

# Country Development Cooperation Policy for Federal Republic of Nigeria

September, 2023

## 1 Purpose of Development Cooperation with Nigeria

(1) Nigeria is the most populous and one of the biggest economies in Africa. It has a presence in the African Union (AU) and the Economic Community of West African States (ECOWAS), and a high potential for becoming a major base for Japanese firms' economic activities in Sub-Saharan Africa. Development cooperation with Nigeria will not only contribute to the development of the West African region and reinforcing the diplomatic relations between Japan and Africa, but also contribute to improving the investment environment for foreign companies, including Japan, for expanding their business to Nigeria. In addition, liquefied natural gas is a major export item to Japan, and maintaining a stable relationship with Nigeria is also important from a viewpoint of stabilizing energy security in our country.

(2) It is an urgent issue for Nigeria to promote industrial diversification, given that its industrial structure is significantly dependent on the crude oil industry. It also remains a developing country with one of the largest low-income populations in Africa. In the National Development Plan for Nigeria; 2021-2025, the Nigerian Government aims to diversify the economy, invest in infrastructure, address security issues, strengthen governance, and improve health and education standards. The Nigerian Government has set a target of a 4.6% average economic growth by 2025, aiming to cumulatively lift 35 million people out of poverty and to place a total of 21 million people in formal employment. Security in North-East Nigeria has deteriorated due to ongoing attacks and raids by armed groups, including Boko Haram. The Nigerian Government has established the North-East Development Commission (NEDC) under the Federal Ministry of Humanitarian Affairs, and Poverty Alleviation to coordinate support from ministries, states, donors, and others.

(3) In response to these challenges, Japan's development cooperation will contribute to peace and stable economic and social development to further promote the resolution of social issues through public-private partnerships while emphasising the enhancement of an inclusive business environment and investment in people. Japan's support through ODA is also significant from the perspective of achieving the Sustainable Development Goals (SDGs). Furthermore, Nigeria is one of the vital countries in the development of regional infrastructure such as Road Construction and Power in West Africa. The Economic growth of Nigeria plays a significant role not only for domestic context but for regional development and integration in West Africa.

## 2 Basic Policy of Japanese ODA

Promotion of quality and inclusive economic development, social development as well

as peace and stability

Japan implements ODA projects to disseminate Japanese technology in Africa and provide Japanese companies with a foothold in Nigeria in line with the three priority areas of African development indicated in the Tunis Declaration, which was the outcome of TICAD8 ((1) Economy: Realizing structural transformation for sustainable economic growth and social development, (2) Realizing a resilient and sustainable society, (3) Realizing Sustainable Peace and Stability), based on the National Development Plan for Nigeria; 2021-2025. Japan also works together with the Nigerian Government to realise the National Development Plan, with emphasis on investment in people and sustainable use of natural resources, renewables and other resources for economic growth, social development, and peace and stability.

### 3 Priority Areas

Promotion of sustainable economic and social development as well as stabilization of society

#### (1) Building a foundation for sustainable economic growth

To cooperate in: building and strengthening agricultural value chains in terms of both software and hardware to enhance agricultural development from the perspective of industrial diversification; building and strengthening the start-up ecosystem, given the enactment of the Nigeria Startup Act in 2022, and improving the business environment and promoting innovation; and improving energy supply and urban development as infrastructure to support economic growth.

#### (2) Improvement of inclusive and robust social systems

To cooperate in strengthening health and healthcare systems, improving nutrition and sanitation, providing inclusive and quality education, tackling environmental and climate change, and so on.

#### (3) Promoting peace and stability

To contribute to building resilient societies/communities against occurrences and recurrences of conflicts by assisting reconstruction, rehabilitation and development, and conducting humanitarian assistance in North-East Nigeria through collaboration with international development institutions and private sectors aligning with the North-East Stabilization and Development Masterplan, developed by the North-East Development Commission (NEDC).

To cooperate in improving the capacity of administrative bodies, improving the livelihoods of vulnerable groups such as women and young people, and vocational training and job creation, throughout the country.

### 4 Points to be considered

(1) The security situation remains unstable due to Islamic extremist groups appearing

to continue to be active mainly in North-East Nigeria. The whole country is at Travel Risk Level 2 or above on “Overseas Travel Safety Information” by the Ministry of Foreign Affairs of Japan, and Islamic extremist groups have been seen to be active, mainly in North-East Nigeria. In implementing development cooperation assistance, Japan closely monitors the security situation, pays close attention to the safety of concerned people, and takes necessary security measures.

(2) With the perspective of boosting the activities of Japanese companies recognising Nigeria's potential as a centre of economic activity, projects are formed with an emphasis on the development of the investment environment and public-private partnerships in each project.

(3) Given the federal regime of Nigeria's governance system, interregional balance should be considered when implementing projects. Moreover, regarding the selection of project areas, attention should be paid to the state administrative capacity, governance, and security situation.

(4) With the perspective of strategic management of the ODA budget, strive to formulate projects that combine projects of different schemes and methods to achieve a high overall development impact.

Annex: Rolling Plan