

Role of Bilateral Institutions in Capacity Building: A Study of EU-SRIP in Anambra State, Nigeria

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ABSTRACT

The study evaluated the role of bilateral institutions in capacity building with a focus on the European Union Support for Reforming Institutions Programme (EU-SRIP) in Anambra State. The study examined relevance of EU-SRIP goals, effect of EU-SRIP on enhancement of civil servants competence in public finance management and challenges facing implementation of EU-SRIP in Anambra State. Data were collected from 330 senior civil servants from two purposively selected ministries: Ministries of Finance and Economic Planning and Budget. Mean, frequency counts and tables were used to present and describe collected data. Also hypotheses were tested through the application of t-tests at the 0.05 level of significance. Findings revealed that the goals of EU-SRIP were in line with critical capacity building needs of Anambra State public finance management; that EU-SRIP had positive effect on the fiscal management competence enhancement of civil servants. The study therefore, recommends among others a simplification of operational procedures of EU-SRIP to make it easier for government official at state and local governments to key in.

KEYWORDS: *European Union, EU-SRIP, Fiscal Management, Capacity Building*

INTRODUCTION

Background

Capacity building, also referred to as capacity development, is a conceptual approach to development that focuses on understanding the obstacles that inhibit people, governments, international organizations and non-governmental organizations from realizing their developmental goals while enhancing the abilities that will allow them to achieve measurable and sustainable results.

The term capacity building emerged in the lexicon of international development during the 1990s in view of its strategic importance in the development of communities in developing countries, hence the term community capacity building. Today, "community capacity building" is included in the programs of most international organizations that work in development, such as the World Bank, the United Nations (UN) and non-governmental organizations (NGOs) like Oxfam International. But wide usage of the term has resulted in controversy over its true meaning. Community capacity building often refers to strengthening the skills, competencies and abilities

of people and communities in developing societies so that they can overcome the causes of their exclusion and suffering.

African countries must improve the performance of their public sectors if they are to achieve their stated goals of reducing poverty, accelerating economic growth, and providing better services to their citizens. The continued weakness of the public sector in most countries in the Region reflects deeply rooted conditions that are the legacy of influences such as colonialism, political cum ethnical conflicts, and the underdevelopment of the private and nongovernmental sectors. Long term, systemic approaches are required to build public sector capacity under these conditions (World Bank 2005).

Bilateral institutions exist across the world in the form of aid groups, nonprofit organizations and government agencies. These organizations, large and small, work on a variety of missions including enhancement of human capacities, rebuilding nations suffering from natural disasters, establishing clean

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drinking water and providing emergency medical aid. The role and influence of such bilateral institutions, including the European Union Support to Reforming Institutions Programme (EU-SRIP) in relation to capacity building is of interest because of the incontestably important role they play in development in general, and in civil governance in particular. EU-SRIP seeks to improve the capacity of Nigeria's key public finance institutions, in selected state and local government authorities which include Anambra State, to render the budgeting process a more transparent, effective and accountable means of managing public expenditure and the ability of civil society organizations to access information, make inputs and monitor the implementation of government budgets. Given that the core focus of SRIP is to enhance the capacity of civil servants in the preparation and implementation of state budgets, its success will largely be measured by the level of competence attained by civil servants.

Statement of the Problem

Public Financial Management (PFM) Report which monitors and evaluates impact of EU-SRIP and other programmes on the State budget process reported that the objectives of comprehensiveness and transparency of the budget process. were not achieved within the period, 2004 to 2006 due to several deficiencies: the budget and accounts classification system did not conform to internal good practices; was not comprehensive enough to provide the complete overall picture of fiscal risks; fiscal risk oversight over government parastatals was very poor; government dealings with its local governments were not sufficiently transparent, falling short of expected standards, and violating the State's own laws; and members of the public did not have as much access to key fiscal information as they could have had (Nwoko and Icheoku (2008). These could be a pointer to the fact that EU-SRIP intervention may not have met the desired objectives in Anambra State. The EU-SRIP was crucial in providing funding and logistics in support efforts to improve capacity of developing countries to manage their public finances to better the living conditions of their citizens. But EU-SRIP activities may have been constrained by inadequacy of funds (TRANSTEC 2007) thereby casting doubts on the extent the capacity of civil servants has been enhanced.

Moreover, since the last report for 2004 to 2006 there has not been other PFM report or any report for that matter that focused on impact of SRIP on public financial management. It would indeed be helpful to find out if the goals of EU-SRIP are relevant to the capacity needs of Anambra State as well as knowing

how its activities have strengthened the capacities of Anambra State in public financial management.

Objectives of the study

The broad objective of this study is to evaluate the role of EU-SRIP in capacity building in Nigeria.

The specific objectives include;

1. To determine the relevance of the goals of EU-SRIP to capacity needs of Anambra State.
2. To determine the effect of EU-SRIP on competence of civil servants in Fiscal Management in Anambra State.
3. To assess the challenges hindering the realization of EU-SRIP goals in Anambra State.

