

Country: Nigeria

UNDAF Outcome(s)/Indicator(s):

(Link to UNDAF outcome, if no UNDAF, leave blank)

Reduced level of poverty and improved quality of life of Nigerians.

Expected Outcome(s)/Indicator (s):

(CP outcomes linked to the SRF/MYFF goal and service line)

Well defined poverty reduction strategies in NEEDS and SEEDS; monitoring framework and regular reporting on poverty reduction initiatives; improved access to sustainable livelihood for the poor; constituency enlargement and resource mobilization. Achieving the MDGs and reducing human poverty: Service lines: 1.1, 1.2, 1.3, 1.5, and 1.7

Expected Outputs/Indicator (s):

(CP outcomes linked to the SRF/MYFF goal and service line)

Poverty reduction strategies in NEEDS and SEEDS; Operational mechanism for poverty monitoring and reporting; Strengthened Micro finance delivery mechanism; Improved operational and management capacity of SMEs; Effective partnership for poverty reduction. Achieving the MDGs and reducing human poverty: Service lines: 1.1, 1.2, 1.3, 1.5, and 1.7

Implementing partner:

(designated institution/Executing agency)

National Planning Commission (NPC)

Other Partners:

(formerly implementing agencies)

Federal Office of Statistics; Central Bank of Nigeria; Federal Ministry of Industries; NAPEP

Programme Period: 2003-2007
 Programme Component: Achieving the MDGs and reducing Human poverty
 Project Title: Poverty Reduction Support Programme
 Project Code: NIR/03/005/01/99
 Project Duration: 5 Years
 Management Arrangement: NEX

Govt C/S	\$ 5,330, 986
UNDP TRAC:	\$ 15,312, 500
Total budget:	\$ 20,643, 486
Less GMS (7%C/S)	\$ 373, 169
Available Budget	\$ 20,270, 317

Allocated resources:
 Committed (TRAC) \$ 6,855, 068

- Programmable (TRAC) \$ 8,457, 432
- Programmable Govt (C/S) \$ 4,957, 817
- **Programmable Res. \$ 13,415, 249**
 - Donor
- In kind contributions —
- Unfunded budget —

Approved by (Government):

C. C. Soludo
 Name and title Commission

[Signature]
 Signature

24/5/04
 Date

Approved by (UNDP):

Tegegnetwork Gettu
 Resident Representative

Name and Title

[Signature]
 Signature

24/05/04
 Date

Government of the Republic of Nigeria

United Nations Development Programme

POVERTY REDUCTION PROGRAMME

Brief Description:

The programme is designed to support national efforts aimed at reducing poverty levels so as to improve the quality of lives of Nigerians through strategic, well coordinated pro-poor policy initiatives, as well as to increase the participation of vulnerable groups in economic and social development processes. The strategic areas of focus include (i) support to the preparation and incorporation of poverty reduction strategies into NEEDS/SEEDS. (ii) Support to the establishment of a national poverty monitoring and reporting mechanism (iii) Strengthening Microfinance intermediation (iv) Support to SMEs (v) Strengthening Partnership for poverty reduction

2003 - 2007

ACRONYMS

CBN	Central bank of Nigeria
CCE	Country cooperation framework
CP	Country programme
EPCC	Economic policy coordinating committee
EPC	Export promotion council
FEAP	Family economic advancement programme
FOS	Federal office of statistics
FIRO	Federal institute for industrial research Oshodi
GDP	Gross domestic product
HDF	Human development fund
HDR	Human development report
HIV	Human immune deficiency virus
ICT	Information and communication technology
MDGs	Millennium development goals
MFI	Microfinance institution
MOC	Ministry of commerce
MYFF	Multi-year funding framework
NACB	Nigeria agricultural and cooperative bank
NAPEP	National poverty eradication programme
NDE	National directorate of employment
NIDB	Nigeria industrial development bank
NPC	National Planning Commission
NPCC	National programme coordinating committee
NEX	National execution
NEEDS	National economic Empowerment and Development Strategy
SEEDS	State economic Empowerment and Development Strategy
SMEs	Small and medium enterprise
SRF	Strategic results framework
TB	Tuberculosis
UNDAF	United nations development assistance framework
UNDP	United nations development programme
UNS	United nations system

Part I: Situation Analysis:

Nigeria is richly endowed with a wide range of resources including a large supply of well-educated professionals among its population of approximately 130 million, land and water resources, oil and gas as well as mineral deposits. The major foreign exchange earner for Nigeria is oil revenue, which accounted for 90% of Nigeria's foreign exchange earnings in 2002. Agriculture remains the mainstay of the economy accounting for 40% of GDP, and for over 70% of employment among the workforce and providing 90% of non-oil exports earnings. Since 1970, the dominance of the oil sector has led to a relative neglect of the agricultural sector in terms of policy and resources, resulting in declining productivity, growth and competitiveness. This neglect is compounded by environmental problems such as pollution, deforestation and land degradation (see also CCA March 2001).

