



Checklist for Conducting and Using Sector Performance Review



Disclaimer

The opinions expressed in this toolkit are those of the authors and do not necessarily represent the views of the Foreign, Commonwealth & Development Office (FCDO)

Checklist for Conducting and Using Sector Performance Review (SPR)

1. Over what time frame will the review be conducted?

Determine the period which the Sector Performance Review (SPR) will cover. The usual period is one year; hence, it is called Annual Sector Performance Review. However, the review may cover a longer period; may be 18 months or two years; but longer than two years is not advisable.

2. How much will it cost to undertake the review (for example, running workshops, meetings, collecting data, etc.)?

The cost should be estimated upfront and arrangement made to obtain approval for the funds. If the necessary funding is not available, critical activities in the review process may not be implemented; the SPR will therefore not be completed or be poorly done.

3. Establish a Performance Review Team and Sub-teams for each sector (Stage 1 - Getting Organized)

- The review team will comprise the designated sector M&E officer from the central ministry; a sector-designated statistician from the State Bureau of Statistics; Director of M&E in the main ministry supervising the sector under review; heads of M&E Department/Units from all the parastatals and agencies within the sector; and any development partners or civil society organisations (CSOs) supporting the sector. The chairperson of the Review shall be the Permanent Secretary of the lead ministry while the Director of M&E in the lead ministry shall serve as the secretary of the performance review team.
- The Ministry of Budget and Planning or its equivalent in the state will provide the overall leadership and direction for the performance management review process and reporting. The key department in the central ministry to lead the performance review process is the Department of Monitoring and Evaluation (M&E). The Department will work closely with the Department of Statistics for data collation and the Department of Planning for strategy analysis.

4. Assemble Relevant Documents, including the following:

- The current MTSS of the sector whose performance is being reviewed;
- Results Framework or Performance Management Framework (PMF) – populated with the relevant data;
- State budget for the year under review;
- Audited accounts and budget performance reports of the year under review; and
- Corporate plan and service charter of any of the sector MDAs.
- Any internal and external appraisals of the sector (such as Public Expenditure Reviews or Sector Expenditure Reviews) if available for the triangulation of information.

5. Engagement of Stakeholders (Stage 2)

Step 1: Consultations: Ideally, an annual Sector Performance Review process should incorporate a series of consultations with a broad range of sector stakeholders, including: (i) representatives of sector MDAs and partner MDAs (e.g. from central ministries or other sectors); (ii) the representatives of the State Houses of Assembly; (iii) representatives of civil society organisations (e.g. Non-Governmental Organisations (NGOs) or Community Based Organisations (CBOs) including those representing marginalised groups affected by the sector's programmes); (iv) the organised private

sector; and (v) Development Partners. These consultations should result in a joint assessment of the MTSS implementation progress and recommendations for adjusting the MTSS. Appropriate consultation methods will need to be established based on consultation objectives and the audience. Using the agreed method, hold the consultations, record the inputs and feed the inputs into the findings and recommendations of the review.

Step 2: Include the Socially Excluded: Ensure mechanisms are in place to allow meaningful inputs from socially excluded or marginalised groups relevant to the sector.

6. Collating Data for the following assessments: (Stage 3)

(i) Performance Assessment:

Step 1: Establishing KPI Actual Values: The performance of the sector is reviewed against the KPI annual milestone set for each year in the PMF. One year's performance is reviewed and the performance trend is reviewed annually. The review team will work closely with the state statistical agency or department to establish the actual values of the KPIs for each year under review. The data source for each indicator will be indicated in the PMF. It is important to collect current and reliable data.

Step 2: Disaggregate the Data: Each sector will have different sets of data and different kinds of information and so will tackle this step differently. However, all sectors will need to disaggregate their data by a range of factors relevant to each sector. For example, in education, data should be disaggregated by sex for students at all levels of enrolment and completion, human resources and facilities (e.g. housing for teachers, toilets for students, etc.) as well as by Local Government Area (LGA) to show where access to education is worst and best. Sectors relating to employment (e.g. agriculture, commerce) need data that will demonstrate where initiatives to stimulate the economy are required (e.g. by LGA) and to show which sectors may need additional resources or support (e.g. information by type, such as fishing, agricultural products, various industries) as well as social issues (such as sex and age) to allow analysis of employment levels.

Step 3: Unavailability of Data: Where data and information – such as data disaggregated by sex or LGA – are not available or reliable, data improvement plans should be made to improve them to ensure those who plan, deliver and monitor programmes and services are able to target resources effectively.

(ii) Financial Assessment

Step 1: Financial Data Gathering: The financial data should be sourced from the Ministry of Finance. The most reliable source of data is the audited accounts for the years under review. Sector or Public Expenditure Reviews could also be good sources for triangulating sector performance assessments.

