

COUNTRY LEVEL EVALUATION NIGERIA

Final Report

Executive Summary

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Evaluation carried out on behalf of the European Commission





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Executive Summary

This report covers the evaluation of the cooperation strategy of the EC with the Federal Republic of Nigeria and its implementation in relation to the Country Strategies and National Indicative Programmes of the 7th and 9th European Development Funds¹ (EDF) as well as to contributions from thematic budget lines and other cooperation instruments.

The main **objectives** of this evaluation are:

- To provide the external cooperation Services of the EC and the wider public with an overall independent assessment of the Commission's past and current cooperation programme with Nigeria;
- To identify key lessons learned from the past cooperation with Nigeria with a view to improving the current and future strategies and programmes of the Commission.

The evaluation was carried out in four phases during the period March 2009 to January 2010, mobilising five experts. In the **inception phase**, the Evaluation Team examined the EC strategic and policy documents on the cooperation with Nigeria in order to reconstruct the intervention logic and formulate the Evaluation Questions. In the **desk phase**, the Team studied all available documents and interviewed key staff in Brussels to take stock of the interventions and formulate preliminary answers to the Evaluation Questions, along with the methodology for testing them in the field. The aim of the **field mission** was to test the preliminary conclusions of the desk phase. The main tools used were interviews with key informants, a case study and focus group discussions. In the **synthesis phase**, the evaluators analysed the information

collected, checked its reliability, made cross-analyses and formulated their Conclusions and Recommendations.

Throughout the process, the Team has interacted with a Reference Group comprising representatives of the relevant EC Services in Brussels, the EC Delegation in Nigeria (ECD)² and the Government of Nigeria (represented by its Embassy in Brussels). Preliminary team findings were discussed with the ECD and the Nigerian National Planning Commission. Finally, a discussion seminar was held in Abuja on 28th of January 2010.

The Nigerian Context

The Nigerian context differs in several ways from that of most other cooperation countries. The Federal Republic of Nigeria is a **large and complex country** with around 140 million inhabitants in 36 States and the capital, Abuja. It is one of the world's major oil exporters, yet a large part of the population live in poverty and the non-oil economy is poorly developed.

Hence, Nigeria is a classical "**rentier-state**" in which oil revenues are conducive to corruption and tend to reduce the dependency of the rulers on the ruled. Although Nigeria returned from military dictatorship to democracy in 1999, the political system's articulation of the non-elite population is weak as expressed in a certain "democracy fatigue" encountered by the Evaluation Team. There is a lively **civil society** - which tends to see itself as the real opposition - and **free quality media**, yet governance problems prevail: corruption is widespread and the human

¹ 8th EDF was not applicable to Nigeria due to the interruption of cooperation under military rule.

² As of 1 December 2009, with the entry into force of the Treaty of Lisbon, the European Commission delegations have become European Union delegations. Since the evaluation took place before that date the old term is used.

rights situation is problematic. The rentier nature of the State also reduces the Government's dependency on foreign aid and sets the scene for a cooperation programme filled with challenges.

Nigeria is a **regional power** and a major contributor to peace-enforcement and peacekeeping in Africa, while its internal stability has been challenged throughout the period under evaluation by tension along the major ethnic and religious dividing-lines and by unrest in the oil-producing Niger Delta Region. Hence, its economic and political weight undisputed, UNDP and the World Bank classified Nigeria as a Fragile State.

Development cooperation corresponds to less than 1% of GDP. The main cooperation partners are the UK, USA, EC, the UN, AfDB and the World Bank. 19 EU Member States are represented in Nigeria but only a few of them have cooperation programmes.

Main features of the EC's cooperation with Nigeria

The EC resumed cooperation with Nigeria in 1999. Before signing the Country Strategy in 2002, a "Quick Start Package" was meant aimed especially at reducing poverty in the Niger Delta Region. However, it proved impossible to act very fast.

