

Executive summary

BACKGROUND

This report presents the findings of the Nigeria country evaluation, which was undertaken by the UNDP Evaluation Office in March 2003. The evaluation is part of a series of independent Assessments of Development Results (ADRs) that the Evaluation Office undertakes every year in selected countries. The purpose is to assess the key development results and overall contribution of UNDP support to Nigeria during the period 1997-2002 and to recommend strategies for strengthening the organization's performance.

The Nigeria ADR seeks to assess how UNDP has responded to Nigeria's development challenges and strategically positioned itself to bring added value in such a populous and relatively well-endowed country. The evaluation is, above all, a forward-looking exercise intended to draw lessons for the strategic positioning of UNDP's support in the future and to serve as a basis for dialogue between UNDP and the government as Nigeria consolidates its transition to democracy. The report draws upon findings gathered through detailed background desk studies, field visits and interviews, as well as in-depth studies on poverty and governance, the two thematic areas to which the bulk of UNDP resources were allocated during the period under review.

NIGERIA'S DEVELOPMENT CONTEXT

With an estimated population of 120 million people, Nigeria is Africa's most populous country and its annual Gross Domestic Product (GDP) of US \$50 billion makes it one of sub-Saharan Africa's largest economies. Although well endowed with natural resources, it is a country emerging from a long-standing economic and political crisis that started with the collapse of oil prices in the mid-1980s and was exacerbated by periods of increasingly arbitrary military rule. Despite having the seventh largest oil and gas reserves in the world and being the world's 6th largest exporter of crude oil, Nigeria's GDP per capita annual growth rate in real terms has been negative or zero for more than two decades. Current GDP per capita, in terms of purchasing power parity (PPP) is US \$896, which is significantly lower than the 1977 figure of US \$1,160. In addition, there are large income disparities between the rich and poor, and between men and women. For example, the poorest 10% of the population accounts for a mere 1.6% share of national income while the richest 10% accounts for 40.8%. The economy is dependent on a single commodity (oil) that is subject to serious price fluctuations. Total federal public debt (internal and external) amounts to approximately 41 percent of GDP and the cost of debt servicing is equivalent to 42 percent of exports.

Nigeria is ranked low on the Human Development Index¹ and the Nigeria 2000/2001 National Human Development Report (NHDR) also reveals that there are significant regional disparities. Compared to other countries of similar size but fewer resources, Nigeria's economic performance and human development have not matched its potential.

While the restoration of democracy in 1999 is widely seen as a turning point for the better, Nigeria faces a number of development challenges. Greater freedom of association and expression has led to increased tension in the north and in the Delta region and, despite

the steady increase in oil prices since 1998, the economy has yet to show any marked improvement. The Presidential election of April 2003 took place relatively peacefully and renewed the mandate of the incumbent, but Nigeria's democratic consolidation remains fragile and much still needs to be done to build a strong culture of open and accountable government at all levels.

As the report shows, the economic and social challenges are enormous and there is, above all, an urgent need to restore the non-oil productive sectors, increase employment and combat poverty and the spread of HIV/AIDS.

FOCUS OF UNDP PROGRAMMES 1997-2003

The 1997-2002 Country Cooperation Framework (CCF) was drafted when Nigeria was still under a military government and when most bilateral donors were withdrawing from the country. Given these circumstances, the UNDP Executive Board approved the CCF on the condition that 80% of UNDP core resources would "directly benefit the poorest sections of the population and deliver their benefits at the grassroots level". Consequently, UNDP's activities were mainly targeted at the grassroots level and dispersed throughout Nigeria's 36 states and the Abuja Federal Capital Territory (FCT).

