Nigeria Public Finance Facility

Intervention title:	Nigeria Public Finance Facility
Document type:	Terms of Reference (for the PFRC Managing Supplier)
Country:	Nigeria
FCDO client (i.e. relevant post) :	British High Commission Abuja
Beneficiary:	Government of Nigeria
Expected end date:	31 December 2027 (potentially extendable to March 2029) subject to annual reviews of on-going need and funding availability.
Budget ceiling:	Up to £1.8m until 31 March 2026, £1.8m for 26/27 TBC thereafter
Funding source:	British High Commission Abuja
Risk rating:	Major

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Acronyms

Acronym	Meaning
AfDB	African Development Bank
DT	Delivery Team which may be a sub-contractor appointed by the Managing Supplier
DMO	Debt Management Office
FCDO	Foreign, Commonwealth & Development Office
FIRS	Federal Inland Revenue Service
GESI	Gender Equality and Social Inclusion
GoN	Government of Nigeria
HMRC	Her Majesty's Revenue and Customs
IMF	International Monetary Fund
MS	Managing Supplier – Adam Smith International
NCS	Nigeria Customs Service
NEST	Nigeria Economic Stability and Transformation Programme
NGCP	Nigeria Governance & Climate Programme
NPFF	Nigeria Public Finance Facility
PCFPTR	Presidential Committee on Fiscal Policy and Tax Reforms
PFM	Public Financial Management
PFRC	Public Finance Resource Centre
TADAT	Tax Administration Diagnostic Assessment Tool
TaxDev	Centre for Tax Analysis in Developing Countries
ToR	Terms of Reference
UNDP	United Nations Development Programme
WB	World Bank

1. Introduction

This Terms of Reference (ToR) sets out the requirements for the Nigeria Public Finance Facility (NPFF), which will be delivered through the Public Finance Resource Centre (PFRC).

The Managing Supplier (MS) and its Delivery Team (DT) are expected to deliver the Intervention in line with the requirements set out in this ToR. The scope of work may be adjusted and will be finalised during the Inception Phase.

The primary beneficiary of this Intervention will be the Government of Nigeria (GoN). Support is expected to be focused on the federal government, potentially the Ministry of Finance, the Ministry of Budget and Planning, the Federal Inland Revenue Service (FIRS), the Nigeria Customs Service (NCS), the Debt Management Office (DMO) and the Presidential Committee on Fiscal Policy and Tax Reforms (PCFPTR).

The project aims to provide technical assistance to support GoN to make and implement substantive public financial management (PFM) reforms, including in the tax, fiscal and debt management areas. This will be done by providing strategically targeted technical assistance, including expert advice, analysis and capacity building, to parts of government crucial to achieving reform.

Given the scale and duration of the planned project, the need to ensure that it remains focused on reforms where there is genuine demand for support and political buy-in for change, and given that a scoping study has been conducted these Terms of Reference do not attempt to set out a definitive set of activities that will be conducted by the MS/DT. Instead, a detailed work plan for the period from the end of the Inception Phase until 31 March 2026 based on the findings of the scoping study will be developed by the MS/DT during the inception phase.

2. Background

Need

There is a clear need for tax and macro-fiscal reform in Nigeria. Nigeria's tax revenue of around 9% of GDP (2023) is amongst the world's lowest. This constrains Nigeria's ability to fund its own growth and development and has led to an overreliance on borrowing to finance public spending, including (up to mid-2023) recourse to central bank financing. This in turn stokes inflation and limits the fiscal space as debt service costs consumes a greater portion of government revenue annually resulting in a vicious cycle of inadequate funding for socio-economic development.

Substantial tax policy, tax administration and institutional reforms are needed to address this. There are also needs for macro-fiscal reforms to improve budget, expenditure and debt management processes and performance.

Reform agenda

Lack of political will has been a binding constraint to tax and fiscal reform for decades. However, since coming into power in 2023, President Tinubu has made economic reform a cornerstone of his presidency and he has personally made the case for exchange rate reform and fuel subsidy removal. His administration also aims to increase domestic resource mobilisation, including through the newly established Presidential Fiscal Policy and Tax Reforms Committee (PFPTRC) that has been tasked with preparing proposals for tax reform to the National Assembly. He has already made major economic reforms (most notably to fuel subsidies and the exchange rate) which has created the greatest optimism in a generation about the prospect of further reform. These reforms have also, however, created cost of living and other pressures, which has led to public unrest – it is not yet clear whether this will dampen political will for reform.

The Government of Nigeria's May 2023 Economic Reform Roadmap is a medium-term reform plan that aims to build fiscal space and stimulate growth by:

- Enhancing tax collection.
- Rationalising government assets.
- Reforming the fuel subsidy; and
- Reducing expenditure leakages.

Plans in relation to tax policy include increasing VAT, introducing a telecoms tax, reforming excise duties and reducing tax expenditures. In relation to revenue administration, a TADAT workplan is in the process of being developed to ensure the country builds on a significant improvement in its TADAT scores between the 2018 and 2023 assessments – this will likely include a focus on use of data to support risk-based audit, improving the efficiency of administration of the VAT system and customs reform. GoN has requested WB support for these tax policy and administration reforms through two policy operations approved in June 2024 (see below).