In line with the priorities of the Government of Nigeria, **the overall goal of the EC cooperation has been poverty reduction**. Considering this goal and the modest – in relation to the size of Nigeria and of the Government funds – €652m of EC funds allocated for Nigeria under the 7th and 9th EDF and €38m under thematic budget lines, **the overall approach of the EC Strategy was "pump-priming" for the benefit of the poor**. The bulk of the funds was to be used for technical support for improved service delivery in two interrelated focal sectors at State level (six selected States chosen as a representative selection of the different parts of Nigeria) in order to create an impact in those States and a potential wider impact through replication of success stories. Local Government has only recently been integrated in some projects.

The **focal sectors**, in which the interventions were to be mutually supportive, were:

1. Water Supply and Sanitation; and
2. State and Local Institutional and Economic Reform.

For both sectors, the support through the Government was to be supplemented with "control from below" by civil society, which in turn received support for this purpose.

Table 1: Overview of EC Assistance to Nigeria per Sector 1999-2008 (M €)

(Incl. EDF funds and Nigeria components of regional projects, excl. thematic budget lines, extracted from CRIS)

Total of 7th to 9th per sector	Amount allocated	Amount contracted	Amount paid
Water and Sanitation	105,4	94,1	44,5
Economic & Inst. Reform	204,8	179,5	159,4
Immunisation	138,3	133,9	108,0
Micro projects	105,1	69,3	57,5
Elections	48,5	20,0	19,0
Civil Society	20,0	6,8	0
Others	38,1	28,2	21,6
TOTAL all sectors	660,3	531,8	410,0

The table above shows the sub-division of the overall cooperation. The allocation for Water Supply and Sanitation was reduced owing to low sector performance in the cooperation States and the abandonment of the budget support approach. Economic and institutional reform includes €116.5m allocated and disbursed in support of the Census. Civil society was supported in various ways also in the other sectors.

However, the problems experienced with delivery and generation of results entailed a number of changes in the implementation of the Strategy over the years. These changes included the use of significant funds outside the original Strategy foci, such as:

- In focal sector 2, at Federal level in support of a national **census**, national **elections** and the **fight against corruption**;
- For non-focal sectors and States, inclusion of more **micro projects** in the Niger Delta Region, **immunisation** and capacity-building of **civil society organisations**;
- **Replacement of four of the cooperation States** with four others, which had performed better in relation to service provision.

Moreover, the Strategy foresaw that the cooperation should create the conditions for budget support, but this idea was abandoned since the necessary conditions in Nigeria did not materialise. Instead **traditional project support has been the implementation mode**. In consequence of the limited results, no replication from the cooperation States has taken place.

In addition to the support under the 9th EDF, a large number of (mostly small) projects have been funded under the **thematic budget lines** for NGOs and in support of democracy and human rights.

Conclusions

The EC interventions were **relevant** and, notwithstanding implementation modalities open to debate, **the Nigerian partners appreciated** the responsiveness of the EC cooperation.

While the EC Delegation has achieved **impressive, albeit delayed, delivery** under difficult conditions, not least due to the flexible use of (or limited guidance from) the Strategy, the **overall effectiveness and impact of the EC interventions has been limited** in terms of results yielding tangible benefits to the poor. In addition, **time-efficiency has been low** as expressed in a low delivery rate and as a result of implementation delays, which have become normal.

The reasons for such problems were found on both sides: first on the **EC side** in procedures, which the partners sometimes considered cumbersome, and in the staffing of the EC Delegation, which did not appear fully adequate in relation to the tasks. Second on the **Nigerian side**, which reportedly displayed a lack of active ownership, resulting in slow procedures: some Government officials appeared to lack motivation incentives. Between the two parties, and between them and the implementing authorities, communication has not been optimal. The projects have suffered from deficient interaction, in that they were sometimes excessively blamed for the limited results.

