



This action is funded by the European Union

**ANNEX**

of the Commission Decision on the individual measure in favour of the Republic of Nigeria to be financed from the 11<sup>th</sup> European Development Fund

**Action Document for "Support to the Office of the National Authorising Officer IV – Nigeria"**

<b>1. Title/basic act/ CRIS number</b>	Support to the Office of the National Authorising Officer (NAO) IV – Nigeria CRIS number: NG/FED/038-373 financed under 11 <sup>th</sup> European Development Fund (EDF)			
<b>2. Zone benefiting from the action/location</b>	Nigeria The action shall be carried out in the following locations: Federal, State and Local Government Area (LGA) levels in the Federal Republic of Nigeria.			
<b>3. Programming document</b>	11 <sup>th</sup> EDF National Indicative Programme (NIP) for the Federal Republic of Nigeria period 2014–2020			
<b>4. Sector of concentration/ thematic area</b>	Support Measures			
<b>5. Amounts concerned</b>	Total estimated cost: EUR 8 500 000 Total amount of EDF contribution: EUR 8 500 000			
<b>6. Aid modality and implementation modality</b>	Project Modality Indirect management with the government of the Federal Republic of Nigeria			
<b>7. DAC code(s)</b>	15110 - Public Sector Policy and Administrative management			
<b>8. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
	Aid to environment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Trade Development	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Biological diversity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## SUMMARY

To support the Government of Nigeria in achieving its growth and poverty reduction objectives, the National Indicative Programme (NIP) for the period 2014-2020, to be financed by the 11<sup>th</sup> EDF, foresees an indicative allocation of EUR 512 000 000<sup>1</sup> for the Federal Republic of Nigeria. This allocation confirms the EU's position as one of the most strategic development partners in Nigeria. Three focal sectors have been identified under the 11th EDF NIP: (1) Health, nutrition and resilience (EUR 240 000 000); (2) Sustainable energy and access to electricity (EUR 150 000 000) and (3) Rule of Law, Governance and Democracy (EUR 90 000 000). As a support measure to these focal sectors, the NIP foresees a specific envelope to support operations of the Office of National Authorising Officer (ONAO) and a Technical Cooperation Facility (EUR 17 000 000). Well-organised support to the Office of the NAO has been developed over time in Nigeria within the previous EDF portfolios and programmes. Under the 11th EDF, the NAO is expected to implement the NIP more strategically and efficiently. The amount of resources required by the ONAO is therefore expected to increase. This is in response to the increased role to be given to the NAO for the implementation of the 11th EDF as well as in view of its role in the coordination of project units at state level. The NAO will also have an important role in the implementation of the 11<sup>th</sup> EDF Regional Indicative Programme 2014-2020.

The main expected result areas of the project are: an enhanced role for the NAO, including in the offices at state level; as coordinator of stakeholders for the programming and implementation of EU-funded cooperation, as well as for policy dialogue; strengthening of focal state capacities in relation to 11<sup>th</sup> EDF funded cooperation; reinforcement of the ONAO's systems, structures and capacities to analyse, monitor, evaluate, coordinate and report on development assistance; effective participation of the NAO in the management of EU funded regional projects in collaboration with the Regional Authorising Officer (RAO).

The key direct stakeholders and beneficiaries of this project are the NAO and the concerned ministries and agencies of the federal and state governments of the Federal Republic of Nigeria.

This enhanced EDF support to the NAO's functions would therefore be fully consistent with the commitments made by the EU in the Paris Declaration and the Accra Agenda for Action, which guided the European Commission in developing its new framework/strategy for technical cooperation.

## 1 CONTEXT

### 1.1 Sector/Country/Regional context/Thematic area

With an estimated population of over 170 million (1 in 4 Africans is Nigerian), a growth rate of about 6% (one of the highest in Africa) and abundant natural resources, Nigeria has the potential to be the economic and political powerhouse of Africa. Despite security problems in the north and large-scale oil theft, Nigeria has managed, over the years, to sustain a strong growth rate over the average rate recorded for Sub-Saharan Africa. This is partially due to high oil prices and growing agricultural and manufacturing sectors. Nigeria's real gross domestic product (GDP) growth rate for 2014 was 6.2%; this was 1.6% higher than 4.6% average GDP growth rate for Sub-Saharan Africa in 2014. However, in view of consistent decline in oil revenues since the second half of 2014, the projected GDP growth rate for Nigeria in 2015 has declined by to 4.5% as against 4.2% projected GDP growth rate for Sub-

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<sup>1</sup>for the allocation referred to in Article 3.2 (a) of Annex IV of the ACP-EU Partnership Agreement.