In relation to the expenditure-side, the Economic Reform Roadmap includes plans related to enhancing revenue forecasting (particularly in relation to the oil sector), the strengthening of the Medium-Term Expenditure Framework and development of more rigorous mechanisms for in-year budget performance tracking and adjustment. Other fiscal reforms envisaged in the roadmap relate to proactive management of GoN assets, implementation of a new Medium Term Debt Strategy, improvements in audit functions and reforms related to oil subsidies and the reporting of oil revenues.

Donor landscape

Other development partners are either currently providing support or have pipeline plans. Most notably this includes:

- **The World Bank.** A new $750m Accelerating Resource Mobilization Reform (ARMOR) Programme for Results (P4R) will provide some TA support, including to the FIRS (on third party-information sharing, e-invoicing system for VAT and CIT audit), the Nigerian Customs Service (on excise compliance, post-clearance control, risk management and audit) and the Ministry of Finance (related to VAT, tax expenditures, excise duties and oil revenue safeguarding). A macro development Policy Loan ($1.5bn) also supports policy on VAT, tax expenditures and fuel subsidies.
- **The International Monetary Fund (IMF)**. The IMF is providing a long-term tax adviser and AFRITAC is advising on customs risk management, the development of a Medium-Term Debt Strategy, compliance issues in the petroleum, minerals and financial sector, and a strategic reform plan for FIRS.
- **AfDB**. AfDB has a $600m Economic Governance and Energy Transition programme with a substantial component supporting improved domestic resource mobilisation. This includes support to the Ministry of Finance, FIRS and PCFPTR on issues including: the tax institutional framework; compliance (particularly through digital usage); tax avoidance; and tax incentives; and
- **UNDP**.UNDP is providing support to FIRS and NCS, including on work planning, digitisation, and customs software.

In addition, some parts of GoN have the financial resources to pay for technical support services themselves (e.g. FIRS) and PCFPTR).

The Intervention will work with development partners and those providing technical advice, and with the GoN, to ensure that the support provided is complementary and avoids duplication.

UK programming

Supporting economic reform, including tax and fiscal reforms, is a top priority in FCDO Nigeria's draft Strategic Roadmap. Nigeria is a priority country for UK development support, trade and investment. It is rated as a "Middle Ground State", the top tier category in the Africa Strategy.

The current channel for UK support is HMRC, which has a programme focusing on international tax and on FIRS' ability to identify and analyse data to inform risk-management and decision-making. The Centre for Tax Analysis in Developing Countries (TaxDev) is also to expand into Nigeria, delivered by the Institute for Fiscal Studies and the Overseas Development Institute. It will provide a programme of institutional strengthening in the Ministry of Finance, focusing on improving their ability to accurately forecast revenue and assess the impact of tax/budget proposals. The new Nigeria Governance & Climate Programme (NGCP) will provide technical assistance to states to improve internally generated revenue by strengthening legal and policy frameworks for tax and the functioning of state revenue authorities. A new Nigeria Economic Stability and Transformation Programme (NEST) will provide technical assistance to the Government of Nigeria on priority economic reform issues in areas not covered by NPFF.

This bilateral project will complement the programmes already in place and continue to strengthen Nigeria's ability to fund more of its own development and growth priorities, which aligns with the UK's modern development partnership approach with Nigeria. Strengthening Nigeria's tax system will make trade and investment even more attractive for the UK private sector, bring potential shared prosperity benefits.

3. Objectives and theory of change

The purpose of this Intervention is to support the Government of Nigeria (GoN) to make and implement substantive economic/PFM reforms, including in the tax, fiscal and debt management areas.

The Intervention will be designed to contribute at impact level to:

- Raising tax revenue.
- Broadening the tax base.
- Increasing equity in how tax revenues are raised.
- Reduced fiscal deficits.
- A more credible, policy-orientated budget system; and
- Improved debt sustainability risk rating.

At outcome level the Intervention will be designed to support the PFRC outcome level objectives of "more effective and equitable tax policy and administration" and "more effective public financial management". For Nigeria, specifically, this would involve:

- Strengthened capacity to use analysis and evidence in tax policy formulation.
- Strengthened capacity for tax administration.
- The achievement of priority institutional reforms
- The development of a more credible, policy-orientated budget (including use of an MTEF underpinned by a macro-fiscal model); and
- The implementation of a new medium-term debt strategy.

Substantial reforms will take place in the areas of tax policy, tax administration, budget, expenditure and debt management. New models (e.g. for the MTEF), laws (e.g. organic budget law), strategies and processes will be required to articulate and accelerate these reforms. The institutional framework that underpins PFM and taxation will also require modification, in line with changes in mandates, regulations and processes. More specifically the reforms relate to enhancing tax collection, rationalising government assets, reforming subsidies and improving debt and contingent liability management.

For these reforms to be successful there has to be sustained political support to tax and fiscal reform, as part of the broader raft of major economic reforms driven by the government. It is assumed that the appetite and capacity for these reforms will be based on popular support from Nigerian citizens, although public unrest and protests in August 2024 linked to previous economic reforms and cost of living pressures suggest limits to the reforms the public are willing to support. The benefits of the reform, such as greater funding availability for spending on health and education due to increased revenues, would need to be carefully communicated, visible to citizens, and seen as a result of reform activities.

