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PROGRAMME PLANNING

Country and intercountry programmes and projects

THIRD COUNTRY PROGRAMME FOR NIGERIA

Note by the Administrator

I. PROCESS OF THE PROGRAMMING EXERCISE

1. The programming exercise followed its normal course: consultations with the Government and United Nations system agencies; preparation, discussion and approval of the Resident Representative's note; sectoral discussions with technical ministries; organization of a workshop with a view to sensitizing government officials to the country programming process; fielding of sectoral review and programming missions for the two most important sectors, agriculture and industry; and the drafting of the first version of the country programme document in the field by the Government in close collaboration with the UNDP office.

II. THE THIRD COUNTRY PROGRAMME

2. Nigeria is experiencing economic difficulties caused mainly by the steep decline in the price of oil which has been the major source of foreign exchange revenue, and this, in turn, has exacerbated some of the structural problems of the economy. The New Government which took power in August 1985 has therefore concentrated its efforts on solving short-term economic and financial problems, the latter in particular, largely huge foreign and domestic debts; rapidly declining per capita income; a high rate of unemployment; a severe shortage of raw materials and spare parts for industries; and a high rate of inflation. To cope with the grave economic situation, the Government has instituted economic recovery measures

which include: (a) correcting structural distortions in the economy; (b) severely curbing imports; (c) diversifying imports and strengthening the international competitiveness of Nigeria's products; (d) dampening inflation; (e) increasing the production of basic food items, such as cereals, root crops and poultry; (f) reducing unemployment; and (g) promoting the expansion of those industries which rely largely on local materials.

3. Notwithstanding its emphasis on solving short-term issues, the Government has concurrently issued policy statements for the medium term. These are included in its economic recovery programme and the 1986 budget which altogether provide a broad strategy for development. The third UNDP country programme is therefore based on these medium- and long-term strategies and is concentrated on the following four main objectives corresponding to some of the Government's major development strategies and covering (a) agriculture and rural development; (b) industry and technology; (c) human resources development, employment and capacity building; and (d) aviation and infrastructure-complementary assistance to sectors of concentration.

4. Nigeria is a member of OPEC (Organization of Petroleum Exporting Countries) and the traditional major donors do not have important bilateral aid programmes in the country. The main donors are UNDP and the European Economic Community (EEC) which provide the bulk of technical assistance on grant basis and the World Bank, which makes concessional loans. EEC and World Bank assistance covers areas of activities touching the main sectors where UNDP is equally involved; they are complementary geographically and in terms of activity. Care has been taken to avoid duplication.

5. For a variety of reasons explained in the country programme document, Nigeria has suffered a substantial decrease in agricultural productivity, particularly as regards food production. It became an importer of food products. The Government wishes to reverse this trend. The third country programme therefore gives very high priority to increasing agricultural productivity so as to make the country self-sufficient in food once again and also reduce the relative importance of oil as the principal Nigerian export by agriculture-based exports, such as cocoa, groundnuts, palm produce and natural rubber. In order to achieve this objective, the Government is seeking UNDP assistance in support of agricultural extension services, seed production and distribution services and the reduction of post-harvest losses, as well as the development of inland fisheries. The Government is also seeking UNDP assistance in organizing the rural sector through the development of co-operatives, skills development for rural women, a programme of settlement for nomadic pastoralists and a major programme to improve access to water supply and sanitation systems in rural areas. Finally, training and education will permeate the activities covering this objective. Thirty-three per cent of the resources of the country programme have been earmarked for agriculture and rural development.

6. In the industrial sector, the critical problems facing Nigeria stem from installed plant capacity which is seriously under-utilized because of a shortage of raw materials, in most cases agricultural produce, and a lack of spare parts. In some instances industries cannot survive without a high tariff wall because their

operations are not cost-effective. UNDP assistance in the industrial sector will therefore support the Government's efforts to restructure and rehabilitate existing industries and will also provide critical support to agriculture by developing backward and forward linkages: production of inputs for agriculture; mechanical engineering for agriculture; transformation of agricultural products; and restructuring of industrial plants to use local agricultural products instead of imported ones.

