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An IDEV **Country Strategy Evaluation**

Nigeria:

Evaluation of the Bank's Country Strategy and Program 2004–2016

Summary Report

AFRICAN DEVELOPMENT BANK GROUP

February 2018

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Nigeria: Evaluation of the Bank's Country Strategy and Program 2004–2016 – Summary Report
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The overarching objective of the African Development Bank Group is to spur sustainable economic development and social progress in its regional member countries (RMCs), thus contributing to poverty reduction. The Bank Group achieves this objective by mobilizing and allocating resources for investment in RMCs and providing policy advice and technical assistance to support development efforts.

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The mission of Independent Development Evaluation at the AfDB is to enhance the development effectiveness of the institution in its regional member countries through independent and instrumental evaluations and partnerships for sharing knowledge.

Independent Development Evaluation (IDEV)

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Design & layout: CRÉON – www.creondesign.net

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Abbreviations and Acronyms

ADF	African Development Fund
AfDB	African Development Bank
ARISP	Agriculture and Rural Institutions Support Project
BA	Board Approval
BTOR	Back-to-Office Report
CAF	Common Assistance Framework
CBARD	Community-based Agriculture and Rural Development
CDD	Community-driven demand
CPIA	Country Policy and Institutional Assessment
CPIP	Country Portfolio Improvement Plan
CPPR	Country Portfolio Performance Review
CPS	Country Partnership Strategy
CSP	Country Strategy Paper
CSPE	Country Strategy and Program Evaluation
DBDM	Bank's new Development and Business Delivery Model
DBN	Development Bank of Nigeria
DfiD	Department for international Development of UK
DP	Development Partner
EMS	Environmental Management System
EGDCSP	Economic Governance, Diversification and Competitiveness Support Program
ELF	Emergency Liquidity Facility
EPSERP	Economic and Power Sector Reform Program
ERR	Economic Rate of Return
ESW	Economic and Sector Work
FGN	Federal Government of Nigeria
FI	Financial Institutions / Financial Intermediaries
FMARD	Federal Ministry of Agriculture and Rural Development
FX	Foreign Exchange
GDP	Gross Domestic Product
IDEV	Independent Development Evaluation of the African Development Bank
IERD	International Economic Relations Department
IFC	International Finance Corporation
IMIAW	Integrated Management of Invasive Aquatic Weeds
IP	Implementation Progress
IPR	Implementation Progress Report
LA	Loan Agreement
LCC	Lekki Concession Company
LoC	Line of Credit
M&E	Monitoring and Evaluation
MDA	Ministries, Departments and Agencies
MDG	Millennium Development Goal
MIC	Middle Income Country
MTR	Mid-Term Review
NASS	Nigeria National Assembly
NEEDS	National Economic Empowerment and Development Strategy
NERICA	Rice Dissemination Project

NEXIM	Nigerian Export-Import Bank
PAR	Project Appraisal Report
PCR	Project Completion Report
PCU	Project Coordination Unit
PD	Presidential Directive
PPP	Public-Private Partnership
PRA	Project Results Assessment
PSD	Private Sector Development
QaE	Quality-at-Entry
RAMP-CRS	Rural Access and Mobility Project–Cross River State
RBM	Results-based Management
RDNG	Nigeria Country Department
RISP	Regional Integration Strategy Paper
RMC	Regional Member Country
RWSS	Rural Water Supply and Sanitation
SME	Small and Medium Enterprise
STVEP	Skills Training and Vocational Education Project
TA	Technical Assistance
TFI	Trade Finance Initiative
TVET	Technical and Vocational Education Training
UA	Unit of Account
UBA	United Bank for Africa
UNDP	United Nations Development Program
USD	United States Dollar
WA-RISP	Regional Integration Strategy Paper for West Africa
WB	World Bank
XSR	Expanded Supervision Report

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An IDEV **Country Strategy Evaluation**

Photo: © Flickr

Executive Summary

Introduction

This report summarizes the findings of the independent evaluation of the African Development Bank's (AfDB or Bank) Country Strategy and Program in Nigeria from 2004 to 2016. The evaluation is intended to inform the next Country Strategy Paper (CSP) due in 2018, and to contribute to both accountability and learning in the Bank in general. It describes how the Bank has implemented its operations in Nigeria, presents the results obtained thus far, and the lessons learned from the process. It also makes recommendations designed to help the Bank improve its future interventions in Nigeria.

To provide solid evidence for its findings, the report draws on the working papers and analysis undertaken by the evaluation team. These are made up of individual project results assessments (PRAs), reviews of strategies, the broader portfolio of non-lending activities, project field visits and verification, and stakeholder and key informant interviews. The key themes that emerge from the evaluation questions and findings are prioritized for the Board´s consideration.

This report uses a six-point scale[1] to rate performance on the basis on evidence and assessments at project, sector, and country levels. The rating is made in four standard areas: relevance, effectiveness, efficiency, and sustainability. In addition, Bank performance was assessed in crosscutting issues of gender, inclusiveness, climate change, and green growth. Lastly, performance in project design and innovation, policy dialogue, knowledge, partnership, leverage, and managing for development results was also assessed.

Has the Bank Achieved the Intended Results in Nigeria?

The relevance of the Bank's strategy and program was rated Satisfactory. The alignment of its CSPs with Nigeria´s national strategies is high, fostered by the Bank's ownership policy and its participation in national dialogue processes. At the sectoral level, Bank support is closely aligned with the country´s needs and priorities for each of the targeted sectors.

The Bank funded projects that responded to the real needs of the ultimate beneficiaries. Over time, it adapted to social and economic changes in Nigeria by broadening its focus from specific sectors to larger, structural areas of interest. These would contribute to a sound business environment and encourage investment in infrastructure, which was critical for promoting real sector growth. Moreover, these changes reflected a greater alignment and convergence of strategic interests and areas of support.

The effectiveness of the Bank's program was rated Moderately Satisfactory. Both public sector and private sector projects studied in-depth had moderate to high output achievements but generally lower outcome achievements.

Overall average effectiveness ratings are similar for the private and public sector. However, the timeliness of achieving outputs and outcomes differs significantly among projects. Overall, generally slow project implementation hampered the achievement of results.

For lines of credit (LoC), the total redeployment of funds was verified. They went through fewer, upper-middle to large size companies, which benefitted the real economy[2]. These benefits are less wide-ranging than most Bank approval documents envisaged, however, as projects were intended to target more, smaller companies. Companies with the capacity to produce revenue streams in US dollars (USD) can access sub-loans but they are mostly upper middle size to large, established firms.

The sustainability of Bank results is rated Moderately Satisfactory. In the public sector, measures were introduced prior to project approval for environmental and social mitigation/enhancement, the capacity of country institutions and systems, and the availability of funding to ensure environmental and social sustainability for Bank projects identified in the Environmental and Social Impact Assessments (ESIA) as Environmental Category I and II.

In the private sector, the majority of projects are LoCs to well-regulated financial intermediaries (FIs) with inherently low risk. None of the sub-projects financed by the proceeds of the LoCs defaulted and all proved commercially viable. This contributes to some extent to financial viability, a strong proxy for sustainability in the private sector. The three exceptions were the Lekki Toll Road, the Helios Towers project, and the TA Grant for ABN Microfinance where beneficiaries´ financial sustainability performance was considered poor.

Crosscutting issues have been addressed in a limited manner. All CSPs maintained the commitment to address a range of relevant crosscutting issues of inclusiveness (by gender, age and region), and climate change and green growth. Only the current CSP gave these crosscutting issues adequate attention compared to the two previous versions. However, comparatively few projects in the Bank's portfolio directly address these areas.

Operations supporting the transition to green growth are still restricted to a few water and sanitation sector projects. Gender and regional disparities have not been sufficiently integrated or streamlined into operations' design and synergies across projects were not exploited. In the private sector portfolio, gender equality was the only crosscutting issue that the Bank addressed explicitly.

How Has the Bank Managed its Operations in Nigeria?

Efficiency was rated Moderately Satisfactory. Procurement and disbursement processes negatively affected the timeliness of project implementation in several public sector projects. They experienced considerably more disbursement difficulties than private sector projects due to the nature of the instruments used.

The Bank's strategic focus and instruments are based on sound analysis. Their risk assessment includes mitigation measures. The Bank's overall strategy is now based on a more integrated intervention logic that includes reasonably appropriate solutions based on a solid understanding of the country context.

The three CSPs also include realistic, relevant sections on risks and propose potential mitigation measures. It is not always clear, however, how these measures can contribute to improvements in project implementation in security-challenged parts of Nigeria.

The Bank's portfolio includes some innovative elements. In a majority of the private sector projects, LoCs are the modus operandi. Innovation is limited in the public sector portfolio although there are some good examples including the FADAMA Development Project II and the Integrated Management of Invasive Aquatic Weeds Project. The Lekki Toll Road project showcases the concept of Public-Private Partnerships (PPPs) in the transport sector and has been considered innovative in the country context.

The Bank participated actively in the policy dialogue based on the stated priorities of the Federal Government of Nigeria (FGN). However, it did not follow with solid engagement in analytical work. While the Bank seems to be an established counterpart for the FGN in policy dialogue, which other donors also appreciate, it does not take the lead as often as it could.

Despite the Bank's high ambition to engage in policy dialogue and produce knowledge products covering a multitude of sectors and themes, no solid engagement in ESW has really materialized. The situation has improved during the current CSP period.

Knowledge products have clearly become more important for the Bank's portfolio in Nigeria. Yet there is no clear evidence of their usefulness for beneficiaries or of their importance for the Bank's position in the country's policy dialogue system.

The Bank is well known in the country and its interventions are well harmonized with those of other development partners (DPs). However, it has not leveraged its position to attract additional funding. In the period under review, the Bank was Nigeria's second biggest donor. Its importance as a DP is relevant only while projects are running.

Leveraging and pooling funds into the country and into specific projects has been a clearly stated objective in the Bank's CSPs since 2013. However, this has only been somewhat translated into active policies, as most of the portfolio predates the CSP. More concretely, for the projects studied in-depth, no evidence was found that the Bank played an active role bringing additional financing into the country.

The practice of managing for development results has improved. However, results were hampered by insufficiently frequent M&E activities, poor supervision quality, and reporting requirements that were often unmet. Results-based logical frameworks and monitoring for development results in CSPs gradually improved during the period under analysis. Efforts to report achievements and shortcomings and to act upon experience were more prevalent during the last half of the evaluation period. Nonetheless, this remains problematic for outcome indicators.

Bank systems and interventions showed some characteristics of robust management for results. These include a monitoring system aimed at achieving timely, comprehensive reporting and the extension of these requirements over time to private sector borrowers. But lack of an appropriate M&E system for LoCs made private sector development results harder to trace.

Recommendations

The evaluation proposes the following main recommendations on the basis of its findings and analysis.

1. **The promotion of inclusive growth across gender, age, and region should play a more central part in the Bank´s strategy documents and operational pipelines, in line with the new FGN priorities.** The new CSP should include elements that respond to the government's social welfare and economic diversification priorities. These include interventions focused on enhancing social inclusion and livelihoods with a clearer, direct impact on poverty reduction.

   All interventions should be linked explicitly to these objectives and have clearly established and elaborated impact pathways. The Bank must, at the same time, initiate a detailed analysis of its comparative advantage and positioning in Nigeria and of its ability to reach out in terms of policy dialogue and scale-up/ leveraging resources. This is necessary to establish the Bank as a leader in certain areas so as to set in motion the intended mechanisms that effectively bring about desirable socioeconomic changes.

2. **The Bank's private sector interventions should be diversified to enhance development results.** Given Nigeria's huge needs in infrastructure and its potential for supporting economic growth, the Bank's private sector interventions should diversify. They should go beyond the enormous concentration on financial intermediation to contribute to high potential areas such as commercial agriculture and infrastructure. Power and transport, in particular, have strong economic development and regional integration effects. A greater utilization of the PPP mechanism to encourage private sector participation could also be explored. The Bank considers these all to be high priority areas. They also correspond with the High Fives (light up and power Africa and integrate Africa). Such efforts should be pursued in consultation with other DPs to form partnerships and ensure harmonization.

3. **The Bank's various monitoring and evaluation (M&E) instruments should be improved and streamlined.** The Bank's operational and strategic instruments (e.g. CSP, appraisal, supervision, country portfolio, PCRs and the CPIA) should complement each other to enhance the results-based approach. Supervision reports can be instrumental in assessing CSP outcomes and outputs and in detecting information gaps. The Bank's data collection protocols for LoCs in particular need to be revisited, to ensure the use of measurable indicators and the collection of the necessary reporting data from clients.

4. **In parallel, the formulation and use of quantitative outcome indicators should be strengthened.** Selected outputs and outcomes should reflect Nigeria's medium-term strategic priorities. The FGN has embarked on an ambitious reform agenda that is critical to improving the macroeconomic environment. However, there has been little focus on policy and institutional indicators thus far, or on their linkage with impact indicators of poverty reduction and inclusive growth.

   The selectivity of quantitative outcome indicators should be strengthened. This will help avoid attributive problems when assessing the impact and sustainability of Bank interventions, especially when several co-financiers are involved. Similarly, current project status reports lack information about progress towards development results, which also stems from initial design and appraisal procedures. The approach taken on data collection protocols for LoCs, in particular, needs to be revisited to ensure that measurable indicators are used, that necessary reporting data is collected from clients, and that agreements about confidentiality protocols, which are necessary for data delivery, are signed. ■

Management Response

Management welcomes the Independent Development Evaluation's (IDEV) report on the Bank's development assistance to Nigeria over 2004–2016, covering four different Country Strategy Papers (CSPs). This evaluation takes place at a time when Nigeria is transitioning to middle-income status and the Bank is repositioning itself in the country with its Development Business and Delivery Model (DBDM), aiming to increase its development effectiveness and country engagement. The evaluation provides a timely assessment of the CSPs' relevance, effectiveness, efficiency, and sustainability in their key areas of support. Management welcomes the recommendations of the IDEV report—particularly those focusing on inclusiveness, diversification of private sector interventions and improving monitoring and evaluation—which will inform the Bank's new CSP for Nigeria for 2018–2022, to be presented to the Board of Directors for consideration during the 3rd quarter of 2018.

Relevance

Management agrees with IDEV's findings that the four CSPs have been fully aligned with the priorities of the Bank and the Government. The operations the Bank Group undertook in Nigeria in the evaluation period (2004–2016) were relevant to the country's development goals and objectives. Management also agrees that the CSPs have been responsive to beneficiary needs while remaining relevant to Nigeria's transition to middle-income-country status. In addition, the report notes that the portfolio was dominated by the financial intermediation (FI) sector with the use of lines of credit (LoCs), followed by multi-sector budget support, and over time, the Bank's strategy was adapted to the changing social and economic circumstances and emergencies to respond to short-term needs (e.g., assistance to Chibok Girls and two Emergency Liquidity Facilities).

The next CSP (2018–2022) will continue to be aligned with the country's National Development Plan, as well as other relevant sector development priorities. Management acknowledges the evaluation findings that the alignment of the project portfolio with the Bank's sector and corporate strategies has also been "satisfactory". The report calls for diversification in private sector interventions to enhance development results. Given Nigeria's huge infrastructure needs, and the critical role infrastructure plays in accelerating development and economic growth, private sector interventions should be diversified beyond FI to contribute to the real sector—that is, commercial agriculture, power and transport—which also has strong economic development and regional integration effects. All these areas correspond directly to the High 5 priorities, in particular Light Up and Power Africa and Integrate Africa. The emphasis on FI is prevalent across the Bank's portfolio of non-sovereign operations. Under the new DBDM, the Bank is now expecting sector departments' pools of private sector specialists to originate deals that support private companies.

Effectiveness

Management concurs with IDEV's "moderately satisfactory" rating for the Bank's effectiveness in achieving immediate and intermediate results of Bank projects (outputs and outcomes) against targets established in the approved documents. The positive unintended outcomes observed in some completed projects—for example, in the FADAMA Development Project II, reduced distances to water sources for women and children also led to a reduction in water-borne diseases—should be replicated elsewhere. Also, the increased farming and economic activity along the corridors of the newly constructed rural access roads in the Cross River Rural Access Mobility Project (CR-RAMP) are to be commended, as this activity was not explicitly planned or included as expected outcomes in the project design (appraisal reports). In the CR-RAMP project, unintended outcomes were also observed through improved connectivity: the easy use of motorcycle transportation for business activities between communities led to increased incomes that enabled beneficiaries to invest in other social service businesses, and as a result increased parents' ability to pay tuition fees for educational activities. These additional results demonstrate the Bank's effectiveness, while pointing to the need for a better analysis of the planned economic and social benefits at project design stage.

Management concurs with IDEV's findings that the Bank's governance interventions in the transport and power sectors have contributed to improvements in the regulatory and business environments in both sectors. Management also acknowledges that uneven progress was made in regards to decentralisation, governance, strengthening of accountability functions and control of public sector wage expenditure. It is important to note that the $600 million Economic Governance, Diversification and Competitiveness Support Programme to Nigeria was approved in 2016 to address these issues.

Efficiency

Management acknowledges IDEV's findings that the efficiency of implementing Bank interventions during the evaluation period was affected by procurement, disbursement and perceived rigid procedures imposed by the Bank. It notes, however, that the Bank's approach and policies for operations management use good practices shared across multilateral development banks. The Bank also engages Nigerian authorities on an ongoing basis on efficiently using those policies and tools. For the private sector, efficiency challenges include the fact that the assessment of costs and benefits was hampered by the relatively small share of Bank support to the beneficiary financial institutions.

Management has initiated several measures to address these types of challenges: prior assessments of the real capacity of executing agency staff and recommendations to Government to recruit project staff on performance-based contracts. Management further plans to conduct continuous capacity enhancement programmes—for example, offering fiduciary and procurement training several times a year—to executing agency staff and Government counterparts. Bank interventions under the new CSP will focus on a few sectors so as to deal with implementation capacity challenges and thus maximise development impact.

Addressing start-up delays

Management acknowledges that between 2009 and 2016 the implementation of a handful of flagship projects—the Water and Sanitation projects, the Enable Youth programme, and the Basic Services and Livelihood Improvements project in the Northeast region, as well as some private sector projects (Africa SME, Lekki Port and Wema Bank)—experienced unusually lengthy delays in loan effectiveness, first disbursement and procurement approvals. These challenges contributed to low disbursements and overall unsatisfactory portfolio performance.

To address these challenges, since January 2017 the Nigeria office (RDNG) has worked to cancel non-performing projects. By November 2017, this action had recovered over $150 million, reduced the percentage of non-performing projects in the portfolio and improved the disbursement target by about 80%. PD 02/2015 is being effectively implemented in Nigeria, as reflected in the declining number of flagged projects; it is expected that more than 37% of projects will be 100% disbursed and the number of flagged projects will be substantially reduced during 2018. It is also expected that the improvements made in the human resources to match the staffing skills-mix to the country-level challenges will continue to make significant differences in country operations going forward.

It is important to note that Government delays in obtaining either Parliamentary ratification or the Attorney General's Legal Opinion of loans/grants approved by the Bank continue to affect the execution of some public sector operations—for example, the Enable Youth Programme. While the Government's process of confirming projects in the National Priority Project Borrowing Plan is unclear, during the next year the Bank, through RDNG, will organise sensitisation sessions with parliamentarians through brown-bag lunches and other events. Management intends to use the Bank's new state-of-the-art premises as a centre of information on its work. For instance, with the National Institute of Legislative Studies, which covers West Africa, management has discussed conducting seminars in which senior Bank management will engage parliamentarians from across West Africa on the importance of the High 5s in the social and economic development of Nigeria and the region. Such a programme will help ensure better understanding of Bank projects and programmes and improve the timely ratification of development projects by parliaments.

While the introduction and strict enforcement of the Treasury Single Account (TSA) is a good policy for controlling inflation, the authorities' requirement for immediate compliance halted a number of payments and disbursements initiated by execution agencies in the middle of implementation processes. The Disbursement Team provided technical assistance to project implementation teams to help them manage the change to the new procedures. Having gained experience in TSA compliance, projects are now meeting project timeliness and delays have been shortened.

Management also agrees with IDEV's assessment of the Bank's private sector performance. It is evident that much closer monitoring is warranted for FI interventions. In approving new projects in the future, management will intensify assessments of the provisional pipelines to capture expected development outcomes. Essentially, the approved provisional pipelines to be financed will be used as benchmarks for the performance of the life of the LoC. Tracking success by the performance of the actual pipelines that the LoCs end up financing will likely demonstrate development impact and yield realistic outcomes that can be measured. In the design of these projects in the future, RDNG will look into some of the following pragmatic steps, which will be further discussed with the sector:

- There must be agreement on maximum loan sizes per sub-project for LoCs under consideration. This action will certainly avoid the financial institutions' practice of simply funding bigger transactions targeting larger profit margins, encouraging them to also consider small to mid-size transactions where there is significant impact.
- The issue of outcome indicators not being appropriately measured during project implementation is equally important. The Bank will consider providing tailored training along with the loan offers to assist borrower banks to develop standardised monitoring and evaluation (M&E) systems to improve their data collection, specifically targeted to tracking delivery of the High 5s.
- The banks may be advised to use the matching concept to minimise currency risk in their portfolio, allowing the Bank to issue local currency. This should go a long way in addressing the currency risks issue and enable local financial institutions to receive funding to assist local small and medium-sized enterprises (SMEs).

Sustainability

Management welcomes IDEV's evaluation that public sector projects complied with the Bank's Environmental and Social Safeguards Policy. Key projects such as the *Skills Training and Vocational*

Education, the Technical and Vocational Education Training and the FADAMA (Irrigation) project met Bank safeguards and utilised smart technologies and solar energy financed by the Global Environment Fund.

Management further notes as absolutely fundamental the issue raised about the sustainability of trained project officials. It is essential that project-trained officials be available for deployment to other projects and implementation institutions once the projects they manage close. The absence of a real continuation or succession planning for effective deployment of trained staff can weaken the links between institutions and thwart the achievement of project sustainability targets. To address this issue, RDNG, in compliance with PD 02/2015, will insist on conducting capacity assessments of new project implementation units to ensure quality at entry and effective project implementation. The identification and selection of qualified and seasoned executing agency staff will be a major criterion in project implementation planning. Emphasis on performance-based contracting will also become a key agenda item during loan negotiations with borrowers. In addition, the Bank is considering identifying a pool of country experts to draw from during project preparation and implementation to strengthen country capacity and results.

