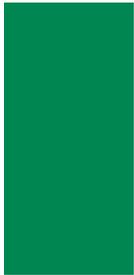


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NIGERIA – EUROPEAN UNION

**NATIONAL INDICATIVE PROGRAMME
11th EDF**

2014 - 2020

GENERAL CLAUSES

The Government of the Federal Republic of Nigeria and the European Commission hereby agree as follows:

- (1) The Government of the Federal Republic of Nigeria, (represented by *<name and title>*.) and the European Commission, (represented by *<name and title>*.) hereinafter referred to as the Parties, determined the general orientations for cooperation for the period 2014-2020.
These orientations which are included in the National Indicative Programme, concern the European Union Aid in favour of the Federal Republic of Nigeria and were drawn up in accordance with the provisions of Articles 2 and 4 of Annex IV to the ACP-EC Partnership Agreement, signed in Cotonou on 23 June 2000, revised and signed in Luxemburg on 25 June 2005 and revised and signed in Ouagadougou on 22 June 2010.
The National Indicative Programme is annexed to the present document.
- (2) As regards the indicative programmable financial resources which the European Union envisages to make available to the Federal Republic of Nigeria for the period 2014-2020, an amount of € 512 million is foreseen for the allocation referred to in Article 3.2 (a) of Annex IV of the ACP-EC Partnership Agreement (A-allocation). A B-allocation referred to in Article 3.2 (b) can be established to cover unforeseen needs. This allocation is at EUR 0 until a need arises. These allocations are not entitlements and may be revised by the Commission, following the mid-term and end-of-term reviews, in accordance with Article 5.7 of annex IV of the ACP-EC Partnership Agreement.
- (3) The A-allocation is destined to cover macroeconomic support, sectoral policies, programmes and projects. The National Indicative Programme concerns the resources of the A-allocation. It also takes into consideration financing from which the Federal Republic of Nigeria benefits or could benefit under other European Union resources. It does not pre-empt financing decisions by the Commission.
- (4) The B-allocation is destined to cover unforeseen needs such as humanitarian, emergency and post emergency assistance, where such support cannot be financed from the EU budget, contributions to internationally agreed debt relief initiatives and support to mitigate exogenous shocks. The B-allocation shall be established according to specific mechanisms and procedures and does therefore not constitute a part of the programming.
- (5) Pending the entry into force of the Internal Agreement between the Representatives of the Governments of the Member States of the European Union, meeting with the Council on the financing of European Union Aid under the multiannual financial framework for the period 2014 to 2020, financing decisions for projects and programmes can be taken by the European Commission at the request of the Government of the Federal Republic of Nigeria within the limits of the A- and B-allocations referred to in this document under the condition that sufficient financial resources are available in the transitional measures ("Bridging Facility") composed of uncommitted balances from the previous EDFs and from funds decommitted from projects or programmes under those EDFs. The respective projects and programmes shall be implemented according to the

rules and procedures of the 10th EDF until the entry into force of the 11th EDF implementing rules and financial regulation.

- (6) The European Investment Bank may contribute to the implementation of the present National Indicative Programme by operations financed from the Investment Facility and/or from its own resources, in accordance with Articles 2c and 3 of the 11th EDF multi-annual financial framework for the period 2014-2020.
- (7) In accordance with Article 5 of Annex IV to the ACP-EC Partnership Agreement, the National Indicative Programme as well as the A-and B-allocations can be revised following the mid-term review and the end-of-term review or ad hoc reviews.

Signature, date

For the Government of the Federal Republic of Nigeria

For the European Commission

List of acronyms:

AFD	Agence Française de Développement
AfDB	African Development Bank
AfDF	African Development Fund
AECID	Agencia Española de Cooperación Internacional para el Desarrollo
AGIR	Global Alliance for Resilience Initiative
CBN	Central Bank of Nigeria
CCM	Country Coordinating Mechanism
CLTS	Community Lead Total Sanitation
CMAM	Community Based Management of Acute Malnutrition
CSOs	Civil Society Organisations
DCGP	Donor Coordination Group on Power
DFID	Department for International Development
DG ECHO	Directorate General for Humanitarian Aid and Civil Protection
DGD	Democratic Governance for Development
DISCOs	Electricity distribution Companies
EDF	European Development Fund
EIA	Environmental Impact Assessment
EPA	Economic Partnership Agreement
EU MS	European Union Member States
EU	European Union
FCT	Federal Capital Territory
FJSRCC	Federal Justice Sector Reform Coordinating Committee
FMOH	Federal Ministry of Health
FMoJ	Federal Ministry of Justice
FMoP	Federal Ministry of Planning
FMP	Federal Ministry of Power
GAM	Global Acute Malnutrition
GDP	Gross Domestic Product
GFCCM	Global Fund Country Coordinating Mechanism
GIZ	German Development Cooperation (<i>Gesellschaft für Internationale Zusammenarbeit</i>)
HIV/AIDS	Human Immuno-Virus/Acquired Immune Deficiency Syndrome
HMIS	Health Management Information Systems
HPCC	Health Partners Coordinating Committee
ICC	Inter-agency Coordinating Committee
INEC	Independent National Electoral Committee
JICA	Japanese International Cooperation Agency
LGAs	Local Government Areas
MAM	Moderate Acute Malnutrition
MDGs	Millennium Development Goals
MEUR	Million EUR
MICS	Micro Indicator Cluster Survey
MIP	Multiannual Indicative Programme
MNCH	Maternal, New-born and Child Health
MW	Megawatt

NAO	National Authorising Officer
NAPTIN	National Power Training Institute of Nigeria
NAPTIP	National Agency for Prohibition of Traffic In Persons
NDHS	Nigeria Demographic and Health Survey
NE	Northeast
NERC	National Electricity Regulatory Commission
NIP	National Indicative Programme
NREA	Nigerian Rural Electrification Agency
NSHDP	National Strategic Health Development Plan
NW	Northwest
PAPED	The EPA Programme for Development
PBW	Pregnant and Breastfeeding Women
PHC	Primary Health Care
PHCN	Power Holding Company of Nigeria
PHCUOR	Primary Health Care Under One Roof
SAM	Severe Acute Malnutrition
SEA	Strategic Environmental Assessment
SLMOH	State and Local Ministry of Health
SMART	Short, Measurable, Accurate, Realistic and Time Bound
SMEs	Small and Medium Enterprises
SOM	Smuggling of Migrants
SURE-P	Subsidy Reinvestment and Empowerment Programme
TCF	Technical Cooperation Facility
TCN	Electricity transmission Company of Nigeria
TIP	Trafficking in Persons
UK	United Kingdom
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organisation
USAID	United States Agency for International Development
WB	World Bank
WHO	World Health Organisation

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Summary of NIP – 11th EDF

With an estimated population of over 170 million (1 in 4 Africans is Nigerian), a growth rate of over 6% (one of the highest in Africa) and abundant natural resources, Nigeria has the potential to be the economic and political powerhouse of Africa. The active role that Nigeria is increasingly playing in regional and international affairs has made it an important contributor to peace and security in the West Africa region. As a major oil producing nation and the largest economy in Africa, Nigeria is of strategic importance to the European Union.

However, the development of the country has been held back by poor economic governance, weak and complex democratic institutions, massive inequality and very limited access for most of the population to basic services. This has been aggravated by inter-community and inter-ethnic conflicts and tensions and by instability caused by insurgency. Nigeria continues to have some of the worst development indicators in sub-Saharan Africa with very high infant and maternal mortality rates and levels of Global Acute Malnutrition above the emergency alert threshold especially in northern states. Over 60% of the population of Nigeria is estimated to be living below the poverty threshold of USD 1.25 per day. The high level of youth unemployment is a particular concern.

The current government is taking measures to implement policy reforms and to allocate more resources at federal and state level to strengthen institutions and governance and improve access to basic services. The Government's 20:2020 Vision and Transformation Agenda is focused on the main development challenges. Line ministries such as the Federal Ministries of Health, Power, Agriculture and Education have clear strategic policies and action plans to improve governance and delivery in their sectors. Key sectors of the economy such as telecommunications and electricity generation and distribution are being privatised and a priority has been given to diversify the economy away from dependence on oil and to stimulate investment especially in agriculture and food production. A complex factor in Nigeria is the division of authority and responsibility for resource management from the federal to state to local government level. Economic governance at both levels to improve the efficient use of these allocations requires strengthening.