The Strategy was ambitious and complicated in its requirement for reform of two different sectors without taking sufficient account of the nature of the Nigerian system and the need for incentives for the change agents. Thus, the project approach has entailed **only limited capacity-building** on the Nigerian side.

The more successful areas of technical cooperation in terms of results for the benefit of the poor have been the non-focal areas of **immunisation, micro projects and support for the anti-corruption unit**, the Economic and Financial Crime Commission. Common to these interventions was their direct linkage to end-users.

In the focal sectors, the **Institutional and Economic Reform** project has produced certain results in the six cooperation States, particularly in improving the budget process and its transparency in the States, partly through mobilisation of civil society as the “control from below”. At Federal level, the results of the support for the Census have been contested and there is still no clarity about the further usability and practical use to be made of the outputs.

The intervention in the **Water Supply and Sanitation** sector in the same States has as yet only produced limited results, while there is room for optimism regarding future cooperation in view of recent and increasing State acceptance of responsibility for the sector. Common to these interventions was an indirect approach, where pro-poor results depended on lengthy processes through the Nigerian political and administrative systems.

The interventions of a political nature (in the broad sense) present a mixed picture as regards results. Support for the (reportedly rigged) **elections** is a bone of contention among the representatives of the EU Member States, although the positive impact of civil society election support is uncontested. Support for the assemblies appeared to have been a failure. The impact of support through EDF and thematic budget lines for **civil society** capacity-building was not yet very visible, and little was known about the large and complex Nigerian civil society.

Support through thematic budget lines for **democracy and human rights** was not coordinated with the “main” intervention, hence potential synergy did not materialise. Acquisition of knowledge of the results of such support beyond the output level has not yet been attempted. A common denominator for these limitations was ECD’s apparent lack of realistic and operational knowledge in relation to the Nigerian civil society and the modus operandi of the Nigerian “rentier state”.

There was scope for a higher **EC profile in Nigeria** through improved dialogue based on strong analysis and good communications with the Nigerian authorities, the EU Member States and other members of the international cooperation community. The EU Member States and the cooperation partners regarded the contributions of the EC Delegation to the coordination role as limited during the period under evaluation.

The EC use of **development support communication** has been quite restrictive when considered in relation to the attempted outreach to the poorer parts of the population, to civil society and to the concern for EC visibility.

The considerable EC support for Nigeria’s participation in West African **regional integration** has not yet led to a corresponding prioritisation of that integration on the part of the Nigerian authorities.

Finally, it should be mentioned that the recent Strategy for the 10th EDF aims to address several of the shortcomings mentioned above.

Principal Recommendations

1. In order to enhance time-efficiency and the production of pro-poor results, the EC cooperation should **promote Nigerian project ownership** through a more active approach to capacity-building in the Nigerian counterpart agencies, thus enhancing the incentives for active local ownership.
2. Cooperation States with a proven record of achievement in relation to **Institutional and Economic Reform and in the Water Supply and Sanitation Sector** should be further supported by the EC with advisory expertise provided that reform includes Local Government and that the budgetary provisions indicate a priority focus of the governments of those States.
3. Further EC support should be given for a **Partnership to Improve Immunisation Efficiency Programme, Phase 2**, which could cover almost the entire country, provided that there is greater co-financing by the States and the Federal authorities and support from other donors.
4. It should be ensured that **synergy is produced**, through coordination between the concerned units in Brussels and Abuja, **between EDF-funded and thematic budget line-funded support to democratic governance and civil society**.
5. The **communication and analytical profile and capacity of the ECD** should be strengthened in order to promote:
 - More active high-level policy dialogue with the Nigerian authorities;
 - More active participation in donor coordination;
 - Materialisation of the potential EC added value in relation to EU Member States;
 - Enhanced knowledge management;
 - More refined and realistic analysis of the Nigerian context as a whole, including civil society; *and*
 - Use of mass communication media for development of support communication in relation to the population at large, and particularly to the poorer parts of the population.