Management further concurs with the assessments of the commercial viability of the LoC operations. In line with Bank priorities and systems, RDNG will continue to seek out agencies with strong financial viability in support of sustainability in the private sector. This will certainly eliminate repetition of the errors made with unsuccessful firms, such as Access Bank Nigeria's Microfinance and Helios Towers transactions. The issue of environmental safeguard challenges and compliance is also well noted for action. The Zenith Bank case, for instance, will serve as an important lesson from which to upgrade interventions where compliance with environmental safeguards remains weak. More importantly, sustainability must clearly appear as a stable criterion in portfolio assessments and improvement plans. Management undertakes to consider this issue in the new CSP 2018–2022 elaboration as a best practice requirement, particularly through the joint CSP and Country Programme Performance Reviews and assessments scheduled for early 2018.

Cross-Cutting Issues

Management agrees with IDEV's evaluation findings that the last Nigeria CSP 2013–2017 refines and improves the approach, embedding cross-cutting issues into the strategic pillars and better mainstreaming aspects of cross-cutting issues into Bank's operations in a more pragmatic fashion. Management also acknowledges IDEV's findings that gender and regional disparities have not been sufficiently integrated or streamlined, as related to the objective of attaining inclusive and green growth.

It is worth noting that the CSP 2013–2017 has displayed greater commitment to delivery by taking action to better mainstream these aspects, mainly through efforts to step up the delivery of high-quality policy advice through targeted analytical and advisory work and technical assistance. In the new CSP, management plans to intensify the focus on gender outcomes, particularly in the areas of improving inclusivity, and to focus on green growth as well as capacity building. Furthermore, capacity building will be mainstreamed in every project to be implemented in Nigeria.

Environmental mainstreaming

Management agrees with the assessment that the CSP 2013–2017 shows significant improvements over previous ones and that climate concerns are in line with the National Economic Empowerment Development Strategy Programme and the Bank's Ten-Year Strategy (2013–2022). Management also accepts the findings that comparatively few projects included in the Bank's portfolio (design of operations) directly focused on cross-cutting issues—for instance, giving high consideration to gender and regional disparities. Management concurs with the finding that synergies across projects were not sufficiently exploited, particularly in the private sector, where gender considerations were viewed mostly as a cross-cutting issue. This will be a strong focus going forward.

Gender mainstreaming

Management concurs with IDEV's finding that public sector projects were designed fairly well, and that they showed the Bank's efforts to achieve proper gender balance. This was more notable among projects' beneficiaries, including those receiving training-needs assessments, but was also extensive in the user groups and communities involved. Management agrees particularly with the assessment's observation that private sector operations have rarely provided data disaggregated by gender and region. In the loans approved to date, the LoC recipients have been major banks concentrated in Lagos and mostly financing sub-borrowers located in the area, with depressed communities actually not receiving any focus. In line with the new Gender Strategy 2014–2018: Investing in Gender Equality for Africa's Transformation and the Government's National Gender Policy 2015, which underscores women's empowerment and gender equality, the design and implementation of all operations in the new CSP 2018–2022 will give special attention to gender equality and women's empowerment. The new CSP results framework will ensure the inclusion of quantifiable gender indicators at both output and outcome levels. At project level, projects' task managers are being trained in early 2018 on the use of the Gender Marker System, a tool designed to systematically rate projects on the extent of their gender focus.

Design & Innovation

Management agrees with IDEVs assessment that Nigeria's CSPs are based on sound analysis of risks and mitigation measures and of the country's economic, political, social, and environmental context, and that they have built on consultations with stakeholders, including the FGN and civil society organisations (CSOs).

IDEV's finding that the quality at entry of CSPs has been improving over 2004–2016 is a legitimate assessment. Pillar 1 of the CSP 2013–2017, for instance, was based not only on the valuable knowledge learnt from the Bank's operations in Nigeria, but also on the fundamental lessons that the quality, availability and timeliness of policy advice and analytical work were crucial for government effectiveness at any level of development. Welcoming these observations, in the design of the CSP 2018–2022 management has scaled up considerably to deliver policy advice and programmes of the highest quality in critical areas of need, in alignment with the High 5s—for example, in domestic resource mobilisation, job creation, inclusive and sustainable growth, gender considerations and regional integration. Management plans to ensure that knowledge becomes the central driver of the strategy. A heightened focus will be on value for money, including promoting the use of country systems. These emphases would help meet key objectives of the DBDM. At the operational level, this means applying strong M&E systems, as well as expanding co-development and co-financing. While the number of LoC operations will be significantly reduced, the Bank will explore how to achieve the greatest impact from LoCs in terms of volume, and by using hybrid initiatives such as anchor borrower schemes.

Management further concurs with IDEV's findings that the Bank's interventions in Nigeria have brought added value as the Bank was often the only donor focusing on a particular sector/sub-sector. The evaluation report highlights both STEVP and the Lekki Toll Road projects as performing in leveraging funding. The record on additionality—particularly, financial additionality from private sector projects—is overall positive. In developing the next CSP, RDNG will look at building on these achievements to scale up the outcomes of private sector interventions with a good degree of complementarity and efficient use of the array of financial instruments to respond to country needs in the strategy's broader framework.

Knowledge Work and Policy Dialogue

Management agrees with IDEV's findings that, although the Bank is recognised as a key partner in policy dialogue with the FGN, it has had difficulty making a difference in policy decisions—particularly in areas such as inclusive green growth, as per the CSP 2013–2017. This is particularly evident in a closer look at the Bank's engagement in policy dialogue and analytical work conducted in Nigeria. To address this challenge, Management intends to explore ways to improve coordination between the Federal Government and subnational governments as well as between government and its agencies and ministries and departments. RDNG is also considering using the Results-Based Financing instrument to strengthen the focus on results and link achievements to disbursements. This instrument targets specific project implementation actions against credibly verified evidence of actions and achievement of programme results. For instance, disbursements are linked to certain indicators and not just used to maintain fluidity through high percentages. All disbursements must be linked to agreed sector outcomes and outputs. A capacity-building component will be part of all projects to ensure that they are better implemented to deliver results, systems for effective monitoring are built, and risks are identified and mitigated. Partnerships will be a natural platform for sharing jointly agreed-upon results frameworks using common systems across the board.

In addition, Management will continue to attach high value to the policy dialogue with the Government. This will indeed strengthen commitment and secure buy-in at the strategic level required for successful Bank interventions. IDEV's findings that the Bank has not so far been able to play a lead role as a knowledge Bank in Nigeria in line with its ambitions is critical. While this is essentially an institutional challenge, management takes this point extremely seriously within the Nigeria country programme. The absence of economists in the Country Department for prolonged periods contributed to this situation. The Bank was largely absent in the macroeconomic advisory space during this period, even though it was providing policy-based support operations. In addition, no solid economic and sector work was carried out during this period to support Government decision making. However, with the new mapping of resources and the pending recruitment of two new economists to RDNG, the Bank will play a strong role in the Development Partnership Group and provide leadership in crucial national priority discussions and challenges. The usefulness of the Bank's presence as the second-largest donor in Nigeria will increase for beneficiaries also in the policy arena.

To do this, management has already commissioned some studies to underpin the elaboration of the new CSP 2018–2022, as detailed in the recommendations section of this document. While these studies will lay out the agenda items for discussion, they will also present analytical frameworks for positioning the Bank as (i) a knowledge provider covering a multitude of sectors and topics, (ii) a knowledge advisor, and (iii) a manager, to increase the Bank's ability to convince, support the Government in basing its decisions on informed data and expand the Bank's influence on national decision-making. The high recognition the Bank gained from the completion of the Infrastructure Action Plan among partners and the Government should now be transferred into areas such as domestic resources mobilisation and ways to attain inclusive growth and social inclusion in Nigeria. In the next CSP elaboration management will elevate the discussions and planned interventions in these areas, bringing along all relevant sectors of Government.

Partnerships and Leverage

Management concurs with IDEV's finding that while the Bank's engagement with partners, stakeholders and donors is active, its engagement with CSOs is weak. One reason for the Bank's minimal CSO engagement is that the Bank generally operates at the federal level, and CSOs have mostly been active at the state or subnational level. The introduction of the Results-Based Financing instrument, which actually promotes engagement at the subnational levels and with lower organs of government, will encourage greater interactions with CSOs. It is expected that CSO engagement will increase in effectiveness as the Bank's policy on CSOs is further implemented. Management has taken steps to improve upon this situation. For instance, the Bank now chairs two (Infrastructure Finance and Water & Sanitation) and co-chairs three (Agriculture, Social Development, and Transport & Energy) thematic working groups within the Development Partner Group through the comprehensive assistance framework. With respect to engagement with CSOs, management has already established relationships with some key CSOs in Nigeria, which were invited to discussions on the last IDEV country assessments in September 2017. These groups will be involved in the new CSP consultation process coming up in early 2018.

Management agrees that leveraging private sector resources is a clear sign of the additionality of the Bank's support—as evident from the Bank's involvement in the Lekki toll road project. In addition to the fact that the Lagos State Government eventually acquired the equity portion of the project's sponsor, the project is encountering challenges in meeting its debt obligations, leading to an increase of toll tariffs in early 2018. The Bank's Nigeria, Treasury and Private Sector departments are actively working with the project authorities to identify a solution.

On a much higher level, management has already launched consultations with partners to determine co-development and co-financing opportunities in the financing of the 2018–2020 Indicative Operational Lending programme. Learning from the headroom constraints and challenges over the last two years, a major criterion for qualifying projects in the pipeline—besides project preparedness, bankability and readiness—is the project's potential for co-financing. During 2015–2017, the RDNG only managed to attract some US$30 million in co-financing from the Africa Growing Together Fund—an amount that is insufficient for the kind of impact the Bank expects to make on Nigeria's development. Going forward, management plans to scale up partnerships and optimise opportunities to leverage resources towards a wider reach of programmes. The findings of the CSP study on how best to mobilise domestic funding in Nigeria are expected to direct the dialogue on this important area of Bank interventions and advisory services to the government. RDNG has initiatives on the ground with partners such as the French Development Agency and the Islamic Development Bank to co-develop and finance jointly. In November 2017, for instance, RDNG and Islamic Development Bank officials conducted a joint project preparation mission to Nigeria's Ebonyi State to assess a transport sector project.

Managing for Results

Management acknowledges IDEV's findings that the use of results-based logical frameworks for CSPs has enabled long-term sector-level outcomes to be clearly linked to the country's long-term strategic goals and national priorities as well as to project activities and outputs, particularly in the CSP period 2013–2017. Management also agrees with IDEV's findings that the selectivity of the Bank's interventions has improved over the evaluation period, with fewer priority sectors. The recognition by IDEV that each CSP so far has incorporated lessons learned from the previous CSPs, highlighting key lessons and taking them into account, is evidence of management's commitment to evidence-based actions stemming from lessons of experience as a basis for decision-making and planned interventions in the Nigeria country programme.

Acknowledging IDEV's analysis that projects' log-frames often lack emphasis on outcome indicators, management is prepared to introduce M&E systems, particularly for LoCs that will enhance and strengthen the traceability of development outcome achievements. For instance, in future project log-frames, management aims to identify outcome indicators that relate strongly to the following: (i) how much has changed and what is the diversity of change with Bank interventions (quantity), (ii) how beneficial has the change been (quality), (iii) who has benefited or not (equity), (iv) what resources have been used and at what level of partnerships (efficiency), and (v) how far have the planned outcomes been achieved (effectiveness)? On the low quality of supervision reporting indicated by IDEV, management understands that there must be improvements in meeting the reporting requirements outlined at appraisal and also in keeping documentary evidence of supervisions for both the Bank and the FGN.

Management understands that both the frequency and quality of supervision of Bank operations must be linked strongly with cooperation from the FGN. For instance, to ensure that there are sufficient and frequent M&E activities, the RDNG team conducts targeted training three times per year for project implementation teams in addition to regular supervision missions. The purpose of these training and troubleshooting sessions is to follow up on persistent reported challenges—often including lack of understanding of Bank operational and procurement guidelines—and provide project implementation units with tools for resolution. To ensure clear and adequate communications as well as rapid responsiveness to clients, RDNG maintains regular contact through the projects' Desk Officers, located in the line ministries, who are responsible for monitoring and relaying reports back to the Bank. At the regular operations meetings, task managers are encouraged to bring up operational challenges on their projects for group discussions and resolutions. These routine practices will continue and will be modified according to emerging priorities. Problems identified for resolution and effectively resolved at the task manager level must not recur or be identified as persisting at the next supervision mission. For instance, task managers have been instructed to record the issues and options just recently resolved as a lesson and best practice in the project management handbook to be kept jointly by the implementation team for future reference. Management is confident that these initiatives, combined with the imminent arrival of new recruits and staff mapped to RDNG, will bring considerable improvements in this area.

For non-sovereign operations, the imminent addition of an additional team member will result in the Bank's increased involvement in outreach activities and collaboration with potential private sector initiatives and strong business development activities. Furthermore, the Country Department has been organising annual fiduciary clinics, annual audit quality and disbursement workshops and regular portfolio review meetings as part of the measures to stay focused on project implementation and improve portfolio performance. ■

<table>
<tr><th colspan="2">MANAGEMENT ACTION RECORD</th></tr>
<tr><th>Recommendation</th><th>Management response</th></tr>
<tr><td colspan="2">Recommendation 1: The promotion of inclusive growth across gender, age and region should play a more central part in both the Bank's strategy documents and operational pipelines in line with the FGN new priorities.</td></tr>
<tr><td>The new CSP should include elements responding to social welfare and economic diversification priorities of the government, namely to include interventions focused on enhancing social inclusion and livelihoods with more clearly and direct impact on poverty reduction. On an operational level, all interventions should explicitly be linked to these objectives and its impact pathways must be clearly established and elaborated. Simultaneously, the Bank needs to initiate a detailed analysis of its comparative advantage and positioning in Nigeria, and of its ability to reach out in terms of policy dialogue and scale-up/ leverage resources to establish itself as a leader in certain areas to set in motion the intended mechanisms that effectively bring about desirable socioeconomic changes.</td><td>Agreed. Management acknowledges the series of constraints outlined in the report affecting the depth of programmes to address the promotion of inclusive growth across the board in previous CSPs. This issue is particularly acute in the Nigeria context, where economic diversification is a priority. To address these issues, in preparing the CSP, RDNG will prepare studies with a focus on areas where the Bank has demonstrated strengths and where it can increase its comparative advantage. In addition, the expected outcomes of this preparatory work are to identify areas for scaling up policy dialogue as well as partnerships to strengthen and leverage resources to establish leadership in specific areas. This dialogue will be grounded on a systematic diagnostic note, an innovative feature of the revised CSP framework also designed to improve quality at entry.

The Bank is currently addressing the issues raised by IDEV through approved projects, including:

▪ The Enable Youth Programme (approved in 2015), which is expected to create 37,000 youth agro-entrepreneurs across Nigeria over the next five years. Implemented by the Ministry of Agriculture, this project is based on a hybrid model using anchor borrowers as guarantees.

▪ The Basic Services Delivery and Empowerment project (approved in 2015), which will be implemented in the Northeast region of Nigeria through special-purpose vehicles and donor partners, to improve the livelihoods and social inclusiveness of the population affected by the insurgencies and Boko Haram activities, but also to increase social services delivery and economic diversification programmes for the most vulnerable communities. The project is scheduled to commence in 2018 and will have oversight from multiple ministries, departments and agencies in Nigeria.

Further Actions

The 2018–2022 CSP will be underpinned by a number of studies. Prominent amongst them and specifically aimed at addressing this challenge is the study Strengthening Participation, Empowerment and Social Inclusion in AfDB Programmes in Nigeria. The study, a collaborative effort between the RDNG and the Economic Complex Vice Presidency (ECVP), is due to be completed by the first quarter of 2018 for validation. The purpose of this study is to better understand the complexities in this area and to position the Bank through the CSP 2018–2022 to better address and promote the inclusive growth agenda across gender, age and geographic regions – as the RDNG continues to develop the pipeline of projects to be included in the new CSP.

▪ The new CSP will be designed to respond concretely to priority areas such as social inclusion and livelihoods improvement programmes with a heavy focus on poverty reduction. The Nigeria CSP led by RDNG is expected to be delivered by the 3rd quarter of 2018 in collaboration with ECVP and the Nigeria Government.

▪ Cross-cutting issues such as green (climate change) and inclusive growth, gender empowerment and equality, social inclusion, environmental safeguards and settlements and expansion of areas not previously captured will become central themes in the new CSP.

▪ Management has commissioned key studies that will indicate the level of the Bank's comparative advantage and positioning in Nigeria. These studies include, in addition to the already mentioned study on participation and empowerment, Fiscal Sustainability and Debt Dynamics in Nigeria and Innovative Approaches to Domestic Resource Mobilisation in Nigeria. These studies are being co-executed by RDNG and ECVP and are due to be completed by the second quarter of 2018.</td></tr>
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<table>
<tr><th colspan="2">MANAGEMENT ACTION RECORD</th></tr>
<tr><th>Recommendation</th><th>Management response</th></tr>
<tr><td colspan="2">Recommendation 2: The Bank's private sector interventions should be diversified to enhance development results.</td></tr>
<tr><td>Given the huge infrastructure needs in Nigeria and the potential infrastructure has on supporting economic growth, the Bank's private sector interventions should diversify beyond the huge concentration on financial intermediation in order to contribute to high potential areas such as commercial agriculture and infrastructure, particularly power and transport which have strong economic development and regional integration effects, more utilisation of the PPP mechanism to encourage private sector participation could also be explored. Moreover all these areas are considered high priority areas for the Bank and correspond with the Bank's High Fives (light up and power Africa and integrate Africa). Such efforts should be pursued in consultations with other Development Partners to form partnership and ensure harmonisation.</td><td>Agreed. Most private sector operations in the portfolio are aligned to the relevant CSPs in the period in which the projects were approved. However, there is a need for a shift from the single-transaction approach, which provides catalytic but fragmented investment in a particular sector, to sector-wide integrated interventions that offer deeper solutions for more sustainable development. For interventions approved during the next CSP, public-private partnerships (PPPs) and co-financing will be highly promoted as an alternative to public sector funding for prospective infrastructure projects.

The Bank's private sector interventions are indeed under review in terms of current achievements within the strategic framework of the CSP 2013–2017. Management is exploring different approaches to responding to diverse needs in the Nigerian economy while meeting the objectives of the High 5s. While LoC operations will be considered at a minimum, they will also be used to achieve diversification into the real sector and to support a wider inclusive growth agenda for Nigeria. The recent study on the impact of LOCs underscored the need for diversification in the key sectors of the economy such as agribusiness and agriculture and production infrastructure, and into power and transportation initiatives.

Further Action
▌ The Bank will continue to develop private sector operations that have an embedded cooperation even with the public sector. The strategic orientation of the next CSP is being designed with the value chain approach as a key driver in most Bank interventions.
▌ RDNG is recruiting staff with the right skills mix, including specialised staff to focus on business development or origination of new projects that are focused on the private sector featuring real sector economic diversification objectives. It is expected that the institutional mapping under the new DBDM will bridge the gaps and bring the necessary skills mix into the country programme.
▌ A full staff complement is expected by mid-2018, given the time involved in recruiting internationally qualified technical staff such as economists and private sector specialists.
▌ The next CSP will also develop knowledge work on sector-related issues, especially in inclusive and diversified economic business activities as well as programmes that support business opportunities and choices in the area of transitioning to green growth within private sector interventions.</td></tr>
</table>

MANAGEMENT ACTION RECORD	
Recommendation	**Management response**
Recommendation 3: *The Bank's various monitoring and evaluation instruments should be improved and streamlined.*	
The Bank's various monitoring and evaluation instruments should be improved and streamlined. The Bank's operational and strategic instruments (e.g. CSP, appraisal, supervision, country portfolio and PCRs as well as the CPIA) should complement each other in order to enhance the results-based approach. Supervision reports can be instrumental in assessing CSP outcomes and outputs and in detecting information gaps. The Bank's data collection protocols for lines of credit in particular need to be revisited, to ensure that measurable indicators are used, the necessary reporting data from clients is collected.	**Partially Agree.** The Bank aims to continually strengthen its M&E ability. Various tools have different purposes. For example, the Bank's CPIA assessment, which has the primary purpose of determining country allocations, is not part of the CSP monitoring and evaluation function, which is mainly undertaken by the CSP Mid-Term Reviews, CSP Completion Reports and Country Programme Performance Reviews, with input provided by Implementation Progress and Results Reports (IPRs) and Project Completion Reports (PCRs). Management believes that M&E instruments can be strengthened in both the CSP and non-sovereign operations (i.e., LoCs), which would help streamline results reporting in country strategies. **Further Action** Management is addressing these issues by: ▌ Adopting a CSP results tools by Q2 2018 designed to better track the implementation of national plans and strengthen the Bank's alignment (DAPEC). ▌ Reviewing and strengthening the non-sovereign operations supervision tools by Q1 2019, including by strengthening the focus on tracking development results from design to completion (PINS/SNOQ). ▌ Launching the Results Reporting System by Q3 2018 (SNDR). ▌ Planning for the recruitment of an additional M&E staff and an Operations Analyst in RDNG office.
Recommendation 4: *In parallel, the formulation and use of quantitative outcome indicators should be strengthened.*	
The selected outputs and outcomes should reflect the country medium-term strategic priorities. So far there has been little focus on policy and institutional indicators and its linkage with impact indicators of poverty reduction and inclusive growth, at a time when the FGN embarked on an ambitious reform agenda, critical to improving the macroeconomic environment. The selectivity of quantitative outcome indicators should be strengthened, so as to avoid attributive problems in assessing the impact and sustainability of Bank's interventions, in particular when several co-financiers are involved. Similarly, current project status reports lack information about progress towards development results, which also stems from the initial design and appraisal procedures. The approach on the data collection protocols for lines of credit in particular needs to be revisited, to ensure that measurable indicators are used, the necessary reporting data from clients is collected, with agreements on the necessary confidentiality protocols signed for the delivery of the data.	**Partially Agree.** It should be recalled that at the CSP level, the formulation and use of quantitative outcome indicators are linked to national M&E indicators, which are often used to track the implementation of national plans. These are the indicators that should be tracked in the CSP's M&E systems. At the project level it is equally important to distinguish between public and private sector results tools. For the public sector, IPRs and PCRs adequately track development results as they specifically track output and outcome indicators. For non-sovereign operations there is indeed scope to improve results reporting. The new Results-Based Logical Framework (RBLF) will also strengthen the formulation of indicators in operations. Management is addressing this by: ▌ Adopting CSP results tools by Q2 2018 designed to better track the implementation of national plans and strengthen the Bank's alignment with the most appropriate indicators (DAPEC). ▌ Reviewing and strengthening the non-sovereign operations supervision tools by Q1 2019, including by strengthening the focus on tracking development results from design to completion with the most appropriate indicators (PINS/SNOQ). ▌ Approving RBLF Guidelines by Q2 2018 (SNOQ). In addition, RDNG is now monitoring the DBDM implementation and High 5s at its own level through a dedicated dashboard, with indicators selected as the most conducive to the achievement of development outcomes. Areas of tracking include dialogue for co-financing, operations efficiency, delivery and accountability. This approach allows us to track and address operational issues early on.

