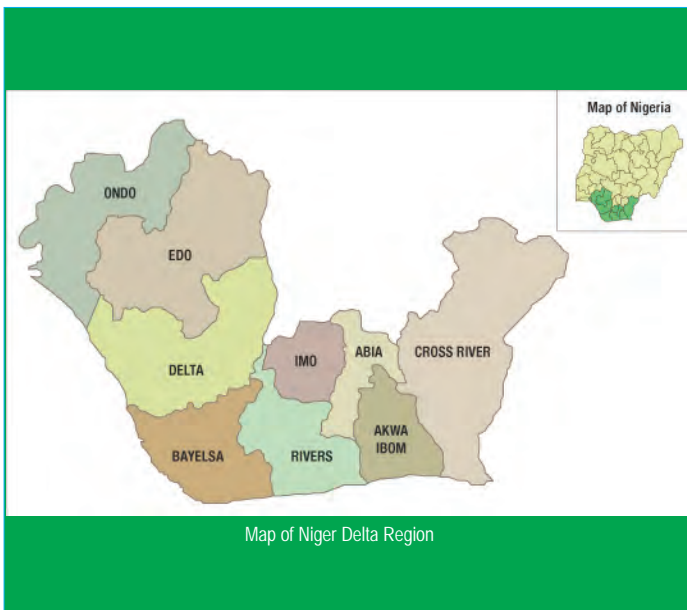


Niger Delta Action Plan

Context and Plan Summary



**MINISTRY OF
NIGER DELTA AFFAIRS**
FEDERAL REPUBLIC OF NIGERIA



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Niger Delta Action Plan Context

The Niger Delta Action Plan will translate existing strategies into action to make measurable improvements to the quality of life for residents of the Niger Delta over the next five years. Rejecting a 'business as usual' approach, the Action Plan will guide development stakeholders, both national and international, behind a common vision and objective results framework, whilst establishing a new, Multi-Stakeholder Trust Fund to mobilise additional finance for programmes and projects with the greatest potential for short-term impact towards the goals and desired outcomes of the results framework.

The Challenge: to improve the lives of Niger Delta residents when previous promises and plans have not delivered on their expectations

The Niger Delta Action Plan is a response by the Ministry of Niger Delta Affairs (MNDA) to the widely perceived gap between positive intentions and satisfactory results of development partners in the Niger Delta. Whilst the challenges facing the Niger Delta are well understood, proposed solutions have either not been implemented or have not achieved their desired results. The Action Plan aims to tackle this as a combined effort of domestic and international development partners.

The development paradox of the Niger Delta

The Niger Delta is a development paradox characterised by endemic poverty in the midst of abundant natural and financial resources. To some extent, the Niger Delta is a microcosm of the broader Nigerian nation state - which has considerably poorer developmental outcomes than much less successful economies in Sub-Saharan Africa (World Bank 2011¹). However, the Niger Delta is a particularly extreme example of this paradox of poverty in the midst of plenty. Poverty is pervasive and yet the revenues generated from oil and gas extraction in the Delta are responsible for 90% of Nigeria's export earnings and 80% of public revenues.

This poverty is reflected in a low level of human development, measured in terms of maternal deaths, child mortality, a heavy disease burden (including the increasing prevalence of malaria and HIV/AIDs) and limited access to social infrastructure. Access to potable water and improved sanitation is poor and dilapidated schools and health facilities generate extremely poor development outcomes. The deplorable communication networks especially in the water-logged areas that constitute more than one-half of the region's total landmass constrain the development of properly functioning markets. The region has pervasive unemployment, especially among the youth and women. High levels of unemployment combined with a strongly felt sense of exclusion and neglect has contributed to significant conflict in the region.

The Niger Delta is one of the world's 10 most important wetland and coastal marine ecosystems and is home to some 31 million people. The quality of the environment is important to the population, not just in terms of health and amenity but also because a high proportion of the population have livelihoods which are dependent upon the environment – principally through agriculture and fisheries. The intensive exploitation of oil and gas in the Niger Delta has degraded the environment. The Delta is now classified as a highly polluted environment (caused by canalization, oil spills, gas leaks, gas flares, and subsidence). The impact of this degradation has had a double negative impact on the livelihoods of many Delta residents. In addition to not receiving an appropriate share of the proceeds of oil and gas extraction, many traditional livelihoods have been undermined by the environmental impacts of the extractives sector.

High levels of grievance towards government

There has been a quest for self-determination amongst the Niger Delta peoples from as far back as the creation of the Eastern Region of Nigeria between 1947 and 1951. The complaints of marginalization and exploitation continued into the 1960s when Isaac Adaka Boro and his Niger Delta Volunteer Force attempted secession from Nigeria that failed. The situation eventually spiralled into armed conflict.

Since the amnesty process in 2009, there has been a general lull in the fighting in the Niger Delta region. However, the tenuous peace has done nothing to address the root causes of unrest in the area. In the absence of any

¹ World Bank (2011) *Nigeria socio-economic assessment* AFCW2 Africa Region

widespread demobilisation, the financial incentives for militant action are increasing. For instance, the volume of crude oil export, which dipped to about 700,000 bpd (barrels per day) during the period of unrest, has now risen to around 2.6 million bpd. There is significant evidence that local militias are being organised and financed by local political elites pursuing a violent agenda of 'politics by other means'.

Evidence from the UNDP Human Development Report for the Niger Delta (2006) confirms that perceptions of neglect and exclusion are major drivers of conflict and insecurity in the region. The HDR also shows that a majority of people in the region are dissatisfied with, and alienated from their Local and State governments, finding them unresponsive to their felt needs and lacking in transparency and accountability, especially in the use of resources, including those obtained from the derivation of oil revenues. Poverty, unemployment and conflict have also taken their toll on social cohesion, eroding local cultures, traditions, authority structures and spiritual values that have been central to the lives of the communities of the Niger Delta. This erosion of social capital further engendered conflicting interests and tensions between - and within - communities as well as the increased criminalization of what might otherwise have been characterized as acts of conventional social protest.

In summary, the Niger Delta poses a series of interlocking development and security challenges for Nigeria. It is both a complex development problem for the country, and, potentially, a major threat to national security with wider geo-political implications.

Constraints of the existing institutional framework: Substantial development funding is available, but is often either unspent or fails to deliver

Policy and budget priorities in the Niger Delta States are hampered by inefficiency in implementation

The federal government only manages to implement about 50% of what it budgets^{2 3}. A study on local government budgets over a 12-year period in Ondo State showed that those LGAs that had best performance were the ones who received least funds, so more funds did not imply better budget performance at local levels. The converse is also true. A World Bank study comparing per capita spending on health and education with outcomes noted the lack of a clear relationship between the two in Nigeria. Indeed, in two Delta states – Rivers and Bayelsa – government spending on health and education is the highest in Nigeria and the health and education of the population is amongst the lowest⁴. The conclusion was that inefficiency of spending was to blame⁵.

State Governors appear to agree with that assessment as they have in the main taken over the management and disbursement of local government funds through Joint Account Allocation Committees (JAAC). So for many States, a share of the 47% of sums in the Federation account is what reaches them. However Niger Delta States typically share a first line charge of 13% of monies in the Federation Account. Many states raise some internally-generated revenue, and receive an extra 1% for ecological management and a further 1.68% towards the development of natural resources. Between 1999 and 2011, there has been a steady increase in the allocations to the Niger Delta States based on agreements reached around the derivation principle, onshore offshore dichotomy and the sustained high oil prices.

Therefore, government institutions in the Niger Delta receive significant funding from Federal government, principally through a redistribution of the proceeds of oil and gas extraction. Understandably, the political debate focuses around the share of total extractive receipts which are returned to the Delta area from which they were generated. However, this debate about sharing oil revenues between the different spheres of government diverts attention away from important issues such as: the accountability of sub-national government to their populations; how the monies received are spent; why so few funds for local government are raised locally?

This breakdown in accountability between government and the citizen - where government does not deliver services and citizens do not pay - is an important institutional constraint for the Action Plan. It is unsurprising that, in a context where the social compact between government and the governed has broken down, the success of government-driven development initiatives has been limited.

² Akogun, K., & Nzashi, O., (2011), *Nigeria: National Assembly Not Satisfied With 2011 Budget Performance*, <http://allafrica.com/stories/201112140880.html>

³ <http://www.punchng.com/business/business-economy/2013-budget-experts-worry-about-implementation/>

⁴ World Bank (2011) *Nigeria socio-economic assessment* AFCW2 Africa Region

⁵ Olurankinse, F., (2012), *Is Budget Performance a Function of Funds Adequacy? The case of Selected Local Governments In Ondo State Nigeria*, *Interdisciplinary Journal of Contemporary Research in Business*, January 2012, Vol.3 No.9

The challenge of converting intent into action

The Federal Government of Nigeria (FGN) has noted in policy documents that, despite many good plans, the core problem in the Niger Delta is that: ‘past development planning efforts have failed adequately to address the region’s needs due to lapses in implementation.’⁶ These lapses are seen as being due to:

- The lack of a coherent development implementation strategy;
- The lack of concerted and coordinated framework for action; and
- Limited accountability in managing development results.