Poverty in Nigeria is associated with high unemployment, poor governance, corruption, lack of accountability, gross violation of human rights, nepotism and a skewed income distribution. Additional factors include poor infrastructure and impaired access to productive and financial assets, particularly by women and vulnerable groups. The incidence of poverty has increased over time as illustrated by the 1996 survey conducted by the Federal Office of Statistics (FOS) which shows that poverty incidence using national poverty lines had increased from 28.1% in 1980 to 65.6% in 1996. It has been observed that women are over-represented among the poor due to the subordinate status of women, traditional and socio-cultural practices, discrimination and lack of access to productive assets and financial services. However, the FOS survey revealed that the percent of core poor households rose from 5.8% in 1980 to 25% in 1996 for female-headed household, whereas the increase was from 7.9% to 29.8% for male-headed households. FOS data also reveals that poverty in Nigeria is also deep and pervasive and is more pronounced in rural than urban areas with poverty rates of 69.8% and 55.2% respectively in 1996. According to the National Economic Empowerment and Development Strategy (NEEDS, 2004), in 1999 70% of the Nigerian population lives on less than US\$ 1 per day while 90% live on less than US\$ 2 per day.

In terms of human development – the ability to live a long and healthy life, be knowledgeable, and to have access to resources that will enable a decent standard of living – Nigeria ranked 152nd out of 175 countries in 2003 (UNDP, 2003). This human development index captures indicators of life expectancy, education, and GDP per capita. In the framework of the Millennium Development Goals Report¹, the latest estimates reveal that the ratio of girls to boys in primary education is 0.76, and there are only 3 seats in parliament held by women. Under-five mortality and maternal mortality rates are high and HIV prevalence rates have grown steadily from 1.4% in 1991 to 5.8% in 2001. Only 49% of rural dwellers and 78% of urban dwellers had sustainable access to an improved water source in 2000.

Recent CBN reports show that economic growth in Nigeria, which averaged below 3% per annum from 1996 to 1999, took an upward turn between 2000 and 2001. Growth increased from 2.8% in 1999 to 4.2% in 2001 and declined to 3.3% in 2002. However, since population growth averaged 3% per annum over the period, this improvement in GDP growth made little impact on the standard of living in the country. The high level of external indebtedness is an additional burden on the economy. The outstanding debt as a proportion of GDP was 66% in 2002, while the total debt as a percentage of government revenue and the debt service as a percentage of exports of goods and services for the same period was 38.1% and 7.9% respectively.

The last three decades witnessed the introduction by government of many poverty-reduction initiatives that were sector specific. These include the setting up of the National Directorate of Employment [NDE] to provide job opportunities for the unemployed youths, and the establishment of financial institutions like the Nigeria Agricultural and Cooperative Bank (NACB), Nigeria Industrial Development Bank [NIDB], and later the Peoples Bank of Nigeria to facilitate access to credit and

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productive assets. Similarly, Programmes like Better Life for Rural Women and the Family Economic Advancement Programme [FEAP], which focused on women and the disadvantaged groups, were also introduced in an effort to reduce poverty among Nigerians. However, in spite of increased awareness and array of poverty alleviation initiatives, it is a sad realization that there is very little to show in terms of real impact on the plight of the poor. Although some of these initiatives managed to stimulate partial growth in some sectors of the economy the overall poverty situation has continued to deteriorate. Most of these programmes and projects were not conceived within a comprehensive, multi-sectoral framework with all stakeholders participating. Consequently, each programme or project ended up being terminated due to inadequate funding, lack of sectoral linkages, and failure to achieve the set objectives.

It is recognized that a concerted effort by all stakeholders is required to address the issue of increasing poverty and unemployment, which directly impacts on the achievement of the Millennium Development Goals and which past efforts in the country have failed to address. A framework for poverty reduction now exists. In order to measure achievement of goals in poverty reduction as defined within the NEEDS framework, and to meet the accountability goals which the Government has set itself, it will be necessary to institute a mechanism for monitoring the achievement of targets within the context of this Medium Term Framework established by Government so as to have a reliable indication of key issues such as whether poverty indicators are improving over time and to judge the effectiveness of programmes.