The original 1997-2002 CCF document identified poverty alleviation as its overall objective and provided support under four thematic areas of concentration: poverty reduction, governance, gender and the environment. Programmes under these thematic areas of concentration, which were also used as the framework for the new initiatives that were introduced after 1999, were organised under the following umbrella programmes: the National Management of Socio-Economic Development (NMSED) programme, under which governance and capacity building for policy planning and economic management were provided; and

^{1.} See Nigeria's National Human Development Report, 1996, 1998 and 200/2001

¹⁹⁹⁷ Executive Board Decision, DP/1998/2, 8 October 1997.

the Job Creation and Sustainable Livelihoods Programme, the Social Development Programme and the Sustainable Agriculture, Environment and Rural Development Programme, the three programes under which poverty reduction, gender, the environment and HIV/AIDs were addressed. (See Annexes 4-6 for a map of intended development results and resource allocation by theme.)

When democracy was restored in 1999, the Federal Government of Nigeria (FGN) introduced a new economic programme for the period 1999-2003 which stressed raising living standards and creating employment opportunities. The FGN immediately requested UNDP to undertake a variety of initiatives at the federal level in the areas of policy and strategy formulation and capacity building for poverty alleviation and good governance. Significantly, about half way through the CCF period, UNDP found itself adding a new dimension to its Nigeria programme in addition to having to realign its ongoing programmes in accordance with the corporate results-based management (RBM) tools introduced in 1999.

MAIN FINDINGS

I. Strategic Positioning and Relevance of UNDP Support

The findings of this evaluation suggest that UNDP is well known and enjoys relatively high visibility in the country, particularly within institutions and among the states where it has programmes. Domestic constituencies and external donors alike clearly respect UNDP's role and expect the organization to play an even stronger facilitation role vis-a-vis the country's human development agenda. UNDP's role as a neutral convener, its access to global knowledge networks, and its advocacy on critical issues of human development and human rights clearly emerge as the organization's comparative advantages in Nigeria.

Based on the ADR, the following conclusions can be reached regarding the strategic positioning of UNDP and the relevance of its programmes from 1997-2003. In general terms, UNDP has responded flexibly to the evolving development challenges in Nigeria and to the expressed priorities of the government. The downstream orientation required by the Executive Board at the beginning of the first country cooperation framework (1997-2002) was appropriate and UNDP positioned itself accordingly. After the restoration of democracy, UNDP made a serious effort to respond to the government's need for policy advice and capacity building in strategic institutions, but its approach was not sufficiently structured or coherent.

UNDP's comparative advantage in Nigeria has translated into a high degree of government trust and access to the most senior government representatives at both the federal and state level. At the beginning of the period under review, UNDP was appreciated as one of the few donors to remain in the country. After the restoration of democracy in 1999, the new government immediately requested UNDP to intervene in crucial and sensitive areas such as elections and conflict prevention. This type of support, combined with UNDP's involvement with promoting national dialogue on the country's human development agenda through the publication of the National Human Development Reports (NHDRs) and the 2010 Vision, a national consultative envisioning process, has reinforced its coordination and advocacy role.

With respect to strategic partnerships, UNDP has developed a number of useful linkages with government and non-governmental organizations and donors, but to be strategic, these initiatives need to be anchored within a coherent development policy framework. Partnerships with government, especially at the state level, often seem to have been driven by resource mobilisation imperatives rather than substantive development concerns. Furthermore, partnerships in grassroots projects tend to have been UNDP-dominated, without a planned UNDP exit strategy or enough local ownership to support scaling up and long-term sustainability.

UNDP's partnership initiatives with the private sector seem to be the most promising ones

developed during this period. Partnerships with the potential for replication have been developed through the National Partnership Forum (NPF) and the Human Development Fund and with Chevron Oil Company. UNDP's relationship with the National Partnership Forum and the Human Development Fund (HDF) stands out as a good example of strategic partnering and advocacy on human development and corporate responsibility. As of the end of 2001, the NPF was supported by sixty organizations (including major Nigerian and foreign corporations, oil companies and banks) in an initiative for the implementation of the Global Compact at the national level and for the realisation of the Millennium Development Goals (MDGs). The HDF acts as the resource mobilisation instrument for the NPF and focuses on providing support to community development activities that benefit the poor or marginalised and vulnerable groups. Yet, while these partnership initiatives are commendable, they seem to suffer from the same problems of dispersion and weak supervision that affect the UNDP grassroots programmes.