The challenge to the international donor community is to accompany the efforts of government to improve governance, maintain economic growth and expand social equity. Despite the scale of government own revenue, huge funding gaps remain due to the inefficient use of revenue and a fast growing population.

Development Partners, including the EU and its 19 Member States represented in Nigeria, have committed themselves to align their current and future assistance to Nigeria with the priorities and objectives identified in the overall country strategy, the "20:2020 Vision and Transformation Agenda".

The three key development sectors which will be supported through the 11th EDF in Nigeria for a total amount of 512 million euros are: (i) Health, nutrition and resilience, (ii) Sustainable energy and access to electricity, and (iii) Rule of law, governance and democracy. These sectors – which are fully in line with the Agenda for Change and the national policies – are considered very pertinent to address some of the challenges that Nigeria is facing at this stage of consolidating its status of middle income country.

In the first sector "**Health, nutrition and resilience** (240 million EUR), the EU will contribute to a reduction in poverty through improving policy and institutional governance to enhance health status, social cohesion, increasing maternal and child survival rates and

strengthening the resilience of the most vulnerable households especially in Northern Nigeria. The sector will support government efforts to enhance public health by improving the quality and availability of and accessibility to Primary Health Care and expanded immunisation campaigns. It will also assist the government to improve the nutrition security of children under the age of 5 and pregnant and breastfeeding women especially in Northern Nigeria and support its efforts to develop a sector policy framework that strengthens the resilience of the most vulnerable households through improved social protection measures and targeted economic assistance.

In the second sector "**Sustainable energy and access to electricity**" (150 million EUR), the EU will contribute to improving access to the sustainable supply of electricity, particularly for the poorest and in the least developed States especially in the North. This purpose will be achieved by strengthening the capacity of relevant government agencies in developing policies and tailoring regulations to improve the functioning of the sector. This includes further liberalisation of the sector, encouraging energy efficiency and diversifying further into sustainable energy sources. It will also improve the enabling environment for the electricity sector, the development of renewable sources, including through vocational training and by strengthening the oversight capacity of non-state actors. In addition, infrastructure investment will improve access to electricity particularly from renewable sources and especially to the poorest communities of the northern States.

In the third sector "**Rule of law, governance and democracy**" (90 million EUR), the EU will contribute to government and civil society measures to improve economic governance, consolidate the rule of law, enhance peace and security, reinforce democratic processes and to help manage migration and mobility. A specific support to the electoral process will contribute to the reinforcement of democracy in Nigeria.

Accompanying measures are foreseen to support civil society (no separate project, amount divided over three focal sectors for complementary actions), for a Technical Cooperation Facility and a support to the NAO's office.

No general budget support is foreseen in the NIP. Implementation modalities may include all available options if appropriate conditions are met.

In view of the above the European Commission is invited to adopt the attached draft decision in which a total amount of EUR 512 million is allocated to the A envelope of the 11th EDF National Indicative Programme for Nigeria.

NIGERIA NIP OVERVIEW

FOCAL SECTOR	Indicative Allocation (million EUR)	Percent of NIP
1. Health, Nutrition and Resilience	240	49.9 %
2. Electrical Power	150	29.3 %
3. Rule of Law, Governance and Democracy	90	17.6 %
Measures in favour of civil society	15	3.0 %
Support measures: (TCF, NAO)	17	3.2 %
Total	512	100 %

1 The overall lines for the EU response

1.1 Strategic objectives of the EU's relationship with Nigeria

With an estimated population of over 170 million (1 in 4 Africans is Nigerian), a growth rate of over 6% (one of the highest in Africa) and abundant natural resources, Nigeria has the potential to be the economic and political powerhouse of Africa. The strategic role that Nigeria is increasingly playing in regional and international affairs has made an important contribution to peace and security in the West Africa region. As a major oil producing nation and the largest economy in Africa, Nigeria is of strategic importance to the European Union.

However, the development of the country has been held back by poor economic governance, weak and complex democratic institutions, massive inequality and very limited access for most of the population to basic services. This has been aggravated by inter-community and inter-ethnic conflicts and tensions and in recent years by instability caused by insurgency and extremism. Recent increases in security threats emanating from terrorism, organised crime as well as from human and drug trafficking are further factors affecting socio-economic development prospects.

Nigeria therefore continues to have some of the worst development indicators in sub-Saharan Africa with very high infant and maternal mortality rates and levels of Global Acute Malnutrition above the emergency alert threshold especially in northern states. Humanitarian assistance has had to be provided in some northern states. Over 60% of the population of Nigeria is estimated to be living below the poverty threshold of USD1.25 per day. The high level of youth unemployment is a particular concern with over 50% of the population under 25 years of age.

The current government is aware of the development challenges and is taking measures to implement policy reforms and to allocate more resources at federal and state level to strengthen government institutions and governance and improve access to basic services. The Government's 20:2020 Vision and Transformation Agenda is focused on the main development challenges and provides a road map for the increasing dialogue with development partners and to encourage inward investment. Line ministries such as the Federal Ministries of Health, Power, Agriculture and Education have clear strategic policies and action plans to improve governance and delivery in their sectors. Key sectors of the economy such as telecommunications and electricity generation and distribution are being privatised and a priority has been given to diversify the economy away from dependence on oil and to stimulate investment especially in agriculture and food production. This is urgent as the revenue flow from oil is slowing down both as a result of internal factors (inadequate investment and maintenance and oil and revenue theft) to external factors (international oil price fluctuations and diversification away from imports of key customers such as the US with increased shale gas production). The EU-West Africa EPA Economic Partnership

Agreement (EPA) will play an important role in supporting this diversification and in encouraging Nigeria's ambitions for further industrialisation.

A complex factor in Nigeria is the division of authority and responsibility for resource management from the federal to state to local government level. Oil revenue is allocated between the 3 levels of government. Economic governance and accountability at both federal and state level for the efficient use of these allocations requires major strengthening.

The challenge to the international donor community is to accompany the efforts of government to improve governance, maintain economic growth and expand social equity. Despite the scale of government own revenue, huge funding gaps remain due to the inefficient use of revenue and a fast growing population. Development cooperation in Nigeria strengthens national efforts to manage own resources more effectively and efficiently, to expand access to basic services and to leverage additional inward investment in key sectors of the economy and create jobs.

The 11th EDF allocation to Nigeria will maintain the overall focus of the 10th EDF on measures to improve governance to encourage economic growth, strengthen the rule of law and expand social equity. In consultation with the government and in the context of the activities of other donors, 11th EDF resources for Nigeria as laid out in this National Indicative Programme (NIP) will be used to achieve the following objectives:

- Encouraging further action to consolidate the rule of law and to reinforce good economic governance leading to a more equitable distribution of resources.
- Supporting government action to implement a sustainable energy policy and restructure the electricity sector to increase efficiency and more equitable access to stable electricity.
- Supporting government action to increase access to primary health care, improve food and nutrition security and reinforce the resilience of the most vulnerable populations especially in the northern states.

This is compliant with the EU Agenda for Change and the European Consensus for Development, and is coherent in the context of the key areas of the on-going EU-Nigeria political dialogue process ("Joint Way Forward").

1.2 Choice of sectors

The NIP maintains continuity in sectors where the EU has clear track record and a comparative advantage. Continuity is an important element in the context of the size and complexity of Nigeria where significant power is devolved to the 36 states and 774 local government authorities including in the delivery of social services. It is important to build on lessons learned from previous EDFs and already established networks where the expertise and experience already gained by the EU provides a comparative advantage and credibility.