Step 2: Disaggregated Data: Expenditure needs to be disaggregated by capital, overhead and personnel. However, to inform cost-effectiveness analysis, finance data also needs to be broken down into outcomes and outputs and where possible linked to KPIs. The expenditure of each activity/project/ programme in terms of capital, overhead and personnel costs should be broken down as much as possible, and where possible this should be linked to the objectives and KPIs in the PMF.

Step 3: Unavailability of Data: In many states in Nigeria, the financial information classification is often not aligned with the programme classification and this limits the depth of analysis that could be done on financial and results performance. A plan to improve alignment should be made to ensure that the expenditure can be assessed in relation to results.

(iii) Organisational Assessment

Step 1: Organizational Data Gathering: Information on institutional and organizational changes that happened during the year under review will also be collated. The information needed here includes the organizational reforms that might have taken place in the sector MDAs such as the Corporate Planning Process or restructuring. Also assess the effects of the organisational changes on the observed performance of the sector.

7. Analysis for the performance: (Stage 4)

(i) Performance Assessment

Step 1: Objectives of the Analysis: The review team will first extract the state's overarching goals and the related sector objectives in the MTSS, as assessed in chapter one of the report. A summary of the stakeholders operating in the sector will need to be included. It is important to clearly state the purpose and specific objectives of writing the report. It will help the reviewers to have the audience/user (earlier identified in Stage 1) in mind while writing the report.

Step 2: Actual vs. Target: The review team should analyse the performance of each KPI against the set KPI target for the year in the PMF:

- Review the current year's target versus actual;
- Discuss the actual performance trend for the past 3 years;
- Use line graphs to show the trend above and performance;
- Highlight the indicators with outstanding performance (either positive or negative);
- Investigate to find out what factors are responsible for such outstanding high or low performance;
- If the outcome KPI is one that either is or should be disaggregated by sex and LGA (e.g. whether the results are different in urban and rural areas) or other factors (e.g. youth), analysis should be done to point to the effect of the performance in relation to males and females, or urban and rural settings or other issues.

Step 3: Analyse the Performance: For each of the objectives and their corresponding KPIs, the strategies that were implemented to achieve the performance should be analysed and discussed. Relevance, efficiency and effectiveness should be reviewed. Equity considerations should also be assessed. The analysis will provide the performance information on the relevance, efficiency and effectiveness of the adopted strategies/activities implemented (planned and unplanned) within the year being reviewed. It is particularly important to consider and draw out analysis of whether issues of inequalities in the sector are improving. For example, has there been an improvement in enrolment of girls and boys across school levels, or are the LGAs with the worst outcomes improving, as indicated in targets? If not, that performance will need to be improved by determining where performance has not gone as expected, and designing a plan for improvement.

(ii) Financial Assessment

Step 1: Sector Budget Appropriation, Disbursement and Expenditure Trends: Expenditure should be reviewed against the allocated budget – broken down into capital and recurrent. Where possible, a relationship between the financial performance (sector budget performance and timeliness of cash releases) and where it has contributed to the level of outcome KPI score in the same year should be established. For the year's sector budget performance (variance), establish its link with the level of outcome KPI yielded for that year. Provide the general view on the possible contribution (positive, negative or neutral) of the financial performance to the level of outcome KPI under review.

Step 2: Cost-effectiveness Analysis: The expenditure should be discussed in relation to the performance. This analysis goes beyond the usual analysis of expenditure against the approved estimate. In this case, it tries to understand whether the results achieved demonstrated value for money. This is where sector or public expenditure reviews will be very useful if available, because they try to relate expenditure to spending efficiency and effectiveness in relation to service delivery.

Step 3: Overview of Development Partners and NGO External Assistance Trends: Summary of donor assistance (specific donors, type of support, sub-sectors supported and result of support). Wherever there is external support in funding a programme or project, in the form of a loan or grant, this should be captured by the sector. Analysis should be conducted of the development partners' support in relation to performance against KPIs. Programme or Project Appraisal or Evaluation documents by the donor or government can be useful here to triangulate results.

(iii) Institutional and Organizational Assessment

Step 1: Institutional and Organizational Performance Analysis: In this case, the analysis will focus on the changes and reform activities that were implemented within the sector MDAs in the year under review. The focus will be to establish the effect of these institutional and organizational changes on the results (the performance scores). The kind of performance information expected from this step is how the organizational changes (such as revised mandate, revised structure, more familiar technical processes for carrying out tasks, clearer job descriptions, better staffing strength, better equipment, enhanced skills, etc.) in the sector MDAs have contributed either positively or negatively or even neutrally to the outcome performance score, including:

- Summarising the existence of mandates for the sector MDAs and if any mandate review or alignment has been undertaken in any of the sector MDAs, in relation to sector performance;
- Summarising positive/negative developments related to structural, functional and operational issues, in relation to the sector performance; and
- Summarising the status of the human resources management process and capacity development including inequalities issues, in relation to sector performance.

