Is a genuinely sustainable, locally-led, politically-smart approach to economic governance and Business Environment Reform possible?

Lessons from 10 years implementing ENABLE in Nigeria

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Contents

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Glossary

AO	Advocacy Organisation
BE	Business Environment
BER	Business Environment Reform
BMO	Business Member Organisation
CSO	Civil Society Organisation
IFC	International Finance Corporation
MDA	Government Ministry, Department, Agency
PPD	Public-Private Dialogue
VFM	Value For Money

Referenced ENABLE Partners

ABU	Admadu Bello University
ELAN	Equipment Leasing Association of Nigeria
LCCI	Lagos Chamber of Commerce & Industry
MAN	Manufacturers Association of Nigeria
NASME	Nigeria Association of Small & Medium Enterprises
NASSBER	National Assembly Business Environment Roundtable
NESG	Nigerian Economic Summit Group
QBWA	Quintessential Business Women's Association

Introduction

This paper examines what it means to be genuinely sustainable, locally-led, and politically-smart, drawing on the successes and failures of the DFID-funded ENABLE programme in Nigeria. 'Sustainability', 'locally-led', and 'politically smart' are concepts in development, like 'adaptive management', that many donors and practitioners either reflexively claim to embrace or dismiss as little more than common sense or good development practice. However, as this paper argues, pursuing a genuinely sustainable, locally-led, and politically-smart approach requires a radical departure from most mainstream approaches. It also entails potential trade-offs that are rarely explicitly acknowledged and weighed in programme design. There has also been relatively little effort made to monitor and evaluate whether programmes are indeed delivering sustainable, locally owned change – for example, post-programme evaluations are still relatively novel and there is little practical guidance on how to assess sustainability.

ENABLE provides an interesting case to explore these issues. Originally designed as a Challenge Fund for business associations, in recognition of the inherent limitations of such an approach ENABLE was redesigned to put sustainability and local ownership at the heart of the programme. This led to wholesale changes in the way the programme designs and implements interventions and to the size and nature of the project team and their ways of working. As ENABLE entered its second phase in 2014 it dropped one of its focal states, Lagos, to shift focus to the north of Nigeria. This provides an opportunity to put ENABLE's claims around sustainability to the test by examining the fate of ENABLE1 partners in Lagos three years after the end of direct project support (as well as examining other evidence of sustainability from ENABLE2).

ENABLE, with its emphasis on strengthening the process of reform, rather than just the end result, also provides an interesting contrast with more technocratic approaches, which are still the dominate mode of Business Environment Reform programming. ENABLE was designed in part as a response to the perceived failings of donor-led, technocratic reform efforts (including the precursor Investment Climate Programme). At the federal level, for example, excluding the reforms contributed to by ENABLE, no significant piece of BE-related legislation has been passed in Nigeria in nearly 20 years, despite numerous donor initiatives over the years (see Case Study Box 3).

Although ENABLE is a business advocacy programme, the approach followed and lessons learned have relevance for any programme working in Business Environment Reform (BER), economic governance, and even governance more broadly.

The rest of the paper is structured as follows. Section A examines what it means conceptually to be genuinely sustainable, locally-led, and politically-smart, including a discussion of the potential trade-offs involved. Section B argues that many mainstream approaches to governance and BER are not designed to be sustainable, locally-led, or politically-smart (often despite claims to the contrary). Section C looks at how ENABLE was different, in both design and in practice, and draws out some of the tensions and sometimes radical implications of pursuing a genuinely sustainable, locally-led, and politically-smart approach. Section D presents the results from ENABLE 1 and 2 and critically examines what difference the three core concepts made to the results achieved, and asks whether a more 'direct' approach could have delivered better results and impact with the time and resources available. Finally, Section E examines how donors help, and hinder, the application of a genuinely sustainable, locally-led, and politically-smart approach. While ENABLE has largely benefited from a supportive funder, Section E argues that many of the pressures currently facing donors and programmes – such as the need for quick results and high visibility – run counter to genuine sustainability and local ownership.

Note that this paper is not intended as an independent evaluation of the ENABLE programme or a comprehensive compendium of results.[1] Rather, this paper is a look back at nearly ten years of programming by members of the ENABLE Strategic Advisory Committee responsible for the design and strategic oversight of the programme since its inception.

1 Interested readers can refer to the two independent Project Completion Reviews available on Development Tracker (https://devtracker.dfid.gov.uk/)

Overview of the ENABLE programme

ENABLE is a business advocacy programme designed to promote improved Public-Private Dialogue (PPD), ultimately leading to an improved Business Environment (BE) for poor men and women. ENABLE1 (2008 to 2014; £12mn) worked with partners at the Federal level as well as Lagos, Kaduna, and Kano. ENABLE2 (2014 to 2017; £11mn) dropped Lagos and added new focal states in Northern Nigeria (Jigawa, Katsina, and Zamfara).

In contrast to donor-led reform efforts, ENABLE deliberately avoided hosting its own dialogue events, or advocating directly for reforms. Instead, ENABLE worked behind-the-scenes to strengthen the process of reform within existing Nigerian institutions; helping actors better advocate, research, and report and consult on BE issues that matter most to them.

ENABLE recognised the multiplicity of actors involved in any successful reform effort, partnering with a range of organisations on both the 'demand' and 'supply' side as well as various supporting actors:

- **Advocacy Organisations (AOs),** such as business associations and chambers of commerce, to engage in more effective advocacy on behalf of the private sector;
- **Government Ministries, Departments and Agencies (MDAs),** to build their ability and willingness to consult effectively with the private sector and other stakeholders;
- **Media houses,** both commercial and state-owned, to strengthen their role as a driver and supporter of business environment reform, a channel for information, and a platform for debate and discussion; and
- **Research Institutions,** both public and private, to improve the supply of policy research and information in order to promote informed, evidence-based dialogue.

Where required, ENABLE also engaged actors in 'interconnected systems', such as audience research firm AMPS in order to improve the likelihood of sustained practice change in media houses.

In contrast to Challenge Funds, ENABLE used a variety of tools and tactics to promote sustainable change in the performance and practices of these actors, including training, mentoring, brokering linkages, seeding ideas, organisational reviews, and cost-sharing.

ENABLE1 contributed to 82 new or improved PPDs, leading to 13 cases of BE reforms benefiting 1.8 million micro-enterprises (30% female-owned). ENABLE2 contributed to 65 new or improved PPDs and 17 cases of reform, including the first significant federal-level BE reforms for nearly 20 years.

A. What does it mean to be sustainable, locally-led, and politically-smart?

This Section explores the core concepts of 'sustainability', 'locally-led', and 'politically-smart' in more detail. What do these terms actually mean conceptually, are they complementary, and what tensions exist with other development objectives such as delivering and demonstrating impact for the poor?

Sustainability

Starting with sustainability, a commonly used definition is that the benefits and impacts generated by a development programme during its lifetime continue to accrue to target beneficiaries after the programme ends.[2] To achieve sustainability, all the activities or functions required for the continuous flow of benefits must be both performed to a sufficient standard and be paid for *by local actors* (not development actors) on an on-going basis. These local actors therefore need both the capacity and the incentives to 'do' and to 'pay' once direct programme support ends.[3]

In the context of economic governance, one can think of sustainability operating at two levels:

- *Reform-level sustainability* means reforms achieved during the lifetime of the programme stay in-place (i.e. no reform reversals) and continue to be implemented effectively.
- *System-level sustainability* means that the underlying processes and functions which generated the reforms in the first place continue to operate. For example, BMOs continue to advocate effectively, government continues to consult widely, dialogue platforms continue to function, good quality policy research continues to be produced, and so on.

System-level sustainability represents a deeper level of sustainability than reform-level sustainability. System-level sustainability means that local actors by themselves are able to generate new reforms and continuously improve the stock of laws and regulations (not just maintain the reforms achieved during the lifetime of the programme). Indeed, it is questionable to what extent one can achieve reform-level sustainability without system-level sustainability (see Discussion Box 1). To borrow an analogy from Jacobs (2006), if you don't fix the filters on the swimming pool and stop the flow of bad policies and regulations, a clean pool will quickly become muddied again.

2 See, for example, the Development Assistance Committee Criteria for Evaluating Development Assistance.
3 For more on the Who Does, Who Pays sustainability framework, see The Springfield Centre (2015).

Discussion Box 1: How serious is the problem of reform reversals?

If the reversal of good reforms is a relatively rare occurrence in developing countries then aiming for reform-level sustainability, without system-level sustainability, might not be a bad option for economic reform programmes.

This was not the case in Nigeria at the start of ENABLE1. Following the democratic transition, Nigeria and her development partners implemented a number of reforms in a relatively short time period. However, some observers began to question the top-down, donor-led nature of the reform process. As Duncan et al. wrote in 2007: "The reform experience in Nigeria is notable for the relative weakness of public participation, reform coalitions and vertical systems of accountability. All of these elements will need to be strengthened in order to sustain the reform process". The report proved to be prophetic: in the following years the reform experience in Nigeria has been mixed, and some of the gains made during 2003-2007 have been reversed.

Looking outside Nigeria, one can use the World Bank Doing Business data to examine the extent of policy reversals globally. Using the compliance-time indicator in each of the ten components tracked by the World Bank, 48 countries suffered a deterioration in one or more components in 2017 compared to 2016. Nine countries saw a decline in two or more components, including Malawi and Rwanda.[a] If a quarter of countries covered by the Doing Business survey suffered a reversal in just a single year, this suggests that the risk of reform reversals needs to be taken seriously by donors (see also Hetherington 2017, and Kleinfeld 2015).

Arguments that downplay the risk of reform reversals are premised on the idea of reform as a one-off event, but even in developed countries with a good regulatory environment the process of reform is never complete. Changes in economic circumstances, global and regional developments, and changes in technology mean that laws and regulations need to be continuously improved; reform is a process, not an end-state. Similarly, the successful implementation of most reform efforts requires the engagement of stakeholders over many years, often beyond the lifetime of a typical donor programme: a lack of system-level sustainability risks generating lots of reform-on-paper which fails to materialise into sustained reform on-the-ground.

(a) Source: World Bank and author's calculations. For two components of the Doing Business survey, Getting Credit and Minority Investors, time indicators are not available; the strength of legal rights index (credit) and strength of minority investor protection index were used instead.

Locally-led

Programmes following a locally-led approach see themselves as facilitators supporting local actors to lead a process of change, rather than being the driver themselves. In the context of economic governance, this means allowing local actors to set the agenda and identify Business Environment issues of priority to them and their constituents. It also means working in genuine partnership with local actors to help them to develop solutions to their own perceived problems ('local solutions for local problems'). The aim is to see strong local ownership of the reform process, avoiding the privileging of outside (Western) conceptions of what is important and what needs to be done.

Being locally-led has important practical implications for how development programmes work (see Section C). It generally requires programmes and donors to keep a low profile, supporting from behind rather than leading from the front. It means avoiding the temptation to import 'best practice' solutions, instead working with local actors to develop solutions that fit the local context and are 'good enough' rather than 'first-best'. It also means privileging staff and consultants with strong local knowledge, over international expertise.

Politically-smart

Being politically-smart means recognising that the process of development is as much a political as a technocratic process. In the context of economic reform, this means recognising that it is not enough to draft a technically sound new law or policy for it to be adopted and implemented. The prevailing business environment is the outcome of a series of political contestations, shaped by history, formal and informal institutions, ideologies, real and perceived economic interests, collective action, and a multitude of social-cultural factors such as the role and voice of women in society. At a minimum, being politically-smart means understanding and navigating these political economy dynamics in order to achieve the desired pro-poor outcomes.