Once adopted and starting from its entry into force, the Economic Partnership Agreement (EPA) between West Africa and the European Union should govern all trade and trade related relations between the EU and Nigeria. This agreement, with its double trade and development

purpose, will contribute to Nigeria's goals of enhanced growth and sustainable development. The objectives of the EU-Nigeria cooperation to strengthen resilience and improve access to electricity are in line with the objectives of the EPA Programme for Development (PAPED) for the West African region. A particular attention will also be paid to the deployment of Information and Communication Technologies (ICT) and their applications as proven drivers of inclusive and sustainable growth in line with PAPED.

1.2.1 Sector 1: Health, nutrition and resilience

Maternal and infant mortality in Nigeria especially in northern states remains unacceptably high.

The four main problems identified in Nigeria's Health System are:

- Weak governance and stewardship: Autonomy of the 3 tiers of government (Federal, State, and Local Government Administration (LGAs) has led to duplication and fragmentation of efforts, inefficiency and lack of accountability;
- Human and Financial Resources: Inappropriate and inadequate allocation of human and financial resources with more support to tertiary and specialized care than to primary health care;
- Coverage: Low coverage of core maternal, new-born and child health interventions including immunization;
- Limited access: Access to health services especially for the poorest and most vulnerable households is restricted due to financial and socio-cultural barriers.

Actions under this focal sector will contribute to sector governance reform at Federal and State levels as well as reducing malnutrition and increasing access to services. The creation/expansion of social safety nets will contribute to strengthening the coping capacities of the most vulnerable households especially in Northern Nigeria, thereby improving their household food security and resilience towards crises. Special emphasis will be given to close coordination and improved synergies between humanitarian and development interventions in these areas.

Health indices in Nigeria are amongst the worst in Sub-Saharan Africa and the world. The indices are especially negative in northern states. The current Under 5 mortality rate in Nigeria is 128 deaths per 1,000 live births (preliminary report NDHS 2013) and the maternal mortality rate is 545 deaths per 100,000 live births (NDHS 2008). Global Acute Malnutrition (GAM) rates in northern states are constantly above the emergency alert threshold of 10%. Over 1.3 million children under 5 years of age in northern Nigeria are estimated at high risk of severe acute malnutrition (UNICEF). Northern Nigeria is also in the front line of climate change and is increasingly affected by a spill-over of instability and violence from neighbouring countries in the Sahel. The ever shortening cycle of food and nutrition crises due to drought and external shocks has resulted in a generalised lack of resilience in many of the most vulnerable households. Coping mechanisms are weak and scarce income generating opportunities mean that many vulnerable households live permanently on the edge with the slightest extra shock quickly tipping them into crisis. Effective social protection mechanisms

targeting the poorest are more or less inexistent or too limited in scope. Therefore the need for a comprehensive strategic approach to tackling issues of resilience and social protection has become particularly important. The capacity of civil society to advocate for governance reform in the health sector needs to be strengthened

The disparities and lack of equity in the delivery of health services between the states in the North West and South West are striking. The Health Information System in the country is not fully functional. Limited access to quality primary health care, essential medicines and technologies and low immunization coverage are also major problems. There are serious concerns about the scale of sub-standard medicines in circulation. Fully functioning primary health services are essential to the early diagnosis and treatment of easily preventable diseases and malnutrition. Nigeria remains one of only three countries in the world where polio is endemic. The scarcity and in some cases total absence of basic social services provided by government is also a factor risking community alienation and recruitment to extremist causes. A rapid and sustained improvement in the provision of health and nutrition services and in measures to strengthen the resilience of the most vulnerable communities in northern Nigeria will save lives and help to stabilise a very volatile region. This needs to include measures to reduce the cost barrier to health and nutrition treatment for the most vulnerable and poorest households. Measures to support sustainable agricultural techniques for smallholders, in particular techniques to address land degradation could play a significant role in improving resilience, in particular in the north of the country where desertification and land degradation are more prevalent.

The urgent need for a sustained increase in health sector expenditure and to introduce social protection mechanisms such as social safety nets is increasingly understood by government at federal level (budget allocations to the health sector have increased from 5 to 8% over the past 5 years). However a large funding gap persists and assistance is needed to improve the governance of the health sector, support government action to improve access to quality primary health care and to promote food and nutrition security persists' Government-donor coordination is improving in the sector with an open dialogue on the main challenges and increasing cooperation to improve the efficiency of the delivery of health services.

The significant and growing urban population in the country faces additional health problems through seriously degraded local environment, notably as a result of a lack of effective waste management, including impacts from illegally disposed hazardous and toxic waste, and inadequate waste water treatment facilities.

National Policy on Food and Nutrition in Nigeria serves as a framework to guide the identification and development of intervention programmes. In this context, support to sustainable agriculture can contribute to address the causes of the high level of malnutrition recorded in Nigeria. It is also aimed at addressing the problem of Food and Nutrition across different sectors and different levels of the Nigeria society.

The National Strategic Health Development Plan (NSHDP) aims to articulate the health sector response to its current challenges and provides a roadmap to attain the MDGs 4 and

5) in Nigeria. A strong recommendation of the 2012 mid-term review of the NSHDP is that "development partners should play a more proactive role in the implementation of the NSHDP". By addressing several of the priority areas of the NSHDP and the Social Protection Dialogue the EU support to this sector will continue to focus on:

- 1) Improving health sector governance and increasing access to quality PHC
- 2) Improving food and nutrition security with a particular focus on reducing malnutrition in children, under the age of 5 and pregnant and breastfeeding women,
- 3) Strengthening the resilience of the most vulnerable households

1.2.2 Sector 2 Sustainable energy and access to electricity

Nigeria's economic growth is being constrained by the lack of access to adequate electrical power. Only half of the population have access to electricity, a figure lower than the 66% regional target for West Africa and within this there are major regional inequalities. The bulk power system has been affected by insufficient and inadequate capacity in generation, transmission and distribution and is marred by high levels of system failures and power losses. In 2013, only half of the 8,600 MW installed capacity was operational, while the rapidly rising demand is already surpassing 10,000 MW. This scenario is the result of decades of public ownership with inadequately fixed prices, under-investment in maintenance, in the construction of new electricity infrastructure and in the upgrading of technical skills. The situation is even more problematic in northern Nigeria, which has a less developed transmission network base and a more sparsely distributed population. Apart from being one of the most important barriers affecting the business and investment climate, these deficiencies are amongst the biggest obstacles to the provision of basic services to the population, for example regarding primary health and education. In addition a significant number of households, commercial and industrial customers are self-generating their power, with diesel/petrol generators, at considerable financial and environmental cost.

However, the Nigerian power sector is starting to witness significant transformation. With action to improve the supply of reliable electricity being the number 1 priority of the government's Transformation Agenda, major sector reforms have been initiated. Reforms include the privatisation of the power sector, capacity building at state level and attempts to even out the regional inequalities in the provision of electricity. Market-oriented policies to benefit from the efficiencies of the private sector in service delivery and to attract domestic and foreign direct investment are being implemented. The Government has unbundled and sold five of six generation companies and ten of eleven distribution companies. Further, it has contracted a private sector company to manage and improve the transmission system, as well as ensure open access to the grid for a competitive market in power generation. The expectation is that private sector operators will be better able to tackle efficiently problems such as the losses in the system and to increase the transmission reach. In doing so, there will be an increasing demand for sector-related items and services, which will open a great opportunity for the development of a supply chain of local SMEs. A shortage of technical skills and lack of compliance to quality standards could be the main obstacles for this to materialise.

The 10th European Development Fund supported renewable energy, energy efficiency and rural electrification, primarily in the areas of policy, planning and capacity building and also through pilot projects at community level. While implementation is ongoing, lessons can already be learned on the challenges of intervening in areas where donors have not prioritized local ownership and long-term financial sustainability of projects, creating expectations of lasting support by beneficiaries.

11th EDF involvement in this sector will be a hybrid incorporating policy and regulatory support (software) and blending with other instruments such as the Infrastructure Trust Fund (hardware). Special attention will be given to renewable energy sources and energy efficiency measures. There is considerable scope for co-funding and partnerships with other donors.

