AFD
AGENCE FRANÇAISE
DE DÉVELOPPEMENT

STRATEGY
2017-2021

Nigeria

#WorldInCommon

Nigeria

Executive Summary

In Nigeria, a 36-state federation with a population that will soon top 200 million and a GDP close to that of South Africa, the issues of sustainable development and vulnerabilities are staggering: demographic pressure, exposure to climate change, unemployment and underemployment, a lack of social and geographic cohesion, security tensions, governance with room for improvement, inequalities, dependence on oil revenues, chronic undersupply of electricity... At the same time, the country's fundamentals – its high growth potential, choice location on the African continent, colossal need for investment in infrastructure and industrialisation, a now-established democratic system, entrepreneurial dynamism... – all give grounds for optimism. However, they also flag the risks, particularly in terms of the environment, of an insufficiently sustainable development model.

Less than ten years after launching its activities in the country, AFD has become a legitimate partner for Nigeria in several key sectors such as energy, urban water, rural roads and urban transport. Its unique positioning as a bilateral donor with a variety of sovereign and non-sovereign financing solutions has proven its worth vis-à-vis some key stakeholders such as the Federal Ministry of Finance, Lagos State, the federal ministries in charge of water, energy and rural roads, a few first-rate banks and the World Bank (WB). Yet, despite the 1.15 billion euros committed over nine years (including regional activities), this legitimacy is still fragile in an atypical country where official development assistance (ODA) amounts to very little. The country's borrowing capacity has been strained by the economic crisis. The banking sector is struggling, but grants from the United States, the United Kingdom and Europe are substantial, as is the activity of bilateral donors and China. In fact, China is offering turnkey solutions involving hefty sums to finance the country's infrastructure.

AFD is pursuing its previous strategy in line with the three main strategic priorities of the Nigerian government (relaunching economic growth, building a competitive economy and improving human capital), whose ultimate purpose is to "promote inclusive growth". AFD is thus prioritising the economic factor, while at the same ensuring that the country's development is environmentally sustainable and that its benefits are equitably shared. The overarching goal of AFD's operations is thus to **contribute to developing a competitive, job- and wealth-creating economy and to a shared, inclusive and resilient development.** This gives rise to four operational objectives: (i) **support the diversification of the non-oil economy,** mainly through financial innovation and a focus on small and medium-sized enterprises (SMEs), public private partnerships (PPPs) and agriculture; (ii) **promote the low-carbon energy transition** by securing the electricity system and developing renewable energies and energy efficiency; (iii) **contribute to a resilient and more productive agricultural activity and to food security** by supporting rural infrastructure and services to small-scale farmers; and (iv) **support the territorial transition** (including vulnerable areas) by investing in a few cities and the north of the country. Some fragilities are directly targeted: exposure to climate change, territorial inequalities, the country's insufficient cohesion and governance.

These choices take into account the added value that AFD can bring to a country like Nigeria (compared to other development partners), its financing instruments (principally loans), as well as the opportunities these offer in terms of co-financing with the WB, AfDB and PROPARCO.

Several transitions are core to this strategy: on the one hand, energy, territorial and ecological transitions directly linked to the operational priorities and, on the other hand, the digital and citizenship transitions that are more indirectly targeted through different actions.

Ultimately, AFD will be more present in Nigeria, with annual commitments bordering on EUR 300m,[1] will be more innovative thanks to its tailored sovereign and non-sovereign financing instruments, whose development will be the main operational challenge in Nigeria, and more partner-centric, initially involving some of the Federation's key States.

[1] Although AFD has, and will always have, very little weight in Nigeria's overarching macroeconomic balances, the country already accounts for a considerable share of AFD's balance sheet and business plan.

CONTENTS

EXECUTIVE SUMMARY 2

1. KEY ELEMENTS FOR AFD'S STRATEGY 4

1.1 PARTICULARLY HIGH STAKES FOR SUSTAINABLE DEVELOPMENT 5

1.2 A RECENTLY FORMALISED COUNTRY STRATEGY 7

1.3 A COUNTRY WITH A MINIMAL DEPENDENCE ON ODA FLOWS 8

1.4 EXCELLENT BILATERAL RELATIONS 10

2. ASSESSMENT OF PAST ACTIVITIES IN LINE WITH FORECASTS 11

3. A SEAMLESS AFD INTERVENTION STRATEGY 13

3.1 STRATEGIC ORIENTATIONS IN LINE WITH THE NIGERIA'S PRIORITIES AND AFD'S PRIORITIES FOR AFRICA AND THE WORLD 14

3.2 RENEWED OBJECTIVES AND ACTIVITIES 15

3.3 CROSS-CUTTING OBJECTIVES CONSISTENT WITH AFD'S PRIORITIES AT GLOBAL LEVEL 19

3.4 STRONGER PARTNERSHIPS AND DYNAMIC KNOWLEDGE PRODUCTION 20

4. AFD IN NIGERIA, "LARGER", "MORE PARTNER-CENTRIC", AND "MORE INNOVATIVE" 21

5. INDICATORS FOR MONITORING THE STRATEGY 23

ACRONYMS AND ABBREVIATIONS 25

1.

KEY ELEMENTS FOR AFD'S STRATEGY

1.1 PARTICULARLY HIGH STAKES FOR SUSTAINABLE DEVELOPMENT

A democracy under consolidation and governance with room for improvement

The Federal Republic of Nigeria has been a democracy since 1999. This recent short period of stability followed on from thirty years of military regimes that have left a deep and lasting impact on the country's population. Since the 2011 elections, which claimed the lives of 3,000 people, democracy has been gradually strengthened with the peaceful election of opposition candidate Muhammadu Buhari in 2015. Learning the workings of democracy is no easy task in a federation of 36 States (and as many state governments ruled by highly powerful governors) operating 774 local administrations where customary and religious powers coexist. Moreover, the country comprises 250 ethnic groups, including four main ones (the Yoruba, Hausa, Igbo and Fulani represent around 60% of the population) who have an unequal share of economic or political representation and leadership. Enshrining federalism in the constitution has reinforced the disparities between the North and South, and between the West and East. This administrative organisation, which has no subnational government at town or city level (there are no municipalities in Nigeria), governs a territory almost twice the size of metropolitan France. It offers fertile ground for pervasive corruption. In its latest Corruption Perceptions Index, Transparency International ranks Nigeria 136th out of 176 countries. The Buhari administration has nonetheless engaged a serious fight against corruption. Sectoral governance is also divided between central and local powers. Economic and financial governance has room for improvement, as was shown by the 2016–2017 economic crisis and Nigeria's ranking in the WB's Doing Business Index (145th out of 190, up 24 places in 2016). In 2017, Nigeria was ranked 35th out of 54 African countries in terms of governance according to the Mo Ibrahim Foundation. The Reporters Without Borders index ranks Nigeria 122nd out of 180 countries for freedom of the press. In June 2016, the country joined the Open Government Partnership initiative (OGP). It is also member of GIABA (Intergovernmental Action Group against Money Laundering in West Africa), but not of the FATF (Financial Action Task Force).

The demographic and urban explosion

With a population of between 180 and 200 million people, growing at an annual rate of 2.6% (with an average 5.7 children per woman, the demographic transition has not really begun in Nigeria, at least in a large part of the country), Nigeria is Africa's demographic giant. According to the WB, its population could reach 260 million in 2030, and even 10 million by 2050 according to the United Nations,[2] which would position Nigeria as the world's third largest country in terms of population. Forty-five per cent of the population is aged under 15, which represents both a considerable asset and the major challenge, as 17.6 million young people between ages 15 and 24 (equivalent to 21% of the labour force), that is 49.7% of them, are already either unemployed (25.2%) or underemployed (24.5%). More generally, the rate of underemployment in the total labour force is estimated at 35.2% (source: National Bureau of Statistics), 14.2% of whom have no employment at all (16.3% for woman). According to the WB, the annual growth rate of the urban population is around 4.8%, while 50% of the population already live in a city of more than 20,000 inhabitants, compared to an average 37% in sub-Saharan Africa (SSA).[3] The urban population could be set to double in size by 2050. With the exception of Lagos, whose population is nearly 20 million inhabitants and marks up an annual growth equivalent to the population of Bordeaux (about 250,000 people), the country has seven major cities of over one million inhabitants. This number could rise to 23 by 2030, compared to 41 in sub-Saharan Africa as a whole.

The country's intense and unplanned urbanisation is accompanied by a lack of economic and urban infrastructure at both the local and national level, as well as glaring inequalities between the North and South, between urban and rural areas, between women and men, and between formal districts and informal settlements.

Increasing poverty and inequality, the main cause of vulnerability

Despite growth (at least until 2015), poverty is gaining ground in Nigeria. Over 63% of the population lives on less than USD 1.4 a day in purchasing power parity (PPP). This means that more than 100 million people are living in extreme poverty, including 70 million women.[4] Although the total number of poor has decreased in the South by almost six million since 2004, it has risen by 8 million in the North, East and West. Only the South-West, in the area around the economic capital Lagos, has really benefited from poverty reduction, with 4 million people lifted out of poverty since 2004. Wealth is unevenly distributed across the population, including between men and women, with a Gini coefficient[5] of 0.49 in 2013 (0.45 for SSA in 2016). On the other hand, the GDP per capita in PPP (USD 6,003 in 2015) is doing rather well compared to the other SSA countries (USD 3,088 in Kenya). The disparities in access to basic services and infrastructure have also increased.

The Human Development Index (HDI) ranked Nigeria 152th out of 188 countries in 2015: life expectancy at birth (51.3 years) is particularly low (58.9 years in SSA); only 69% and 56% of the population have access to a source of drinking water and electricity respectively, which again are levels substantially lower than those in SSA; the primary school enrolment rate was 82% in 2015 (only 30 to 40% in the North), whereas it borders on 100% for SSA as a whole; literacy rates, which are 41% and 61% respectively for women and men, are even more worrisome.

More broadly, Nigeria has adopted governance methods and practices able to minimise the risks of implosion given the disparities not only between regions and between socio-political and ethnic groups from one region to another, but also between majority and minority groups within regions, and between religious groups. However, horizontal inequalities and the perception of these inequalities persist.