A more recent UNDP agreement with Chevron Nigeria Ltd. (concluded at the end of 2002) also offers a promising example of collaboration with the private sector, in this case with one of the country's major oil companies. The agreement between UNDP and Chevron recognises the company's social obligation to the communities where it operates and UNDP's potential role in providing advisory services for Chevron's community development activities. For this initiative to be judged a success from the organization's point of view, UNDP must be seen to be playing a neutral, facilitative and development-oriented role and not simply that of an adjunct to a corporate public relations exercise.

While partnerships with other external development partners seem promising, they are at best uneven. The basis for UNDP partnerships with bilateral donors is the comparative advantage that stems from its neutrality. This has allowed UNDP to play a strategic and important role in areas where

political sensitivities prevail, such as (i) elections, (ii) conflict prevention and resolution, and (iii) the fight against corruption. For example, UNDP played a key role in coordinating and managing various donor inputs to the 2003 elections. It is also collaborating with NORAD on conflict prevention and has joined the World Bank and the Department for International Development (DFID) in supporting the Institute for Peace and Conflict Resolution's (IPCR) joint Strategic Conflict Assessment (SCA). Collaboration with the other development partners in the United Nations system is weak, especially in the area of HIV/AIDS and micro projects, and the United Nations Development Assistance Framework (UNDAF) has not provided a sufficiently robust framework for synergies and strategic focus of UN efforts.

With respect to challenges ahead, there are a number of areas that should be addressed if UNDP is to make the most of its comparative advantage. These include frequent changes in senior management, the failure to move to Abuja and the perception by some stakeholders that UNDP is overburdened with bureaucracy and more concerned with process than substance. UNDP's efforts at convening and coordination have also been hamstrung by the lack of a strong national donor coordinating body and a clear, overarching government policy framework. The National Planning Commission (NPC), which is responsible for donor coordination, is relatively weak, like many Nigerian institutions that are being revitalised after years of military rule; and may require time to truly take charge of Nigeria's development agenda setting and donor coordination efforts.

With respect to the strategic focus and relevance of UNDP's support, the ADR team concluded that the original orientation of CCF-1 to grassroots development activities was appropriate during the difficult years prior to 1999. It also recognised the equity considerations that have led to coverage in all 36 states and the FCT. However, this approach spread UNDP's activities too thin and reduced the capacity of the UNDP Country Office to provide adequate supervision and monitoring. This extensive

coverage of the whole country has also meant that hardly any of the interventions have achieved sufficient critical mass either to encourage scaling up or replication or to influence upstream policy formulation.

In assessing how well UNDP has performed or strategically positioned itself to play its role better in the future, there is a need to balance expectations against reality. Nigeria is a country with domestic resources that dwarf Official Development Assistance (ODA) by a considerable margin and this has implications on the role of external aid, including UNDP assistance. Nigeria also has a complex three tier federal system with 36 states and 774 local government authorities whose autonomy is guaranteed under the Constitution. Moreover, Nigeria's political history has resulted in a situation where any intervention will be hampered by the tensions that are often evident at every level of government. It is possible for UNDP to provide strategic support at both the federal and state level, but without a strong institutional and policy framework, and reforming champions from within to carry forward the development agenda, coordination and facilitation alone may not lead to concrete results. This suggests that the Nigeria government and UNDP will need to work together on a new or revitalised agenda.

The Nigerian development context seems to require a highly focused and agile role on the part of the UNDP, yet one that is multifaceted and flexible enough for the organization to remain strategic and relevant in view of the complex challenges and opportunities that the country presents. With the return of most donors to Nigeria following the democratic elections of 1999, UNDP may well need to focus on doing a few critical things, and doing them well. It will also be necessary to work with the government to establish a strong policy framework for promoting the human development agenda at the federal and state level.