Hypotheses

1. Ho: The goals of EU-SRIP is not significantly relevant in addressing the human capacity needs of Anambra State.
Hi. The goals of EU-SRIP is significantly relevant in addressing the human capacity needs of Anambra State.
2. Ho: The EU-SRIP has not significantly enhanced the competence of civil servants in Anambra State.
Hi: The EU-SRIP has significantly enhanced the competence of civil servants in Anambra State.
3. Ho: There are no significant challenges impeding the realization of EU-SRIP goals in Anambra State.
Hi: There are significant challenges impeding the realization of EU-SRIP goals in Anambra State.

Significance of the Study

The study has both theoretical and practical significance. Theoretically, the study will add to existing body of knowledge and theories on capacity building and will attempt to validate or redefine long held ideas on capacity building.

Empirically, the study will be of immense benefit to the government and bilateral agencies interested on effective methods of capacity building for government ministries, departments and agencies. Researchers and students of policy and social research will also find the outcome of this study invaluable.

Scope of the Study

The study as an empirical analysis of the role of bilateral institutions in capacity building with particular reference to EU-SRIP in Anambra State is limited to two ministries: Economic Planning and Budget and Finance ministries in Awka, Anambra State. The study covered the period 2007 to 2012. The study made use of management and senior civil servants in the selected ministries who are adjudged

to be knowledgeable in matters and/or issues relating to EIU-SRP programme.

Limitations of the Study

In a study of this nature there is bound to be certain limitations that are encountered as a result of the data set and challenges during the course of data collection. Firstly, though the EU-SRIP was meant to cover the entire state, data used was however collected from only the head office staff of the various ministries. Also, there was equally the tendency for some staff to exaggerate their responses to the questionnaire administered to them to suit their own desires. But these limitations notwithstanding, conclusion derived from analysis of data are still valid and reflect the trend of things as they relate to EU-SRIP.

LITERATURE REVIEW

Capacity Building

The term capacity has many different meanings and interpretations depending on who uses it and in what context. To begin with, capacity building as a concept is closely related to education, training and human resource development. This conventional concept has changed over recent years towards a broader and more holistic view, covering both institutional and country base initiatives.

The workshop on Capacity Building in Land Administration for Developing Countries, held at ITC, The Netherlands, November 2000 (Groot and van der Molen, 2000) adopted the following definition on capacity building:

“The development of knowledge, skills and attitudes in individuals and groups of people relevant in design, development, management and maintenance of institutional and operational infrastructures and processes that is locally meaningful”.

This is a broader approach while still focusing mainly on staff development. It can be argued that the concept of Capacity Building should be viewed in a wider context to include the ways and means by which the overall goals are achieved. In the case of Land Administration, education and staff development may certainly be one of these means.

A UN publication on Capacity Assessment and Development (UNDP, 1998) offers this basic definition: *“Capacity can be defined as the ability of individuals and organizations or organizational units to perform functions effectively, efficiently and sustainably.”* This definition has three important aspects:

1. it indicates that capacity is not a passive state but is part of a continuing process;

2. ensures that human resources and the way in which they are utilized are central to capacity development; and
3. It requires that the overall context within which organizations undertake their functions will also be a key consideration in strategies for capacity development.

Capacity as a Means or an End

The debate about whether capacity is a means or an end of development generates little interest amongst most practitioners and analysts. Such a subject is usually viewed as somewhat esoteric given the obvious needs to deliver results. And yet without being acknowledged as such, this debate - and the choices that actors made about it - underpinned a good deal of thinking and acting in the cases. Should capacity be seen as simply a functional means to higher-order substantive program ends? Or is it a development end in itself? Historically in development cooperation, policy issues - the big ‘what’ and ‘why’ issues - have been accorded more importance than their lackluster counterparts that deal with management or implementation. The usual question is the ‘capacity for what’ as compared with the ‘capacity of what’. This basic pattern of thinking is currently being reinforced by the ‘inputs-outputs-outcomes-impact’ framework that creates a sense of linear progression and escalating importance as the focus moves from left to right. We can also see this view behind the current emphasis on results-based management and the discussions around the Millennium Development Goals in which capacity is not viewed as a development goal. This ‘process as outcome’ - as opposed to ‘product as outcome’ - is part of a wider debate that shows up in many activities in international development.

This report does not support the view of capacity as a simple ‘means to an end’ issue. In practice, we believe capacity must be seen *both* as an end in itself and as a means to other development objectives. Indeed, we see the strategic mindset that treats capacity as an end in itself as a crucial component of any serious effort to improve the ability of people and organizations to do things better. Nor is this perspective a matter of semantics of interest only to researchers and analysts. In the cases, sorting out the complex interrelationships between investing in capacity and improving results was a constant, if somewhat subterranean, issue. In their own way, some of the systems in the cases balanced - and implemented - the three perspectives on capacity described above. They crafted a ‘both-and’ systems mindset which managed to position capacity and results as both ends and means. In the process, they

were much more likely to unleash a virtuous spiral of capacity development leading to improvements in results which, in turn, developed the space and resources to develop more capacity, a pattern that can also be seen in the private sector.