This has resulted in too many unfinished projects, a breakdown in the relationship between citizen and state, and armed conflict triggered by perceived sense of injustice.

As a result, the FGN policy imperative is a strong focus on implementation and delivery of results. FGN is determined to ‘translate strategic intent into action and results on a permanent basis.’ This is the ‘single most important factor in making Vision 20:2020 a reality’ and a sound prescription for responsible governance by all stakeholders in the Niger Delta.

This Action Plan is based upon a careful analysis of these past experiences. It recognises that plans of high quality are needed. However, implementation lapses - which are highlighted as the reason for limited success in the past – are caused by the breakdown in the relationship between the citizen and state. This Action Plan is based upon the understanding that there is not an easy technocratic solution to this institutional problem. It is also based upon the recognition that, in addition to the breakdown of the relationship between the citizen and the state, another important institution – market systems – are failing to operate in an inclusive way.

The lack of supporting functions (such as access to finance or skills or information) and the formal and informal rules (corruption and violence) prevailing in the Niger Delta create barriers to entry for low-income people to engage with the market productively, as producers, entrepreneurs or consumers. This is the reason that the small islands of globally competitive economic activity in the Niger Delta around the extractive sector have not stimulated a vibrant and broad-based local economy around them.

The focus of this Action Plan, then, is institutional transformation – both in terms of public governance and the operation of market systems.

Tackling the causes of under-development

In recent years, the Federal Government of Nigeria (FGN) has taken significant steps to resolve the drivers of conflict and violence in the Niger Delta region. It opened dialogue with leaders of key militant factions and ethnic groups. It took measures to separate groups with legitimate grievances from criminal elements capitalising on a lawless environment, and has increased interdiction of illicit weapons. Privatization contracts awarded without due process have been reversed. Key leaders of the militancy have been released. And a comprehensive and continuing process of dialogue and Amnesty is underway. While short term security stabilisation has been achieved largely due to the Amnesty programs, it is imperative that this is followed through with a correspondingly major development strategy to take advantage of the current situation to sustain and consolidate security in the region.

FGN established the Ministry of Niger Delta Affairs in September 2008 to support its stabilization and peace building strategy. The MNDA’s role is to formulate, coordinate and execute the Federal Government’s development initiatives and programmes in the region. The MNDA’s mandate is to manage and co-ordinate, promote and initiate development policies and processes in the Niger Delta. The MNDA acts as a focal point for coordinating and mobilizing concerted domestic and international assistance in resolving key security and development challenges in the Niger Delta region.

To support stabilisation, recovery and development in the Niger Delta, the MNDA, in close collaboration with development partners, established a Technical Working Group to develop the broad outlines for the design of a comprehensive short and medium term programme framework for the Niger Delta region. This collaborative effort was co-ordinated by the United Nations Development Programme (UNDP) and included other development partners such as the UK Department for International Development (DFID), the United States Agency for International Development (USAID), the World Bank, the European Union, and the Netherlands Mission.

⁶ Nigeria Vision 20:2020, Vo2, p 136 and Transformation Agenda: 2011 -2015, p 130

The output of this consultation was a paper prepared by the MNDA entitled: 'Proposed Niger Delta Collaborative Development Framework – A Concept Paper'. This working paper outlined the vision of the MNDA for the Niger Delta. It set out a broad roadmap for concerted national and international assistance and engagement for the Niger Delta under the MNDA's leadership. It also sets out key guiding principles to drive development initiatives in the region.

Against this background the MNDA, working in concert with the UNDP and other development partners, has worked with external consultants to develop this Niger Delta Action Plan. The threefold thrust of the plan is:

- to promote investment in infrastructure to enhance the living standards in the region;
- investment in people to build their economic capacity and empower their participation in the development process for their communities; and
- support for the institutional development of the MNDA to equip the Ministry to manage the process.

Previous and current Niger Delta development plans offer a shared understanding of goals and objectives, but lack a united plan for action

The Niger Delta Action Plan is an intensified development effort, but one which is built on and takes its lead from current policy documents. The plan is the final element of a three-stage approach of the Federal Government of Nigeria to bring greater prosperity to the Niger Delta, as foreseen in Nigeria Vision 20:2020 and the associated Transformation Agenda.

The MNDA's mandate is to manage and coordinate, promote and initiate development policies and processes in the Niger Delta. The Ministry is a focal point for coordinating and mobilising concerted domestic and international assistance in resolving key security and development challenges in the Niger Delta region.

The Action Plan is based on the vision, principles and guidelines outlined in the proposed Niger Delta Collaborative Development Framework. The process to formulate the Collaborative Development Framework, and subsequently this Action Plan, took account of a range of FGN policy statements and Civil Society Organisation (CSO) advice and guidance which, taken together, informed MNDA's overall policy framework. The main policy documents consulted are:

- The Niger Delta Master Plan (2004), which sets out a broad range of extensive development needs of the Niger Delta, albeit with a somewhat limited strategy for implementation.
- The Niger Delta Technical Committee Report (November 2008), which made a series of recommendations to address both the security and development needs of the Niger Delta, again without detailed implementation arrangements and follow-up.
- Nigeria Vision 20:2020 (2010), representing a comprehensive, national, long-term planning perspective.
- Transformation Agenda 2011-15, providing a medium-term policy and strategic framework providing impetus for the FGN's programme of action.
- The proposed Niger Delta Collaborative Development Framework – A Conceptual Working Paper (May 2010), which outlined the strategic objectives and intent of the MNDA for development in the Niger Delta.

Common themes emerge from all policy documents

The Action Plan does not seek to recreate the analysis or conclusions of current policy documents, but rather to indicate how proposed and commonly agreed solutions can be put into action. Themes recurring in each of the policy document are:

- The neglect suffered by the region;
- The importance of sustained development in the region to meet the needs of its citizens and to contribute to the national economy;
- That the overall development Goal is a sustained improvement in living standards in the Niger Delta;
- The need to intensify development in the region by taking steps to overcome the distrust of government, involve communities in planning and managing their own development and focus on the drivers of peace and stability, employment and infrastructure;

- The need for all tiers of Government to take coordinated action to implement the many sound elements of past development plans;
- The importance of establishing a clear development framework setting out a strategic implementation plan that provides guidance and context for all Development Partners active in the region;
- The need for collaborative and coordinated development policies and programmes; and
- The need for evidence based development planning and accountable action.

Nigeria Vision 20:2020 and the Transformation Agenda commit FGN to action in the Niger Delta

FGN high level policy, laid out in NV 20 2020 and its Transformation Agenda (2011– 2015), is to promote and foster a culture of implementation as the single most important factor to deliver effective development in the Niger Delta. In Vision 20:2020 the FGN commits to a sustained and consistent effort to ‘translate strategic intent into action and results’. In the Niger Delta, it is stated that this objective will be ‘driven by the implementation of the Niger Delta Master Plan.’ In the Transformation Agenda the FGN commits to ‘intensify action on proper coordination of all stakeholders towards bringing peace and stability to the region and significantly enhance the living standards of the people.’

The approach and techniques of Managing for Development Results places Monitoring and Evaluation at the heart of evidence-based management of implementation. The FGN has expressed its intention to reinforce the culture of implementation through systems of accountability to communities in the Niger Delta.

Niger Delta Action Plan Summary

This report articulates an Action Plan for the Niger Delta that can be implemented within the short (one year), medium (two to three years) and longer term (five years and beyond) based on the strategic vision of the Niger Delta Master Plan, the Technical Committee Report of 2008 and the Collaborative Development Framework. The Action Plan comprises a Niger Delta Development Results Framework, providing strategic guidance to development programming of all stakeholders in the region combined with a new Multi-Donor Trust Fund, which will make high impact catalytic investments within this framework, focusing particularly on market development approaches. The Results Framework describes indicative investment allocations of \$10 billion, with the MDTF seeking to raise an additional \$200 million to finance its first tranche of investments.

Aims and objectives of the Action Plan

The Action Plan is founded on an existing agreed vision

The Niger Delta Action Plan has been formulated by the Ministry of Niger Delta Affairs of the Federal Government of Nigeria. It builds on Nigeria Vision 20:2020 and the Transformation Agenda 2011-2015 to intensify development efforts in the Niger Delta region through a process to harmonise, align and coordinate the work of development partners - national and international - working in the region.

