Type of Review: Annual Review

Project Title: Growth and Employment in the States (GEMS) – GEMS – Overall Suite

Date started: 1 August 2010 Date review undertaken: 9-27 July 2012

Instructions to help complete this template:

Before commencing the annual review you should have to hand:

- *the Business Case or earlier project documentation.*
- *the Logframe*
- *the detailed guidance (How to Note)- Reviewing and Scoring Projects*
- *the most recent annual review (where appropriate) and other related monitoring reports*
- *key data from ARIES, including the risk rating*
- *the separate project scoring calculation sheet (pending access to ARIES)*

You should assess and rate the individual outputs using the following rating scale and description. ARIES and the separate project scoring calculation sheet will calculate the overall output score taking account of the weightings and individual outputs scores:

Description	Scale
Outputs substantially exceeded expectation	A++
Outputs moderately exceeded expectation	A+
Outputs met expectation	A
Outputs moderately did not meet expectation	B
Outputs substantially did not meet expectation	C

Introduction and Context

What support is the UK providing?
The Growth and Employment in the States (GEMS) Programme is a joint DFID and World Bank (WB) programme supporting Nigeria's Federal and State Governments' growth strategies as embodied in the former President's 7-point agenda and the National Economic Empowerment and Development

Strategy (NEEDS). GEMS is to contribute to Nigeria's growth and poverty reduction strategies which prioritize faster non-oil growth and job creation. The growth strategies have recognized the importance of the private sector for growth and poverty reduction.

GEMS is a five year, GBP175 million programme, jointly funded by a World Bank loan of GBP105 million and DFID Nigeria grant of GBP 70 million. GEMS1, GEMS2 and GEMS3 are funded by DFID grants of respectively GBP 7.7 million, GBP 13.6 million and GBP 27.7 million respectively

GEMS 1 is expected to support the improvement of competitiveness in strategically important clusters of the meat and leather industry with high potential to contribute to growth, incomes and employment. GEMS 2 is funded by DFID to strengthen the performance of market systems in the construction and real estate sector so that they function more effectively, sustainably and beneficially for people who rely on the sector for their livelihood. GEMS3 is designed to address key issues in the business enabling environment (BEE), particularly in relation to increased employment and incomes for the poor and women. Core activities are related to land markets and registration, tax harmonisation and investment.

GEMS4 ('Wholesale and Retail Trade'), equally funded from a DFID grant of GBP 17million, has recently started. Three more GEMS projects, dealing with the hospitality; Entertainment; ICT; and aspects of the wholesale and retail and agribusiness sectors, will be funded from a World Bank loan. This ARIES is however restricted to the activities and achievements of GEMS1, GEMS2 and GEMS3.

These components have their headquarters in different cities (resp. Kano. Lagos and Abuja), have different subjects and are implemented by different service providers: GRM Intl, Coffey, Adam Smith Intl. They are all however part of the same project (to be ultimately extended to seven components), share in principle a common approach (M4P) and have created cross-GEMS working groups and approaches (e.g. a common WEE approach, M&E approach). The GBP 10 million Flexible Facility, managed under GEMS3, is in principle open to all components and all GEMS stakeholders.

GEMS is based on the principles of the M4P methodology, emphasising systemic change, sustainable outcomes, scalability, and the empowerment of women.

What are the expected results?

The Logframe of the entire GEMS programme recognises two outputs:

- Inputs, products, services that benefit the poor at scale within key market systems are successfully established through market mechanisms (or, in some cases, through sustainable public funding); and
- Key stakeholders pursue more systemic approaches to economic development.

These outputs are supposed to contribute to the following outcomes:

- To improve the performance and inclusiveness of selected market systems that are important for poor people;

which on its turn is expected to contribute to the following overall objective:

- To increase growth, income and employment, especially for poor men and women, in target markets in selected states and nationally.

What is the context in which UK support is provided?

Nigeria is typified by poverty that is both deep and widespread; around 64% of the population – more than 100 million people – live on less than GBP 1 a day. Inequality is also extreme and is amongst the highest in the world, while women are poorer than men throughout the country. Economic diversity is limited, with oil dominating, although some gains have been made in service industries such as ICT in recent years. Unemployment is also high, particularly amongst the nation's youth, where it is estimated at up to 60%.