The European Union and Nigeria Relationship

The European Union (EU) is an economic and political union of 27 member states that are located primarily in Europe (EC, 2012). The EU operates through a system of supranational independent institutions and intergovernmental negotiated decisions by the member states. Institutions of the EU include the European Commission, the Council of the European Union, the European Council, the Court of Justice of the European Union, the European Central Bank, the Court of Auditors, and the European Parliament. The European Parliament is elected every five years by EU citizens (CIA 2009). The EU's de facto capital is Brussels.

The EU traces its origins from the European Coal and Steel Community (ECSC) and the European Economic Community (EEC), formed by the Inner Six countries in 1951 and 1958 respectively. In the intervening years the community and its successors have grown in size by the accession of new member states and in power by the addition of policy areas to its remit. The Maastricht Treaty established the European Union under its current name in 1993 (Craig et al (2007). The latest amendment to the constitutional basis of the EU, the Treaty of Lisbon, came into force in 2009.

The EU maintains diplomatic relations with nearly all countries in the world. It has strategic partnerships with key international players, is deeply engaged with emerging powers around the globe, and has signed bilateral Association Agreements with a number of states in its vicinity. Abroad, the Union is represented by a network of 140 EU Delegations, which have a similar function to those of an embassy (EC 2012).

The Cotonou Agreement is the most comprehensive partnership agreement between developing countries and the EU. Since 2000, it has been the framework for the EU's relations with 79 countries from Africa, the Caribbean and the Pacific (ACP), including Nigeria. It was first revised in 2005, then in 2010. This agreement constitutes the legal basis for the EU and Nigeria's partnership on political issues, development cooperation and trade. (EC 2010). The political dimension of the relations between Nigeria and the EU is articulated in Articles 8 to 13 - of the revised Cotonou Partnership Agreement. Article 8 in particular spells out the objectives and the key topics of the political dialogue.

A major fallout of the Nigeria-EU relationship is the Support for Reforming Institution Programme (EU-SRIP) which is the subject of this study.

European Union Support for Reforming Institutions Programme (EU-SRIP)

According to Nwoko and Ichoku (2007) the EU-SRIP has the objective of supporting the National Economic and Empowerment Development Strategy (NEEDS) (launched on March 15, 2004) and its derived activities at the state and local government levels (SEEDS and LEEDS). In doing so, the EU-SRIP is geared to improving public service delivery. Such an outcome directly calls for a more efficient and more transparent budget management; the end-result of which must be reflected in a business climate more conducive to private productive investment and job creation and, subsequently, to substantial reduction of poverty in the affected Programme areas.

EU-SRIP is managed by a Project Management Unit (PMU) based in Abuja. State Technical Units (STUs) are directed and monitored by the PMU in their delivery of assistance to selected states and local government authorities and CSOs in Cross River, Osun, Jigawa, Anambra, Kano and Yobe.

According to the Financing Agreement between the European Commission and the Federal Republic of Nigeria, the Programme plans to achieve two results (Nwoko and Ichoku, 2007).

1. Transparent budgeting processes that take account of past experience, reflect the political priorities identified through political debate, and serve as a binding guide to their implementation, using the prudently estimated resources available; and
2. Citizens who through Civil Society Organizations can participate effectively in the budget process, highlighting cases of corruption and business crime.

EFFECT OF EU-SRIP ON STAFF COMPETENCE IN BUDGETARY PROCESS

In their evaluation of EU-SRIP in the various applicable states, Olesen et al (2010) has reported that the states are progressively adopting policy changes originating from Federal level, albeit at different paces. Some States have adopted the same financial management structure as that of the Federal Government, or similar structures elsewhere, to implement federal policies and programs in a seamless manner. As a result, States have established Debt Management Offices (DMO), Due Process and have started implementation of the Medium Term Expenditure Frameworks (MTEF). Some States adopted Fiscal Responsibility Bills (FRB). Olesen et al (2010) however regretted that lack of relevant

indicators makes it impossible to measure the magnitude of those contributions to public finance management. They nevertheless noted that some processes have been set in motion towards the reform of aspects of Public Finance Management. For example, some State Governments had invited a set of CSOs to discuss budget plans with Government officials. Thus, in the overall, the authors discovered a number of positive developments in the EU-SRIP states (of Anambra, Yobe, Kano, Jigawa, Cross River and Osun). Though they acknowledged that budget deviations were still high, but a declining trend was observed. States were also clearing the backlog of their annual accounts and that public access to fiscal information has improved. Participation in the budget process is opening up - MDAs, civil society groups and members of the public have more opportunities to make inputs. Payroll controls have improved in a number of states, with governments using various forms of computerization to improve payroll management and minimize the incidence of ghost workers. Increasingly, states were using banks to improve the efficiency of tax collections.' The researchers however warned that much remains to be done. They noted, for example, that: 'The budget process is excessively focused on financing of individual projects, not on improvements in service delivery. State capital budgets are often unrealistic: actual execution of capital budgets commonly does not exceed 40 percent. Budget execution functions are excessively centralized in the governor's office, while powers of line MDAs are limited. State fiscal relations with local governments remain nontransparent. State governments withhold and centralize a significant portion of federation account transfers to LGAs, but accountability is weak. Quality and availability of budget execution reports remains poor, they concluded.

