

# Country Development Cooperation Policy for the Federal Republic of Nigeria

September, 2017

## 1. Purpose of Development Cooperation

Nigeria is one of the most powerful countries in Africa, with the largest economy and population. 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 regional development and reinforcing the diplomatic relations between Japan and Africa, but it will also contribute to improving the investment environment for foreign companies, including Japan, when they consider 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.

The Nigerian Government aims to become one of the world's top 20 economies by 2020, as stated in the development strategy "Vision 20:2020", and it is active in addressing a range of issues such as diversifying away from the monoculture economy through industrial diversification, infrastructure development serving as the foundation of economic activities, employment creation focusing on youths, social development including improvement of public health, and humanitarian and reconstruction assistance in the North East region. In response to these challenges, Japan's development cooperation will contribute to stable economic and social development while fully utilizing Japan's technology and experience.

## 2. Basic Policy of Japanese ODA

Promotion of high-quality and inclusive economic and social development as well as stabilization of society

To realise economic and social development and social stabilization, Japan works together with the Nigerian government based on "Vision 20:2020", its medium to long term development strategy. Moreover, Japan implements ODA projects in line with the three priority areas of African development indicated in the Nairobi Declaration, which was the outcome of TICAD VI ((1) Promoting structural economic transformation through economic diversification and industrialization, (2) Promoting resilient health systems for quality of life, (3) Promoting social stability for shared prosperity).

## 3. Priority Areas

(1) Building a foundation for high-quality economic growth

To support: improvement of core infrastructure (especially in the power sector) for the foundation of economic activities; improvement of urban infrastructure (especially transportation, urban water supply and sanitation) as the base of economic activity; and diversification of the economy and promotion of industrial development (particularly agriculture, fisheries and food industry, and private sector).

(2) Improvement of inclusive and robust health and medical systems

To support: strengthening primary health services; achieving Universal Health Coverage; improving food and nutrition security; and strengthening the capacity for the response and control of infectious disease outbreaks by gaining capacities of laboratories and the Nigeria Centre for Disease Control.

(3) Promotion of peace and stability including reconstruction assistance in the North (East) Region

To support: humanitarian assistance for internally displaced persons and refugees; reconstruction assistance for social stabilization in sectors such as education, vocational training, job creation, health and nutrition, and agriculture; and counterterrorism measures (etc.) through capacity development of border control and judicial sector (etc.).

4. Points to be considered

(1) The security situation remains unstable, mainly in the North East region. For implementing assistance in Nigeria the security situation should be considered. Close attention needs to be paid to the safety measures of stakeholders and necessary safety measures must be taken.

(2) Nigeria is the largest economy in Africa. While classified as “Lower Middle Income Countries and Territories” on the DAC List of ODA Recipients, it still remains a developing country with the largest poverty population in Africa; thus, inclusive development assistance must be considered.

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

(4) From the viewpoint of supporting those Japanese companies that focus on the potentiality of Nigeria as a base for economic activities, emphasis should be placed on improvement of investment environment and cooperation between the public and private sectors in each project.

Annex: Rolling Plan