The Action Plan is based on the vision, principles and guidelines described in the Niger Delta Collaborative Development Framework (NDCDF) as depicted in Figure 1 below. As agreed with development stakeholders, the NDCDF proposes the preparation of:

- a Social Sector Investment Plan
- an Infrastructure Investment Plan
- an Institutional Development Framework
- a Multi-Stakeholder Trust Fund

The Action Plan describes how this vision will be realised through a concerted and sustained effort from the public and private sector and local, regional, national and international development partners.

Figure 1: The scope of the Collaborative Development Framework forms the basis of the Action Plan



Aims and objectives of the Niger Delta Action Plan

The aim of the Niger Delta Action Plan is to provide strategic guidance and co-ordination to the use of existing funds, whilst simultaneously establishing a new mechanism to achieve 'additionality' over existing development efforts. Objectives of the Action Plan are as follows:

- To define a common vision of development objectives for public and private stakeholders in the Niger Delta region which the majority of stakeholders endorse
- To achieve greater synergy and co-ordination of effort of current development spending in the Niger Delta
- To establish a common framework to measure the effectiveness of development spending in the Niger Delta and to report on this on an annual basis
- To mobilise additional investment which will address high impact and catalytic investment priorities which are not addressed by current funding
- To increase the accountability and responsiveness of development investment to residents and communities of the Niger Delta

The Action Plan establishes strategic guidance for existing budgetary commitments, and a new mechanism for targeted additional development funding with high impacts

In 2011 Federal transfers to the nine Niger Delta States amounted to \$6.8bn, with an additional \$2bn to run local governments. Budget performance amongst the states ranges from as low as 45% to as high as 80% but on average hovers around 50%, especially on capital budgets. At 50% performance, actual spending on capital projects does not exceed 25-30% of sums received. **In other words, for the nine Niger Delta States, the sum spent on capital investment does not exceed \$2bn annually from the \$8.8bn in received in transfers.**

The Collaborative Development Framework concluded that an investment of \$6.5bn-\$10bn is required in the Niger Delta over a 5-year period to make a substantial improvement to the quality of life for residents of the region. From the preceding data, it is evident that this is a realistic sum that can be mobilised from existing resource flows, but in the absence of coordination and strategic guidance, this is unlikely to achieve the desired benefits.

The Action Plan is the third element of a strategy for peace, stability and prosperity in the Niger Delta

As explained above, the estimated 31 million residents of the Niger Delta are trapped in a development paradox of endemic poverty in the midst of plentiful human and natural resources. 'Past development planning efforts failed adequately to address the region's needs due to lapses in implementation.' (Nigeria Vision 20:2020). Despite many good plans, the result of this implementation gap is too many unfinished projects, a breakdown in the relationship between citizen and state, and a perceived sense of injustice which triggered armed conflict. In response to this challenge, the Federal Government of Nigeria sees three interlocking elements of a strategy for long term peace, stability and prosperity in the Niger Delta:

- a high level political engagement from the FGN
- an Amnesty and rehabilitation programme for the militants.
- an Action Plan for an intensified development effort to improve the quality of life for all Niger Delta citizens.

This Action Plan is the third of these three elements and is intended to represent a step-change in the development process of the region.

The Action Plan translates strategic intent into action through convergence of development partners' efforts

Nigeria Vision 20:2020 committed the Government to a sustained and consistent effort to 'translate strategic intent into action and results'. The culture of implementation is the single most important factor to deliver effective development in the Niger Delta. There can be **no more 'business as usual'**, in the form of undeliverable promises. With many development actors and partners working in the Niger Delta, the new way of doing business – delivering cost effective implementation - requires **strategic convergence** to direct effort between all tiers of government working in collaboration with national and international partners.

The Conceptual Approach of the Action Plan is based on the Collaborative Development Framework, but adds key developmental principles to this

The Action Plan takes its lead from the Collaborative Framework, as approved by development stakeholders, but describes how this will be operationalized to achieve lasting and positive change for the residents of the Niger Delta. At its core, the Action Plan comprises a trinity of mechanisms:

- a **Development Results Framework**;
- a **Multi-Stakeholder Trust Fund**; and
- an **Institutional Framework** for implementation and oversight.

The manner in which these instruments come together in the form of the Action Plan is summarised in this section, and each instrument is described in greater detail in the following sections.

Development Results Framework

The Development Results Framework is a logical model showing how the desired goals and outcomes of development investment can be achieved through a co-ordinated and integrated collection of activities over a sustained period. An **indicative US\$10 billion programme** is presented to show how the focused investment of existing funding could achieve tangible and measurable impacts to improve the quality of life of Niger Delta residents over a five year period. **This programme is indicative only**, as it is understood that most development partners will continue to make their own strategic and operational decisions on resource allocation. The value of the investment required is comparable to the existing development budgets of the nine Niger Delta States.

Multi-Stakeholder Trust Fund

In addition, the Action Plan initiates the establishment of a new development funding instrument, the **Niger Delta Multi-Stakeholder Trust Fund**, which will initially mobilise some US\$200m of additional funding to address underfunded and high impact activities within the results framework. This sum will be an initial funding tranche to establish the value of this new instrument, leading to larger and more sustained investments thereafter.

A **Theory of Change** is presented which concludes that the focus of initial investment through the Trust Fund should be on market development interventions, which are most likely to have a catalytic and sustainable impact on the Results Framework as a whole.

Institutional Framework

Finally, an enhanced Institutional Framework is presented to improve the accountability and responsiveness of the Action Plan to the communities of the Niger Delta. Key additions are the establishment of the **Council on Niger Delta**, to oversee the implementation of the Action Plan, a formal **Niger Delta Compact** to increase the commitment of stakeholders to common action, an annual **Results Framework Scorecard** to monitor performance in the delivery of the Action Plan and Results Framework, and an annual **Stakeholder Forum**, to bring together a wider interest group to review progress and address emerging challenges.

The Action Plan is formulated over a five year period, with an additional catalytic investment of US\$200 million proposed for the MSTF in the first 18 months of this period

The Action Plan and Development Results Framework, with its indicative US\$10 billion investment, assumes a duration of five years from 2013 to 2017 inclusive. In addition, it is intended to mobilise £200 million of catalytic, market development, investment through the Multi-Donor Trust Fund during the first 18 months of this period. The effectiveness of this additional investment will be monitored, and will result subsequent calls for additional funds through the MSTF during the remaining period of the Action Plan.

The principle of 'additionality' ensures that development partners are not required to cede strategic and operational decisions over their own development resources

From the political economy analysis it is apparent that no state will readily give up meaningful portions of its budget towards implementation of regional plans and approaches. However, they are more likely to be ready to subscribe to something that shows benefits of some "extra good" over and above what governments and other stakeholders in the region can produce through their normal running. The principle of 'additionality' is key to the successful implementation of the Action Plan.

A Development Results Framework provides strategic guidance to the Action Plan

The Action Plan is encompassed within an integrated Development Results Framework to provide strategic guidance to future development effort in the region and deliver convergence in development outcomes and results. Delivering the Action Plan requires a common understanding and articulation of desired results that can help to provide synergy between the different efforts of all development partners. The Action Plan provides the opportunity for all stakeholders to align their development contributions to improving the quality of life for the citizens of the Niger Delta to invest in the social sector, physical infrastructure and institutional development.

The Development Results Framework is the bridge between the planning process and the implementation process. It lays out a structure and logical cause and effect model that enables stakeholders in the Niger Delta region to prioritise actions, mobilise funding for, and to implement specific development projects. It demonstrates how programme activities deliver outputs which lead to outcomes and then ultimately to the goal.

The MNDA will request development stakeholders **to formally endorse the strategic logic of the Results Framework**, following consultation and revision, and in doing so to agree to the principle of convergence to harmonise, align and coordinate development policy, planning and resource allocation at all levels: local, regional and national. However, the results framework will not be an enforcing mechanism. Stakeholders will continue to make their own resource allocation decisions in accordance with their own development policy, but it is hoped that the Results Framework will lead a gradual alignment of programming and co-ordination over time.

The Results Framework provides strategic guidance to stakeholders to plan, communicate and measure the achievement of results

The Development Results Framework will act as the main driver of the Action Plan. The development results framework will:

- Guide programme and project design and planning
- Track implementation progress, through objective monitoring and evaluation
- Communicate the strategy and results achieved clearly and objectively to all stakeholders
- Provide a commonly shared accountability framework

The Results Framework is a tool for strategic leadership to address barriers to improvement and to harness available opportunities to accelerate social and economic development. At the heart of the Results Framework are the values and systems of participation with – and accountability to – the communities in the Niger Delta.

The Results Framework guides the Action Plan. Keeping the Action Plan on track takes a flexible and iterative approach based on firm objectives and clear outcomes for the peoples of the Niger Delta region. The Results Framework encourages and facilitates smarter collaboration across organisational boundaries to deliver convergent outcomes. The added value of the Results Framework is:

- coordinated strategic planning and delivery of intensified development in the Niger Delta region;
- building links between traditionally separate programme areas where an integrated approach offers significant net gains in physical and social investment.
- realising opportunities which have lacked a clear champion to take them forward.