Saharan Africa; and this trend in GDP growth rate between Nigeria and Sub-Saharan Africa is projected to be sustained up to 2017<sup>2</sup>.

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 an 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, insufficient development of the non-oil economic fabric; weak and complex democratic institutions, massive inequality and very limited access for most of the population to basic services. The recent decline in oil prices has made these shortcomings more acute. This has been aggravated by inter-community, inter-religious 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 high levels of malnutrition above the emergency alert threshold, especially in the 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 of particular concern.

A new government has been elected with a change agenda and the commitment to tackle the the issues of corruption, insurgency from the Islamist Militant Group, Boko Haram and electricity/energy supply crisis.

### ***1.1.1 Public Policy Assessment and EU Policy Framework***

The Government is expected to take measures to implement policy reforms and to allocate more resources at the federal and state levels to strengthen institutions and governance and improve access to basic services. Under the previous administrations, key sectors of the economy such as telecommunications and electricity (generation and distribution) were privatised and despite the priority given, efforts are still required to improve power supply and diversify the economy away from dependence on oil and to stimulate investment in non-oil sector, especially, agriculture and food production. A complex factor in Nigeria is the division of authority and responsibility for resource management among the federal, state and local government levels.

The three key development focal sectors which will be supported through the 11<sup>th</sup> EDF in Nigeria with an indicative allocation of EUR 512 000 000 are: (i) Health, nutrition and resilience, (ii) Sustainable energy and access to electricity, and (iii) Rule of law, governance and democracy. The selection of these sectors, which is fully in line with the Agenda for Change and national priorities, is considered very important to address some of the challenges that Nigeria is facing at this stage of consolidating its status as a middle income country.

### ***1.1.2 Stakeholder analysis***

The key direct stakeholders and beneficiaries of this project are the NAO and the concerned ministries and agencies of the federal and state governments of the Federal Republic of Nigeria. Other stakeholders which can be recipients of aid and whose projects will benefit from the results of the role of the Office of the NAO, as coordinator of stakeholders for the programming and implementation of EU-funded cooperation, as well as for enhanced policy dialogue, include:

- State governments of the states where the 11<sup>th</sup> EDF NIP will be focussed, which will benefit from improved technical support in EDF procedures;

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<sup>2</sup> See World Bank's *Global Economic Prospects & Forecast – Nigeria & Sub-Saharan Africa, 2014 - 2017*

- Local Government Areas (LGA) as well as the target populations which have an interest in the effective implementation of the proposed measures;
- Implementing agencies of the operational programmes which will be appointed to execute the project activities;
- Non-governmental organisations and civil society organisations; and
- Service providers which will benefit from service contracts.

Synergies will be sought with other projects implemented by EU member states' agencies and other EU institutions such as the European Investment Bank who could be associated to subsequent financing decisions.

### ***1.1.3 Priority areas for support/problem analysis***

The increased support to the NAO's office is commensurate with its expected increased role in the implementation of the 11<sup>th</sup> EDF. Prioritisation will take into account:

- 1) The need to continue addressing ONAO's shortcomings in terms of capacity as identified in the mid-term review of the 10<sup>th</sup> EDF Support to NAO project;
- 2) An expansion of NAO's responsibilities linked to the expected increased use of the decentralised management implementation modality as opposed to implementation through third parties;
- 3) Coordination of project units at state level in line with the focussing of the NIP in a selected number of states (e.g. by setting up an EDF unit model at state level);
- 4) Possible re-establishment of the State Authorising Officer (SAO); and
- 5) Increased role to be played by the NAO in the implementation of the 11<sup>th</sup> EDF Regional Indicative Programme which will be substantially reinforced.