II. Key Development Results

Overall, the findings of the Nigeria ADR show mixed results. In line with Executive

Board decision 97/25 that at least 80% the CCF-1 resources should be directed to the community level, UNDP was able to redirect its operations and initiate participatory poverty reduction interventions throughout the country aimed at supporting the poorest segments of society. Despite positive results registered at the community level, evidence from the ADR shows that in terms of sustainability and cumulative impact, UNDP's integrated community development programmes, with their wide geographical spread, have led to dispersion, overextension and limited impact. Development results have been largely dependent on institutional capacities and the dynamism and interest of state governments, and issues of ownership and sustainability of UNDP interventions will need to be addressed.

Advocacy, Partnerships and Policy Support

UNDP's most significant achievements have been in the area of advocacy for human development through the national human development reports of 1996, 1998, 2000-2001, Vision 2010, the National Partnership Forum and the Human Development Fund. The NPF and HDF have established an important dialogue forum that brings together government, the private sector and civil society organizations. The major innovation has involved corporate responsibility initiatives with Shell and Chevron, key oil companies in the Delta Region, around issues of conflict resolution, peace-building and resource mobilisation for community-based poverty reduction programmes.

Capacity Development

The main output of the original National Management of Socio-Economic Development Programme was the training of large numbers of statisticians in state and local government and the establishment of Sustainable Human Development (SHD) databanks in the Local Government Authorities (LGAs). This should help to improve the quality of statistics over time and have a positive impact on development planning and implementation at the state and local level.

Governance

Within the framework of the FGN's National Governance Programme (NPG), UNDP has provided capacity building for the National Assembly and support to civil society organizations, political parties and business groups for civic education, political participation and conflict management. UNDP also provided a Senior Governance Adviser to the NPG, who helped to guide and coordinate its initiatives. In addition, UNDP has collaborated with NORAD to support the Institute for Peace and Conflict Resolution. One other intervention in this area was to assist in setting up an Independent Policy Group (IPG) to provide direct advice to the President, an initiative that was undertaken in collaboration with the Soros Foundation and Africare.

Although it is too early to identify specific development outcomes, the ADR team was favourably impressed by these initiatives. The NPG provides an important framework for supporting governance interventions in Nigeria and strengthening democracy, even if it has not as yet adopted a very systematic approach to the governance challenges facing the country. The process of preparing the programme undoubtedly promoted consensus building among national and international partners around the importance of promoting good governance initiatives. Support for anti-corruption initiatives and civic education is a necessary condition for democracy and should continue to be actively promoted. The Independent Policy Group performs a useful function but it is not sufficiently institutionalised to have a long-term impact and its status will need to be reviewed during the second CCF period.

Poverty Reduction

(i) Job Creation and Sustainable Livelihoods

Since 1999, the political leadership has become increasingly concerned about the linkage between youth unemployment and civil unrest, and has stressed the importance of skills development and micro-credit schemes to tackle poverty. UNDP has established Skills Development Centres (SDCs) and, in parallel

with the United Nations Capital Development Fund (UNCDF), has promoted micro-finance and micro-credit schemes in all 36 states and the FCT. The results of these initiatives have varied widely depending on local conditions, especially the degree of local ownership. Furthermore, given the size of Nigeria's population, these projects have had only a marginal impact on the unemployment problems of each state. In some states it was also noted that there was little synergy between the Skills Development Centres and the micro-credit programme. An important development, however, is that UNDP/ UNCDF's micro-credit programme has encouraged the Central Bank to develop guidelines and a national policy framework for micro-credit. In the poverty reduction area, UNDP's interventions have been less significant. Their impact has been inevitably limited, given the fact that 70 percent of Nigerians live below the poverty threshold. As the analysis of key development results in subsequent sections of this report show, much more must be done to ensure that the outcomes of UNDP's interventions are durable and sustainable.