In addition, it is assumed that support from other development actors such as the World Bank, the IMF, and the AfDB manifests itself through successful programmes that also promote these reforms.

This Intervention will support these objectives by providing flexible and responsive technical assistance, targeted at a strategic level, to provide advice, analysis and capacity development for sustained change. This support will be provided to the institutions that have a role to play in the reforms, and that have the appetite and capacity to maximise the benefit of that technical assistance. The counterpart institutions are likely to include the Ministry of Finance, the FIRS, the Ministry of Budget and National Planning, NCS, DMO and the PCFPTR. The details of the partner institutions, the objectives of the technical assistance, the measures of success and the scheduling will be developed in the initial months of implementation.

This technical assistance will contribute to the depth, pace and sustainability of the reforms if it is aligned with the Government and departmental priorities, based on a realistic yet ambitious assessment of possible progress, and delivered as part of a strong partnership.

4. Delivery Location

The relevant FCDO Programme Team for the project is based in FCDO Nigeria (FCDON), supported by a regional tax adviser based in Abuja. The Delivery Team (DT) will be expected to have key staff deployed in Nigeria and maintain a strong network of local contacts to ensure contextual awareness, sensitivity, and the ability to deliver requirements responsively. The expectation is that the majority of work will be delivered in Abuja. However, some assignments may involve outreach to other regions within Nigeria or remote delivery.

The DT should be prepared to utilise a range of different technical assistance and capacity-building delivery modalities, including:

- **Embedded advisory support**. Long-term embedded advisers to support key GoN beneficiary institutions.
- **Short-term, in-person advisory missions**. Specific tasks such as capability assessments, technical solutions implementation, and providing targeted advice to Nigerian institutions.
- **Short-term, in-person training missions**: Conducting training sessions and workshops to enhance the skills and knowledge of tax administration staff and other stakeholders.
- **Remote training, analysis and support**: Providing technical assistance, coaching and training remotely to ensure uninterrupted project progress.

5. Delivery Principles

The Intervention will operate in line with the following principles:

1. **Ensure local ownership**: Engage local stakeholders to ensure that the interventions are demand-led and that there is strong local ownership and commitment to the reforms.
2. **Flexibility and adaptability**: Design and implementation of the Intervention will need to ensure that it has the flexibility and adaptability to respond appropriately to the changing political and economic context in Nigeria. Interventions will need to have the flexibility to scale up or down depending on whether they get traction, changes in Government priorities, etc.
3. **Think and work politically**: Understand and navigate the political economy context in which the project operates. Use Political Economy and Conflict Analysis (PECA) to inform the overall approach and day-to-day decision-making, ensuring that the support provided takes account of what is politically feasible and has sustainable impact. Incorporate GESI analysis within PECA to ensure political strategies consider the roles, needs, and influences of different gender and social groups.
4. **Context-appropriate solutions:** Focus on context-appropriate, politically feasible solutions to specific, locally defined problems. The project should emphasise 'best-fit' solutions that are suitable given the operating context and counterpart capacity. Ensure technical assistance is demand-led, contextually and politically informed, effective and efficient. GESI should be a key consideration in determining these solutions to ensure they are inclusive and equitable.
5. **Build sustainable capacity**: The DT should ensure that progress achieved with the support of the project is sustainable in the long term, continuing beyond the project's conclusion. The project should prioritise building sustainable capacity, by providing the kind of long-term coaching, mentoring and informal training required to ensure counterparts are able to operate systems developed with the help of external consultants, as well as considering and making recommendations (where appropriate) on human capacity or other challenges that need to be addressed to support sustainability. Local experts should be utilised when feasible and appropriate and where this may help embed sustainable capacity.
6. **Coordination and avoidance of duplication:** This Intervention forms part of a wider FCDO portfolio of support to the GoN and coordination will be required with other projects in the portfolio to ensure its effectiveness. Coordination will also be required with programmes funded by other donors and IFIs to complement ongoing efforts and avoid duplication, thereby leveraging synergies and maximising impact.
7. **Transparency and accountability**: Promote transparency and accountability in public financial management to build trust in government institutions and ensure the effective use of public resources.
8. **Inclusivity**: Ensure that reforms are inclusive, addressing the needs of marginalised and vulnerable groups, and promoting GESI in public financial management. Integrate GESI considerations into all aspects of the programme design and implementation, ensuring women, youth, people with disabilities, and other marginalised groups benefit from the project.
9. **Evidence-based approach**: Use data and evidence to inform decision-making and measure the impact of interventions, ensuring that strategies are effective and adjustments can be made as needed. Incorporating GESI-disaggregated data in the analysis will help ensure that the interventions are benefiting all groups equitably and that any disparities can be addressed promptly.

6. Intervention Management

Programme governance

Delivery of the intervention will be overseen by the FCDON's Senior Economic Adviser (who will serve as the project's Lead Adviser), working in partnership with an FCDON Programme Manager.

The MS and its appointed DT will work closely with the FCDON throughout the Intervention. Monthly progress meetings with the FCDON, the DT and PFRC MS representatives anticipated throughout the duration of the Intervention.