An evaluation of the CCF 1 interventions in the area of poverty reduction reflected that under CCF 1 UNDP took a pragmatic approach, supporting, in the absence of an overarching policy framework, some key areas including policy and strategy formulation and governance as well as job creation, delivery of social services and agricultural and rural development. It recommended that UNDP should narrow the focus of its interventions due to the limited impact that the wide geographical spread of its interventions occasioned. It emphasized the need to accord priority to States as strategic entry points for upstream policy support and the need for strengthening Advocacy on the policy support side in the area of poverty reduction. It also observed that there is a need to address questions of ownership, scaling up, replication and exit strategies for downstream activities, as well as for sharpening the focus of UNDP's interventions.

This programme builds on the experience and lessons of the previous country programme. It will focus as reflected in the Sixth CP document on catalytic interventions at the Federal level as well as in 18 states in the areas of development pro-poor economic policies and programmes and their implementation and monitoring. It will also support catalytic downstream interventions that focus on promotion of sustainable development at the community level on promotion of small-scale enterprises in rural areas and the empowerment of disadvantaged groups, including women.

The direct beneficiaries of this programme will be the relevant institutions - Ministries and agencies which will benefit from interventions aimed at capacity strengthening for policy making and monitoring. It will also focus on private sector institutions whose capacity will be built to inter alia ensure improved access to financial resources and productive assets by the poor. The Direct beneficiaries will also be selected communities which will benefit from catalytic downstream interventions. Emphasis will be placed on empowering disadvantaged groups, including women and the youth. The communities will benefit from the implementation of catalytic poverty initiatives that contribute to improved livelihoods.

Part II Strategy

The Federal Government is pursuing a National Economic Empowerment and Development Strategy (NEEDS) over the period 2004 – 2007 underpinned by a sustainable macro-economic framework. The overarching goals of NEEDS include poverty reduction, employment generation, and wealth creation based on (i) reforming the way government works; (ii) expanding the private sector; and (iii)

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implementing a social charter/human development agenda. Each state of the federation is expected to develop a State Economic Empowerment and Development Strategy (SEEDS) consistent with the overall national development agenda.

The UNDP supported Poverty Reduction Programme under the 6th Country Programme builds on the lessons learned from the CCF 1 and responds to the national strategy of the Government's programme for poverty reduction. The thrust of the strategy focuses on enabling the Government to design and implement policies and strategies that are pro-poor. This is to enable the country to chart the path of pro-poor economic growth and equitable distribution of gains with emphasis on the following four key areas for intervention:

- (a) Support to the development and implementation of pro-poor and sustainable development strategies for poverty reduction (NEEDS/SEEDS)
- (b) Building institutional capacity for tracking progress in the achievement of national and international development targets (establishing poverty monitoring and reporting mechanism).
- (c) Promote access to financial and productive assets for poverty reduction:
- (d) Support policy dialogue and partnership building for poverty reduction

Linkages with UNDP initiatives, other UNDP Programmes and also UNDAF Priorities

The country's commitment justifies UNDP's support. The reduction of poverty is central to government's development efforts and is one of the major areas of intervention of the refocused UNDP. Poverty reduction is also one of the three key priority areas of assistance identified in the United Nations Development Assistance Framework (UNDAF). Within this overall framework, UNDP will support national development efforts under the 6th Country Programme (2003-2007) in the following four strategic areas (i) Promoting Good Governance and Human Rights (ii) Poverty Reduction (iii) Energy and Environment (iv) Reducing the incidence of HIV/AIDS. The different thematic areas covered by the four programmes provide UNDP with strategic entry points to support government's current effort to develop the new macroeconomic framework that will create such an environment under NEEDS.

The new democratic Government has improved Nigeria's aspiration of becoming a model for participatory democracy within the sub-region. Broad participation of the civil society will be greatly needed to help develop consensus on the need for action and improved implementation of poverty programmes. The programme will enhance decentralization through strengthening local governance to ensure effective representation of the grassroots people and their participation in the development process. The Governance programme will strengthen national capacity for the development and deepening of democratic culture and processes. In this regard, the Governance and Poverty Reduction programmes will complement each other and help to institutionalize accountability and transparency in macroeconomic management. This will facilitate the judicious use of resources, budget discipline, and effective macroeconomic planning for poverty reduction.