## **2 RISKS AND ASSUMPTIONS**

The anticipated risks to implementation and the measures to mitigate the effects of the risks are presented below:

<b>Risks</b>	<b>Risk level (H/M/L)</b>	<b>Mitigating measures</b>
Persisting insecurity caused by extremists especially in the north-east	H	Limit the scope for implementation to capacity building in the crisis prone areas, while actions to mitigate potential effects in the region by the government are ongoing
Failure in ensuring adequate coordination with states and limited capacity of the sub-national levels of government to efficiently manage EDF	M	Ensure that adequate governance structures are in place at state level; The sub-national levels of government would be supported by the project in relevant capacity building for management of EDF programmes and coordination of Overseas Development Assistance (ODA) in so far as the 11 <sup>th</sup> EDF NIP Nigeria 2014-2020 is concerned. Sub-national levels of government will be involved in the key areas of programming sequencing and implementation in order to facilitate fulfilment of government contributions to implementation of EDF Programmes

Inadequate coordination between the National and the Regional Authorising Officers (RAOs)	M	Design and implement co-ordination mechanisms between the NAO and the RAO
Lack of co-operation between the delegated bodies and the NAO; and low level of project implementation due to bureaucracy in partner institutions	M	Define clear roles for the NAO, in the relevant Financing and Contribution Agreements. Prune down the number of programmes/projects executed through delegated bodies in the 11 <sup>th</sup> EDF portfolios
Increasing inefficiency in operations/ activities of NAO regarding monitoring and mission for the EDF programmes	M	Result-based management approach would be developed to increase efficiency in monitoring and mission of EDF programmes. There will be clear Terms of Reference for the project staff undertaking Monitoring and Missions for the EDF programmes. This will form the basis for allocation of resources
Staff instability arising from high turn over of quality project staff	M	The Office of the NAO will ensure that strict measures are put in place for period of performance of seconded staff before redeployment. Deployment of seconded staff into the EDF Unit will be based on outcomes of internal assessment of the staff through competitive mechanisms in the areas of EDF rules and development cooperation
Political interference resulting in ineffective and inefficient project coordination	M	Adequate sensitisation of the management of the National Planning Commission (NPC) especially political head on operation, structure and responsibility of the EDF Unit of the International Cooperation Department will be conducted for increasing efficiency in management of EDF programmes and coordination of the ODA in so far as the 11 <sup>th</sup> EDF National Indicative Programme Nigeria 2014-2020 is concerned
Non-availability of adequate quality technical assistance professionals to be contracted	M	Use of framework contracts to ensure ex-ante quality control. The EU Delegation will ensure involvement and leading role in the procurement activities
<b>Assumptions</b>		
<ul style="list-style-type: none"> <li>• Support will be in place to the NAO to ensure trained staff with adequate knowledge of EDF procedures for the coordinating activities are retained</li> <li>• Financial resources for the civil service will be available from the Federal Government of Nigeria</li> <li>• The change of focal states and the new sectoral strategy defined by the NIP will create substantial new programming needs for support in identification and formulation of projects</li> </ul>		

### **3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES**

#### **3.1 Lessons learnt**

The conclusions of mid-term evaluation of the programme "Support to the Office of NAO III" were the following:

- The programme is judged as coherent with EU policy, and responds to the requirements of the Cotonou Agreement enabling the Government to meet its obligations in line with the principles of the Paris Declaration, the Accra Agenda for Action and the Busan Partnership. Without support for expertise development in EDF procedures, the efficiency, effectiveness and impact of EDF programmes could be limited;
- Resources were utilised in terms of the areas identified and ineligible expenditures were limited. However, there was limited efficiency in the management of resources and also there was simultaneous processing of documents with the EU Delegation;
- ONAO's physical working environment was limiting the unit's efficiency: overcrowding; absence of an appropriate record maintenance system; absence of an intranet, and general inefficiency;
- The National Planning Commission (NPC)/NAO should move closer to states beyond building the capacity of state programme officials and by institutionalising EDF unit model at the state level, thereby re-establishing the office of the State Authorising Officers for Project Coordination at the sub-national levels of government. In this regard, the challenges of non-fulfilment of contribution of the sub-national levels of government to project implementation could be mitigated;
- There is still a need to enhance NPC's ability to coordinate Government-Donor dialogue and align donor development assistance with Government development agenda;
- Financial resources for salaries and office operational costs are required to retain quality staff given addition portfolios of development projects, as well as the planned implementation of the Country Assistance Framework; and
- There is need for a strategic framework for ODA Coordination and Management at the National and Sub-national levels of Government; as well as sustaining the existing Development Assistance Database.