The management and decision-making structure for NPFF and related schedule of meetings will be agreed during the Inception Phase. The MS will provide a secretariat function for the meetings.

Performance management

During the Implementation Phase, performance will be managed through a set of Key Performance Indicators that will be agreed during the Inception Phase. FCDO will verify performance against the agreed KPIs on a quarterly basis throughout the Implementation Phase and 20% of payments for fees will be linked to the achievement of the KPIs.

Potential KPIs to be agreed may include but are not limited to:

1. Accuracy and timely delivery of reporting and forecasting requirements
2. Performance against the results framework
3. Performance against agreed TA deliverables

Intervention Budget and Timeframe Intervention The intervention will run for a period of up to 30 months (subject to availability of funding) from July 2025 until 31 December 2027. The maximum budget for the Intervention for the period until 31 March 2026 is £1,800,000 with a further up to £1,800,000 for the period 1 April 2026 to 31 March 2027 subject to UK Government Spending Reviews and other internal FCDO processes. Funding after 31 March 2027 is to be confirmed.

Annual Review Points

FCDO will conduct a review of the operation of the intervention at the dates set out below to consider whether to terminate the intervention with three months' notice:

a) By 31 December 2025 to inform decision to terminate on 31 March 2026.
b) By 31 December 2026 to inform decision to extend beyond on 31 March 2027.

The Intervention will be delivered in three phases:

- Inception Phase 3 months
- Implementation Phase up to 18 months
- Exit Phase 1 month

Detailed requirements related to each of these phases are set out in the sections that follow.

7. Inception Phase Requirements

The Intervention will commence with a three-month Inception Phase.

The key inception phase outputs will be an approach paper, workplan and budget covering delivery through to 31st March 2026. This work will need to be informed by, and build on, a scoping assignment conducted (starting in August 2024) through PFRC.

Deliverable	Detail	Date Due
Quick Wins	Identification of areas of planned work for the Implementation Phase that can be expedited in the Inception Phase	Within two weeks of the

		start of the Intervention
Political Economy and Conflict Analysis (PECA)	(1) a detailed initial evidence-based PECA for the project, including a stakeholder map. This should build on the scoping work conducted in 2024 through PFRC; and (2) a plan for ensuring that the PECA is kept up to date over the lifetime of the programme, and procedures for ensuring that delivery is and remains politically aware	End of Inception Phase
Approach Paper	A concise Approach Paper that: (1) details the Delivery Strategy to achieve NPFF's objectives, including approach to delivering effective capacity building at the individual, organisational and institutional levels; and (2) approach to achieving GESI goals; (3) Process for including how work will be identified and agreed with FCDO	End of Inception Phase
Workplan and budget	Detailed workplan and budget for the period until 31 March 2026 and indicative workplan and budget for the period from 1 April 2026 – 31 March 2027.	End of Inception Phase
Monitoring Evaluation and Learning Plan	MERL Plan and Results Framework for NPFF including baseline data, setting out a clear plan for tracking output- and outcome- level delivery, collecting feedback from beneficiaries and outcome- level delivery, collecting feedback from beneficiaries and incorporate feedback and learning into its delivery approach.	End of Inception Phase
VFM Framework	Including a clear plan to capture and record data and evidence related to VfM in line with that Framework.	End of Inception Phase
Risk Register	Conduct a risk assessment on potential challenges and submit a risk register setting out key risks and mitigation measures to optimise expected outcomes.	End of Inception Phase
Key Performance Indicators	Agree a set of KPIs that will be used to manage performance with 20% of fees attributed to their successful achievement	End of Inception Phase
Exit Plan	Plan for the responsible exit of the Intervention	End of Inception Phase
Inception Report	Report setting out how the Inception Phase deliverables have been achieved	End of Inception Phase

8. Implementation Phase Requirements

The Implementation Phase will commence immediately following the end of the Inception Phase, except for quick win interventions which may run in parallel, and continue until one month prior to the end of the Intervention.

TA activities to be conducted between the end of the Inception Phase and the end of March 2026 will be included in a work plan developed during the Inception Phase. Work during subsequent financial years will be determined as part of an annual work planning process. It is expected that some TA activities will be conducted over multiple financial years and should be incorporated into this annual planning process.

However, there must be flexibility to respond to counterpart demands for support, particularly where windows of opportunity for reform arise during a given intervention year. The annual workplan will be reviewed on a regular basis to ensure that sub-interventions align with demand. If new sub-interventions are approved during the project year, they will be formally added to the work plan, ensuring that all activities are documented and tracked systematically.

The process for identifying and agreeing TA activities for the Implementation Phase will be refined and agreed during the Inception Phase.