[2] Source: United Nations, *World Population Prospects: The 2015 Perspectives.*
[3] Source: *From Oil to Cities: Nigeria's Next Transformation,* Directions in Development, World Bank Group, 2016.
[4] Statement by the former federal minister of Women Affairs (*Daily Post,* July 13, 2013) http://dailypost.ng/2013/07/13/70-of-nigerian-women-are-living-below-poverty-line-minister/.
[5] The Gini Index (or coefficient) is a statistical measure of salary inequality (income, living standards...). It varies between 0 and 1. It is 0 in a situation of perfect equality where all salaries, incomes, standards of living… are equal.

A country with a recurrent security crisis

The Buhari administration took up office in a context of major security issues. The insurgency of Boko Haram in the north-east of the country has caused the loss of 20,000 lives and the displacement of two million people. This has adversely impacted the livelihoods of another six million people and has had cross-border repercussions. The crisis in the North-East has had consequences for the neighbouring countries Chad, Niger and Cameroon: even though Boko Haram was already firmly embedded in these countries, its geographical expansion was first launched from Nigeria. As a result, the Boko Haram crisis has a major sub-regional dimension in terms of security and migration, trade and economy.

In parallel, secular conflicts between nomadic herdsmen and farmers have intensified in recent years, moving southwards through the country's central area, which is known as the "Middle-Belt". The security issues also involve a growing level of criminality (kidnappings), particularly in urban areas, recurrent attacks against oil and gas facilities, a resurgence of pro-independence activism among the Igbo people of the South-East, and many forms of religious proselytism. These issues stem from the high levels of poverty, the rise of religious fundamentalism, unemployment and the growing number of jobless young people, but also from the degradation of natural resources, which is being exacerbated by the impacts of climate change.

Given the demographic, economic and geographic weight of Nigeria, its stability is crucial for the whole of the sub-region.

The challenge of economic and monetary stabilisation

For over three decades, oil has served as Nigeria's growth engine but the emergence of services activities has gradually shrunk its contribution to national wealth (which now accounts for no more than 16% of added value). This has somewhat stabilised the pace of growth at a higher level than the population growth rate (an average 6.3% between 2005 and 2015) and a rise in the level of per capita wealth. Yet, the trickle-down effects of the oil sector on the rest of the economy are still significant (70% of tax revenues and 95% of foreign exchange earnings before the crisis), as demonstrated by the significant slowdown in the growth regime recorded since June 2014, following the sharp fall in oil prices and the ensuing slump in 2016 (-1.6%). While the public debt ratio remains moderate (16% of GDP, plus 6% of contingent debt), the Federal Government's resources have declined, being exposed to fluctuations in oil prices. Debt servicing, which now takes up nearly 65% of fiscal resources, is more worrying. Most of the States are finding it difficult to service their domestic debt, or even cover their current expenditures.[6] Being exposed to the energy sector (almost 30% of outstanding debt), credit activity is showing worrying signs. In addition to decreased lending to the economy and the interest rate hike, the share of non-performing loans for most banks has now reached double-digit figures, while the other balance-sheet ratios are worsening. Pressures on the Nigerian currency have been very strong since 2015 and, from the outset, have been managed through a non-conformist policy by the Central Bank of Nigeria (CBN), which has made atypical choices for its monetary and exchange rate policy. On the official market, the naira was belatedly devalued (in June 2016) by almost 50%.[7] Exchange rates on the free market, however, soared to reach as much as 500 NGN/USD in early 2017. Since March 2017, the CBN has re-injected dollars onto the foreign exchange market, which has considerably driven up the value of the naira on the free market.

A lack of infrastructure and the under-exploitation of agricultural potential – hurdles to developing the productive sector

Nigeria's economy is still insufficiently diversified. The growth of the non-oil economy is hobbled by a real crisis in the electricity sector and by the dilapidated state of its transmission infrastructure. The value of its infrastructure stock is very low (35% of GNP). Although half of West Africa's installed power generation capacity is concentrated in Nigeria, which produces 13,300 MW, including 86% from gas-fired power generation and 14% hydro-electric power, the level of power actually available on the grid is closer to 4,500 MW, before technical losses, compared to a demand at least twice as high. This gap is due not only to gas supply bottlenecks, but also to the antiquated and undersized power grid. What's more, only 20% of existing roads are paved and 70% of these are severely damaged. In addition, the management of public services is deficient. In these circumstances, the formal non-oil industrial sector, although growing, is still small, contributing less than 7% to GDP.

Although its contribution to GDP has declined in recent decades and now accounts for only about 30%, the agricultural sector still employs over two-thirds of the country's work force.[8] The constraints on agricultural development are very diverse: local customary land tenure is a complex matter and largely unfathomable; irrigation infrastructure only serves 1% of agricultural land;[9] inputs are not sufficiently available, cultivation techniques are barely evolving and access to credit remains limited (only 1.4% of bank activity); the level of mechanisation is also very poor; storage infrastructure (silos, etc.) and transport infrastructure (national road network, but also rural roads) are scarce and degraded, which leads to high post-harvest losses, estimated at 40%. Most of Nigeria's hundred million farmers work, with their family, an area of land of around one hectare, mainly for their own subsistence. They sell their surplus produce on local markets, often when prices are at their lowest. The sectors involved in agro-industrial processing and the creation of added-value are finding it difficult to develop on account of the intermittent supply of electricity.[10] Export markets are mostly out of reach owing to the difficulty of complying with phytosanitary standards. The producers' low level of organisation is not conducive to the sharing of services (for production, storage, transport or commercialisation). Agro-business is thus underdeveloped in Nigeria, although it has begun to revive since 2010 with the establishment of Nigerian and foreign groups. Very few products are converted and even fewer exported. On the other hand, Nigeria imports processed products in bulk. The challenge is thus to reconcile a productive apparatus that relies on a large unskilled work force and an underdeveloped system for transformation/commercialisation.

In 2017, the risk of famine is still present, chiefly in the north-western part of the country: in May 2017, 4.7 million people were affected by food insecurity in the States of Borno, Adamawa and Yobe,[11] and this figure rises to 7 million people for all of the the northern States combined.

[6] The combined deficit of the 36 States in the Federation is estimated at one trillion naira at the end of 2015.
[7] 160 NGN/USD in May 2015 compared to 340 NGN/USD in March 2017.
[8] The large majority of these live on under one dollar a day.
[9] And the existing infrastructure is little or poorly maintained.
[10] Apart from a few major projects supported by the private sector (Dangote, etc.) that benefit from the deadweight effect of a highly protected market.
[11] Classified as 3, 4 or 5 on the scale of the Integrated Food Security Phase Classification / IPC; source: "Cadre harmonisé du Nigeria".

Weighty environmental challenges

In 2013, the country's greenhouse gas emissions were estimated by the World Resources Institute (WRI) at 491 million tonnes of CO_2 equivalent, or in other words over 2.5 tonnes per capita and by year (compared to 6t in Europe). The highest emitting activities are deforestation and change in land use, energy, agriculture and waste. The objective expressed by the Nigerian government in its contribution to the Paris Agreement (Intended Nationally Determined Contribution, INDC) is a 45% emissions reduction by 2030 compared to a "business-as-usual" trajectory. To reach this objective, the INDC[12] recommends reducing the use of charcoal to limit deforestation, recovering the gases associated with oil production (ending gas-flaring and reusing the gas for other purposes), improving energy efficiency, using renewable and decentralised (off-grid) energies, developing public transport, etc. The Economic Recovery and Growth Plan (ERGP) published in March 2017 makes no reference to these, except for putting an end to gas-flaring by 2020. The Plan, in fact, advocates using more coal for power generation.

Given its geographical characteristics, its sustained demographic growth and the markedly high population density in coastal areas, large social inequalities and the structure of its economy, Nigeria can be seen as highly vulnerable to the effects of climate change. Its large population is a factor that exerts strong pressure on ecosystems and, in turn, a factor of high exposure. Moreover, the escalation of exceptional climate events is being felt by agricultural activity and impacting food security in the country and the sub-region. The resilience of agricultural and urban systems (mainly in Lagos on the coast) is core to this vulnerability. Nigeria is also facing an upsurge of catastrophic climate-related events: drought and desertification in the North, flooding and soil and coastal erosion in the South. Oil pollution is also present in the Niger Delta mainly due to gas-flaring and oil spills caused by theft and illegal oil refining. Few adaptation strategies have been implemented by public institutions at either national or individual-state level. Be it in urban or rural areas, adaptation mechanism are non-existent and the individual resilience of those concerned, particularly the poorest, is being sorely tested (urban flooding with strong impacts on deprived neighbourhoods, high agricultural losses, etc.).

> "
> *Most of these sustainable development challenges are fragilities that affect Nigeria as much as Africa as a whole, given the country's demographic and economic weight. Their interconnectedness makes for the complexity of Nigeria.*

1.2 A RECENTLY FORMALISED COUNTRY STRATEGY

Since the introduction of democracy in 1999, successive governments have foregrounded the same priorities: electricity and energy, food security, wealth and job creation, transport, land reform, security and education. The political transition in 2015, with President Buhari's accession to power and the recently formed coalition under the All Progressive Congress (APC) party, has not really reshuffled the cards. The APC's programme was in the form of a political manifesto, "A new party for a new Nigeria", and viewed as the strategy of the new team when it came to power. This translated three priorities as from May 2015: (i) fighting corruption, (ii) improving security and (iii) rebuilding the economy.

It was in March 2017 that, faced with a major economic crisis, the Nigerian government formalised its economic strategy. It published its Economic Recovery and Growth Plan (ERGP),[13] a medium-term plan covering the period 2017–2020. This is based on several existing sectoral policies such as the Nigeria Integrated Infrastructure Master Plan and the National Industrial Master Plan, as well as the more recent Power Sector Recovery Plan, published simultaneously. A Fiscal Sustainability Plan had also been published several weeks earlier. The ERGP is the vehicle for promoting more diversified, more sustainable and more inclusive growth (hence less dependent on oil resources).