(ii) Social Development Programme

The Integrated Community Development Projects (ICDPs) provided the framework for the Social Development Programme. By 2002, some 750 ICDPs were bringing basic social services to deprived communities. These projects included water and sanitation, renovation of health facilities, training for community health workers, and functional literacy classes. These initiatives have undoubtedly been highly appreciated locally but suffer from the same issues of limited ownership, lack of replication and low impact on policy as the Job Creation and Sustainable Livelihoods Programme.

Sustainable Agriculture, Environment and Rural Development

This programme has not had sufficient resources and its interventions have largely been subsumed under the ICDPs or the micro-credit projects. For example, grinding machines and drying areas have been financed for women's groups in more than twenty states. With regard to the environment, it must be recognised that, despite the magnitude of the environmental problems facing Nigeria, UNDP's attention to environmental issues has been marginal during the period under review.

Gender Mainstreaming

With respect to creating an enabling policy environment on gender issues, UNDP is undoubtedly making an impact and this is highly appreciated by its government counterparts, especially in the Ministry of Women in Development. Perhaps one of UNDP's most significant contributions has been advocacy for legislation against harmful practices to women, which has contributed to a number of legislative changes. Despite cultural differences among states in the area of female genital mutilation (FGM), the following has been achieved: (a) passage of a federal bill on FGM; (b) passage of FGM-related legislation and legislative changes in Enugu and Edo States; (c) prohibition of early marriage in Kebbi and Niger States; (d) legislation against withdrawal of girls from school (Kano, Borno Gombe and Bauchi States); (e) laws against trafficking in women and children (Edo and Zamfara States) and a bill before the Lower House of the National Assembly; (f) various state laws on sexual abuse and prostitution; (g) safe houses for victims of domestic and sexual violence in three states and the FCT; and (h) censorship of pornographic and violent films.

It is too early to expect full implementation of the UN global agreements on gender equality but these are encouraging steps. Mainstreaming gender sensitivity in structural and institutional terms is not something that can be accomplished through "quick fix" type interventions, and a long range view will be necessary. The UN system treats gender as a cross cutting theme and provides advocacy regarding global norms and practices, but the challenge is how to "domesticate" global norms in ways that are sensitive to local cultural and religious traditions.

LESSONS LEARNED AND EMERGING ISSUES

- Political will and an enabling policy environment are crucial for achieving results. With hindsight it is always possible to see areas where UNDP might have made a more effective contribution through advocacy or policy formulation. However, it is also important to take into account the fact that there is a lack of an overarching poverty reduction and macro-economic policy framework in Nigeria, and the FGN policy influence over the states is relatively weak. It is the view of the ADR team that even if UNDP had intervened more strongly in this area, it is unlikely that it would have had a significant impact, given the reality of federal/state relations.
- Partnerships for resource mobilisation and delivery are critical ingredients for achieving development results, but partnerships need not be only about resource mobilization. Partnerships can also promote UNDP's core messages on human rights and human development. Too much emphasis on resource mobilisation is not always compatible with coherent programming and effective delivery. UNDP's experience in Nigeria has shown that focusing on resource mobilisation and delivering UNDP resources within a given timeframe is not always compatible with 'making a difference'. Moreover, pressure from UNDP Headquarters to accelerate resource mobilisation can inadvertently lead to compromising of UNDP's goals.
- Micro level projects should be catalytic and linked to broader policy goals, and should establish clear exit and replication strategies in order to minimise the 'dependency syndrome' and promote ownership and sustainability. Direct delivery of resources, and too strong a presence by UNDP in grassroots level projects