Similarly, the Environment and Energy programme will compliment this programme through good planning and management of the ecosystem, and by promoting environment friendly production techniques. Institutionalizing effective waste management and erosion control processes are important initiatives in the poverty reduction process. The environment programme will also assist in building the capacity of SME operators through the implementation of the refrigeration management and the foam sector phase-out plans. This will improve productivity and accelerate national efforts in job creation, which is a key area of intervention in the poverty programme. The decapitation of workforce, impoverishment of women and children by HIV/AIDS scourge compound poverty trends and call for multi-sectoral efforts. The HIV/AIDS programme will support efforts of the other three programmes to reduce vulnerability of the poor to economic, social, environmental and psychological difficulties.

Part III: Management Arrangements:

In line with the United Nations General Assembly resolution 44/211, the Government has adopted National Execution as the major modality for implementing the UNDP-supported Programmes. The 6th CP Programmes shall, therefore, be nationally executed in accordance with the existing UNDP Guidelines on Nationally Executed Programmes as much as is feasible.

The general policies and procedures governing procurement, recruitment and contracting of inputs as set out by the UNDP shall be used for project implementation. The implementing agents will keep UNDP informed of all actions regarding recruitment and utilization of inputs. Where the procurement, recruitment and utilization of inputs involve bulk purchases, complex and/or technically sophisticated issues of a specialized nature, the executing agent may request the assistance of an implementing agent such as a United Nations Agency. Such agents may apply the procedures, rules and conditions of their respective organizations in rendering the assistance.

The National Planning Commission (NPC), which is the government body for co-ordinating donor assistance, shall be the executing agent. It shall have the responsibility, on behalf of government, for overall management of the programme and will be accountable to UNDP. The Programme Committee (PC) shall serve as the apex structure for the management of UNDP supported programmes at national and state levels. It will comprise the Planning Commission, one representative each from coordinating public institutions and civil society Organizations in Governance, Poverty Reduction, Energy and Environment, HIV/AIDS, the Accountant-General and Auditor-General's Offices and the private sector. The PC shall provide policy direction for the programme implementation. As much as possible, direct programme implementation will be sub-contracted to competent public/private sector organizations and proven civil society organizations. The UN specialized agencies will provide technical support to programme implementation at the respective levels required. In line with UNDP's Executive Board decision 98/2 "all costs associated with the delivery of other resources funded programme at country level are to be fully covered through cost recovery mechanisms". In this regard, General Management Service fee of approximately 7% will be charged on non-core resources mobilized in the implementation of this programme.

Part IV: 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, including field visits, systematic reporting, quarterly meetings of the Programme Committee and annual review meetings. Reports of field visits, quarterly progress reports, and annual programme performance reports will be produced.

Financial monitoring will be undertaken on a quarterly basis to ensure that disbursements and expenditures for programme activities are carried out in accordance with the rules and procedures for Nationally Executed Programmes (NEX). To support financial monitoring, a

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yearly in-depth audit to cover both financial and management issues will be carried out for the Programme, using the services of independent audit firms and in close collaboration with and under the guidance of the National Planning Commission and the Federal and State Auditors-General's offices as may be applicable.

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 4 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 V: 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:

- Revisions in, or additions to, any of the annexes of the project document;
- 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
- 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 expenditure flexibility.

Section 11: Results Framework

RESULTS AND RESOURCE FRAMEWORK

Intended Outcome 1: Pro-poor economic policy reforms to achieve MDG targets facilitated			
Outcome Indicator: Well defined poverty reduction strategies in State economic and empowerment and development strategies (SEEDS)			
Baseline:			
<ul style="list-style-type: none"> • NEEDS developed in May 2004 to be implemented over the period 2004 – 2007, SEEDS to be developed in all states by September 2004 • States have weak capacity to develop SEEDS which include sectoral strategies for infrastructure, small and medium scale enterprises, agriculture, social sector and the private sector (in addition to state specific priorities) 			
Applicable Strategic Areas of Support from SRF and MYFF Service Line			
1.2 Pro-poor policy reform to achieve MDG targets			
Partnership Strategy:			
UNDP will continue to participate in donor coordination mechanisms on NEEDS and SEEDS (DFID, WB, EU, USAID, UNICEF) and will work closely with the national CSO network on poverty – CISCOPE as well as key national and State institutions for poverty coordination and data collection and processing (NAPEP, FOS).			
Project Title and Number:			
Poverty Reduction Support Programme – NIR/03/005/01/99			
Intended Outputs		Output Targets by Years	Indicative Activities
1.1 SEEDS documents including well targeted poverty reduction interventions produced in six States	2004	1.1.1	Conduct sector-wide studies as inputs into SEEDS development in selected states
	2005	1.1.2	Provide technical capacity and training in support of SEEDS development in target states to address poverty and sustainable livelihoods (MDGs)
		1.1.3	Conduct stakeholder consultation on SEEDS
		1.1.4	Design and develop a strategy for the popularization of SEEDS among stakeholders and facilitate training to enhance awareness in the target states.
			Inputs
			Nat Cons. \$0.1m Training \$0.1m Sub Cont. \$ 0.1m Travel \$0.1m Sub total \$0.4m