Clearly, EU-SRIP influences the budgeting process by orienting it according to policy objectives and operational strategies adopted by the Federal Government and it is therefore unlikely that the process supported by SRIP will be interrupted after the end of Programme support.

From the foregoing, it is observed that though many scholars have written extensively on capacity building, empirical investigations on EU-SRIP and its impact are particularly rare. Indeed, available literature on implementation of EU-SRIP and its impact in Nigeria were limited to the year 2007 and based largely on reports prepared for the European Commission and the Federal Government by a commissioned consultant and no attempt was made to ascertain the views of Nigerian government officials

on the effectiveness or otherwise of the programme especially as it affects competence of civil servants in public financial management. This present study has been designed to evaluate the EU-SRIP situation since 2007 and based on the perceptions of government officials who are in charge of the programme.

THEORETICAL FRAMEWORK

This study takes its bearing from the tenets of the systems theory. The credit for pioneering the application of the systems approach to the analysis of the political process goes to Easton (1965). Katz and Khan (1966) also used the open systems approach in studying the social psychology of organizations likewise other scholars in the field of organizational and administrative theory.

A system according to Kant and Rosenzweig (1970) is an organized or complex whole; an assemblage or combination of things or parts forming a complex or unitary whole. French (1974) sees a system as a particular linking of interrelated and interdependent components having a facilitating effect on the carrying out of one or more processes.

The major tenets of system theory include:

1. A system can be perceived as a whole with its parts and their interdependent relationships.
2. A system in operation includes a flow of inputs (energy, man, material, information) and a processor or transforming mechanism (a machine or human resources doing the work) and a flow of outputs or outcome (the products or services). A system may also include a mechanism for a feed back through which it re-energize or modify itself.
3. A system has a boundary and can be viewed in terms of its relationship with other systems.
4. Systems have sub-systems and are also a part of a supra system.
5. A system can be regarded as either open or closed. It is open when it interacts with its environment and it is closed if it does not have such interaction with the environment.
6. In order to survive, an open system moves to arrest the entropic process by importing more energy from its environment than expended. And by storing energy, it can acquire negative entropy.

A systems approach as adopted in this study sees the work of the EU-SRIP as being comprised of many subsystems of activities, individuals and programs that are aimed at producing an output: a competent civil service that is well positioned and structured to

handle public finance management. This then would mean that the systems approach will enable one to see the critical variables that define and determine the success of the EU-SRIP, the constraints and their interaction with one another. It keeps one aware that one single element or problem in this sphere should not be treated without regard to its interacting consequences with other elements.

METHODOLOGY

Research Design

The research design of this study was a survey. Survey research design was described by Cohen & Mansion (1973) as a design that makes use of questionnaire items to gather data with the intention of describing the nature of an existing condition

This type of design was considered appropriate for this study because it involved the use of questionnaire for gathering information and opinion from government officials in the ministries and government departments. on the purpose, impact and challenges to EU-SRIP.

Area of the Study

Anambra State was created in 1976 from the then of East Central State by the regime of General Murtala Mohammed with capital at Enugu. A further state creation exercise by the then regime of General Ibrahim Babangida on 27th August 1991 divided Anambra into two states, Anambra and Enugu. The capital of present day Anambra State is Awka. Anambra state is bounded by Delta and Edo States to the west, Imo and Rivers States to the south, Enugu State to the east and Kogi State to the north. Anambra State derives its name from Anambra River that traverses the state.

The main towns of Anambra state are Awka, Onitsha, Nnewi, Obosi, Ihiala, Aguata, Uli, Abagana, Alor, Atani, Nkpor, Umuoji, Umunachi, Umudioka, Unubi, Umunya, Umuleri, Aguleri, Oba, Ojoto, Eziowe, Igboukwu, Ichi, Ichida, Oraifite, Ozubulu, Akwaukwu, Uke, Ukpo, Ogidi, Okija, Oraukwu, Otucha, Nnobi, AdaziNnukwu, AdaziEnu, AdaziAni, Nanka, and Nnewi

Anambra is rich in natural gas, crude oil, bauxite, ceramics and almost 100 percent arable soil. Most of its natural resources remain largely untapped. The people are very industrious, and most of the industrial base of the state is private sector driven, spanning from agro-allied, automobile and manufacturing situated mostly in the Nnewi industrial belt. Onitsha market is reputed to be the biggest in West Africa.