8. Key Findings and Recommendations (Stage 5)

Step 1: Reporting the Key Findings: The findings from all the analysis undertaken in Stage 4 should be summarised and stated clearly in a user friendly way. This section should provide the overall performance verdict on the relevance, efficiency, effectiveness and cost-effectiveness of the projects and activities implemented in the year that is being reviewed. Findings in relation to equity should also be summarised (e.g. by pointing to improvements in gross school enrolment rates for males and females). This brings out the deeper effect of how policies affect different groups – including those experiencing inequalities.

Step 2: Recommendations: Sets of recommendations should be articulated for each of the findings regarding what to adjust in the following: (i) revised or rolled-over MTSS; (ii) Performance Management Framework (PMF) or results framework; (iii) budget; and (iv) organisational arrangement.

9. Validate and Finalise the SPR (Stage 6)

Step 1: Draft Report Validation: The draft report will need to be validated with key government officials. The membership of the validation team should be drawn from high level government officials such as Permanent Secretaries and Commissioners to ensure validity and ownership. The purpose of the validation will be to further discuss the findings and sets of recommended actions with the potential

implementers or those that will be responsible for approving changes and implementation. It will provide an interface between the reviewers and the decision makers to understand the underlying factors relating to the findings and recommendations and to agree on the next steps required to implement each recommendation. This step is very important in eliciting the buy-in of the potential users of the performance review information.

Step 2: Produce Final Sector Performance Report: Based on the agreed relevant comments from the validation session, the report will be finalised and ready for presentation and approval by the appropriate body.

Step 3: Dissemination: Key interested stakeholders should be informed about the findings of the review. As part of the stakeholder engagement, a process for dissemination and feedback on the report should also be established.

10. Using the Findings and Recommendations

The findings should be used to review and revise the (i) MTSS; (ii) PMF; (iii) budget; and (iv) organisational arrangements going forward. The recommendations should be used to help adjust medium-term strategies, the targets and budgets within the MTSS, in order to ensure they remain relevant, feasible and effective in achieving medium- and longer- term objectives of the sector.

To Adjust the MTSS

The annual process of revising a medium-term plan provides MDAs with a systematic process for adapting to deal with changes and to produce a new version that reflects present 'realities' and circumstances. The purpose is to make adjustments to ensure more effective and equitable strategies are implemented to inform strategic objectives and targets.

In line with the Government of Nigeria's commitment to equality, there should be clear identification and recommendations in relation to the needs of those who desire services most – people who are marginalised and socially excluded groups.

The adjustments need to be in line with the allocation for the sector. Revising the MTSS may mean:

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

To Adjust the PMF Targets

A Performance Management Framework (PMF) or results framework consists of a set of management and analytical tools that enable the state to define, manage and measure performance against its strategic priorities (outcomes) and strategic objectives that are included in the MTSS. The purpose of the PMF is to set out Key Performance Indicators (KPIs) and targets against which the sector can be reviewed. The SPR uses the PMF to assess the sector's performance against key performance indicators. It is used to collate and display data to enable effective management and reporting of performance.

The purpose of adjusting the PMF targets is to ensure that the outcome targets are Specific, Measurable, Achievable, Relevant and Time-bound (SMART). Recommendations should be in line with the revised or adjusted strategies and in line with resources available, to ensure targets are feasible.

Adjustments should ensure that inputs are linked to results targets to allow Results Based Management of the budget. If the budget or fund is not available, then the results targets need to be reduced accordingly.

Recommendations should support the vulnerable groups in society – both females and males – and aim to reduce inequality.

To Adjust the Budget

The purpose is to make adjustments to MDA and programme budgets, including: (i) budget increases; (ii) budget reductions; or (iii) discontinuing or merging budgets in line with new priorities and new evidence.

Adjustments should be made in any sector/MDA financing policy. For example, the state's medium term fiscal frameworks such as the Economic and Fiscal Update, Fiscal Strategy Paper and Budget Policy Statement (EFU/FSP/BPS) documents, or comparable budget forecasting documentation.

Recommended adjustments can also be made to any sector/MDA financing strategies or for improving financial management in the sector, including accounting, reporting, internal audit and related staff development.

The costs of the programme and projects in the MTSS should not exceed the financial resources that are allocated (indicative budget ceiling) to each sector.

- Using the findings and trends from the financial performance analysis (budget allocation, releases and actual expenditure), recommend required actions to improve the level of actual expenditure from the approved estimates, towards better outcome KPIs in the next year(s); and
- State the required actions that would lead to better results on the sector issues using limited resources (enhanced efficiency and effectiveness). These are mainly the set of actions already proposed in Section 4 (Stage 5) of this Guide.



Contact Address:

📍 10 Bobo Street
Maitama, Abuja, Nigeria

✉ info@perlnigeria.net

🌐 www.perlnigeria.net

Find us on Facebook

📘 www.facebook.com/perlnigeria