The below table sets out core functions to be delivered throughout the Implementation Phase:

Area	Detail
Technical Assistance and Capacity Building	Delivery of technical assistance and capacity building activity in line with the agreed approach and work plan.
PECA	Ongoing monitoring of the political economy environment, including provision of quarterly light-touch updates to the programme PECA.
Stakeholder Management	Day-to-day management of relationships with key programme counterparts.
MERL	in line with the requirements set out at in the MERL Approach section.
Progress Meetings and Reporting	Attend progress meetings and submit regular reports as set out in Section 14 MERL, Reporting

9. Exit Phase Requirements

The Exit Phase will take place during the final month of the Intervention. Key responsibilities during this phase include:

- Sustain ongoing implementation activities where appropriate, whilst ensuring they are all concluded (or handed over to a successor project if one exists) sensitively and thoroughly prior to the Intervention End Date.
- Develop and implement a comprehensive handover plan for all programme materials and documents, ensuring they are transferred to the appropriate counterparts, a successor programme, or FCDO. This plan should include detailed instructions and timelines for the handover process.
- Prepare and execute a plan for the disposal or transfer of assets acquired during the Intervention.

Submission of a Final Report. These responsibilities are crucial for ensuring that the programme's closure is handled effectively, leaving a lasting positive impact and facilitating the continuation of efforts by future initiatives or counterparts.

10. Expected TA activities

The process for identifying and commissioning TA activities will be agreed in the Inception Phase.

TA is expected to be provided primarily to the Federal Ministry of Finance and various semi-autonomous agencies linked to it (potentially the Federal Inland Revenue Service, the Nigeria Customs Service, and the Debt Management Office), the Ministry of Budget and Planning (particularly the Budget Office), and PFPTRC.

While the primary focus of the project will be at the federal level, it is possible that it will also work on specific issues at the state level.

An indicative list of areas that the project is expected to focus on would include:

- Providing advice on tax policy reform, working primarily with the Federal Ministry of Finance and the PFPTRC.
- Tax administration, working primarily with the FIRS in order to address key issues and to implement the Government's identified reform priorities including those specified in the GoN's Tax Reform Bills. This is likely to include some of the issues identified through the recent TADAT assessment in areas such as (some division of responsibility for supporting these areas between development partners is likely):
    - Revenue analysis
    - Audit
    - Strategic management
    - Compliance risk management
    - Taxpayer services
    - Registration
    - Filing and payment
    - Debt management
    - Headquarters function and operations
    - Refunds
    - Tax incentives
    - Dispute resolution
    - IT
    - Human resource management and capacity building
    - Communications
- Support to increasing the credibility of the budget and its effectiveness as a strategic resource allocation tool. This could include support for:

    - The development of a more rigorous medium-term perspective in the budget process (e.g. through improvements to the Medium-Term Expenditure Framework process).
    - The development of a new organic budget law; and
    - Improvements in macroeconomic modelling and the macro-fiscal framework, including through better integrating data from different sources (tax, non-tax and customs revenue data).
- Advice on improvement of the Government's approach to debt management and transparency and contingent liability management and strengthened capability in debt management.

The Intervention will operate in a flexible and adaptive manner and will need to stand ready to support the Federal Government of Nigeria in other areas of PFM and revenue reform that may be identified as priorities through the scoping, during inception or subsequently. Likewise, there is a need to be able to scale up successful workstreams and scale down or close workstreams that prove ineffective or where it becomes clear that the prospects for successful progress with reform is limited. Adaptive management, supported by a regularly updated PECA, reflection sessions and effective stakeholder engagement, will therefore be essential.

11. Team Requirements

The team will need individuals with an appropriate mix of skills required to deliver the requirements set out in these terms of reference. Team members will require strong interpersonal skills and change management skills, as well as appropriate technical skills and experience.

The team structure should be appropriate to the scale and requirements of the programme in order to deliver Value for Money.

The proposed team should include at least the following:

Role	Responsibilities	Requirements
Team Leader	Leadership of the delivery team; overall responsibility for technical delivery; lead the team's engagement with the FCDON programme team; own key senior counterpart relationships and lead on project learning.	Understanding and experience related to revenue, fiscal and debt management reforms; strong relationship management skills; strong leadership skills (experience leading substantial, long-term technical assistance programmes highly desirable); experience in Nigeria is desirable. This will be a full-time role and is expected to be based in Nigeria.
Project Director	A senior staff member with ultimate accountability for performance of delivery.	An appropriately senior and experienced individual. Part-time role.
Project Management Unit	Ensure the team is resourced for effective financial management, human resource management (recruitment, contracting, mobilisation, and HR support for team members), programme risk management, client relationship management, and quality assurance of deliverables.	Strong project management and financial management experience.

PECA Lead	Lead the development of the programme Political Economy and Conflict Analysis (PECA) and ensure it is updated appropriately on a quarterly basis.	Strong understanding of PECA best practices and the Nigerian context. Part-time role.
GESI Adviser	Lead the development of a GESI approach during the inception phase; identify opportunities organically to integrate gender and inclusion considerations into all technical assistance activities.	Strong understanding of GESI issues in the context of international development programming; strong understanding of issues related to vulnerability and exclusion in Nigeria. Part-time role.

There is also a requirement for additional long-term and short-term advisers as required to deliver technical assistance against the intervention areas described in these terms of reference.

12. Gender Equality and Social Inclusion (GESI)

The Intervention will be implemented in a way that accords with the FCDO's commitment to achieve GESI objectives, including ensuring compliance with the UK's International Development (Gender Equality) Act 2014. GESI should not be treated as a discrete component. The Gender Equality and Social Inclusion (GESI) strategy for the intervention should focus on integrating GESI considerations into reforms and policies to ensure inclusivity and equity, particularly addressing the needs of marginalised and vulnerable groups.