Introduction

This report summarizes the findings of the independent evaluation of the Country Strategy and Program (CSPE) of the African Development Bank (AfDB or Bank) in Nigeria. It is structured into five sections. Section 1 provides an overview of the background of the evaluation and methodology and the limitations of the analysis. Section 2 describes the main socioeconomic dimensions of the context in Nigeria. Section 3 deals with the achievement of development results; it focuses on relevance, development effectiveness, sustainability, and crosscutting issues. Section 4 answers the overarching evaluation question of how and why development results were achieved. It expands the analysis to efficiency, design issues, knowledge, policy advice, partnership and leverage issues, and managing for results. Lastly, Section 5 presents conclusions and recommendations.

Evaluation Purpose and Scope

The evaluation has four objectives: i) To provide credible evaluative evidence on the development results of the Bank's engagement in Nigeria; ii) To provide credible evaluative evidence on how the Bank has managed its engagement in Nigeria; iii) To identify the factors and drivers behind good or poor performance, and iv) To identify lessons and recommendations stemming from the performance and management of the Bank's support to Nigeria to inform the design and implementation of future strategies and operations.

The evaluation covers four country strategies over a fourteen year period: CSP 2002–2004, CSP 2005–2009 (subsequently extended to 2011), CSP 2011–2013 Joint Strategy with the World Bank, and the 2013–2017 CSP (ongoing). It also covers the Regional Integration Strategy Paper (RISP) for West Africa covering the years 2001–2015 that the Bank approved in 2011.

The portfolio under review is comprised of projects approved between 2004 and 2016 and three public sector projects approved in December 2003[3].

Evaluation Questions and Judgment Criteria

Evaluation questions were organized as per the four OECD-DAC criteria of relevance, effectiveness, efficiency and sustainability. Another six criteria were brought into the assessment framework to complement and strengthen the analysis of development results: i) Crosscutting issues and Lessons; ii) How and why development results were or were not achieved; iii) Design; iv) Partnerships and leverage; v) Knowledge and Policy Advice, and vi) Managing for results. Evaluation Questions are described in greater detail in Annex 2.

Methodology[4]

The CSPE has a specific strategic orientation involving the assessment of Bank performance on three interrelated levels: **project level** (individual operations), **sector level** (clusters of operations, as defined in the Bank system) and **country level** (aggregated effects, and crosscutting and horizontal issues).

This evaluation is based on a theory of change (ToC). Evidence in support of it was collected and triangulated. The evaluation takes a mixed methods approach, using a combination of qualitative and quantitative data collection and analysis. These include a desk review of project documents (Annex 12), a quantitative and qualitative analysis of the Bank´s portfolio in Nigeria with a purposive sample of 17 projects that underwent a more in-depth analysis, semi-structured interviews with

125 key informants including Bank staff, ultimate beneficiaries, and development partners, and a quantitative data analysis drawing on the statistical analysis of official statistics and rankings. The triangulation of data sources, informants, and methods was emphasized to provide cross-validation and to assess the plausibility of the results obtained.

Limitations

The evaluation encountered the following methodological difficulties:

External factors. Several external variables, macroeconomic factors, and shocks affected the Bank´s portfolio performance and its development outcomes. These made it difficult to isolate the net effect of Bank assistance relative to other interventions. For example, low energy prices had a negative effect on sovereign revenues that in turn affected the availability of counterpart funds, which was a major reason for delayed project implementation.

Data gaps. The data collection stage uncovered data gaps that were often due to the lack sound statistical datasets. In older projects (initiated prior to 2010), lack of structured monitoring systems meant that documentary evidence was missing. To fill the gap, the evaluation used to the greatest possible extent a combination of secondary and primary data collection that included desk work, field missions, and triangulation. For older projects, interviews with key informants were used to cover information gaps.

Availability of project information. Data availability issues and the portfolio's maturity created limitations for assessing some evaluation criteria. Over the timeframe under review, many projects were approved but not fully disbursed (21 of 65). For those projects, evaluation criteria focusing on longer-term outcomes, sustainability, and impacts cannot be fully assessed. Moreover, even for a number of fully disbursed and even completed projects, important parts of the documentation were missing. For example, only ten project completion reports (PCRs) were available for the 26 closed public sector projects under review. A sample of 17 mature projects for which project documents were available and results assessment and verification were possible[5] was selected for in-depth Project Results Assessments (PRA). While limited, this sample provides a picture of results achieved during the period of the evaluation. ■


Photo: © AfDB

Brief Overview of the Nigerian Context

This section provides a brief overview of the general context in Nigeria and of sectors that are most relevant to the Bank.

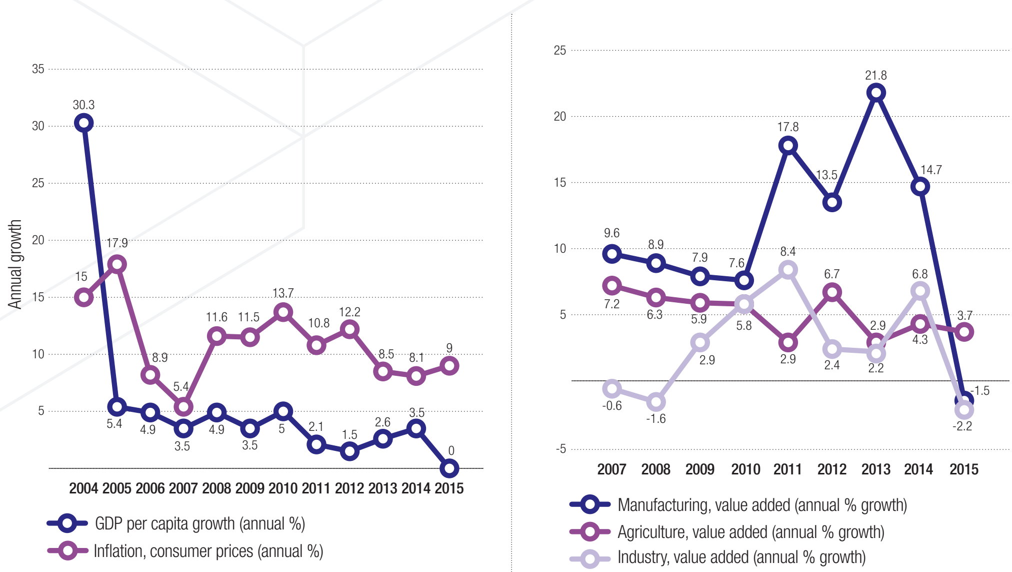
Economic, Sectoral and Policy Context

Nigeria emerged as Africa's largest economy and the world's 26th largest[6] after rebasing its GDP. The rebasing led to a 90% rise in Gross Domestic Product (GDP) to 481,066 billion USD (current prices) for 2015.[7] It also impacted other key macroeconomic indicators, lowering the government's budget deficit and expenditures, and the level of sovereign debt.

The fundamental change in the size of the Nigerian economy was mirrored by a change in the composition of its GDP. The share of the three main sectors – oil and gas, trade and agriculture – plummeted after rebasing. The contribution of total natural resource rents shrank from an estimated 18.7% in 2011 to 4.7% in 2015 of overall GDP. Due to falling oil prices, rents originating from oil represented only 3% of GDP. GDP growth plummeted from 6.8% in 2007 to 2.7% in 2015. Only agriculture sustained its low value-added growth over time (Figures 1 and 2).

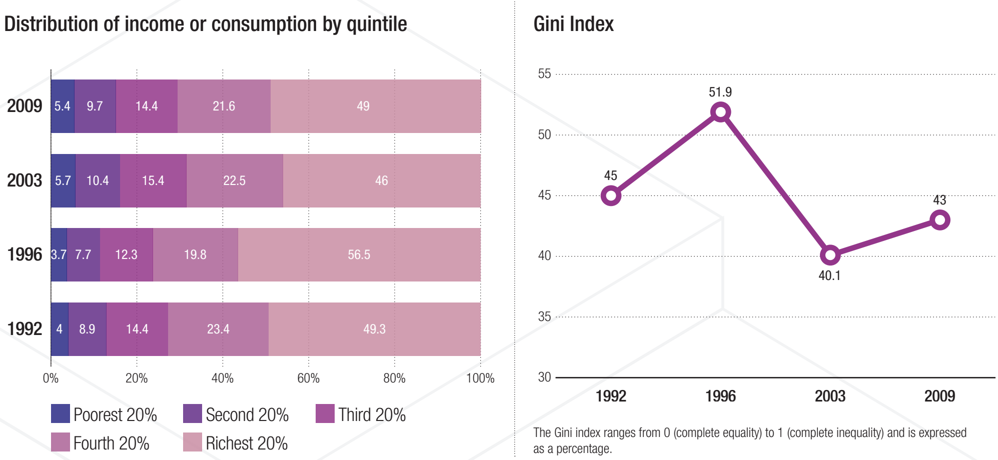
From 2000 to 2015, Nigeria was one of the world's fastest growing economies (14th) with a 7.7% average growth. This surpasses the

Figure 1 & Figure 2: GDP per capita, inflation and value added in industry, manufacturing and agriculture



Source: World Development Indicators Database

Figure 3: Inequality indicators



Source: WB Poverty and equity database

7.1% average growth of sub-Saharan Africa oil exporting countries and Sub-Saharan Africa (6.3% excluding South Africa).

The development of Nigeria's economy is hampered by lack of infrastructure, however, compounding a challenging environment. Infrastructure is critical to advances in agriculture (a key pillar of the economy), to economic diversification, as the economy remains heavily dependent on crude oil price fluctuations, and to delivering health and education services to the poor for human development.

Access to electricity has improved since 2000, rising from 45% coverage to 56% in 2012 albeith with a greater discrepancy between access in rural (34%) and urban areas (84%)[8]. Access to non-solid fuel has not improved since 2000, when 26% of the total population had access; in 2012, that share was 25%.

Poverty and Inequality

In contrast to the considerable growth in Nigeria in the past years, Figure 3 shows that inequality decreased from 1996 to 2003 before it rose during the 2003 to 2009 period.

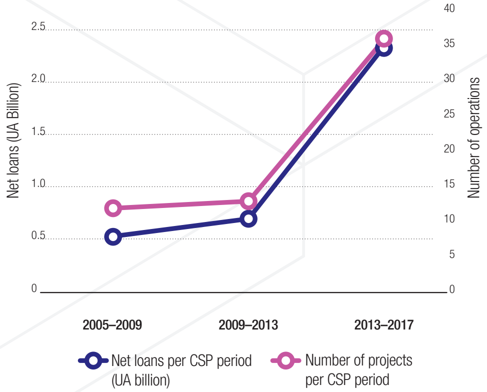
Compared with the level of economic growth achieved over the past years, **Nigeria's official poverty rate remains strikingly high** with no substantial progress since the last measurement in 2003. According to the national poverty line, 46% of the adult population (71.4 million people) was poor in 2009 but when measured by the threshold of USD 1.9 a day, the figure rises to to 53.5% (85.2 million people). From 2004 to 2010, the poverty headcount ratio worsened for 19 Nigerian Federal States (Annex 4), and over 50% of the population in northern states still face poverty (Annex 11 includes a map of Nigeria´s Federal States). ■

To What Extent has the Bank Achieved Expected Results in Nigeria?

Bank Portfolio in Nigeria 2004–2016

The Bank approved 62 projects in Nigeria during 3 strategy cycles (2004–2016) for an approximate total of UA 2.95 billion. The trajectory of approvals rose from one strategy cycle to the next. The 2013–2017 strategy included approximately UA 2 billion worth of approvals. Figure 4 shows the numbers and values of Bank approved projects for each of the three CSP cycles, by time period.

Figure 4: Approvals by CSP period



Source: AfDB, SAP extraction

The Bank's program was concentrated in the financial intermediation sector (LoCs) followed by multisector (budget support). Table 1 shows that finance accounted for more than half the approved projects by value over the timeframe under review followed by the non-finance sector, multi-sector operations, water supply and sanitation, power, and agriculture.

Table 1: Bank approvals by sector for Nigeria (2004–2016)

Sector	Approvals (UA Million)	%
Finance	1542.25	52.3
Multi-sector	666.19	22.6
Water supply/sanitation	317.81	10.8
Power	176.01	6.0
Agriculture	127.24	4.3
Transport	72.61	2.5
Social	31.85	1.1
Environment	1.51	0.1
Communications	12.77	0.4
Total	2948.24	100.0

Source: SAP extraction

Disbursements during the period under review were low. More than a quarter of operations older than two years (26.4%) have not yet disbursed any funds. Table 2 provides an analysis of disbursement for the 2004–2014 portfolio and shows an average disbursement ratio of approximately 57% at end of the evaluation period (end 2016).

Table 2: 2004–2014 portfolio disbursement as of 31/12/2016

Sector	2004–2016		2004–2014	
	#	%	#	%
Average disbursement ratio		49.6		56.9
Projects with a 100% disbursement ratio	24	34.3	22	41.5
Projects with a 0% disbursement ratio	25	35.7	14	26.4
Projects with less than a 49% disbursement ratio	34	48.6	22	41.5

Relevance[9]

The relevance of Bank assistance is rated Satisfactory. Relevance was evaluated by assessing two areas. The first was the alignment of the Bank's strategy and program with national and sectoral strategies and priorities and country development needs at strategic, portfolio and sector levels, and their alignment with beneficiaries' needs. The second was whether project design was conducive to achieving results.

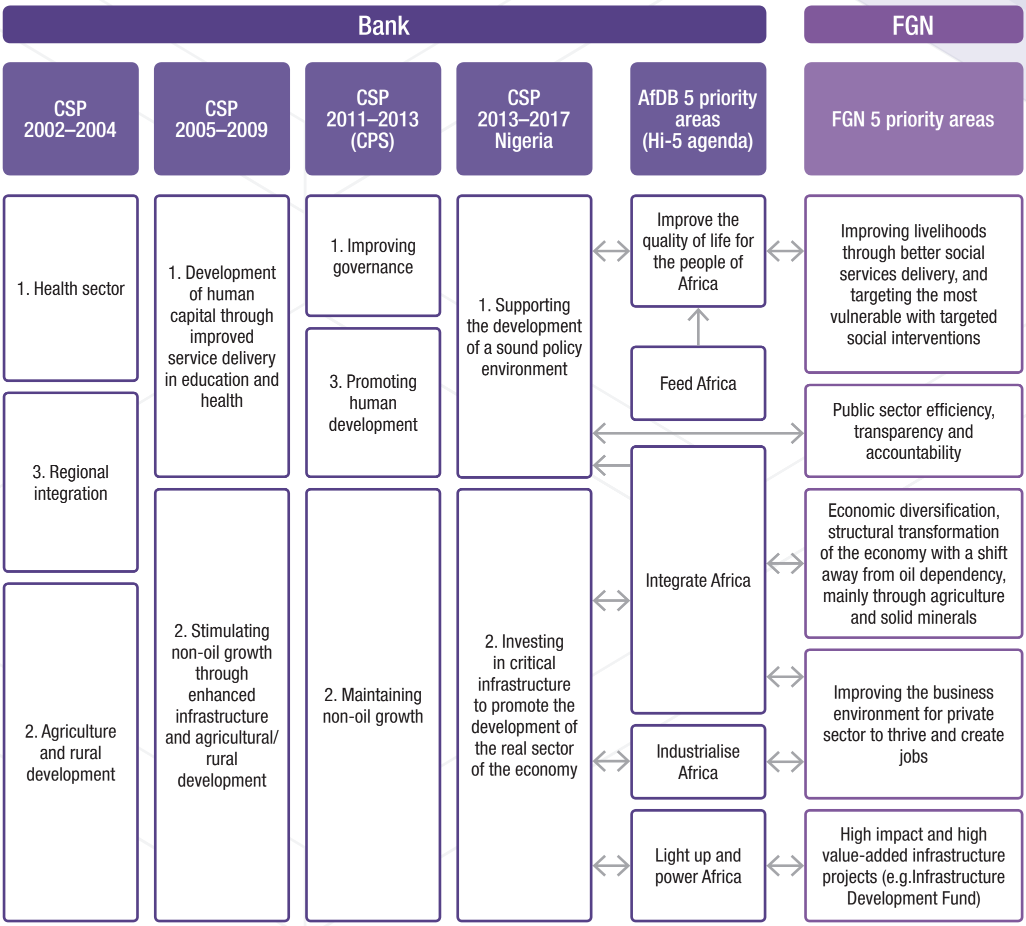
Significant alignment exists between the FGN's strategic and sectoral objectives and those of the Bank[10] (Figure 5). The timeframe considered for this evaluation is largely covered by two FGN country strategy documents – the National Economic Empowerment and Development Strategy (NEEDS) 2004–2007 and Vision 2020. All three CSPs from the same timeframe include a formal statement about the Bank's strategies intending to support FGN strategies and policies. The CSPs thus frequently refer to the needs expressed in national policy documents and consultations and to FGN priorities in strategic documents.

Over time, the Bank's strategy has adapted to changing social and economic circumstances in Nigeria (e.g. assistance to Chibok girls and two Emergency Liquidity Facilities). The alignment with and convergence of strategic interests and areas of support improved as the Bank widened its focus. The focus expanded specific sectors (health, regional integration and agriculture in the first CSP 2002–2004) to broader and structural areas of interest for the development of a sound business environment and investment in infrastructure, which is critical for promoting real sector growth. The areas of structural reform that the new government has identified are well covered and intertwine with those of the Bank in its Strategy 2013–2022, High 5s priority areas, and latest CSP 2013–2017 show.

The Bank's public sector portfolio[11] **is aligned sectorally with FGN strategies.** Projects are in line with the sector strategies defined by both the FGN and the Bank. A relatively substantial part of projects focus on agriculture (13 projects, or 20% of the total number). Large projects – in terms of Bank funding levels – were undertaken in the transport and power sectors. More recently, projects have been undertaken in the water/sanitation sector (13 projects, to the total of approximately 11% of all approvals). Education and health projects (7 projects, or 11% of all projects, representing 1.1% of net loans) are more limited in light of the strategic relevance given these two sectors by the CSPs (Annex 1).

The Bank´s private sector portfolio is also aligned with FGN strategies for private and financial sector development[12]**.** The 11 projects in the private sector portfolio were found to be in line with FGN strategies. These strategies seek deeper, stable, and a more growth-sustaining financial sector able to provide the requisite credit to real sector companies and to integrate with external financial markets. Bank LoCs channeled through financial intermediaries (FI) were regarded as an important tool for facilitating

Figure 5: Bank CSP pillars 2004–2016, and alignment between CSP 2013–2017, AfDB five priority areas and the five FGN priority areas



Source: Bank CSPs for Nigeria, the High-5s Agenda, and the FGN's five priority areas.
Note: Arrows indicate alignment.

access to credit for real sector companies[13] and for providing a resource base in foreign exchange (FX) at a reasonable price for companies with FX revenue streams.

The Bank's private sector portfolio is in line with its financial sector development strategy.[14] The Bank seeks to direct private sector operations to address market failures (limited longer maturity lending and limited SME access to credit) and to strengthen the capacity of participating FIs to lend more to SMEs. The two Emergency Liquidity Facilities (ELF) and the Trade Finance Initiative (TFI) were consistent with the Bank's ELF Initiative[15] approved in March 2009. Conceived as part of the Bank's general response to the financial crisis, ELF demonstrates the Bank's capacity to provide timely, customized financial sector support when there are major shocks, thus acting in a countercyclical fashion.

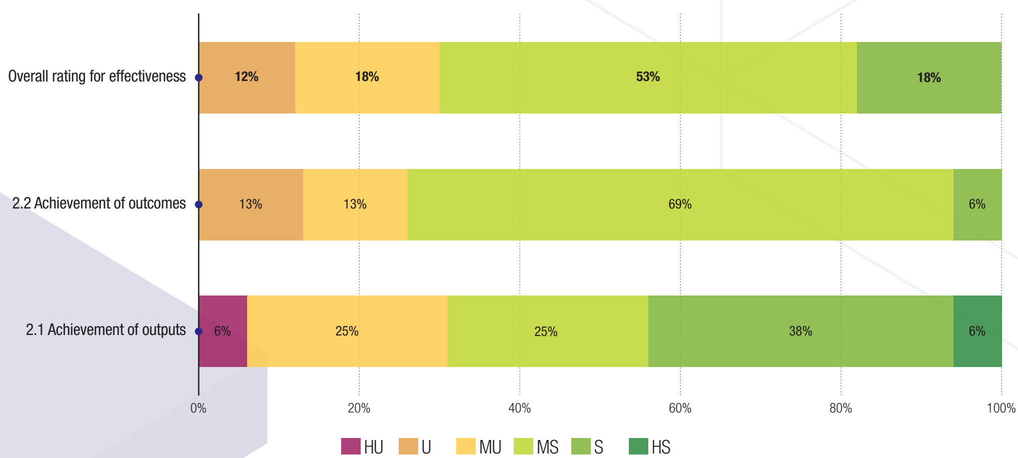
The Bank's public and private sector portfolio are largely aligned with beneficiaries' needs. The Bank provided financing for projects that responded in most cases to real needs of local beneficiaries. Most of the PARs identify the target population but only rarely describe their concrete needs and, most importantly, the path towards impacts. The design of private sector projects took into account the strategic priorities of the primary beneficiaries, which are mainly FIs. In only one case was a slight misalignment detected between the strategy of one financial institution (Zenith Bank[16]) and the main project focus.

The in-depth analysis revealed that project design is moderately conducive to achieving project results in most cases. Public sector projects reviewed were all rated Moderately Satisfactory (MS) and above. A bit more than 40% scored above Satisfactory. On the private sector side, 80% of the projects reviewed were rated MS, while 20% were found to be below the MS bar. With the exception of the CBARD project, all public sector project logframes included in the PARs were geared more towards achieving outputs than outcomes. Logframe designs ensured that project resources were adequate for achieving outputs but not necessarily outcomes[17]. Nigeria´s 2009 CPPR recognized that implementation was delayed by poor initial project design – overloaded, no realistic implementation timelines during planning.