The following adjustments result from the past experience:

- The EU Delegation should implement sequential processing of documentation to enable development partners to meet their commitments under the Cotonou Agreement;
- Explore utilising technical assistance to mentor EDF Unit Project Officers and Service Centre Personnel to fill requisite and relevant capacity gaps;
- Conduct a workload mapping exercise according to 11<sup>th</sup> EDF needs and management modalities for the reallocation of responsibilities for existing and additional projects to project officers' portfolios; and
- Monitoring and evaluation systems, data collection systems, the capacity to conduct analysis and translate results into policy are critical activities that should be considered in future programmes.

#### **3.2 Complementarity, synergy and donor coordination**

Development Partners, including the EU and the 19 EU 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 challenge for the international donor community is to support the government's efforts to improve governance, sustain rapid economic growth and ensure social equity.

International Development Partners are active in the three key focal sectors, which will be supported through the 11<sup>th</sup> EDF in Nigeria. The donor coordination structures already in place for these sectors could be instrumental to the NAOs coordination role:

- Health and nutrition sectors: chaired by the Federal Minister of Health with participation from all key players (e.g. the UK Department for International Development - DFID, USAID, the African Development Bank including the private sector and Civil Society Organisations (CSOs);
- Power/energy sector: the international agencies with programmes are the World Bank, the African Development Bank, Agence française de développement (AFD), DFID, the EU, Gesellschaft für Internationale Zusammenarbeit (GIZ), Japan International Cooperation Agency (JICA), and USAID. The EU co-chairs with the United Nations Industrial Development Organisation (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;
- Governance and rule of law: donor coordination is enhanced through Donor basket funding in development and project coordination in the democracy, justice and security areas. The donor basket fund is managed by the United Nations Development Programme (UNDP), with EU, UK, Canada and South Korea as the main donors;
- The newly approved ODA policy and the National Operational Guidelines for Management of ODA have helped to define roles and align institutional functions. Its provisions shall take precedence over existing coordination structures.

The donor coordination forum, the Country Assistance Framework (CAF), meets regularly and is composed of the following agencies: the International Monetary Fund (IMF), GIZ, DFID, the Korean International Cooperation Agency (KOICA), JICA, AFD, USAID, UNDP, the Canadian Department of Foreign Affairs, Trade and Development (DFATD), World Bank and Bill & Melinda Gates Foundation.

### **3.3 Cross-cutting issues**

The Support to the ONAO will facilitate the implementation of the 11<sup>th</sup> EDF focal sector programmes and set the framework for complementary actions of other development partners in ODA coordination in so far as the 11<sup>th</sup> EDF National Indicative Programme Nigeria 2014-2020 is concerned. In that context, the focal sectors chosen, i.e. health, nutrition and resilience; sustainable energy and access to electricity; and rule of law, governance and democracy, will cover actions that will support initiatives and projects in the environment, gender, governance and human rights crosscutting domains. Support to the NAO will ensure the availability of trained staff in EDF procedures, able to assist in the implementation of projects covering cross-cutting issues as well as supporting the ONAO to coordinate the activities at the state-level and complementarity with activities of other international donors in such areas.

Crosscutting issues are targeted in each of the NIP focal sectors: for instance, the promotion and development of renewable energy is the main objective of the energy focal sector support in sector 2; while in sector 3, particular attention will be given to ensuring the conditions for fair and credible elections with meaningful participation of women, youth and marginalised groups. Regarding sector 1, in particular the resilience component, the EU intervention is not expected to adversely affect the environment or to have negative impacts in any other cross-cutting issues.

Climate change, environmental sustainability, gender, governance and human rights will be taken into account in the selection of projects to be financed under the NIP and these aspects will also be monitored by the NAO.