An indicative programme of investment activities is provided in the full Action Plan

The Results Framework is shown in diagrammatic form in Figure 2. As will be observed, indicative investment values are assigned to each of the indicators, amounting to US\$10 billion in total. The detailed Action Plan shows the types of activities which could correspond to each of these investments, corresponding to the three investment priorities indicated in the Collaborative Framework.

The sum of US\$10 billion has been chosen to approximately equal current development spending in the Delta by States. Whilst it is recognised that States will not realign their spending programmes with the Action Plan overnight, the framework and indicative investments show the potential impact of co-ordinated investment within a commonly agreed framework.

Figure 2: The Niger Delta Development Results Framework indicates an indicative deployment of existing development invest resources to provide strategic guidance to stakeholders

Improving the Quality of Life in the Niger Delta Region		
Indicator: Reduced Poverty and Income Inequality		
\$10,000m		
	1.0 FINAL OUTCOME Improved Living Standards \$2, 685m	2.0 FINAL OUTCOME Sustainable Economic Development \$5, 612.5m
	1.0.1 Indicator: Increased Life Expectancy at birth	2.0.1 Indicator: Growth in GDP for NDelta Region
	3.0 FINAL OUTCOME Consolidated and Sustained Peace \$1, 702.5m	
		3.0.1 Indicator: Reduced Military Security Support/Intervention in NDelta Region
Social Sector 30%	1.1 INTERMEDIATE OUTCOME Improved Basic Services \$1,135m	2.1 INTERMEDIATE OUTCOME Increased Economic Growth-points and Opportunity for Enterprise \$1, 162.5m
	1.1.1 Indicator: Improved Health Status of Communities \$375m	2.1.1 Indicator: Skills Training and Jobs for Youth aged 18 to 35 years \$585m
	1.1.2 Indicator: Improved Access to Health Services \$420m	2.1.2 Indicator: Businesses Created + Expanded \$250m
	1.1.3 Indicator: Increased Access to Improved WAT/SAN \$340m	2.1.3 Indicator: Expanded Value-Added Agriculture \$327.5m
		3.1 INTERMEDIATE OUTCOME Empowered by Participatio \$702.5m
		3.1.1 Indicator: Expanded education to National Standards \$500m
		3.1.2 Indicator: Strengthened Community Peacebuilding institutions \$102.5m
		3.1.3 Indicator: Improved community capacity to monitor and manage env. impacts. \$100m
Infrastructure 60%	1.2 INTERMEDIATE OUTCOME Created Sustainable Communities \$1, 200m	2.2 INTERMEDIATE OUTCOME Improved 'Connectivity' of Key Economic Growth Points \$4,100m
	1.2.1 Indicator: Increased Access to Affordable Housing \$500m	2.2.1 Indicator: Improved Basic Transport Network \$2, 000m
	1.2.2 Indicator: Increased Shoreline + Flood Protection \$527.5m	2.2.2 Indicator: Increased No. Communities Connected to Electric Power Supply \$2, 000m
	1.2.3 Indicator: Improved Natural Resource Management \$172.5m	2.2.3 Indicator: Increased ICT Coverage/Penetration \$100m
		3.2 INTERMEDIATE OUTCOME Reconstructed + Renewed Communities \$700m
		3.2.1 Indicator: Upgraded Community Hubs \$100m
		3.2.2 Indicator: Repaired, Upgraded Community Facilities \$100m
		3.2.3 Indicator: Expanded High-risk Population Housing Programme \$500m
Institutional Development 10%	1.3 INTERMEDIATE OUTCOME Improved Service Delivery \$350m	2.3 INTERMEDIATE OUTCOME Increased Efficiency of Investment Management \$350m
	1.3.1 Indicator: Improved Capacity for Programme Development \$150m	2.3.1 Indicator: Increased Coordination in Investment Planning \$50m
	1.3.2 Indicator: Increased Achievement of Program/Project Targets \$100m	2.3.2 Indicator: Improved Financial Management of Development Programmes \$150m
	1.3.3 Indicator: Improved Capacity for Strategic Communications \$100m	2.3.3 Indicator: Increased Capacity for Financial Management \$150m
		3.3 INTERMEDIATE OUTCOME Higher Transparency + Accountability \$300m
		3.3.1 Indicator: Increased Transparency in Decision-making \$50m
		3.3.2 Indicator: Achieved Standardised Procurement Practices \$100m
		3.3.3 Indicator: Increased Community Participation in Planning, Mon. + Eval. \$150m

The Result Framework functions as an effective communication tool by capturing the key elements of a strategy for achieving an objective

The Results Framework is central to the Niger Delta Action Plan. It provides a plan and a program-level framework for stakeholders to gauge progress toward the achievement of results and to adjust relevant programs and activities accordingly. In addition, the design of a results framework builds consensus with development partners and stakeholders in the Niger Delta region. It provides an opportunity to achieve ownership around shared objectives and approaches to achieve the desired goal. The Result Framework also functions as an effective communication tool by capturing the key elements of a strategy for achieving an objective.

The values of investment in the Results Framework are indicative only – they do not suggest the mobilisation and deployment of additional funds

The Results Framework provides an indicative portfolio of development investment to achieve the indicators of achievement defined, amounting to US\$10 billion in total over the five year period of the Action Plan. This sum is not accidental, as it amounts to the approximate value of development investment funding of the nine Niger Delta States.

The Action Plan is not suggesting or expecting that the Niger Delta States should re-programme their current investment to align with the Results Framework overnight, or even at all. It is, however, hoped that the indicative plan will provide strategic guidance which results in the re-alignment of an increasing part of development spending in line with the framework, and that it will be used by stakeholders as a reference point and benchmark for their own spending plans.

The Results Framework requires a robust Management Information System

MNDA will establish a Niger Delta Management Information System (ND-MIS) to manage data on the different indicators used in the Results Framework. Data availability and accuracy is a critical challenge. MNDA will request technical assistance to assess the information needs for planning, monitoring and evaluation, decide the type and level of data required, reporting frequency, and ensure system flexibility and adaptability.

A Theory of Change explains how the additional interventions of the Multi-Stakeholder Trust Fund will catalyse sustainable development in the long-term

The theory of change underpinning the Action Plan is based upon a realistic assessment of the objective conditions prevailing in the Niger Delta. The Plan recognises and responds to the very specific institutional and political economy constraints that characterise the area which explain the limited success of previous development planning initiatives.

The Action Plan is based upon an explicit theory of change that recognises the importance of addressing the root causes of underdevelopment in the Niger Delta (poor governance that is constraining the development of inclusive market systems) rather than the symptoms of this (the appalling development outcomes prevailing in the Delta). These include:

- **The population has very low human, social and financial capital.** Levels of poverty, ill-health, environmental degradation and political discontent are very high. These symptoms of failure become a cause of on-going low investment at the level of the individual, firm and region – which perpetuate and reinforce this failure;
- **The regional economy in the Niger Delta, as it is currently structured, is unable to generate opportunities for the bulk of the population.** The economy is characterised by large extractive organisations and a very large number of micro-level businesses in the agricultural, fishery and service sectors. The growth of the small business sector is constrained by a poor enabling environment (poor infrastructure, the absence of properly-enforced regulations), supply side constraints (such as lack of skills and access to finance) and multiple and cumulative market failures;
- **The only sustainable strategy for the Delta is to develop institutions which are good enough to support, or at least not undermine, economic and social development.** For market institutions this requires the development of trust in market transactions and information and regulations that will allow the development of a functioning market system. For the public sector, this will require the development of organisations which are responsive to the public and civil society and see their role as providing services rather than extracting revenue from the state;
- **Guiding institutions in a more developmental direction is unlikely to be achieved by using development assistance to finance institutions as they currently exist.** Indeed this supply-side approach risks reinforcing the framework of incentives which encourage socially and economically damaging outcomes and perpetuating the fundamental constraint on development in the Niger Delta. By contrast, catalytic funding will be provided on an objective basis for economic, social and infrastructural development projects that demonstrate the key principles of supporting the development of market systems which allow the poor to gain from engagement and operate at scale in a sustainable manner.
- **In the short term, this will ensure that additional Action Plan funds, through the Multi-Stakeholder Trust Fund, are used to finance projects which will generate the most significant and lasting impact in the Niger Delta.** This will benefit the inevitably small share of the 31 million residents of the Niger Delta who are the direct or indirect beneficiaries of interventions funded by the Action Plan. In addition, and more importantly, this innovative market development approach is explicitly designed to demonstrate to government, the established private sector and the population as a whole that there is an alternative to the current structure which generates such devastating poor development outcomes in the Delta.
- This demonstration effect is important because, ultimately, the binding constraint on development in the project area is poor public and private governance which is preventing the development of inclusive market systems. There are sufficient domestic resources in both the public and private sectors in the Niger Delta to develop a dynamic and inclusive local economy with organisations that are accountable and will rapidly improve development outcomes in the area. **What is needed is a coalition of progressive-minded local actors throughout different sectors to recognise that there is an alternative development trajectory available to the Niger Delta and to provide the demand-side driver for institutional reform.** The ambition of this Action Plan, beyond directly supporting some beneficiaries with limited interventions in the short-medium term, is to demonstrate that there is an alternative development trajectory available to the Niger Delta and to provide a vehicle to assemble to coalition to press for this transformation.