without substantive local commitment, can create the impression that UNDP is acting as a substitute for government. If UNDP is to work successfully at the grassroots level, projects and programmes need clear exit strategies and direct links to broader policy goals in order to generate long-term sustainable results. When there is a requirement that UNDP must support projects in all 36 states (as was the case under CCF-1), programme flexibility will be reduced and there will be different levels of quality and impact. It should be noted, however, that it takes longer to produce results at the macro or policy level (outcomes) than at the micro or downstream level (outputs), and thus modification is required in the definitions of outcomes in the Strategic Results Framework (SRF) to reflect this reality. External agencies tend to find it easier to intervene directly than to stand on the sidelines with advice and encouragement. This approach, however, is more suited to achieving outputs than outcomes and is a major reason why so many projects fail once the donor has withdrawn. This has certainly been the case with UNDP projects where issues of ownership, scaling up, replication and exit strategies do not seem to have been sufficiently incorporated at the design stage of the programmes. This has contributed to the phenomenon of 'micro-successes' in a sea of 'macro-failure', which can justifiably be said of many of the UNDP grassroots poverty reduction projects in Nigeria, especially as they are not linked to any macro-level policy framework.

RBM concepts and innovations take time, and frequent changes at the corporate level can undermine the process. Since 1999, UNDP has developed many concepts and corporate RBM tools and procedures. However, as is the case with most UNDP offices, the Country Office staff members seem somewhat overwhelmed by the frequent corporate changes and have not had the time to internalize them fully or to put them into practice.

RECOMMENDATIONS

Given the high transaction costs and the lack of coherence created by undertaking a large number of widely dispersed projects, the ADR team recommends narrowing the focus of UNDP's activities and adopting a judicious mix of micro and macro-level interventions that draw on the organization's comparative advantage. To do this effectively, UNDP will need to identify good practices and seek local partners to scale up and consolidate the positive outcomes of its most successful pilots. UNDP has been a responsive and trusted partner to the government and its future challenge is to leverage the lessons learned from its projects, and its organizational assets, to influence policy and agenda setting at the federal and state level. Specific recommendations based on the findings are as follows:

■ UNDP's role should be catalytic and not a substitute for government or local efforts.

Due to Nigeria's size and oil wealth, the total level of donor contributions to the country is insignificant in relation to GDP, and the level of donor influence over government policy is commensurately small. In this context, if UNDP is to make a difference, this must derive from the level of trust accorded to it by the government and from the optimal exploitation of its comparative advantage. UNDP should therefore seek to strengthen its advocacy and policy support for poverty reduction and human development and concentrate on strengthening the enabling policy environment to address the high levels of poverty in Nigeria. NHDRs should be complemented by the launch of State Human Development Reports (SHDRs) to broaden and deepen national dialogue on poverty reduction and the Millennium Development Goals.

Narrow the focus and geographical spread. UNDP should narrow its focus and geographical spread and sharpen the substantive elements of its support. The