Effectiveness

The effectiveness of Bank assistance was rated Moderately Satisfactory. Effectiveness was evaluated by assessing the achievement of immediate and intermediate results (outputs and outcomes) of Bank projects against targets set in project approval documents. More than half of the projects reviewed in the PRA sample have achieved or are likely to achieve outputs and outcomes. Figure 6 summarizes PRA ratings for the effectiveness sub-criteria.

Figure 6: Project ratings for effectiveness



Source: Evaluation PRA ratings

Public sector portfolio

The in-depth analysis of public sector projects revealed that a majority of outputs was achieved even with some projects still ongoing. Four of seven public sector projects received a satisfactory rating for output achievement, and six of seven received a rating of MS or above. Although no project had an output execution rate of 100%, only one was rated Moderately Unsatisfactory on output achievement.

The full achievement of planned outputs was hampered for a variety of reasons. In some cases, the Boko Haram insurgency in Northeast Nigeria blocked project implementation. In others, FGN difficulties fulfilling the conditions in the loan agreement delayed project implementation.

In comparison to output achievement, the public sector portfolio appears to have low outcome achievement.[18] Some ongoing projects (e.g. Skills Training and Vocational Education Project (STVEP) limited the assessment of outcomes. STVEP is progressing as per expectations, however, making it plausible to expect that project outcomes will be achieved.

During the CSP 2005–2009, the Bank´s intervention contributed to positive outcomes in the health sector. However, these efforts were coupled with those of other DPs and the government. In education, planned outcomes were not met. Within the second pillar, water supply and sanitation sector outcomes were reached. Despite the robust growth of the non-oil sector, most agriculture outcome targets were not attained.

With the exception of ARISP and STVEP, all public sector projects in the Bank's portfolio for Nigeria had unintended outcomes. These were often related to crosscutting issues, and especially to gender equality.

Positive unintended outcomes (those not explicitly included in PAR outcomes) include the following: shorter distances to water sources for women and children; less water-borne disease (FADAMA Development Project II), and more farming and economic activity next to newly-built rural access roads (Rural Access and Mobility Project Cross River State or RAMP-CRS). Moreover, Bank projects have unintentionally improved the connectivity between communities. Whith higher incomes, beneficiaries have been able to purchase motorcycles and to pay their children's tuition fees; schoolgoing has raised their educational attainment (IMIAW project).

Some negative unintended outcomes could have been better anticipated by the design of new projects that resembled earlier projects, given their nature. These relate to higher property prices in towns next to the newly built rural access roads where the risks of traffic accidents increased (RAMP-CRS). In addition, conflicts arose between project participant and non-participant communities, resulting in the destruction of project-funded materials (e.g. canoes) (IMIAW project).

Private sector portfolio

For private sector projects, the output assessment is Moderately Satisfactory. Most projects achieved outputs after the planed date. From the 10 private sector projects subject to PRAs (six of which are LoCs), four did not achieve their outputs and only one over-performed (LoC for Zenith Bank PLC[19]). The four less well performing projects include the UBA ELF and the UBA Trade Finance initiative, which achieved less than 50% of the outputs despite total disbursement (Annex 6). The lower ratio of achievement for the two remaining LoC projects (LoC 1 and LoC 2 to Guarantee Trust Bank) are linked to the total credit redeployment to fewer sub-borrowers than envisaged.

Most LoC projects were able to sustain their stated outcome targets moderately. In general, the total redeployment of the funds was ensured, albeit through a smaller number of companies. This implied benefits to the real economy since no sub-projects financed through the LoC defaulted and all proved commercially viable. Neither the PRAs nor the Bank's reporting show evidence of the negative economic performance of sub-borrowers, or of sub-loans that were not being reimbursed.

Specific outcome indicators were not appropriately measured during project implementation for lack of suitable M&E systems to account for the development outcomes of LoCs. Interviews suggested that the FIs are cautious about lending in USD and select sub-borrowers able to service the debt in the same currency whereas the vast majority of SME needs are in local currency. This not only offsets the currency risk but also strengthens the ex-ante selection process and helps guarantee that the sub-borrowers will perform. It also implies that sub-loans are only accessible to companies able to produce revenue streams in dollars. Most of these are medium to large established firms.

No major unintended outcome was recorded for private sector projects except the Lekki Toll Road project. Difficulties in implementing the second phase of that project, especially with collecting revenues, proved to be a financial burden. In April 2012, the Lagos State Government made a bid to acquire the equity portion of the project sponsor, the Lekki Concession Company (LCC). The bid process concluded in December 2014, two years after the proposal was disclosed. The private component of the PPP ceased to exist, as a result, transforming the company into a public utility[20].

Concerning Zenith Bank, the South Energy project was financed through its LoC I and II for 10% of its total value. In the reporting, the Bank admitted that the size of the project and its various components was too vast to exclude any possible breaching of its rules.

The assessment of the Bank's portfolio contribution to the country's strategic objectives was hampered because several projects were ongoing and project documentation was lacking. As several projects in the portfolio were still ongoing, no full assessment of their contribution could be made. Insufficient information — only ten of the 26 public sector projects had a PCR — also limited the assessment of outcomes.[21] (Annex 6).

Sustainability

The sustainability of Bank assistance was rated Moderately Satisfactory. The sustainability of Bank project results is evaluated by assessing two dimensions: the extent to which the appraisal considered financial, economic, and environmental and social factors affecting specific operations, and the degree of government or relevant stakeholders' ownership and their commitment to project goals.

Public sector portfolio

Public sector projects complied with the Bank's Environmental and Social Policy. Some public sector projects produced positive environmental effects. In projects identified as Environmental Category I and II in the ESIAs, and in compliance with Bank policy, measures were introduced prior to approval concerning environmental and social mitigation/enhancement, the capacity of country institutions and systems, and the availability of funding to ensure the introduction of environmental and social sustainability. The STVEP project was implemented using smart environmental solutions that included furbishing TVET institutions using environmentally friendly green energy sources (solar) and low carbon solutions. For the FADAMA

Development Project II, a special facility to mitigate potential environmental hazards was arranged via a Global Environment Trust Fund grant.

There is mixed evidence on institutional sustainability and capacity strengthening. On the one hand, the PCU and related staff remained after project completion, stating that they had benefited from the trainings and were motivated to move on with the work. In addition, project beneficiaries were still using what they had learned from the trainings. On the other hand, the beneficiary institution did not always integrate project benefits, and institutional links remained weak. Sustainability was also hampered because the skills acquired under the project were not entirely suitable to the activities needed to sustain project benefits.

There is mixed evidence for the ownership and sustainability of created partnerships. The design of highly rated projects included community involvement (e.g. took a community-driven demand approach) or had the issue addressed by the project remain high on the political agenda. Given Nigeria's current economic situation, the main concerns of infrastructure development projects are adequate technical maintenance and the financial self-sustainability of the facilities constructed.

Private sector portfolio

On the private sector side, no sub-projects financed by the proceeds of the LoCs defaulted. All sub-projects proved commercially viable. The majority of private sector projects are LoCs to well-regulated FIs with inherently low risk. This contributes to some extent to financial viability, a strong proxy for sustainability in the private sector. The three exceptions were the Lekki Toll Road, the Helios Towers project and the TA Grant for ABN Microfinance. In addition, beneficiaries´ financial sustainability performance was considered poor.

In the private sector, there is evidence of the Bank's effort to improve FIs' environmental and social compliance. The Bank provided TA packages for the LoCs when starting a lending relationship with a state bank. These were designed to improve the capacities of the intermediary in environmental management systems and to put in place or upgrade their EMS system. However, as the Zenith Bank case shows, these upgrading initiatives were not always successful.

Finally, Bank reporting does not document the sustainability of results. Bank assessments of the performance of its portfolio in Nigeria do not systematically address the continuation of benefits after project completion. Sustainability is not a regular criterion in either portfolio assessments or improvement plans. Neither the Bank's CPPR nor the Country Portfolio Improvement Plan (CPIP) cover sustainability issues systematically. Rather, both documents highlight factors that endanger sustainability and propose generic measures to improve it, as well as measures on a project-by-project basis.

Crosscutting Issues

This dimension was evaluated by assessing whether Bank strategy and individual interventions took crosscutting issues of importance to the Bank into consideration. These issues include promoting inclusiveness (particularly gender equality), addressing regional disparities, and environmental sustainability.

All CSPs maintain the commitment to address crosscutting issues. They detail existing concerns and issues and commit to outcomes and outputs in their results framework. In particular, the latest CSP, covering 2013–2017, refines and improves the approach, embedding crosscutting issues into the strategic pillars and better mainstreaming them into Bank operations in a more pragmatic fashion. The two strategic pillars are Pillar I, supporting the development of a sound policy environment, and Pillar II, investing in critical infrastructure to promote the development of the real sector of the economy; both emphasize crosscutting issues. In particular, the CSP 2013–2017 addressed gender mainstreaming and resilience to climate change issues as related to the desired objectives of inclusive and green growth. It also displays a greater commitment to taking action to better mainstream these into Bank operations, primarily by the intended efforts to step-up the delivery of high quality policy advice through targeted analytical and advisory work (non-lending activities).

The CSP 2013–2017 shows significant improvements in mainstreaming environmental and climate change concerns. This is in line with the National Economic Empowerment Development Strategy (NEEDS) Program and a key priority of the Ten-Year Strategy (2013–2022). Environmental risks and mitigation measures embedded in project designs were adequately covered. The 2014 AfDB Evaluation Report[22] found that past RMC CSPs typically lacked any reference to environmental policies and programmatic support. The Bank put a greater emphasis on safeguard measures. Together with national counterparts, it has been pushing for green growth-friendly practices in most of its projects.

Comparatively few projects in the Bank's portfolio focus directly on crosscutting issues. Gender and regional disparities have not been sufficiently integrated into the design of operations nor have synergies across projects been taken advantage of. In its private sector portfolio, the Bank focuses mostly on gender equality as a crosscutting issue.

The Emergency Assistance for Chibok project directly addressed gender issues by improving the safety of schoolchildren and girls in particular. This followed the 2014 Boko Haram kidnapping of 276 female students from their boarding school.

Promoting female economic participation and reducing regional disparities are mostly taken into account in projects seeking to stimulate agricultural production and rural development in underdeveloped parts of the country. Support for the transition to green growth remains restricted to a few projects in the water and sanitation sector.

The majority of public sector projects addresses crosscutting issues fairly well during design and implementation. The Bank aimed to achieve a proper gender balance among project beneficiaries. These included recipients of training-needs assessments and training session participants and more extensively user groups and the communities involved (e.g. FADAMA), school enrolment and teaching staff (e.g. STVEP), and employment and project wellbeing outcomes.

In the private sector portfolio, the primary crosscutting issue that the Bank addresses is gender equality. Not every project design includes provisions for gender. However, sub-borrowers and project beneficiaries are obliged to track the number of female employees for each Bank-financed project as per specifications in Bank loan contracts so as to track development outcomes. This has been hard to implement, however: gender disaggregated data is reported as agreed in only a few instances. Reporting documents do not address regional disparities directly or set a geographical spread indicator. LoC recipients are major banks concentrated in Lagos that mostly finance sub-borrowers in the area. Specific projects like Okipp, Lekki Toll and Helios Towers target strategic ventures rather than depressed or underdeveloped areas.

Some projects addressed crosscutting issues as unintended outcomes. Some projects brought forward outcomes for women and young people that had not been originally anticipated. The Integrated Management of Invasive Aquatic Weeds (IMIAW) and Community-based Agriculture and Rural Development (CBARD) resulted in better opportunities for many of the women in the communities involved. They also provided employment for young people who would have otherwise left the area, and facilitated school access for children as parents became able to pay tuition fees. ■


Photo: © AfDB

How Has the Bank Managed its Operations in Nigeria?

Efficiency

The efficiency of Bank assistance was rated Moderately Satisfactory. Efficiency is evaluated by assessing the timeliness of the implementation and administration of Bank assistance, and the cost-effectiveness of Bank assistance. In other words, how economic resources translate into results.

Procurement, disbursement, and the perceived rigidity of Bank procedures were considered as issues affecting efficiency. Several of these directly affected the timeliness of implementation, particularly in public sector projects.

Disbursement issues vary considerably between the private sector and public sector. The private sector experiences considerably more disbursement difficulties. The relatively small share of Bank support to borrowing FIs with relatively small operations hampers the assessment of their costs and benefits.

Project implementation has been slow on average, as several Bank operations and evaluation missions have pointed out. It was stressed that future interventions hinged on the effective implementation of ongoing operations.

Table 3 gives the average time from Board Approval (BA) to Loan agreement (LA), from LA to first disbursement, from first disbursement to project completion, and from BA to completion for all completed projects and for finance projects except LoCs.

Figure 7: Project ratings for efficiency

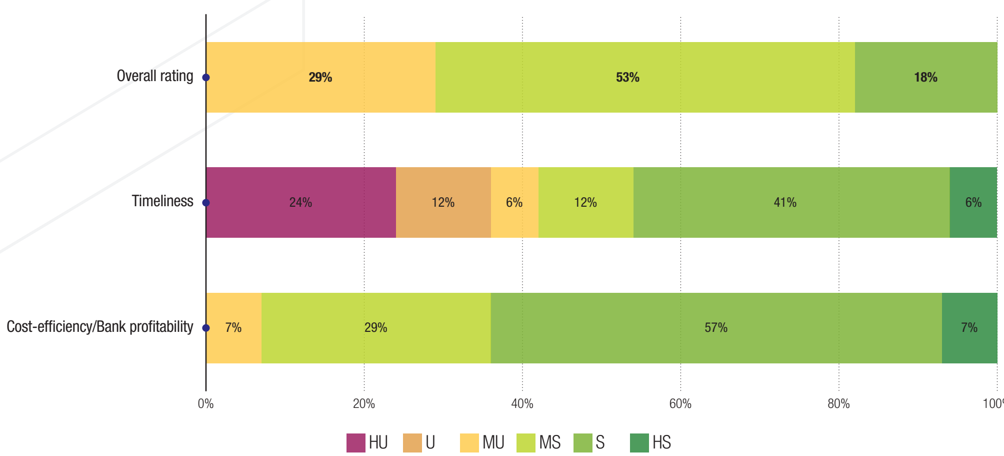


Table 3: Aggregated portfolio timeliness indicators (in months) for completed projects 2004–2016

	BA to LA	LA to 1st disbursement	1st disbursement to completion[23]	BA to completion
Average (all projects)	7.4	8.5	63.8	79.7
Average finance projects except LoCs[24]	5.5	2.1	30.3	37.9

Source: SAP data

Table 4: Aggregated portfolio timeliness indicators (months) for ongoing projects, 2004–2016

	BA to LA	LA to 1st disbursement	BA to Dec. 31, 2016[25]
Average (all projects)	7.4	8.5	48.5
Average finance projects except LoC	5.5	2.1	23

Source: SAP data

Table 4 above provides data for ongoing projects, including the time from BA to Dec. 31, 2016

Slow project implementation results primarily from: i) untimely releases of counterpart funds; ii) capacity gaps in project implementation and M&E; iii) weak compliance with Bank rules and procedures; iv) involvement of different tiers of governments of the federation; v) monitoring challenges in projects covering several jurisdictions in a large federal country, and, vi) ineffective project design and slow reaction by the Bank in some cases. Box 1 contains more details.

In the various missions and 2008 AfDB Mid-Term Review (MTR), the Bank urged Nigerian authorities to take the necessary steps to ease project

Box 1: Factors affecting time efficiency[26]

- **Start-up delays.** During the period, several Bank projects – particularly non-finance projects – experienced delays in getting started due mainly to institutional bottlenecks and government bureaucracy. These included the National Assembly's late endorsement of the Borrowing Plan and its subsequent approval by the Federal Executive Council to allow its signature by the Federal Ministry of Finance.
- **Delays in disbursement effectiveness.** These delays are due to: late signing of the subsidiary loan agreement between the federal and state government (e.g. Urban Water Reform and Port Harcourt Water Supply and Sanitation project); insufficient equity contribution from the FGN (e.g. Development Bank of Nigeria (DBN)); delay providing a 'no-objection" by the authority (e.g. LAPO Microfinance Bank). Furthermore, LA conditions are often considered hard to fulfill. This type of delay tends to affect non-finance projects more, which therefore display considerably higher delays from LA to 1st disbursement and from 1st to final disbursement.
- **Slow project implementation.** Problems with payments of counterpart funding have also been a challenge for robust project implementation. Given the budgetary difficulties at the federal and state levels, the activity of some projects including the ATASP and Rural Access and Mobility Project in Cross Rivers State (CR-RAMP) has stalled because counterpart funds were not paid. The Bank considers national systems to be weak, especially on public procurement, so its procurement rules are always applied. But the national authorities view Bank rules as bureaucratic (e.g. too much documentation requested to alter an annual procurement plan or to procure small items of a small amount). Project implementation was also obstructed by the Boko Haram insurgency in Northeastern Nigeria.

Sources: PRA, interviews, project milestone data (portfolio) analysis, and document review implementation obstacles. It targeted especially streamlining the implementation of the Treasury Single Account (TSA) policy to minimize its possible adverse effect on the disbursement rate of some Bank projects and other DP projects, the timely payment of counterpart funds, and a faster pace for institutional reforms to reduce signature delays. According to the Bank, improvements followed after its Nigeria country department (RDNG) intensified its involvement in project start-ups. Subsequently, the timeliness of operations improved significantly.

The quality of the Bank's portfolio has improved over the past years due partly to the upgrade of the country office. However, much remains to be done to achieve further efficiency in project implementation. Dashboards have reported project start-up delays, essentially due to slow disbursements, as one of the major issues affecting the Nigeria portfolio. Nearly 25% of operations more than two years old have yet to disburse any funds. Only 37% of the projects in the 2004–2016 portfolio achieved a 100% level of disbursement.

Table 4 identifies the fastest and slowest cases in the portfolio. The number of flagged projects considered potentially problematic (39%), reported in AfDB's "Nigeria: Country Portfolio Improvement Plan" (2015), was still considered high compared to the Bank average. During 2005–2007, the overall quality of the portfolio improved slightly. More recently, the Bank has taken steps to scale up RDNG staffing and skill-mix to match the country's challenges. Sustained joint efforts by the Bank and the government in implementing the CPIP also resulted in efficiency gains on the ground.

The Bank's public sector portfolio in Nigeria includes a relatively small number of projects where evidence-based statements can be made about financial and economic performance: FADAMA Development Project II and CBARD. Where the PAR includes an assessment of the expected economic rate of return (ERR), the PCRs provide the calculation of the ERR that was actually achieved. For FADAMA Development Project II and CBARD, these were 29.1% and 23.8% respectively. These ERR exceeded the ERR of 28% and 20% expected at the start of project.

For private sector projects in the portfolio (LoCs and loans), the pricing calculation includes the cost of the loan and its management. When there are no major problems, proper FI loan servicing implies a net benefit for the Bank along the lines of the pricing calculations.

Table 5: Fastest and slowest cases in the portfolio

Stage	Projects
From Board approval (BA) to loan agreement (LA) (legal signature)	**Fastest:** Capacity Development Program for members of the Nigeria National Assembly (NASS) Committee and Economic Governance, diversification and competitiveness SUP (0.2 month).
	Slowest: Abuja Bus Rapid Transit (BRT) Project Study (36.3 months)
From LA to 1st disbursement	**Fastest:** Capacity Development Program for members of the NASS Committee (0.1 months), Trade Mispricing the Hidden Drainage of Resources Out of Nigeria (0,2 months), LoC United Bank for Africa PLC (0.2 months), NAIRA LoC to FRB Subsidiary (0.2 months), RAND Merchant Bank (0.2 months), UBA Trade Finance Initiative (0.2 months), UBA Emergency Liquidity Facility (0.2 months)
	Slowest: Domestic-oriented SME financing program (30.6 months)
From 1st to final disbursement	**Fastest:** UBA Emergency Liquidity Facility (0 months), NAIRA LoC to FRB Subsidiary Rand Merchant Bank (0 months), LoC II to guarantee Trust Bank (0,4 months), Zenith Bank PLC – LOC III (0.4 months), LAPO Microfinance Bank LTD. (0.4 months), LoC UBA PLC (0,4 months), FSDH Merchant Bank Trade Finance LoC (0.4 months), Capacity Development Program for members of the NASS Committee (0.4 months)
	Slowest: Skills Training and vocational education (118 months)

Source: Analysis of project milestone data constructed from SAP data and project document review

Design & Innovation

The design quality of the Bank's strategy and program is evaluated by assessing the adequacy of CSP[27] and project designs, the presence of innovation, the selectivity of areas of intervention and coherence in the areas chosen by the Bank for its activities.

The Bank's recent strategy shows a more integrated intervention logic that includes appropriate solutions based on a solid understanding of the country's context, and elaborates risks and mitigation much more. Nigeria´s CSPs are based on a sound analysis of the country's economic, political, social and environmental context and build on Bank consultations with stakeholders, including the FGN and civil society organizations. All three CSPs include sections on realistic risks and relevant potential mitigation measures.

The Quality at Entry (QaE) of Nigeria´s CSPs improved over the period 2004–2017. Nigeria´s 2009 CPPR recognized that poor QaE such as overloaded project designs that do not use realistic implementation timelines during their planning stage, can lead to implementation delays. The Bank's improvement plans also touched on QaE at both project and portfolio levels. The most recent (2015) CPIP notes, "the Bank has made an important effort at quality-at-entry, and better use of lessons learnt from PCRs to design new operations fitted to the country context".[28] The CSP 2013–2017 elaborates risks and mitigation measures more.

The 2009 upgrade of the Bank's RDNG played a part in improving the QaE of CSPs for Nigeria. According to the Bank's QaE evaluation, the size and composition of its country teams were perceived to be a determining factor for QaE[29]. The evaluation found evidence that CSPs made by larger country teams with a sufficient skill mix received higher ratings. It also confirmed that the Bank's Nigeria country team is one of the largest[30], which seems to be in line with the size of the country portfolio.

The Bank's program in Nigeria includes a limited number of innovative instruments and approaches. Both the public and private sector portfolios show some innovative aspects. FADAMA Development Project II and the Integrated Management of Invasive Aquatic Weeds Project are the two noteworthy examples in the public sector. Box 2. Describes innovative elements in these two public sector projects.