Implications of this theory of change for the Action Plan and leading to the proposed establishment of a new funding and deliver instrument in the form of a Multi-Stakeholder Trust Fund

The theory of change leads to the need for the Multi-Stakeholder Trust Fund and the reason why its initial focus will be on the development of the private sector and market development. The key implications of the theory of change in this regard are as follows:

- **A successful strategy is more likely to be based upon an entity which is partially independent of both the public and the established private sector.** This institutional independence does not imply that the Action Plan will be implemented by technocrats who are isolated from the institutional realities facing the Delta (quite the reverse) but rather that the Action Plan is not ‘captured’ by any single interest group;
- **Interventions, whether in the enterprise development or more traditionally social sectors, will be based upon a market development approach** that emphasises the need to engage the poor at scale through the development of sustainable market systems which aim to deliver benefits to low-income groups well beyond the end of the project period;
- **The market development approach**, through its emphasis on the judicious use of development finance to facilitate systemic change in market systems, will also mark a clear departure from previous development initiatives which have been based upon direct interventions through which the government delivers top-down projects to ‘grateful’ beneficiaries;
- **This Action Plan has an ambition which is greater than simply implementing a pipeline of projects.** It seeks to demonstrate to local players that there is an alternative development trajectory available in the Niger Delta. As a consequence, it is critical that the Action Plan engages and communicates with a broad range of stakeholders throughout the cycle of each individual project. Building a coalition of players who will challenge the institutional status quo in the Delta Area is an explicit aim of the Action Plan;

Inclusive enterprise models can jump-start private sector investment

Carefully targeted inclusive enterprise models deployed within the Niger Delta, based on key value chains within the region, can jump start investment, job-creation, in scalable, sustainable ways impacting communities and the value chains of individual companies. These can be deployed independent of government intervention but require reforms at the sector/industry level to scale up sustainably.

An inclusive enterprise is a sustainable business model that has no negative impact on the local environment, community, society or economy striving to meet the triple bottom line of positive impacts on people, profits, and environment doing this by contributing to poverty reduction through the inclusion of low income communities in its value chain (as producers, suppliers, consumers, etc.).

Making Markets work for the Poor (M4P) approaches can deliver system improvements which benefit the most disadvantaged members of society

Removing constraints in the effective functioning of markets through M4P approaches can deliver systemic improvements that will allow inclusive enterprise be scaled up and sustained. Making markets work for the poor (M4P) is a practical approach to reducing poverty, grounded in best practice and guided by four underlying principles:

- M4P focuses on systemic action: understanding where market systems are failing to serve the needs of the poor, and acting to correct those failings.
- M4P seeks sustainable change from the outset: delivering sustainable outcomes by better aligning key market functions and players with the incentives and capacity to work more effectively.
- M4P pursues large-scale impact: targeting intervention that benefits large numbers of poor people.
- M4P adopts a facilitative role: determining a catalytic purpose for the development agent that stimulates, but does not displace, market functions or players.

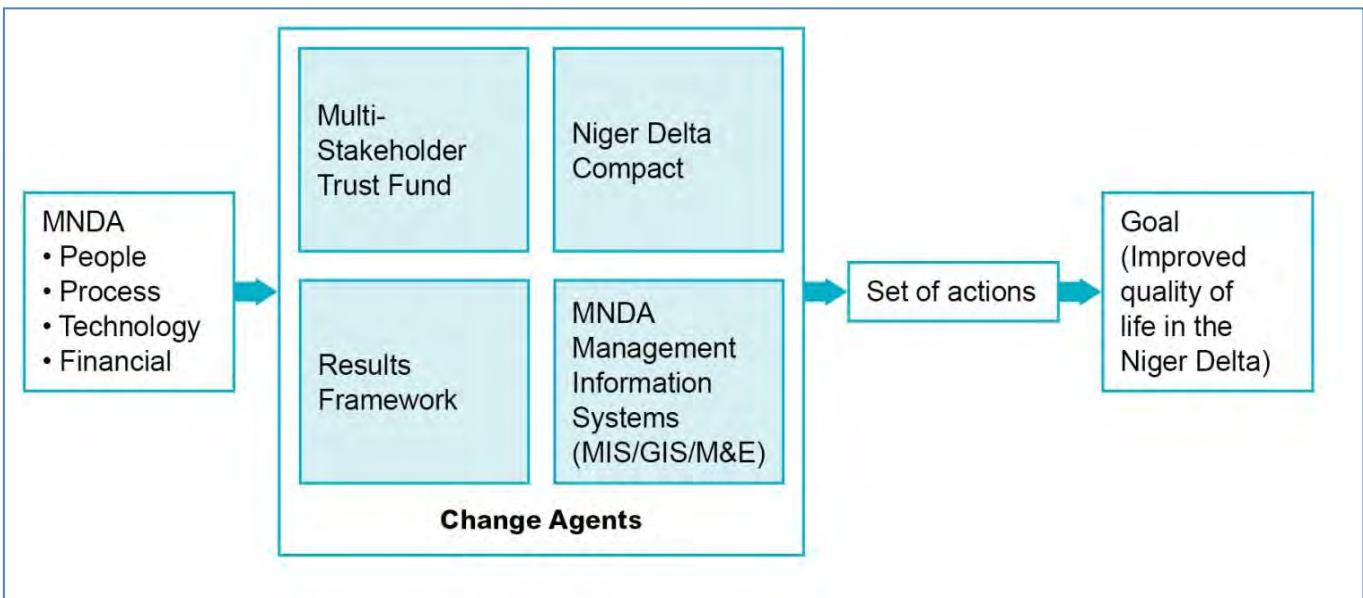
The use of M4P approaches is not new to Nigeria and plans are underway by donors to explore the use of these approaches in the Niger Delta. The Action Plan proposes that this approach should form a core element of the Multi-Stakeholder Trust Fund to have a catalytic impact on the Results Framework over its five-year period.

A Multi-Stakeholder Trust Fund will provide a new, complementary, funding vehicle to support investments of high impact and short-term return

A newly established Niger Delta Multi-Stakeholder Trust Fund will form an additional programme delivery mechanism which focuses on investments which will have a high impact on elements of the results framework and are additional to other funding sources, particularly on market development activities. Over time, and as the Fund demonstrates its ability to deliver results effectively, development partners may choose to use this facility as their one of their main delivery instruments in the region.

The MSTF will be a non-profit fund that will invest all funds mobilised into the development of the Niger Delta and increasing the management capacity of MNDA and local governments. It will invest in the highest priority projects and programmes defined in the framework of the Niger Delta Action Plan, which will enable the region to address its urgent needs in social development, infrastructure and peace and stability. Figure 3 shows how the Fund will co-exist with other change agents to enable MNDA to fulfil its constitutional mandate.

Figure 3 – The Trust Fund will co-exist with other change agents to enable MNDA to achieve its constitutional mandate



The roles of other change agents in relation to the MSTF are summarised as follows:

Results Framework

The Results Framework, described earlier, is a logic model that demonstrates how programme activities deliver outputs that lead to outcomes and result in the goal for the Niger Delta region. It is the graphic representation of the Niger Delta collaborative development framework that ties the activities of the different stakeholders in the region to the ultimate goal. The Results Framework will aid the MNDA in its coordinating role for the region.

Niger Delta Compact

The Niger Delta Compact is a “contract” with the people of the Niger Delta. It is a collaborative document that binds all its signees to a set of codes of operation that guarantee a cause-effect relationship between their activities and the desired outcomes in the Niger Delta Results Framework. In essence, it is a declaration by all operatives in the Niger Delta region to work collaboratively towards the outputs outlined in the Results Framework. These outcomes will deliver the goal: Improved quality of life in Niger Delta.