1.2.3 Sector 3: Rule of Law, governance and democracy

Nigeria's development goals, including in terms of health and electricity, can only be achieved in a context of a sustained commitment on the part of the authorities to good governance and the enforcement of rule of law leading to reasonable internal security. Likewise, a still fragile democratic system poses risks to stability and reform outcomes. With major elections due over the next years, it is urgent to strengthen democratic institutions and the electoral process, ensuring the conditions for fair and credible elections with meaningful participation of all sectors of society, including women and youth and marginalised groups. In this context the recommendations of the EU electoral observation mission for the 2011 elections provide indicators on how to improve the electoral process. Progress on the implementation of these will be monitored and encouraged through political dialogue.

The country's justice system remains ineffective in meeting the growing demands of the society, as witnessed for instance with the limited access to justice for citizens. Since 1999, several attempts at reforming the justice sector have been initiated at Federal and State levels, which have led to recommendations yet to be implemented. The Government of Nigeria recognises the need to enhance coordination and cooperation among the sector's institutions, which led to the creation in 2008 of a Federal Justice Sector Reform Coordinating Committee (FJSRCC) with its secretariat in the Federal Ministry of Justice (FMoJ). The Federal strategy for the Implementation of Justice Sector Reforms in Nigeria was adopted in 2011 as well as an Action Plan for the Reform of the Federal Justice Sector (2012-2015). The Government of Nigeria also acknowledges that access to justice for citizens, especially the most vulnerable, is constrained by a combination of ineffective judicial processes, inefficient justice institutions, limited legal awareness as well as obsolete laws and policies. As a result, the Government's Vision 20:2020 deals specifically with improving the administration of justice as an important means of encouraging development and economic growth as well as reducing poverty. However, the functioning of the justice system remains hampered by several factors, both on the supply and demand side of justice, and most of those reform plans and policies focused on "individual pillars" – the Police, Courts and Prisons – with limited efforts to reinforce the cooperation and synergies across the sector. The Action Plan developed by the FJSRCC for the improvement of the Federal Justice Sector aims at providing a holistic strategic plan that involves every institution in the Federal justice sector. Some States have

also adopted plans for reforms. The EU is providing 'Support to the Justice Sector in Nigeria' under the 10th EDF, implemented since beginning of 2013 to mid-2016. The EU will continue to provide support based on the interventions initiated under the 10th EDF. The ongoing reforms aimed at enhancing accountability and transparency at all tiers of government (federal, national, and local), and strengthening equitable access to justice, which is hampered by a weak and ineffective justice system, are key to this process. This will help create the environment in which the fundamental values of democracy, good governance and human rights, and popular participation in all aspects of society, economic activity and the development agenda can flourish. In a country the size of Nigeria with such a large population, the management of internal migration, as well as cross-border migration, is also critical to ensure the development agenda.

The capacity and the ability of the state to protect human rights, including those of the most vulnerable groups, will define the content of democratic reforms. The successful implementation of reforms will depend to a critical degree on the active engagement of the vibrant Nigerian civil society. The full involvement of an independent media and civil society organisations in advocacy for better governance, more inclusive democracy, and better service delivery including justice delivery is essential to ensuring strong and transparent accountability mechanisms in Nigeria.

Insecurity in northern states due to Boko Haram terrorism and the current massive security response needs to be balanced by more action to tackle the underlying factors of deep chronic poverty and poor access to basic social services problems driving alienation from the state and creating an enabling environment for recruitment to terrorist groups. The risk of growing spill-over of violence and insecurity from neighbouring Sahel countries also needs to be factored into the revision of security policies as does the growing risk of insecurity in the Gulf of Guinea.

2. Financial overview (indicative amounts)

<i>Sector 1</i>	<i>Health, nutrition and resilience</i>	<i>240 million EUR (49.9% of the MIP),</i>
<i>Sector 2</i>	<i>Sustainable energy and access to electricity</i>	<i>150 million EUR (29.3% of the MIP),</i>
<i>Sector 3</i>	<i>Rule of law, governance and democracy</i>	<i>90 million EUR (17.6% of the MIP)</i>
<i>Cross-Cutting</i>	<i>Measures in favour of civil society</i>	<i>15 million EUR (3 % of the MIP)</i>
<i>Cross-Cutting</i>	<i>Support measures</i>	<i>17 million EUR (3,2 %)</i>
<i>Total</i>		<i>512 million EUR (100%)</i>

3. EU support per sector

This section provides a description of the EU's support for each of the selected sectors, including overall objective, specific objectives, expected results and the main indicators. These main indicators may be further fine-tuned, if deemed necessary. Baselines and possible targets will be established in the identification phase.

3.1. Health, nutrition and resilience (Indicative amount EUR 240 million)

3.1.1 Overall and specific objectives

The overall objective is to contribute to a reduction in poverty through improving policy and institutional governance to enhance health status, social cohesion, increasing maternal and child survival rates and strengthening the resilience of the most vulnerable households especially in northern Nigeria.

Specific objective 1

To support government efforts to enhance public health by improving the quality and availability of and accessibility to Primary Health Care and expanded immunisation campaigns.

Specific objective 2

To assist the government to improve the nutrition security of children under the age of 5 and pregnant and breastfeeding women (PBW) especially in northern Nigeria.

Specific objective 3

To support government efforts to develop a sector policy framework that strengthens the resilience of the most vulnerable households through improved social protection measures and targeted economic assistance.

3.1.2 Main results for each specific objective

Expected results for specific objective 1

- 1.1 Improved quality primary health care delivery systems at LGA and state level especially in the northern states of Nigeria.
- 1.2 Maternal and child mortality and morbidity rates are reduced
- 1.3 Improved monitoring and accountability framework at Federal and State levels

Expected results for specific objective 2

- 2.1 Improved access to quality treatment of moderate and severe acute malnutrition (MAM and SAM) for children under 5 years and PBW
- 2.2 Improved national capacity to conduct regular nutrition prevalence surveys and nutrition service-delivery coverage surveys and their use for early warning analysis, mitigation and response measures through training
- 2.3 Increased availability and use of locally produced quality specialised products to treat and prevent malnutrition

Expected results for specific objective 3

- 3.1 Federal and state level social protection policies developed and implemented
- 3.2 Strengthened coping mechanisms of the most vulnerable households to respond to sudden external shocks and to improve post-crisis recovery of their livelihoods
- 3.3 Implementation of adequate social protection measures especially seasonal social safety nets targeting the most vulnerable and at-risk households
- 3.4 Commitment by Government to the implementation of a national resilience road map in the context of the AGIR alliance.
- 3.5 Improved drought early warning systems taking into account the impact of climate change

3.1.3 Main indicators for each result

The main indicators for measuring the aforementioned results are contained in the sector intervention framework in Attachment 2.

3.1.4 Donor coordination and policy dialogue

Donor coordination and policy dialogue with government in the health sector is good and improving. General coordination, covering all aspects of the health sector, is through the Health Partners Coordinating Committee (HPCC) which serves as the coordinating body for development partners. There is also a Global Fund CCM (Country Coordinating Mechanism) chaired by the Federal Minister of Health with membership from all key players including the private sector and Civil Society Organisations (CSOs). These mechanisms are proving a good source of information and support for both government and partners alike in areas such as the development of the National Strategic Health Development Plan, preparation of policy documents and joint annual reviews of evidence-based intervention programmes. The EU currently co-chairs the Development Partners Group on health.

An inter-agency coordinating committee (ICC) provides policy direction and technical support for immunisation. Collaboration on Polio eradication has been a helpful learning experience. Development partners and Government are collectively making efforts to ensure partners work together more effectively using various forums for engagement especially at the national level. Donor coordination at sub-national levels (states and LGAs) however, is much less coordinated (except possibly in the area of polio eradication and to a lesser extent, HIV/AIDS).

Donor coordination in the nutrition sector is improving with information exchange on planning and strategies. A particular priority is being given to addressing the needs of the most vulnerable communities in northern states.

3.1.5 The Government's financial and policy commitments to the sector

The National Strategic Health and Development Plan (NSHDP) lays out the sector response to its current challenges and provides the roadmap in pursuit of the health-related MDGs. The NSHDP focuses on eight priority areas which are topped by "leadership and governance for health" and "health service delivery". These priority areas also guide the proposed EU response under the Health sector.

