the Budget Structure
- Policy Group Review of the Need for Changes

Stage 3: Documentation and Agreement.

- Political Approval and Understanding
- Produce an MTSS Document
- Presenting the Budget

Linking MTSS to LSDP and Budget

The planning process is not complete until the plans are linked to the budgets. A four stage process should be followed in linking the plans to the budget.

Stage 1 Review of current MTSS/sector policies and programmes.

- Extract from MTSS and other sector documents objectives and outcomes sector is pursuing
- Tabulate these in terms of Sector goals/objectives, outcomes, KPIs and Targets

Stage 2 Review of LSDP.

- Identify relevant development Pillar
- Identify sector
- Identify policy objectives and outcomes
- Check for targets

Stage 3 Reconciliation of outputs of Phases 1 & 2.

- Adjust sector policy objectives and outcomes so that they relate to LSDP
- Justify sector objectives that contradict or are not reflected in the LSDP

Stage 4 Costed projects and programmes.

- Identify projects and programmes and derive final version of sector outcomes
- Relate outcomes to sector and LSDP objectives (Check backwards – should end up with table with five columns – State objective, sector objective, sector programme, sector outcome, outcome KPI))
- Cost projects and programmes using MTSS Costing template
- Present MTSS proposal in the State Budget Format

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