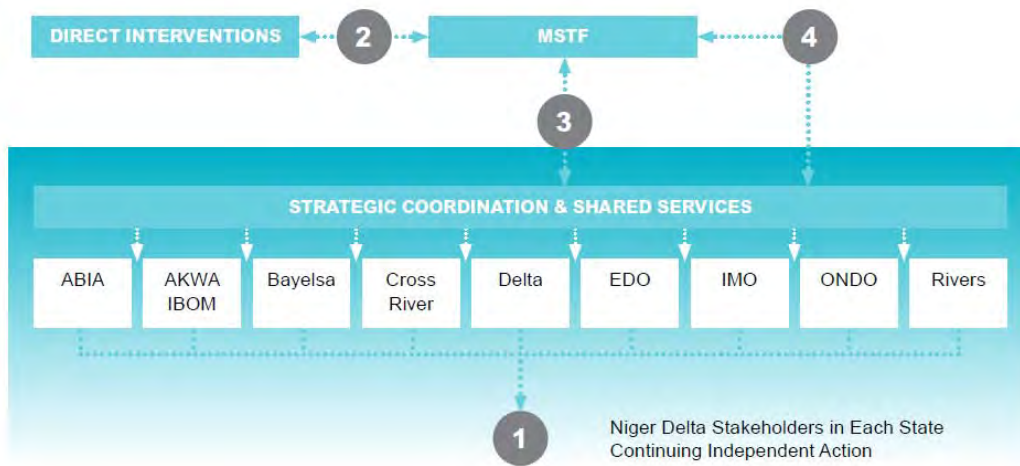
MNDA Management Information System

Information is a critical asset for effective management of the development activities in the region. As a result, MNDA is committed to the establishment of a robust management information system that will be used to track all development-related information about the Niger Delta including (but not limited to) social indicator, infrastructure data, and institutional data. The MNDA MIS will be used to track the baseline data required for the Results Framework and to measure progress on the Targets in the Results Framework.

Over time, and as the MSTF demonstrates its ability to deliver results effectively, development partners may choose to use this facility as their main delivery instrument in the region.

As suggested by the political economy analysis and theory of change, a process of first demonstrating what is possible to achieve (Point 2 in Figure 4 below), then investing in collaboration for strategic coordination and shared services with state and local government (Point 3) but with additional funds to do what states and local government could not ordinarily do, and finally arrive at a situation where there is sufficient buy-in (political will) based on the successes demonstrated in order that they contribute to a common investment framework (Point 4). The MSTF will evolve and grow over time in size and scope as the political space for change is established.

Figure 4: The MSTF will evolve over time as a collaborative funding instrument



The MSTF will play a catalytic role for the implementation of the Action Plan and will not seek to replace the role of Federal, State or Local Government stakeholders

The role of the MSTF will be to catalyse development in the Niger Delta region in addition to, but not as a replacement for or alternative to, Federal, State or Local Government functioning in the region. In the first instance, the following activities of the MSTF in the implementation of the Action Plan are foreseen:

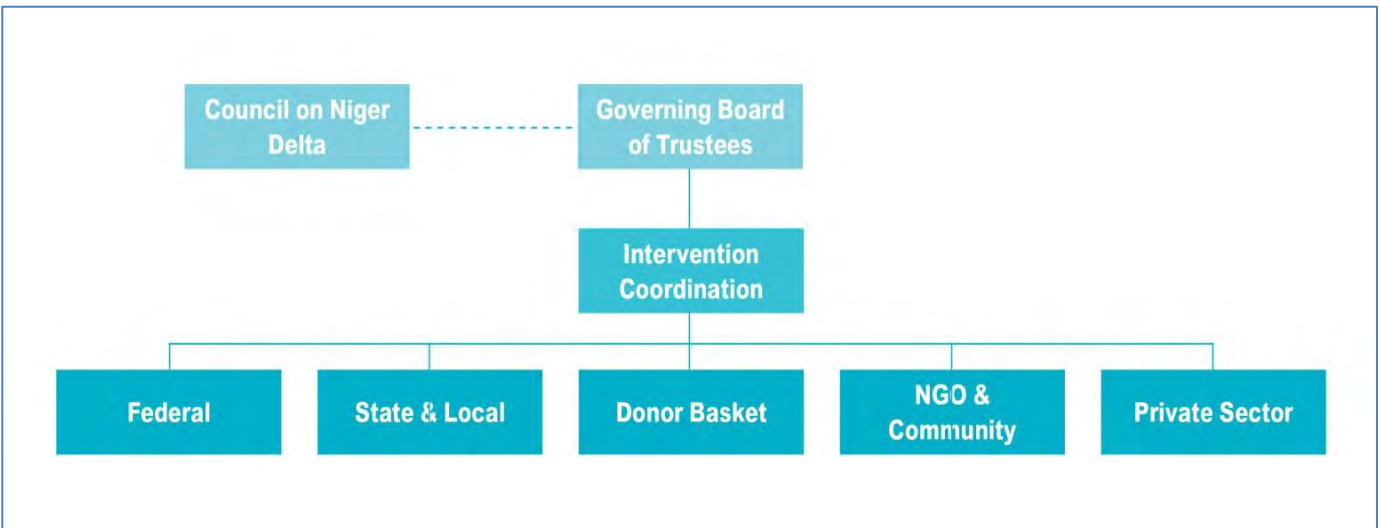
- **The provision of Grants & Revolving Credit Schemes** for individuals, Community Based Organizations, Civil Society, Cooperatives etc. to support their participation in inclusive enterprise models or M4P programmes.
- **The Provision of Technical Assistance.** There is a need to provide expert advice and support to companies, groups, stakeholders who want to implement, participate in or learn from inclusive enterprise models, or pilot M4P approaches.
- **Establishing a Challenge Fund instrument.** Challenge funds are a mechanism for allocating and disbursing public funds efficiently and fairly. The intention is to get funds to the organizations that truly need them and can use them effectively to realize the broader aims of public policy; and to do this transparently.⁷ In the case of the Niger Delta the instrument would be used to provide support to organizations that have proven inclusive enterprise models which they want to scale up or replicate.
- **Provision of “additionality” investments.** There are many opportunities for strategic coordination and shared services which are unlikely to be embarked upon by individual states but if done will provide huge additional benefit.
- **Large scale, longer-term Investments.** The fund will eventually also coordinate efforts by state & local government where its role would be primarily planning and coordination, rather than delivery of actual investment sums, which would remain the role of the parties responsible for the actions in question under the Nigerian constitution.

⁷ http://www.aecfafrica.org/index.php?option=com_content&view=article&id=65&Itemid=100003

MSTF funds will be mobilised from public and private donors

The MSTF will mobilise contributions from the federal government and its agencies, multiple donors led by the UNDP and eventually state and local government in the region towards activities capable of making high impact contributions to the results framework. Donor participation within the MSTF will be mobilised on the basis of providing funds for specialist interventions over which they retain oversight and control through a service provider of their choice. The government and its agencies (at all levels), leveraging the convening power of multi-donor support, should facilitate dialogue around policy choices and priorities for the region to jointly agree on investment projects in a collaborative fashion to produce the goals and outcomes desired in the Results Framework.

Figure 5: The MSTF will be governed by a Board, accountable to the Council on the Niger Delta



The governance structure of the MSTF will ensure transparency and accountability

The governance structure will comprise the following elements:

- A **Trust Fund Governing Board of Trustees (BoT)** will have oversight responsibilities for the MSTF. The BoT will comprise of representatives of the MNDA, provincial Niger Delta representatives, contributing donors (over USD 10 million), and representatives of key international institutions. The BoT will be chaired by the MNDA.
- The **Council on Niger Delta (CND)** is the high level consultative body for the Niger Delta region and comprises representation from all key stakeholders groups in the region. It will serve as a main consultative body for implementation of the Action Plan and provide strategic guidance to MSTF. The 50 members of the CND will consist of representative of the Nigerian government, local governments, donors, NGOs and civil society representatives and representatives of private sector.
- An **Independent Auditor** is will be appointed to review, support and report on the sound financial and efficient and effective utilisation of MSTF funds. The Independent Auditor will provide reports to the Governing Board of Trustees.

The investment approach of the MSTF derives from the Theory of Change and is based on the 4i’s: innovative, integrated and inclusive investment

The vision of the Action Plan is the achievement of sustainable peace and development among the communities in the Niger Delta on a long term and sustainable basis. Central to this is a strategic framework based upon the Theory of Change articulated in the previous section and its application to activities that spur economic growth, peace building and capacity building to create an enabling environment for equitable economic growth in the Delta region.

The Action Plan will create sustainable livelihoods for the people of the Niger Delta through a systemic approach to development - creating jobs, improving well-being and livelihoods, improving security and securing a raft of infrastructure that is necessary to spur growth. These will in turn empower people with access to economic activities and enterprise development. Key tenets of the investment priorities are as follows:

- **Innovation** - Investment that is targeted based on research, analysis and is context-specific to the Niger Delta, but deploys innovative ideas grounded in social equity, gives opportunities to the poor, promotes environmental conservation and resource replenishment, and ensures a better life for future generations.
- **Inclusive investment** - Investment in options that incorporate poor people into the value chain of the enterprises either as suppliers, employees and/or consumers.
- **Integration** - Investment in infrastructure development targeted as enablers of the models for market development. E.g. development of access roads can link hinterland communities to major commercial hubs for efficient flow of goods, information and services. It will also create jobs for young people and provide hands-on training and experience opportunities to empower people for economic activities.