<p>1.2 Pilot poverty initiatives developed and implemented and results feed into policy</p>	<p>2004 Training for poverty institutions, agencies, PSOs, NGOs and line Ministries in the design and implementation of poverty initiatives for addressing sectoral problems linked with poverty conducted.</p> <p>2005 Pilot poverty reduction initiatives initiated in selected states and local governments</p> <p>2006 Pilot poverty reduction initiatives under way</p>	<p>1.2.1 Assess and strengthen capacity of focal institutions and different target groups for the implementation and monitoring of SEEDS in the target states</p> <p>1.2.2 Design and facilitate implementation of pilot poverty reduction initiatives by Local Governments.</p>	<p>Nat Cons. \$0.2m Training \$0.3m Equipment \$0.3m Sub total \$0.7m</p>
<p>1. Strategies for promotion of informal sector developed in 6 states produced and results of pilot interventions feed into policy</p>	<p>2004 Draft strategies for promotion of informal sector developed in 6 states produced</p> <p>2005 Final strategies for promotion of informal sector developed in 6 states produced</p> <p>Pilot interventions initiated</p> <p>2006 Pilot interventions continue</p> <p>2007 Lessons learned incorporated into policy</p>	<p>1.2.3 Conduct desk study on informal sector and identify information gaps.</p> <p>1.2.4 Carry out relevant case studies in 6 state and design draft strategy for informal sector promotion</p> <p>1.2.5 Conduct consultation with relevant stakeholders including government to validate strategies</p> <p>1.2.6 Design pilot interventions for promotion of informal sector.</p>	<p>Int. Cons. \$0.2m Sub Cont. \$0.3m Sub total \$0.5m</p>
<p>Intended Outcome 2: National capacity for poverty monitoring and documentation of progress towards the achievement of the MDGs enhanced</p>			
<p>Outcome Indicator: Monitoring framework and regular reporting on poverty reduction initiatives</p>			
<p>Baseline:</p> <ul style="list-style-type: none"> ▪ The National MDGR 2004 highlights the gaps in data available on poverty -- the most recent national statistics on poverty are for 1996. ▪ Roles of various statistical agencies at the federal and state level are not clearly defined and there is a lack of capacity at the state level and poor data at State level ▪ A comprehensive national statistical management plan developed in 2004 with WB support, implementation is to be financed by government and interested donors including UNDP, EU, DFID. 			