In addition important initiatives to promote sector reform and to improve health outcomes have been taken by the Government. These include the National Strategic Health and Development Plan which lays out the sector response to its current challenges and provides the roadmap in pursuit of the health-related MDGs. Key initiatives to promote sector reform and to improve health outcomes have been launched. These include the Primary Health Care Under One Roof (PHCUOR) policy (aims at integrating the fragmented health services into a one-stop shop), the Saving One Million Lives Initiative, the National Routine Immunization Strategic Plan and the Accountability Framework for Routine Immunization.

Opportunities for leveraging national and state resources also exist as health sector funding has increased through the Debt Relief (MDG) funding and the Subsidy Reinvestment and Empowerment Programme (SURE-P). The budget allocation to the health sector has increased from 5 to 8% over the past 5 years and the target remains 15%.

As regards nutrition, the National Planning Commission is currently undertaking a review of the existing National Policy on Food and Nutrition in Nigeria which dates from 2002. Once finalised, the revised policy will also provide guidance for the implementation of Social Safety Nets and other instruments in support of the poorest and most vulnerable. The National Planning Commission is also working on elaborating the draft Social Protection Policy as a first step towards implementation and State level policy development.

EU support will help to facilitate an enabling environment to ensure that integrated PHC services including nutrition and resilience are provided to households and communities, especially the poor and most vulnerable in northern Nigeria. As co-chair of the Development partner group for Health, the EU is well-positioned to seek areas of synergy and complementarity with other partner efforts, including the private sector to support the government in improving access to quality care, medicines and commodities and transparency of service delivery systems.

Nutrition will be addressed largely under the health perspective. Advocacy for the local production of high-nutrition value food commodities and other supplements by private sector and/or non-state actors will ensure availability, reduced prices, long-term sustainability and also create employment opportunities. Under the health perspective, EU will encourage more Community Based Management of Acute Malnutrition (CMAM) similar to the centres which were set up with the funding from DG ECHO.

3.1.6 Environmental assessment

The proposed sector response is not expected to impact negatively on the environment.

Cold chain equipment for routine immunization will largely focus on the use of direct driven solar refrigeration. To ensure proper waste disposal from health facilities, the use of adequate cost-effective incinerator technology will be promoted.

The environment in the target States will benefit from sanitation and hygiene improvements by adopting the well-established Community Lead Total Sanitation (CLTS) approach. The

approach is to be incorporated in target State water and sanitation policies, laws and strategies.

3.1.7 Overall risk assessment

Given the fact that all major stakeholders including the Federal, State and LGA authorities as well as the target population have a high interest in the proposed measures, the overall managerial, operational and technical challenges of the response appear to be within a normal range.

The by far biggest risk in the north (especially in the north-east) is the persisting insecurity caused by extremists. The current counter operations by the Nigerian security forces in combination with the declaration of a state of emergency in 3 of the northern States have not yet yielded satisfactory improvements of the security situation. Continued or increased insecurity will limit the scope for implementation of actions and reduce the opportunity for achieving the anticipated results and impact.

The negative impact of climate change, in particular the shortening cycle of droughts and food crises affecting the Sahel will directly and indirectly affect the target area. The devastating floods from 2012 have shown that northern States are also not immune from such threats.

Fluctuations in world market prices or output of crude might negatively affect Nigeria's ability to allocate funding for the sector at Federal, State and LGA levels. States and LGAs almost entirely depend on these allocations. State sector budgetary provisions and fund releases have recently begun to fall short of actual needs.

Possible political violence during up-coming Federal (2015, 2019) and State elections can cause disturbances and affect the implementation of development cooperation.

3.2 Sustainable energy and access to electricity (Indicative amount EUR 150 million)

3.2.1 Overall and specific objectives

The overall objective is to contribute to improving access to the sustainable supply of electricity, particularly for the poorest and in the least developed states especially in northern Nigeria.

Specific objective 1

To strengthen the capacity of relevant government agencies in managing policies and tailoring regulations to improve the functioning of the sector, including through liberalisation, encouraging energy efficiency and diversifying further into sustainable energy sources

Specific objective 2

To improve the enabling environment for the electricity sector, in particular that impacting on the development of renewable sources, including through vocational training and by strengthening the oversight capacity of non-state actors.

Specific objective 3

To support infrastructure investment in the expansion of access to electricity particularly from renewable sources and especially to the poorest communities of the northern States.

3.2.2 Main results for each specific objective

Expected results for specific objective 1

- 1.1 Improved energy sector governance and institutional, legal, regulatory framework at Federal and State level in line with PAPED priority sectors.
- 1.2 Support the formulation of a national energy efficiency policy and laws with an emphasis on the electricity sector
- 1.3 Electrification plans in selected States developed including rural electrification, energy efficiency and renewable energy
- 1.4 Improved professional skills of government actors

Expected results for specific objective 2

- 2.1 Improved vocational training related to building and maintaining modern and sustainable electricity systems
- 2.2 Workforce capacities increasingly in line with the needs of the privatised electricity sector
- 2.3 Better organised private sector representation advocating for an enabling environment for continued investments in particular in renewable energy sources
- 2.4. More active consumer associations ensuring more equitable and better quality services

Expected results for specific objective 3

- 3.1 More investment in generation and transmission of electricity which is in line with PAPED objectives.
- 3.2 Improved provision of electricity particularly from renewable sources
- 3.3 Increase in the number of people accessing modern energy services particularly from renewable sources and especially in the northern states
- 3.4 Development of reliable local supply chains of goods and services in the electricity sector

3.2.3 Main indicators for each result

The main indicators for measuring the aforementioned results are contained in the sector intervention framework in Attachment 2.

3.2.4 Donor coordination and policy dialogue

The international agencies with programs in the power sector are the World Bank, the African Development Bank, AFD, DFID, the EU, GIZ, JICA, and USAID.

The EU co-chairs with UNIDO, the Donor Coordination Group on Power (DCGP), whose members have been providing technical support to the Minister of Power for the reform and development of the power sector. The Federal Government has called on donors to assist in creating an enabling environment to encourage investments by private companies within the power sector, as well as to improve their access to finance, namely in order to expand the grid

and generation capacity. There is considerable scope for blending and co-financing in this sector.

3.2.5 The Government's financial and policy commitments to the sector

The government is about to start implementing the 30 year Nigerian Infrastructure Master Plan, to meet the vision 20:2020 target of producing 20,000MW. This target requires investments in power generating capacity, transmission and distribution. Its attainment relies on the success of the privatization process, including proper regulation and a stable framework encouraging private sector investments. Investments should be recovered through cost-reflective tariffs which the regulators are putting in place. Priorities of the Federal Ministry of Power include:

- Completion of the privatisation process
- Expansion of on-grid energy access and of rural electrification
- Diversification of energy sources, including renewable energy, coal and natural gas.

The Electric Power Sector Reform Act entailed significant changes in the role played by the States and by the Federal Ministry of Power to ensure overall supervision of key power sector para-statal and general sector oversight and policy development.

Current efforts by the Government to expand energy provision to currently off-grid areas include operation "Light Up Rural Nigeria", identifying communities in 100 Local Government Areas for electrification through solar, small hydro power and wind technologies. However policies regarding energy efficiency, rural electrification and rural energy have not yet been adopted.

3.2.6 Environmental assessment

The EU intervention is not expected to adversely affect the environment. Reducing outages to customers and improving the quality of the service, as well as the extension of the grid should reduce the need for customers to rely on heavily polluting generators and wood fuel.

Any programme or project identified under this focal sector will be subject to the environmental screening according to the procedure indicated in the Guidance for Integration of Environment and Climate Change in UE Development Cooperation in order to identify the need for an Environmental Impact Assessment, EIA (case of project) or Strategic Environmental Assessment, SEA (case of programme).

3.2.7 Overall risk assessment

The success of projects in the energy sector will depend on the ability of recently privatized generation and distribution companies to improve operational effectiveness, while maintaining their financial viability.