The ERGP has three strategic objectives: restore economic growth, improve human capital and build a competitive economy. This entails the following priorities:

• macroeconomic stabilisation: align monetary, trade and fiscal policies; accelerate the generation of non-oil revenues (the authorities intend to increase the tax-to-GDP ratio from 6% in 2016 to 15% by 2020); drastically cut expenditure; privatise state enterprises and dispose of state assets;

• agriculture and food security;

• improvement of transport infrastructure: build priority transport infrastructure; mobilise the private sector to finance this;

• increase in electricity and oil production: step up oil production; extend electricity infrastructure; reinforce oil-refining capacities;

• industrialisation of the country, with priority set on SMEs: improve the business environment; accelerate implementation of the national industrialisation plan.

These priorities are backed by diverse measures.

Publishing this plan was crucial in order to give direction to the government's socio-economic strategy, but also to restore the confidence of local and foreign economic investors in a context of economic recession.

[12] See http://www4.unfccc.int/submissions/INDC/Published%20Documents/Nigeria/1/Approved%20Nigeria's %20INDC_271115.pdf.
[13] See http://www.nationalplanning.gov.ng/images/pub/ERGP %20document %20as %20printed.pdf.

At the broader regional level, Nigeria is keen to fully play its role as the leading economic power in the Economic Community of West African States (ECOWAS). Looking further afield than Africa, the Community's external policy leans toward the BRICS countries. The Nigerian government is setting its sights on the country's eligibility for G20 membership by 2020.

> *The amount of ODA represented only 0.45% of gross national income in 2014, which is a much lower level than for other SSA countries.*

1.3 A COUNTRY WITH A MINIMAL DEPENDENCE ON ODA FLOWS

The Nigerian State's minimal dependence on ODA

Since the treatment of its debt by the Paris Club in 2005 (two-thirds cancelled), Nigeria has followed a prudent approach to external borrowing, especially bilateral loans. Since 2010, the acquisition of external debt has been subject to approval by the National Assembly (external borrowing plan), then to a case-by-case approval by the Federal Executive Council (FEC). The States are prohibited from contracting external or foreign currency-denominated debt without the approval and guarantee of the Federal Government. The interest rate on external loans is regulated by an external debt cap of 3%.

In this setting, levels of debt are low, not only the level of the debt burden[14] in general (16% of GDP, estimated end 2016, of which 80% in local currency) but also external debt in particular (4.6% of GDP end 2016, i.e. USD 11.4bn of debt stock, of which over 70% was contracted with the multilaterals[15,16]). However, the Federal Government's fiscal revenues have fallen, as these are highly exposed to oil price fluctuations (over 70%). This was coupled with greater recourse to domestic and external borrowing to balance the budget at a time when the naira was collapsing and interest rates rocketing. This has led to heavier debt service obligations, which took up almost 65% of the Federal Government's budget receipts (first quarter 2016). As for the 36 States, they recorded arrears in repayments to the Federal Government given their difficulty in servicing their domestic debt and meeting their current expenditures.

Nigeria is not in an IMF programme. The amount of ODA represented only 0.45% of gross national income (GNI) in 2014, which is a much lower level that the average for the other SSA countries (2.7% in 2014)[17].

A handful of donors providing loans

The WB is the leading donor in Nigeria. Since mid-2103, it has been able to operate by combining the financing tools of the International Development Association (IDA) and International Bank for Reconstruction and Development (IBRD) but, in practice, it mainly uses its IDA instruments. The WB's annual commitments to Nigeria vary between USD 1 and 2 billion. In 2016, the Bank committed a little over USD 1 billion. It plans to commit USD 2.65 billion in 2017 in the form of project aid and over USD 2 billion of sectoral budget aid. It has announced a 30% increase for its IDA envelope over the upcoming years.

The WB is involved in financing all types of infrastructure (transport, rural roads, water, electricity, irrigation) as well as education, health, the environment, agriculture, and governance or SME financing. It responds to government requests (creation of two refinancing structures for the housing sector and for support to SMEs, rescue of the electricity sector, budget aid for macroeconomic adjustment, etc.). It supports several national sectoral programmes (urban water, rural roads, federal roads, irrigation, etc.) that can potentially cover all the States (provided they are eligible), and programmes open to co-financing with other development partners such as AFD (for water and rural roads).

After an exceptional 2016, the AfDB will likely slow down its commitments over the coming years. It now operates to a lesser extent through its concessional window, the African Development Fund. It is focused on infrastructure (electricity, water, etc.), agriculture, human development, youth employment and resilience to climate change. More recently, it has developed an integrated post-conflict approach in the north-western part of Nigeria, including rural water, sanitation and social protection.

Lastly, another multilateral donor operating through loans is the Islamic Development Bank (IsDB), which opened a country office in 2016 in Abuja. Its priorities are agriculture, drinking water, roads, energy and the banking sector. Its annual commitments range between USD 150 and 200 million.

The emerging donors, especially China[18] and India, are very present in Nigeria, notably in the infrastructure sector (electricity, rail transport, and airports in the case of China). Lending by Exim Bank of China is for the most part in the form of tied loans and involves substantial amounts (USD 9.5bn announced early 2017) for infrastructure financing (Abuja light rail, Lagos subway,

[14] Excluding contingent debt, this is estimated at 6% of GDP.
[15] Recently added to this is the AfDB's USD 600m global budget support, and in the first quarter 2017 a USD 1.5bn Eurobond issue.
[16] USD 6.7bn from the WB and USD 1.12bn from the AfDB.
[17] In 2014, USD 13.9/capita. in Nigeria compared to the SSA average of USD 47.77/capita.
[18] China is by far the leading bilateral lender to Nigeria with USD 1.6bn outstanding as at 31/12/2016.

various railway lines, electricity distribution in the Federal Capital Territory [FCT], etc.), agricultural mechanisation, etc.

Neither the European Investment Bank (EIB) (which is only active in banking intermediation, save in exceptional cases), nor the Kreditanstalt für Wiederaufbau (KfW) (which has very few operations in Nigeria), nor Japan International Cooperation Agency (JICA) (which focuses on technical assistance and grants) are very active in the area of sovereign loans to Nigeria. This means that AFD is, along with China, one of the main bilateral lenders to the country. Outstanding sovereign debt as at 30/06/2017 (EUR 191.2m, for gross sovereign commitments of EUR 819.4m) is nonetheless almost negligible compared to the scale of the country's GDP and debt burden. The outstanding amounts will likely rise sharply over the period 2017–2021 as and when the aid allocated in recent years is disbursed..

Grant donors focus primarily on the social sectors

The United Kingdom's Department for International Development (DfID) is the most active grant donor, operating in numerous sectors, with a grant or technical assistance envelope of GBP 1.1bn for the period of its latest operational plan (2011–2016). The plan was updated to specifically target the strengthening of good governance at all levels, improvement of the business environment and support for basic services.

The National Indicative Programme (NIP) 2014–2020 of the European Union (EU)[19] amounts to EUR 512m and focuses on health, nutrition, governance and sustainable energy. At the beginning of 2017, the whole of the NIP was already committed, as were the Emergency Trust Fund (ETF) amounts earmarked for Nigeria, with the exception of projects directly relating to migration management. Eight-five per cent of the Regional Indicative Programme (RIP) will be committed by the end of 2017.

The United States international development agency (USAID) contributes USD 650 million a year to multiple sectors: health first and foremost, then education, water and sanitation, agriculture and food security, governance, etc.
Unlike the KfW, the German Gesellschaft für Internationale Zusammenarbeit (GIZ) is very present in Nigeria, and mobilises over 80 technical experts and annual funds of around EUR 30m in the sectors of sustainable economic development, energy, education and regional integration. It implements a strategy that leverages EU funds which it has used to set up a large-scale programme in support of renewable energy (Nigerian Energy Support Programme/NESP), which should be renewed in 2018.

Finally JICA is working above all to improve basic infrastructure (energy and transport, solid waste), social development in urban areas (water, health) and support to rural areas, particularly by mobilising technical expertise and grants, but the agency ultimately intends to propose sovereign loans.

Minimal donor coordination

The Federal Ministry of Budget and National Planning, in charge of strategic planning, is responsible for coordinating grant donors, whereas the Federal Ministry of Finance is responsible for loan donors.

The coordination effort among donors or development partners initially focussed on strategic programming and drafted a Country Partnership Strategy (CPS),[20] propelled by the WB and DfID, between 2005 and 2012. Thereafter, a Country Assistance Framework (CAF) spanning the period 2013–2015 was drawn up and piloted mainly by the WB. The exercise has not been renewed since then for want of real leadership from both the government and donors. The CAF was nonetheless able to reactivate a number of sectoral groups such as those dealing with water and sanitation (co-chaired by JICA and AFD until 2015), agriculture and energy, but there is still little concerted operational dialogue with the technical ministries. The Cooperation heads convene once a month to discuss Nigeria's macroeconomic situation and various current topics. These meetings take place under the umbrella of what is called the Development Partners Group (DPG) – AFD participates in this group, but the emerging donors are totally absent. This informal forum has no structured dialogue with the government. Each month, the EU also convenes with the heads of European cooperation, which enables a minimum of information-sharing in the absence of a joint programming document (JPD).

It should be noted that the partners operating in the north of Nigeria coordinate their efforts within the framework of a "North-East development" sub-group to bring responses to this region's development challenges.

> "
> *AFD is, after China, the main bilateral lender to the country. Its outstanding sovereign debt is nonetheless negligible with regards to its GDP and debt.*

[19] See https://eeas.europa.eu/sites/eeas/files/2014-2020_national-indicative-programme_nigeria_en.pdf.
[20] The CPS is a joint intervention strategy document drafted by four of Nigeria's major donors: the WB, the AfDB, DfID and USAID. AFD was associated with its elaboration as from 2009.

1.4 EXCELLENT BILATERAL RELATIONS

Nigeria's economic power is today reinforced due to its emergence on the political stage both in Africa and the world at large. Since 1999 and the beginnings of the democratic transition, the ties between France and Nigeria have been growing closer. This is mainly apparent in their converging viewpoints and cooperation actions to try to find an exit from the crisis in Côte d'Ivoire and the Central African Republic or, more recently, in the fight against terrorism in Nigeria, where the authorities recognise that there needs to be a concerted response at regional level (terrorist groups easily cross national borders in the Lake Chad region).