Around 92% of the workforce is informally employed. Substantial nation-wide investment is needed, along with significant changes in the business enabling environment. Evidence on the constraints in the business environment is plentiful, yet concerted action to overcome those constraints is limited. Those who are disengaged from the economy are especially disadvantaged and locked in a cycle of poverty. Policies and strategies to improve the investment and business environment are focused on the formal sector and, therefore, tend not to reach them.

More specifically: MSMEs are burdened by a non-transparent tax system, tax duplication (federal, state and local government), a multitude of 'nuisance' taxes and collection practices involving corruption and fraudulent practices. A large sum of collected taxes never reach the government budget. Only 3% or 4% of land is registered. Non-registered land is not fit for collateral, land disputes are common and especially small occupant or owners of non-registered land are vulnerable.
In addition, the investment climate is characterised by poor infrastructure, poor power supply, limited access to financial services, corruption of civil servants and a general non transparent and inefficient legal system, especially implementation.

One of the sectors seen as having growth potential and an ability to improve competitiveness, increasing income and employment is the meat and leather industry. Meat consumption is growing at 6-7% annually and would grow faster if its high costs were reduced. Incomes of livestock farmers are low because of poor animal husbandry and having an inefficient supply chain transporting animals, not meat, to the South. The leather industry is the largest source of non-oil exports and employs many people, especially in the Finished Leather Goods (FLG).

The construction sector is a significant employer and many people derive their income directly or indirectly from the sector. The majority of labourers work however in the informal sector on temporary or part-time contracts, with a high level of casualization. Despite a high demand for construction work, the sector performs poorly in terms of efficiency and competitiveness due to a poor business environment, overall weak coordination within the sector and limited capacity and capability (skills) of the local construction workforce.

Section A: Detailed Output Scoring

Output 1: Inputs, products, services that benefit the poor at scale within key market systems are successfully established through market mechanisms (or, in some cases, through sustainable public funding)

Output 1 score and performance description: B (Outputs moderately did not meet expectation)

Under GEMS1, efforts were directed at five segments in two business columns: livestock feeding, meat processing, finished leather goods, finished leather and skins supply. Outputs are generally on target, The market distorting effect of the Export Expansion Grant (EEG), mistaken expectations of some beneficiaries, the low extent of organisation of the sector(s) and obviously the precarious security situation in Northern Nigeria has affected some outputs (skin supply), where others exceed expectations (FLG) . Nevertheless, promising progress has been made with strengthening BMOs in accessing finance for their members, improving inputs and providing affordable access to these inputs through suppliers' credits in livestock feeding and establishing linkages between the segments in the chain. Notably, little progress was made with the strengthening of the advocacy capacity of the sector and introducing corporate environmental and social responsibility (CSR).

GEMS2 focuses its activities at (1) improving contracting practices (B2B); (2) promoting vocational skills training (TVET); (3) input supply systems; (4) advocacy; and (5) provision of business services. Also here outputs are overall moderately below target, but interesting results can be shown in the contracting sphere, where in one BMO a database of artisans was established and 300 artisans were trained in and motivated to use modern contracting practices, and in organising TVET. In the other areas of intervention, little progress was made.

GEMS3 directs its efforts on land, tax, investment and public-private dialogues. Overall, progress is substantially below target, only two partial outputs have been achieved in the investment sphere. The main reason for this is the late start of the programme, caused by an extensive redesign after an Inception Period which did not convince DFID that the project was sufficiently M4P oriented. Basically, the project started its operations only in February this year, and it has taken the team a long time to design and submit specific intervention proposals (some are not yet submitted).This delay entails the risk of losing credibility and motivation at the side of the stakeholders.

Both GEMS2 and GEMS3 have in addition intervention areas dedicated to scaling-up to other states.

Progress against expected results:
Indicators measure: (1) number of enterprises benefitting from new inputs, products and services; (2) % of sampled enterprises utilising new inputs etc; and (3) number of new services introduced.
The target of all indicators have not been fully achieved, but GEMS1 and GEMS2 can record numerical achievement in terms of enterprises or artisans who benefit from new inputs, B2B services, facilitated access to credit and skills training. As stated, progress in strengthening BMOs in advocacy is small (this also relates to GEMS3 activities in this area), and scaling-up to other states has not yet been pursued, with the exception of GEMS1, which extended its operations in the Finished Leather Goods sector to the south-eastern towns of Aba and Onitsha. GEMS3 did some preparatory work in Jigawa and Ondo.