Effective regulatory structures are needed, namely defining a pricing policy capable of guaranteeing an attractive rate of return to investors in order to ensure the required private sector investment in the industry. The current tariff model is based on a loss of transmission/distribution of 33%, whereas the reality is up to 60% and buyers are making

demands for compensation. The evaluation of losses will be straightforward, but defining the compensation will be difficult, at least before the 2015 elections.

Access to adequate finance is crucial in capital intensive investments such as power plant construction. Federal government and regulatory agencies need to establish a stable environment allowing for long-term planning by investors. The survival of privately-owned electricity distribution and generation companies depends on the availability of a properly functioning transmission network and the difficulties encountered by the management of the Transmission Company of Nigeria (TCN) are of concern. Additional State investments in Nigeria's transmission network are crucial for the full functioning of the system. Weak planning capacities present in the sector and the fact that TCN will be weak financially in the medium term, will pose risks to the sector's development. Long term debt-financed investments after taking over are critical.

Rural electrification's sustainability depends on proper planning as well as the willingness of consumers to pay for power. Access to energy is a crucial element of the implicit social contract in Nigeria between the government and its citizens; proper outreach is needed to ensure that Nigerians are willing to pay for the power they consume. Further, the role of civil society organisations, namely consumer, business and environmental groups is key in ensuring that the sector is properly managed.

3.3 Rule of law, governance and democracy (Indicative amount EUR 90 million)

Addressing key governance challenges in Nigeria, interventions in the sector can be expected to have positive transversal effects on the other two sectors of the NIP. The specific areas of interventions are coherent with the policy priorities laid on the Government of Nigeria's Transformation Agenda, the Vision 20:2020 as well as the Nigeria-EU Joint Way Forward. Considerable investments have been made in this sector under the 10th EDF in the past 2 years; the implementation period for these operations will extend over the next 4 years.

3.3.1 Overall and specific objectives

The overall objective of the proposed EU support in this sector is to contribute to government and civil society measures to improve economic governance, consolidate the rule of law, enhance peace and security, reinforce democratic processes and help manage migration and mobility.

Specific objective 1

To contribute to measures to improve economic governance, consolidate the rule of law and enhance peace and security in Nigeria.

Specific objective 2

To contribute to the reinforcement of democracy in Nigeria.

Specific objective 3

Support to government action to enhance capacity to manage migration and mobility.

3.3.2 Main Results for each specific objective

Expected results for specific objective 1

- 1.1 Improved rule of law, security and access to justice through more independent, effective, responsive and transparent justice sector (particularly with regard to public mismanagement and accountability of security sector)
- 1.2 Sustained reform and improved accountability and transparency in the financial management of government resources at federal, state and local government levels and strengthened capacity of communities, CSOs and media to effectively advocate for improved public accountability (a PAPED objective)
- 1.3 Increased promotion and protection of human rights in Nigeria

Expected results for specific objective 2

- 2.1 Credible, fair and transparent elections organised at national, state and local government level
- 2.2 Strengthened strategic planning, policy and operational capacities of the Electoral Management Body (INEC – Independent National Electoral Committee) including an improved legal framework for elections
- 2.3 More popular participation in the conduct of peaceful elections and in the entire democratic process, from political party to national election levels
- 2.4 Greater participation of women and marginalised groups in politics and elections

Expected results for specific objective 3

- 3.1 Implementation of enhanced national and local institutional capacities to manage migration
- 3.2 Increased proportion of regular migration flows
- 3.3 Improved border management
- 3.4 Implementation of the Nigeria-EU Common Agenda on Migration and Mobility

3.3.3 Main indicators for each result

The main indicators for measuring the aforementioned results are contained in the sector intervention framework in Attachment 2.

3.3.4 Donor coordination and policy dialogue

Donor organised coordination exists in most areas of intervention and in the context of EU specific coordination is covered by the regular meetings of Heads of Development Agencies. There are also regular meetings on, for example migration, at political counsellor level.

More specifically in the development and project coordination, firstly in the democracy arena, coordination is ensured, in part, through the joint donor basket fund, managed by UNDP, with EU, UK, Canada and South Korea as the main donors. Technical meetings are held monthly and steering meetings occur quarterly under the chair of the National Planning Commission. Meetings are also held with civil society actors involved in the election and democracy field – these will be more frequent and systematic closer to the election.

In the justice and security fields a donor group meets quarterly (Justice Sector Donors Coordination Group) while a Conflict prevention group meets on a roughly monthly time frame. Under the impetus of previous EDF programmes in support of migration management and trafficking in persons, anti-corruption, the fight against drugs and organised crime and justice sector reform the previous Minister of the National Planning Commission initiated 'Sector Policy Review committees'.

3.3.5 The Government's financial and policy commitments to the sector

In each of the fields of intervention political commitment is confirmed under the Government's Vision 20:2020 and the more immediate time frame of the Transformation agenda and policies are following this political agenda. A major question in the areas of democracy, anti-corruption and the fight against drugs and crime is the adequacy of budget allocations to enable the agencies to carry out their mandates.

3.3.6 Environmental assessment

The impact on the environment of work in this sector is not considered to be negative.

3.3.7 Overall risk assessment

The main risks identified for the sector are the extent of the Government's commitment to pursue its current policy objectives and the political will to follow up policy objectives with real action. The current scale of inadequate rule of law, unequal access to justice and the capacity of civil society to effectively engage could compromise the programme. The security situation in the country is of concern especially in the north-east.

Possible actions to mitigate the risks are intensified policy dialogue especially through Article 8 dialogue. Support to the institutions of Justice to build capacity and ensure that concepts of good governance and rule of law are adhered to. Direct support for capacity building and awareness for justice or human rights institutions e.g. police, UHRC, Judiciary etc. as well as support to civil society active in these fields.

4. Measures in favour of civil society (Indicative amount EUR 15 million)

The Cotonou Agreement encourages a greater role for non-state actors and civil society organisations as partners in dialogue or advocacy agents and as service providers or implementing agencies. This is recognition of the essential role that non-state actors can play alongside governments in fighting poverty, promoting growth, delivering social services and fostering democracy and good governance.

Nigeria has a long tradition of civil society activity, with a very vibrant civil society actively engaged in the formulation and monitoring of sector policies and regulatory frameworks, as well as advocating for good governance and accountability from government. The nature of civil society in Nigeria is as diverse as their numbers, capacities and the thematic sectors they work in across the country. There is much opportunity for further engagement between the European Union and civil society under the 11th EDF.

A number of EU funded programmes are working with non-state actors to enhance service delivery and transparent governance across different sectors including water and sanitation,

health, public finance management and fostering pro-poor policies. It is essential that this is intensified under the 11th EDF through increased consultations with civil society, including through thematic calls for proposals across all the sectors identified in the NIP. The emphasis in this regard will be on networks and coalitions of civil society organisations working in the thematic sectors of the NIP including human rights organisations and women's associations. This will give them the space to contribute to the formulation, implementation, review and evaluation of development programmes. It will be important to support measures to strengthen the capacity of local NGOs through shared access to technical assistance in project design, communication, financial management and reporting etc. It is expected that CSOs will play an important role as both vocal advocates for better governance and deliverers of service at community level in the implementation of the 3 sectors of concentration.

5. B-allocation

A B-allocation should be included in the NIP for unforeseen and humanitarian aid needs especially in the fragile context of the north-east and the need to respond rapidly as the situation evolves and access for direct aid to the most affected populations improves. This allocation is at €0 until a need rises. In case of necessity, a Financing Decision to meet an unforeseen or urgent need can always be taken notwithstanding the status of the indicative B-allocation mentioned in the NIP

6. Support measures (Indicative amount EUR 17 million)

6.1 Support to the National Authorising Officer

Increased support to the NAO office is foreseen commensurate to the expected increase in the role of the NAO in the implementation of the 11th EDF.

6.2 Technical Cooperation Facility

TCF funding to support and accompany the programming, preparation and implementation of measures to be implemented under the 11th EDF will be very important and will cover where required, ongoing implementation of 10th EDF.

Implementation modalities

Implementation modalities are under review and may include all available options if appropriate conditions are met. It is expected that the NAO will play a major role in the implementation of the 11th EDF. Pending the completion of an assessment of the implementation of 10th EDF operations in Nigeria, the mix of modalities to include further work through international organisations will be considered.

