

1 UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
Project of the Government of Nigeria, Project Document

Country: Nigeria

Project Number: 00036231

Project Title: Nigeria Diaspora Trust Fund

Estimated Start: August 2008

Estimated end Date: July 2012

Management Arrangement: Direct Execution

Designated Institution: UNDP

Project Site: Abuja

Beneficiary Countries: Nigeria

Summary of inputs

Cost Sharing
Third Party

DFID : \$4,743,083

Total: \$4,743,083

Administrative & Operational Services

Country office Administrative Cost 7% of total sum

Brief Description – Phase II Nigeria Diaspora Fund Project (DTF2)

The goal of the project is to improve economic governance and service delivery in Nigeria through improving the capacity of key ministries, parastatals and agencies to develop and implement policies which support the achievement of the MDGs. The Fund will do this through supporting remuneration packages of highly qualified and experienced Nigerians in the Diaspora recruited to provide technical expertise in strategic ministries, parastatals and agencies.

Albéric Kacou
Resident Representative UNDP

Name and Title


Signature

6/4/09.
Date

Part I Situation Analysis

Nigeria is a country of paradox. It has abundant human (about 140 million people in 2006) and natural resources (e.g. crude oil, tin, coal etc.), but has failed to fully realize its development potentials. Against the provisional estimate of 7.87% growth of the real GDP, the economy grew, on a year-on-year basis by 5.83% between January and September 2007. Specifically, it grew by 5.65%, 5.73% and 6.05% in the first, second and third quarters, respectively. Although it marginally outperformed the corresponding period of 2006 which was put at 5.4%, however it lagged behind the 6.1% growth recorded in the last quarter of 2006^[1]. The growth was driven by the non-oil sector which grew at 9.18% and 9.47% in the first half and third quarter of 2007 and its contribution to real GDP ranged between 77% and 82% during the period while the oil share of GDP accounted for the balance^[2]. Overall, the growth rate is lower than the target of 7% annual growth set by the macro economic frame work National Economic and Empowerment Strategy (NEEDS). The Household survey conducted in 2004 revealed that 35% of the Population lives in extreme poverty while as much as 54% are poor in relative terms. The same survey shows that 52% of the population lives on less than a dollar a day. With a human development index (HDI) of 0.467 in 2007/8, the UNDP Human Development Report for 2007/8 ranked Nigeria 158th out of 177 countries in the world. The structure of the economy has constantly been dominated by monoculture. The oil and gas sector contributes 99% of export revenues and 85% of government revenues. Nigeria's macroeconomic landscape is dominated by one stark reality –high macro volatility. This has become a key determinant as well as a consequence of poor economic management. Fiscal decentralization is proved an enduring challenge to effective macro economic stabilization particularly in the face of deficient constitutionally legal tools for controlling sub-national spending.

This situation has proved discouraging to citizens and to businesses alike and has resulted in two forms of de-capitalization; human and financial. Nigeria has experienced and is still experiencing capital flight; independent estimates indicate up to US\$8bn per annual –with private agents choosing to keep the bulk of their assets abroad. In terms of human capital, estimates of well qualified Nigerians in the Diaspora range to over 2 million in Europe and the US alone. At home qualified Nigerians find no place in the inefficient public service, with this paradox, a country that is rich in human capital suffers from sever capacity constraints in the public service and in the middle ranks of policy making and implementation.

The Federal Government of Nigeria has taken cognizance of the need to reappraise the situation, and effect the necessary changes that will ensure continued stability in the economy. The Olusegun Obasanjo Administration of May 1999 to May 2007 initiated the Nigeria Diaspora Trust Fund (DTF) project in 2004. The Project served to help engage the technical expertise of Nigerians in the Diaspora to provide technical support to the reform agenda in various sectors of the economy. Nigeria recoded some major

^[1] See Central Bank of Nigeria's Economic Report for the Third Quarter of 2007, Volume 2, Issue 3, September 2007.