All three GEMS components have gender mainstreamed in their approach, which is a challenge, since neither Meat and Leather nor Construction and Real Estate are characterised by large female participation.

Recommendations:
The main recommendations given to the three teams are: continue with the activities which have shown to meet a demand, if possible scale-up, but (especially for GEMS3) focus the activities and make sure that poor and women benefit. Attention should also be given to widen the group of participating stakeholders, i.e. be less dependent on one or two BMOs, and for GEMS1 try to source other providers of finance.

Impact Weighting (%): 80
Revised since last Annual Review? Y – Overall GEMS logframe was not completed yet by the time of the Annual or Inception Review last year

Risk: High
Revised since last Annual Review? Y – Risk rating had not been given yet by the time of the Annual or Inception Review last year

Output 2: Key stakeholders pursue more systemic approaches to economic development.

Output 2 score and performance description: B (Outputs moderately did not meet expectation)

GEMS1 co-operates in the meat sector now mainly with one fattening co-operative, and one private abattoir. In the leather sector it co-operates with a limited number of BMOs (LAPAN and AILAN) and the existing financial facility NERfund. One of these BMOs was even established as a reaction to the consultations GEMS1 held during the Inception Period. GEMS2 works with about five BMOs (a/o ASBAN, FEDUP, FEDART), two training providers (IIT, LASTVEB) and is actively widening this pool, now already working with some member associations of ASBAN. Also GEMS3 has established contacts with some BMOs, but mainly in consultations concerning envisaged interventions. The focus of GEMS3 remains on the public sector (MDAs).

Progress against expected results:
Indicators measure (1) number of stakeholder agencies which have improved understanding of systemic approaches to development; and (2) number of stakeholder agencies which have changes practices significantly in relation to policies

Even though the total number of stakeholders reached out to may approach the target for the year 2012 (20), it cannot be stated that such a number has significantly changed their practices already. The most visible results were obtained by GEMS1 in assisting the BMOs to mediate in obtaining credit for their members. For GEMS2, the attitude of ASBAN is too 'change-averse' and it may not be a suitable vehicle to achieve outcomes and impact (for which reason a/o GEMS2 has started co-operation with ASBAN's member-associations). In both components, advocacy, an important function of a BMO to bring about systemic changes, has not yet been fully addressed.

For GEMS3, the quality of relations with some MDAs at state level is under pressure because of the delay. It cannot yet be said that MDAs have changed their practices as a result of co-operation with GEMS3, with the possible exception of the Corporate Affairs Commission (CAC) which has benefitted from an IT expert made available by GEMS3 to improve the Online Business Registration process. Activities to assist LGAs in Kaduna to harmonise taxes are ready for implementation, as are plans for an updated systematic land registration system in Kano. This latter process is however strongly driven by the local commissioner, and the longer the delay, the smaller the chance that GEMS3 will be able to mainstream a pro-poor and gender element in this process. The tax intervention plan for Cross River has however not yet been submitted for approval.

Recommendations:
Also here, recommendations to the different GEMS components relate to continuation of promising activities, identify new BMOs in order to be less dependent on those earmarked so far, for GEMS3 to involve more with the private sector and ensure that interventions have a focus on poor and women. A special recommendation was made to GEMS1, i.e. preparing a paper on the bad effects of the EEG, as a tool to be used by BMOs in evidence-based public dialogue. Generally, attentions should now be given to the advocacy capacity of the BMOs.

Impact Weighting (%): 20
Revised since last Annual Review? Y – Impact rating had not been given yet by the time of the Annual or Inception Review last year

Risk: Medium
Revised since last Annual Review? Y – Risk rating had not been given yet by the time of the Annual or Inception Review last year

Section B: Results and Value for Money.

1. Progress and results

1.1 Has the logframe been updated since last review? Y

A logframe was developed in which all logframes of the individual GEMS components underlie an overall logframe (the latter is used as a basis for this ARIES). Impact indicators are taken from the 'Donor Committee for Enterprise Development' guidelines and are mutually congruent. This logframe was already subject of an IMEP M&E review in March 2012, after which it was slightly updated. The latest version is from June 2012.