A more ambitious approach seeks not only to navigate the prevailing political economy, but to actually *shift* the political economy landscape in order to make pro-poor outcomes more likely in the future. This approach builds on the DFID Drivers of Change initiative, and research by Sen and Leftwich into the importance of strengthening state-business-citizen relations, both of which informed the redesign of ENABLE1.[4] For example, supporting the emergence

4 From 2005-2010 DFID funded a Research Programme Consortium on Improving Institutions for Pro-Poor Growth (IPPG), led

of investigative media products that gives voice to the poor and promotes debate on important business environment issues, or helping to build strong business associations that can effectively advocate on behalf of their members (particularly micro and small businesses), can help tip the balance in favour of pro-poor, pro-reform constituencies. A genuinely politically-smart approach would also be conscious not to 'do harm' to the political economy, for example by undermining local accountability between an association and its members or creating parallel policy processes that side-step local actors and thereby undermine their relevance and long-term viability.

Tensions and trade-offs

To what extent do the three principles of sustainability, locally-led, and politically-smart reinforce one another? In general, programmes can pursue all three principles without major tensions. Being sustainable and locally-led are closely linked given both concepts emphasise the importance of working with and strengthening local actors in the reform process. Indeed, sustainability is ultimately not possible without strong local ownership. In the long-term, system-level sustainability is also closely correlated with the idea of shifting the political economy to make pro-poor outcomes more likely in the future.

Some tensions do exist, however. For example, being locally-led in the sense of allowing local actors to choose reform issues most important to themselves is not necessarily politically-smart. There is a naïve view that local actors, simply by virtue of being 'local', are astute political operators who instinctively understand the political economy. This has not been ENABLE's experience. For example, many BMOs in Nigeria, particularly at the grassroots, are not very good at articulating BE issues that are clearly defined and realistically capable of resolution, nor of understanding which government counterparts to engage or how. Over the course of ENABLE, this has led the programme to nuance its interpretation of being locally-led, moving from giving partners carte blanche in identifying BE issues to offering more hands-on guidance during the issue selection and prioritisation process (see Section C).

While the three principles are generally complementary, a more serious tension potentially exists with other development objectives, particularly delivering impact and Value For Money (VFM) within the lifetime of the programme. Whilst it is hard to imagine how being politically-naïve can generate superior results, a legitimate debate can be had on whether sustainability and local-ownership is necessarily the right approach to maximising impact and VFM (see Discussion Box 2).

Discussion Box 2: Should programmes always aim for sustainability and local ownership?

Although the question is rarely asked publicly, there is a legitimate debate to be had on whether programmes should always follow a sustainable, locally-led approach. Given the problems the IFC and World Bank have encountered with the sustainability of their PPD Platforms (see Section B), some within the World Bank Group have argued against necessarily always striving for sustainable outcomes:

"It may be unproductive to throw energy into seeking to prolong the active life of a specific partnership mechanism which achieved initial successes but seems to be losing momentum… Successful but short-lived initiatives which are allowed to die a natural death can gain an iconic value, enabling businesses and government officials to look back on them with pride and as a positive reference point to be cited as an example", Herzberg and Wright (2006).

There are two ways to approach the question. One is to argue based on the fundamental principles of what development should be (a deontological line of argument). For people who subscribe to this view, it is self-evident that 'sustainability' and 'local ownership' are good principles in and of themselves, and should always be upheld. The argument can best be summarised by a quote from Dr Manmohan Singh, former Prime Minister of India: "any development that is not sustainable is not development".

Alternatively one can argue in terms of ultimate impact (a utilitarian or consequentialist line of argument): does a sustainable, locally-led approach deliver more impact for poor men and women than alternative approaches? The promise of sustainable, locally-led approaches is that when successful, local actors continue to engage effectively in reform efforts even after donor support ends. This means impact should accelerate over time as the programme exits successful partnerships and starts new ones, and should continue beyond the lifetime of the programme. More direct approaches may be able to achieve quicker impact – although this is not guaranteed as there are countless examples of donor-driven reform efforts failing to gain traction or navigate the political economy – but this has to be weighed against a marked slowdown once the programme ends: without system-level sustainability the pace of reform is likely

by Professor Kunal Sen and Dr Adrian Leftwich. A key research theme was 'State and Business Relations'. Three main findings of the research were: (1) State-Business Relations matter – effective state-business relations are a key determinant of economic growth and structural transformation; (2) trust between government and the private sector is a key determinant of State-Business relations, which is built through repeated interactions based on close consultation, coordination, and reciprocity; (3) there was limited evidence of the success of donor interventions in contributing to improvements in State-Business relations.

to return to its baseline level, and those reforms that were passed may well be reversed (see Discussion Box 1).

However, sustainable, locally-led approaches do come with important trade-offs. Firstly, a higher degree of sustainability generally comes at the cost of lower ‘quality’. For example, more direct approaches can commission top-quality economic research to inform a policy debate, without worrying about who will produce and pay for such research in the future. Indeed, some might argue that in the case of research and other public goods, it is unrealistic to expect to see local solutions that are both of a good enough quality to drive meaningful reform and that can be sustained by local actors (in terms of both capacity to do and ability and willingness to pay). Whether this is so depends in part on the country context: larger, higher-capacity countries will be better placed to solve these problems than small, fragile, or low-capacity ones.

Secondly, there can be a trade-off between letting local institutions set the reform agenda and focusing on the highest-impact reforms. This can result from ‘coordination failures’ where reforms that would benefit large numbers of poor men and women fail to attract private sector or civil society groups capable of advocating for them. For example, meaningful agricultural reforms could help lift millions of farmers out of poverty. However, smallholder farmers are generally not well represented by advocacy organisations due to their disbursed and remote locations and low income levels, so programmes that only support reforms driven by capable local advocacy organisations will see few agricultural reforms. A second problem is ‘information failure’, where businesses and the public are unaware of which reforms would benefit them most. Some may argue that for high-impact reforms suffering from coordination and information failures, donors should take more of a lead in pushing for reform and building reform coalitions.

Finally, there may be a trade-off between sustainability and empowering the most marginalised groups in society. As with the example of smallholder farmers, different social groups also face different prospects for sustainability. For people living far from the centres of political power, the cost of engaging in advocacy can be prohibitively high; poor women may also be excluded from meaningful reform efforts due to deep-seated socio-cultural factors. Again, some may argue that in these cases, where sustainable local solutions to these collective action problems may be absent, a more direct form of donor support is required, at least in the short to medium term, to ensure the voice of these groups are heard.

Section D considers whether, in the case of Nigeria and ENABLE, a more direct approach would have generated greater impact. Beyond the case of ENABLE, it is clear that a definitive answer to the question is hard to reach, especially given the relative scarcity of post-programme evaluations and methodological difficulties in comparing programmes in different countries and at different points in time. In general, donors should be more disposed to sustainable, locally-led approaches if:

- They intrinsically value sustainability and local ownership;
- They value long-term, transformational change over short-term impact;
- They recognise the risk of reform reversals;
- They are happy to keep a low donor profile and cede control of the reform agenda (and accept that sometimes local actors will pick the ‘wrong’ issues or reform options(a));
- They accept the greater difficulties of demonstrating impact and Value for Money that comes with more sustainable, locally-led approaches;
- Project evaluations have sufficiently long time horizons and are alive to the increased risk of donor dependency and long-term harm that comes with more direct programming.

As argued in Section E, many of the pressures facing donors are in the opposite direction, making it more likely donors will opt for more direct, less sustainable approaches in the future.

(a) Some would argue that expert or donor-driven approaches are not immune to promoting the ‘wrong’ solutions either. For example, Stiglitz (2002) argues that capital market liberalisation aggressively pushed by the IMF and World Bank was directly responsible for the East Asia financial crisis in the 1990s.

B. How sustainable, locally-led, and politically-smart are mainstream approaches?

This Section examines how sustainable, locally-led, and politically-smart mainstream approaches to economic governance are. Although it is commonplace for development programmes to claim to adhere to these principles – certainly few programmes would openly admit to being ‘unsustainable’, ‘donor-led’, and ‘politically-naïve’ – many of the mainstream approaches to economic governance, and indeed development more broadly, do not in fact adhere to these principles, in design or in practice.

Before looking at each principle in detail, the table below summarises the main approaches to economic reform and governance as well as broader approaches to governance that touch on the work of ENABLE.

Approach	Description
Expert-led reform initiatives	Reform initiatives whereby typically international experts are deployed by the donor to directly draft new policies or legislation, often as part of a package of technical support to a particular ministry or the Executive. A common approach pursued by multilateral agencies such as the World Bank Group as well as bilateral donors.
Donor-led PPD Platforms	PPD Platforms that are set-up, run, and funded by the donor throughout the programme lifetime. These can be stand-alone programmes focused on PPD (for example, the IFC established a large number of PPD Platforms across Africa and Asia in the 2000s), or ‘consultation’ interventions within larger BER programmes.
BMO Challenge Funds	Donor funds that provide grants to BMOs through a competitive application process. Funds are used by the BMO to undertake or commission policy research, or implement an advocacy campaign. Several bilateral donors have pursued this approach, with Danida in particular funding a series of BMO Challenge Funds across Africa.
‘Pay-to-play’ media development	An approach to media development whereby the donor programme directly produces media content and pays media houses to broadcast or publish that content. A very common approach to engaging the media, in governance programmes but also health, women’s empowerment, and other fields.
Demand-side governance initiatives	Initiatives designed to strengthen ‘demand-side’ organisations such as Civil Society Organisations (CSOs) or the media. A very common approach to Voice & Accountability programming, often targeting grassroots CSOs or coalitions.

How sustainable are mainstream approaches?

The majority of mainstream approaches have a poor record in terms of promoting sustainability, particularly at the system-level:

- Almost by definition, by inserting themselves directly into the policy-making process, expert-led reform initiatives do nothing to sustainably strengthen the reform process itself.
- By limiting themselves to providing grants, BMO Challenge Funds do little to build the long-term capacity of associations to advocate effectively or to improve their long-term financial position so as to be able to finance effective advocacy beyond the lifetime of the grant.
- Under pay-to-play approaches, if a donor programme is producing its own media content and paying for the content to be disseminated, nothing has been done to build the capacity and incentives of media houses to continue to produce and air such content beyond the lifetime of the programme.

With regards to donor-led PPD Platforms, thought is sometimes given to the sustainability of the platforms, albeit typically too late. Often attempts are made near the end of the programme to hand-over the secretariat to local actors such as a chamber of commerce, but because these secretariats are built according to ‘best practice’ they are typically too resource-intensive for local actors to maintain without continual donor funding (especially in cases where participants have been paid a ‘sitting allowance’ to attend). Consequently the record on sustainability is poor. As noted by Herzberg and Sisombat (2016): “According to a 2009 review of IFC and WB PPDs, the WB Group needs to manage PPD entry and exit strategies more carefully. The review raised questions about the adequacy of support at the critical initial stages of implementation… particularly the eventual transfer stage of PPD management from consultants to local ownership.” Hetherington (2016b) puts it more forcefully: “[In the traditional approach], sustainability — in the sense of PPD becoming an ongoing, permanent process without donor support — is either seen as the biggest challenge that donors face, or not worth pursuing. They have learned from experience that sustainability is difficult or impossible to achieve".