In the private sector, and despite the fact that the majority of projects use LoCs, the Lekki Toll Road Project, the first PPP in the transport sector in Nigeria and the Lekki Concession Company as a special purpose vehicle is innovative in the Nigerian context[31]. Moreover, the Emergency Liquidity Facility and the Trade Finance Initiative adopt a common, praiseworthy countercyclical rationale.

The Bank maintained coverage of the core areas of FGN national priorities and its own strategic agenda. It also intervened in sectors with comparatively limited resources in the country. This has brought added value according to the FGN, development stakeholders, and the Bank. The analysis of the Bank's public and private sector portfolios in Nigeria revealed that the Bank managed to bring in added value, as it was

Box 2: Innovative elements in public sector projects

The **FADAMA Development Project II** took a community-driven demand (CDD) approach facilitating local beneficiaries to express their needs and to make interventions more effective in anticipating them.

The **Integrated Management of Invasive Aquatic Weeds Project** was based on an "eradication by utilization" approach. Applying these principles made it possible to harness the potential of the economic exploitation of invasive species for meeting basic human needs while controlling the spread and possibly eradicating the species. Such approaches had not been frequently used in Nigeria prior to this.

Box 3: Value added/additionality in projects

- **STVEP** is a prominent example of value added. Where most donors offered support to basic education, the Bank's STVEP intervened in the technical and vocational training and education (TVET) sub-sector.
- The **Lekki Toll Road** project is another prime example. Bank presence helped leverage private sector funding from local FIs that would have not otherwise been willing to provide funding. The Bank also offered beneficiary's non-financial support such as guidance and advice on PPPs (Lekki) and TA on environmental management to Zenith Bank.
- The Support to Agriculture & Rural Institutions project fills a specific niche – the collection and analysis of information on agricultural development – that other donors did not address at that time

often the sole donor focusing on particular sectors/sub-sectors (Box 3). For private sector projects, the overall record for additionality was positive, particularly for financial additionality.[32]

There is evidence of a good degree of complementarity and efficient use of instruments in response to country needs. Bank support, mostly through grants, came after a direct request from the FGN (e.g. several emergency assistance projects). These were launched as part of a broader strategy to combat the insurgency in Northeastern Nigeria and to halt Avian Influenza. The grants complement the Bank's general program.

Knowledge Work and Policy Dialogue

The Bank's role in knowledge work and policy dialogue is evaluated by assessing the extent to which it actively engaged in and influenced policy dialogue with relevant advice, the extent to which it delievered adequate analytical work in support of its interventions, and strategic positioning.

The Bank is an established policy dialogue counterpart for the FGN. However, it does not take the lead as often as it could. The CSPs and in-depth project documents indicate that policy dialogue with the FGN and Nigerian public institutions took place, as planned, along with other partners and donors active in the country. Interviews and discussions with the country team confirmed that these consultations informed the Bank's strategy and its project programming. Each CSP includes a list of topics for discussion. These appear to have become more focused on the Bank's own strategic agenda, for instance, in achieving "inclusive and green growth", as per CSP 2013–2017.

A closer look at the Bank's engagement in policy dialogue and analytical work in Nigeria leads to a similar conclusion. The Bank seems to be an established counterpart for the FGN in policy dialogue however it proved difficult to make a difference in policy decisions. In its CPIP 2015, the RDNG pointed out that there were coordination challenges when dealing with the Federal Government and Subnational Governments, and between government agencies and ministries, departments and agencies (MDAs).

The Bank greatly values its dialogue and partnership with the FGN. Later CSPs highlighted relevant areas for dialogue as the Bank seeks to foster a strong commitment from the FGN and to ensure ownership and effectiveness in future engagements. All three CSPs covering the reviewed period include statements affirming that Bank strategies are intended to support FGN strategies and policies.

The Bank has not yet been able to play a role as a knowledge bank in Nigeria as per its ambitions. Knowledge products clearly have become more important for the Bank's portfolio in Nigeria. The 2002–2004 CSP paid limited attention to knowledge products but their number rose substantially in subsequent CSPs The Bank's engagement in ESW is rated moderately unsatisfactory despite its ambition of engaging in policy dialogue and producing knowledge products about many sectors and topics. (See Annex 8 for a complete list of ESW per CSP).

There is little available evidence about the effects of ESW and analytical work in positioning the Bank in the dialogue system. The Bank's position as a close partner rather than a knowledge advisor and manager limits its influence on FGN decision-making. This makes buy-in from the government easier but it makes it harder to capitalize as a knowledge provider.

There is no clear evidence that ESW and analytical work are useful for beneficiaries or important for the Bank's positioning in the country's policy dialogue system. The exception is the publication of the Infrastructure Action Plan,[33] which has gained recognition among clients and partners.

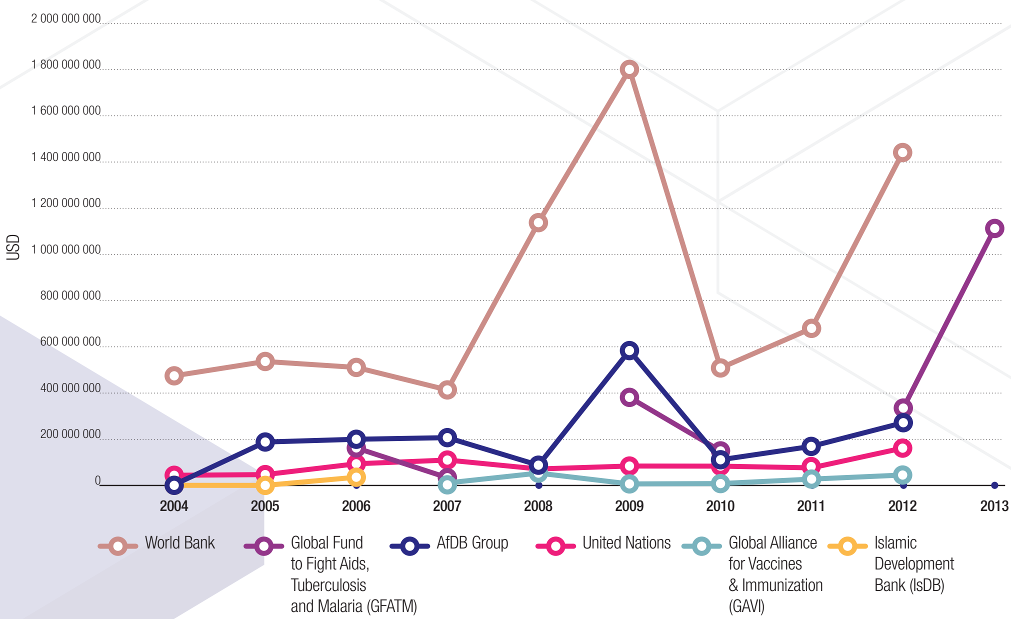
The scope of knowledge products ranges from governance and public financial management (including domestic resource mobilization) to infrastructure (power, transport), and regional integration (Annex 8). The last two areas in particular are part of the Bank's core areas, but its comparative advantage was not made explicit.

Partnerships and Leverage

The Bank's partnership and leverage work is evaluated by assessing the extent to which the Bank has harmonized its activities with those of other DPs to avoid duplication and to help simplify procedures and processes. Leverage is evaluated by looking at its attraction of resources from other donors and the private sector.

During the timeframe under review, the Bank was Nigeria´s second biggest donor of international aid after the WB (Figure 8). There is significant recognition at the ministerial/cabinet level and

Figure 8: International aid from multilateral donors to Nigeria



Source: Datalab OECD

among senior civil servants of the Bank's support and contribution to the implementation of various government strategies. While leveraging and pooling funds into the country and specific projects has been a clearly stated objective in since the 2013 CSP, its translation into active policies has been limited, given that most of the portfolio predates the CSP.

The Bank engages and partners actively with stakeholders and donors. However, engagement with CSO is weak. The Bank is an active contributor to donor coordination in all sectors covered, but led in none. Consultations with relevant stakeholders occurred during project implementation but were not always documented. According to the February 2016 MTR, engagement with CSOs is weak. Deepening the engagement and dialogue with local and international civil society is recognized as essential for development results and program sustainability.

DPs recognize that there are common areas of support that provide the opportunity for enhanced coordination, harmonized procedures, and co-financing. The Bank's MTR for the 2005–2009 CSP emphasized the importance of further engaging with other DPs. The added value of the Bank's portfolio in Nigeria also hinges on how the Bank fits into the DP cooperation framework. DPs focus on strategic programming using the definition of a County Partnership Strategy (CPS), initiated by the WB and DFID in 2005, and subsequent Common Assistance Framework (CAF), led mainly led by the WB. A more detailed account of setoral collaboration with DPs is provided in Annex 9.

DPs are now seeking to streamline partners' support to the new development priorities to increase aid effectiveness, accelerate implementation, and deliver rapid transformational results. According to some DPs involved[34], their own operational coordination remains rather weak (except in the health sector where the coordination group is very active). However, a number of groups were reactivated in 2014.

The Bank has harmonized well with all active donors in all of its intervention areas. The Bank is active in some sectors that are also covered by other DPs to varying degrees. In private sector development, in particular, the Bank is one of the few active DPs. Table 6 compares the areas of strategic interest to the Bank and other DPs.

Table 6: Selected areas of intervention by the Bank and key DPs in Nigeria

	Power	Transport	Water sector	Social (education & health)	Environ-ment	Agricul-ture	Regional integration	Govern-ance & human rights	Finance	Private sector develop-ment	Industry & manufac-turing
AfDB	●	●	●	●	●	●	●		●	●	●
World Bank Group (incl. IFC)	●	●	●	●	●	●				●	●
DFID	●	●		●				●			
USAID			●	●	●	●		●			
European Commission (EDF)			●		●		●	●			
UN system			●	●	●						●
France	●	●	●						●		
Germany (GIZ & KfW)				●					●		
China		●									●

Source: Evaluation team compliation

The Bank has made leverage an explicit objective only since the launch of the CSP 2013–2017. Earlier CSPs said comparatively little about leverage or scaling up with other DPs. In the contextual analysis of the 2005–2009 CSP, the Bank recognized that Nigeria has a broad range of developmental needs and that donors intervene in a wide range of sectors and thematic areas. The focus on leverage increased in the 2013–2017 CSP, which recognized the importance of leveraging third-party investments in co-financing and of mobilizing other investors for infrastructure development, which is of key importance for real sector economic growth.

The Bank could have made better use of leveraging its resources. Leveraging and pooling funds in the country and in specific projects has been a clearly stated objective since the 2013 Bank CSP for Nigeria. It has translated into active policies only to a limited extent, given that most of the portfolio predates the CSP.

The Bank is well known, its interventions are considered important for the country's development and complement those of other DPs. The Bank enjoys strong visibility with the Government and other DPs, it is considered a main partners to the government and its contribution and interventions are highly regarded.

For public sector projects, co-financing rates vary considerably[35]. The Bank co-financed most of its public sector projects with rates from 4%–31%. The Lekki Toll Road is the sole co-financed project in the private sector portfolio. Where it was more passive in other projects, the Bank took a pro-active approach and actively contributed to pooling additional funding here. Table 7 shows the Bank's leverage capacity. By financing NGN 9.7 billion, the Bank contributed to pooling an additional NGN 17.99 billion of senior debt, an increase of 85% in available external credit.

The leveraging of private sector funds in the Lekki Toll Road Project is a clear sign of the additionality of Bank support. This support in terms of PPP design offered by the Bank to the consortium can be seen as a non-financial additionality indicator in this project. For LoCs, the general level of additionality is moderately satisfactory and mostly linked to a better tenure. Pricing is more favorable than the market price, but most interviewees agree that it is higher than the price offered by peer institutions.

The level of non-financial additionality is generally low for LoCs with the notable exception of LoC I for Zenith Bank. The Bank offered parallel TA for Zenith to become more familiar with medium to long-term borrowing. This enabled Zenith to reduce risks arising from its borrower's inexperience with medium to long-term financing that could have led to the provision of sub-loans to potentially non-performing sub-borrowers.

Table 7: Co-financing rates for the Lekki Toll Road Project

Type	Funding entity	Amount (NGN bln)	Share
Equity	Asset & Resource Management Company (ARM) & Larue	2.7132	6.04%
	AIIF	2.3408	5.21%
	HiTech	0.266	0.59%
Subordinated debt	LASG	5.00	11.13%
Other funding	Revenues and interest earned during construction	6.91	15.38%
Senior debt	AfDB	9.7	21.59%
	Standard Bank London	11	24.49%
	Local Banks	6.99	15.56%

Source: Lekki Toll Road project PRA

Managing for Results

Bank performance regarding managing for development results is evaluated by assessing the degree to which its approach is results-oriented[36] in the CSP and at project levels, and the timeliness and quality of project administration and supervision activities.

The trend in learning efforts to report achievements and shortcomings and to act upon experience improved during the second half of the evaluation period. This is reflected in the gradual improvement of results-based logical frameworks being included in the CSPs. The matrix included in the 2002–2004 CSP was not sufficiently elaborated. However, in the CSP for 2005–2009, a thematic results matrix connects long-term strategic goals of the National Economic Empowerment and Development Strategy (NEEDS) with Bank priorities and performances and with CSP shorter-term outcomes and outputs.

Subsequently, in the CSP for the period 2013–2017, the logical approach was better detailed (Table 8). Each CSP includes sections on lessons learned from previous CSPs, highlighting key lessons taken into account. Accordingly, the learning efforts to report achievements and shortcomings and to act upon experience became more prevalent during the second half of the evaluation period.

At the project level, the overall quality of public and private sector projects logframes

Table 8: Evolution of the integration of analysis of results in different CSPs

CSP	Features
2002–2004	▪ No comprehensive log frame included ▪ A "CSP Matrix" provides an overview of FGN strategy priorities and the measures through which the Bank intends to assist the FGN in achieving its strategic objectives ▪ The Bank's previous strategy was reviewed in the CSP.
2004 Update	▪ No log frame included ▪ Review of the Bank's strategy in Nigeria and dialogue
2005–2009	▪ Lessons learned from the previous strategy ▪ Thematic results matrix and a CSP results-based framework ▪ For each strategic pillar the thematic results matrix includes: 1. Issues to be tackled (long-term outcomes); 2. CSP outcomes for the CSP period; 3. Progress towards intermediate outcome indicators at mid-term; 4. Activities to be undertaken. ▪ The results-based framework merely provides an overview of the expected outcomes and the quantified targets to be reached in 2009. For each outcome, a link is provided to the relevant pages in the FGN NEEDS document.
Extension to 2011	▪ The document provides a review of the implementation status of the 2005–2009 CSP ▪ The document includes an overview of expected CSP outcomes for 2009, progress achieved, and revised CSP outcomes by 2011
2013–2017	▪ The document contains a results framework that includes the following for each pillar: 1. Strategic objectives – Nigeria's development goals; 2. Constraints hindering the achievement of these goals; 3. Final CSP outcomes for 2017; 4. Final CSP outputs for 2017; 5. Expected mid-term outcomes for 2014; 6. Expected mid-term outputs for 2014; 7. Proposed and ongoing AfDB activities.

Source: Nigeria CSPs 2002–2004, 2005–2009 and its extension to 2011

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Table 9: Major areas of concern about Bank/FGN cooperation by importance

Implementation area	High importance	2nd most important	3rd most important
AfDB supervision and lack of strong understanding of Bank operational guidelines	Frequent changes of TM & team member	Inadequate communication and responsiveness of FO and headquarters	Inability for country team to respond instantly on core operational and policy issues
FGN supervision	Insufficient International Economic Relations Department (IERD) supervision and engagement of EAs	-	-

Source: Country Portfolio Performance Report 2015

has clearly improved over time. Performance indicators have been developed more. Output and objective indicators were usually included in PAR logframe matrices and measured against baselines. However, outcome indicators are still lacking. Lack of appropriate M&E systems for LoCs extended to the banking sector to support SMEs has made it harder to track development results (Annex 10).

The quality of supervision reporting was generally low. The reporting requirements outlined at appraisal were not often met. Supervision and M&E activities in general are regularly mentioned as issues in the CPPR and CPIP on Nigeria. Multiple factors affect supervision ranging from timely disbursement and implementation to the follow-up at project level, compliance with documentary requirements, and adequate reporting. Table 9 identifies additional major areas of concern by degree of importance. For example, the 2009 CPIP states that M&E is "often inadequate". In addition, the results of a survey of public sector stakeholders prior to the 2015 CPPR workshop revealed that supervision was still a concern for the Bank and for the FGN for various reasons.

Implementation was hampered by insufficiently frequent M&E activities and follow up from lessons learned by PCUs. Given project implementation delays, the RDNG could have also intervened more swiftly and stringently had there been regular monitoring. In STVEP, for example, the Bank's TM noted an underperforming contractor at a particular construction site in a Back-to-Office Report (BTOR) in 2012, which still problematic according to a 2015 BTOR. The slow anticipation of the RDNG was mainly attributed to the heavy workload of RDNG TMs given the Bank's sizeable portfolio for Nigeria.

Reporting requirements for financial sector interventions are often not met. These consist primarily of providing LoCs or financial facilities to FIs. In general, loan agreements stress the obligation for the borrower to ensure that sub-borrowers comply with the standards of the Bank and of the beneficiary country, particularly with regard to environmental and social legislation. In some instances, these provisions were not enforced (e.g. in the first LoC to Access Bank, one sub-borrower, Imperio Ltd, was reported to be breaching both environmental and labor law). In other cases, the Bank could not ascertain whether or not the sub-borrower was compliant since the sub-project was much bigger than the portion financed by the facility. ■

Photo: © Flickr, Cristiano Zingale (Kouam)

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Lessons Learned and Recommendations

This section summarizes the main conclusions and proposes recommendations to support the Bank in learning from this experience to improve future performance.

Key Lessons for Future Engagement

Based on its findings, the evaluation proposes four main lessons for the Bank's future engagement in Nigeria:

1. **Strike the right balance between banking objectives (growing portfolio, achieving profitability, ensuring sound risk management) and development bank objectives (achieving development outcomes).** The Bank has successfully grown a big portfolio in the financial intermediations sector in Nigeria. It has therefore been able to deploy relatively large sums to a well-regulated sector, ensuring good profitability with relatively low risk. However, the portfolio did not achieve the Bank's development objectives. It did not improve access to finance to SMEs or promote gender empowerment to improve inclusive growth.

2. **Tackle the key challenges to help sustain the growth of the non-oil sector, harness the vast potential for private sector development, and accelerate progress in most of the SDG indicators.** Maintaining macroeconomic stability while improving the environment for private sector activities, investing in the social sectors and closing the huge infrastructure gap continue to be crucial. This is particularly true in power, water, and transport.

3. **Combine support to the private sector with regional integration operations to enhance cross-country collaboration among companies. This will facilitate trade, knowledge transfer, and open up access to financing to other markets.**

4. **Focus the broad scope of knowledge products on comparative advantage.** By focusing ESW explicitly on areas of competitive advantage, the Bank could optimize its resources. The Bank's knowledge products would thus strengthen its value added in its core areas of operation, which are, currently, the high fives.

Recommendations

The evaluation proposes the following main recommendations on the basis of its findings and analysis.

Recommendation 1: Bank strategy documents and operational pipelines should make promoting inclusive growth across gender, age, and region more central, in line with the new FGN priorities.

The new CSP should include elements responding to social welfare and economic diversification priorities of the government. Specifically, this would include interventions focused on enhancing social inclusion and livelihoods that impact poverty reduction more clearly and directly. On an operational level, all interventions should be explicitly linked to these objectives. Intervention impact pathways must be clearly established and elaborated. Simultaneously, the Bank needs to initiate a detailed analysis of its comparative advantage and positioning in Nigeria. It must analyze its ability to reach out in terms of policy dialogue and scale-up/leverage resources to establish itself as a leader in certain areas. This will help set in motion the intended mechanisms that effectively bring about desirable socioeconomic changes.

Recommendation 2: Diversify the Bank's private sector interventions to enhance development results.

Given the huge infrastructure needs in the Nigeria and the potential that infrastructure has on supporting economic growth, the Bank's private sector interventions should diversify. They should move beyond the huge concentration on financial intermediation to contribute to high potential areas. These include commercial agriculture and infrastructure, particularly power and transport, which have strong economic development and regional integration effects. Greater use of the PPP mechanism to encourage private sector participation could also be explored. All of these areas are considered high priorities for the Bank and correspond with its High Fives (light up and power Africa and integrate Africa). Such efforts should be pursued in consultations with other DPs to form partnership and ensure harmonization.

Recommendation 3: Improve and streamline the Bank's various M&E instruments.

The Bank's operational and strategic instruments (e.g. CSP, appraisal, supervision, country portfolio, PCRs, and the CPIA) should complement one other to enhance the results-based approach. Supervision reports can be instrumental in assessing CSP outcomes and outputs and in detecting information gaps. The Bank's data collection protocols for LoCs in particular need to be revisited to ensure that measurable indicators are used and that the necessary reporting data is collected from clients.

Recommendation 4: In parallel, strengthen the formulation and use of quantitative outcome indicators.