GEMS3 has, unlike the other GEMS projects, introduced a level between 'impact' and 'outcome', the s.c. 'Intermediate Impact', which records the impact of changes of new regulations, services etc. on the enterprises.

1.2 Overall Output Score and Description: B

GEMS1 is generally on target, whereas GEMS2 is moderately below target. In the individual assessments, some of their interventions like Finished Leather Goods, Employment Contracting and TVET, are on target or even above, which is off set with some outputs for which no activities have yet been developed, or which turned out more difficult to start off, like Livestock Feeding or Skin Supply. GEMS3 faces large delays, and is still substantially below target.

1.3 Direct feedback from beneficiaries

Most stakeholders speak enthusiastically about the support received from GEMS1 and GEMS2. The conservative and inflexible attitude of ASBAN was noted.

For GEMS 3, MDAs at the Federal Level are generally satisfied with support received (CAC) or envisaged to receive, but in almost all states main stakeholders are dissatisfied with the lack of actual progress ('too much talking, no action'). This may create serious problems with motivation of stakeholders and ownership.

BMOs with which GEMS3 intends to co-operate at state level often have different expectations from those of the participating public sector parties, which may cause problems in achieving outcome.

1.4 Summary of overall progress

GEMS has had a difficult start, largely caused by a change of focus during the Inception Period (2010/11) from a Sector Development or Cluster Development Programme to an M4P programme. Only GEMS1 started its operations more or less in time. For GEMS2 problems were aggravated by the passing away of the team leader end 2011.Since the beginning of this year remarkable progress has been made by GEMS2, not (yet) enough though to make up fully for the initial delay. GEMS3 has been most delayed: it started some months later (August 2010) and after the Inception Review (June 2011) it was decided to overhaul the design of the programme completely, towards M4P, a process which was only completed in February 2012 with the approval of the Business case by DFID. After that, for different reasons delays were encountered with setting the Intervention Plans in motion. Noted were the excessive costs of some proposed intervention plans, a debatable proposed use of the Flexible Facility, and late completion.

Illustrative for the delay in GEMS2 and GEMS3 is the fact that for both programmes the baseline study is still to be performed.

This process largely explains the scoring in section A.

1.5 Key challenges

The challenges are now to gain momentum for GEMS2 and GEMS3, to give attention to the advocacy function in all GEMS, at the same time guarding the pro-poor and gender objectives. For GEMS3, much attention should be given to the mechanics assumed to translate outputs into outcomes, the review doubts the validity of some assumptions in the value chain. Also many systemic failures remain unaddressed which may inhibit GEMS3 to arrive from outputs to outcomes. This was the reason why more focus in the interventions of GEMS3 was recommended..

1.6 Annual Outcome Assessment

Indicators measured at the outcome level: (1) number of firms with increased sales; (2) increase in sales among targeted firms; (3) % of improved products and services (private sector delivered), introduced through project facilitation, that are established in the market 12 months after project support has ended; (4) % of improved regulation or reforms (public sector delivered), introduced through project facilitation, that are established in the market 12 months after project support has ended; (5) % improvement in Nigeria's absolute Doing-Business Rating; and (6) improvements in product quality.

At this stage, only GEMS1 can record achievements for the first two indicators: a total of 760 enterprises have managed to increase their sales (target for the overall GEMS programme is 1,000), the increase of sales (turnover) by these enterprises is reported to be about GBP 2 million (target GBP 2.2 million). For GEMS2 it is at this stage not yet sure whether the artisans trained in contracting practices (300) or new skills (15) have seen their earnings increase.

It is obviously too early to report on indicators 3 – 5. Product improvements have been generated by GEMS1 through the animal feeding programme, and may soon materialise in the meat processing sector. Achievements in the leather sector are still negatively influenced by the EEG, which makes quality Nigerian leather unaffordable for Nigerian producers.

For all the reasons mentioned above, no outcome can be recorded for GEMS3. Whether future targets will be met is dependent on progress with the delivery of outputs, especially with the tax and land interventions. Second of all, in order to arrive from outputs to outcome other market failures (lateral problems), at present not addressed by GEMS3, may have to be corrected.