Demand-side governance initiatives seem to offer the best prospects for sustainability among mainstream approaches, although given the lack of evidence on sustainability and the scarcity of ex-post evaluations it is difficult to provide a definitive assessment. Certainly some programmes appear to follow good practice in terms of promoting sustainable outcomes, such as taking money off the table (see Section C).[5] However, these programmes are limited in one important respect. Often BMOs and other civil society organisations are deterred from investing in advocacy because government is unresponsive and the policy-making process is opaque and non-inclusive. On the other side, government MDAs often see little point investing in consultation because of the weak inputs and unrealistic and ill-informed demands of the private sector and civil society. Achieving genuine sustainability, therefore, requires tackling both sides simultaneously. This seems to be supported by the experience of ENABLE, where initiatives and platforms were more likely to be sustained when both the 'demand' and 'supply' side were actively engaged and supported (see Section D).

Where demand-side programmes are limited to working with grassroots organisations, the experience of ENABLE suggests that achieving sustained change in these organisations is more challenging. This is due to both their often weak financial base, making it harder to fund effective advocacy initiatives on a long-term basis, and their weaker institutional structures, which makes them vulnerable to the loss of key individuals.

Locally-led

Again with the exception of demand-side governance initiatives, mainstream approaches have a poor record of being locally-led. Expert-led reform initiatives almost by definition privilege outside, technocratic conceptions of what issues are important and what the 'right' solutions are. Although some effort may be made to prioritise issues based, for example, on the findings of small-business surveys or Doing Business rankings, by not allowing local actors to more actively shape the reform agenda or drafting process, meaningful local participation and leadership is largely absent. This can be especially true in the case of women: because many economic governance programmes assume that the business environment is gender-neutral, little effort is made to understand and prioritise constraints and solutions particularly relevant to female workers and business owners.[6]

Donor-led PPD Platforms are also, almost by definition, not locally-led (although they do at least encourage local participation). This may also partly explain their poor record on sustainability: because the platforms are often donor-branded and closely associated with the donor, local actors often have little interest or incentive to take them on at the end of the programme.

The lack of local ownership was very evident in the precursor programme to ENABLE implemented by the World Bank and DFID (the Investment Climate Programme). As one internal World Bank note commented at the time (in relation to the ICP Technical Committees, which were meant to drive the reform process):

"the Technical Committee [in Kano] has continued to meet in response to the ICP project agenda, but there have been complaints from others that this TC is only responsive to the ICP and only meets when the WB is in town! Obviously issues of ownership should be addressed… The recent reorganization of the [Cross River] TC to include members from value chains they consider to be likely candidates for the [upcoming] GEMS program is testimony to the possibility that this TC is largely geared towards the WB/DFID program rather than focused on internally driven reform programs."

BMO Challenge Funds seem to offer better prospects for local-ownership given that they are designed to empower local actors. However, as Booth and Unsworth (2014) argue, despite appearances Challenge Funds are not genuinely locally-led either: "There is more than one way a donor organisation can kill off the ability and motivation of local actors to assume the lead… [one] is the standard approach to supporting civil society organisations to undertake 'demand side' governance advocacy, such as the challenge fund model where CSOs bid for funding within a donor defined framework. Although the funder under this type of arrangement may believe it is taking a back seat, the competitive scramble for funding means almost inevitably that proposals will come from 'usual suspects' who share a donor agenda [and] will be based on second-guessing what the donors are likely to support".

5 See, for example, the review of the State Accountability and Voice Initiative (SAVI) programme in Nigeria by Booth and Chambers (2014).

6 See Hetherington (2016a).

Politically-smart

In the sense of using political economy analysis to navigate political economy roadblocks, any donor programme has the potential to be politically-smart to a certain degree. However, there are structural design features of most mainstream approaches that make it harder to be politically smart in practice.

Most obviously, expert-led reform initiatives, by privileging solutions that conform to outside expert opinion of what is ‘right’, are less willing and able to make the compromises often needed to secure passage of the reform. Also, by adopting a closed, non-participatory approach to policy-making, the absence of local ownership noted above often translates into a lack of broad-based support.

Donor-led PPD Platforms, by bringing together a broad set of public and private stakeholders, offer better prospects for building coalitions for reform. However, by channelling all reform initiatives through a single platform, they are limited in their ability to support the formation of different coalitions and constellations of local actors for different BE issues. High-profile donor-led platforms may also be required to work with the ‘usual suspects’ who are often, at least in the experience of ENABLE, subject to elite capture. By operating under the radar, genuinely locally-led programmes have more freedom to pick and choose partners based on political economy considerations such as organisational representativeness and the degree of government or elite capture.

Challenge Funds potentially enjoy the same freedoms to select BMO partners. However, a big selling point of Challenge Funds is their lean structures, which typically means that in practice they do not have the resources or extensive on-the-ground presence to undertake in-depth political economy due-diligence on partners. Challenge Funds may even cause long-term damage to state-society relations as BMOs divert effort from building their member base and improving member accountability to chasing the next donor grant and reporting to donors (this was evident in a number of Nigerian BMOs seen by ENABLE).

The potential to do long-term harm to the political economy landscape is also evident in pay-to-play media development. In Nigeria, the biggest constraint identified by the ENABLE1 media team was an entrenched pay-to-play culture in many media houses, perpetuated by both political and business elites and unwitting donor programmes. In a healthy media market, media houses invest in popular, good quality content, which is then monetised through advertising or cover sales. In media markets dominated by pay-to-play, the content itself is up for sale, damaging editorial independence. These media houses also typically make no use of independent audience research, ultimately damaging long-term financial performance, and have limited incentives and capacity to produce their own content that can reach a wide audience.

The track-record of expert-led Business Environment reform in Nigeria

Since the democratic transition in 1999, Nigeria has witnessed a host of expert-led reform initiatives. The record of these initiatives has been mixed at best. This is strikingly evident in the case of BE-related legislation at the Federal level. Until the NASSBER initiative supported by ENABLE, which has led to two bills passed in just the last 12 months, with 10 more close to passage (see Case Study 2), no significant BE-related legislation had been passed by the National Assembly for nearly 20 years. The collateral registry bill is the first case of legislative reform in Nigeria recorded by the Doing Business survey since records began.(a)

This lack of impact was not for want of trying: over the years various donor programmes had provided expert support to the Executive and various ministries to produce a raft of new legislation. Some of these bills have languished in the legislative pipeline for decades. For example, the enabling legislation for the collateral registry was originally drafted by the World Bank in 2007. A number of infrastructure bills had been introduced by various donors that failed to even pass first reading in the National Assembly, some of which had been introduced over a decade ago. For example, according to one observer: “The Road Fund Bill has been around since 2002, but has been so sensitive that those with concerns have found ways of pushing it back”.

The track-record of expert-led approaches in Nigeria well illustrates the conceptual failings discussed above: the lack of sustainability and local ownership has meant that there have been no strong local actors or coalitions to push for passage of the bills, and the weak understanding of and engagement with the political economy is evident in the failure to secure wide-spread buy-in and support for donor-led reform efforts.

(a) All other cases of reform relate to administrative improvements (e.g. upgraded facilities at Apapa port). See http://www.doingbusiness.org/reforms/overview/economy/Nigeria

C. How was ENABLE different, in approach and in practice?

ENABLE1 was initially designed as a BMO Challenge Fund, with a small core team whose primary role was to manage and administer grants. Recognising the limitations of a Challenge Fund approach, and seeking to respond better to the DFID Drivers of Change initiative, DFID and the implementing consortium worked together to completely redesign ENABLE. The team also drew on emerging lessons and frameworks from the Making Markets Work for the Poor (M4P) approach. The new design was based on the following core principles:

A systemic approach to reform. ENABLE recognised that many different actors are involved in reform efforts – not just BMOs or Government MDAs – performing many different functions. To maximise success, ENABLE targeted both the 'demand' and 'supply' side, plus other key supporting functions such as research and media.

- Pro-poor impact. The ultimate objective of ENABLE was to improve the business environment for poor men and women in particular. Over the course of the programme this came to include a focus on the inclusivity of dialogues and more deliberate targeting of organisations and issues with high relevance to poor men and women.
- Delivering sustainable change. In recognition of the mixed record of donor-driven reform efforts in Nigeria and elsewhere, sustainability was put at the heart of the ENABLE approach. This meant working with local actors to build their capacity and incentives to play a more effective role in the reform system, even after the end of direct programme support.
- Working as a facilitator. ENABLE deliberately decided to keep a low profile, including not directly hosting or participating in any PPDs. Instead ENABLE formed close partnerships with interested local actors (focusing initially on BMOs, MDAs, media, and research institutions), helping them to better undertake their own advocacy or consultation initiatives (or other supporting functions).
- Being locally-led. ENABLE strongly emphasised local ownership. This extended to allowing partners to select their own BE issues on which to advocate or consult, and working with partners to co-develop solutions.
- Being politically-smart. ENABLE recognised that BE reform was an intensely political process, seeking to shift the political economy landscape in favour of pro-reform, pro-poor constituencies and actors and to build strong state-business relations based on trust, consultation, and cooperation.

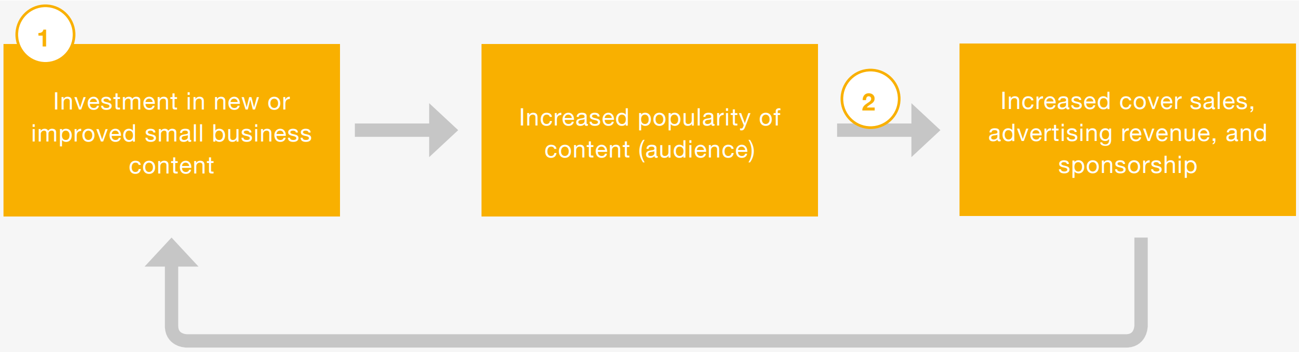
The rest of this section looks in more detail at the practical implications of pursuing a genuinely sustainable, locally-led, politically smart approach to economic governance.

Being sustainable in practice

A common mistake is for programmes to think about sustainability only at the end of an intervention. For each ENABLE intervention and partnership, sustainability was considered right from the start. Any proposed practice change, such as the launch of a new issue-based small-business radio show, had to be compatible with the incentives and capacities of partners to both 'do' and 'pay' (recognising that incentives and capacities can be built over time, within limits).