During President Yar'Adua's Paris visit in June 2008, a strategic partnership between the two countries was announced. Several ministerial visits then helped to flesh out this partnership. In recent years, the common fight against terrorist groups and particularly Boko Haram has brought the two countries much closer together. First, President Hollande visited Nigeria in February 2014, as the only non-African Head of State invited to attend the centenary celebration for the reunification of South and North Nigeria. On this occasion, he reaffirmed his determination to develop a balanced partnership with Nigeria, promoting exchanges between the two countries. He also indicated that AFD funding for Nigeria could reach EUR 660m over the three following years. Then, at President Jonathan's request, President Hollande organised a regional summit in Paris in May 2014, convening all the Heads of State of the countries bordering Lake Chad in order to launch and organise a joint combat against Boko Haram. President Buhari, who came to power in May 2015, made an official visit to France in September of the same year and convened a new regional summit in May 2016 in Abuja, at which President Holland announced the Lake Chad Initiative.[21] A memorandum of understanding was signed between AFD and the Government of Nigeria relating to the development of AFD's activities in Nigeria. France thus crafted the rapprochement between Nigeria and its neighbouring Francophone countries (Niger, Chad, Cameroon and Benin) in the fight against Boko Haram. Today, the political relations between the two countries are excellent.

France is Nigeria's fifth largest customer (mainly for crude oil) with a 6.3% market share and imports worth NGN 5354bn in 2016. It is also Nigeria's fifth supplier, with a 3.9% market share: refined petroleum, pharmaceuticals (32.6% in 2016), agri-food products, etc. It ranks as Nigeria's sixth largest trading partner with a 5% market share. On the other hand, Nigeria is France's biggest trading partner in SSA.

The economic links between France and Nigeria are strong and longstanding. For decades, they have been firmly tied to the oil rigs in the Gulf of Guinea. In 2014, thanks to Total Group, Nigeria was France's third largest supplier of crude oil.

Nigeria is also the main destination for French foreign direct investment (FDI) in SSA, which amounted to EUR 901m in 2014, while the French FDI stock for the country stood at EUR 7.5bn. Total is particularly active in the country: Nigerian production accounts for 12% of Total's global production and the group invests between USD 1–2bn a year there. Although Total ranks only third among the hydrocarbon producers (behind Shell and ExxonMobil), the group is the leading distributor of fuel, with an estimated market share of between 13 and 15%. Unsurprisingly given Nigeria's productive fabric, the extractive industry is the main recipient of French investment with EUR 6.3bn in 2014, representing 80% of French FDI stock in Nigeria. This investment comes mainly from Total E&P, for whom Nigeria is the most important country in terms of production (257,000 barrels/day), but also from oil-related industrial companies (Ponticelli, Technip, Vallourec, etc.).[21] Other sectors where France is present in Nigeria are construction materials (LafargeHolcim), industrial gases (Air Liquide), electrical systems and equipment (Alstom, Schneider Electric), construction (Bouygues, Vinci), insurance (AXA Mansard) and air transport (Air France, Thalès). Aside from the electrical equipment manufacturers and, to a lesser extent, the public works and construction materials companies mentioned above, the small number of French firms operating in Nigeria are not present in the country's value chains receiving AFD support. The country is eligible for project-aid instruments provided by the DG Trésor of the French Ministry of Finance.

Lastly, given the weight and the lead role played by the Nigerian economy in the region, regional economic integration largely depends on Nigeria's action within ECOWAS.

[21] The Lake Chad initiative concretises AFD's ambition to help mitigate the vulnerabilities that have fuelled the Boko Haram insurgency. These fragilities are many and deep-rooted, and partly shared with Nigeria's neighbours in the vast Sahel region. They also stem from the dynamics specific to the sub-region, the geography of the Lake and to the resources it provides. This is a French regional initiative to support the four areas bordering Lake Chad (Chad, Niger, north Cameroon and north-east Nigeria). The initiative has three components: (i) an ad hoc regional project (RESILAC), funded by EUR 5m of grants and by the ETF for EUR 31.1m, to promote the empowerment of displaced populations, refugees and host populations through small-scale economic activity, notably in agriculture; (ii) a group of current and future projects and programmes at the national scale, rolled out in the regions bordering the Lake in Nigeria, with current funding of over EUR 120m; and (iii) an analytical component, aimed at reinforcing and enhancing knowledge of conflict dynamics in the sub-region, supported by funding for the purpose of applied research.
[22] Source: https://www.tresor.economie.gouv.fr/File/426026.

2.

ASSESSMENT OF PAST ACTIVITIES IN LINE WITH FORECASTS

Setting aside AFD's regional-level activity, the 2014–2016 strategy provided for allocation of funding to ten projects (excluding ARIZ guarantees) and financing approvals for EUR 470m of concessional sovereign loans, EUR 177.5m of non-sovereign loans (including ARIZ) and EUR 12.5m of grants (including delegated funds), totalling EUR 660m overall. The overarching goal of this country strategy (the second since the opening of AFD's Abuja office in 2008) was Nigeria's "inclusive and sustainable development" and the strategic objectives were "economic development via inclusive and sustainable growth" and "human development by reducing social and spatial inequalities", with the more operational objectives being to "diversify the economy and improve competitiveness" and "promote sustainable cities". The main activities stemming from these involved "supporting the development of SMEs and family farming", "increase access to energy and promote renewable energies and energy efficiency" and "improve urban infrastructure (access to water, housing, transport, etc)".

At the beginning of 2016, this strategy was realigned to increase the volume of activity, hasten the end of the Boko Haram conflict and prepare a gradual rebalancing of activities towards the north of the country.

Almost EUR 633m were approved by AFD's decision-making bodies for the period in question, excluding regional projects. Excluding the Project Preparation Facility (PPF) and the Fund for Technical Expertise and Experience Transfers (FEXTE), ten projects were committed, including three approvals for ARIZ portfolio guarantees. Although non-sovereign activity is being stepped up (EUR 143.4m in non-sovereign loans and EUR 31m under ARIZ), it still lags far behind sovereign activity, which reaches EUR 462m, including EUR 12.5m in grants. Except for family farming, which is under-represented (EUR 56.4m), the other priorities from the previous strategy are well-balanced, with leadership being ensured by urban development and energy in the lead.

Except for a rubber production project whose appraisal was not carried through, a project to support the housing sector rescheduled for 2018, a power transmission project rescheduled for late 2017 or early 2018, and possible direct loans to electricity companies (partially replaced by a dedicated line of credit), the projects pre-identified in the 2014–2016 strategy were approved over the period, even though their amount sometimes varied considerably. On the other hand, projects that had not been pre-identified at the time the previous strategy was being prepared were appraised and received funding over the period. These include, for example, the Rural Access and Mobility Project in Imo State (RAMP Imo) and the Development Bank of Nigeria (DBN) project, and the credit line for private electricity distribution companies (DISCOs). In practice, it is difficult to operationalise detailed programming in a country such as Nigeria, where appraisal processes may be lengthy and operating conditions fragile.

As at 31 December 2016, all the corresponding financing agreements had been signed, except for two ARIZ portfolio guarantees and two projects that were approved in late 2016 (the urban water project, Water III, and the RAMP Imo project). In addition to the latter two projects, disbursement for two other projects had not yet started: a project to support vocational training in the electricity sector and the second to support DISCOs.

Three of the projects funded over the period concerned were co-financed, including two through EU delegated funds. Moreover, three fell within the framework of WB-supported national programmes for urban water and rural roads. In the latter case (RAMP Imo), AFD has renewed its partnership with the WB, delegating project monitoring to the Bank, as it had already done for the previous RAMP 2 project. On the other hand, in the water sector, AFD now directly supervises the two projects approved during the previous three-year period, namely Water III and Ogun Water.

Geographically, AFD now operates directly in thirteen[23] of the thirty-six States, and indirectly across the entire country through ARIZ portfolio agreements, support for the electricity distribution sector, the creation of DBN and the project for vocational training in the electricity sector.

The range of financial instruments mobilised initially focused on sovereign loans, but this was expanded to include credit lines, ARIZ guarantees and grants via EU delegated funds. Public non-sovereign activity was still non-existent for want of public counterparties that are bankable or irreproachably governed. On the other hand, banking activity grew substantially due to a specialised credit line and three ARIZ portfolio agreements. Over the period, AFD was not in a position to conclude direct loans to companies. This was mostly due to the absence of an adapted offer in local currency.

> “
> *The range of financial instruments mobilised initially focused on sovereign loans but was expanded to include credit lines, ARIZ guarantees and grants via EU delegated funds, with total commitments reaching EUR 660m over 2014–2016.*

[23] Lagos, Cross River, Niger, Osun, Adamawa, Enugu, Ogun, FCT, Ondo, Plateau, Cross River, Imo, Borno.

3.

A SEAMLESS AFD INTERVENTION STRATEGY

3.1 STRATEGIC ORIENTATIONS IN LINE WITH THE NIGERIA'S PRIORITIES AND AFD'S PRIORITIES FOR AFRICA AND THE WORLD

For the 2017–2021 period, a little less than ten years after operations in Nigeria began, AFD is proposing some strategic changes rather than a complete overhaul of its intervention framework. In fact, although the country's macroeconomic, political and security environment has changed, its fundamental components and weaknesses persist: high growth potential, demographic pressure, exposure to climate change, fragile social cohesion, colossal investment needs, social and geographic inequalities, etc. The new orientations take into account (i) AFD's priorities at world level and in Africa, in line with the strategic orientations of France,[24] but also (ii) changes in the Nigerian government's economic and social policy, and lastly (iii) the context of a gradual exit from the "Boko Haram crisis", in a still structurally fragile environment.

Out of the three main strategic priorities of the Nigerian government (relaunching economic growth, building a competitive economy and improving human capital), whose ultimate purpose is to "promote inclusive growth", AFD is prioritising the **economic factor** while at the same time ensuring that the country's development is sustainable and that its benefits are equitably shared, in line with AFD's regional strategy in SSA.