Population of the Study

The population for this study involved 6,525 (six thousand five hundred and twenty five) core civil

servants in the 18 ministries and 11 non-ministerial departments.

Sampling and Sampling Techniques

Out of the 18 ministries and 11 non-ministerial departments, two key ministries that are directly involved in EU-SRIP implementation were selected: Ministry of Finance and Ministry of Economic Planning and Budget, were purposively selected for the study. The two ministries have a total of 330 employees in senior staff positions. All the 330 employees constituted our sample.

Instrument for Data Collection

The instrument for study was questionnaire. The questionnaire items were generated by the investigator and guided by hypotheses and related literature reviewed. The researchers adopted Likert five point scales which ranged from, strongly agree = 5; agree = 4; undecided = 3; disagree = 2; strongly disagree = 1 Likert type to assess perceptions of respondents on issues under investigation.

Validation of the Instrument

The instrument for data collection underwent scrutiny and approval by the supervisor and some developments specialists at Nnamdi Azikwe University, Awka. They were requested to check whether the items in the instrument were relevant, clearly stated, and capable of eliciting the right response from respondents. From the suggestion of these experts, the instrument was modified.

Reliability of the Instrument

The reliability of the research instrument was established using the responses of 10 senior staff of ministry of Finance Enugu, Enugu State who were not included in the research population. The reliability of the instrument was established using test retest technique. The coefficient of reliability was determined applying Pearson's Product Moment Correlation Coefficient formula which yielded 0.83 indicating very high reliability.

Method of Data Collection

The researcher went personally to the Ministries of Finance and Economic planning and Budget to distribute the questionnaire to respondents and went back for collection after a week for those that could not be collected on the spot.

Method of Data Analysis

The study involved both research questions and hypothesis. The data collected were analyzed using descriptive statistics; frequency counts, percentage, mean scores and standard deviation to answer research questions while inferential statistics such as t-test, were applied to test the stated hypotheses. In analyzing the Likert scale responses, any item of a

mean score of 3.0 and above was acceptable denoted as agree; and if less than 3.0 it is denoted as disagree.

The hypotheses were tested at 0.05 levels of significance.

DATA PRESENTATION AND ANALYSIS

Presentation of Core Issues of Investigation

Table 1: Goals of EU-SRIP support in relation to capacity needs of Anambra State.

S/N	ITEM	MEAN	STD. DEV.	REMARK
1	Promotion of transparency in budgeting process	3.6606	1.10262	Agree
2	Enthronement of accountability in fiscal management	3.5212	1.14370	Agree
3	Promotion of anti-corruption measures	3.5242	1.09753	Agree
4	Effectiveness in budget implementation	3.2455	1.24642	Agree
5	Increased involvement of Civil Society Organizations (CSO) in budgeting process	3.9424	1.29049	Agree
6	Promotion of good governance	3.9667	1.26999	Agree
7	Promotion of good public service delivery	3.8212	1.28168	Agree
8	Strengthen public financial management structures	3.7545	1.23908	Agree
9	Promotion of due process in all matters of public procurement	3.7848	1.31131	Agree
10	Poverty reduction through improved public service delivery	3.7636	1.28300	Agree
	GRAND MEAN	3.0985	.62196	Agree

Source: Field survey, 2017.

Table 1 above indicates that a mean of above 3.0 were scored in all the 10 items depicting the respondents perception of the appropriateness of goals of EU-SRIP to the critical needs of Anambra State. The EU-SRIP goals include promotion of transparency in budgeting process, enthronement of accountability in fiscal management, promotion of anti-corruption measures, effectiveness in budget implementation, increased involvement of Civil Society Organizations (CSOs) in budgeting process, promotion of good governance, promotion of good public service delivery, strengthen public financial management structures, promotion of due process in all matters of public procurement and Poverty reduction through improved public service delivery. Also the grand mean of greater than 3.00 is a confirmation that the respondents on the average are in agreement that the goals of EU-SRIP are in line with the needs of Anambra State.

Test of Hypothesis One

Ho: The goals EU-SRIP is not significantly relevant to addressing the human capacity needs of Anambra State.

Hi. The goals EU-SRIP is significantly relevant to addressing the human capacity needs of Anambra State.

The above hypothesis was subjected to independent samples t-test of which result is presented in table 6 below.

Table 2: T-test result on the mean view of Management and Senior Staff on the objectives of EU-SRIP.