^[2] The crisis in the Niger Delta contributed to the declining trend in oil contribution from 26% in January 2006 to 18% in September 2007.

achievements in various sectors under president Olusegun Obasanjo and the sectors which recorded these achievements were supported directly or indirectly by the first Diaspora Trust Fund Project for instance key members of the Federal Government of Nigeria's, Economic Management Team (EMT) were able to return and work on Nigeria's reform agenda through the assistance of the DTF project. Where there was no direct link between the members of the EMT and particular reforms, their membership in the EMT was crucial to creating a fertile environment for reforms in the country. Some of the experts under the first DTF project played vital roles facilitating Nigeria's exit from Paris and London Club debts which has improved the country international rating by credit and investment rating agencies thereby making available funds for targeting the achievement of the MDGs; they also facilitated the development of sectoral strategies and policies especially the completion of the Medium Term Sector Strategies (MTSS), which created the basis for macroeconomic stability over the past four years thereby helping to build confidence in and the credibility of economic management. In addition some of the experts under the first DTF project worked within some strategic ministries and agencies like the ministry of Finance, Budget Monitoring and Price Intelligence Unit (BMPIU), and the Central Bank of Nigeria (CBN) to provide technical assistance to government on critical areas of reform particularly on issues relating to transparent and accountable processes and procedures.

President Umaru Musa Yar' adua has continued work on the sustainability of the reforms that were initiated by the immediate past administration with the declaration of his seven point agenda, which focuses on reinvigorating the Power and Energy sector, Food security, Wealth creation, the Transport sector, land reforms, Security and Education, resolving the crises in the Niger Delta, which are embedded in the macro economic frame work of the country(NEEDS) and Vision 2020³. President Umaru Musa Yar' adua has consented to the use of Diaspora Trust Fund Project as a tool for harnessing technical skills of Nigerians in Diaspora to aid development processes of the Government, which will contribute to the achievement of the seven point agenda, vision 2020 and NEEDS II which is currently being finalized.

Part II: Objectives

The first successful civilian -to -civilian transfer of power in Nigeria and the ushering of the Yar'adua civilian administration has provided a sound democratic basis on which to pursue the ongoing reforms designed to reinvigorate the Nigerian economy, enhance growth, generate employment and reduce poverty. In line with the president's seven point agenda, the National Economic Empowerment and Development Strategy (NEEDS) and, Vision 2020 as they are tailored towards revitalizing the economy.

The overall objective of the project is to setup a trust fund that will enable government to mobilize its national's resident abroad to assist it in its effort to:

³ *Vision Statement "By 2020 Nigeria will be one of the 20 largest economies in the world able to consolidate its leadership role in Africa and establish itself as a significant player in the global economic and political arena"*.

- a. Redefine the role and reduce the size of government in the economy including improving transparency;
- b. Create an appropriate environment to enable the private sector to perform and create Jobs ;
- c. Improve delivery of basic services to Nigeria citizens such that they can see concrete and early evidence of improvement in their lives

Part III: Strategy

The situation analysis clearly indicates the need to continue the Diaspora Trust Fund to encourage and facilitate the use of outstanding Nigerian specialists and experts in the Diaspora, for the rapid development of the economy. This will yield tremendous benefits, which are characterized by the approach and the familiarity of the experts with the socio-cultural traditions of the environment. Hence the committed by government to encourage the repatriation, on a short term or long term basis of skilled nationals settled abroad. The first target of the trust fund is to finance about 8 experts.

The strategic approach to be used to achieve this goal is to encourage Nigerian professionals and experts abroad to come home on short (3months-1 year) and medium (2 -4years) to help revive the economy by providing advisory and technical services that will would enable government carry out necessary reforms that will reinvigorate the economy, enhance growth, generate employment and reduce poverty. It is expected that the fund will raise about US\$6,000, 000.00 over a four year period.