The overarching goal of AFD is thus to **contribute to developing a competitive economy that creates jobs and wealth and a shared, inclusive and resilient development.** Four operational objectives, largely aligned with the strategic priorities of the Nigerian authorities (ERGP) and AFD's priorities for Africa, have been foregrounded, with cross-cutting integration of the issues of the reduction of gender inequality and the fight against climate change:

1. **Support economic diversification of the non-oil economy,** mainly through financial innovation and targeting SMEs, PPPs and agriculture;

2. **Promote the low-carbon energy transition** by securing the electricity system and developing renewable energies and energy efficiency;

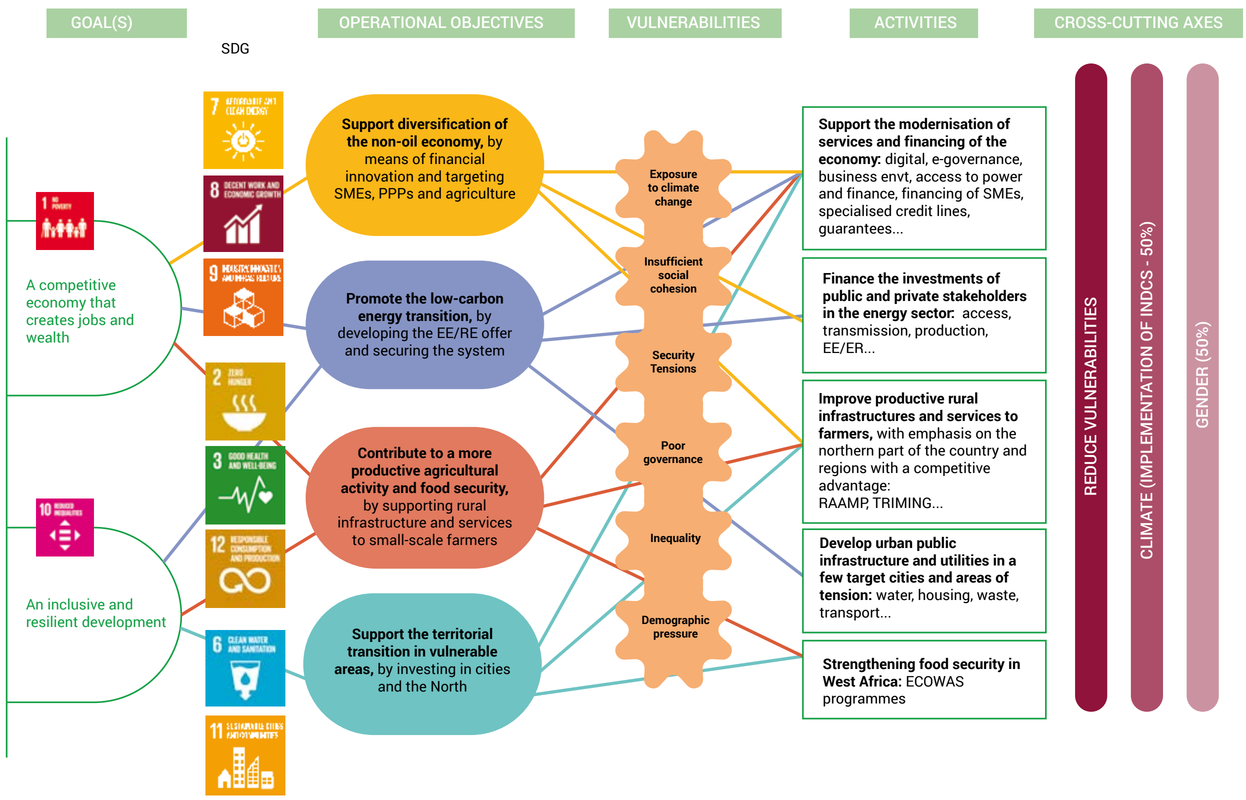
3. **Contribute to a resilient and more productive agricultural activity and food security** by supporting rural infrastructure and services to small-scale farmers;

4. **Support the territorial transition** (including vulnerable areas) by investing in a few cities and the North of the country.

Based on an analysis of the sustainable development issues and political priorities of the Nigerian government, these choices take

[24] France has set priority on Africa, as an emerging continent of the 21st century. The approach underpinning this strategy is the strengthening of France's action in countries that are emerging from crises and/or in fragile situations. Lastly, the strategy is in line with the 2030 sustainable development agenda as it involves steering and implementing actions conducive to achieving the sustainable development goals (SDGs).

AFD's Logical Framework of Intervention in Nigeria



into account the added value that AFD can bring to a country like Nigeria (compared to other development partners), the Agency's financing instruments (mainly loans), as well as the opportunities they offer in terms of co-financing.

Some of the identified fragilities are directly targeted (exposure to climate change, territorial inequalities, the country's insufficient cohesion, poor governance, under-sized infrastructure notably in the electricity sector, etc.), while others (demographic pressure, security-related tension, etc.) are not tackled head-on. As far as the latter are concerned, AFD will nonetheless make sure to "do no harm".[25]

AFD's "All Africa" Strategy will be implemented through a transnational point of interest, "Lake Chad", and more specifically through the Lake Chad Initiative. In addition to this, AFD will support Nigeria for several major African transitions: the energy and territorial transitions, very directly as operational priorities; the ecological, digital and citizenship transitions via specific activities. It will also deploy a multi-stakeholder strategy with priority given to the WB, AfDB, PROPARCO and ECOWAS.

Finally, innovation will be a key component of the financial instruments that AFD wishes to propose to Nigeria.

AFD's logical framework for intervention in Nigeria is presented on the previous page.

3.2 RENEWED OBJECTIVES AND ACTIVITIES

To achieve its objectives, AFD intends to carry out the different activities described here. Some of the activities were already begun under the previous strategy and will bolster the stated objectives, notably in the electricity, urban and agricultural areas, as well as SME financing and food security. Other activities will be more innovative.

Support the modernisation of services and financing the economy

Financing for the private sector remains one of AFD's priorities in Nigeria in order to ensure diversification of the economy and promote job creation. Over the period 2017-2021, AFD will continue to support development of the private sector despite the 2016–2017 economic crisis. To this end, the Agency will set up new credit lines to the soundest local banks (PROPARCO, generally, and AFD for some specialised lines under AFD's green SUNREF label, for cultural and creative industries and higher education) or grant ARIZ/EURIZ guarantees, mainly as portfolio guarantees. AFD will also bolster its partnership with DBN, already supported via a credit line, by developing a national guarantee product that could potentially be counter-guaranteed by the ARIZ window. The Agency could consider renewing its AFC refinancing operation during the period, depending on the results obtained under the assistance granted early 2017.

In parallel, AFD will support the drive to mobilise national savings in the direction of Nigerian infrastructure by developing financing products tailored to local stakeholders. For this, the Agency is considering support to:

• the financial institution InfraCredit, partnered by the Nigeria Sovereign Investment Authority (NSIA), to develop long-term local currency financing for private infrastructure projects (a type of contingent-capital tool);

• the Nigeria Mortgage Refinance Company (NMRC) and possibly alternative federal initiatives (e.g. the Family Home Fund) aimed at promoting better access to housing for low- or moderate-income households through guarantee schemes (credit enhancement for bond issuance, or development of insurance products) or non-sovereign loans;

• the few solvent States (such as Lagos State) for their issuance of local currency bonds, preferably green, thanks to a sub-sovereign guarantee offer;

• the independent power producers (IPPs) in the electricity sector, via a Partial Risk Guarantee (PRG) alongside the WB and the AfDB (*cf. infra*).

These operations are nonetheless constrained by Nigeria's macroeconomic environment and the absence of a local currency offering on the part of AFD.

Lastly, AFD and PROPARCO will promote joint AFD Group offers to finance private economic actors whenever possible, primarily for the electricity sector and agro-industry, through corporate loans or banking intermediation when appropriate. AFD will proactively promote the future joint CDC/AFD investment fund, which first and foremost targets companies in the electricity, digital, housing and transport sectors. Business ties will be strengthened as much as possible with the NSIA, which is highly involved in these sectors.

Outside the scope of non-sovereign financing, but as a contribution to modernising services to the economy, support for public administration governance will be envisaged over the period. This would involve providing support to the Federal Government and/or certain States to help them increase non-oil fiscal revenues (preferably with the WB) and improve the business

[25] The "Do no harm" concept is defined as the principle of ensuring that an intervention does not inadvertently reinforce the factors of fragility or conflict. By extension, it involves all of the methodologies for analysing the context and decision-making tools enabling the aid actors to make changes to projects so as to reduce the negative effects.

climate, chiefly by proposing digital solutions (e-governance and open-governance). AFD will also make efforts to establish partnerships with grant donors working on the same theme: delegated funds or loan/grant blending could be leveraged to this end. In the area of digital technology, in addition to e-governance, AFD could propose sovereign loan financing for some public investments, particularly to promote universal access or digital identification. This support would help to further the country's **digital transition.**

Finance investments of public and private stakeholders in the energy sector

The recently privatised energy sector has huge needs for investment and thus for sovereign and non-sovereign financing. Although the country's installed power generation capacity is 13,300 MW, the actual capacity available on the grid is limited to around 4,500 MW (in 2016), compared to a demand that is at least twice as high. This gap can be explained by constraints relating to transmission capacity, the obsolescence and lack of maintenance on production infrastructure (the effective installed capacity was estimated at 6,800 MW in 2015), but also by gas supply bottlenecks. On top of this, political tensions have recently fuelled anti-social acts and vandalism in the Niger Delta, which has led to deteriorating conditions for operating and exploiting hydrocarbons and, in turn, for the electricity sector. Overall losses from the power output are very high, estimated at over 40%. Distribution of available power is irregular and unreliable: recurrent load-shedding compels a large part of the population and almost all companies to have their own power generation equipment, mainly generator sets that are costly and polluting. The whole sector reports huge cross-debts, which curbs the willingness to invest. These debts are mainly due to tariffs that undercut costs and to public sector budgetary constraints. In these circumstances, the electricity supply is now in serious crisis and constitutes a major obstacle to the country's economic and social development.

However, in early 2017, the Nigerian government recently approved an ambitious programme to restructure the sector, supported technically and financially by the World Bank Group. It plans notably to clear the public debts, adjust tariffs, inject liquidities to clear cross-debts, deploy a vast programme to install electricity meters, implement priority transmission projects, etc.