## 4 DESCRIPTION OF THE ACTION

### 4.1 Objectives/results and options

The overall objective of the programme is to contribute towards poverty reduction in Nigeria through improved effectiveness, efficiency, impact and visibility of EU development cooperation and its ownership by the Nigerian authorities.

The specific objectives of the project are:

- **Objective 1:** increase the capacity of the NAO/NPC to manage EDF funds at federal, state and LGA levels in order to ensure effective programming and implementation of EU funded projects and programmes
- **Objective 2:** strengthen the NAO's donor and inter-agency leadership and coordination role by achieving a greater integration of the NAO's functions within Government ministries, departments and agencies (MDAs), in line with the Cotonou Agreement and EDF strategy for technical cooperation.

Expected results of the project are:

Result 1: The role of the Office of the NAO, including the offices at state level, as coordinator of stakeholders for the programming and implementation of EU-funded cooperation, as well as for policy dialogue is enhanced;

Result 2: The capacities of focal states involved in 11<sup>th</sup> EDF funded cooperation are strengthened/built;

Result 3: The ONAO's systems, structures and capacities with reference to their mandate to monitor, evaluate, coordinate and report on development assistance are strengthened;

Result 4: Effective participation of the Office of the NAO in the management of EU funded regional projects in collaboration with the RAO is ensured;

Result 5: Coordination mechanisms between NAO, donors and key implementation partners are in place.

### 4.2 Main activities

The main activities by result areas are the following:

**Result 1:** *The role of the Office of the NAO, including the offices at state level, as coordinator of stakeholders for the programming and implementation of EU-funded cooperation, as well as for policy process and dialogue for project formulation is strengthened*

- Support tender procedures and retain a well-equipped and competent programme support unit;
- Provide technical assistance to support the mentoring and on-the-job training of the EDF unit project officers and service centre personnel at the Federal and State levels;
- Provide training in project management, in the 10<sup>th</sup> and 11<sup>th</sup> EDF procedures, project cycle management, procurement, accounting and auditing, to relevant staff of the NAO, SAOs and line ministries as required;
- Support structures for effective project coordination; specifically, by building capacity of regular staff in the EDF unit in project management and coordination;
- Improve the existing financial tracking system, record keeping and archiving systems;
- In support of MDAs and project offices, develop an overall procurement plan for all projects to be implemented; and

- Establish a Monitoring & Evaluation plan on an annual basis for the projects funded under the 10<sup>th</sup> and 11<sup>th</sup> EDF.

**Result 2:** *The capacities of focal states involved in 11<sup>th</sup> EDF funded cooperation are strengthened/built*

- Set-up implementation, coordination and monitoring structures at focal state level;
- Conduct training, seminars, conferences, studies and technical assistance for capacity building and implementing activities at focal states level; and
- Improve capacity for development planning, development of policy formulation and analysis, leading and coordinating donor development assistance in the focal states.

**Result 3:** *The ONAO's systems, structures and capacities are developed and strengthened with reference to their mandate to monitor, evaluate, coordinate and report on development assistance*

- Support the development of monitoring and evaluation systems, data collection systems, the capacity to conduct analysis and translate result of analysis into policy decisions;
- The implementation of a knowledge management system and integration of EU information systems within NAO ODA management software; and
- Host regular government-donor dialogue and conducting policy-oriented and evidence-based macro and sector-specific studies related to key development priorities.

**Result 4:** *Ensure effective participation of the Office of the NAO in the management of EU funded regional projects in collaboration with the RAO*

- Support to hosting regular dialogue with RAO;
- Support to establish co-ordination structures between the NAO and RAO; and
- Support participation of NAO in identification and formulation of 11<sup>th</sup> EDF regional projects as required.

**Result 5:** *Coordination mechanisms between NAO, donors and key implementation partners are in place*

- Strengthen links between the NAO, donors (in particular, the EU) and other implementation agencies in so far as the 11<sup>th</sup> EDF NIP Nigeria 2014-2020 is concerned;
- Support in hosting regular donor dialogue and cooperation frameworks, such as steering committees with the concerned implementation partners and agencies; and
- Support the active participation of the NAO in EU programme monitoring and evaluation activities of programmes under indirect management.