This approach leverages a systemic development route across the Niger Delta region that focuses on strategic investments in human and community development, inclusive business support, value chain improvement, and infrastructure and market and industry development. It is incumbent on the success of bringing initiating stakeholders together under the umbrella of the MSTF.

Whilst the main focus of investment from the MSTF will be on market development, implementation of the fund will respect and adhere to established development investment principles

The guiding principles for the approach underlying the Action Plan are based on the principles of market development, but also include elements of direct interventions with targeted entrepreneurial organisations that are already involved in running or poised to run inclusive business models. The 4i approach deploys a framework that emphasises economic development through:

- **Actions shaped by systemic analysis** to address the root causes of socio-economic development problems in the Niger Delta;
- **Commitment to sustainability** so that benefits continue after intervention has ended;
- **A facilitative and participatory role** acting as a transformative catalyst of change working in partnership with other stakeholders across the piste to provide inclusive solutions and create impact, leverage additional resources and promote more effective socio-economic development programming;
- **Conflict sensitivity** to mitigate existing causes of conflict and reduce the potential for further conflict or, at a minimum, to “do no harm”;
- **Integration of youth and gender sensitivity** with mainstreaming of gender and youth their issues into every aspect of project design and implementation;
- **Socially and environmental responsibility** through impact assessments before project plans are completed in detail, including an analysis of potential conflicts;
- **Focus on poles of development** through clustering its development interventions to facilitate new poles of development that set positive examples for integrated development and stimulate replication and scaling up opportunities throughout the region.

The shorter-term initial priorities of the MSTF (18 months) will gradually dovetail with the longer term objectives of the Action Plan and Results Framework

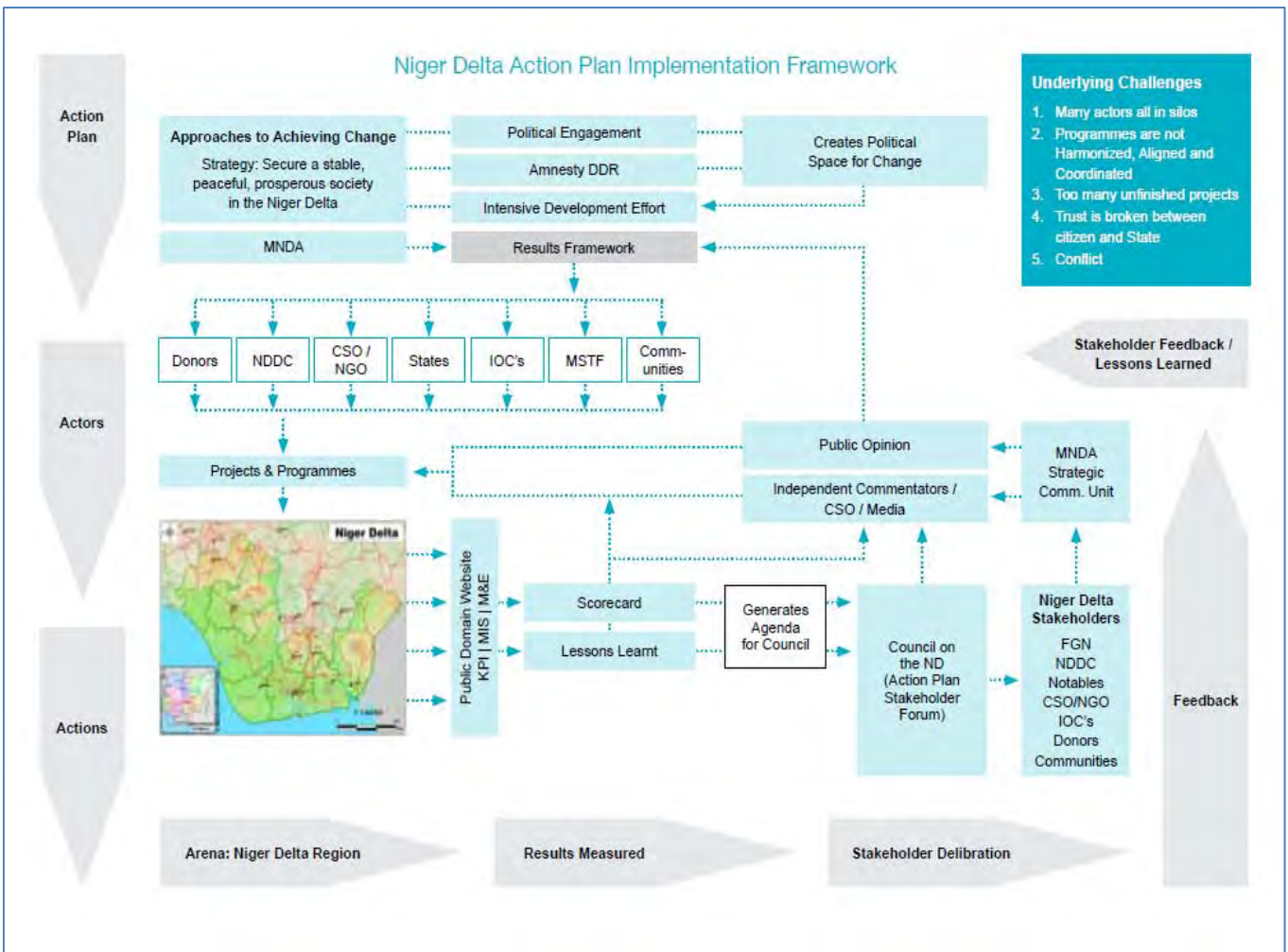
In its infancy, the MSTF will have limited remit and span of control over the various parties and stakeholders that must pull together to work strategically for the most effective development outcomes. Substantial re-alignment of the key state and local government infrastructure (through which about approximately \$2 billion of capital programme delivery is funded annually) with the results framework is anticipated. The short and medium term activities of the MSTF therefore dove-tail into the longer-term objectives in the Action Plan. The recognition of this limited, catalytic scope of MSTF determines the early objectives and priorities, limiting them to those achievable through existing partnerships, or new partnerships entered into with limited resource investment and justification. The infrastructure plans of the Niger Delta Action Plan will be influenced by the MSTF in the medium to longer term, when infrastructure projects will be key drivers of development.

An Institutional Framework is defined to oversee the implementation of the Action Plan, incorporating key new governance mechanisms and instruments

The Niger Delta Action Plan is embedded in an Implementation Framework which holds the MNDA and its development partners accountable for results. The framework draws on existing political mandates, supplements these with new governance bodies and instruments, and establishes mechanisms to monitor and review progress.

The implementation framework is a developmental cycle in which feedback is used to agree amendments in an adaptive programming approach. The Implementation Framework is presented in Figure 6 below. The framework is presented as a developmental cycle in which feedback from implementation progress is used to review the results framework and agree amendments in an adaptive programming approach. Key components of the implementation framework are described below in summary form below.

Figure 6: The Niger Delta Institutional Framework is a cycle with multiple feedback mechanisms



The Action Plan is backed by a political mandate from the Federal Government of Nigeria

The starting point for the implementation framework is the political mandate for a focused development effort. The Federal Government of Nigeria sees three interlocking elements of a strategy for long term peace, stability and prosperity in the Niger Delta:

- A high level political engagement from the FGN
- An Amnesty and rehabilitation programme for the militants.
- An Action Plan for an intensified development effort to improve the quality of life for all Niger Delta citizens.

This Action Plan is the third of these three elements and is intended to represent a step-change in the development process of the region. The Plan is coordinated by MNDA in line with its political mandate.

An Annual Scorecard will enable the Council on Niger Delta to assess progress and take corrective actions

The annual scorecard is the most powerful tool in the entire results framework. It enables the public, CSOs and development partners to objectively assess whether or not the agreed development interventions are achieving their results. The newly established Council on Niger Delta uses this as its starting point to evaluate progress and make recommendations on the desired amendments to the framework itself, or the portfolio of programmes and projects which contribute to its achievements. The MNDA Strategic Communications Unit liaises with the Council to ensure that its recommendations are considered and that an appropriate response is provided.