Intended Output	Output Targets by (Years)	Indicative Activities	Inputs
<p>Applicable Strategic Areas of Support from SRF and MYF Service Line 1.1 MDG Country reporting and poverty monitoring</p> <p>Partnership Strategy: UNDP will continue to participate in the Poverty Monitoring Group which is chaired jointly by NAPEP and DFID and comprises Donors and Government agencies (NPC, FOS, NAPEP, UNDP, DFID, EU) and will work with the key data collection agency FOS at the national level, relevant ministries including the Ministry of Women Affairs as well as state level agencies to achieve the outcome. It will also work with key civil society organizations including ACTIONAID which is coordinating Civil Society Participation in the Millennium Development Campaign to ensure that the results of achievement of the MDGs and progress with poverty reduction are disseminated and inputs from civil society are obtained at both State and National level.</p>			
<p>2.1 Enhanced collection and dissemination of poverty related data</p>	<p>2004 Implementation of aspects of the statistical master plan related to poverty monitoring initiated</p> <p>2005 Training programme for building the capacity for poverty monitoring and reporting in key institutions implemented. Comprehensive database established and management capacity supported</p> <p>2006 Poverty related aspects of the statistical master plan fully implemented</p>	<p>2.1.1 Review existing indicators and strategies for enhancing data collection and develop draft strategy 2.1.2 Develop a concept paper to identify key issues and advance efforts at implementation of the relevant aspects of the statistical master plan including monitoring and reporting of poverty related information. 2.1.3 Carry out capacity assessment within the focal poverty monitoring institutions (NAPEP, NPC, FOS, NDE, etc, and line Ministries including Women Affairs, FMI, MOA, MOC, etc. Design and implement capacity building support to data collection, analysis and dissemination 2.1.3 Review existing data and carry out assessment of needs to prepare ground for establishment of comprehensive database in focal poverty institutions for poverty tracking. 2.1.4 Establish a comprehensive database in at least one focal institution and provide management support for its operationalization.</p>	<p>Int. Cons. \$0.1m Nat. Cons \$0.5m Training \$0.4m Sub Contract \$0.2m Equipment \$1.0m Mission \$0.1m Travel \$0.1m Sub total \$2.4m</p>
<p>2.2 Enhanced reporting mechanism on progress towards the achievement of MDGs.</p>	<p>2004</p> <ul style="list-style-type: none"> ▪ Strategy developed for tracking the achievement of MDG ▪ Training programme on MDGs developed <p>2005</p> <ul style="list-style-type: none"> ▪ Staff from key institutions trained and the preparation of the MDG report facilitated ▪ MDG report prepared and widely disseminated <p>2006</p> <ul style="list-style-type: none"> ▪ Database on MDG related information established 	<p>2.2.1 Conduct discussion on strategies for poverty monitoring, assess gaps and design a strategy for tracking progress towards the achievement of the MDGs (disaggregated gender, rural/urban, regional, state) 2.2.2 Design and implement a training program for staff in key institutions to facilitate the preparation of national and selected states annual reports on MDGs. 2.1.8 Utilizing available information, establish a comprehensive database in two focal poverty institutions 2.1.9 Devise a strategy and implement a consultative process to enhance civil society participation in monitoring the MDGs 2.1.10 Utilizing information from capacity assessment and training programme designed in 2004, conduct training</p>	<p>Nat. Cons \$0.2m Training \$0.3m Equipment \$0.5m Sub total \$1.0m</p>

		2.1.11	for statistical agencies in at least 6 states. Design a strategy for popularizing the MDGs and develop an ICT strategy to facilitate dissemination of reports.	
Intended Outcome 3: Coverage of micro finance services to the poor extended				
Outcome Indicator: Improved delivery of micro finance to a wider group of beneficiaries Increased resource flows for micro finance interventions				
Baseline:				
<ul style="list-style-type: none"> ▪ Low coverage of micro finance interventions and weak capacity for sustainable microfinancial delivery ▪ Draft CBN policy for regulating the sector is under development 				
Applicable Strategic Areas of Support from SRF and MYVF Service Line				
a Local poverty initiatives, including Micro finance				
Partnership Strategy:				
<p>UNDP will continue to lead the strategic donor and CSO collaboration in the area of micro-finance development that includes DFID, USAID, Japan, and GTZ as well as CSOs such as CDF (Community Development Foundation), LAPO, DEC and JDPC to promote sustainable micro financial finance in Nigeria and to advocate and support efforts towards establishing the necessary enabling environment. UNDP will continue to work with the Central Bank of Nigeria (CBN) to sent in a place an enabling regulatory framework for microfinance.</p> <p>Intended Output</p>				
		Indicative Activities		
3.1 Micro finance policy developed	2004 Policy finalized	3.1.1	Undertake consultations with CBN, focal national institutions, MFIs, donor agencies, etc on design of policy framework and relevant operational guidelines.	MISC Sub total \$0.1m \$0.1m
3.2 Enhanced capacity for policy implementation and monitoring	2005 Capacity of key institutions strengthened to enhance financial intermediation	3.2.1	Assess capacity gaps, design and facilitate capacity building in CBN, MOF and the Policy Committee secretariat to operationalize the policy	In. Cons. \$0.1m
		3.1.5	Design and implement relevant capacity building support for focal institutions (NPC, NAPEP, CBN and community banks) to formulate, monitor and report on standard microfinance programmes	Nat. Cons. \$0.2m
		3.2.2	Design strategic programme with focus on sustainability, and build the capacity of focal institutions to monitor and evaluate the policy implementation process.	Training \$0.2m Mission \$0.1m Sub total \$0.6m