2. Costs and timescale

2.1 Is the project on-track against financial forecasts: N

The project is below expected expenditure level. GEMS3, with 58% of expenditure on fees compared to the original budget, but 88% spent on other expenses, is especially behind schedule. GEMS1 is about 16% below forecasted expenditure, mainly because of a downscaling of activities in the Northern states during the upheavals at the beginning of the year. GEMS2 faces a very small underspend on fees. In total, taking account of the larger size of the budget of GEMS3, overall spending for GEMS stands at 76% of the forecasted expenditure to date

2.2 Key cost drivers

The project so far does not report on financial performance per output, so it is not immediately obvious which outputs are the largest drivers. Fees are the largest cost drivers in all GEMS components. In GEMS1, so far largest cost drivers are finished leather goods, followed by livestock feeding. In GEMS2 skills training, followed by employment contracting, are the largest cost drivers. In GEMS3, but this is purely based on forecasts, the tax harmonization would be the largest cost driver, followed by land market reform.

2.3 Is the project on-track against original timescale: N

See also section 1 above: the project is modestly behind schedule in terms of delivery of outputs.

3. Evidence and Evaluation

3.1 Assess any changes in evidence and implications for the project

Several assumptions underlying the overall as well as the individual logframes may ultimately not be realised. In GEMS1 this related to the assumption concerning relative stability in the North, as well as the continuation (unaltered) of the market-distorting (Leather) Export Expansion Grant. To a lesser extent, security may also affect GEMS2 and GEMS3. In the case of GEMS3, evidence of the mechanism (causal chain) to arrive from outputs to outcome is still weak. Although tax harmonisation and land market reform are relevant interventions, there are different expectations from private and public stakeholders of the same intervention, and in addition many imperfections (the collection system, the overall legal system) remain unaddressed. Improved online-business registration may be less relevant for micro-enterprises. This may make it difficult to reach the targets set for the outcomes.

At this stage, although many interventions have been designed, for GEMS2 and for GEMS3 no baseline-studies have been performed yet. Pending this, both GEMS teams have performed a number of ad-hoc studies and assessments underlying the planned interventions. It is not clear how these studies will fit in the baseline. It seems efficient if the baseline study were to benefit from information so gathered.

3.2 Where an evaluation is planned what progress has been made?

N.A.

4. Risk

4.1 Output Risk Rating: High

4.2 Assessment of the risk level

For output 1, ‘inputs, services etc benefitting the poor … established’, the risk rating is ‘high’. This seems appropriate. Factors which influence this are obviously the deteriorated security situation in the North (radiating to the Centre), the high embedded formal and informal interests in the existing systems and expected unwillingness to change by some public servants or politicians (the Export Expansion Grant is an example of this), but also the fact that an M4P project has never been tried in the Construction Sector. The delay in the implementation of GEMS3 has aggravated the risk of lack of willingness to change in the public sector.

For output 2, ‘key stakeholders pursuing … new approaches to development’, the risk rating is ‘medium’. For all the reasons mentioned above, risk could also here be classified as ‘high’ (which would not change the overall output risk rating, since this output it has an impact weighting of only 20%).

4.3 Risk of funds not being used as intended

There are no indications of funds not being used as intended.

4.4 Climate and Environment Risk

The foreseen interventions have no direct influence on the environment. The hoped for increase in economic activity (investments, growth) may have an influence on environment and the use of energy.

This should be mitigated by appropriate legislation. With the starting up of interventions covering output 3 (Input supply systems), GEMS 2 will contribute to reducing the environmental impact of the construction sector by promoting the recycling/reuse of construction and demolition waste. Also GEMS1 has an intervention focusing on Environmentally Responsible Entrepreneurship, although no activities have yet been performed here.

5. Value for Money

5.1 Performance on VfM measures

In all three GEMS components, economy is achieved through a series of measures, ensuring that the activities are undertaken at the lowest possible cost. Measures include using as much as possible Nigerian staff, competitive procurement methods (for example under GEMS3 at least three quotes), timely purchase of airplane tickets and even use of locally made furniture. In addition, the GEMS projects capitalise on the presence of other projects for co-operation. SPARC and ENABLE are the most involved other projects.