One-Sample Test						
	Test Value = 3.098					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
1. Promotion of transparency in budgeting process	9.269	329	.000**	.56261	.4432	.6820
2. Enthronement of accountability in fiscal management	6.722	329	.000**	.42321	.2994	.5471
3. Promotion of anti-corruption measures	7.055	329	.000**	.42624	.3074	.5451
4. Effectiveness in budget implementation	2.149	329	.032*	.14745	.0125	.2824
5. Increased involvement of Civil Society Organizations (CSO) in budgeting process	-2.190	329	.029*	-.15558	-.2953	-.0158
6. Promotion of good governance	-1.879	329	.061	-.13133	-.2689	.0062

7. Promotion of good public service delivery	-3.923	329	.000**	-.27679	-.4156	-.1380
8. Strengthen public financial management structures	-5.035	329	.000**	-.34345	-.4776	-.2093
9. Promotion of due process in all matters of public procurement	-4.338	329	.000**	-.31315	-.4552	-.1711
10. Poverty reduction through improved public service delivery	-4.734	329	.000**	-.33436	-.4733	-.1954

**Significant at 0.01 level, *Significant at 0.05 level.

The data presented in Table 2 indicate that the on the basis if t-statistics obtained, 9 out of the 10 items were significant at either 0.01 or 0.05 levels. We therefore reject the null hypothesis and conclude that the goals of EU-SRIP is significantly relevant to addressing the human capacity needs of Anambra State.

Table 3: Effect of EU-SRIP on fiscal management competence of civil servants

S/N	ITEM	MEAN	STD. DEV.	REMARK
1	Improvement in policy based budgetary process	2.7485	1.18517	Disagree
2	Improvement in staff skills in accounting and financial record keeping	2.7212	1.15165	Disagree
3	Reduction of wastes in government expenditure	2.7364	1.16700	Disagree
4	Improvement in budget preparation	2.9364	1.21748	Disagree
5	More responsive internal control system in government financial management	3.0939	1.12998	Agree
6	Improvement in budget implementation monitoring	3.0697	1.07386	Agree
7	Increase in overall productivity of civil servants	3.2333	1.01214	Agree
8	Service delivery has improved in ministries, government departments and agencies	3.1970	.97413	Agree
9	Increased understanding of the need to partner with civil society organization in budgetary process.	3.1364	.94670	Agree
10	Increased understanding of the role of external audit in budget implementation	3.1182	1.01417	Agree
	GRAND MEAN	3.2927	.65859	Agree

Source: Field survey, 2017.

On the effect of EU-SRIP on fiscal management competence of civil servants, the respondents' views are presented in table 3 above. Information from the tables indicates there was commonality of responses in 6 out of the 10 items that suggest positive effect of EU-SRIP in this regard. They agreed that it has brought about increased responsiveness in internal control system in government financial management; improvement in budget implementation monitoring; increase in overall productivity of civil servants; service delivery has improved in ministries, government departments and agencies; increased understanding of the need to partner with civil society organization in budgetary process; and increased staff understanding of the role of external audit in budget implementation. Furthermore, the grand mean of the responses is also greater than 3.0. Therefore, the conclusion here would be that EU-SRIP has made a positive impact on staff competence in fiscal management. This notwithstanding, it is also important to note that the respondents did not believe that EU-SRIP has led to improvement in staff competence in policy based budgetary process; reduction of wastes in government expenditure; improvement in budget preparation nor has it improved staff skills in accounting and financial record keeping.

Test of Hypothesis Two

Ho: The EU-SRIP has not significantly enhanced the competence of civil servants in Anambra State.

Hi: The EU-SRIP has significantly enhanced the competence of civil servants in Anambra State.

The t-test results of the responses of civil servants as to the impact of EU-SRIP on the competence of civil servants are presented in table 8 below.

Table 4: T- test result on the mean responses of civil servants on the Impact of EU-SRIP on Competence of Civil Servants in Anambra State.

One-Sample Test						
	Test Value = 3.2927					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
1. Improvement in policy based budgetary process	-8.342	329	.000**	-.54422	-.6726	-.4159
2. Improvement in staff skills in accounting and financial record keeping	-9.015	329	.000**	-.57149	-.6962	-.4468
3. Reduction of wastes in government expenditure	-8.660	329	.000**	-.55634	-.6827	-.4300
4. Improvement in budget preparation	-5.317	329	.000**	-.35634	-.4882	-.2245
5. More responsive internal control system in government financial management	-3.195	329	.002*	-.19876	-.3211	-.0764
6. Improvement in budget implementation monitoring	-3.772	329	.000**	-.22300	-.3393	-.1067
7. Increase in overall productivity of civil servants	-1.066	329	.287	-.05937	-.1690	.0502
8. Service delivery has improved in ministries, government departments and agencies	-1.785	329	.075	-.09573	-.2012	.0098
9. Increased understanding of the need to partner with civil society organization in budgetary process.	-3.000	329	.003*	-.15634	-.2589	-.0538
10. Increased understanding of the role of external audit in budget implementation	-3.126	329	.002*	-.17452	-.2843	-.0647

**Significant at 0.01 level, *Significant at 0.05 level.

DECISION: The t-test results as presented above show that the test results for all the postulated null hypotheses as depicted by majority of the variables (items 1 to 6, 9 and 10) are significant at either 0.01 or 0.05 levels. As a result of this, the null hypothesis three is rejected and the alternate hypothesis three is accepted. We therefore conclude that indeed, the EU-SRIP has significantly enhanced the competence of civil servants in public financial management in Anambra State.