7. The third objective of the country programme is related to human resources development, employment creation and economic management. Assistance in these areas is considered important for sustained economic and social growth. The Government will seek UNDP assistance in the following areas: development of a large-scale public works programme with a job creation component involving the improvement of existing infrastructure such as feeder roads and irrigation systems; vocational rehabilitation of the disabled and handicapped; a programme for national youth employment and mobilization; development of a computerized national data bank; economic planning and management; and training in multi-disciplinary sectors.

8. Under the fourth objective of the country programme, aviation and infrastructure, the Government intends to seek UNDP assistance in training more air traffic controllers; reorganizing the civil aviation department; establishing maintenance and inspection standards for electrical and mechanical facilities at airports and organizing an aeronautical information service.

9. Also included in the third country programme is a project funded from the United Nations Emergency Operations Trust Fund (UNEOTF) for the drought-affected areas of Borno State in northern Nigeria. Although these funds were allocated towards the end of the second country programme period, difficulties were encountered in launching project activities which are expected to commence shortly.

10. The Administrator is pleased to inform the Council that the Government of Nigeria will continue to make cost-sharing funds available to the country programme in order to maximize the use of United Nations system capabilities.

III. MANAGEMENT OF THE COUNTRY PROGRAMME

11. The third country programme will coincide with the period of the Fifth National Development Plan of Nigeria, i.e. January 1987 to December 1991. The Federal Ministry of National Planning, which is responsible for the preparation and co-ordination of the implementation of the plan, is also the national co-ordinating Ministry for the implementation of the country programme.

12. In launching the new country programme, a number of project identification and formulation missions will be organized, particularly for those projects which are complex, which involve large amounts of funds and those which require a more detailed analysis of the problems to be addressed. In this connection, further consultations will be held with the Government regarding the ways in which its objectives to increase food self-sufficiency and rural productivity could best be achieved, given the relatively modest IPF resources available for this purpose. A

mission financed by the Project Development Facility (PDF) is envisaged in order to provide a sound basis for the Government and UNDP to gauge the relative priority of various project proposals currently under consideration for the agricultural sector. A similar approach is envisaged for the human resources development sector.

13. During the implementation of the third country programme, special care will be taken to avoid the major difficulties most commonly experienced during the implementation of the previous one. These difficulties were mainly (a) projects operating in isolation within any inter-relationships; (b) delays in processing and signing project documents; (c) delayed or only partial fulfilment of project prerequisite obligations by some government departments; (d) lack of appropriately qualified counterparts in some projects; (e) delays in the submission of candidates for expert posts and inadequate backstopping by some agencies; and (f) insufficient familiarity among government officials regarding the United Nations system and its procedures. In connection with this last point, a two-day workshop on the country programme held prior to the commencement of the programming exercise was commended by all participating government officials. At their request, it was agreed that UNDP and the Federal Ministry of National Planning would organize such working sessions more frequently in order to provide the counterpart officials concerned with the opportunity to review common operational progress as well as management and administrative problems encountered in the course of project implementation in the sector for which they are responsible. These sessions will focus on identifying solutions and thus the promotion of a more systematic approach to programme and project monitoring. The Administrator welcomes this joint initiative of the Government and the Resident Representative, particularly in view of the Government's intention to increase the use of national institutions and national experts. National project managers are already being considered for some projects.

14. In order to maintain and enhance the flexibility and continuous programming approach during the fourth cycle, the third country programme makes a provision for an unprogrammed reserve representing 10 per cent of available IPF resources.

15. In view of many complex issues to be addressed by the Government of Nigeria in the new country programme, the Administrator considers it essential to undertake a comprehensive programme review in 1988. Following this review, any major changes or reorientations that appear to be required will be duly reported to the Governing Council.

IV. RECOMMENDATION BY THE ADMINISTRATOR

16. The Administrator recommends that the Governing Council approve the country programme for Nigeria.