Efficiency and Effectiveness. In the case of GEMS2 and especially GEMS3, this is largely and negatively influenced by the late start of the interventions. In the case of GEMS3, till date, GBP 5.7 million of the funds have been spent, i.e. 21% of the GBP 27 million budget, but hardly any outputs can be recorded. A VfM quantitative estimate in terms of costs per unit output at this stage would therefore only point out the lack of VfM.

Only GEMS1 has so far measured value generated, GEMS2 provided a measurement during the review. It appears that GEMS1 has managed to deliver value (in terms of income) exceeding the direct expenditure incurred, at a ratio of about 1:1.1. Indirect costs and the costs incurred during the Inception Period are not taken into account in this calculation, and therefore value created does not yet outweigh total expenditures, which was also not yet foreseen for this stage. It is expected that VfM in terms of value exceeding costs will be reached for some outputs already in the coming year. Comparing costs per unit of output or per unit of income created is furthermore made difficult by the fact that the time writing system does not work ideally yet, and that there is no distribution key for overhead costs. In the case of GEMS2, income (value) created stands at 10% of direct costs incurred so far (1: 0.1). Cost allocation to the different outputs is more accurate, although also here there is no method to attribute a share of overhead to the different outputs. In the case of GEMS3, no outputs have so far been realised, but according to the review, it is possible still for project to create VfM in the future. Although the production of outputs is seriously delayed, there is no reason why targets for the different outputs, at least output 1 and 2, cannot be reached in the year 2013. There are however doubts as to whether all outputs will equally contribute to the outcome level. The review has for example doubts on the methods GEMS3 uses to project scaling-up.

GEMS3 has introduced a fourth E, i.e. ‘Equity’, the extent to which poor and women benefit from the interventions. No weights have however been established yet for value flowing to poor or women.

5.2 Commercial Improvement and Value for Money

The projects co-operate efficiently with other projects and other donors: ENABLE, SPARC, OECD, World Bank initiatives, the NER fund and with each other. Notable is the initiative of GEMS1 to convince suppliers of (enriched) feed to supply this on suppliers’ credit (payable after the animals have been fattened and sold), so overcoming an important working capital problem for small cattle holders.

5.3 Role of project partners

The projects appear to be largely driven by the Service Providers GRM, Coffey and ASI intl. Consortium Partners in the different consortia are responsible for specific tasks, like in the case of GEMS3 doing the Baseline Study. As described above, strong linkages exist with BMOs and other projects, but these are not involved in management and strategy development.

5.4 Does the project still represent Value for Money : N

Overall, GEMS does not yet represent VfM.

As stated, only in the case of GEMS1 income created more or less equals expenditure over the last year. Prospects for VfM are good however, with some reservation made for the influence of the security situation and the Export Grant. GEMS2 anticipates that project interventions realised by GEMS2 will generate a value of some GBP 5 million. However, it is very much dependent on whether or not the affordable housing scheme in Lagos will take off. If not, value generated as anticipated would be more in the order of GBP 1.5 million, to be very much driven by Output 2 (skills training) and output 3 (input supply system).

Since the calculations of the GEMS3 team for ‘costs per unit of output’ and overall return contained errors, the review team did its own VFM calculation, for the entire project and for six interventions. This required obviously some bold assumptions. It appears that, provided that the assumptions underlying the logframe are correct, the project may achieve VfM. Ultimately (2017), unit costs per person enjoying increase in income would be GBP 38, per FTE created GBP 247. All calculations are still preliminary and need to be corrected and updated by the GEMS3 team.

The above achievements are however fully dependent on the project’s capability to realise now quickly the outputs, and creating the conditions for the outputs to be translated in outcome and ultimately impact.

For GEMS3 trigger points for the year 2013 were defined (costs per person enjoying increase in income GBP 411, per FTE 2,715) which should also be fine-tuned by the GEMS3 team using more accurate financial data and more detailed output projections. The trigger values at such do not yet represent VfM but would be a significant improvement.

5.5 If not, what action will you take?

Under GEMS2 and GEMS3, actions to be taken relate mainly to getting the project on speed, producing ASAP outputs. Important for GEMS3 is a strengthened focus, realigning the interventions in output 3 and 4 to increase the chance of outcome being generated by output 1 and 2. Attention should be given to the (fine-tuned) trigger points. In the case of GEMS3, not approaching these values by 2013 might be reason to reconsider continuation of the project.