Planning for sustainability required ENABLE to think critically about the incentives facing partners, and how interventions could be designed to strengthen positive feedback loops. Sometimes this required additional interventions with other actors. In the case of media, for example, ENABLE was aware that partner media houses would only sustain new, investigative, field-based media content if they could monetise the new content through advertising or sponsorship. However, in the North of Nigeria few media houses made use of industry audience research, meaning that they had little credible information on how popular the new content was, which also put them at a disadvantage when negotiating with advertisers. This lead to an additional ENABLE intervention designed to improve the acceptance and uptake of audience research by Northern media houses, thereby strengthening positive feedback loops and increasing the chances of sustainability (see Figure 1).

Figure 1: Sustainability Feedback Loop in Media



ENABLE Media Interventions

1 Initial intervention to support partner media houses to design and launch new small business content that was issue-based, investigative, and field based.

2 Secondary intervention to increase the acceptance and use of industry audience research (produced by the All Media Planning Service) by partner media houses.

Although the sustainability feedback loop is most obvious in the case of commercial media, all interventions require some kind of positive feedback loop if they are to be sustained. For example, a BMO will only continue to invest in advocacy if the organisation and its staff receive some kind of benefit (although not necessarily material), such as increased visibility and relevance, or increased member satisfaction leading to increased membership and payment of dues. Again, strengthening these feedback loops often required additional ENABLE interventions, such as helping partner BMOs to improve member communication and fundraising skills. It also required ENABLE to work on both the 'demand' and 'supply' side simultaneously: BMOs are more likely to invest in advocacy if they have a responsive government counterpart, and MDAs are more likely to invest in consultation if they have private sector counterparts that are able to provide useful and realistic policy inputs.

Aiming for sustainable outcomes didn't necessarily mean always working in a light-touch manner. Sometimes intensive handholding was required to help, for example, a grassroots BMO execute their first proper advocacy campaign. For the next iteration, ENABLE would aim to reduce its level of support, with the aim of phasing out programme support entirely as partner capacity is built and the partner fully realises the benefits of the practice change.

Thinking hard about sustainability also forced ENABLE to think about ways in which solutions could be delivered at lower cost. The question became not 'can we as a donor programme afford to implement this solution?', but 'could a local actor afford to implement this solution in the absence of donor funding?'. Very often this involved aiming for solutions that were 'good enough' rather than 'best practice'. For example, in the case of media, ENABLE2 realised that the cost of conducting extensive field-based reporting was too high for many media partners. ENABLE2 therefore piloted a community journalism intervention, whereby partner media houses were trained to recruit and train a network of citizen journalists, thereby allowing expanded rural coverage at lower cost (albeit at lower quality than professional journalists could provide).

To get this right often took time. For example, ENABLE initially tried to encourage BMOs to commission policy research from ENABLE research partners – when it became apparent that few BMOs outside Lagos could afford to do so without high programme cost-sharing, ENABLE looked at lower cost (and lower quality) options such as member-produced research or university internship schemes. Although ENABLE always developed a vision for sustainability for each intervention, it didn't always do the necessary upfront analysis to test whether the proposed vision was incentive-compatible. For example, a proper analysis of the ability and willingness to pay of BMOs for commissioned research would have led ENABLE to pivot to lower-cost strategies more quickly.

As discussed in Section A, ENABLE often faced a conflict between sustainability and impact objectives, especially towards the end of the programme when the pressure to demonstrate impact intensified (see Section E). For example, for complex BE issues ENABLE would sometimes collaborate with other donor programmes able to provide more direct technical inputs. Strict sustainability criteria would say not to get involved in this way, but this risked the attainment of ENABLE Logframe targets which required the passage and implementation of a number of large-scale (and often complex) reforms.

Discussion Box 3: Measuring Sustainability

Is it actually possible to measure sustainability? While the negative case – unsustainability – can be directly observed (for example when a PPD Platform collapses once donor funding is withdrawn), it is harder to claim definitively that a sustainable result has been achieved.

To make the task manageable, sustainability should not be conceptualised as an absolute state but rather as the likelihood of a particular change continuing into the near future. The measurement challenge, therefore, is not to definitively prove that a particular change will be sustained forever, but to look for evidence (for and against) that a change has a high likelihood of sustainability over the near-term.

A good test of sustainability is if a practice change is maintained, to a good enough standard, several years beyond the end of programme support. A particularly strong case for sustainability can be made if the practice change survives adverse shocks such as the loss of the former 'change champion(s)', or an economic downturn. This requires monitoring of partners after the end of project support and, ultimately, post-programme evaluations (which unfortunately are still a rarity in development).

Even while a partnership is on-going, however, it is still possible to look for signs of future sustainability. Programmes need to consider both the continued capacity 'to do', and the willingness and ability 'to pay' of partners. Some of the factors ENABLE looked for includes:

- Strong buy-in and ownership of the practice change, beyond the initial change champion(s) and including high-level management or decision-makers;
- Commitment of time and money by partners, for example an MDA budgeting for consultation activities;
- Institutionalisation of the practice change, for example through a written commitment to consult on all future regulatory changes;
- Embedding of knowledge, for example through the adoption and housing of advocacy guidelines within a BMO;
- Independent adaptation and continuous improvement of the original practice change, for example a newspaper adding new segments or features to a small-business supplement;
- For functions provided by commercial actors (such as research products delivered by commercial research institutions), evidence of sufficient commercial returns to justify further investment.

Being locally-led in practice

Central to the ENABLE approach has been forming close partnerships with local actors, with strong commitment on both sides to jointly agreed partnership objectives. Actors were selected in part based on a stated willingness to improve and to test new solutions and ways of working. Although ENABLE would often suggest possible solutions – such as the format for a new radio show – the programme always left room for partners to make adjustments or suggest alternatives.

ENABLE learnt early on to take money off the table as a way to avoid partnering with actors primarily interested in securing donor funding. Partner ownership of the change process was continually tested throughout the partnership: for example, if the government partner did not invest the required staff time in the consultation event, ENABLE would put on hold the next iteration of support. Learning to do this well took time. For example, ENABLE1 was often too slow to exit non-performing partners, in some cases leading to increasing (rather than diminishing) intensity of support as ENABLE took on more and more responsibility and ownership for the attainment of partnership objectives. It took time to build an organisational culture in which staff were able to openly acknowledge that a partnership was failing and to take corrective action.

ENABLE also kept a low profile. Although ENABLE would host its own events (such as learning workshops with research institutions to promote peer learning and replication), ENABLE never inserted itself into the dialogue or reform process. While ENABLE staff might attend partners' PPD events as observers, partners' events or publications were as a rule not branded with the ENABLE or donor logo. As well as the desire to maximise local ownership, ENABLE worried that if it was known that an external donor was supporting a particular initiative it risked changing the perceptions and incentives of participants or audiences. For example, government officials might start demanding sitting allowances or travel expenses to attend a BMO partner's roundtable, or people might question the editorial integrity of a media programme receiving support from an outside government, further undermining the prospects for sustainability.

Another important element of being locally-led was to cede control of the reform agenda and allow local actors themselves to identify and prioritise BE issues. This led to a wide range of issues being raised, from large federal legislative issues like the collateral registry act to small, administrative issues like the harassment of mechanics by vehicle inspection officers. Many of the issues were completely off-the-radar of typical BE reform programmes.

Under ENABLE1 partners were given the freedom to select any BE issue of their choosing (already having a chosen advocacy issue was taken as a demonstration of commitment and was made a prerequisite for support). ENABLE1 rarely provided specific comment on the issue chosen for fear of imposing an outside agenda and weakening local ownership. However, by the end of ENABLE1 and into ENABLE2 the programme had adopted a more nuanced approach, for several reasons.

Firstly, organisations were often bad at defining and prioritising issues. For example, AOs would often pick an issue that was poorly defined or not realistically capable of resolution. 'Access to finance' was a commonly identified constraint facing grassroots members, but which covers a host of different laws, policies, regulations, and banking practices, many of which would be very hard for a grassroots AO, even in coalition, to tackle. ENABLE saw this as both a risk to the attainment of its impact-level targets and its sustainability objectives, the fear being that partners themselves would become frustrated at the lack of progress and seeming intractability of issues and conclude that advocacy (or consultation) was not worth the effort. This led ENABLE2 to being more active in working with partners to shape their reform priorities whilst at the same time trying to maintain strong local ownership.

Secondly, once an issue was chosen, in several instances partners arrived at policy recommendations that were not practical to implement, would not deliver the desired outcomes, or would do more harm than good. Because ENABLE1 was agnostic with regards to the issues chosen, it often did not pay close enough attention to the content of reform proposals, instead focusing on the process by which they were arrived at (and the capacity of partners to repeat the exercise). To minimise the risk of doing harm, and increase impact, ENABLE2 decided to invest more resources in ex-ante impact assessment and scrutinising the contents of partners' policy proposals.

Cynthia Onu, presenter at ENABLE partner Wazobia FM, interviewing a market vendor who described how she would struggle to pay her children's school fees because of the government closure of the Mile 12 market in Lagos.

Being politically-smart in practice

ENABLE recognised from the start that BE reform was an intensely political process. The challenge the programme set itself was not just to navigate the political economy landscape, but to actively shape it for the better by strengthening pro-reform, pro-poor actors and by creating more open and inclusive policy-making processes. Over time ENABLE got better at identifying these opportunities, for example by investing in extensive state-level political economy analysis at the start of ENABLE2, and using media monitoring and intelligence from State Coordinators to respond to new reform opportunities and changing political dynamics.

ENABLE partnered with three key pro-reform, pro-poor constituencies. Firstly, ENABLE partnered with a variety of Advocacy Organisations, including BMOs and Chambers of Commerce but also, under ENABLE2, faith-based organisations interested in advocating on livelihood issues affecting the poor. ENABLE worked with both grassroots organisations, with a clear pro-poor mandate, but also organisations representing bigger businesses that nonetheless were interested in promoting pro-poor reforms (such as the Equipment Leasing Association of Nigeria, which advocated for the passage of leasing legislation that would increase access to finance for large and small businesses). ENABLE invested considerable time during the scoping and diagnostic stages to understand the governance arrangements and membership structure of potential partners in order to assess the real driving forces in each organisation and to spot signs of government or elite capture. Oftentimes this meant eschewing the 'usual suspects'. For example, many of the chambers of commerce in Northern Nigeria are in reality government entities, with no real fee-paying membership or active member engagement. Similarly, many farmer associations suffer from elite capture and do not truly represent smallholder interests. Taking money off the table also provided an additional test of partners' genuine commitment to reform.

Having selected advocacy partners, ENABLE supported these partners to become more effective advocates on behalf of their members, using a variety of tools such as advocacy training and mentoring, or media relations training. Recognising that many grassroots organisations in particular lacked the clout to effectively advocate individually, ENABLE also actively brokered linkages and coalitions of AOs, or supported the creation of PPD Platforms that were open to smaller groups.

Secondly, ENABLE partnered with media houses, both commercial and state-owned, covering print, radio, and television. ENABLE worked with media partners to create new media programming that would increase the voice of poor men and women in particular, through issue-based, investigative, field-based content. Again, some time was spent at the diagnostic stage and during the pilot phase to understand the willingness of the media house to challenge government and give voice to the poor. This was a particular challenge with state-owned media houses, several of which were unwilling to investigate issues that might embarrass the government.

