Nigerian Foreign Aid Profile: Inflows and outflows

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• Introduction
• Nigeria is the African most populous country with a population of around 177 and fifth largest global supplier of oil.
• Nigeria is rated as African largest economy and 21th largest economy in the world by IMF (2016).
• Nigeria receive and give foreign aids
• Receive from (i.e. USA, UK, China, Japan, European Union, World Bank, etc.)
• Nigeria gives aid more especially to African and Caribbean nations
US Foreign Aid

- 2010-2015 Nigeria received $3 billion grant from US Govt.
- Military Assistance, Anti-Terrorism, Defence and Security, Global HIV/AIDS Initiative, Global Health and Child Survival, Development Assistance etc

January, 2016 US donated 24 Mine-Resistant and Armor-Protected (MRAP) vehicles valued at $11m.

May, 2014 has donated a new warship by name NNS OKPABANA 80 foot flight deck that is capable of handling helicopters

In a bid to free the 270 Chibok girls abducted by Boko Haram United States government has offered technical assistance and expanded intelligence sharing assistance.
• **Chinese Foreign Aids to Nigeria**

• **Agricultural capacity building: FAO-Nigeria-China**

• Phase 1 2003-2007, 500 agricultural specialists/technicians to teach farmers new agricultural techniques and technology with 3,736 field visits, more than 500 demonstrations and carry out more than 200 micro-projects in areas like forestry, aquaculture, horticulture, animal husbandry and crop intensification, water management and poultry technology

• Phase 2 a total of 190 experts and technicians teach farmers, processors, farm managers and extension workers

• According to FAO impact assessments:
  • farmer testimonies have shown that hundreds of thousands of family farmers across Nigeria have benefited from hand-on training, and have been adopting and adapting technologies and know-how from Chinese experts
  • poultry farming -60% increase in egg production, lower mortality rate and increased growth rate of the poultry in NE.
  • Many farmers adopted cage fish culture technology in Nigeria.
  • Trained 5,000 young people on how to plant rice, control pests and diseases, and apply fertilizers. Before the training three tonnes per hectare but after training six tonnes per hectar.
Chinese Infrastructure Development Finance
- 2000 to 2015, there are more than 40 Chinese official development finance projects in Nigeria (Concessional Loan)
- $1 billion Lagos-Kano rail (project almost completed)
- $984 million for the Zungeru hydroelectric power (project at 50% completion).
- $500 million Abuja metro,
- $500 million modernization 4 airport terminals in Abuja, Kano, Port Harcourt, Lagos (95% completion)
- $500 million Abuja-Kaduna rail way (project at 75% completion).
- Condition for this loan: they are for project, 10% counter-funding, should used for Chinese product or companies.

UK Foreign Aid to Nigeria
- Directly and DFID
- £250 million annual grant
- In 2015 £140 million in aid supporting Nigerian energy privatization
- In 2013 £275 million supporting health, education and poverty reduction programmes.
Japan Foreign Aid to Nigeria

- From 1998 to date Japan Govt. has implemented over 148 projects in aids in Nigeria.
- Supporting basic education-Japan International Cooperation Agency (JICA).
- 2013 317 Classrooms and 308 toilet US$14.8 million accommodate 12,680 pupils in Kano state
- build 325 classrooms in Oyo, State $8.5m
- December, 2015 has built bridge across River Usman in Abuja- 50,000 hectares were accessible & cultivated out of the 200,000 but now all are accessible.
Spain Foreign Aid to Nigeria
Built Photovoltaic Electricity Plant to generate 100 mw in Kano State

World Bank Foreign Aid to Nigeria
health, agriculture and water supply
2001-2010 US$ 96.28 million to fight HIV infections.
2009-2017 US$ 230.00 million to fight HIV infections.
December, 2015 World Bank has earmarked $500 million grant for the revival of irrigation farming in Northern Nigeria
2015 $200 million to finance, new generations of business-oriented agro-preneurs.
approved a credit of 250 million US dollars to help the Nigerian Government continue its efforts to increase access to water supply services among the rural people
Nigerian Foreign Aid Outflows

Economic Aid

Special African Development Bank Fund (SADBF) - Nigeria Trust Fund (NTF) in 1976 (concessional loans with no interest charges-service charge of 0.75 % pa and commitment fee of 0.5% pa)