### **4.3 Intervention logic**

The European Union - Federal Republic of Nigeria National Indicative Programme for the period 2014–2020 established the need for accompanying measures such as a technical cooperation facility and support to the NAO's office. Increased support to the NAO office is foreseen commensurate with the expected increase in the role of the NAO in the implementation of the 11<sup>th</sup> EDF. The need for the continued and reinforced support to the ONAO is justified by the following changes:

- Implementation modalities are under review. Pending the completion of an assessment of the implementation of 10<sup>th</sup> EDF operations in Nigeria, the mix of modalities may result in a reduced number of programmes implemented through international organisations;

- In the key focal sectors of health, nutrition and resilience; sustainable energy and access to electricity; rule of law, governance and democracy, this will require specific capacity building initiatives (recruitment, training, technical assistance) to ensure that the ONAO has adequate skills to effectively participate and monitor the formulation and implementation of programmes in the new focal sectors; and
- Changes in the focal states and commitment to a stronger coordination at state level and between states and Federal Government would require tailor-made capacity building actions to ensure that states will be able to perform the new role expected of them in the 11<sup>th</sup> EDF.

The 11<sup>th</sup> EDF West Africa — European Union Regional Indicative Programme (RIP) for the period 2014-20 foresees facilitated access to regional funds for National Authorising Officers which will require additional resources for management and monitoring of aid delivery as well as enhanced capacity for co-ordination between the NAO and RAO.

The identified activities which will contribute significantly to the accomplishment of the results expected will be put in place by actions financed through the following facilities:

- Technical Assistance (implemented mainly through Framework Contracts) primarily to support training and studies;
- Programme estimates to support the dedicated project management unit at the NAO in order to facilitate the identification and implementation of actions under the National Indicative Programme. This will require the financing of: salaries of contracted staff, allowances for seconded staff to the EDF Unit and Service Centre; equipment; training, seminars, conferences, studies and technical assistance for capacity building and implementing activities at focal state level; workshops, staff recruitments, per diems and cost of transport for monitoring and evaluation of programmes as well as missions;
- Service contracts for Audit, Monitoring and Evaluation and Communication and visibility will be put in place through direct management by the EU delegation.

A detailed indicative logframe matrix is presented in the Appendix.

## **5 IMPLEMENTATION**

### **5.1 Financing agreement**

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in EDF-ACP States Article 17 of Annex IV to the ACP-EU Partnership Agreement.

### **5.2 Indicative implementation period**

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision non-substantial amendment in the sense of Article 9(4) of Regulation (EU)2015/322.

## 5.3 Implementation modalities

### 5.3.1 Indirect management with the partner country

A part of this action may be implemented in indirect management with the Federal Government of Nigeria through the National Authorising Officer in accordance with Article 58(1)(c) of the Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of Regulation (EU) 2015/323 according to the following modalities:

The Federal Republic of Nigeria through the National Authorising Officer will act as the contracting authority for the procurement and grant procedures.

The Commission will control ex ante all the procurement procedures except in cases where programme estimates are applied, under which the Commission applies ex ante control for procurement contracts above EUR 50 000 (or lower, based on a risk assessment) and may apply ex post control for procurement contracts up to that threshold.

The Commission will control ex ante the contracting procedures for all grant contracts.

Payments are executed by the Commission except in cases where programmes estimates are applied, under which payments are executed by the Federal Republic of Nigeria through the National Authorising Officer for ordinary operating costs, direct labour and contracts below EUR 300 000 for procurement and up to EUR 100 000 for grants.

The financial contribution covers, for an amount of EUR 6,700,000, the ordinary operating costs incurred under the programme estimates.

In accordance with Article 190(2)(b) of Regulation (EU, Euratom) No 966/2012 and Article 262(3) of Delegation Regulation (EU) No 1268/2012, applicable virtue of Article 36 of Regulation (EU) 2015/323 and Article 19c(1) of Annex IV to the ACP-EU Partnership Agreement, the Federal Republic of Nigeria through the National Authorizing Officer shall apply procurement rules of Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) No 966/2012. These rules, as well as rules on grant procedures in accordance with Article 193 of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of Regulation (EU) 2015/323, will be laid down in the financing agreement concluded with the Federal Republic of Nigeria through the National Authorising Officer.