In the context of the difficult operating conditions and extremely high levels of insecurity, the use of flexible procedures in the management of 11th EDF resource to fund operations in the northern states of Nigeria will be requested.

Attachments

1. Country at a glance
2. Sector intervention framework and performance indicators
3. EU Donor matrix showing the indicative allocations per sector
4. Indicative timetable for commitment of funds

Attachment 1: Nigeria- Country at a Glance

		2008	2009	2010	2011	2012
1	Population (in 1000)	149.6	154.3	159.3	167.9	168.3
	- annual change in %	3.2	3.2	3.2	3.2	2.3
2a	Nominal GDP (in millions \$)	208.0	169.4	196.3	230.3	254.7
2b	Nominal GDP per capita (in \$)	1,390.6	1,098.1	1,232.0	1,371.4	1,513.4
3	Real GDP (annual change in %)	6.0	7.0	7.9	7.4	6.6
4	Gross fixed capital formation (in % of GDP)	8.3	12.1	11.6	10.3	8.3
5a	Exports of goods (in % of GDP)	41.2	33.1	39.0	40.2	37.7
	- of which crude oil and gas (in % of exports)	97.6	96.5	96.6	96.6	96.8
5b	Trade balance (in % of GDP)	20.2	12.9	13.1	11.3	13.9
6a	Export of services (in % of GDP)	1.1	1.3	1.6	1.5	
	- of which transportation (in % of exports)	53.4	49.5	64.0	46.9	
6b	Current account balance (in % of GDP)	14.0	8.2	6.8	3.8	7.9
7	Net inflow of remittances (in % of GDP)	5.2	5.6	5.1	8.9	7.8
8	Net inflows of FDI (in % of GDP)	4.3	5.1	3.1	3.8	2.7
9	External debt (in % of GDP)	2.1	2.3	2.4	2.5	2.6
10	Domestic debt (in % of GDP)	9.4	12.8	15.4	15.9	16.5
11	Foreign exch. reserves (in months of imports of goods & non-factor services)	15.9	16.3	7.9	6.3	9.8
12	Agriculture (% of GDP)	42.13	41.70	40.84	40.19	39.2
13	Industry (% of GDP)	21.8	20.79	20.36	19.32	18.34
14	Services (% of GDP)	16.84	17.44	18.10	19.05	20.35
15	Building & Construction (% of GDP)	1.84	1.92	2.00	2.08	2.19
16	Wholesale & Retail (% of GDP)	17.41	18.14	18.70	19.37	19.92
17	Average cost to export (US\$)	1,179	1,263	1,263	1,263	1,380
18	Global Competitiveness Index	94	94	99	127	115 ¹
19	Revenues (in % of GDP)	44.4	30.7	35.2	38.9	33.0
	- of which: Gross oil revenue (in % of GDP)	59.7	41.2	52.0	64.4	20.0
	- of which: Gross non-oil revenue (in % of GDP)	12.2	21.3	18.4	16.2	6.6
	-of which: Grants (in % of GDP)	1.0	1.1	1.2	0.5	0.3
20	Expenditure (in % of GDP)	31	28.8	29.8	27.6	25.2
	- of which: capital expenditure (in % of total exp.)	39	38.6	33.5	27.8	31.1
	FG Retained Revenue (in % of total revenue)	29.2	34.1	29.8	25.8	27.4
	FG Expenditure (in % of total expenditure)	42.4	47.6	47.7	48.2	45.6
	-of which Capital Expenditure (in % of total FG Exp.)	29.7	33.4	21.1	19.5	19.0
21	Overall Fiscal Deficit (in % of GDP)	0.2	3.2	3.7	3.3	2.4
22	Total (domestic + external) debt (in % of GDP)	11.7	15.4	17.9	17.9	19.1
23	Consumer price inflation (end of period in %)	15.1	13.9	11.8	10.3	12.0
24	Interest rate- Monetary Policy Rate (End of period in %)	9.75	6.0	6.25	12.0	12.0
25	Exchange rate: End of Period (Naira/ \$)	132.56	149.58	150.66	158.27	157.33

Source: 1-6a, 9-16, 19-25- CBN Annual Report 2012, 7- World Bank, 8- UNCTAD, 17- World Bank Doing Business Report

18-WEF Global Competitiveness Report, IMF figures from Article IV Review

¹ Nigeria dropped to 120th position out of 148 countries in the 2013-2014 ranking

Attachment 2: Sector intervention framework and performance indicators

Sector 1: Health, nutrition and resilience		
Specific objective 1: To support government efforts to enhance public health by improving the quality and availability of and accessibility to Primary Health Care and expanded immunisation campaigns.		
<u>Expected Results</u>	<u>Indicators²</u>	<u>Means of verification</u>
1.1) Improved quality primary health care delivery systems at LGA and State level especially in the northern states of Nigeria	Number and % wards with a functioning public health facility providing minimum health care package according to quality of standards	FMOH + SLMOH WHO State reports; Monthly and annual LGA reports; States and LGAs records Monthly and annual LGA reports; States and LGAs records LGA, PHC strategic plan and budget
1.2) Maternal and child mortality and morbidity rates are reduced	Reduction in Under 5 mortality rate and maternal mortality rate (MDG 4 and 5)	FMOH + SLMOH NDHS, MICS
1.3) Improved monitoring and accountability framework at Federal and State levels	Number and % of states whose routine HMIS returns meet minimum requirement for data quality standard	FMOH Weekly, monthly and quarterly monitoring reports, LQAS reports, Tally sheet/data base/ monitoring reports, Polio Dashboard
Specific objective 2: To assist the government improve the nutrition security of children under the age of 5 and pregnant and breastfeeding women (PBW) especially in northern Nigeria.		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>

² Baselines will be included in the Action documents at the latest

2.1) Improved access to quality treatment of moderate and severe acute malnutrition (GAM and SAM) for children under 5 years and PBW.	GAM and SAM (Global and Severe Acute Malnutrition) prevalence rates reduced	SMART surveys MICS, Special Household surveys
2.2 Improved national capacity to conduct regular nutrition prevalence surveys and nutrition service-delivery coverage surveys and their use for early warning analysis, mitigation and response measures through training.	Number and % of health facilities achieving minimum performance standards of nutrition care	
2.3) Increased availability and use of locally produced quality specialised products to treat and prevent malnutrition	% increase in use and consumption of locally produced nutrition rich products	UNICEF Project monitoring reports, MICS, Special Household surveys
Specific objective 3: To support government efforts to develop a sector policy framework that strengthens the resilience of the most vulnerable households through improved social protection measures and targeted economic assistance.		
3.1) Federal and state level social protection policies developed and implemented	Number of Federal and State level policy drafts finalized and disseminated	MICS, Special Household surveys
3.2).Strengthened	% change in the number of households falling	Project monitoring

<p>coping mechanisms of the most vulnerable households to respond to sudden external shocks and to improve post-crisis recovery of their livelihoods</p>	<p>into crisis and requiring emergency assistance</p>	<p>reports, Special Household surveys</p>
<p>3.3) Implementation of adequate social protection measures especially seasonal social safety nets targeting the most vulnerable and at-risk households.</p>	<p>% of vulnerable households with access to sustainable and targeted social safety net mechanisms put in place by the relevant authorities and supported by donors</p>	<p>Project monitoring reports. Household surveys</p>
<p>3.4) Commitment by Government to the implementation of a national resilience road map in the context of the AGIR alliance</p>	<p>% change in financial resources for the implementation of the national resilience road map</p>	<p>AGIR secretariat</p>
<p>3.5) Improved drought early warning systems, taking into account effects of climate change</p>	<p>Number of states with improved drought early warning systems and taking into account the effects of climate change</p>	