Nigeria Trust Fund (NTF) - initial capital of US$80 million replenished in 1981 with US$ 71 million total investment of $151 million

NTF has a funding ceiling of US$ 10 million with allocations to projects not countries

Long term loan-20-year repayment period with a 7-year grace period (i.e.: a total 27-year repayment period)

Short term loan-15-year repayment period with a 5-year grace period (i.e.: a total 20-year repayment period)

At end of 2012, NTF has a total capital of $253 million
- **Nigerian Technical Aids Corps Scheme (TAC)**
- Primary objective to alternate Nigeria government’s direct financial aid to 27 Africa, Caribbean and Pacific countries (ACP).
- Under the scheme, Nigeria deploy highly experienced Nigerian professionals in the field of Medicine, Engineering, Nursing, Agriculture, Education, Accountancy, and other related field to ACP countries for a period of two years.
- More than 30,000 volunteers have served at different capacities in more than 27 ACP countries since the inception of the programme.
- Started with 102 volunteers in 1987. But, 2014 stand sent more than 1500 volunteers.
- Overtime has earned positive commendations from international bodies such as UNDP, United Nations Volunteers Service (UNVS), the Commonwealth, NEPAD, ECOWAS and other relevant International Development Agencies.
- In 2016 Nigeria prepared to send volunteers to (Brazil, Venezuela and Vietnam) outside scope of 27 countries and equally South Sudan, the latest independent country in Africa.
- **Financial Assistance/Concessional Loans**
- 40% funding to ECOWAS
- Nigeria had also contributed financially to liberation movements in South Africa and to the front line states of Zambia, Tanzania, Mozambique, and Zimbabwe.
- $20 million to the Zimbabwean in 1977
- Direct concessional loans to Ghana in 2012 $40million, 5 million to Sautome and Principe
Nigeria Military and Peacekeeping Aid

UN Peacekeeping Mission

Nigeria among largest UN contributing countries with military and civilian personnel for peace keeping in the world.

Nigeria has contributed over 200,000 troops to various UN peacekeeping operations in the world.

battalion and staff officers to the former Yugoslavia (UNPROFOR) in 1992; Military observers during the India-Pakistan conflict (UNIPOM) 1965-1966; battalion and staff officers to Lebanon (UNIFIL) in 1978-1983 conflict; military observers during Iran-Iraq conflict (UNIMOG) 1988-1991; military observers for Iraq-Kuwait (UNIKOM) 1991; military observers to Cambodia (UNTAC) 1992-1993; military observers to Israel (UNTSO) 1995 etc.
Nigerian Peacekeeping Mission in Africa

- Nigeria main provider of military and other resources for ECOWAS and AU peace operations
- Nigeria provided the first set of individual police officers (IPOs) in Africa which was in Congo ONUC in 1960
- Nigeria provided over 70% of ECOMOG’s military and civilian personnel, as well as logistical support during the Liberian and Sierra Leonean civil wars in the 1990s.
- Nigeria spent about US$8 billion in its various missions in Cote d’Ivoire, Guinea-Bissau, Liberia, Mali, and Sierra Leone
- In 2004, Nigeria provided 1,500 troops as part of the AU Mission in Darfur in Sudan (AMIS)
- In 2003, Nigeria provided 1,500 troops to the ECOWAS Mission in Liberia (ECOMIL),
- In 2013, Nigeria also provided 1,200 troops to the African-led International Support Mission in Mali (AFISMA), and 200 police officers to AMISOM
- In 2004, Nigeria established Peacekeeping Wing (PKW) of the Nigerian Army Infantry Corps Centre in Zaria, Nigeria.
- To date, apart from significant human and material losses, Nigeria has spent over US$10 billion in OAU/AU and ECOWAS-led peacekeeping operations
• **Conclusion**

• Generally speaking foreign aid is an instrument used by several countries to achieve trade, investment, economic cooperation and development.

• Aid architecture in north-south and south cooperation involves grants, capacity building, projects, development finance etc.

• Findings reveal that the most impacted aid inflows and outflows in Nigeria are:
  - Capacity building
  - Direct project execution (Japan bridge, schools projects)
  - Development Finance (concessional loan to projects)
  - Impact of direct grant cannot be justified as they spend by the government on its own ways and logic.