### 5.3.2 Procurement (direct management)

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Audit	Service contracts	5	Replenishment requests and PE closures
Monitoring and Evaluation	Service contracts	2	1 <sup>st</sup> Semester 2018 and 1 <sup>st</sup> semester 2020
Communication and visibility	Service contracts	1	1 <sup>st</sup> Semester 2018

## 5.4 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

## 5.5 Indicative budget

	<b>EU contribution (amount in EUR)</b>	<b>Indicative third party contribution, in currency identified</b>
5.3.1 Indirect management with the Federal Republic of Nigeria	7 700 000	N.A.
Technical Assistance (for specific capacity building initiatives)*	1 000 000	N.A.
Programme estimates (Support to the activities of project management unit at the NAO (at Federal and state level)**	6 700 000	N.A.
5.3.2 Direct management	600 000	N.A.
Audit	200 000	N.A.
Monitoring and Evaluation	200 000	
Communication and visibility	200 000	N.A.
Contingencies <sup>3</sup>	200 000	N.A.
<b>Total</b>	<b>8 500 000</b>	

\* the European Union Delegation and the NAO will meet regularly to ascertain what services and actions need to be contracted and on the type of contracts to be implemented

\*\* Programme Estimates will include: salaries of long and short term staff as well as allowances for seconded staff to the support programme, equipment, training, workshops, staff recruitments, per diems and cost of transport for monitoring and evaluation of programmes as well as missions.

## 5.6 Organisational set-up and responsibilities

The programme is designed to be implemented through partially decentralised management. The Contracting Authority for the project shall be the National Planning Commission. The Project Supervisor shall be the EDF Unit at the International Cooperation Department within the National Planning Commission. A Steering Committee shall be established to oversee and validate the overall direction of the project. The Steering Committee shall meet at least twice a year and will be responsible for approval of the programme estimates, work plans, reports and evaluations.

Technical Assistance, composed of international, regional and local experts according to the complexity of the tasks to be fulfilled, can be recruited under service to assist the National Planning Commission in the implementation of the Programme. The Technical Assistance will work under Terms of Reference agreed by both the Contracting Authority and the Head of Delegation.

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<sup>3</sup>Consider that contracts where no financing agreement is concluded, contingencies have to be covered by individual and legal commitments by 31 December of N+1.

The National Authorising Officer will directly contract or authorise the EU Delegation to the Federal Republic of Nigeria to contract on its behalf. The National Authorising Officer and the European Commission, represented by the EU Delegation to the Federal Republic of Nigeria, will meet regularly to ascertain what services and actions need to be contracted and how best to do this to support the objectives of the Technical Assistance activities.

## **5.7 Performance monitoring and reporting**

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

## **5.8 Evaluation**

Having regard to the nature of the action, a mid-term and a final evaluation will be carried out for this action or its components via independent consultants mission contracted by the Commission. It will be carried out for learning purposes, in particular with respect to the implementation and adjustment of the programme estimates.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that changes in the roles of the NAOs are required to change according the objectives of the Regional Indicative Programmes and of the chosen implementation modalities. Equally, the role of the state level authorizing officers will need to be assessed.

The Commission shall inform the implementing partner at least 60 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one contract for mid-term evaluation services shall be concluded under a framework contract during the 1st semester 2018 and a final evaluation, if considered appropriate should be launched at the end of the operational implementation phase (1st semester 2020)

## 5.9 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, contracts for audit services shall be concluded under a framework contract as required by the replenishment requests and closure of the programme estimates.

## 5.10 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.5 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

A separate budget in direct management by the European Commission for specific visibility activities is included.

<b>Activity/objective/result, include location</b>	<b>Type of financing (works, supplies, or service contract, grant, programme estimate)</b>	<b>Indicative number of contracts</b>	<b>Indicative trimester of launch of the procedure or of signature of the PE</b>	<b>Indicative amount in EUR</b>
Communication and visibility	Service contracts	1	1 <sup>st</sup> Semester 2018	200,000

## APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

The activities, the expected outputs and all the indicators, targets and baselines included in the log frame matrix are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The indicative log frame matrix will evolve during the lifetime of the action: new lines will be added for listing the activities as well as new columns for intermediary targets (milestones) when it is relevant and for reporting purpose on the achievement of results as measured by indicators.

