

MEMORANDUM OF UNDERSTANDING BETWEEN FEDERAL MINISTRY OF FINANCE, NIGERIA GOVERNORS' FORUM AND DEVELOPMENT PARTNERS

THIS MEMORANDUM OF UNDERSTANDING (MOU) is made between the **Federal Ministry of Finance (FMF)**, the **Nigeria Governors' Forum (NGF)** and the **Development Partners** that signed this MOU.

Background

1. The Fiscal Responsibility Act 2007 and the Public Procurement Act 2007 have been passed by the National Assembly to provide for prudent management of the nation's resources, ensure long-term macroeconomic stability of national economy, ensure greater accountability and transparency in fiscal operations within a medium term fiscal policy framework; and harmonizing government policies and practices for public procurement. Section 54 of the Fiscal Responsibility Act 2007, provides that the Federal Government may provide technical and financial assistance to States and Local Government that adopt similar fiscal responsibility legislation along the same lines as the Act for the modernization of their respective tax, financial and asset administration. Accordingly based on emerging development challenges, the Development Partners in collaboration with the Federal Government have identified the need to technically support the preparation, passage and implementation of Fiscal Responsibility Legislation (FRL) and Public Procurement Legislation (PPL) at State Government levels.

Purpose

2. The objective of this MOU is to establish a partnership between the parties to collaborate in ensuring promotion, adoption, passage and implementation of fiscal responsibility and public procurement legislations and regulations (FRL and PPL) (hereinafter referred to as "the project") at the State level for uniformity of purpose in fiscal and public procurement matters.

Development Partners' Commitments

3. In furtherance of the above and for the achievement of the overall objectives and purpose of this MOU, the Development Partners collectively and individually make the following commitments.
 - a) To provide a package of assistance to help with the development and implementation of FRL and PPL at State Government levels. This package will include the following:
 - i) To organize sensitization and/or training workshop for State Legislators, and their leadership on FRL and PPL;

- ii) To organize sensitization and/or training workshop for State Government officials on FRL and PPL;
 - iii) Provide access to a resource of national and/or international experts to assist States with the preparation and finalization of draft FRL and PPL bills;
 - iv) To carry out capacity assessments to identify the institutional, organizational and human capacity gaps affecting the implementation of FRL and PPL and to propose a set of priority actions to close these gaps;
 - v) Provide technical assistance/support to FMF/NGF or any other agency deemed necessary pursuant to the objectives of the MOU and to develop an appropriate framework to monitor progress of FRL and PPL implementation at State Government levels.
- b) To focus support on identification, recruitment, orientation/training and remuneration of pool of technical experts considered necessary to undertake the commitments stated in 3(a) above.;
 - c) To mobilize funds to fully or partly finance the project within its limited budget, existing resources available and country strategy plan, so as to achieve the realization of the project goals.
 - d) The above commitments are complementary and without prejudice to pre-existing engagements, collaborations and commitments of some Development Partners with various State Governments on creating awareness and developing capacity for FRL and PPL.

FMF Commitments

4. The FMF make the following commitments:
- a) To provide all necessary encouragement vide its Ministry or agencies (e.g Debt Management Office, Bureau of Public Procurement etc), technical support and assistance required by the Development Partners or State Governments for the effective implementation of FRL and PPL at State level;
 - b) To release promptly (on terms as may be agreed by the parties) at the request of Development Partners any staff of FMF or that of DMO or BPP, who may be identified as possessing the knowledge, expertise or technical capacity to assist Development Partners as a resource person in discharging their obligations under this MOU;

- c) To make available any information, templates, data, and/or documents on matters from previous or current work and implementation of the FRA and PPA that will enhance the proper implementation of the FRL and PPL at State level;

NGF Commitments

5. The NGF makes the following Commitments:

- a) To sensitize, advocate and mobilize the Executive Governors of all the 36 States of the Federation of Nigeria (or as many as possible) with a view to eliciting their full support and participation towards the adoption, passage and implementation of FRL and PPL at State level;
- b) To show the political will and commitment by State Governments at the highest level towards passage and implementation of the project;
- c) To liaise with States to seek their participation, ensure adherence to the terms of this MOU and enable timely implementation of the project;
- d) To provide enabling and conducive environment for the Development Partners to achieve their obligations under this MOU and for the implementation of FRL and PPL at State level;
- e) To provide all necessary encouragement and financial support by way of partial cost-sharing of expenditure (cash or kind) as may be agreed by the parties towards off-setting any cost or expenses (e.g. training, clinic/workshops, seminar, capacity building, accommodation, feeding, consultancy fees, transportation, equipment etc) likely to be incurred in the realization of this project.

Technical Committee, Monitoring and Review Process

6. The parties hereby agree as follows:

- a) To establish a Technical Committee comprising of the following:
 - NGF
 - FMF
 - 3 people to represent the Development Partners named in schedule 1.

The Technical Committee is responsible for

- Streamlining targets and strategies for implementation of this project;
 - Reviewing progress quarterly with regards to activities performed in respect of this project, targets met or missed, constraints/challenges identified, and next steps.
- b) There will continue to be regular multilateral dialogue between the parties, and if serious concerns emerge which could undermine the effectiveness of this MOU,

the NGF and the Development Partners undertake to initiate early discussion and resolution of the concerns.

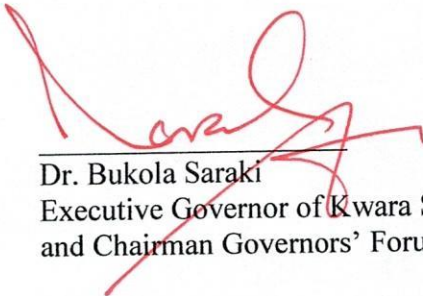
Duration and Termination

- 7. This MOU will come into effect on signature of the parties herein and will have a duration of 2 years subject to review.
- 8. This MOU may be amended only by written acceptance of both the Development Partners and NGF of any proposed changes. The MOU as it affects each State will be terminated on the complete performance of this project in each State or by three (3) months written notice by either the Development Partners or any of the implementing State Government affected by the project, whichever is earlier. But in either case, comprehensive discussion is required prior to termination.

The undersigned, on behalf of their respective governments or organizations have signed this Memorandum of Understanding.

Dated the day of 2010

Olusegun O. Aganga
Hon. Minister for Finance
Federal Government of Nigeria



Dr. Bukola Saraki
Executive Governor of Kwara State
and Chairman Governors' Forum

AfDB

AFD

EU

CIDA

IMF

JICA

UK-DFID

UNDP

USAID

WORLD BANK

SCHEDULE 1

List of Development partners that have subscribed to the terms of the MOU and the implementation of FRL and PPL

1. African Development Bank
2. Agence Francaise de Developpment
3. European Union
4. Canadian International Development Agency
5. International Monetary Fund
6. Japanese International Cooperation Agency
7. United Kingdom - Department for International Development
8. United Nations Development Programme
9. United States Agency for International Development
10. World Bank