Several commercial media houses, including a well-known national newspaper, showed similar hesitancy, particularly those that relied on government as their primary source of advertising revenue. Media houses wedded to a pay-to-play business model were also uninterested in developing content investigating issues facing the poor, preferring to produce soft profiles of government or business elites or to regurgitate government press releases. As well as targeting sustainability, the ENABLE intervention around audience research was therefore also designed to shift prevailing incentives in the media industry to encourage more pro-poor (and therefore popular) media content.

> *"[The National Assembly Business Environment Roundtables (NASSBER)] has already started to make a difference, both to the laws that frame the business environment and to the way in which those laws are developed and debated. There has been broader consultation and more intense scrutiny of the detailed provisions of Bills before both chambers of the National Assembly. Through the operation of NASSBER, legislators are better able to engage not only with businesses and civil society but also with the executive branch of government and with the implementing ministries, departments and agencies. The result of this improved process is more rapid passage of legislation through the Assembly and higher quality laws which can be more effectively implemented."*
>
> **Right Honourable Yakubu Dogara, Speaker of the House of Representatives**

Thirdly, ENABLE partnered with pro-reform champions within government, both within MDAs and the legislature. The aim was to create more open, inclusive, and evidence-based policy-making within government through improved consultation practices. Many MDAs were uninterested in partnering with ENABLE, including several regulatory agencies whose staff materially benefited from the rent-seeking enabled by overly bureaucratic and opaque regulatory processes. However, ENABLE did find reform champions in a number of state and federal MDAs and later within the

Participant at the Gender And Business dialogue platform in Katsina.

National Assembly who – whether motivated by the desire to please a pro-reform governor, increase the visibility (and budget) of their ministry, or simple altruism and professional pride – were willing to meaningfully engage the private sector in the policy-making process.

Political economy analysis was also used at the reform-level. As BE issues were identified by partners, ENABLE2 undertook a prioritisation exercise based on the potential pro-poor impact and the likelihood of successful reform. For high-priority issues, the programme sought to link various pro-reform groups together in order to further increase the probability of reform. For example, a BMO advocating on a particular issue might be linked with other relevant BMOs and also media houses interested in covering pressing BE issues. This brokering of relationships around high-potential BE issues was a key element of success in ENABLE2.

As noted above, being politically-smart sometimes required ENABLE to nuance its approach to being locally-led. ENABLE2 became more hands-on in helping partners to select issues, for example by providing additional training to AOs on issue-selection and political economy analysis, and providing regular feedback and guidance. However, given the emphasis on sustainability and local ownership ENABLE did not seek to actively police every BE issue or position paper produced by partners, resulting in several cases where partners identified issues or positions that were unrealistic to achieve or implement. This required ENABLE staff to constantly judge when to intervene and when to step back.

Making the approach work: enabling factors

Perhaps the most important factor in making the approach work has been the strength of the local core team and the network of local consultants. Making a success of the shift from a BMO Challenge Fund to a genuinely sustainable, locally-led, politically-smart approach under ENABLE1 would have been impossible with a team originally formed to administer grants to BMOs.

The tasks involved in implementing successful, locally-led partnerships – identifying potential partners, assessing political economy drivers, making the case for change (while taking money off the table), testing initial commitment, developing a tailored package of support designed to overcome the particular incentive and capacity constraints of the partner, monitoring performance and adapting to what is and is not working, and continually tracking and testing local ownership – are far more nuanced and complex than administering grants through a rigid call for proposals mechanism. ENABLE1 therefore invested heavily in training and mentoring for the core team.

Although approaches like the one followed by ENABLE are sometimes portrayed as ‘hands-off’, working in genuine partnership is also far more work-intensive than simply administering grants, and is not a task that can be outsourced to fly-in, fly-out consultants. ENABLE1 also therefore significantly expanded the core team, from the initial three technical team members[7] to ten by the end of phase 1. This grew further to 16 by the end of ENABLE2.

An important part of being locally-led has also been the privileging of local knowledge and local ‘best-fit’ solutions over international expertise and global ‘best practice’. This has been mirrored in both the staffing of the core team and in the network of consultants. ENABLE still made use of international consultants where the requisite expertise was not available locally, but also invested in building a network of trusted local consultants (for example by pairing an international with a local consultant on assignment) so that, over time, the utilisation of local consultants increased. By the end of ENABLE1, nine of the ten core technical team were Nigerian, and 71% of short-term consultant days were performed by Nigerian consultants, increasing to 86% by the end of ENABLE2.

7 A Team Leader, Grants Manager, and Contracts Manager.

D. What did ENABLE achieve, and what difference did the approach make?

Whilst this paper is not intended as a comprehensive assessment of the results of ENABLE, for context the table below provides a summary of the key Logframe results taken from the independent Project Completion Reviews.

Table 1: Summary Logframe Results from ENABLE 1 and 2

	ENABLE1 (2008-14; £12mn)	ENABLE2 (2014-17; £11mn)
System-level		
Number of BMOs / AOs improving their advocacy practices	19	17
Number of Government MDAs improving their consultation practices	8	10
Number of media houses introducing new w media products	14(a)	12
Number of AOs, MDAs, and media houses obtaining research from project-supported RIs	15	27
Impact-level		
Number of additional / improved dialogues held	82	65
Total number of BE reforms contributed to	13(b)	17
Number of micro-enterprises benefiting from an improved business environment	1,820,000 (30% female-owned)	608,200(c) (19% female-owned)

Notes: (a) the ENABLE1 PCR reports 20 media houses, although the correct figure is 14 (11 partners plus 3 copycats). (b) Of the 13 reforms, 5 had been implemented by the time of the ENABLE1 PCR. (c) Due to the shorter lifetime of ENABLE2 it was not possible to conduct full impact assessments on all reforms passed; this number is therefore an underestimate of eventual impact (especially if further reforms are passed). The external review team estimated that the eventual impact of ENABLE2 could reach 12.3 million (54% female).

The rest of this section looks at the sustainability of the results reported by ENABLE, before moving on to ask what difference the core principles of sustainability, locally-led, and political-smart made to the results achieved.

How sustainable are the results achieved by ENABLE?

By no means have all the practice changes introduced by ENABLE partners been sustained. However, ENABLE has recorded positive signs of sustainability across all four components.

The media component perhaps shows the strongest and clearest signs of sustainability. Some of the media products introduced with ENABLE support have been running for over seven years, to a consistently high standard, and without any direct financial support from ENABLE. For example:

- With the support of ENABLE1, Daily Trust (the most widely read national newspaper in the North), launched a weekly page dedicated to Northern business and agriculture. The issue-based, investigative content has been sustained for seven years, and has grown and morphed into various features and segments, most recently Golden Harvest, a four-page weekly segment sponsored by Bank of Agriculture, and a Woman in Business page.
- Freedom Radio Kano (the most popular radio station in the North), launched Da Rarafe seven years ago. The programme has investigated a range of issues, including market fires, government fertiliser policy, and access to finance. According to industry figures, Da Rarafe has over 400,000 listeners, and has been replicated across the Freedom network (see Case Study Box 1).
- Jigawa State Radio introduced a weekly business environment programme called Sana'a abin Dogaro. Following capacity building for the marketing team, combined with the audience research intervention, advertising revenue at the station has increased 45%. On the back of this success other issue-based, investigative programmes have been introduced by the station.

Producing field-based, investigative media programming is more costly than the typical phone-in or chat-show. To be sustainable, therefore, media partners had to see that these programmes were popular, and that this popularity could be monetised through increased advertising, sponsorship, or cover sales (in the case of newspapers). Engaging both production teams and marketing teams was therefore critical. Even with this twin-track approach, with few Northern media houses subscribing to the industry audience research produced by the All Media Planning Service (AMPS), many ENABLE partners did not see a clear link between the new content, increased popularity, and improved revenues. The ENABLE2 intervention to promote the uptake of AMPS research by Northern media houses was therefore vital. To date eight media houses have subscribed, and the effect on revenues has been striking in some cases.

ENABLE also looked at ways of reducing the cost of field-based reporting. In a pilot with Freedom Radio, the station formed a network of 45 community journalists from across rural Kano. The network has allowed Freedom to vastly increase its geographic coverage at a fraction of the cost (Freedom pays a small commission for each report aired).

Another challenge to sustainability is the high levels of staff churn within the media industry. ENABLE worked with star partners to develop in-house training programmes in order to ensure knowledge and capacity was retained within the organisation without the need for constant retraining by ENABLE.

Case Study Box 1: Freedom Radio

Freedom Radio is a commercial radio media group based in Kano, broadcasting in Hausa and English. At the start of ENABLE1, Freedom Kano was the most popular radio station in the north, with about 6 million listeners.

ENABLE first approached Freedom Radio in 2009 with an offer to help the station develop a new, investigative, field-based small business programme. At the time, Freedom Radio had no dedicated small business programming, and produced no real field-based or investigative content. Although senior management was initially sceptical about the commercial viability of such a programme, with ENABLE support Freedom Radio developed and launched Da Rarrafe, a 30 minute small business programme.

To achieve sustainability, it was critical to demonstrate to management that Da Rarrafe was both high-quality and popular, and that this popularity could be monetised through increased revenues and sponsorship. ENABLE therefore provided training and mentoring to both the production team – to develop the initial concept and to build skills in story identification, field-based reporting, and investigative journalism – and the marketing team.

By the end of ENABLE1, internally produced audience research showed Da Rarrafe was the sixth most popular programme at the station (out of 137), and a lucrative sponsorship deal convinced management of the commercial viability of the programme.

> *"Because of this [ENABLE] input, the quality of our products has shot up and we were able to double the time allocated to this programme [Da Raraffe] and the listenership has grown."*
>
> **Faruk Dalhatu, Managing Director, Freedom Radio**

The partnership with Freedom Radio continued into ENABLE2. The programme undertook a number of initiatives to further cement the sustainability of Da Rarrafe (and the broader principles of field-based, investigative reporting):

Under the intervention with audience research firm All Media Planning Service (AMPS), Freedom Radio subscribed to AMPS for the first time, giving it access to comprehensive audience ratings for all its programmes and allowing it to negotiate better commercial terms for popular programmes with advertisers.

To encourage Freedom Radio to further expand its coverage of rural issues, ENABLE piloted a community journalism scheme. Freedom Radio now maintains a network of 45 community journalists, paying each a small stipend, allowing it to identify and investigate issues across Kano at a fraction of the cost.

To ensure continuity in the event of staff departures, ENABLE supported Freedom Radio to embed an upgraded in-house journalist training scheme, covering many of the techniques and skills first introduced by ENABLE.

By the end of ENABLE2, Da Rarrafe had been running for over seven years, without ever having received any direct financial support from ENABLE. In recognition of the programme's popularity, Da Rarrafe was moved to a prime-time slot; according to the latest AMPS survey, Da Rarrafe has a listenership of 440,000. Many of the elements of Da Rarrafe have been replicated on other Freedom Radio programmes, and Da Rarrafe itself has been replicated on Freedom Kaduna and Freedom Jigawa. All this points to a high-level of management buy-in and strong prospects for sustainability.

This new small business programming gives real voice to poor men and women, particularly in rural areas, on the Business Environment issues that matter most to them. For example, Da Rarrafe investigated complaints of small businesspeople in Kano about multiple and illegal taxation. The investigation was attributed by traders in Kano to have directly contributed to an improvement in the situation; Kano State has stopped official tax collection while the situation is reviewed and revised.