GESI analysis should form a key part of inception phase work, including as part of the PECA, in order to inform the development of the Approach Paper and work plan. This analysis will need to be revisited regularly during the implementation phase. Analysis should consider gender and social power dynamics in Nigeria and the impact of revenue and fiscal reforms on those, with the aim of ensuring that the design of the programme responds appropriately to those dynamics.

The Delivery Team should work with the Federal Ministry of Finance, FIRS and other Government partners to implement tax policy reforms that are gender-sensitive and socially inclusive. Moreover, the interventions should focus on increasing transparency in tax administration, promoting the development of a medium-term expenditure framework that includes GESI considerations, and incorporating GESI principles into debt management to avoid worsening existing inequalities.

The Delivery Team is expected to demonstrate a strong commitment to GESI principles, ensuring that all project activities and outputs contribute to greater gender equality and social inclusion within Nigeria's public financial management system. This commitment will be reflected in all project deliverables and stakeholder interactions and in the composition of the project team and consultants.

GESI performance will be continually assessed throughout implementation through reporting and monitoring. The Delivery Team will be expected to work closely with the MS's MERL team to ensure that GESI impact is monitored and evaluated rigorously.

13. Political Economy and Conflict Analysis (PECA)

For the project to be an effective catalyst for positive change, the team must understand how Nigerian politics influence the scope for reform and identify key stakeholders that the project will need to work with in order to achieve sustainable impact. It is essential that the project thinks and works politically and uses PECA to inform its overall approach and everyday decision making.

The team will need to navigate a complex political economy context to support effective reform. Phasing of interventions will need to be carefully planned.

The Intervention will also need to adopt a robust approach to conflict sensitivity throughout its delivery. 'Do no harm' will be a fundamental principle of support – particularly as it relates to which partners HMG works with, who benefits from assistance, and how this is communicated. However, the Intervention will also be expected to go beyond 'do no harm' principles by seizing opportunities to have a positive effect on conflict risks, particularly by leveraging work on fiscal, revenue and debt management reform to promote improved governance.

The Managing Supplier will need to ensure:

- That the team includes appropriate expertise in relation to PECA and individuals with a deep understanding of the political and institutional dynamics of reform in Nigeria.
- That a light-touch PECA is conducted in the inception phase, building on the scoping work being conducted through PFRC in mid-2024.
- That a light touch review of the programme's understanding of the political economy context is conducted on a quarterly basis throughout the implementation phase, and that insights into the political economy gained by all members of the delivery team in the conduct of their work is harvested and used to inform programme decision making.
- Regular engagement with key stakeholders, including Government officials, civil society, and international partners, to ensure their perspectives and insights are incorporated into the project. This engagement helps to build trust, foster collaboration, and ensure that the project aligns with the broader political and social context; and
- That PECA feeds into the design and delivery of TA support in order to support adaptive management and ensure that: (1) resources are not wasted supporting reforms that are not politically feasible; and (2) that TA support is designed and conducted in a fashion that maximises chances of success given the political economy context and maximises the project's contribution to strengthening the social contract in Nigeria.

14. Monitoring, Evaluation, Research and Learning (MERL) approach

In line with the PFRC programme-level terms of reference, the PFRC MS's (monitoring, evaluation, research and learning (MERL) team will have overarching responsibility for the MERL of the project. The Delivery Team must closely cooperate with the MS's MERL team to facilitate this process while retaining specific MERL responsibilities. These responsibilities are outlined below. Further details will be provided in the MERL Plan developed by the PFRC MS MERL Team during the inception phase.

MERL System Set Up and Design

The PFRC MS is responsible for establishing MERL arrangements on behalf of the FCDO for the project, summarised in the MERL Plan. The MS's MERL Team will actively engage with the Delivery Team during the Inception Phase to ensure that appropriate MERL functions are integrated into the project's systems and reporting arrangements from the outset. Specifically, they will lead the finalisation and periodic updating of the project's theory of change, logical framework, and MERL Plan. This will ensure clarity of project objectives, outputs and expectations. The project MERL Plan will also include the data gathering plan, results framework, reflection and learning plan and the reporting schedule.

The Delivery Team must cooperate with the MERL Team by collecting monitoring data, providing timely access to relevant documentation, facilitating meetings with counterparts as required, and engaging in constructive dialogue, including providing inputs and feedback throughout the process.

The Delivery Team will operate within a flexible results framework for the project. This logical framework will be nested both within the PFRC logframe and the NEST logframe. Where practicable, indicators will be selected from the PFRC indicator menu to enable effective nesting and alignment with the broader PFRC results framework. The logframe will be updated at least annually, once the work plan for the relevant financial year has been approved, in order to reflect any changes in the focus of work. This includes adjustments based on changes in the operating context that materially impact expected results. The revised logframe will be presented annually to the FCDO Lead Adviser for approval.

Progress Monitoring

The Delivery Team will have primary responsibility for collecting the baseline and periodic data and evidence required to monitor the project's output and outcome-level progress, in line with the MERL Plan The MS's MERL Team will hold the Delivery Team accountable for this and will conduct additional verification and monitoring as necessary, in accordance with the MERL Plan and direction from the FCDON Lead Adviser. The MS will also seek feedback from the Post every six months on the progress of the Intervention and PFRC support.

