

WORLD BANK MONITORING ROLE IN THE RETURN OF STOLEN FUNDS TO THE FEDERAL REPUBLIC OF NIGERIA



THE WORLD BANK

Treasury

Addis Ababa

May 14, 2019

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SUMMARY

- Effective return of stolen assets is priority for all, and a particularly important issue for many developing countries where resources are badly needed for reducing poverty and promoting inclusive growth.
- The World Bank has been asked to assist the Governments of Nigeria and Switzerland in monitoring the use of stolen assets to support poor and vulnerable.
- The key vehicle to that end is the existing World Bank supported National Social Safety Net Project.
- Progress so far is good. \$37M of stolen funds is already disbursed, and further \$50M have been requested for disbursement.
- Funds are reaching poor and vulnerable households.

BACKGROUND

\$321M stolen from Nigeria by the late general Abacha

Swiss court ordered return of those funds on condition that WB monitors its use

FGN decided to direct the funds to its social safety net program

Ongoing project support by WB (\$500M) to FGN social safety net program

MoU signed by the governments of Nigeria and Switzerland and the World Bank

MEMORANDUM OF UNDERSTANDING

Signatories

- Attorney General of FGN
- Head of the Dept of Foreign Affairs, Switzerland
- Country Director for Nigeria, World Bank

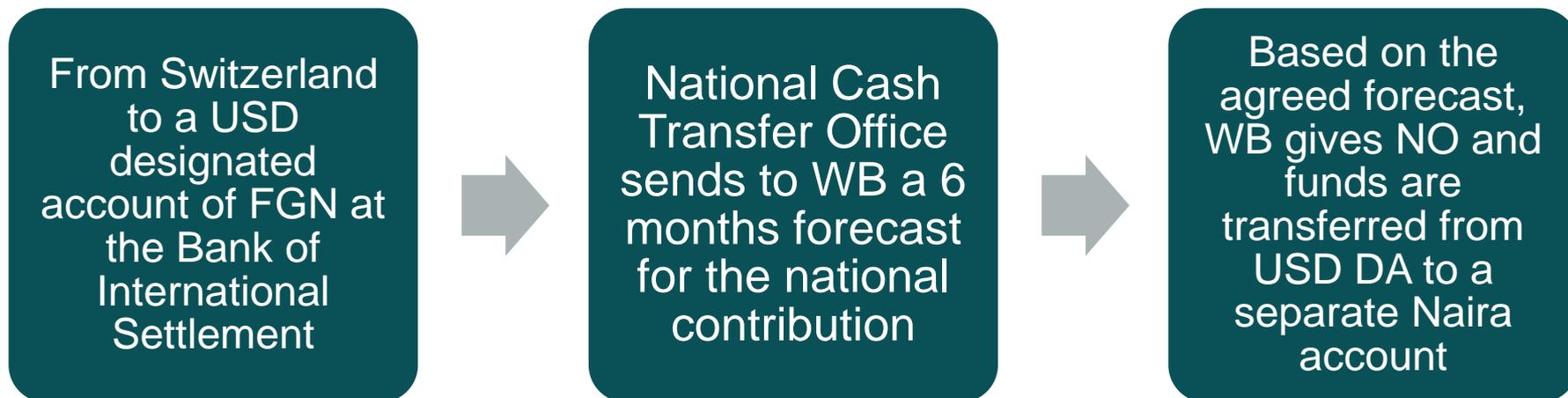
Implementing authority

- National Cash Transfer Office, FGN
- Swiss Agency for Development and Cooperation, Switzerland

MEMORANDUM OF UNDERSTANDING – FUNDS FLOW

Same disbursement conditions apply as for IDA project

Responsibility for the use of funds lies with the FGN



MEMORANDUM OF UNDERSTANDING – TRANSPARENCY

- Swiss Federal Council has access to all project information at any time
- WB provides SDC with copies of the project implementation status and support reports and aide memoires
- Project documents and reports are published on FGN website
- Network of Asset Recovery (a coalition of CSOs) monitors the use of returned funds
- Network of Asset Recovery shares reports of its monitoring activities with government and partners

WHAT ARE THE RETURNED FUNDS USED FOR?

- Contribute towards direct payments of cash transfers to beneficiaries
- Each targeted household receives a base transfer of NGN 5,000 per months (equivalent to \$16 at current exchange rate).
- This base benefit is designed to ensure a minimum, reliable payment to promote consumption smoothing, address food insecurity and protect against economic shocks.
- Targeted households are eligible for an additional monthly benefit of NGN 5,000 whose objective is to incentivize households to use basic services, such as health, nutrition or education, sending kids to school or taking them to periodical health checkups.

WHO IS RESPONSIBLE FOR WHAT?

- **National Cash Transfer Office** - Responsible for implementing a Targeted Cash Transfer (enrollment, payment, co-responsibilities, GRM, monitoring)
- **National Social Safety Net Coordination Office** – responsible for establishing and maintaining the National Social Register
- **World Bank**
 - Provides regular monitoring missions of the implementation of the WB supported National Social Safety Net project (\$500M, for establishing the foundation for a National Social Safety Net System, and implementing a cash transfer to poor and vulnerable)
 - As part of that, it also monitors the use of the returned funds and provides the government of Nigeria and Switzerland with written reports on the implementation of the MoU.
 - In carrying out the monitoring, WB follows its applicable policies, procedures and practices and exercise the same level of care as it customary exercises in supervising its investment project financing.

HOW ARE HOUSEHOLDS SELECTED?

- **Step 1:** Combination of **geographic targeting** (poverty maps supported by WB or state bureaus of statistics) and **Community Based Targeting** (within each community, local committees first identify those they consider most poor and in need of assistance)
- **Step 2:** trained enumerators conduct an enumeration process to collect data about household's living conditions and demographic data of their members.
- **Step 3:** Data are used to calculate a welfare index to rank households and select the poorest for enrollment in the Targeted Cash Transfer program.

WHERE IS DATA STORED?

- National Social Register (NSR) is a database of Poor and Vulnerable Households
- It is base on State Social Registers
- 28 states have functional State Social Registers with data included in the NSR
- 814,376 Poor & Vulnerable Households are enrolled in the NSR (using android hand-held devices)
- 471,011 HH selected for cash transfers
- ***NSR will have approx. 1 million HH by June 2019 and approx. 1.2 million by December 2019***

PROGRESS SO FAR

- 302,676 households received cash transfer payments
- Cash transfer active in 20 out of 36 states
- \$50 million disbursed (of which \$37 million is from Abacha restituted funds)
- The overall targeted reach for the Cash Transfer in 2019 is 700,000 households (5 year target is 2 million households)

- An electronic payment system developed to ensure efficiency in payments, reconciliation, and monitoring of the CT program

- Competitively selected Payment Service Providers (all mobile money operators) go to communities, validate that beneficiaries are included in the payroll generated by the cash transfer program, make payments and generate a reconciliation trail back to the program.

- WB shares its monitoring reports with the Network of Assets Recovery and has invited it to join its monitoring missions.

Thank you!