Given the significant lag in the sector's infrastructures and the credibility of the sector's recovery programme, AFD Group will continue to support the programme by mobilising sovereign and non-sovereign instruments, including as far as possible instruments to guarantee public-sector payments, along the lines of the PRGs for independent solar power producers (many of whom are in the north of the country), on a risk-sharing basis with the WB or the AfDB.

More specifically, AFD will provide support to (i) boost the operational capacity of power transmission (at both national and regional level, under the West African Power Pool [WAPP]), via loans to the Federal Government, (ii) upgrade the distribution network and strengthen the operational power capacities of the operators via specialised credit lines to commercial banks and, if appropriate, (iii) guarantee schemes for purchasing electricity or covering the producer against the risk of non-payment by the public buyer in the context of the solar power projects being set up. To this end, AFD will notably mobilise its SUNREF product for small-scale renewable-energy and energy-efficiency projects, in partnership with the EU, based on a blend of loans and grants. In the longer term, access to electricity could also receive AFD's support, especially for rural areas, once institutional constraints have been lifted. Of course, the project approved in early 2015 to support vocational training for the electricity sector will be implemented during the term of the strategy. This could be extended in due course to the theme of vocational training on clean and renewable energies.

Lastly, AFD Group could support the reduction of gas-flaring at oil wells, on the basis of the financial arrangements identified in the related analysis undertaken in early 2017. An in-depth study on Nigerian gas-flaring has in fact been conducted. This has helped to clarify the issues and constraints of the sector and proposes financing solutions. It will be circulated to the government and other donors in order to feed into a shared dynamic. It will also serve as a basis for prospecting projects in this area (non-sovereign finance, at this stage).

More generally, AFD will support projects that are exemplary from the point of view of climate.

All of these activities will specifically help to further Nigeria's low-carbon **energy transition.**

Improve rural productive infrastructure and services to farmers

The agricultural sector suffers from deficits in all domains: poorly adapted land rights; road, irrigation and storage infrastructure is either non-existent or poorly maintained; access to inputs, credit and farming techniques is inadequate; downstream segments of the value chains are insufficiently developed and the producers poorly organised…

In these conditions, AFD will continue to focus on basic infrastructure that can open up Nigeria's agricultural potential: rural roads to help market the produce and, a more recent element, large-scale irrigation in the north of the country, which is a key lever to enhance productivity and thus help reduce conflict over the long term. These priorities respond to Nigeria's needs, are in line the government's policy and can be financed via sovereign loans. As far as possible, these technical entry points must also help to support the efforts of the States to give farmers easier access to (i) financial services and agricultural training, (ii) inputs, (iii) adapted storage solutions, (iv) processing facilities and (v) markets.

As the amounts of sovereign loans that can be mobilised do not enable AFD to produce decisive impacts on a national scale, the Agency will seek to operate under national programmes (RAAMP, TRIMING) and use co-financing arrangements with donors such as the WB or the AfDB, who invest massively in rural development, in order to create corresponding leverage effects. The co-financing arrangements tested under the RAMP Imo project provide for AFD's aid to be wholly dedicated to one or several States within the federal programme supported by the key partner. This enables the Agency to benefit from the experience of the partner and the institutional scheme put in place (federal project management unit, procedures, etc.). At the same time the Agency can maintain privileged relationships with a small number of States (preferably those in which AFD already operates in other sectors and in the north of the country).

This approach will also make it possible to gradually rebalance the Agency's portfolio towards the north of the country, as new partnerships can be forged with the northern States at the same time as dialogue continues with the southern States where AFD already intervenes.[26]

Today, the prospects for operations supporting rural infrastructure involve the third phase of the RAMP project (RAAMP 3), now under preparation with the WB, and the project to transform the irrigation sector in the north of Nigeria (TRIMING), which is also funded by the WB and currently in progress. Some of the

[26] AFD operates (RAMP 2) in three southern States: Osun, Enugu and Imo; and in two middle-belt States: Niger and Adamawa.

latter project's perimeters that are now subject to pre-feasibility studies will not be financed by the WB.

In addition to this focus on infrastructure, AFD's sovereign activity in Nigeria's rural sector could more opportunistically take an interest in other services (credit, inputs, market access, agricultural training, etc.) or in other growth areas (rubber, yams, manioc, shea nuts, sesame, peanuts, cashew, peaches, livestock farming, etc.) where the country enjoys comparative advantages.

With respect to its non-sovereign activity, AFD Group is constrained, until proof of the contrary, by the lack of a local currency offering, which compels it to focus on financing agro-industrial projects focussed on export. This subject falls within PROPARCO's domain of expertise, and joint Group offers could be developed in this area.

Lastly, and taking a more opportunistic approach, AFD could study co-financing with the Green Fund for an agroforestry programme in the State of Ogun, should a bankable project emerge.

Develop public urban infrastructure and utilities in a few target cities and areas of tension

Developing urban infrastructure is critical for a successful territorial transition and also to contain the impact of Nigeria's powerful urban and demographic dynamics. Several components are envisaged on this count and focus on a few target cities: access to drinking water and sanitation, urb;an transport and housing. An intervention in the waste sector could also be considered subject to several prerequisites (the project owner's capacities, availability of land, management of the environmental and social aspects).

Ensure and sustain access to drinking water and sanitation in urban areas

Following on from the commitments made during the previous period to improve access to drinking water in urban areas, AFD will continue to financially support the National Urban Water Service Reform Programme (NUWSRP), chiefly by its continued support to several major urban centres already funded during the previous phase and which had shown satisfactory results. The funded projects will aim to improve (i) access to drinking water, (ii) the financial sustainability of utility companies by increasing their revenues and reducing their technical and commercial losses, and (iii) urban water governance, mainly by promoting PPPs. Additionally, during a first phase, AFD will address urban sanitation in the area of waste water and faecal sludge management. On this count, sovereign loans will be granted to the Federal Government, which will then on-lend them on the same terms to the States concerned. The state-owed water utilities will continue to act as implementing agencies. Non-sovereign loans cannot be envisaged until financial autonomy has been achieved, which is unlikely over the period under consideration, even if our projects contribute to their progress.

Coordination with the WB and the AfDB, which are also supporting the NUWSRP, will be continued, notably with respect to the geographic distribution and the support provided at federal level to the Federal Ministry of Water Resources (FMWR).

Facilitate access to housing

As far as urban development is concerned, AFD will also support the government's initiatives to improve access to housing for low- or moderate-income households. AFD could support the CBN, in partnership with the WB, in developing insurance products that open up mortgage loans to households with no capital or in setting up schemes to make housing loans more affordable. As mentioned earlier, AFD could also support the raising of funds by NMRC on domestic markets through a credit enhancement scheme that develops mortgage credit for households. Lastly, AFD could support – in conjunction with the WB but through non-sovereign loans – the creation of the Family Home Fund currently in progress.

Promote urban transport

Problems of urban mobility are acute in Nigeria, especially in major cities such Lagos, Abuja, Kano or Ibadan. Lagos State is the only State to have adopted structured solutions to address these issues by carrying through vast institutional reform and implementing the programmes Lagos Urban Transport Projects 1 and 2 (LUTP 1 and 2) and, more recently, by preparing the Lagos State Transport Master Plan 1 (LSTMP 1). AFD, along with the WB, is a leader in this sector. The French Council of State and AFD carried out a study on PPPs and advised that a concession should be awarded for urban transport services in the Lagos metropolitan area. Most importantly, AFD and the WB have co-financed the LUTP 2 project. AFD is appraising alone financing for implementation of the LSTMP 1 project, which should be supported by a sovereign loan at the beginning of the term covered by the current strategic document. Later, a new urban transport project could be funded in another State.

In all cases, AFD will systematically target infrastructure for public transport, intermodal transport and/or traffic fluidity. It will also promote clean transport and transport management, notably by providing institutional support to the relevant public agencies such as LAMATA in Lagos, a city with which a long-term partnership has now been launched.

Move from a project approach to a more systemic approach

In those States that are the most financially autonomous and demonstrate the soundest governance (Lagos, in a first phase, then possibly Kano), AFD will try to move from a classical project aid approach to a more programmatic and partner-centric approach in the form of budget support (similar to the WB's "performance-based agreement" model) and support to strengthen local governance. Given that direct lending to the States is impossible without a guarantee from the Federal Government, AFD will, in some cases, propose to enhance bond issuances in local currency via sub-sovereign guarantees.

In other non-urban areas of tension such as the north-east of the country, AFD will implement the regional RESILAC programme, adopted at the end of 2016, to assist not only the populations displaced by the Boko Haram conflict, but also the host populations. This programme is part of the transnational Lake Chad initiative. The Agency could supplement this initiative with one-off actions aimed at the reconstruction / modernisation / densification of basic urban infrastructure within the same area, should the opportunity arise, mainly by providing a conduit (common fund) and a financial instrument (Vulnerability Facility). Moreover, support could be given to NGO initiatives in the same area, were the French NGOs to seek AFD co-financing for reconstruction of the North-East, once the emergency phase has abated.

Improving food security, which is among the activities that the Abuja office will step up over the coming period, is not dealt with in detail here given that it involves an activity that falls within the support provided to ECOWAS and its agricultural policy. This only indirectly concerns Nigeria (cf. Box), even though the country will be a beneficiary in the same way as the other ECOWAS member countries.

AFD's activities in support of ECOWAS

At regional level, Nigeria is the "heavy-weight" of ECOWAS, accounting for 60% of the Community's population and 72% of its GDP. For Nigeria, ECOWAS is a key vector for its integration into a predominantly Francophone region. The ECOWAS headquarters have been hosted by Nigeria at Abuja since the Community was created in 1975.

In January 2005, the ECOWAS Heads of State and Government adopted a regional agricultural policy, ECOWAP. This aims to improve food security, drive economic and social development and reduce poverty and inequality between the territories of West Africa. To secure the region's food sovereignty, ECOWAP is seeking to ensure most of the food needs for a population set to double over the next 25 years (290 million inhabitants in 2008, upwards of 500 million in 2030).