New stakeholder consultation mechanisms will improve transparency and monitoring of the Action Plan

Unlike previous Niger Delta development initiatives, partners responsible for the implementation of the Action Plan will hold themselves to account through the establishment of a number of mutually reinforcing mechanisms. These comprise:

- Endorsement of the **Niger Delta Compact**, a collaborative document that binds all its signees to a set of codes of operation that guarantee a cause-effect relationship between their activities and the desired outcomes of the Action Plan.
- A new **Council on Niger Delta**, formed by MNDA to oversee the implementation of the Action Plan. The Council would act as a non-executive advisory board for MNDA (see below for further details).
- A larger **Stakeholder Forum**, meeting annually to review and discuss the implementation of the Action Plan based on the results of the **Annual Scorecard**. The scorecard, with explanations, will be made available for open access on a Niger Delta Action Plan website.

The Council on Niger Delta will be established as the premier consultative body for the region

The CND will become the premier consultative body in the Niger Delta region and will be formed by MNDA to oversee the implementation of the Action Plan. The Council will act as a non-executive advisory board for MNDA. Its core responsibilities will be to articulate the development objectives of the peoples of the Niger Delta region and ensure that these objectives form the basis for the development agenda and intervention programmes, when these are delivered by the MSTF or within the scope of the Results Framework. It will discuss with the MNDA reviews of progress on the Action Plan as a whole and discuss policies and progress with the Board of Governors of the MSTF.

It is anticipated that the CND will have Technical Working Groups for different focus areas (for instance, infrastructure, education, health, small and medium scale enterprises). These Technical Working Groups will interface with the agencies working within the sectors and ensure a working relationship between the sector and the MNDA. The CND will have representation from all critical stakeholder groups in the Niger Delta region. The different groups will be categorised and representatives selected based on a set of selection criteria. It is expected that the CND will have about 50 members, which is large enough to accommodate the different stakeholder group and yet retain the ability to manage for results. MNDA will draw on technical assistance to set up and manage the Council on Niger Delta.

The Ministry of Niger Delta Affairs retains its mandate for the co-ordination of regional development

As the custodian of the Federal Government's mandate for coordination of regional development, MNDA owns the "harmonise, align, and coordinate" responsibilities for the Niger Delta Action Plan. MNDA will deliver an efficient, results-focused and coordination role from a soft-power perspective that encourages stakeholders in the region to adopt and adhere to the principles of the Results Framework and the Niger Delta Compact.

Institutional arrangement will be strengthened to empower and increase the capacity of MNDA

Whilst the MNDA has the mandate of the Federal Government of Nigeria to coordinate the development efforts in the Niger Delta region, it does not have jurisdiction over stakeholders in the region. As a result, it will rely on its power of persuasion to effectively coordinate development activities in the region. The leadership of the MNDA is committed to the new way of driving development in the region as expressed in the Action Plan. It will provide effective leadership to align the different development actors to implement the Niger Delta Action Plan.

The MNDA has 10 departments and five units whose combined roles and functions provide the capacity to accomplish its mandate. The proposed institutional arrangement will increase the capacity of the Ministry to execute its mandate.

The proposed MNDA institutional arrangement is a systematic and strategic approach to empower MNDA staff through their association with Change Agencies. MNDA will pass some of its critical resources through a basket of Change Agencies to deliver a set of actions that will enable it to achieve the Outcomes outlined in the Results Framework.

The MNDA Liaison Offices - one office in each state in the Niger Delta region – are the primary contact points between the Ministry and project beneficiaries. In this new institutional structure, Liaison Offices will be used for Programme Management, Monitoring & Evaluation, and for collating primary data to populate a Management Information System to be used for planning, and management of activities in the region. MNDA will use these Liaison Offices to establish working linkages to existing and new Community Based Committees in the region. The Niger Delta Multi-stakeholder Trust Fund will also use these offices to evaluate and fund programmes/projects that are below \$100,000 in value and meet the programme’s agreed appraisal and selection criteria. This approach is described in greater detail in the full Action Plan.

MNDA will act as the guardian of the institutional framework by encouraging and co-ordinating the observance of best practice in governance

As MNDA presents a new approach to development planning and co-ordination, so it recognises that it also needs to adopt new approaches to the delivery of its mandate, which could be characterised as an enabler of change, rather than a commander. Within this context, the MNDA will act as the guardian of the institutional framework for the delivery of the Action Plan by observing the following governance principles:

- **Political Commitment:** MNDA will ensure consistent and sustained political commitment and engagement at national, regional and local level. This commitment is critical for an effective long-term engagement of communities and other stakeholders in the development of the region.
- **Persuasion not control:** MNDA will rely on the soft powers of persuasion rather than the hard power of command-and-control. The leadership of the MNDA appreciates that this approach will demand a change in attitude and behaviour to validate its commitment to other stakeholders and development actors.
- **Shared commitment to working in partnership:** Under the coordination of the MNDA, all stakeholders in the region will work to complement the activities of one another to ensure congruence in the set of outcomes.
- **Shared commitment to the outcomes:** All stakeholders in the region will sign a Niger Delta Compact (described above) that outlines a set of guidelines for projects and activities in the region to ensure consistence of outcomes and reduction in duplication and wastages.
- **Mutual accountability of each partner to all others:** The ultimate development goal of the Niger Delta is “Improved quality of life in the Niger Delta”. The achievement of this goal is dependent on the achievement of a number of Outcomes that would result from the Outputs of activities managed by different stakeholders in the region. Therefore, it is imperative that the governance structures ensure that each stakeholder drives their output mindful that it contributes to the outcomes and then the ultimate goal.
- **Effective monitoring and evaluation:** MNDA will deploy a system for monitoring and evaluating progress in the different activities of the stakeholders in the region. With benefit of its overall view of the Outcomes, it will make suggestions where necessary for re-calibrating the plans to meet the expected outcomes.

Implementation of the Action Plan is described in a step-by-step plan to ensure mutual accountability for delivery

The Action Plan is a plan for implementation. Key steps, with indicative timescales, are formulated for each stage of the implementation process. Next steps are to:

- **Consult with development stakeholders** on the results framework and implementation plan. A second version of the Action Plan will reflect the responses received and be used for all subsequent steps below.
- **Communicate the Action Plan** widely within Nigeria with development stakeholders, explaining the roles and responsibilities both of citizens and state to implement and monitor results.
- Convene the **Niger Delta Stakeholder Forum** for all development partners - national and international - to endorse a **Niger Delta Development Compact** to harmonise, align and coordinate their development investments in line with the Action Plan and Development Results Framework.
- Establish a **mechanism for periodic consultation** with communities in the Niger Delta to obtain feedback on implementation for monitoring and evaluation.
- Publish a timely, annual **Niger Delta Scorecard** to show trends against the indicators of the results framework. This will promote the sharing of best practice more widely to accelerate improvement, and boost achievement.
- Establish the new, independent, **Multi-Stakeholder Trust Fund** with a mandate to mobilise resources, finance and bring to completion bankable development projects in the Niger Delta.
- Convene the **Council on Niger Delta** - a stakeholder forum - to review progress on the Action Plan and discuss the strategic intent of the Multi Stakeholder Trust Fund.
- Establish and initiate a programme and system-wide process of **collecting socio-economic baseline data in the Niger Delta region**. This is to update and validate baseline information to support evidenced-based development programming.
- Establish an independent **Programme Monitoring and Evaluation Unit** to provide evidence based progress reports on the performance of the Action Plan. Monitoring data, reports and scorecards would be publicly available on a website open to all.

The Action Plan foresees the mobilisation of an additional \$200 million as the first tranche of funding through the MSTF, focusing primarily on market development initiatives over the first 18 months

The five-year Action Plan is mainly based on the realignment of existing development investment with the Results Framework, rather than additional investment. As such, the figure of \$10 billion attached to the Results Framework is approximately equal to the investment budget of Niger Delta states. However, since it is foreseen that states will not forgo control over their existing programming allocations, the plan foresees the mobilisation of additional, catalytic funding through the Multi-Stakeholder Trust Fund.

Over and above the estimated figure of \$10b,⁸ required to address the major infrastructural needs of the region, the MSTF is expected to raise a further \$200m to implement its short-medium term plan and meet its objectives. Just under a fifth of that sum represents programme overheads over the five-year period, a figure justified by the need for presence and penetration in the region rather than a centralised approach. A \$50m Challenge Fund and grant-making pool (included in the \$200m total) towards supporting specific companies with innovation and inclusivity programmes that will be based on defined selection criteria is also included. Criteria will include knowledge and information sharing commitments by the candidate firms, with a view to deepening industry capacity and capability.

During the latter stages of the delivery of the short and medium term plan it is anticipated that the MSTF will have demonstrated sufficient impact, additionality and scale to justify political space for inclusion in cross-cutting strategic planning. The MSTF will be able to act as a virtual shared-services hub, and work on a coordinated approach to social infrastructural investment. This model enables the key stakeholders to maintain political control of funds whilst relinquishing a degree of control over the direction and deployment of these funds.

⁸ An estimation based on capital projects allocation analysis of budgets for the 9 states in the region, amounting to \$2b in 2011.