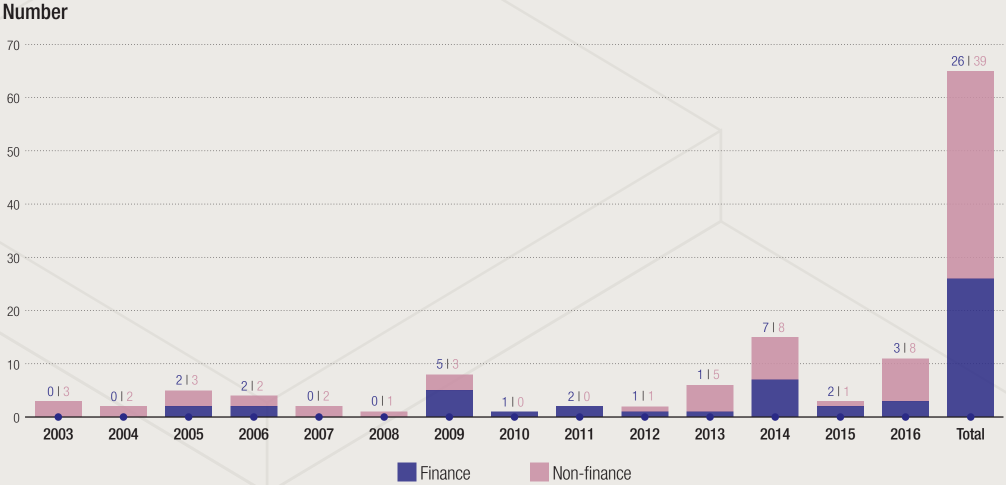
The selected outputs and outcomes should reflect the country's medium-term strategic priorities. There has been little focus on policy and institutional indicators thus far, or their linkage to impact indicators of poverty reduction and inclusive growth. Yet the FGN has embarked on an ambitious reform agenda that is critical to improving the macroeconomic environment. The selectivity of quantitative outcome indicators should therefore be strengthened to avoid problems of attribution when assessing the impact and sustainability of Bank's interventions. This is especially important when several co-financiers are involved. Similarly, current project status reports lack information about progress towards development results. This also stems from initial design and appraisal procedures. The approach taken for data collection protocols, especially for LoCs, needs to be revisited. The goal should be to ensure the use of measurable indicators, that the necessary reporting data is collected from clients, and that agreements on the necessary confidentiality protocols are signed for data delivery. ■


Photo: © AfDB

Annexes

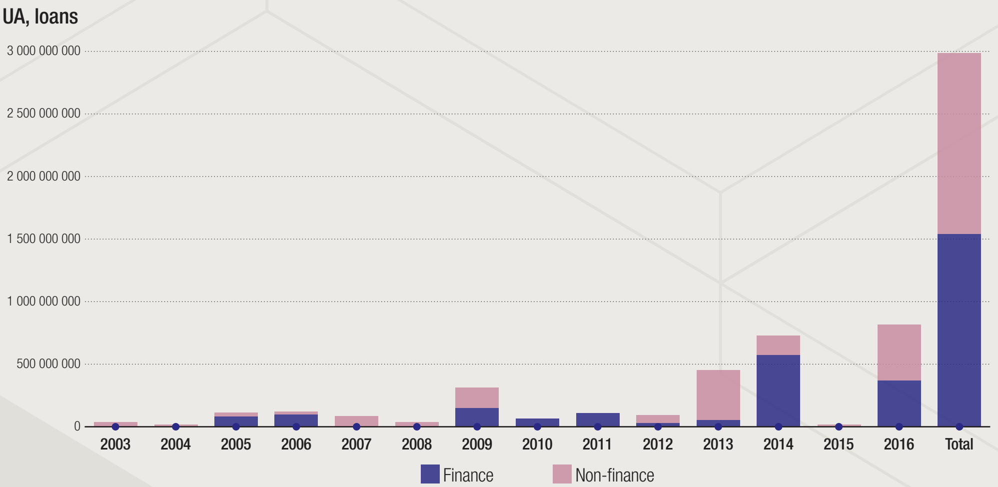
Annex 1 — Nigeria's Portfolio

Figure A1.1: Evolution in the number of finance and non-finance projects 2003–2016



Source: AfDB, SAP extraction

Figure A1.2: Evolution in the volume (UA) of finance and non-finance projects 2003–2016



Source: AfDB, SAP extraction

Table A1.1: Total net loans and projects in each CSP period 2005–2017

	2005–2009	2009–2013*	2013–2017	Total
Approvals per CSP period (UA billion)	0.36	0.58	2.00	**2.95**
Number of projects per CSP period	12	15	35	**62**

Source: AfDB, SAP extraction
* The period 2009–2013 comprises CSP 2009–2011 and its extension to 2013

Annex 2 — Evaluation Questions

Achievement of development results *To what extent has the Bank's engagement in Nigeria achieved the expected results?*	
Relevance	1. To what extent are the country strategy and Bank operations aligned with: a. RMC development needs; b. RMC development strategies and priorities; and c. The needs of beneficiaries. 2. To what extent are the Bank's interventions in the country aligned with the Bank's strategy and priorities?
Effectiveness	3. To what extent have the Bank's interventions achieved their expected results? 4. To what extent have the Bank's interventions benefited target group members? 5. To what extent have the Bank's interventions contributed to be achievement of development objectives and expected development results of the country, including impacts (both intended and unintended)?
Sustainability	6. To what extent have achieved benefits continued or will be likely to continued or likely to continue once the Bank's interventions are completed?
Cross-cutting issues	7. To what extent are the Bank's interventions inclusive (i.e., bringing prosperity by expanding the economic base across the barriers of age, gender and geography) in terms of gender equality and regional disparity? 8. To what extent are the Bank's interventions environmentally sustainable and support the transition to green growth?
Management of the Bank's interventions *How is the Bank managing its operations in Nigeria?*	
Efficiency	9. To what extent are the Bank's interventions delivered in an efficient manner (i.e., whether resources and inputs are economically converted to results)? 10. To what extent are the Bank's interventions implemented in a timely manner and in compliance witn operational standards?
Design	11. To what extent is the quality of the CSP satisfactory? 12. To what extent has the Bank applied selectivity in designing its country portfolio and focused on areas where it bring added value? 13. To what extent has the Bank's been innovative in adapting its approach to the country's context and development challenges/needs? 14. To what extent are the Bank's interventions coherent and well-coordinated internally?
Knowledge and policy advice	15. To what extent has the Bank actively engaged in and influenced policy dialogue through relevant advice? 16. To what extent has the Bank delivered adequate analytical work in support of interventions, positioning and policy advice?
Partnerships and leverage	17. To what extent are the Bank's interventions harmonized with those of other DPS avoiding duplication, simplifying procedures ect.? 18. To what extent are the Bank's interventions and resources bringing in other players and being leverage for maximizing development effectiveness at country level?
Managing for results	19. To what extent are the Bank successfully implemented management systems that focus on results and allow learning from past experience? 20. To what extent are the Bank supported the development of national capacities and management that focus on results?
Lessons learned	21. What are the key factors positively and negatively influencing the achievement of development results?

Annex 3 — Methodology

Evaluation Purpose

This evaluation serves a dual purpose:

- **Accountability instrument.** It provides an independent, evidence-based assessment of the performance and development results of Bank operations.
- **Learning tool.** It serves the Bank, the country´s national decision-makers, and the development community in general.

This evaluation is:

- **Summative:** Focuses on achieved results.
- **Causative:** Examines the key determinants of results.
- **Formative:** Looks forward, identifies solutions and best practices in key areas of the Bank´s strategic and programmatic choices.

Crosscutting issues (e.g. gender considerations, regional integration, etc.), were also taken into account during the evaluation.

Evaluation Methods

A **mixed methods** (qualitative and quantitative) approach was taken. In addition, participatory processes that promote the assessment of the experiences of all participants, especially women and vulnerable groups, were used. These techniques are inclusive and respectful of the socio-cultural contexts where the evaluation is carried out.

The evaluation is theory-based, Figure A3.1 at the end of this annex details the Theory of Change (ToC) for the country based on a desk review of the previous four country strategies and discussions with Bank staff working on Nigeria. The PRAs also used project level ToC. This made it possible to focus on assessing actual against planned results. It also made it possible to identify where issues occurred along the results chain along with the assumptions and risks underlying the theory.

Theory-based evaluation was adopted because it can identify crucial program elements and their coherence. It makes an analysis of the achievement of results possible and also looks into how and why results were or were not achieved. A ToC is a process of reflection that explores change, how it is brought about and what it means in a particular context, sector, or group of stakeholders. It frames the pathways of a program/project within a wider analysis of how change comes about. It clarifies the understanding of change and is often presented in diagrammatic form with an accompanying narrative summary.

Contribution analysis is also employed in this evaluation to confirm a ToC, and provide a line of reasoning from which to draw plausible conclusions (within some degree of confidence) that the strategy/project contributed to the documented results. It is based on a step-by-step approach (Mayne, 2008) to arrive at conclusions about project/program contributions to particular outcomes.

The process began by identifying the problem to be addressed and by developing a ToC. A reconstructed ToC was elaborated and discussed against existing evidence and triangulated with different sources of information. Information was gathered from iterviews and focus groups that also assessed the contribution story, as well as the challenges and bottlenecks.

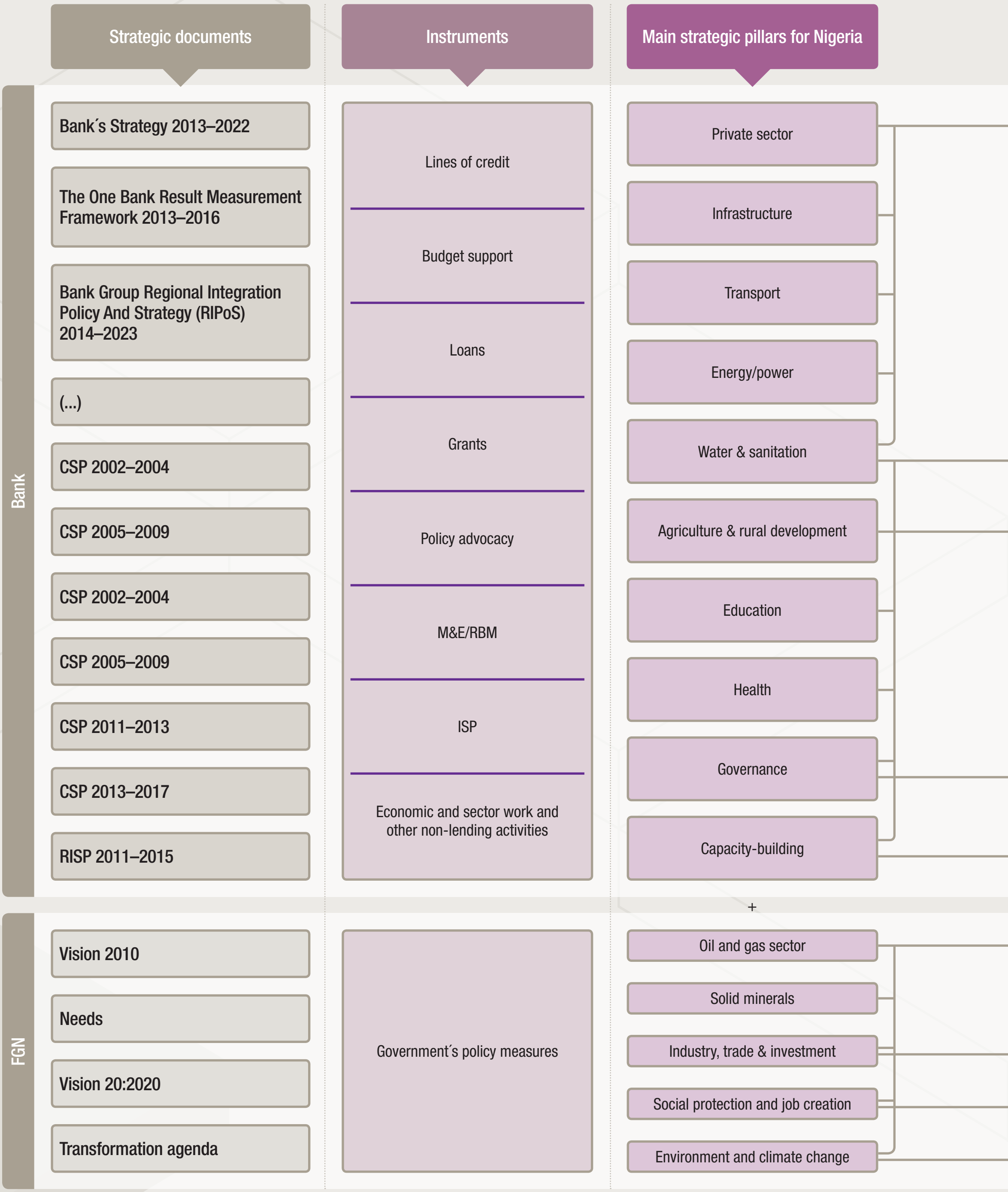
The information was triangulated with quantitative and quantitative information to broaden the information base and corroborate findings. Finally, the contribution story and the ToC underwent a final revision to confirm its coverage and appropriateness to the reality.

Assumptions were internal and external. The primary assumption was that an appropriate level of resources and the right instruments were internally available. In addition, that there wqas sound coordination and collaboration with other agencies and DPs who would all provide timely inputs. It was also assumed institutional capacity was installed and appropriate and that a regulatory environment encouraged the take up of projects.

The guiding principles for including gender equality and disadvantaged groups in this approach are inclusion, participation, and fair power relations. This entails promoting ethical practices during the evaluation, respect for people, non-discriminatory behavior, the participation and consultation with people (both male and female) from all socioeconomic backgrounds. A participatory approach seeking the views of all stakeholders was adopted.

The Tables below illustrate how the methods were applied and assist in structuring the evaluation, followed by CSP strategic pillars 2004–2017 for approved projects.

Figure A3.1: Reconstructed ToC for Bank interventions in Nigeria



Note: Arrows indicate causality

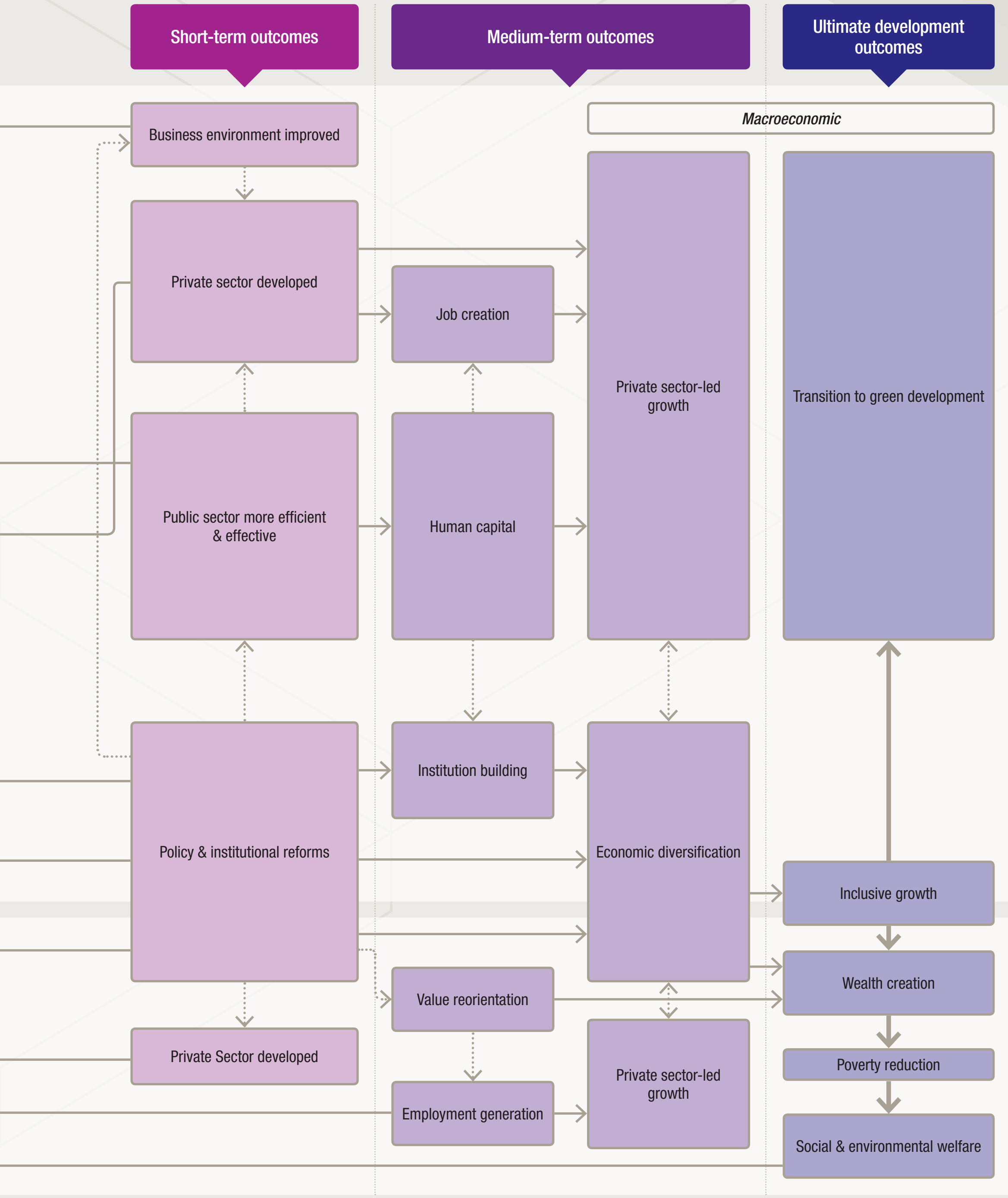
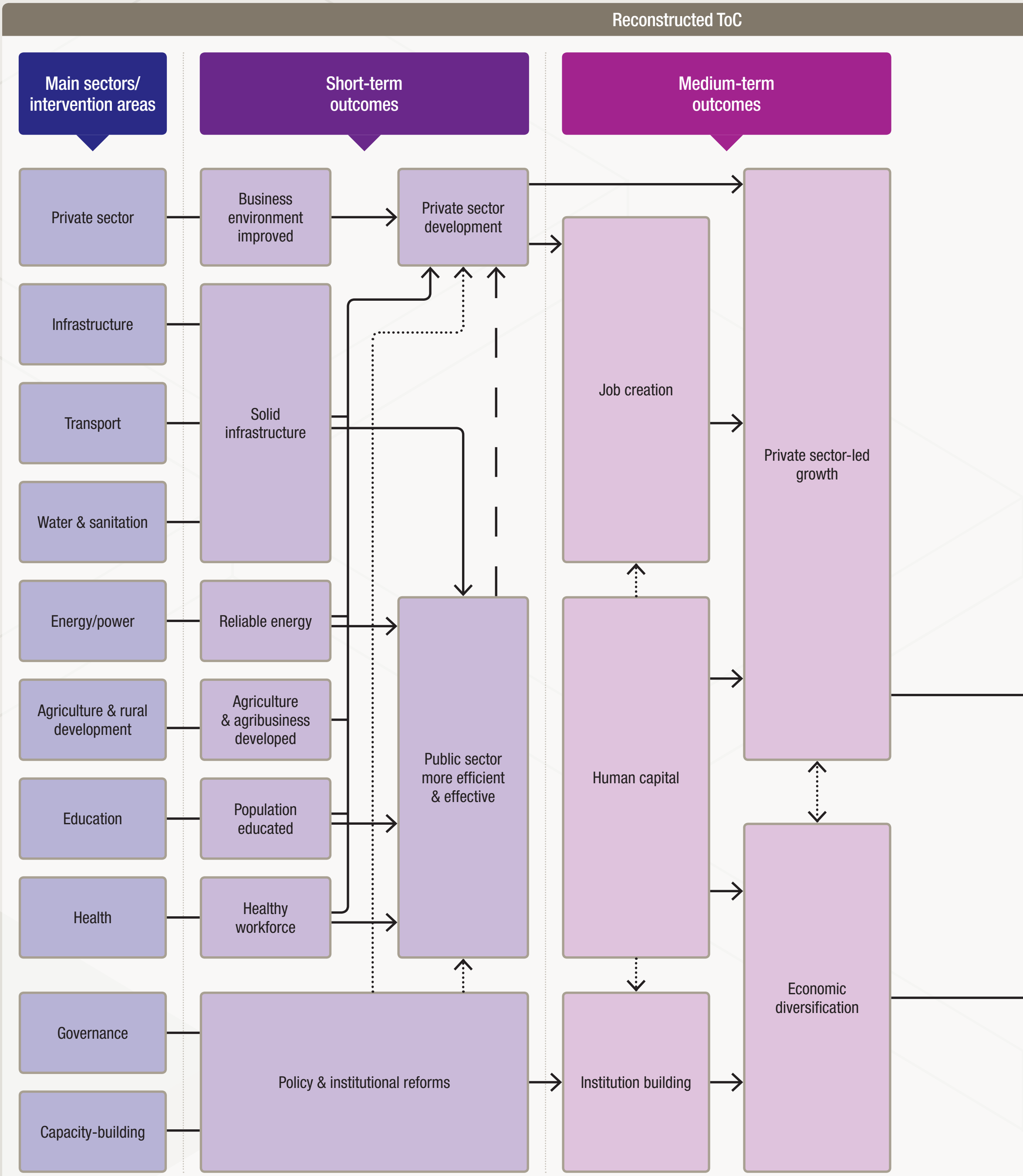

Short-term outcomes
Medium-term outcomes
Ultimate development outcomes
Macroeconomic
Business environment improved
Private sector developed
Job creation
Private sector-led growth
Transition to green development
Public sector more efficient & effective
Human capital
Institution building
Policy & institutional reforms
Economic diversification
Inclusive growth
Wealth creation
Value reorientation
Private Sector developed
Private sector-led growth
Poverty reduction
Employment generation
Social & environmental welfare

Figure A3.2: Reconstructed ToC and its integration with most recent Bank strategies, priorities and CSP for Nigeria



Note: Black arrows on the left depict causality and blue arrows on the right depict connections/linkages between Bank strategies and ultimate development outcomes. Dotted lines indicate less direct impacts or linkages.