Table 5: Challenges to optimal contribution of EU-SRIP.

S/N	ITEM	MEAN	STD. DEV.	REMARK
1	Cumbersomeness of EU-SRIP procedures	3.2545	1.01451	Agree
2	Poor staffing of EC Delegation (responsible for SRIP)	3.1606	1.02919	Agree
3	Lackluster commitment on the part of the government	2.9576	1.11825	Agree
4	Lack of motivation on the part of government officials	3.0818	1.25331	Agree
5	Poor data handling/management	2.9576	1.17911	Agree
6	Non-remittance of counterpart fund by government	2.7939	1.19521	Agree
7	Inadequate commitment by civil society organizations	2.9333	1.17281	Agree
8	Poor supervision on the part of EC Delegation	3.0545	1.14459	Agree
9	Negative effect of civil/public service bureaucracy	3.1182	1.09488	Agree
10	Unwillingness of the government to subject its budget to public scrutiny	3.3939	1.07300	Agree
	GRAND MEAN	3.0706	.53129	Agree

Source: Field survey, 2017.

The respondents agreed in general that the operations of EU-SRIP in Anambra faced certain challenges that hindered optimal realization of its objectives. This they affirmed through the mean ratings of indicated challenges to over 3.0 (table 5). The grand mean of the responses was also over 3.0. The respondents indicated cumbersomeness of EU-SRIP procedures, poor staffing of EC Delegation and poor supervision on the part of EC

Delegation (responsible for SRIP) hindered the operations of EU-SRIP. Other hindrances they indicated include lack of motivation on the part of state government officials, negative effect of civil/public service bureaucracy and unwillingness of the government to subject its budget to public scrutiny. They however did not think that following posed much problems: lackluster commitment on the part of the government, poor data handling/management, and non-remittance of counterpart fund by government Inadequate commitment by civil society organizations.

Hypothesis Three

Ho: There are no significant challenges impeding the realization of EU-SRIP goals in Anambra State.

Hi: There are significant challenges impeding the realization of EU-SRIP goals in Anambra State.

The test of the above hypothesis was effected through the application of independent samples t-test. The result of the test is presented in table 10 below.

Table 6: T – test result on the mean view of Management and Senior Staff on the Challenges facing EU-SRIP

One-Sample Test						
	Test Value = 3.0706					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
1. Cumbersomeness of EU-SRIP procedures	3.294	329	.001**	.18395	.0741	.2938
2. Poor staffing of EC Delegation (responsible for SRIP)	1.589	329	.113	.09001	-.0214	.2015
3. Lackluster commitment on the part of the government	-1.836	329	.067	-.11302	-.2341	.0081
4. Lack of motivation on the part of government officials	.163	329	.871	.01122	-.1245	.1469
5. Poor data handling/management	-1.741	329	.083	-.11302	-.2407	.0147
6. Non-remittance of counterpart fund by government	-4.205	329	.000**	-.27666	-.4061	-.1472
7. Inadequate commitment by civil society organizations	-2.126	329	.034*	-.13727	-.2643	-.0103
8. Poor supervision on the part of EC Delegation	-.255	329	.799	-.01605	-.1400	.1079
9. Negative effect of civil/public service bureaucracy	.789	329	.430	.04758	-.0710	.1661
10. Unwillingness of the government to subject its budget to public scrutiny	5.474	329	.000**	.32334	.2071	.4395

**Significant at 0.01 level, *Significant at 0.05 level.

DECISION: The t-test results as presented above show that the test results for 6 of the 10 items in the table were not significant at the conventional 0.05 level. Indeed, it was only items 1, 6, 7 and 10 were found to be significant at 0.05 level. We therefore accept the null hypothesis three and conclude that there are no significant challenges impeding the realization of EU-SRIP goals in Anambra State.

DISCUSSION OF FINDINGS

The study investigated the role of bilateral institutions in capacity building with a focus on the activities of EU-SRIP in Anambra State. Findings from the study revealed that the goals of EU-SRIP were appropriate to the critical capacity building needs of Anambra State in terms of raising competence of civil servants in public finance management. Indeed, all the indicated variable depicting competence in functional areas (including promotion of transparency in

budgeting process, enthronelement of accountability in fiscal management, promotion of anti-corruption measures, effectiveness in budget implementation, increased involvement of Civil Society Organizations (CSOs) in budgeting process, promotion of good governance, promotion of good public service delivery, strengthen public financial management structures, promotion of due process in all matters of public procurement and Poverty reduction through improved public service delivery) were affirmed to by

the respondents. The implication of this is that there is expectedly an expectation of an improvement in the public finance management, especially in the matters of budgetary preparation and implementation. This findings appear to corroborate the expectation of the Anambra State Government (nd) when it asserted that EU-SRIP in the state would enable a better understanding of current budget system performance and challenges facing the public finance management system.