As a key actor in regional integration, ECOWAS has received increasing support from AFD since 2010. The Agency has set itself the objective of strengthening the relevant regional organisations in West Africa. AFD's operations are focused mainly on the food security and agriculture sectors and provide ECOWAS with support to implement ECOWAP. AFD thus delivers technical and financial assistance to three key regional projects in the agricultural sector, for a total amount of EUR 58m: the West Africa Food and Nutrition Security Support Programme (PASANAO), the project to support the regional programme for fruit fly control in West Africa (PLMF) and the project supporting the Regional Food Security Reserve in West Africa (RRSA). Added to this portfolio is the project to support the agro-ecological transition in West Africa (PATAE), which was allocated EUR 8m in early 2017.

In this area, partnership with the EU is at the core of the Agency's approach. Out of the EUR 66m grants already allocated to ECOWAS by AFD, EUR 46m are EU delegated funds, via the 10th EDF RIP. An additional EUR 30m have more recently been requested from the 11th EDF RIP to round off funding for PATAE, in the form of delegated funds.

Furthermore, AFD has a fully active role in the group of donors supporting ECOWAP. Since 2009, this group has committed to bring all of their support related to agricultural development and food security into line with ECOWAP's orientations and to promote the effectiveness of regional aid in these sectors.

Today, AFD is a key partner of ECOWAS and its agricultural policy. The partnership could be extended to new themes such as managing population growth, a subject that has taken on foremost political importance in West Africa.

3.3 CROSS-CUTTING OBJECTIVES CONSISTENT WITH AFD'S PRIORITIES AT GLOBAL LEVEL

Through its actions in Nigeria, AFD will contribute to the Group's commitments regarding climate change and gender issues. In light of Nigeria's specific weaknesses, combatting vulnerabilities will form a third axis that cross-cuts the entire spectrum of AFD activities.

Contribute to enabling a "low-carbon" transition and a development pathway resilient to climate change

Given the climate issues in Nigeria, be it in terms of greenhouse gas emissions or the impacts of climate change, AFD will now set climate as a priority objective that cross-cuts its strategy, whose targeted sectors are at the intersection of these issues.

This will, of course, be the case of the energy sector, particularly thanks to the credit lines mobilised under the SUNREF green-finance label or the AFC, or thanks to the development of new guarantee instruments for renewable energy projects, if need be in synergy with PROPARCO. The banking sector is clearly interested in the market for energy efficiency and renewables, even if the economic and banking crisis has curbed its appetite for risk. Cooperation with the Transmission Company of Nigeria (TCN) will be strengthened, particularly regarding electricity transmission, with a view to increasing renewable energy production capacities. The partnership with the National Power Training Institute of Nigeria (NAPTIN) can eventually be broadened to include proposals for training on jobs in the renewable energies sector and in demand management. Finally, by capitalising on the work undertaken in early 2017, involving reviewing, analysing and making proposals, special attention will be paid to the reduction of gas-flaring, on the basis of previously identified financial mechanisms. AFD could also mobilise the French Global Environment Facility to support initiatives aimed at preserving biodiversity.

The appraisal of AFD's future projects and programmes in the water, urban development, agriculture and energy sectors must necessarily take into account and assess the climate risks to which the areas affected by its projects will be exposed. This is crucial so that the Agency can study how to maximise the eventual co-benefits of climate change adaptation associated with its actions, and also to ensure that the funded infrastructure is resilient to climate change. AFD will continue to support the investments of a few targeted major cities conducive to an urban development that is lower-carbon (transport and possibly waste) and more resilient (water).

The questions of resilience will be particularly relevant to developing a rural portfolio that involves the north of the country, and, more generally, the questions of fragility and vulnerability.

In addition to project finance, AFD will seek to forge substantive cooperation on climate with the relevant federal-level institutions, particularly the Ministry of the Environment, and with the States so as to have more impact on public policies and bolster its partnerships.

Take gender inequality more effectively into account

Gender inequalities are flagrant in Nigeria, whether this involves access to productive resources,[27] to credit or to land. In March 2016, the members of the Nigerian Parliament rejected a bill on gender equality deeming that it was contrary to their convictions. The bill's landmark measure proposed raising the minimum legal age for young girls to marry to 18, in compliance with the international commitments made by Nigeria. Although it was widely criticised in the country, this refusal shows that taking gender inequality into account is no simple matter in Nigeria.

Nonetheless, well aware that such inequality impacts growth, in 2007 the government adopted a strategic framework on gender (National Gender Policy – NGP) intended to eliminate biases and cultural and religious practices that constitute the seedbeds of gender inequality in Nigerian society.

To support this policy and in line with its international commitments on the subject, AFD will carry out a brief but systematic gender analysis at the project identification stage, in conjunction with the beneficiaries of its projects. Whenever relevant, the Agency will recommend to the owners of the funded projects that a gender approach should be developed and activities implemented to reduce gender inequality (at the project or sector scale). Thus, for projects aimed at developing infrastructure – be it in rural or urban areas –,a reflection on women's unequal access to the different services will be held and actions considered. Similarly, in the context of support provided to state-owned companies, attention will be paid to the position of women within the supported organisations (including at managerial level).

> "
> *Given the climate issues in Nigeria, AFD will now set climate as a cross-cutting priority objective for its strategy, whose targeted sectors are at the intersection of these issues.*

[27] In fact, while women are responsible for 70% of agricultural work, 50% of livestock farming and 60% of processing activities, they have little access to agricultural resources and agricultural support programmes, insofar as men are considered responsible for production (National Gender Policy, 2007, and Country Gender Profile Nigeria, JICA, 2011).

Combat vulnerabilities through a cross-cutting approach

The dynamics of the identified fragilities imply the need for a cross-cutting approach to the way in which operations will be designed and implemented, even if AFD is not in a position to tackle all of them head-on. The main targets will be exposure to climate change, food insecurity (through ECOWAS), insufficient cohesion of the country, inequalities and, very selectively, poor governance. The country's northern States will be more specifically targeted whenever possible. The Vulnerability Facility "Minka" and the EU delegated funds (particularly the ETF) will be the key instruments, blending loans and grants where appropriate chiefly for the purpose of scaling up.

3.4 STRONGER PARTNERSHIPS AND DYNAMIC KNOWLEDGE PRODUCTION

AFD will adopt a more partner-centric approach in Nigeria over the coming years. It will thus give priority to the co-financing or financing of national programmes, whenever possible alongside two key donors, the WB and the AfDB, for sovereign loans, sovereign guarantees for public-sector payments and national programmes (TRIMING,[28] RAAMP,[29] NUWSRP[30]). With the AfDB, co-financing is envisaged for the agricultural sectors, waste management in Abuja or the transport sector (second bridge over the River Niger, via a non-sovereign loan). When possible and appropriate, AFD will seek to mobilise delegated grants from the European Union (the electricity sector and waste management, for example), but it will also make the most of the solutions offered by the External Investment Plan for non-sovereign financing, notably guarantees.

AFD will also be proactive in structuring joint non-sovereign offers with PROPARCO, in the form of corporate financing or banking intermediation, similar to the SUNREF project currently under appraisal for two private banks. If need be, the Agency can also intervene on a co-financing basis with the newly created CDC/AFD joint investment vehicle, with AFC or with NSIA (Nigeria sovereign investment authority), for PPP infrastructure financing. With NSIA, whose mandate is much like that of the CDC, a tripartite partnership between AFD/CDC/NSAI could be envisaged beyond co-financing operations. With DBN, the Agency will provide its expertise in guarantees for SMEs to structure a guarantee fund that could be counter-guaranteed by AFD through its ARIZ mechanism.

AFD will also seek to develop close long-term partnerships with some key States such as Lagos State, Kano State, Ogun State and a State in the South-South or South-East region of the country, where it will concentrate its urban projects and enhancement of local governance, as much as possible, while rural infrastructure projects will focus on the north of the country, without however being limited to this region.

AFD will also seek to promote operations with the Tony Elumelu Foundation to support African entrepreneurship, probably in the form of a three-pronged arrangement involving (i) a tailor-made EURIZ guarantee that would guarantee the loans granted by commercial banks to young African entrepreneurs, (ii) sponsorship of the same entrepreneurs and (iii) joint operational research on young entrepreneurship.

Similar to the 2017 undertakings within the RESILAC project focused on Lake Chad, AFD will also seek to further mobilise French NGOs in Nigeria.

As the Centre for Financial, Economic and Banking Studies (or CEFEB) is gradually expanding its offer in English and given that our local partners are increasing in number – notably in the financial sphere –, Nigeria could make more regular use of the services proposed by AFD's corporate university. So far, there have been very few Nigerian trainees. Moreover, the Abuja office will continue its partnership with the Institut français and the Alliances françaises in Nigeria, which regularly host events proposed by AFD (exhibitions, screenings, conferences).

Alongside its activities in Nigeria, AFD will also pursue its rich partnership with ECOWAS in the area of agriculture, providing support to West Africa's common agricultural policy. The Agency will study opportunities to broaden the scope of its support beyond food security, particularly to the demographic sphere.

In early 2017, AFD began extensive work to review, analyse and make proposals for the reduction of gas-flaring in Nigeria. This study was published in AFD's "Technical Reports" collection in mid-2017. For the term of the present strategy, the Agency will endeavour to capitalise on this work of knowledge production, preferably through a partnership approach with the WB on this subject. Through the Fund for Studies and Expertise in Crisis Resolution (FEESC), the Agency has also commissioned a baseline study on the regions around Lake Chad (mainly to the north-east of Nigeria), under the authority of the IRD-IFRA. This study is intended to give a "snapshot at t0" of the area and to define a set of indicators and sentinel data to be monitored in order to dynamically capture changes in the situation. This is the first cornerstone of the analytical component of the Lake Chad Initiative – a cornerstone that could be completed over the period covered by the present strategy The authoritative analyses of Nigeria conducted by the International Crisis Group will be used as an indicator to measure conflict dynamics and security-related questions, so as to better identify and anticipate the risks of a worsening security situation that could impact AFD's operations in Nigeria. The same analyses can be used to help readjust the programmes, if necessary.

Lastly, AFD could mobilise the Green Economy Fund for Central Africa (FEVAC) to carry out vulnerability studies, or the Facility for resilient cities in Africa (CICLIA) to explore this issue more deeply in Lagos or Kano.

[28] Transforming Irrigation Management In Nigeria.
[29] Rural Access and Agricultural Marketing Project.
[30] National Urban Water Service Reform Programme.

4.