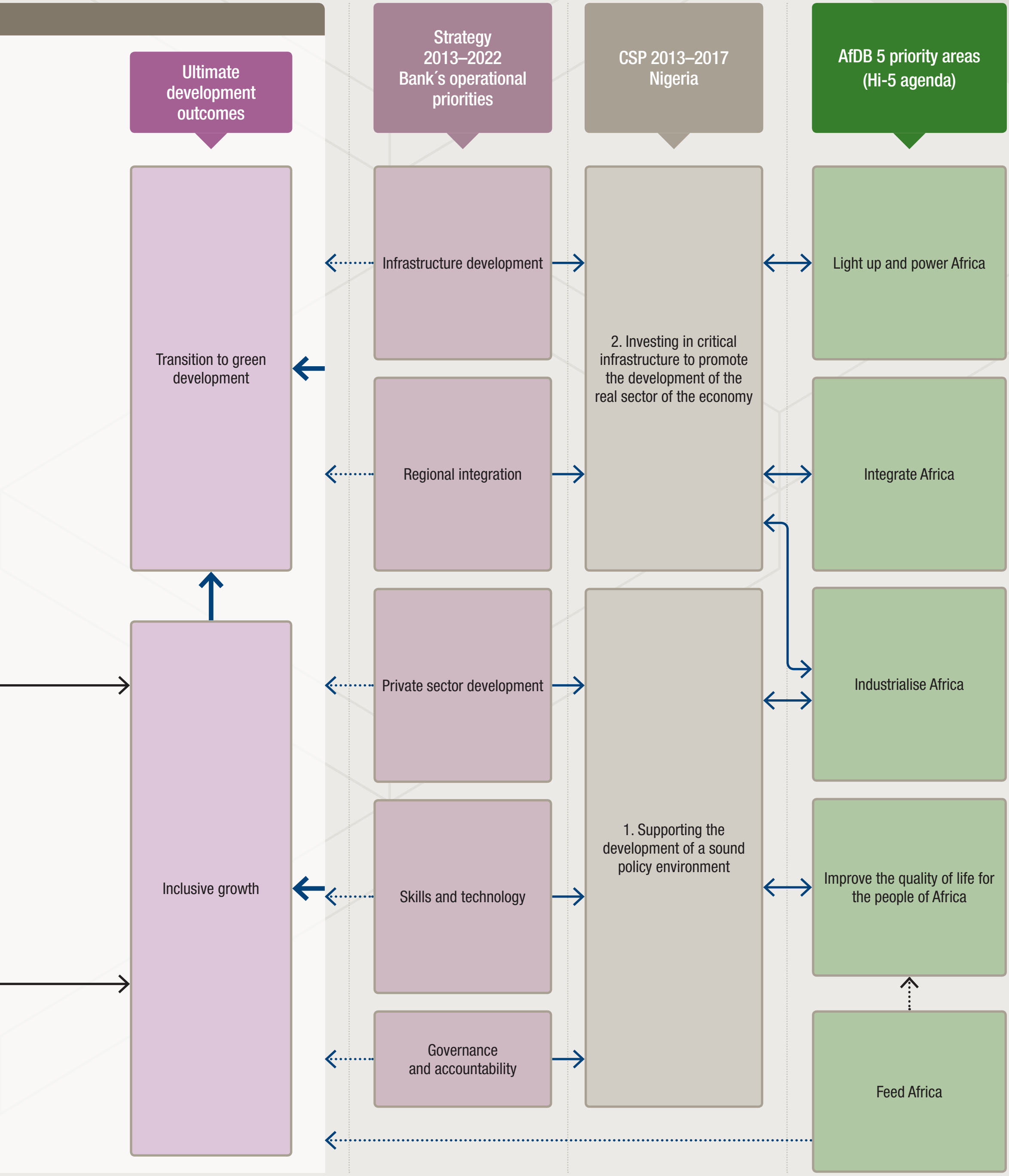
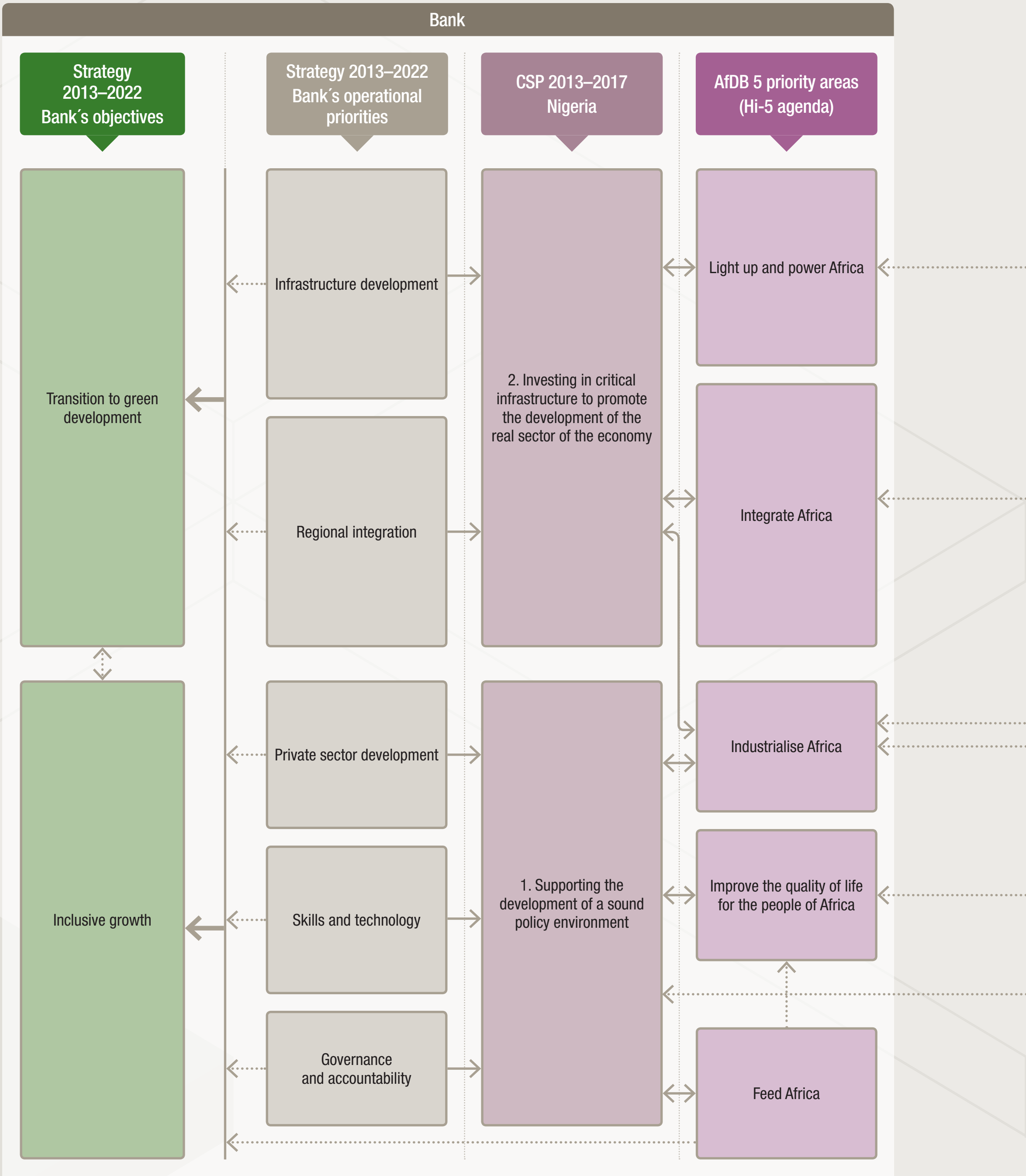

Ultimate development outcomes
Strategy 2013–2022 Bank´s operational priorities
CSP 2013–2017 Nigeria
AfDB 5 priority areas (Hi-5 agenda)
Infrastructure development
Light up and power Africa
Transition to green development
2. Investing in critical infrastructure to promote the development of the real sector of the economy
Regional integration
Integrate Africa
Private sector development
Industrialise Africa
Inclusive growth
1. Supporting the development of a sound policy environment
Skills and technology
Improve the quality of life for the people of Africa
Governance and accountability
Feed Africa

Figure A3.3: Alignment of Bank and FGN strategic priorities in Bank Strategy 2013–2022, CSP 2013–2017 and FGN 5 priority areas, strategic objectives and areas of structural reform within the same period



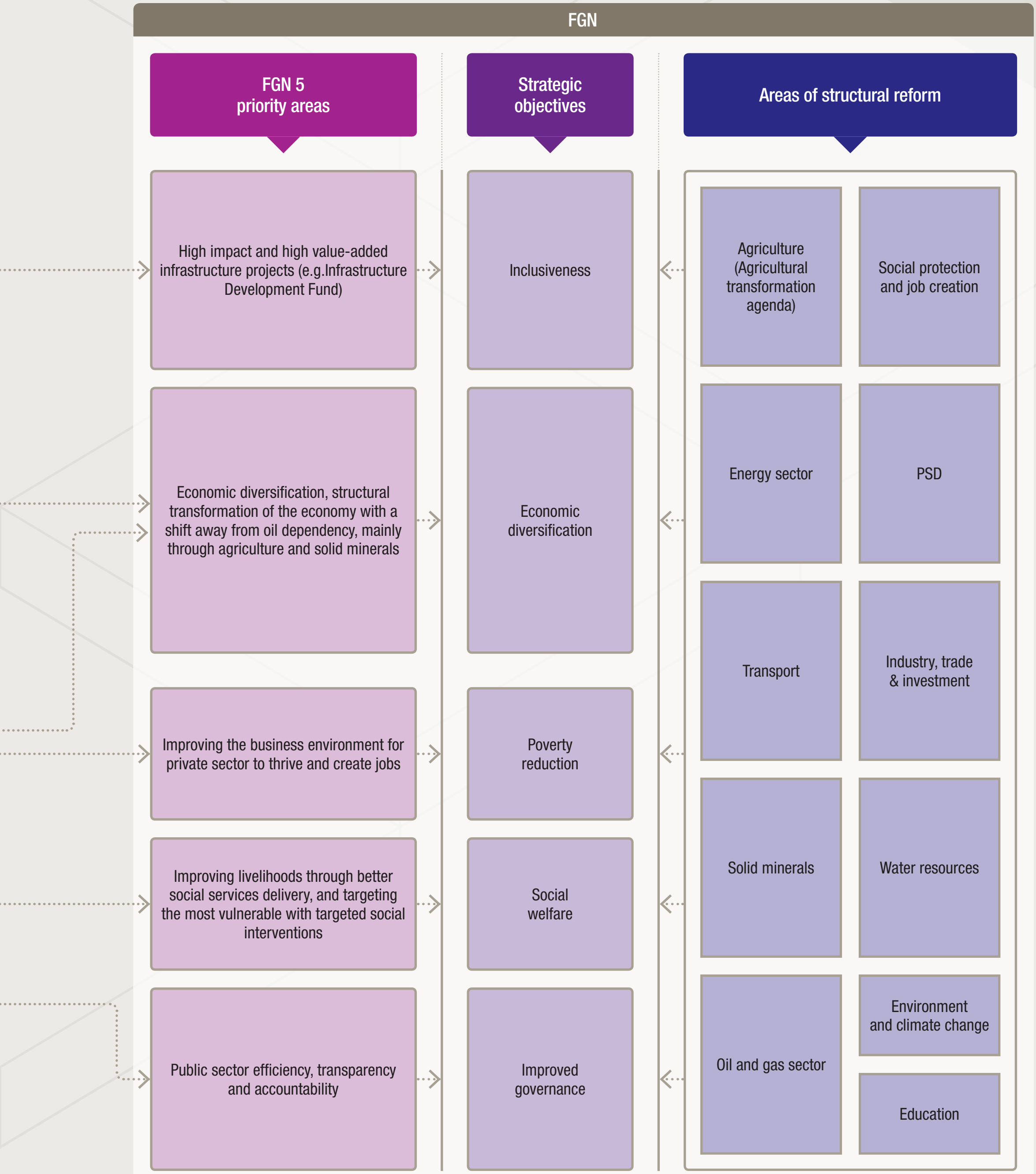

FGN
FGN 5 priority areas
Strategic objectives
Areas of structural reform
High impact and high value-added infrastructure projects (e.g.Infrastructure Development Fund)
Inclusiveness
Agriculture (Agricultural transformation agenda)
Social protection and job creation
Economic diversification, structural transformation of the economy with a shift away from oil dependency, mainly through agriculture and solid minerals
Economic diversification
Energy sector
PSD
Transport
Industry, trade & investment
Improving the business environment for private sector to thrive and create jobs
Poverty reduction
Improving livelihoods through better social services delivery, and targeting the most vulnerable with targeted social interventions
Social welfare
Solid minerals
Water resources
Public sector efficiency, transparency and accountability
Improved governance
Oil and gas sector
Environment and climate change
Education

Figure A3.4: Strategic alignment of core areas in CSP 2013–2017 and FGN 5 priority areas

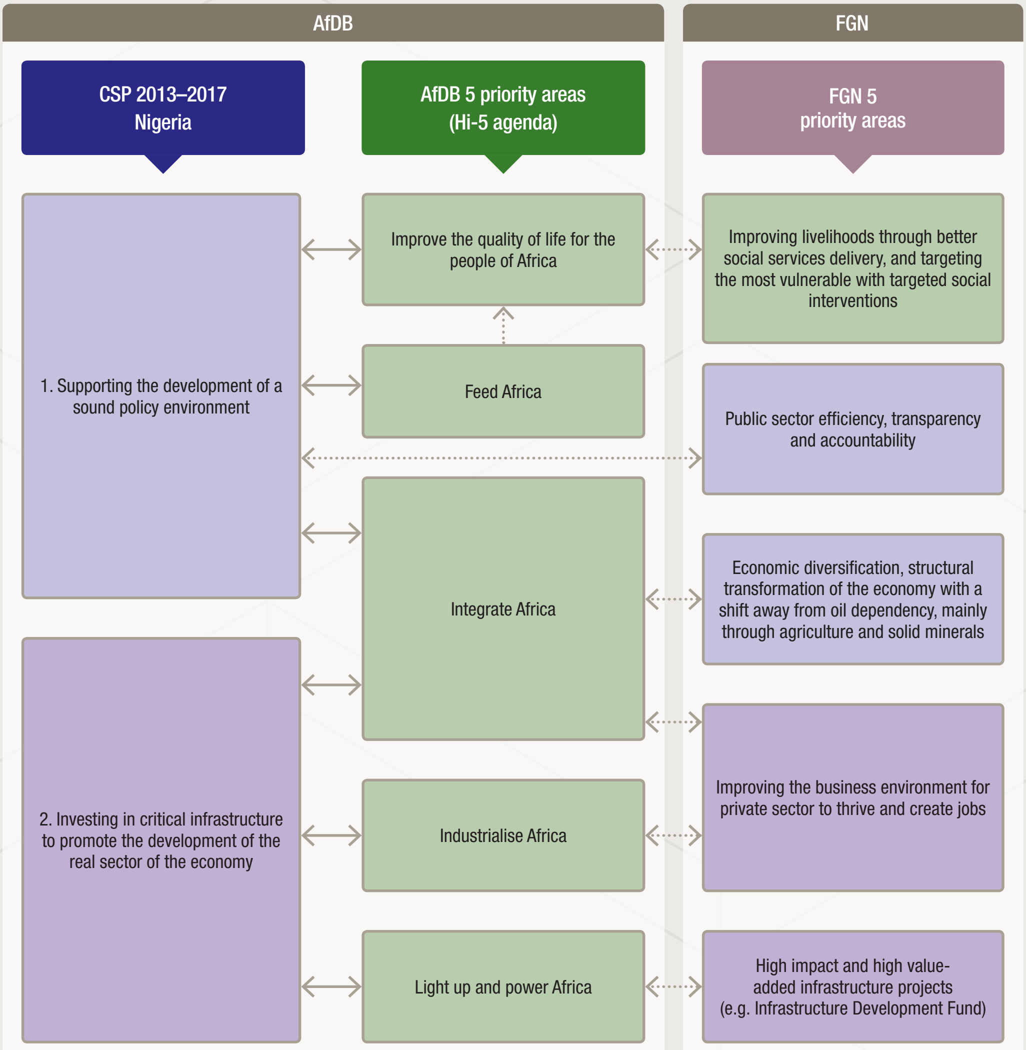


Table A3.1: CSP strategic pillars 2004–2017 and approved projects

CSP period	Pillars	Projects and approval dates
2002–2004	1. Health sector	-
	2. Agriculture and rural development	**Public sector** ❙ Community-Based Agr. & Rural Development (CBARD) – 2003 ❙ NERICA Dissemination Project – 2003 ❙ FADAMA Development Project II – 2003 ❙ Niger Delta Social and Environment Study – 2004 ❙ Invasive Aquatic Weeds – Nigeria – 2004
	3. Regional integration	-
2005–2009	1. Development of human capital through improved service delivery in education and health	**Public sector** ❙ Aide Multinat. Urg. Éradic. Poliomyélite – 2005 ❙ Skills Training and Vocational Education – 2005
	2. Stimulating non-oil growth through enhanced infrastructure and agricultural/rural development	**Public sector** ❙ Support to Agric. & Rural Institutions – 2005 ❙ National Programme for Food Security – 2006 ❙ Support Combating Avian Influenza – 2006 ❙ National Program for Food Security – 2006 ❙ Support Combating Avian Influenza – 2006 ❙ Rural Access Mobility Project Cross River State (CR-RAMP) – 2007 ❙ Rural Water & San. Sub-Prog. (Yobe & Osun - RWSS) – 2007 ❙ Urban Water & San. Improvement Project for Oyo and Taraba States (UWSSP) – 2009 ❙ Economic and Power Sector Reform Program – 2009 **Private sector** ❙ Lekki Toll Road – 2008 ❙ ABN Microfinance TA Grant – 2009 ❙ Line of Credit to Zenith Bank PLC – 2005 ❙ Helios Towers – 2009 ❙ LoC to Guarantee Trust Bank – 2005 ❙ Zenith Bank LoC LI – 2006 ❙ Line of Credit to Access Bank PLC – 2006 ❙ Line of Credit LI to Guaranty Tust Bank – 2010 ❙ Zenith Emergency Liquidity Facility – 2009 ❙ UBA Emergency Liquidity Facility – 2009 ❙ UBA Trade Finance Initiative – 2009
2011–2013	1. Improving governance	-
	2. Maintaining non-oil growth	**Private sector** ❙ Bank of Industry (BoI) – 2011 ❙ Nigerian Export Import Bank (NEXIM) – 2011 ❙ FRB Subsidiary in Nigeria – 2012 ❙ Africa Finance Corporation (AFC) – 2012
	3. Promoting human development	**Public sector** ❙ ZARIA Water Expansion & San. Project – 2012

CSP period	Pillars	Projects and approval dates
2013–2017	1. Supporting the development of a sound policy environment	**Public sector** ❚ Agricultural Transformation Agenda Support (ATASP) – 2013 ❚ Capacity Devt. Program for NASS ON MICTAF – 2014 ❚ MIC Grant Asset Mapping of Economic Opportunities in Nigeria – 2014 ❚ Emergency Assistance to Chibok – 2014 ❚ Komadugu-Yobe Basin Strategic Devt. Plan – 2014 ❚ Emergency Assist. Ebola – 2014 ❚ Support For Nigerian Extractive Industries Transparency Initiative – 2015 ❚ Advisory Support to the Nigerian Fed. Min. Of Agriculture – 2015 ❚ MIC Grant Strengthening of Federal Ministry of Agriculture
	2. Investing in critical infrastructure to promote the development of the real sector of the economy	**Public sector** ❚ Transport Sector and Economic Governance – 2013 ❚ PRG I N Support of Power Sector – 2013 ❚ Urban Water Reform & Port Harcourt WSSP – 2014 ❚ Trade Mispricing the Hidden Drainage – 2014 ❚ Economic Governance, Diversification and Competitiveness Sup. – 2016 ❚ Emergency Assistance to Support the Fight Against Malnutrition – 2016 ❚ Rehabilitation of Industrial Clusters MIC-TAF – 2016 ❚ Enable Youth Nigeria – 2016 ❚ Inclusive Basic Service Delivery and Livelihood Empowerment – 2016 ❚ AFE Babalola University Nigeria – 2016 **Private sector** ❚ Indorama Fertilizer – 2013 ❚ Development Bank of Nigeria (DBN) – 2014 ❚ Fidelity Bank LoC – 2013 ❚ Lapo Microfinance Bank Ltd – 2014 ❚ OKIPP – 2014 ❚ Stanbic LBTC Bank PLC – 2014 ❚ Stanbic LBTC Bank PLC – 2014 ❚ Zenith Bank PLC LoC LII – 2014 ❚ Access Bank Nigeria LoC LI – 2014 ❚ Africa SME Program - Fortis Microfinance Bank PLC – 2015 ❚ MIC-Grant Support to Bank of Agriculture (BOA) Ltd – 2016 ❚ United Bank for Africa PLC LoC – 2016 ❚ First Bank of Nigeria, Trade Finance Package – 2016 ❚ FSDH Merchant Bank Trade Finance LoC – 2016

Evaluation Approach

The evaluation took a **multi-layered approach** using the portfolio and PRAs as the two principal sources of data. However, strategic level assessments were also made through a desk review of strategic documents and interviews conducted at managerial level. The approach was iterative, meaning that evolving findings were taken into account and subsequently validated.

The full **portfolio** of projects was reviewed using available documentation. It was broken into (i) design/QaE; (ii) implementation, supervision/monitoring, and (iii) results that include outputs and outcomes. This review (available as a Portfolio Review document) was mostly desk based but it was complemented by information from primary data collection.

Projects were selected for in-depth PRAs on the basis of the following criteria:

- Approved between 2004–2016.
- Closed, completed, and near-completion. (Projects with high disbursement rates were examined on a case-by-case basis to assess whether results could be reasonably expected at the time of the evaluation).
- Above UA 1 million in value.

A preliminary list was drawn up for discussion with the Nigerian team. Whereas the evaluation period starts in 2004, three public sector projects approved in Dec. 2003 were included to balance the number of private sector projects so as to fully reflect the Bank´s public sector projects. Studies were excluded from the PRA assessment. The year 2003 was then included to feature three more projects. One private sector PRA was subsequently dropped because it was too recent to show results despite even though it was 100% disbursed.

A **purposive sample of 17 projects** was made for which detailed PRAs were carried out and site visits made. Other data focusing on results (outputs and outcomes) was also collected. A template agreed upon with the Bank was completed for each project, providing multiple lines of evidence for assessments using the various evaluation criteria plus the identification and categorization of lessons. Table A3.1 describes these projects.

Table A3.2: Projects identified for PRAs

Name of project	Main sector	Economic sector	Year approved	Instruments	Net loan (UAC)	Disbursement rate
Line of Credit for Zenith Bank PLC	Private	Financial	2005	L	51 803 885	100%
Second Line of Credit for Zenith Bank PLC	Private	Financial	2006	L	74 005 550	100%
Line of Credit to Guarantee Trust Bank (GTB) - LoC1	Private	Financial	2005	L	29 602 220	100%
Line of Credit to Guarantee Trust Bank (GTB) - LoC2	Private	Financial	2010	L	66 604 995	100%
UBA Emergency Liquidity Facility (ELF)	Private	Financial	2009	L	37 002 775	100%
Zenith Bank Emergency Liquidity Facility	Private	Financial	2009	L	37 002 775	100%
Line of Credit to Zenith Bank (LoC III)	Private	Financial	2014	L	92 506 938	100%
UBA Trade Finance Initiative (TFI)	Private	Financial	2009	L	74 005 550	100%
Line of Credit to Access Bank	Private	Financial	2006	L	25 901 942	100%
Lekki Concession Company	Private	Infrastructure	2008	L	36 636 961	100%
Rural Access and Mobility Project– Cross River State (RAMP-CRS)	Public	Transport	2003	L	35 270 000	87%
Integrated Management Invasive Aquatic Weeds Project (IMIAWP)	Public	Environment	2005	L+G	1 609 000	92%
Skills Training and Vocational Education Project (STVEP)	Public	Education	2005	L	30 000 000	69,10%
Community Based Agricultural Development project (CBARD)	Public	Agriculture	2003	L	12 751 449	100%
FADAMA II	Public	Agriculture	2003	L+G	19 658 135	74,20
Agriculture and Rural Institutions Support Project (ARISP)	Public	Agriculture	2005	G	2 636 876	100%
NERICA Rice Dissemination Project (MNRDP), MULTINATIONAL project	Public	Agriculture	2003	L+G	5 448 402	100%
Total					**632 447 457**	
% net loans 2004–2014					30	

Source: SAP data

The remaining operations were analyzed on the basis of a **desk review** of the relevant documents produced. Project performance was assessed by Bank project ratings (self and independent) and by the primary data collection. Project evaluation judgments about the achievement of development objectives thus have verifiable claims.