The positive effect of EU-SRIP on the competence of Anambra State civil servants was obvious giving the fact that the respondents were in agreement with a majority of the items that depict positive effect of EU-SRIP. It was indicated that the programme had brought about increased responsiveness in internal control system in government financial management; improvement in budget implementation monitoring; increase in overall productivity of civil servants; service delivery has improved in ministries, government departments and agencies; increased understanding of the need to partner with civil society organization in budgetary process; and increased staff understanding of the role of external audit in budget implementation. It is equally instructive to note that the respondents did not believe that EU-SRIP has led to improvement in staff competence in policy based budgetary process; reduction of wastes in government expenditure; improvement in budget preparation nor has it improved staff skills in accounting and financial record keeping. Be that as it may, the conclusion to be inferred from the above finding is that EU-SRIP had contributed in the enhancement of the competence of Anambra State civil servants in public finance management. This finding is clearly in line with the findings of Olesen et al (2010) when they reported that the attitude of State and local authorities to the budgeting process has started to change positively and that Civil Society Organizations have started reinforcing their capacity to be involved in the implementation of the budget.

Finally, the study found that the implementation of EU-SRIP in Anambra State was beset with certain challenges that have hindered optimal realization of its objectives. These challenges included cumbersomeness of EU-SRIP procedures, poor staffing of EC Delegation and poor supervision on the part of EC Delegation (responsible for SRIP) hindered the operations of EU-SRIP. Other hindrances they indicated include lack of motivation on the part of state government officials, negative effect of civil/public service bureaucracy and unwillingness of the government to subject its budget to public scrutiny. This finding was not so different

from the one contained in the evaluation of EU-SRIP in the six Nigerian focal states by Olesen, et al (2010). In view of the positive effect of EU-SRIP on the competencies of civil servants in public finance management as was indicated by the respondent it is then obvious that so much more could have been achieved if not the indicated challenges.

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

SUMMARY OF FINDINGS:

From the analysis of collected data, the following are a summary of the findings of this study:

1. The study found that the goals of EU-SRIP were critical needs of Anambra State. Such goals like promotion of transparency in budgeting process, enthronement of accountability in fiscal management, promotion of anti-corruption measures, effectiveness in budget implementation, increased involvement of Civil Society Organizations (CSOs) in budgeting process, were rated highly by the respondents as being very appropriate to the needs of Anambra State in public financial management.
2. The respondents were in agreement that EU-SRIP has had positive effect on the fiscal management competence of civil servants. EU-SRIP has brought about, among others increased responsiveness in internal control system in government financial management; improvement in budget implementation monitoring; increase in overall productivity of civil servants; and improvement in service delivery.
3. Finally, it was revealed that in spite of the positive effects of EU-SRIP on the financial management competence of civil servants in Anambra State, there were certain challenges that had prevented its maximal benefits. These included the cumbersomeness of EU-SRIP procedures, poor staffing of EC Delegation and poor supervision on the part of EC Delegation (responsible for SRIP) hindered the operations of EU-SRIP.

CONCLUSION & RECOMMENDATIONS:

The European Union Support to Reforming Institution Programme (EU-SRIP) was conceived to provide support to Good Governance in Nigeria in general and to reform institutions in particular. The aims were to make the budgeting process a more transparent, effective and accountable means of managing public finance; and to support Civil Society Organisations (CSOs) to strengthen their understanding of the various processes and roles in the preparation and approval of budgets. SRIP was implemented in six States, including Anambra State.

Indeed, the programme was conceived largely as a measure to strengthen the capacity of public servants in public finance management. Evidence from this study has shown that in spite of many challenges, EU-SRIP has impacted positively on the competence of civil servants in budget preparation, implementation and monitoring and the establishment of internal control system that is in sync with external audit practice. It has brought to the fore the need to be very transparent and an appreciation by staff of the role of Civil Society Organizations (CSO) in the budgetary process. It is clear that for a myriad of challenges, more benefits could have been realized in terms of capacity improvement in financial management competence of civil servants in Anambra State.

In line with the findings of this study, it is expedient to make the following recommendations, which if implemented will lead to effective realization of EU-SRIP goals with respect to capacity building of public servants in Anambra State.

- A. Government and the European Commission Delegation in Nigeria should dialogue to simplify the cumbersome procedures that are usually associated with EU project and program interventions. Simple and easy procedures will make it easier for government officials at both the local and state levels to key into EU-SRIP for the overall interest of public servants and the state in general.
- B. The European Commission Delegation in Nigeria should ensure that the EU-SRIP support office in the state was adequately staffed. This is necessary so that appropriate and effective monitoring mechanism can be installed. This will also lead to an improvement in the supervision of projects and program that are related to EU-SRIP.
- C. Government is urged to abandon its old system of secrecy in budgetary and public finance matters. It is a contradiction to openly clamor for EU-SRIP intervention in the state, and at the same time refusing to be transparent in budgetary matters.

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