AFD IN NIGERIA, “LARGER”, “MORE PARTNER-CENTRIC”, AND “MORE INNOVATIVE”

Larger, by contributing to the objective of achieving 50% growth in AFD's activities across the world by 2020, including half of its activities having a positive impact on climate and gender and 50% in non-sovereign finance. In 2016, AFD's activities in Nigeria (EUR 272.6m) increased by 51% (excluding regional activities and PROPARCO) compared to the years 2014 and 2015. This increase in activity should be confirmed during the term of the present strategy, with the level of commitments being maintained at nearly EUR 300m a year (excluding regional). For indicative purposes, this amount breaks down into two sovereign loans (one totalling between USD 150 and 200m, the other smaller one amounts to around USD 50m), a credit line (between USD 50 and 100m), guarantees (between USD 5 and 30m annually) and very small grant amounts (FERC and delegated grants).

More partner-centric, along the lines described earlier.

More innovative, (i) by supporting the structuring of local financial mechanisms/institutions that enable local savings to be mobilised to finance infrastructure (InfraCredit, DBN, etc.); (ii) by proposing its guarantees for targeted bond issuances in local currency (Lagos State, NMRC, etc.) or co-guarantees with multilateral donors for IPP solar energy projects; (iii) by pioneering the use of EURIZ, notably targeting young entrepreneurs, women and Tier 2 banks; and (iv) by making use of WB-type "performance-based agreements" for financial governance in one or two States. In addition to financial instruments, the Agency will thus innovate by operating in new sectors such as financial governance, higher education (via banking intermediation), the cultural and creative industries, the digital sector and/or the reduction of gas-flaring.

5.

INDICATORS FOR MONITORING THE STRATEGY

The monitoring of AFD's intervention strategy for Nigeria will focus on the following indicators:

OPERATIONAL OBJECTIVE 1: **SUPPORT DIVERSIFICATION OF THE NON-OIL ECONOMY** • Support the modernisation of services and financing of the economy: → Number of companies benefiting from direct or indirect AFD financing → AFD-backed investment	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
OPERATIONAL OBJECTIVE 2: **PROMOTE THE LOW-CARBON ENERGY TRANSITION** • Finance the investments of public and private stakeholders in the energy sector: → renewable or recovered energy funded → number of people connected to the electricity supply grid or gaining access to electrification	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
OPERATIONAL OBJECTIVE 3: **CONTRIBUTE TO A MORE PRODUCTIVE AGRICULTURAL ACTIVITY AND FOOD SECURITY** • Improve productive rural infrastructure and services to farmers → population directly benefiting from an agricultural or irrigation project → length of land routes rehabilitated or created	2 ZERO HUNGER 3 GOOD HEALTH AND WELL-BEING 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
OPERATIONAL OBJECTIVE 4: **SUPPORT THE TERRITORIAL TRANSITION** • Develop public urban infrastructure and utilties: → number of people benefiting from solid waste collection and a disposal service in satisfactory sanitary conditions → number of people whose drinking water supply system has been improved → number of passengers taking public transport on the funded road sections	6 CLEAN WATER AND SANITATION 11 SUSTAINABLE CITIES AND COMMUNITIES
GENDER TARGET OF 50% OVER THE STRATEGY PERIOD: → percentage of funded projects and programmes that obtain a score of 1 or 2 on the OECD's gender marker, not counting funding granted as general budget support or sectoral support, unearmarked credit line or guarantee	5 GENDER EQUALITY
CLIMATE TARGET OF 50% OVER THE STRATEGY PERIOD: → percentage of annual approvals involving climate change co-benefits	13 CLIMATE ACTION

ACRONYMS AND ABBREVIATIONS

ADB: Asian Development Bank

ADF: African Development Fund

AFC: African Finance Corporation

AFD: Agence Française de Développement *(French development agency)*

AfDB: African Development Bank

AFiF: Africa Investment Facility

AITF: Africa Infrastructure Trust Fund

APC: All Progressive Congress

APCC: Appel à Projets Crise et Post-Crises *(Calls for crisis and post-crisis projects)*

APP: Agriculture Promotion Policy

ARIZ: Assurance pour le Risque dans la Zone *(risk-sharing mechanism for private-sector investment in AFD Group's intervention zone)*

ATA: Agricultural Transformation Agenda

BRICs: emerging countries

CAF: Country Assistance Framework

CBN: Central Bank of Nigeria

CIP: Cadre d'Intervention-Pays *(Country intervention framework)*

CIR: Cadre d'Intervention Régional *(Regional intervention framework)*

CPS: Country Partnership Strategy

DBN: Development Bank of Nigeria

DfID: Department for International Development (UK)

DG-Trésor: Direction Générale du Trésor *(General Directorate of the French Treasury)*

DISCO: Electricity distribution company

DMO: Debt Management Office

DPG: Development Partners Group

DPO: Division des Partenariats avec les ONG *(Civil society partnerships – AFD)*

ECOWAP: Regional agricultural policy for West Africa

ECOWAS: Economic Community of West African States

EDF: European Development Fund

EIB: European Investment Bank

EIP: External Investment Plan (EU)

ElectriFI: Electrification Financing Initiative

ERGP: Economic Recovery and Growth Plan

ETF: Emergency Trust Fund

EU: European Union

EUR: Euros

FASEP: Fonds d'étude et d'Aide au Secteur Privé *(Fund for studies and assistance for the private sector)*

FATF: Financial Action Task Force

FCT: Federal Capital Territory

FDI: Foreign direct investment

FEC: Federal Executive Council

FEESC: Fonds d'Etude et d'Expertise Crises et Conflits *(Fund for studies and expertise in conflict resolution)*

FERC: Fonds d'Expertise et de Renforcement de Capacités *(Expertise and capacity building fund)*

FEVAC: Fonds pour l'Économie Verte en Afrique Centrale *(Green economy fund for Central Africa)*

FEXTE: Fonds d'Expertise Technique et d'Echange d'Expériences *(Fund for technical expertise and experience transfers)*

FGEF: French Global Environment Facility

FMoF: Federal Ministry of Finance

GDP: Gross domestic product

GIABA: Intergovernmental Action Group against Money Laundering in West Africa

GIZ: Deutsche Gesellschaft für Internationale Zusammenarbeit *(German federal enterprise for international cooperation)*

GNI: Gross national income

GNP: Gross national product

HDI: Human Development Index

IBRD: International Bank for Reconstruction and Development

IDA: International Development Association

IFRA: Institut Français pour la Recherche en Afrique *(French institute for research in Africa)*

INDC: Intended Nationally Determined Contribution

IPC: Integrated Food Security Phase Classification

IPP: Independent Power Producer

IRD: Institut pour la Recherche sur le Développement *(Institute for research and development)*

IsDB: Islamic Development Bank

JICA: Japan International Cooperation Agency

JPD: Joint programming document (European)

KfW: Kreditanstalt für Wiederaufbau *(German development bank)*

LDCs: Least developed countries

LMIC: Lower middle-income country

LSTMP: Lagos State Transport Master Plan

LUTP: Lagos Urban Transport Project

MIC: Middle-income country

MoWR: Ministry of Water Resources

MW: Megawatt

NAPTIN: National Power Training Institute of Nigeria

NASPA-CCN: National Adaptation Strategy and Plan of Action for Climate Change Nigeria

NDC: Nationally determined contribution

NEEDS: National Economic Empowerment and Development Strategy

NESP: Nigerian Energy Support Programme

NGN: Nigerian naira

NGO: Non-governmental organisation

NMRC: Nigeria Mortgage Refinance Company

NSIA: Nigeria Sovereign Investment Authority

NUWSRP: National Urban Water Service Reform Programme

ODA: Official development assistance

OGP: Open Government Partnership

PASANAO: West Africa Food and Nutrition Security Support Programme

PATAE: Projet d'Appui à la Transition Agro-écologique en Afrique de l'Ouest *(Project to support agro-ecological transition in West Africa)*

PCNI: Presidential Committee on North-East Initiatives

NIP: National Indicative Programme (EU)

RIP: Regional Indicative Programme (EU)

PLMF: Plan régional de Lutte et de contrôle des Mouches des Fruits en Afrique de l'Ouest *(Regional programme for fruit fly control in West Africa)*

SDG: Sustainable development goal

SMEs: Small and medium-sized enterprises

SOP: Strategic Orientation Plan

PPF: Project Preparation Facility

PPP: Purchasing power parity

PPP: Public-Private partnership

PRG: Partial Risk Guarantee

PROPARCO: Promotion et Participation pour la Coopération économique *(Private-sector financing arm of AFD)*

RAAMP: Rural Access and Agricultural Marketing Project

RAMP: Rural Access and Mobility Project

RESILAC: Redressement Economique et Social Inclusif du Lac Tchad *(Lake Chad Inclusive Economic and Social Recovery Programme)*

RFI: Radio France International

RRSA: Réserve Régionale de Sécurité Alimentaire en Afrique de l'Ouest *(Regional food security reserve in West Africa)*

SSA: Sub-Saharan Africa

SUNREF: Sustainable Use of Natural Resources and Energy Finance

TCN: Transmission Company of Nigeria

TRIMING: Transforming Irrigation Management In Nigeria

UBA: United Bank of Africa

UN: United Nations

USAID: United States international development agency

USD: United States dollar

WAPP: West African Power Pool

WB: World Bank

WRI: World Resources Institute

WtE: Waste to Energy

What is AFD?

AFD is an inclusive public financial institution and the main actor in France's development policy. It makes commitments to projects that genuinely improve the everyday lives of people, in developing and emerging countries and in the French overseas territories.

AFD works in many sectors – energy, health, biodiversity, water, digital technologies, training – and supports the transition to a safer, more equitable and more sustainable world: a world in common. Its action is fully in line with the Sustainable Development Goals (SDGs).

Through its network of 85 agencies, AFD operates in 109 countries and is currently supporting over 3,500 development projects. In 2017, it earmarked EUR 10.4bn to finance these projects.

AGENCE FRANÇAISE
DE DÉVELOPPEMENT

Tel. : +33 1 53 44 31 31 — Fax. : +33 1 44 87 99 39
5, rue Roland Barthes, 75 598 Paris Cedex 12 — France

www.afd.fr

MAI 2018 - advitam | advitam.fr | 01 53 17 30 40