The Government Federal Government of Nigeria has asked UNDP to leverage resources from donors to enable government undertake the Strategic reforms programme. So far the UK Department for International Development (DFID) is committed to contributing of £ 2,400,000.00 to the project.

Government considers this the approach as one of the most cost-effective ways of obtaining the specialized skills required to solve technical/technological problems plaguing the country. The project is considered as a necessity in the quest of the federal government to solve the economic problems facing Nigeria.

The qualified candidates would be selected based on a set of criteria and guidelines that have been agreed upon by the Federal Government, the United Nations Development Programme (UNDP) and Donors to the DTF project (see Annex 1).

Part IV: Results Framework

Goal :

The overarching goal of the second phase of the Diaspora Trust Fund Project would focus on continued economic growth and improved service delivery- through enhanced capacity of specific sectors of government.

Intended Outcomes:

- 1) Availability of requisite technically qualified human resources to efficiently and effectively manage the key sectors of the economy.

2) Strengthened good governance, transparency and accountability
Outcome Indicators:
1) Reinvigorated economy with enhanced growth, efficient civil service and poverty reduction
2) Continued successful reforms carried out in the targeted areas of the economy.
Applicable Strategic Area of Support : Management and Economic Development
Partnership Strategy: UNDP will execute the project in collaboration with the federal government through the National Planning Commission , with financial contributions from the federal government , DFID and other interested donors
Duration : 4years (January 2008 –December 2012)

Intended outcome	Outcome Indicators	Intended Outputs	Indicative Activities	Inputs
<p>1. Availability of requisite technically qualified human resources to efficiently and effectively manage the key sectors of the economy.</p>	<p>2. Successful reforms carried out in the targeted areas of the economy.</p>	<p>1. Pool of expert nationals with expertise in various sectors of the economy</p> <p>2. Policy Framework on reform agenda for national economic management developed</p> <p>3. Trained nationals with expertise in various sectors of the economy(carrier civil servants who will be understudying the experts)</p>	<p>1.1 Draft TORs for experts</p> <p>1.2 Selection of experts based on identified areas of need in various sectors</p> <p>1.3 Match selected experts with identified areas of need by the government</p> <p>1.1 Draft report on sectoral reforms to advance effective management of the country</p> <p>1.2 Subject the draft report to deliberations at a stakeholders meeting</p>	<p>1 Suitable experts are identified and contacted.</p> <p>2 National evaluators recruited</p>
<p>2. Strengthened good governance</p>	<p>1. Continued successful reforms carried out in the targeted areas of the economy.</p>	<p>3. Strategic programme of action designed and implemented for the various sectors of the economy affected by the reform</p>	<p>3.1 Legislate policy framework into action plan</p> <p>3.2 Implementation of Strategic programme of action</p>	<p>1) Suitable experts are identified and contacted.</p>

2 Part V: Management Arrangement

Inline with the section V of the UNDP policy and procedures for engagement on national Supplementation schemes (NSSS) and National Salary payments Schemes (NSPS). The project is to be executed under the UNDP's Direct Execution (DEX) modality and to be implemented by UNDP in collaboration with the Federal Government of Nigeria as the direct beneficiary. The project is to be managed by UNDP on behalf of the government and other development partners and will cover core government functions in the specific field(s) as stated in part I of this document.

The Federal Government of Nigeria is the implementing agent under the designated coordination of the National Planning Commission and is therefore responsible for setting priorities for the project, recommending the allocation of project funds and ensuring that the project's management mechanism is on course.

Part VI: Monitoring and Evaluation

The monitoring of the programme implementation to provide early indications of progress, or lack thereof, will be done regularly by all parties involved in the programme implementation through various mechanisms, systematic reporting, quarterly meetings of the Programme Committee and annual review meetings. Quarterly progress reports and annual programme performance reports will be produced.