"Listening to Freedom Radio has helped. Look at me, I sell groundnut oil in this market and the tax collectors collect taxes from us like three or four times a month, but since people listened to the radio on multiple taxation and complained bitterly about it, they have stopped for now. Now the state government knows what local government is doing and we also know our rights and why we should pay tax"

Maijidda Hassan, Market Trader, Kano

In the **advocacy component**, multiple partners have continued to advocate effectively beyond the end of direct programme support, including the Lagos Chamber of Commerce, whose partnership with ENABLE1 ended over five years ago (see Case Study Box 2). Other signs of sustainability include the creation of new advocacy-related positions (fully paid for by the organisations), increased resources devoted to advocacy, and the repeated application and spread of 'good practice' advocacy techniques. For example:

- Equipment Leasers Association of Nigeria (ELAN), whose partnership with ENABLE1 ended in 2014, has continued to advocate around the Leasing Act, including successfully fighting a proposed repeal of the Act. ELAN was also part of the advocacy campaign to pass the Secured Transaction and Moveable Assets Bill. ELAN has created a dedicated Advocacy Committee, and has budgeted for advocacy activities for the last two years.
- Nigeria Economic Summit Group (NESG), appointed a full-time Advocacy & Fundraising Manager, a first for the organisation. NESG has been instrumental in the success of the National Assembly Roundtable and has seconded two staff (see Case Study Box 3).
- Quintessential Business Women's Association (QBWA) has notched up a number of advocacy successes, including the eventual disbursement of Central Bank subsidised loans for female business-owners. QBWA has appointed a Media Relations Manager and an Advocacy Officer.

Advocacy partners are more likely to sustain good advocacy practices when three conditions hold:

1. They achieved early advocacy successes;
2. They have the financial means to fund further advocacy efforts; and
3. They are able to pay for dedicated advocacy positions (rather than relying on temporary volunteers, which makes it harder to institutionalise knowledge within the organisation).

For those grassroots organisations genuinely representative of their members, the desire of leadership to make a real difference to the lives of their members (and their own lives as businesspeople) has provided a strong incentive to sustain successful advocacy efforts. However, funding has been a particular challenge; ENABLE has had most success with organisations representing members who cluster together, such as market traders, or mechanics, where it is easier to communicate with members, collect dues, and overcome collective action problems.

"ENABLE2 opened our eyes to great possibilities; we never knew we could engage the governments and get specific commitments."

Abdullahi Suleiman, Secretary, Kaduna Chapter of the Nigeria Automotive Technicians Association

Case Study Box 2: Lagos Chamber of Commerce & Industry (LCCI)

LCCI is the oldest business association in Nigeria. LCCI was one of the first organisations to partner with ENABLE1, in August 2009. At the time of writing LCCI had not received any support from ENABLE for five years, making it an interesting test case for sustainability.

The initial focus of support was to help LCCI create a PPD Platform. LCCI had some experience of hosting ad-hoc dialogues, but had never succeeded in establishing a regular and effective PPD platform. ENABLE helped LCCI to design a new platform called the Business Environment Roundtable. Capacity building, mentoring support, and limited cost-sharing were provided during the first three roundtables. The support was provided on a declining basis to ensure LCCI received the support needed without crowding out local ownership and learning-by-doing. ENABLE also provided sponsorship advice to ensure LCCI could attract the funding required to sustain the platform, and media relations support to ensure that the roundtables would generate widespread media coverage. ENABLE also helped LCCI to hire its first advocacy officer, helping with the recruitment and paying their salary for the probationary period (three months).

At the consolidation stage, ENABLE supported LCCI to embed the roundtables within LCCI. This included facilitating a visioning session with the board, and helping the advocacy team to trumpet the success of the roundtable in raising the visibility of LCCI and improving relations with both members and government.

> *"The partnership with ENABLE has been very rewarding and beneficial. Before, we had no dedicated advocacy desk or advocacy manager. Our visibility and profile has really increased. The Government has to listen to us more. The Senate President, the CBN Governor never would have come to our events before."*
>
> **Muda Yusuf, Director General, LCCI**

By the end of ENABLE1 in 2013, LCCI had gone on to host three further roundtables without any direct support from ENABLE. LCCI succeeded in attracting sponsorship and media partnerships for the majority of events. LCCI had retained the advocacy officer (paying 100% of their salary), and had just hired a research officer.

Five years after the end of the ENABLE1 partnership, many of the changed introduced with ENABLE support have been sustained. LCCI has continued to host the roundtables (now called the Stakeholders' Forum), organising at least two roundtables per year (plus other ad-hoc advocacy campaigns). The Advocacy & Research team has also grown to four full-time staff. LCCI has advocated on a host of important BE issues, including taxation, business registration, ports, and power reform.

In the **government component**, similar signs of sustainability have been recorded: multiple MDA partners have continued to consult with the private sector beyond the lifetime of ENABLE support. In some cases this has occurred despite the loss of the initial champion. Several MDAs now budget regularly for consultation activities, and some have institutionalised in-house training for staff utilising training materials and how-to notes originally provided by ENABLE. For example:

- Lagos Ministry of Commerce, which last received support under ENABLE1 in 2013, continues to host regular consultation sessions with artisanal groups as part of its empowerment programme. New staff in the Enterprise Unit are trained in consultation techniques by the Ministry using ENABLE-provided materials.
- The Kano Ministry of Commerce has hosted five consultation sessions in the last year, the last of which was delivered without any technical or financial support from ENABLE.
- Both the Kano and Kaduna Ministries of Commerce have budgeted for consultation activities, a first for both organisations. Both have created 'branded' PPD Platforms which have survived changes in political leadership.
- At the federal-level, the National Assembly has created a private sector liaison office, staffed by two full-time civil servants, to support the work of the Business Environment Roundtable (see Case Study Box 3).

As with Advocacy Organisations, funding has been a major challenge to the sustainability of government consultation practices, particularly given the pressure on government revenues resulting from the fall in oil prices. Making a convincing case regarding the benefits of consultation, such as more effective delivery of policy objectives or improved state-business relations, has been critical to securing on-going budget commitments. This has obviously been easier in states with reform-minded leadership. The fall in oil prices in some ways has actually helped: all levels of government are keen to expand the non-oil tax base and tax-receipts, which can be helped by a more enabling business environment and more transparent and accountable tax systems.

Compared to other components, the political cycle poses particular challenges, with heads of ministries often changing following each four-year election. To be sustainable, improved consultation practices have to survive changing political heads and changing political priorities. To mitigate this risk, ENABLE has been careful to engage at different levels, including the mid-level civil service who are more likely to survive changes in political leadership. Creating 'branded' PPD Platforms, with strong levels of co-ownership from advocacy organisations unaffected by the political cycle, has also helped (see below).

As ENABLE2 moved into Northern states with weaker state institutions, although some consultation successes were recorded, partners required substantial handholding, and ultimately proved too weak to sustain many of the new consultation practices. A much longer period of engagement would be required to achieve eventual sustainability.

Of the four components, the research component has faced the biggest sustainability challenges. ENABLE has been successful in promoting useful practice changes within partner research institutions, such as much more accessible and impactful presentation and dissemination of research. There have been some signs of sustainability: for example, NOI Polls produced a manufacturing sector survey without any financial support from the programme (utilising the fundraising and marketing skills provided by ENABLE). In general, however, there remains a question mark over who will pay for good quality BE research post-ENABLE.

Under ENABLE1 the research strategy focused on catalysing a commercial market for BE research: building the demand-side by raising awareness of the importance of research in advocacy and policy-making; supporting the supply-side to provide more relevant, impactful, and affordable research; and brokering linkages and providing cost-sharing to kick-start the market. Although there were many examples of research institutions producing good quality research, being used to good effect by advocacy and government partners, the level of ENABLE cost-share remained high throughout ENABLE1, with only a few examples of partners meeting the full cost (all in Lagos or at the federal level). The majority of AOs and MDAs, particularly in the North, did not have the ability or willingness to pay for commissioned research. Consequently, on the supply-side, research partners were only ever lukewarm regarding the market potential of the AO and MDA market for BE research.

As ENABLE2 dropped Lagos as a focal state, and added two Northern states with very low levels of research capacity, and reflecting on the successes and failures of ENABLE1, the programme reduced its focus on promoting market-based solutions and instead explored non-market based, low-cost solutions:

- University placement scheme – ENABLE piloted a scheme with Admadu Bello University (ABU) to place third year students with AOs and MDAs, with the task of producing a piece of policy research. ABU provided orientation training and supervision; the host organisations paid a small stipend to cover travel costs.
- AO and MDA produced research – ENABLE supports various AO and MDA partners to produce their own research. For example, the Kaduna Chamber of Commerce enlisted members to keep a tax diary, which were collated and used in the Chamber's campaign to reduce multiple and illicit taxation.
- State-level Bureaus of Statistics – ENABLE2 partnered with various Bureaus of Statistics to improve the relevance and dissemination of public research. For example, the Kaduna Bureau produced an agricultural survey which has used by stakeholders in various policy and advocacy initiatives.

It is generally too early to tell to what extent these initiatives will themselves be sustained (at the time of writing ABU seemed unlikely to repeat the placement scheme). Whether it is possible to catalyse the sustainable provision of good quality policy research therefore remains an unanswered question.

In terms of **PPD Platforms**, whilst several ENABLE-supported Platforms have not been sustained, a good number show strong signs of sustainability. In contrast to the record of donor-led platforms (see Section B), ENABLE has demonstrated that it is indeed possible to create effective platforms that are owned and funded by local actors. For example:

- The LCCI PPD Platform has been running without ENABLE support for over five years (see Case Study Box 1).
- The Kaduna Ministry of Commerce launched **Business Weeks,** a quarterly dialogue platform. After initial cost-sharing with ENABLE, the third session was fully funded by the Ministry. The Ministry has budgeted for future sessions, and the private sector has enthusiastically embraced the platform.
- The **Gender And Business** platform in Kaduna is now in its third year and is fully paid for by the Ministry of Women's Affairs (with secretarial functions shared with two women-focused associations). With ENABLE support, GAB has now been replicated in neighbouring Katsina and Jigawa.
- Although still in its infancy, the **National Assembly Roundtables** look likely to be sustained beyond the end of ENABLE2 (see Case Study Box 3). The National Assembly has committed two full-time civil servants to the initiative (under the newly created private sector liaison office); the Nigerian Economic Summit Group has seconded two staff to the secretariat; and the Nigerian Bar Association has provided pro-bono inputs. Between the first and second annual NASSBER events ENABLE cost-share declined from 75% to 15%, and NASSBER has hosted numerous technical working group meetings (six on the Competition Bill alone) with zero cost-share from ENABLE.

> *"This is the first time, we … will have the opportunity of participating in such an event and our being here is because women businesses do not want to be left behind. We commend the Ministry of Commerce for such an initiative."*
>
> **President, Kaduna State Women Traders Association commenting on Business Weeks**

An important ingredient of success has been to allow the form and function of the platforms to grow organically (with strategic 'nudges' from ENABLE) to meet the needs and interests of different stakeholders and to encourage strong local ownership. Platforms also seem more likely to be sustained, and more impactful, when the public and private sectors both feel strong ownership of the platform and are enthusiastic participants, which ENABLE has supported and encouraged (made possible by the ability of ENABLE to work on both the 'demand' and 'supply' side).

What difference has sustainability made to the impact achieved?

Although it is too early to provide a comprehensive answer to this question, there are already encouraging signs that the sustainable changes described above will translate into improved and lasting impact.