<p>Sector 2: Sustainable energy and access to electricity</p>		
<p>Specific objective 1 To strengthen the capacity of relevant government agencies in managing policies and tailoring regulations to improve the functioning of the sector, including through liberalisation, encouraging energy efficiency and diversifying further into sustainable energy sources</p>		
<p><u>Expected Results</u></p>	<p><u>Indicators</u>³</p>	<p><u>Means of verification</u></p>
<p>1.1) Improved energy sector governance and institutional, legal, regulatory framework at Federal and State level</p>	<p>➤ Number of regulations in support of development of the sector issued</p>	<p>FMP/NERC</p>

³ Baselines will be included in the Action documents at the latest

1.2) 1.2. Support the formulation of a national energy efficiency policy and laws with an emphasis on the electricity sector	➤ Number of electrification plans drafted, disaggregated by measures and sources	States
1.3) Improved professional skills of government actors	➤ Number of government officials successfully trained, as per post-training tests	FMP/NERC
<p>Specific objective 2: To improve the enabling environment for the electricity sector, in particular that impacting on the development of renewable sources, including through vocational training and by strengthening the oversight capacity of non-state actors.</p>		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
2.1) Improved vocational training related to building and maintaining modern and sustainable electricity systems	➤ Number of new vocational training courses offered	FMP NAPTIN PHCN Successor Companies
2.2) Workforce capacities increasingly in line with the needs of the privatised electricity sector	➤ Number of staff of privately-owned companies trained by NAPTIN	PHCN Successor Companies
2.3) Better organised private sector representation advocating for an enabling environment for continued investments particularly in renewable energy sources	➤ Number of contributions provided by private sector representatives to the regulators	FMP NERC Industry associations
2.4) More active consumer associations, ensuring more equitable and better quality services	➤ Number of contributions provided by consumers associations to the regulators	FMP NERC Industry associations
<p>Specific objective 3: To support investments in infrastructure to expand access to electricity especially from renewable sources and to the poorest communities of the northern states.</p>		
<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
3.1) Increased investment in generation and transmission of electricity	➤ Value of additional investment into the sector (by source and region)	FMP NERC PHCN Successor <i>Companies</i>
3.2) Improved provision of electricity particularly from renewable sources	➤ Number and % change in the number of customers with access to the grid (by sources)	FMP NERC PHCN Successor <i>Companies</i>
3.3) Increase in the number of	➤ Number and % change in the	FMP

people accessing modern energy services especially in northern states	number of poor rural households with access to electricity provided from renewable sources in isolated rural areas	NERC NREA
3.4) Development of reliable local supply chains of goods and services in the electricity sector	➤ Number of local SMES supplying the electricity sector	NERC Industry associations

Sector 3: Rule of law, governance and democracy

Specific objective 1: To contribute to measures to improve economic governance, consolidate the rule of law and enhance peace and security in Nigeria.

Expected Results	Indicators⁴	Means of verification
1.1) Improved rule of law and access to justice through more independent, effective, responsive and transparent justice sector (particularly with regard to public mismanagement and accountability of security sector).	Number of cases which are investigated, prosecuted and adjudicated by the relevant institutions Number of remand prisoners relative to the total number of prisoners as well as numbers of juveniles in detention	Review of independent public and stakeholder opinion surveys on the justice system Review of reports from the Nigerian Judicial Institute and the Nigerian Prison Service
1.2) Sustained reform and improved accountability and transparency in the financial management of government resources at federal, state and local government levels and strengthened capacity of communities, CSOs and media to effectively advocate for improved public accountability.	Number of cases of corruption or administrative misconduct which are investigated, prosecuted and adjudicated by the relevant institutions % increase in the number of CSOs involved in advocacy for improved economic governance	Review of report from anti-corruption agencies Reports from the ministry of Finance Transparency International Index
1.3) Increased promotion and protection of human rights in Nigeria.	Number of cases of human rights abuses, including gender based and sexual violence brought to court Level of domestication of Human Rights Conventions signed by Nigeria	CSO Reports Reports from the National Human Rights Commission Project reports Media reports

⁴ Baselines will be included in the Action documents at the latest

Specific objective 2: To contribute to the reinforcement of democracy in Nigeria.

<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
2.1) Credible, fair and transparent elections organised at national, state and local government level.	Level of acceptance of election process and results both nationally and internationally as measured by observation mission reports including CSO observation reports and cases brought to election tribunals or courts	Review of post-election polls Observation mission reports Media reports
2.2) Strengthened strategic planning, policy and operational capacities of the Electoral Management Body (INEC – Independent National Electoral Committee) including an improved legal framework for elections.	Capacity of INEC (Independent National Electoral Commission) to organise fair and transparent elections as documented by reports of systems failures including CSO and media reports	TB Review of performance monitoring reports by department of planning and monitoring CSO reports Review of DGD reports Media reports on INEC's activities
2.3) More popular participation in the conduct of peaceful elections and in the entire democratic process, from political party to national election levels.	Level of endorsement of the inclusiveness, transparency and legitimacy of the electoral process as evidenced in reports	Reports from INEC's legal department Reports from CSOs and media Polls and independent analysis Reports from the inter party advisory council Media Report
2.4) Greater participation of women in politics and elections	Level of participation of women in political process and political parties as measured by number of women voting, numbers contesting party primaries, number contesting elections and numbers in office	Review of INEC reports and those from political parties Review of reports from the ministry of Women's Affairs

Specific objective 3: Support to government action to enhance capacity to manage migration and mobility.

<u>Expected Results</u>	<u>Indicators</u>	<u>Means of verification</u>
3.1) Implementation of enhanced national and local institutional capacities to manage migration	Status of national migration policies and strategies	Review of reports from the Ministry of interior and relevant government institutions
3.2) Increased proportion of regular migration flows	Number of bilateral agreements concluded between origin and destination countries and level of alignment with international standards on trafficking and asylum of national rules and practises	NAPTIP reports Focus group reports of targeted groups Polls and independent analysis
3.3) Improved border management.	Number of border posts equipped and interconnected to exchange data	Review of Reports from the border management

	and information Number or proportion of arrests or entries into detention under immigration control national administrative provisions	agency Project Reports Independent review and analysis
3.4) Implementation of the Nigeria-EU Common Agenda on Migration and Mobility	Number of cases investigated by the National Agency for Prohibition of Traffic In Persons and other related Matters (NAPTIP)	Reports from specific European countries on trends

The results, indicators and means of verification specified in the present annex may need to evolve to take into account changes intervening during the programming period.

Attachment 3: EU Donor matrix showing the indicative allocations per sector

Analysis of Donor Funds per Sector (in USD millions)									
Donor Agency	Total in USD mln	Agriculture	Water & Sanitation	Governance	Private	Environment (inc. of Climate change)	Multi-sector	Infrastructure	Human Development
USAID	1033.06	64.88	3.98	110.02	0.00	0.00	0.00	15.06	839.12
EU	1083.09	0.00	409.68	513.38	0.00	0.00	0.00	51.21	108.82
DFID	1611.25	78.25	39.52	530.78	33.20	7.11	0.00	111.13	811.26
AFD	1184.50	250.00	228.00	0.00	236.5	0.00	0.00	455.00	15.00
Japan	178.78	6.17	29.52	0.00	0.63	0.15	6.44	43.06	92.81
AFDB	2247.92	502.57	429.42	0.24	0.00	1.61	9.30	1267.78	37.00
UNDP	120.45	7.74	0.00	85.88	2.00	16.65	0.00	5.68	2.50
World Bank	5477.60	445.00	655.00	581.70	275.00	514.90	0.00	1781.00	1225.00
Canada	81.00	0.00	0.00	75.18	5.82	0.00	0.00	0.00	0.00

Attachment 4: Indicative timetable for commitment of funds

	Indicative allocation	2014	2015	2016	2017	2018	2019	2020
SECTOR 1– Health, Nutrition and Resilience	240 MEUR	10	12	120	60	38		
SECTOR 2– Sustainable energy and Access to electricity	150 MEUR			70	50	30		
SECTOR 3– Rule of Law, Governance and Democracy	90 MEUR	15		35	25	15		
Other measures (support to civil society)	15 MEUR			15				
B- allocation	0 €							
Support measures (TCF & NAO support)	17 MEUR	3	8	5.5				
Total Commitments	512 MEUR	28	20	245.5	135	83	0	0