Evaluations will be held to assess systematically and objectively the relevance, performance and success of the programme. The Programme will be subject to at least two programme-wide evaluations. A mid-term evaluation will be undertaken two years after the commencement of programme activities. It will assess programme relevance and strategy for the production of expected results in the four areas of UNDP thematic interventions. The second comprehensive evaluation will be held at the end of the programme implementation.

The National Planning Commission has the primary responsibility for monitoring and evaluation together with UNDP and other focal institutions and report to the government and the UNDP Executive Board for the overall impact and contribution of the programmes. The monitoring and evaluation plan shall be based on result-oriented monitoring and evaluation in accordance with the UNDP Executive Committee Policy statements on monitoring and evaluations.

Part VII: LEGAL CONTEXT

This Programme Support Document shall be the instrument referred to as such in Article 1 of the Standard Basic Agreement between the Government of Nigeria and the United Nations Development Programme, signed by the parties on 12 April, 1988. The host country, executing and implementing agencies shall, for the purpose of the Standard Basic Assistance Agreement, refer to the Government cooperating Agency described in that Agreement.

The following types of revisions may be made to the project document with the signature of the UNDP Resident Representative only; provided that he is assured that the other signatories of the project document have no objections to the proposed changes:

- (a) Revisions in, or additions to, any of the annexes of the project document;
- (b) Revisions which do not involve significant changes in the immediate objectives, outputs or activities of the project, but are caused by the re-arrangement of inputs already agreed to or by cost increases due to inflation; and
- (c) Mandatory annual revisions, which re-phase the delivery of agreed, project inputs or increased expert or other costs due to inflation or take into account agency

Annex 1

Nigeria Diaspora Trust Fund Guidelines for Eligibility

1. Selection of Candidates:

Federal Government: The government has responsibility over nominations for the use of funds. Relevant ministries will identify areas needing support and develop a TOR for selection of candidates.

UNDP: UNDP on behalf of the Partners have responsibility for vetting candidates forwarded by government. UNDP will vet the qualifications of the selected persons based on the TORs developed by the relevant government ministries or agencies.

Eligible Government organs: The Diaspora Trust Fund can be accessed only by government ministries, parastatals and agencies whose functional areas are directly impacted by federal government reform agenda such as good governance; civil service reform; trade regime; budgetary reforms and public expenditure management; private sector development; agriculture; economics; SME development; Energy ; debt management; social service delivery.

Modalities for recruitment: The process of recruitment under the DTF can be done using two approaches:

- I. Strategically placed adverts for Nigerians in the Diaspora through various mediums
- II. Head hunting, based on recommendations of technically skilled Nigerians from multilaterals and other international development partners

The Selection process can be done by a committee consisting of the NPC/ UNDP and the Donors.

2. **Contracting Requirements:** Candidates should be able to play a catalytic role in policy reform, analysis and management. They should be able to ensure succession plans in place to ensure sustainability. Candidates will also be expected to document their experiences for possible replication and transfer of knowledge to permanent staff. It is essentially aimed at building capacity of public officers in the critical mandates areas of the respective agencies. Candidates are required to be knowledgeable in strategy and planning, change management and business process engineering, management and programme implementation, information management and knowledge-sharing strategies. Therefore emphasis will be placed on technical assistance and not on top-level political office holders, however their technical advisers can benefit from the initiative.
3. **Remuneration:** The eligible candidates will be subject to the remuneration criteria agreed upon by the Government partner and communicated to UNDP.

The remuneration terms shall be agreed upon by both the UNDP and the government agencies requesting for funding.

4. **Evaluation:** Candidates so contracted will be evaluated mid-term into their contracts based on their clear and specific terms of reference and success of knowledge transfer to permanent staff and impact of functional (technical and advisory) activities.

At the end of an initial contract, only candidates recommended by government and confirmed by the partners will have contract extensions. Retroactive contracting is not acceptable under the Diaspora Trust Fund management.