As noted in Section A, one motivation for pursing system-level sustainability is to reduce the probability of reform reversals. We have already seen this play out in practice. One example is ELAN, which under ENABLE1 successfully advocated for the passage of the Equipment Leasing Act; several years later ELAN successfully advocated against the repeal of the Act. There are also several examples of former ENABLE partners successfully pursuing reform on new BE issues, with no or minimal programme support. Unfortunately no post-programme evaluation is planned for ENABLE2, but if this trend continues one should observe the gradual accumulation of new reforms, further boosting programme impact and Value For Money.

Another motivating factor in the pursuit of system-level sustainability is that, for more complex reforms, successful implementation requires continued dialogue, advocacy, and monitoring over a number of years (typically beyond the lifetime of an average donor programme). There are several examples from ENABLE of public-private structures, created and owned by local actors, that increase the chances of successful implementation post-ENABLE. A good example is the Tax Implementation Committee charged with overseeing the new National Tax Policy, which was first passed following advocacy and input from ENABLE partner NASME (a national association for small and medium enterprises). ENABLE2 estimates that the agreed reduction in corporation tax for small businesses, from 30% to 10%, will increase incomes for 1.3 million microenterprises. However, these benefits will only be realised if the policy is successfully implemented, which is where the Implementation Committee comes in. Created by the Federal Inland Revenue Service, in recognition of its previous inputs NASME was invited to join, ensuring continued public-private engagement throughout the implementation process.

"This is the first time that a private sector association will partner with the Tax Authorities on tax implementation. We believe this partnership will yield mutual benefits for government and MSMEs"

Babatunde Fowler, Chairman, Federal Inland Revenue Service

It should be noted that for several reforms, ENABLE benefited from collaboration and input from other donor programmes pursuing more direct, donor-led approaches. For example, the Competition Act benefitted from expert technical input from GEMS3. Whilst the policy process that ENABLE helped to create, which led to the rapid advancement of the Act through the legislature, will hopefully be sustained, the expert technical input from GEMS3 will not.

What difference has being locally-led made to the impact achieved?

As noted in Section A, there is close complementarity between sustainability and local ownership. All the cases of sustainable practice change described above are underpinned by strong local ownership.

Another aspect of being locally-led has been to allow local actors to set the reform agenda. This is reflected in the wide variety of BE issues identified by ENABLE partners. Although some of these align with outside perceptions of Nigeria's reform priorities, as reflected for example in the World Bank Doing Business rankings, many of the issues raised, especially by women's groups, grassroots organisations, and local media, are under-the-radar of the typical donor-led BE reform programme. For example:

- The problem of **persistent fires** across Kano's many marketplaces[8], caused by poor urban planning, lack of fire prevention equipment, and poor fire prevention awareness among some traders, with the effects exacerbated by the lack of property insurance. The issue was first investigated by ENABLE media partner Freedom Radio, then picked up by other partners including the Ministry of Commerce. Following repeated coverage in the media, advocacy by several associations, and dialogue efforts led by the Ministry, concrete action was eventually taken in several markets (estimated to benefit nearly 20,000 traders and workers), with many more set to benefit as changes are replicated across Kano.
- **Harassment of fruit and vegetable traders** by federal Vehicle Inspection Officers (VIOs), leading to delays, extortion of bribes, threats of arrest, and increased food wastage. The issue was identified as a priority by the Kaduna Market Association during a Focus Group Discussion held by the Ministry of Commerce (introduced following ENABLE support). Following the consultation sessions, the governor of Kaduna banned federal VIOs from state roads. Initial impact assessments show a reduction in harassment reported by traders, with an estimated 6,400 traders expected to benefit.

These smaller-scale, more administrative changes at the state-level have been complemented by more transformational, national issues, such as the Competition & Consumer Protection Act which, if implemented effectively, could reduce prices by 10% in key sectors and spur the creation of 318,000 jobs.[9]

As noted in Section A, a locally-led approach risks local actors identifying the 'wrong' issues, or formulating the 'wrong' solutions. There are several examples of this happening in practice. For example, although not a direct partner but a copycat (who replicated some of the advocacy techniques introduced to NASME by ENABLE2), the Pharmaceutical Manufacturing Group advocated for an import duty of 20% on finished pharmaceuticals whilst removing import duties on pharmaceutical raw materials. Whilst this may encourage local pharmaceutical production, the net effect on prices for Nigerians may well be negative.

Whilst it is hard to definitively demonstrate that being locally-led delivered superior results to a more donor-led approach, there is some anecdotal evidence to support this view. The remarkable success of NASSBER, for example, seems in large part due to the fact that it is seen as a home-grown initiative, with strong local ownership across the legislature and in the private sector (see Case Study Box 3).

8 Kano is the centre of trade in Northern Nigeria and contains 12 designated 'specialised markets' and many more local markets. To give an indication of size, Abubakar Rimi Market, one of the 12 designated markets, houses an estimated 15,000 stores, with up to three times as many informal or mobile stores.

9 See Agbaje (2016).

What difference has being politically-smart made to the impact achieved?

Being politically-smart led to important differences in the types of organisations a BE reform programme might be expected to engage with. ENABLE often eschewed the ‘usual suspects’, who were often captured by the elite or not truly representative of their members. For example, the advocacy component initially engaged all five of the big apex bodies, but only really developed a substantive partnership with NASME (and to a lesser extent the manufacturers association, MAN). ENABLE also entered into a partnership with the Council of Ulamas, a faith-based organisation with a strong pro-poor mandate, who were interested in advocating on weights and measures – not a typical partner or BE issue. On the government side, ENABLE did not enter into a partnership with the Federal Ministry of Trade & Industry, or with the Executive, but did find good entry points with the National Assembly, for example. As a result, ENABLE partners were typically highly motivated and committed to advocacy and reform initiatives.

Seeing BE reform as a political, rather than a technocratic, process also led ENABLE to focus on ways to create more transparent, open, inclusive, and effective policy-making processes. The most notable success is the National Assembly Roundtables, which in its short lifetime of 18 months has passed more BE legislation than in the previous two decades of donor-led efforts (see below).

Case Study 3: National Assembly Business Environment Roundtable (NASSBER)

The legislature in Nigeria is one of the least productive in world. Recognising that this would be a major roadblock to the passage of Federal-level BE reforms, ENABLE1 piloted an initiative with the National Assembly called the Business Environment Network (BEN). BEN ultimately failed, for three key reasons:

- **Lack of political leadership** – BEN was supported by a small number of private Members but never had the backing of the leadership in the Senate or House of Representatives.
- **Timing** – BEN started around September 2010, only seven months prior to the 2011 elections; only one of the members behind BEN was re-elected, and BEN stalled accordingly.
- **Over-engineering by ENABLE** – the programme over-designed the structure, inputs, and agenda, undermining local ownership and interest.

Following the 2015 elections ENABLE2 tried again. Learning the lessons from ENABLE1, the government component secured initial buy-in from the Senate President, then sought to quickly expand interest and ownership to the House of Representatives. A key motivator for the Senate President was to improve Nigeria’s dismal performance in the Doing Business rankings, which had fallen to 169th, and to help diversify the economy in the wake of continued weakness in oil revenues and recent recession.

On the private sector side, the Nigeria Economic Summit Group (NESG) was brought in as a core partner. NESG, with its high profile Economic Summit meetings, is well known in Nigeria. However, NESG is sometimes dismissed as a talking-shop. Indeed, NESG themselves were frustrated at the lack of advocacy successes (which had previously focused primarily on the Executive). NASSBER presented a highly attractive opportunity for NESG to gain direct access to the legislature and thereby to help shape legislation. To quote one senior member of NESG: “There is a strong sense of interest and engagement from our members around NASSBER. It’s tangible, it’s real. NASSBER is now a real value proposition to our members”. The final core partner is the Nigerian Bar Association, whose members have provided pro-bono legal reviews of proposed legislation. Achieving such broad based ownership is seen as critical to the longer term institutional sustainability of NASSBER.

NASSBER has three important objectives:

1. Prioritising BE-related bills, for example through economic impact assessments;
2. Promoting public-private dialogue on bills, to ensure that legislation is more responsive to the needs of the private sector and to help build wider coalitions of support among stakeholders;
3. Improving the quality of bills, through both the inputs of the private sector and the involvement of the Bar Association.

Unlike donor-led PPD Platforms, ENABLE did not first set up NASSBER then seek to hand it over to local stakeholders. Learning from ENABLE1, NASSBER was allowed to evolve organically (with strategic ‘nudges’ from ENABLE), building from a set of agreed discrete activities toward an organisation with a governing Board and managing Secretariat that was designed and owned by local actors from the start.

Although NASSBER has only been operational for around 18 months, there are already encouraging signs of sustainability:

- The ENABLE cost-sharing for the second annual NASSBER event had fallen to 15% (from an initial 75%);
- NASSBER has hosted numerous technical working group meetings, without orchestration or funding from ENABLE;
- A secretariat has been created, staffed by two civil servants from the newly created private sector liaison office and two staff seconded from NESG;
- NASSBER has been highly productive, especially compared to the sclerotic pace of previous legislative efforts, further reinforcing the commitment and interest of stakeholders.

In its first 18 months, NASSBER has already led to the passage of two bills – Secured Transactions in Movable Assets Act (Collateral Registry Act) and Credit Reporting Act – particularly impressive when you consider that the National Assembly had passed no significant BE-related legislation in nearly 20 years. At the time of writing ten bills are close to passage, having passed the third reading stage in one or both houses, including the Competition and Consumer Protection Act, Electronic Payments Act, Bankruptcy & Insolvency Act and multiple infrastructure bills. Many of these bills had been drafted by donors but had languished in the legislative pipeline for decades, never reaching even the second reading stage. To quote several informants close to the legislative process in Nigeria:

- “The Road fund Bill has been around since 2002, but has been so sensitive that those with concerns have found ways of pushing it back. However, through NASSBER those people with concerns have been brought around the table, inputting, owning, understanding, all of which has reduced reaction and improved confidence in decision making”;
- “The Competition Bill was introduced in 2003, and stayed in the National Assembly until 2007. It was thrown back in 2008. In 2009 the Bill failed. But within one year, NASSBER took these Bills through both Houses, which has never before happened in Nigeria.”

Just in terms of the two bills already passed, the potential impact is considerable. The Credit Reporting Act should provide a significant boost to financial lending through, for example, the creation of credit databases that can be used by providers to assess credit worthiness of individuals. The Secured Transaction in Moveable Assets Act establishes in law a National Collateral Registry that will facilitate access to credit secured by movable assets, particularly relevant to micro and small businesses. In terms of the six bills close to passage, the Competition & Consumer Protection Act, if implemented effectively, could reduce prices by 10% in certain sectors and spur the creation of 318,000 jobs.

NASSBER is also helping to push Nigeria back up the Doing Business Rankings. In 2017/18, Nigeria was in the top 10 global reformers for the first time, moving up 24 places, with the Credit Reporting Act and Collateral Registry Act making the biggest contribution.(a)

“For the first time, legislators from both houses of the National Assembly have sat down with representatives of private-sector businesses to work out the legal framework needed to create a supportive business environment… [NASSBER’s] achievements in a relatively short time show the powerful benefits that can be realised when government, business and other stakeholders work together in a collaborative framework… We intend to ensure that this momentum is maintained throughout the remainder of the 8th National Assembly and beyond.”