6. Conditionality

6.1 Update on specific conditions

N.A.

7. Conclusions and actions

GEMS interventions in the Nigerian economy are considered relevant, i.e. its approach towards ensuring high local ownership by the private sector and the use of the M4P approach, to identify system and market failures that are hindering economic growth, business competitiveness and incomes of the poor. Access of the poor to the markets is particularly evident with increased employment and income, which is so far especially visible for GEMS1. GEMS2 and especially GEMS3 are still suffering, in terms of efficiency and effectiveness, from the delayed start. Only GEMS1 can show VfM, GEMS2 has created value which however only represents 10% of incurred costs, and in the case of GEMS3, although about GBP 6 million has been spent and the project is two years in place, tangible results are lacking. Both GEMS2 and GEMS3 have however still options to create VfM in the near future.

The following actions are recommended:
For GEMS 1: 1) to pursue further the livestock feeding programme and engage more feed mills and eventually commercial banks, and include more women and youth in the programme; 2) Pursue the linkage between meat processors and the livestock feeding programme in view of excellent synergies between the two programmes; 3) reduce dependency on NERFUND and explore other sources of funding; 4) Conduct an analysis of the impact of the Export Expansion Grant on the leather sector as part of a concerted campaign of both GEMS 1 and its key partners in the leather sector to start a dialogue with the authorities to revise the EEG; 5) pursue efforts to further strengthen the national umbrella association of the leather and FLG sector; and 6) start with the preparation of an overall environmental and social responsibility strategy for the entire leather sector, and gradually implement the strategy according to progress made on the organisation and advocacy skills as per output 6.

For GEMS2: 1) maintain focus on business and employment contracting and skills training; 2) As the potential is considered a very good entry for women in the construction/recycling business, get interventions started up as soon as possible to realise improvements in the input supply system; 3) implement the tools which have been introduced at the five BMOs and focus here on the actual ‘advocacy' tools; and 5) use the project website to promote and inform key stakeholders outside the target states about GEMS 2 interventions in the construction and real estate sector.

For GEMS3 (1) start as soon as possible with the implementation of the land and tax interventions; (2) maintain motivation of partners to co-operate; (3) align interests of private and public sector stakeholders; (4) monitor and guard the effects on poor and women in the different outputs; (5) focus activities more, e.g. activities under investment promotion and public-private dialogue could be directed towards ‘lateral' problems faced by the beneficiaries of the tax and land interventions. Up-scaling to other states could be temporarily halted.

Both GEMS2 and GEMS3 should finalise as soon as possible the baseline-study.

8. Review Process

The review team, consisting of Mart Nugteren (IMEP GEMS subject lead), Rudy Ooijen, Adeniyi Olaleye and Emmanuel Oladipo Okagun visited Abuja, Kano, Cross River, Abia, Anambra and Lagos between 9 and 27 July 2012.

The team was divided in two sub-teams, each focusing on one or more GEMS components: Rudy Ooijen and Emmanuel Oladipo Okagun focusing on GEMS1 and GEMS2, (Mart Nugteren and Adeniyi Olaleye focusing on GEMS3. Also observers from the National Planning Commission and the Federal Ministry of Industry and Trade joined the team..

A host of different stakeholders were consulted: staff of the different GEMS management teams, GEMS state managers and intervention leads in the states, representatives of BMOs, LGAs, Ministries or Departments (at Federal Level but mainly at the level of the States), vocational training institutes, private entrepreneurs etc. During the review the team also consulted with Michael Wang from the World Bank and (by telephone) with Anirban Bhownik, DFID M4P expert, and Miguel Laric, DFID PSD adviser.

Much attention was given to validation of the findings with the review team making multiple and repeat visits to confirm issues emerging during the interviews. The review set off with a briefing session at DFID Nigeria, including Esther Forgan, Robert Hale and Richard Sandall. The mission concluded on 27 July with a debriefing with DFID staff and the different GEMS management teams.

The review team scrutinised documents related to the projects and their environment including: Annual Reports, Inception Reports, descriptions of (envisaged) interventions, the logframe and other documents pertaining to Monitoring and Evaluation (M&E) or Results Measurement, World Bank publications on the Enabling Environment in Nigeria etc.