Given that NPFF is a TA project, this will include conducting capacity assessments (at baseline and after interventions), counterpart feedback (to assess which working practices have changed) and other data on outputs and achievements. Data should be disaggregated appropriately to enable assessment of the project's GESI impact.

Reporting

. Required reporting will include:

- **Monthly Dashboard**: To be submitted by the end of the fifth working day of each month, providing a light-touch update on progress, political economy developments, and emerging risks and issues.
- **Monthly Risk Register Update**: An updated risk register and accompanying change log to be submitted by the end of the fifth working day of each month.
- **Quarterly Progress Report**: To be submitted by the end of the tenth working day of the first month of the following quarter, including a detailed update on progress against the work plan, reflections on progress and challenges, information on steps it has taken to ensure value for money and an update on the political economy context.
- **Final Report**: To be submitted at the completion of the project. It will include summary of results, achievements and learnings.

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Progress Meetings

The Delivery Team is required to attend regular progress meetings with the FCDON programme team and PFRC MS. These meetings are expected to be held monthly, with hybrid attendance (in-person where feasible, online otherwise). The Delivery Team Leader and relevant PMU members should attend routinely. Additionally, relevant personnel must be available for ad hoc meetings with teams from other FCDO programmes or those of other donors as required, including at short notice.

Evaluation
FCDON will conduct light-touch annual reviews of the project's performance. The Delivery Team will be required to cooperate fully with these reviews. These will be used to inform the annual review of the whole PFRC programme which will be led by the FCDO PFRC HQ team.

The MS will have primary responsibility for evaluative activities related to the project, conducting evaluations (e.g., mid-term, final evaluations) as required by the PFM MERL Plan and direction from the FCDO Lead Adviser and PFRC SRO. This will include post completion interviews with the Delivery Team the Post and the counterparts.

Learning
In a dynamic context, the programme requires strong systems for reflection on progress, identifying successful approaches and areas needing action, and capturing programmatic decisions and their rationale. The MS will support this learning process and collaborate with the Delivery Team to detail the approach during the Inception Phase. As a part of this learning and adaptation, the MS will hold six-monthly reflections with the Delivery Team which will allow them to share experiences and take a strategic view of progress, challenges, and opportunities. This includes debriefing with short-term experts and gathering counterpart feedback.

15. Value for Money

Value for Money (VfM) is integral to all aspects of delivery of the Intervention. The Intervention will adopt a VfM approach within the broader PFRC VfM Framework, based on the FCDO's guidance note on VfM for Service Providers (FCDO, 2020) and the 5 'E's model. The Intervention must be delivered with a focus on:

- **Economy**: Controlling costs through effective fee rate negotiations during recruitment and a systematic approach to procurement to minimise costs (e.g., flight and accommodation expenses).
- **Efficiency**: Converting inputs into outputs effectively, utilising high-quality consultants, maintaining an optimal team mix, and implementing rigorous project management systems.
- **Effectiveness**: Achieving outcomes and demonstrating impact, ensuring coherence of outputs, targeting the appropriate beneficiaries, and ensuring scalability and sustainability of outcomes.
- **Cost-Effectiveness**: Achieving desired outcomes at the lowest possible cost.
- **Equity**: Ensuring that the project benefits disadvantaged groups and promotes inclusion.

VfM and VfM indicators will be incorporated within the project's results framework. Updates on value for money are required as part of quarterly reporting and a more detailed value for money report is required on an annual basis (with content reflecting direction provided by the PFRC MS's Value for Money Adviser).

16. Social Value

The Intervention must be designed and delivered in a manner which embraces PFRC's commitment to delivering social value and contributes to delivery against that commitment, including through identifying opportunities to include women and people with disabilities in their delivery team and supply chains.

PFRC aims to deliver social value through, inter alia, diversity and inclusion in its supply chain, in its own workforce and in the workforce of its supplier network. The following table sets out the selected Model Award Criteria (MAC) that will apply to this Intervention:

MAC	Model Award Criteria	Social value benefits
3.1	Diverse supply chains	Inclusion of local suppliers in the supplier network; and Inclusion of SMEs in the supplier network.
6.1	Tackling inequality in the contract workforce	Inclusion and monitoring of workers with protected characteristics, especially gender and disability, in the supplier network

Collection and management of demographic data like gender, age, disability status, and location in relation to workers in its own organisation and in its supply chain are required in order to enable ongoing monitoring of its performance against these criteria.

17. Risk Management

The Risk Register will be updated on a quarterly basis with new or emerging risks or threats to Intervention delivery with appropriate mitigating actions.

Duty of Care

The overall duty of care risk rating for **Nigeria overall** is assessed as **High Risk**. However, most of the work conducted by the project is expected to be focused on **Abuja** which is assessed as **Medium Risk.**

18. Price and Payment

Price

For the period ending 31 March 2026, the maximum budget is £1,800,000. Should the Intervention continue into Financial Year 2026-2027 it is anticipated that there will be an additional £1,800,000 for this period.

The Schedule of Prices sets out the fee rates and expense costs for the Intervention and the costs of the Inception Phase. The costs for the remainder of the year will be agreed in the Inception Phase and included via an amendment.