Senator Abubakar Bukola Saraki, President of the Senate

(a) Source: World Bank Doing Business 2018. The Credit Reporting Act and Collateral Registry Act made the biggest contribution to closing the distance to the frontier (25 percentage points).

E. How do donors help (and hinder) implementation of a genuinely sustainable, locally-led, politically-smart approach?

Implementing a genuinely sustainable, locally-led, politically-smart approach requires not just a skilled local team but also a supportive donor. At the start of ENABLE1 the programme was blessed with an engaged donor counterpart who recognised the inherent limitations of a Challenge Fund approach and was willing to take the risk of trialling something new and innovative. However, ENABLE has also been subject to countervailing pressures that have challenged its adherence to its core principles of sustainability and local-ownership.

The results agenda

Donors are under increasing pressure to demonstrate results and impact, fuelled by increased scrutiny of development spending by home parliaments and the media. Whilst pressures to demonstrate impact are not necessarily inimical to a genuinely sustainable and locally-led approach – the ENABLE approach is as much concerned with delivering pro-poor impact as other more direct approaches – the way these pressures have been translated on-the-ground can cause difficulties.

One example is the pressure to demonstrate impact *quickly*. While sustainable approaches are capable of delivering the same or better results to more direct approaches, it is often the case that sustainable approaches take longer to generate impact. Demands to deliver impact quickly inevitably puts pressure on programmes to push partners faster than they are capable of going, leading the programme to take on more and more ownership of the change process, or to short-circuit the partnership approach altogether and directly insert themselves into the reform process. In the case of ENABLE1, while the Logframe target of eight reforms by the end of the programme was reasonable (and was in the end exceeded), the target of two reforms by Year 2 was less so.

The rigidity of the Logframe tool in general is another constraint which, unless interpreted flexibly by the donor counterpart, can lead programmes to chase targets that are not feasible or realistic to achieve without compromising sustainability and local ownership. This problem of rigidity in accountability was significantly exacerbated during ENABLE2 with the introduction of a Payment by Results model which required the programme to specify in detail the partners that would be supported, using which exact inputs, to what exact cost, and the precise results that would ensue. Initially the donor wanted this done on an annual basis, which would have forced the programme to rigidly follow the annual plan regardless of the levels of ownership partners were displaying, how they were responding to the support provided, or what new opportunities or constraints arose, making it all but impossible to be adaptive or follow a genuinely locally-led approach. Ultimately a quarterly PbR model was agreed, which made these problems manageable (but not negligible).

The final issue ENABLE encountered concerned the traceability of results and impact. Because ENABLE operated behind the scenes, claims made by the programme regarding contribution to a particular reform were often met with greater scepticism than other programmes that had been more front-and-centre in the reform process. This forced ENABLE2 to associate itself more directly with particular reforms, rather than sticking to a purely back-seat approach.

Complementarity of approaches

One of the biggest constraints ENABLE faced was being undermined by other donor programmes, working in the same regions with the same types of partners but following approaches that were more donor-led and that put much less emphasis on sustainability. Often these programmes were funded by the same donor. This led to multiple cases of ENABLE partnerships being derailed by other programmes much more willing to provide generous financial support or high levels of cost sharing. For example, a large Voice & Accountability programme was launched during ENABLE1 with a vast budget for engaging media using a pay-to-play approach. It is obviously much harder to make the case to media houses that they should invest in producing their own good quality content and improving their marketing practices when other donor programmes are willing to develop the content for them and then pay them to broadcast it.

Donor visibility vs keeping a low profile

At the start of ENABLE1 there was very little pressure around donor visibility. This allowed ENABLE to take a low profile: while ENABLE staff might attend partners' PPD events as observers, partners' events or publications were never branded with the ENABLE or donor logo. Over the course of ENABLE, the programme came under increasing pressure to increase the visibility of the donor. ENABLE fought hard to avoid doing so – not only were staff concerned about the impact on sustainability and local-ownership, in the midst of the Boko Haram insurgency in the North, attaching the UK flag to partner media houses risked seriously imperilling the safety of their journalists and staff.

Flexibility to work with a variety of actors, using a variety of tools

As argued in Section C, central to the success of ENABLE has been the flexibility to work with a variety of actors. If programmes are forced to work with pre-determined partners, such as a particular ministry or chamber of commerce, it removes the freedom to select partners based on a demonstrated willingness to change. It also becomes harder to exit partnerships if the partner is not demonstrating the requisite ownership of the change process, forcing programmes to increasingly take charge in order to meet agreed donor milestones. Thankfully ENABLE was given a free hand in selecting actors to partner with.

Sometimes achieving sustainability requires working one-step removed from the primary reform 'system'. For example, catalysing sustainable change in media houses required ENABLE to work with audience research companies to address constraints in the media advertising market. Many governance programmes do not enjoy the same flexibility: for example, demand-side programmes that are only mandated to work with BMOs and Civil Society Organisations (CSOs), or supply-side programmes that only work with government MDAs.

Another key to success has been the flexibility to engage with partners using a variety of facilitation tools and tactics. This allowed ENABLE to match the support package to the particular incentive or capacity constraints of each partner, and crucially to take money off-the-table. Donors often artificially restrict the range of tools available, such as Challenge Funds that limit programmes to only giving grants through a rigid Request for Proposals engagement process.

Investing in local programme teams

As argued in Section C, another critical success factor was the ability of ENABLE to grow the size of the local core team and to invest in their development. Although the donor was generally supportive, ENABLE came under increasing pressure to continually justify the size of the core team in the name of Value for Money. Whenever the core team is seen as an administrative overhead rather than as central to the delivery of successful partnerships, the size of the core team will always come under pressure.

Under ENABLE2 the training budget for the local team was removed by the donor. Thankfully many of the staff from ENABLE1 were retained for ENABLE2, but for new programmes such a policy obviously discourages implementers to invest in the skills required for local staff to successfully implement a genuinely sustainable, locally-led approach (which is much more demanding that simply administering grants through a Challenge Fund, for example).

Discussion Point 4: Can current donor pressures be reconciled with the pursuit of sustainability and local-ownership?

It is clear that many donors, and therefore donor programmes, are under increasing pressure to demonstrate impact and Value For Money to taxpayers and political masters. These pressures are unlikely to lessen anytime soon. The question is therefore to what extent programmes can still pursue a genuinely sustainable, locally-led approach in the current donor environment.

Much depends on how these pressures are interpreted and acted on by donor staff on-the-ground. In terms of the results agenda, the first thing to note is that when a country office has a portfolio of multiple programmes with different start dates and maturities, the pressure for results does not need to translate into pressure for short-term impact from each and every programme. The pressure for results can also be more easily reconciled with sustainable approaches if donors get serious about evaluating sustainability, particularly through post-programme evaluations. While there have been some encouraging steps in this direction, for example donors funding parallel evaluation units that run several years beyond the end of the implementing programme, more needs to be done if sustainable programming is not to be disadvantaged in the results calculus.

It is also clear that much more thinking is needed regarding Payment By Results mechanisms. A poorly designed PbR model can completely destroy the ability of programmes to be adaptive and genuinely locally-led: more guidance is urgently needed in this area. In general, a move towards accountability for processes (how the programme was run and delivered), rather than pre-defined results, would be beneficial, and if donors pick the right processes, the best possible results achievable in the circumstances should follow. This would also require more trust and cooperation between donors and implementers than often exists at present.

In terms of pressure for greater donor visibility, donor staff would benefit from greater autonomy to decide what is appropriate on a case-by-case basis. In cases where a programme is directly supplying good and services to beneficiaries, as in the case of humanitarian assistance, there is no harm in prominently displaying the donor logo. Where programmes are following a sustainable, locally-led approach, programmes should be given leeway to not display the logo where there are fears around undermining sustainability and local ownership.

There are also things programmes and practitioners can do to help. Getting better at monitoring and reporting on the sustainability of results, being more explicit about the trade-offs involved in different approaches, and investing more in lesson learning and evidence dissemination would all help sympathetic donor counterparts to better make the case for sustainable, locally-led approaches.

Conclusions

This discussion paper set out to explore what it means to be genuinely sustainable, locally-led, and politically-smart in the context of economic governance and Business Environment reform. Contrary to popular perceptions, these concepts are not simply common sense, and putting them into practice requires a radical departure from most mainstream approaches.

Taking each concept in turn, should programmes always aim for sustainability? The experience of ENABLE shows that it is indeed possible to catalyse lasting changes in the performance of key actors in the policy-making process, including advocacy associations, government ministries and agencies, legislators, media houses, and research providers. Contrary to the failures of most donor-led PPD platforms, it is also possible to create sustainable dialogue platforms fully-funded and operated by local actors. ENABLE has also demonstrated that, despite the trade-off between sustainability and quality, it is possible for sustainable solutions to be of good-enough quality to drive meaningful reforms at all levels of government.

Sustainability has been weakest in the research component. Although ENABLE has had some successes in promoting low-cost, lower-quality research solutions, there is a legitimate debate to be had about whether the provision of good quality policy-research will require continued donor subsidy for the medium-term. Some of ENABLE's reform successes have also depended on the technical inputs of more direct donor programmes. Again, a case can be made for the continued provision of such inputs by donors, but in a much more politically-smart way than has hitherto been the case.

Should programmes always aim to be locally-led, both in terms of local actors setting the reform agenda, and local ownership of the reform process? Local ownership is closely interwoven with sustainability: without strong local ownership it is impossible to achieve sustainable practice change. In terms of locally-set reform agendas, the ENABLE experience shows that this requires a nuanced interpretation, as local actors are not always good at defining policy issues that are clearly delineated and capable of resolution. It also entails certain risks, as when actors propose solutions that actually do net harm to the economy and society. Where there are high-potential BE issues not being pushed by local actors – likely in sectors such as agriculture where coordination and information failures are pronounced – it may be justified for donor programmes to identify high-priority BE issues, although being politically-smart requires the programme to then identify a broad coalition of local actors with sufficient *ownership* of these issues (even if these were first identified by the programme). Ultimately, however, once a programme ends it has to cede the agenda to local actors, for once the programme is gone it cannot continue to steer local reform agendas and policy proposals.

Finally, should programmes always be politically-smart? It seems incontrovertible that reform is as much a political as a technocratic process, although this has not stopped countless examples of donor-led, technocratic reform efforts over the years. ENABLE has demonstrated that it is possible not only to use political economy analysis to navigate the political landscape, but to also catalyse a permanent shift in the political economy by empowering pro-poor, pro-reform actors and promoting more open and inclusive policy-making processes.

Whether a sustainable, locally-led, politically-smart approach delivers superior results than more direct, less sustainable programming is a difficult question to answer definitely. However, the emerging evidence from ENABLE seems to support this contention. For example, the partnership with the National Assembly alone has delivered more impact at the Federal-level in the last two years than mainstream approaches managed in the previous 20. Given the evidence of sustainability at all levels of the programme, the impact calculus should continue to move in ENABLE's favour as more reforms are passed and implemented and fewer reforms are reversed.

The same conclusion was reached by DFID five years ago: "Programmes taking a systems approach face challenges of measurement, results communication, pace and risk appetite that need to be managed. But if permanent improvement in the Business Enabling Environment is the objective, a systems approach can be a more effective way to deliver durable solutions" (Laric, 2012).

Our hope is that DFID and other donors are brave enough to follow through on the radical implications of these conclusions, and commission more genuinely sustainable, locally-led, and politically-smart programmes in the future.

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