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	To contribute towards poverty reduction in Nigeria through good governance, increased accountability and effective utilization of EU cooperation in line with the Paris Declaration, the Accra Agenda for Action and the Busan Partnership for Effective Development Cooperation.	<ul style="list-style-type: none"> <li>• infant and maternal mortality rates</li> <li>• levels of malnutrition above the emergency alert threshold</li> <li>• level of youth unemployment</li> </ul>	Over 60% of the population of Nigeria is estimated to be living below the poverty threshold of USD 1.25 per day strategy		National and international statistics	<ul style="list-style-type: none"> <li>- Political and economic stability is achieved</li> <li>- Capacity to operate an implement programmes in the chosen focal states</li> </ul>
Specific objective: Outcome	•Objective 1 contribute to efficient and effective programming and implementation of EU funded projects and programmes to increase the capacity of the NAO/NPC (National Planning Commission) to manage EDF funds both at Federal and state level.	<ul style="list-style-type: none"> <li>• amount that was decided (committed at NIP) at the end of the period but not contracted</li> <li>• decrease in period of absorption of RAL</li> <li>• % of ineligible amounts detected during expenditure verification</li> </ul>	6.6 years	4.4 years	CRIS	Federal Government will partially support salaries. - Staff remain in position
	Objective 2 and participate and demonstrate leadership in donor coordination. A greater integration of the NAO functions into the national system and involvement of Government Ministries, Departments and	<p>% of participation of NPC representatives in Programme Steering Committees</p> <p>% of projects having obtained a red light concerning progress achieved in the implementation of activities</p>			Programme officers Survey to Implementation Partners during the mid-term and final evaluation Reports on contract implementation	Delegated and implementing bodies share information and involve NAO in the implementation of their activities

	Intervention logic	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
	Agencies (MDAs), in line with the Cotonou Partnership Agreement and EDF framework strategy for technical cooperation.	% of projects having obtained a red light concerning progress achieved in the implementation of results			- NAO and EU records/ project reports Minutes of Programme Steering Committees - Project audits	
Outputs	Result 1: The role of the Office of the NAO, including the offices at state level, as coordinator of stakeholders for the programming and implementation of EU-funded cooperation, as well as for policy dialogue is enhanced.	% of the amount under the EDF still to be contracted or paid (RAL) against the total amount globally committed.  % of old pre-financing which remains un-cleared  % of contracts still open 18 months after the operational implementation period expired  % implementation of procurement plan  Implementation of activities foreseen in PE	32.67%	< 15%	CRIS and EAMR reports Annual Action Plan Procurement Plan Project audits   Programme Estimate reports	Focal State governments will implement dedicated project units - Training is effective
	Result 2: Focal-states capacities in relation to EU11th funded cooperation are strengthened/ implemented.	100% of staff in focal states dedicated units is trained in EDF procedures			Interviews with project officers during the mid-term/ final evaluation PE quarterly reports Training reports/training assessments	

	Result 3: The ONAOs systems, structures and capacities are developed with reference to their mandate to Monitor & Evaluate and reporting on development assistance are strengthened.	% implementation of the evaluation plan % implementation Audit plan  Implementation of investment plan  Accuracy of NAO database on ODA			Programme Estimate reports NAO database  NAO financial reporting system  Mid-term review Interviews with development partners	Every mission generates a mission report which is shared with the project officer
	Result 4: Ensure effective participation of the Office of the NAO in management of EU funded regional projects in collaboration with the RAO.	% amount that was allocated to regional projects (committed at NIP) at the end of the period but not contracted  Number of coordination meetings RAO/NAO			NIP, CRIS  Minutes of coordination Committees	ECOWAS and NPC will implement coordination forums for the implementation of the RIP
	Result 5: Coordination mechanisms between NAO-donors and key implementation partners are in place.	Number of attendances to meetings of governance structures of projects under delegated cooperation			Minutes of steering Committees Mid-term evaluation and final evaluation reports Interviews with development partners	NPC will increase its participation in Steering committees