- ADR team supports the 2003-2007 CCF thematic focus on governance, poverty and HIV/AIDS but recommends that UNDP should not aim to support all three focus areas in all 36 states and the FCT. There should be some judicious winnowing out of ongoing activities at the state level.
- Deepen and strengthen support to consolidation of democracy. UNDP support should deepen and continue to strengthen its support towards the consolidation of democracy, conflict prevention and anti-corruption initiatives. This support should build on the existing National Governance Programme (NGP) and the ongoing initiatives of other partners and focus on strengthening of key government institutions such as Parliament, the Institute for Peace and Conflict Resolution and the Independent Corrupt Practices Commission (ICPC). The approach should be within a clear conceptual framework and not pursued on a purely ad hoc basis. Conflict prevention and promoting peace and stability remain major challenges for Nigeria. UNDP should, therefore, continue to support the government in improving peace and stability through the IPCR, an important new national institution which needs to be nurtured and substantially strengthened if it is to fulfill its role effectively. Similarly, support to the ICPC should be continued, but this should be results-driven and any initiative should be highly sensitive to the degree of political will behind anti-corruption measures. To strengthen Nigeria's democracy, UNDP should continue support to the Independent Policy Group and the National Planning Commission. Support to the IPG should focus on advocating the institutionalisation of its role as a think tank rather than as an ad hoc presidential advisory body. With respect to the NPC, UNDP should examine the political support for this institution and its potential to become effective, and should plan its approach accordingly.
- Points for upstream policy support. Under Nigeria's federal system, the states are important entry points for upstream policy support. In Nigeria, the states enjoy considerable freedom of action in both policy formulation and project implementation and due to population size, can have an impact on relatively large numbers of people. Consequently, strategic and macro-level policy interventions by UNDP at the state level can be as important as those at the federal level, and should be accorded some priority.
- Build and expand partnerships with the private sector. With regard to partnerships, resource mobilisation and operational modalities, UNDP should seek to expand opportunities for cost-sharing, including in collaboration with the private sector. The cost-sharing modality is not always consistent with maximum programme impact but in the case of Nigeria where domestic resources dwarf ODA by a wide margin, government and domestic private sector cost sharing can offer a positive way to expand UNDP's capacity to promote its human development agenda, and this should be actively encouraged.
- Build substantive capacity within the Country Office. UNDP should build substantive capacity within the Country Office to meet Nigeria's development challenges and complexities. Every effort should be made to avoid the frequent changes of Resident Representative and the long gaps between the assignments of Resident Representatives that have weakened UNDP's leadership role during the past decade. With regard to the staffing of the Country Office, with the transition from the Government Counterpart Cash Contributions (GCCC) modality to cost sharing for the operational programmes in the states, cost sharing resources should be used to strengthen the number of programme (and possibly administrative) staff in the Country Office. In order to strengthen its coordination role, UNDP

should move immediately to Abuja. The absence of the Country Office from Abuja has undoubtedly weakened UNDP's leadership within the UN system and among donors.

CONCLUSION AND FUTURE DIRECTIONS

The ADR team recognises that due to Nigeria's size and relatively complex administrative structures, it is not a place where one can expect "quick results." The evaluation team also recognizes the difficult political environment the CCF operated under. The ADR team's conclusion is that, while the picture is mixed, there have been some important contributions during the period under review and UNDP has definitely made a difference in Nigeria. Notable contributions include the awareness and policy dialogue engendered through advocacy using the NHDR series (1996, 1998, 2000/2001), the Vision 2010 process and the National Partnership Forum. UNDP's contributions to legislation barring harmful practices against women and establishing a regulatory framework for micro-credit are also important contributions in the policy arena. A contribution that could prove useful in addressing conflict has been the initiation of corporate responsibility initiatives with Shell and Chevron around issues of conflict resolution, peace building and resource mobilisation for community-based poverty reduction programmes. In the governance area, UNDP is also starting to provide capacity building for institutions that drive the development agenda.

Nigeria has considerable human and natural resources of its own. However, as the report has underlined, it is still possible for UNDP to carve out a niche and work on key human development issues if it focuses on areas where it has a clear comparative advantage, is selective in its choice of entry points, maintains flexibility and brings substantive capacities to meet the challenges.

A number of opportunities place UNDP at an advantage as it begins the implementation of the 2003-2007 country cooperation framework. UNDP has high-level access to the government at the federal, state and local government level. It has also been able to mobilise sizeable additional resources from both the federal and state governments and the private sector. The challenge is to make the most of these assets and leverage them to influence policy and agenda setting at both the federal and state level. Even more important, it should aim at doing a few things and doing them well.

The re-election of the government in April 2003, the launching of the 2003-2007 CCF and the move to Abuja taken together offer UNDP an opportunity to reassess where it can make a real difference. Even though UNDP's 'development effectiveness' depends to a large extent on the political will of the Nigerian government, UNDP's 'organizational effectiveness' could be significantly improved through a more strategic and selective approach to programming and stronger collaboration between UNDP Headquarters and the country office.