<p>3.3 Training provided for selected Micro Finance Institutions in the Geographical zones and their progress monitored.</p>	<p>2004 Participating institutions identified</p> <p>2005 Training and monitoring of selected MFIs initiated and results assessed and feed back into training and policy.</p> <p>2006 Training and monitoring of selected MFIs initiated and results assessed and fed back into training and policy</p> <p>2007 Training and monitoring of selected MFIs initiated and results assessed and feed back into training and policy</p>	<p>3.3.1 Identify appropriate institutions for extending micro finance coverage</p> <p>3.3.2 Assess capacity gaps and build the capacity of existing and new MFIs for microfinance intermediation with emphasis on women and youths</p> <p>3.3.3 Conduct a survey of MFIs in the northern zones and assess their operational and management capacity. Identify at least four promising MFIs for capacity building support, also identify at least three national institutions for training as LTSPs.</p> <p>3.3.4 Support capacity of at least three MFIs to facilitate their outreach expansion and transformation plans. Design and implement capacity building to support CBN in monitoring and evaluating performance of MFIs</p>	<p>Int. Cons. \$0.1m</p> <p>Training \$0.2m</p> <p>Sub Contract \$0.2m</p> <p>Equipment \$0.2m</p> <p>Micro Grant \$1.0m</p> <p>Travel \$0.1m</p> <p>Tech Supp.UNCDF \$0.2m</p> <p>UN Volunteer \$0.2m</p> <p>Sub total \$2.2m</p>
<p>3.4 Enhanced access by the poor to micro finance services and resources</p>	<p>2005 Initiate establishment of MFI Network</p> <p>Initiate preparation of MFI Directory</p> <p>2006 Networks of MFIs and Donors launched</p> <p>Capacity building programs for targeted micro finance clients implemented</p> <p>2007</p>	<p>3.4.1 Design and implement capacity building for cooperative societies, economic groups and micro finance clients for developing business plans and sustainable strategies for product development/diversification, linkage with external markets and networking for productivity improvement</p> <p>3.4.2 Establish MFI networks for experience sharing and resource mobilization.</p> <p>3.4.3 Produce national directory of MFIs.</p>	<p>Int. Cons. \$0.1m</p> <p>Nat. Cons \$0.1m</p> <p>Sub Contract \$0.1m</p> <p>Sub total \$0.3m</p>

Intended Outcome 4: Performance of micro, small and medium enterprises enhanced										
Outcome Indicator: Robust and competitive cottage, small and medium scale enterprises										
Baseline:										
<ul style="list-style-type: none"> ▪ Private sector is the main provider of economic opportunities for poor people therefore vital for poverty reduction but is currently fledgling ▪ SMEs constitute one of the major sources of employment and therefore SME development is a priority under the NEEDS Funds for SME promotion exist but are poorly disbursed ▪ A specific sectoral strategy has not yet been developed at the Federal or State level 										
Applicable Strategic Areas of Support from SRF and MYF Service Line										
1.5 Private sector development										
Partnership Strategy:										
UNDP will collaborate with government and the private sector with regard to the SMIES fund and will continue to collaborate with umbrella CSO organizations that represent SMES in Nigeria including NASSI and NASIMA as well as relevant UN organizations in Nigeria (UNIDO) and ILO										
Intended Output										
4.1 Training for improving service delivery for SME operators undertaken	<table border="1"> <thead> <tr> <th>Output Targets by (Years)</th> <th>Indicative Activities</th> <th>Inputs</th> </tr> </thead> <tbody> <tr> <td>2005</td> <td> <ul style="list-style-type: none"> ▪ Reviews conducted ▪ Training and capacity building of SME networks and Bankers Committee on SMIES conducted ▪ Business Incubator system reviewed and refocused and investors sensitized </td> <td> <ul style="list-style-type: none"> Int. Cons. \$0.1m Nat. Cons. \$0.2m Training \$0.3m Sub Contract \$0.2m Equipment \$0.3m Travel \$0.1m Mission \$0.1m Tech Support \$0.2m Misc \$0.015 Sub total \$1,515, 249 </td> </tr> </tbody> </table>	Output Targets by (Years)	Indicative Activities	Inputs	2005	<ul style="list-style-type: none"> ▪ Reviews conducted ▪ Training and capacity building of SME networks and Bankers Committee on SMIES conducted ▪ Business Incubator system reviewed and refocused and investors sensitized 	<ul style="list-style-type: none"> Int. Cons. \$0.1m Nat. Cons. \$0.2m Training \$0.3m Sub Contract \$0.2m Equipment \$0.3m Travel \$0.1m Mission \$0.1m Tech Support \$0.2m Misc \$0.015 Sub total \$1,515, 249 			
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<p>2006</p> <p>Programme to facilitate the adoption of ICT for SMEs and focal institutions implemented</p> <p>2007</p> <p>Improved SME information sharing facilitated through publications and web based exchange</p>	<p>4.2.3</p> <p>4.2.4</p>	<p>improvement as well as improved access available resources</p> <p>Implement capacity building through regional Chambers of Commerce, SME umbrella organizations and focal government agencies (EPCC, MOC, FIRO, EPC, etc) to enhance packaging and marketing of SME products.</p> <p>Design and facilitate the adoption of ICT by SMEs and focal institutions (Min. of Industries, SMIDA, Nat. Manpower Board, etc) to enhance access to information for target SME operators.</p>	<p>Travel Mission \$0.1m</p> <p>Tech Support \$0.1m</p> <p>Tech Support \$0.2m</p> <p>Sub total \$1.7</p>
<p>Intended Outcome 5: Partnership and dialogue between government, the private sector and civil society groups enhanced.</p>			
<p>Outcome Indicator:</p> <ol style="list-style-type: none"> 1. Sustained dialogue between government and civil society 2. Increased resource flows from the private sector for community development 			
<p>Baseline:</p> <ul style="list-style-type: none"> • Numerous civil society organizations, poorly coordinated with limited access to information • Lack of demonstrated CSO capacity to dialogue with the government and participate in policy and decision making • State human development funds launched by UNDP from December 2001 as partnership between states, the private sector and UNDP -- over 20 million Naira mobilized. 			
<p>Applicable Strategic Areas of Support from SRF and MYYF Service Line</p> <ol style="list-style-type: none"> 1.7 Civil society empowerment 			
<p>Partnership Strategy:</p> <p>UNDP will focus on cementing partnerships with CSO and NGO networks for poverty reduction including and umbrella organizations representing women and small scale entrepreneurs (CISCOPE, NCWS, NAASSI).</p>			
<p>Project Title and Number:</p> <p>Poverty Reduction Support Programme – NIR/03/005/01/99</p>			