Any changes to the overall budget of Schedule of Prices must be agreed through an Intervention amendment.

Payment

Inception Phase

Payment for the Inception Phase will be made monthly in arrears based on the fees and expenses incurred. Payment for the final month of the Inception Phase will be made on the delivery and acceptance of the Inception Phase Report and deliverables.

Implementation Phase

Payment for the Implementation Phase will be made monthly in arrears based on the fees and expenses incurred in the period. 20% of fees will be linked to the achievement of the KPIs agreed in the Inception Phase.

KPIs will be assessed on a quarterly basis and a service credit for KPIs not achieved will be applied to the following month's invoice.

Schedule of Prices

The maximum budget for Financial Year 2026-2027 is £1,800,000.

The cost of the Inception Phase is £357,020 comprising:

Inception Phase Core Team Fees

Job Family	Name	Role	Daily Rate	Input Days	Total
Principal Expert – International Staff	Abigail Dunleavy	Project Director	£890	15	£13,350
Principal Expert – Local Staff	Chinedum Nwoko	Team Leader	£797	55	£43,835
Principal Expert – International Staff	Mark Essex	Deputy Team Leader	£835	32	£26,720
Principal Expert – Local Staff	Patricia Ekpo	MERL Officer	£778	17	£13,226
Principal Expert – Local Staff	Nkechi Nwankwo	GESI Advisor	£782	22	£17,204
Principal Expert – Local Staff	James Zasha	PECA Lead	£815	33	£26,895
Expert – International Staff	Amy Shaw	Project Manager	£421	39	£16,419
Assistant Expert – International Staff	George Carling	Project Coordinator	£226	32	£7,232
Expert – International Staff	Weronika Skora	Project Accountant	£434	8	£3,472
Principal Expert – International Staff	Jim Carnegie	Head of Risk and Compliance	£879	1	£879
Expert – Local Staff	TBC	Operations and Security Manager	£270	55	£14,850

Expert – Local Staff	TBC	Finance Officer	£270	55	£14,850
Assistant Expert – Local Staff	TBC	Recruitment and HR Officer	£101	55	£5,555
Assistant Expert – Local Staff	TBC	Office Adminis-trator	£101	55	£5,555
Principal Expert – International Staff	STTA Pool	International Principal Expert	£897	20	£17,940
Senior Expert – International Staff	STTA Pool	International Senior Expert	£733	20	£14,660
Principal Expert – Local Staff	STTA Pool	National Princi-pal Expert	£814	20	£16,280
Senior Expert – Local Staff	STTA Pool	National Senior Expert	£524	22	£11,528
Inception Phase Total Fees					**£270,450**

Inception Phase Core Team Expenses

Expense Category	Description	Unit Cost	No. of Units	Total Cost
Air Transportation	Return Tickets	£1,250	8	£10,000
Air Transportation	Return Tickets	£700	3	£2,100
Land Transportation	Airport Transfers - Interna-tional Trips	£125	8	£1,000
Land Transportation	Airport Transfers - National Trips	£50	3	£150
Land Transportation	Local travel in Abuja	£600	3	£1,800
Accommodation	Hotel Accommodations	£110	92	£10,120
Subsistence	Daily Subsistence Allow-ance	£40	92	£3,680

IT Equipment	Project Laptops	£2,000	4	£8,000
Other Expenses	Mobile phone handsets	£280	4	£1,120
On Site Expenses	Office Rent	£3,000	3	£9,000
On Site Expenses	Office Furniture and set up costs	£10,000	1	£10,000
On Site Expenses	Duty of Care - Security Costs	£5,000	3	£15,000
On Site Expenses	Duty of Care - Office HSE Compliance & SMS Security Alerts	£200	3	£600
On Site Expenses	Office Supplies and Consumables	£600	3	£1,800
On Site Expenses	Office Utilities	£1,800	3	£5,400
On Site Expenses	Office Insurance	£50	3	£150
On Site Expenses	Duty of Care - HEAT Training	£500	3	£1,500
On Site Expenses	Software Licenses and Internet	£600	3	£1,800
On Site Expenses	Mobile Phone Calls	£200	3	£600
On Site Expenses	Professional Translation, Printing & Publications	£750	1	£750
On Site Expenses	Meeting Expenses	£250	1	£250
Visas	Business Visa for ST Experts	£200	8	£1,600
On Site Expenses	Money Transfer Costs	£50	3	£150
Inception Phase Total Expenses				**£86,570**

Non-Core Team Rate Card

Job Family	Name	Role	Daily Rate
Principal Expert – Local Staff	Dr. Abraham Nwankwo	Debt Management Advisor	£825
Principal Expert – Local Staff	Dr. M Aliu Momoh	Tax Policy Advisor	£825
Principal Expert – International Staff	Elizabeth Kariuki	Tax Administration and Fiscal Expert	£900
Principal Expert – International Staff	Aare Lapõnin	Tax and PFM Digitalisation Advisor	£900
Principal Expert – Local Staff	Andrew Onyeanakwe	PFM Advisor	£825
Principal Expert – Local Staff	Kayode Olanorin	Strategic Communications Advisor	£825