Intended Outputs	Output Targets by Years	Indicative Activities	Inputs
5.1 Enhanced capacity for government/civil society dialogue	2005 Government – civil society dialogue facilitated 2006 Zonal trainings conducted 2007 Review carried out and report disseminated	5.1.1 Support Government – Civil Society consultations on poverty reduction initiatives at the decentralized level. 5.1.2 Develop monitoring indicators and establish monitoring framework for assessment. 5.1.3 Strengthen the capacity of Civil Society to advocate for poverty reduction at the state, local government and community levels. 5.1.4 Document success stories and disseminate report.	Training \$0.3m Sub total \$0.3m
5.2 Strengthened public private partnership for poverty reduction	2004 Framework for sustainable resource mobilization developed. HDF launched and operationalised in selected States	5.2.1 Facilitate the development of strategic framework for establishment of a national poverty fund. 5.2.2 Support States & Local Governments to develop sustainable resources mobilization strategy for poverty reduction within the framework of the Human Development Fund. 5.2.3 Facilitate strategic partnership on poverty reduction initiatives and advocate joint targeting 5.2.4 Conduct State-wide consultations on implementation of HDF and publish reports as inputs to programme review exercise.	Nat. Cons. \$0.2m Sub Cont. \$0.3m Travel \$0.2m Grant Support \$0.2m Sub total \$0.9m
MONITORING AND EVALUATION AND ADVOCACY			
1.0 Programme monitored, evaluated and reported on.	2004-2007 Periodic and annual reports	5.2.1 Carry out periodic field visits and conduct annual reviews	Field Visits \$0.02 Travel \$0.05 MISC \$0.03 Sub total \$0.1m Sub Contract \$0.1 Travel \$0.1 Sub – total: \$0.2m
2.0 Advocacy and communication on programme outcome and results	2004-2007 Regular media coverage and dissemination of programme results.	5.2.2 Undertake multi-media reporting and dissemination of publications on programme results.	

Annex 1

Explanatory Note on Resource Availability and Use

(Poverty Programme)

Total Available Resources:

TRAC(UNDP):	US\$ 15,312,500
Govt. C/S:	US\$ 5,330,986
Total (A)	<u>US\$ 20,643,486</u>

Resource Allocation:

Projected 2003/2004 Expenditure:

NIR/02/013	US\$ 734,375
NIR/02/011	US\$ 2,500,000
NIR/98/201	US\$ 540,442
NIR/98/202	US\$ 1,713,183
NIR/98/203	US\$ 970,124
NIR/99/015	<u>US\$ 366,944</u>

Total (B) **US\$ 6,855,068**

Balance Available (A-B) **US\$ 13,788,418**

Less GMS (7% of C/S) (C) (US\$ 373,169)

Less Reserve (D) (US\$ 500,000)

Balance Available (A-B-C-D) **US\$ 12,915,249**