The evaluation used a six-point **rating scale** for four criteria (Table A3.3) for private and the public sector projects. The rating system is described in Table A3.4.

Table A3.3: PRA criteria and sub-criteria for public and private sector projects

Public sector	Private sector
1. Relevance 1a. Relevance of project objectives 1b. Relevance of project design	**1. Relevance** 1a. Relevance of project objectives 1b. Relevance of project design
2. Effectiveness 2a. Achievement of outputs 2b. Achievement of outcomes	**2. Effectiveness** 2a. Achievement of outputs 2b. Achievement of outcomes
3. Efficiency 3a. Cost benefit 3b. Cost effectiveness 3c. Timeliness 3d. Implementation progress	**3. Efficiency** 3a. Bank investment profitability 3b. Timeliness
4. Sustainability 4a Technical soundness 4b. Financial & economic viability 4c. Institutional sustainability & capacity 4d. Political and governance environment 4e. Ownership and sustainability of partnerships 4f. Environmental and social sustainability	**4. Sustainability** 4a. Business success 4b. Environmental and social

Table A3.4: Project rating scale

Rating level	Rationale for the rating
Highly Satisfactory (HS)	Overwhelming prevalence of positive aspects, with virtually no flaws
Satisfactory (S)	Marked prevalence of positive aspects, clearly outweighing negative aspects
Moderately Satisfactory (MS)	Prevalence of positive aspects, with some negative aspects
Moderately Unsatisfactory (MU)	Prevalence of negative aspects, only partly compensated by positive aspects
Unsatisfactory (U)	Marked prevalence of negative aspects, clearly outweighing whatever positive aspects
Highly Unsatisfactory (HU)	Overwhelming prevalence of negative aspects

Evaluation Data Collection and Analysis

The evaluation used a combination of primary and secondary data collection. The data collection methods included: (i) review of Bank documentation, (ii) review of external documentation; (iii) semi-structured interviews with Bank staff, local actors, and private institutions, and (iv) focus group discussions with project beneficiaries and local communities.

The evaluation matrix describes how different methods were used to address each evaluation question. The analysis was underwritten by rigorous triangulation to root findings in multiple lines of credible evidence and thereby avoid biases in the findings reported.

The data collection phase took place during the scoping and data collection mission of September 2015. IDEV organized one emerging findings workshop in Nigeria in July 2016 to share an overview of findings with Bank staff involved in the Nigeria Program and external stakeholders including the government and the main clients. These workshops were used to fact check, to validate findings, and to identify any gaps in the review. During data collection and in subsequent consultations, utmost care was taken by the evaluation team to respect human rights and differences in customs, culture, religious beliefs and practices of all stakeholders.

Key Informants

Overall, 125 key informants were interviewed from 2015 to 2017 (Table A3.5) They included representatives from Bank Departments (OFSD, OPSD, and RDNG), 16 public entities, and eight external participants, four private sector FIs, two private sector companies, and over 35 stakeholders involved in the projects locally.

Table A3.5: Key informants during field missions

Timing	Mission type	Country team/AfDB staff	Public stakeholders/ Government	Private sector stakeholder (financial institutions)
Abuja: 7th–12th September Lagos: 12th–18th September, 2015	**Scoping mission** Objective: ▌Introduce the Nigeria CSPE to the country team ORNG and the stakeholders ▌Discuss main challenges and successes encountered in the implementation of ADB projects and programs in Nigeria ▌Validate the portfolio and the PRA list ▌Discuss data availability/ reliability ▌Start the planning for data collection mission	**Country Director** Country Team (Lead Economist, Chief Country Economist, Principal Private Sector Specialist, Social Sector Expert, Principal Transport Engineer, Chief Agricultural Economist, Principal Disbursement Officer, Administrative Clerk/Receptionist, Principal Education Officer, Information & Communication Technology Officer, Chief Portfolio Management) Bank Departments (OFSD, OPSD)	**7 public sector stakeholders** **6 Federal Ministries** (Finance, Water and Natural Resources, Works, Agriculture, Environment, and Education) **Plus:** Regional Integration organisation (ECOWAS) Public Financial Institution (NEXIM Bank)	**4 private sector financial intermediaries:** ▌Guaranty Trust Bank – GTB ▌Access Bank Plc ▌Zenith Bank Plc ▌United Bank of Africa – UBA
09 - 20, 2015 Abuja, Lagos and other cities	**Data collection mission**	**Country Director** Country Team (Lead Economist, Chief Country Economist, Principal Private Sector Specialist, Social Sector Expert, Principal Transport Engineer, Chief Agricultural Economist, Principal Disbursement Officer, Administrative Clerk/Receptionist, Principal Education Officer, Information & Communication Technology Officer, Chief Portfolio Management)	**Ministry of Agriculture, Environment, Works, and Education**	**4 private sector financial intermediaries:** ▌Guaranty Trust Bank – GTB ▌Access Bank Plc ▌Zenith Bank Plc ▌United Bank of Africa – UBA **2 private sector companies:** ▌Quits Aviation ▌Lekki Concession Company

Timing	Mission type	Country team/AfDB staff	Public stakeholders/ Government	Private sector stakeholder (financial institutions)
Country Office in Abuja on 21–22 July, 2016	**Emerging findings workshop**	Country Team (ORNG) ▌Country Director, ORNG ▌Lead Economist, ORNG ▌Chief Country Program Officer, ORNG ▌Principal Procurement Officer, ORNG	**External participants** ▌Federal Ministry of Environment ▌Federal Ministry of Water Resources ▌Integrated Water Resources Management Commission ▌National Water Resource Institute ▌Federal Ministry of Finance ▌Nigeria Export Import(NEXIM) Bank ▌Federal Ministry of Agriculture and Rural Development	

Two focus group discussions were held: one with Bank staff at the beginning of the data collection phase, and the other at the community level during project field visits. IDEV guidance for interviews and focus group conduct were respected. Anonymity of the individuals who participated in these consultations were fully respected and kept confidential as desired.

Evaluation Governance and Documentation

This summary report is built on over 20 background documents that include the following: (i) an inception report; (ii) a portfolio review; (iii) 17 PRAs; (iv) a country template; (v) sector reports, case studies, risk notes and strategic level documents, and (vi) meeting notes. Notes from semi-structured interviews are not made available for public distribution to ensure confidentiality of individual informants.

Table A.3.6:

Criteria /sub-criteria	Highly Unsatisfactory	Unsatisfactory	Moderately Unsatisfactory
Relevance – Overall rating based on combining a, b and c (Evaluator judgment not arithmetic average)			
Extent to which objectives of (a) Bank's CSPs and (b) interventions are aligned with the Bank's applicable sector strategies and beneficiary needs.	(a) Most or all of the CSPs in the period exhibit major shortcomings in their alignment with: i) the Bank's CSP, ii) applicable Bank sector strategies, iii) the country's development strategies, and iv) beneficiary or client needs. The objectives of most Bank interventions have major shortcomings in their alignment with: i) the Bank's CSP, ii) applicable Bank sector strategies, iii) the country's development strategies, and iv) beneficiary or client needs.	(a) Half or more of the CSPs in the period exhibit major shortcomings in their alignment with: i) the Bank's CSP, ii) applicable Bank sector strategies, iii) the country's development strategies, and iv) the beneficiary or client needs. (b) The Objectives of more than half of Bank interventions have major shortcomings in their alignment with: i) the Bank's CSP, ii) applicable Bank sector strategies, iii) the country's development strategies, and iv) beneficiary or client needs.	(a) Half or more of the CSPs in the period exhibit shortcomings in their alignment with: i) the Bank's CSP, ii) applicable Bank sector strategies, iii) the country's development strategies, and iv) beneficiary or client needs. (b) The objectives of a significant number (more than 25%) of Bank interventions have minor or significant shortcomings in their alignment with: i) the Bank's CSP, ii) applicable Bank sector strategies, iii) the country's development strategies, and iv) beneficiary or client needs.
(c) Extent to which intervention design is conducive to achieving stated objectives.	Design of most Bank interventions is not conducive to achieving results. The original design of most interventions (more than 75%) was either weak or lost its relevance during implementation; major adjustments to the scope, implementation arrangements, or technical solutions were required during implementation, but done with substantial delays, which negatively affected the achievement of intended outcomes and outputs.	Design of more than half of the Bank's interventions reviewed is marginally conducive to achieving project results. The original design of more than half of projects was either weak or lost its relevance during implementation; major adjustments to the scope, implementation arrangements, or technical solutions were required during implementation but done with substantial delays which negatively affected the achievement of intended outcomes and outputs.	Design of a significant number of projects (more than 25%) is somewhat conducive to achieving project results. The original design of a significant number of projects (more than 25%) was either weak or lost its relevance during implementation; major adjustments to the scope, implementation arrangements, or technical solutions were required during implementation but done with substantial delays which negatively affected the achievement of the intended outcomes and outputs.
Effectiveness – Overall rating based on combining a, b and c (Evaluator judgment not arithmetic average)			
(a) Extent to which expected outputs have been achieved or are on track to be achieved.	Only a few or no Bank interventions reviewed have achieved or are likely to achieve the intended outputs based on the latest value of the (PAR) indicators and the analysis of other relevant risks/ factors and assumptions.	A minority (less than 25%) of Bank interventions reviewed have achieved or are likely to achieve the intended outputs based on the latest value of the (PAR) indicators and the analysis of other relevant risks/ factors and assumptions.	Less than half the Bank interventions reviewed have achieved or are likely to achieve the intended output based on the latest value of the (PAR) indicators and the analysis of other relevant risks/ factors and assumptions.
(b) Extent to which expected intermediate outcomes have been or are on track to be achieved.	Only a few or none of the reviewed Bank interventions have achieved or are likely to achieve the intended outcomes based on the latest value of the (PAR) indicators and the analysis of other relevant risks/ factors and assumptions.	A minority (less than 25%) of the reviewed Bank interventions have achieved or are likely to achieve the intended outcomes based on the latest value of the (PAR) indicators and the analysis of other relevant risks/factors and assumptions.	Less than half of the Bank interventions reviewed have achieved or are likely to achieve the intended outcomes based on the latest value of the (PAR) indicators and the analysis of other relevant risks/ factors and assumptions.

Moderately Satisfactory	Satisfactory	Highly Satisfactory
(a) Half or more CSPs in the period exhibit no significant shortcomings in their alignment with: i) the Bank's CSP, ii) applicable Bank sector strategies, iii) the country's development strategies, and iv) beneficiary or client needs. Objectives of more than half (50%) of interventions reviewed have no noteworthy or only minor shortcomings in their alignment with: i) the Bank's CSP, ii) applicable Bank sector strategies, iii) the country's development strategies, and iv) beneficiary needs.	(a) Most (75%+) CSPs in the period exhibit no noteworthy shortcomings in their alignment with: i) the Bank's CSP, ii) applicable Bank sector strategies, iii) the country's development strategies, and iv) beneficiary or client needs. (b) Objectives of most (more than 75%) Bank interventions have no noteworthy shortcomings and the remaining projects only minor shortcomings in their alignment with: i) the Bank's CSP, ii) applicable Bank sector strategies, iii) the country's development strategies, and iv) beneficiary or client needs.	(a) No CSPs in the period exhibit noteworthy shortcomings in their alignment with: i) the Bank's CSP, ii) applicable Bank sector strategies, iii) the country's development strategies, and iv) beneficiary or client needs. (b) Objectives of all Bank interventions reviewed have no notewrothy shortcoming in their alignment with: i) the Bank's CSP, ii) applicable Bank sector strategies, iii) the country's development strategies, and iv) beneficiary or client needs.
Design of more than half the projects is largely conducive to achieving projects results. The others were moderately conducive to achieving projects results. More than half of the projects have a solid original design that remained appropriate throughout implementation and required no or only minor adjustments to the scope, implementation arrangements, or technical solutions required to ensure output and outcome achievement.	Design of most (more than 75%) projects is fully conducive to achieving project results and the design of the remaining 25% is largely conducive to achieving project results. The majority (more than 75%) of projects had a solid original design that remained appropriate throughout implementation and required no significant adjustments to the scope, implementation arrangements. or technical solutions to ensure that intended outcomes and outputs were achieved.	Design of all projects reviewed is fully conducive to achieving planned project results. The original design was solid and remained appropriate throughout implementation. No adjustments to the scope, implementation arrangements or technical solutions were required to ensure that intended outcomes and outputs were achieved.
Half or more of the Bank interventions have achieved or are likely to achieve intended outputs based on the latest value of the (PAR) indicators and the analysis of other relevant risks/factors and assumptions.	Most Bank interventions (more than 75%) have achieved or are likely to achieve the intended outputs based on the latest value of the (PAR) indicators and the analysis of other relevant risks/ factors and assumptions.	All Bank interventions reviewed have achieved or are likely to achieve the intended outputs based on the latest value of the (PAR) indicators and the analysis of other relevant risks/factors and assumptions.
Half or more of the reviewed Bank interventions have achieved or are likely to achieve intended outcomes based on the latest value of the (PAR) indicators and the analysis of other relevant risks/ factors and assumptions.	Most Bank interventions (more than 75%) have achieved or are likely to achieve the intended outcomes based on the latest value of the (PAR) indicators and the analysis of other relevant risks/ factors and assumptions.	All Bank interventions reviewed have achieved or are likely to achieve the intended outcomes based on the latest value of the (PAR) indicators and the analysis of other relevant risks/factors and assumptions.

Criteria /sub-criteria	Highly Unsatisfactory	Unsatisfactory	Moderately Unsatisfactory
(c) Extent to which the Bank has achieved results outside its lending portfolio.	Non-lending aspects of Bank activities have produced few good results in: knowledge work, policy dialogue, building partnerships and leveraging additional funds.	Non-lending aspects of Bank activities have produced some patchy (or better) good results in at least 2 of the following areas: knowledge work, policy dialogue, building partnerships and leveraging additional funds.	Non-lending aspects of Bank activities have produced some good results in at least 2 of the following areas: knowledge work, policy dialogue, building partnerships and leveraging additional funds.
Efficiency – Overall rating based on combining a and b (Evaluator judgment not arithmetic average)			
(a) Extent to which cost efficiency is achieved or on track to be achieved.	A few or no Bank interventions reviewed interventions have met or are on track to meet or exceed cost effectiveness or equivalent indicators. Stakeholders perceive a cost inefficient Bank.	Some Bank interventions (less than 25%) reviewed have met or are on track to meet or exceed cost effectiveness or equivalent indicators. Stakeholders perceive a cost inefficient Bank.	Less than half the Bank interventions reviewed have met or are on track to meet or exceed cost effectiveness or equivalent indicators. Stakeholders perceive a Bank that is not fully cost effective.
(b) Extent to which time efficiency is achieved or is on track to be achieved.	Few or no Bank interventions (fewer than 10%) reviewed have met or are on track to meet implementation target dates. All or almost all are behind schedule. All or almost all projects in the full portfolio show delays in project processing and implementation. Stakeholders perceive the Bank to be time inefficient.	A minority of Bank interventions reviewed (fewer than 25%) met or are on track to meet implementation target dates. The majority of interventions is behind schedule. The majority of projects in the full portfolio show delays in project processing and implementation. Stakeholders perceive the Bank to be time inefficient.	Less than half the Bank interventions reviewed have met or are on track to meet implementation target dates. More than half are behind schedule. More than half the projects in the full portfolio show delays in project processing and implementation. Stakeholders perceive a Bank that is not fully time-efficient.
Sustainability – Overall rating based on combining a and b (Evaluator judgment not arithmetic average)			
(a) Extent to which technical and financial sustainability of benefits is likely.	It is highly likely that the achievement of results in the vast majority of interventions will be adversely affected by factors related to any of: the technical design of the project, the financial sustainability, or institutional capacity.	It is likely that the achievement of results inmost projects will be adversely affected by factors related to any of: the technical design of the project, the financial sustainability, or institutional capacity.	It is likely that the achievement of results of half the projects will be adversely affected by factors related to any of: the technical design of the project, the financial sustainability, or institutional capacity.
(b) Extent to which environmental and social sustainability achievements are likely.	Most Bank interventions (75% or more) have not put in place any mechanisms for economic and financial sustainability. The flow of environmental and social benefits associated with the project are not expected to continue after completion, and the majority of the interventions produced negative unintended environmental or social impacts.	Half or less of the Bank have a few mechanisms for economic and financial sustainability but they are not expected to be sufficient to ensure that environmental and social benefits associated with the project continue after completion, and half or more produced negative unintended environmental or social impacts.	Most Bank interventions (75% or more) have a few mechanisms for economic and financial sustainability but they are not expected to be sufficient to ensure the continued flow of environmental and social benefits after project completion, and some produced negative unintended environmental or social impacts.

	Moderately Satisfactory	Satisfactory	Highly Satisfactory
	Non-lending aspects of Bank activities have produced broadly good results in at least 3 of the following areas: knowledge work, policy dialogue, building partnerships and leveraging additional funds.	Non-lending aspects of Bank activities have produced broadly good results in at least 4 of the following areas: knowledge work, policy dialogue, building partnerships and leveraging additional funds.	Non-lending aspects of Bank activities have produced consistently good results in all following areas: knowledge work, policy dialogue, building partnerships and leveraging additional funds.
	Half or more Bank interventions reviewed have met or are on track to meet or exceed cost effectiveness or equivalent indicators. Stakeholders perceive a broadly cost efficient Bank.	Most Bank interventions reviewed (75% or more) have, or are on track to, meet or exceed cost effectiveness or equivalent indicators. Stakeholders perceive a cost efficient Bank.	All Bank interventions reviewed have, or are on track to, meet or exceed cost effectiveness or equivalent indicators. Stakeholders perceive a highly cost efficient Bank.
	Half or more of Bank interventions reviewed have met or are on track to meet or exceed implementation target dates. Less than half the projects in the full portfolio show delays in processing and implementation. Stakeholders perceive the Bank to be broadly time efficient.	Most Bank interventions (75% or more) reviewed have met or are on track to meet or exceed implementation target dates The wider portfolio shows only a few delays in project processing and implementation. Stakeholders perceive a time efficient Bank.	All Bank interventions reviewed have met or are on track to meet or exceed implementation target dates The wider portfolio shows minimal or no delays in project processing and implementation. Stakeholders perceive a highly time efficient Bank.
	It is unlikely that the achievement of results of most projects will be adversely affected by factors related to any of: the technical design of the project, the financial sustainability, or institutional capacity.	It is unlikely that the achievement of the results in the vast majority of projects will be adversely affected by factors related to any of: the technical design of the project, the financial sustainability, or institutional capacity.	It is highly unlikely that the achievement of results in all projects (75% or more) will be adversely affected by factors related to any of: the technical design of the project, the financial sustainability, or institutional capacity.
	Most Bank interventions (75% or more) have sufficient mechanisms for economic and financial sustainability that are deemed sufficient to ensure the continued flow of environmental and social benefits associated with the project after completion and produced few significant negative unintended environmental or social impacts.	Almost all Bank interventions have in place sufficient mechanisms for economic and financial sustainability to ensure that environmental and social benefits associated with the project continue after completion and produced no significant negative unintended environmental or social impacts.	Most projects (75% or more) have robust mechanisms in place for economic and financial sustainability that are very likely to ensure that environmental and social benefits associated with the project continue after completion, and produced no notable negative unintended environmental or social impacts.

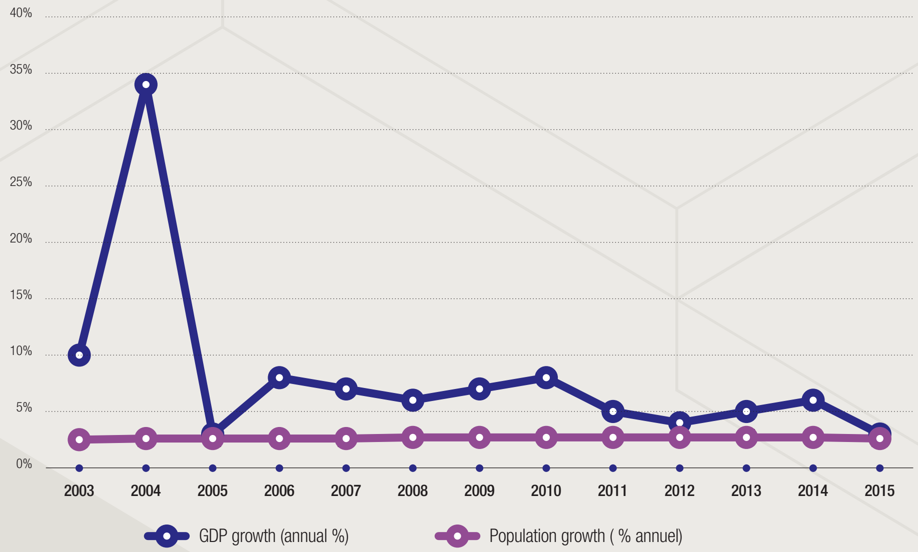
Annex 4 — Socioeconomic, Business Environment, Development and Aid Indicators

Table A4.1: Main population and GDP indicators

	2003	2004	2005	2006	2007
GDP growth (annual %)	10	34	3	8	7
GDP per capita, PPP (constant 2011 international $)	3 143	4 097	4 129	4 353	4 529
GDP per capita growth (annual %)	8	30	1	5	4
Population, total	132 581 484	136 033 321	139 611 303	143 318 011	147 152 502
Population growth (annual %)	2.5	2.6	2.6	2.6	2.6
Population, female (% of total)	49	49	49	49	49
Population ages 0-14 (% of total)	44	44	44	44	44
Population ages 15-64 (% of total)	54	54	54	54	53
Population ages 65 and above (% of total)	3	3	3	3	3
Population density (people per sq. km of land area)	146	149	153	157	162

Source: World Development Indicators, WB

Figure A4.1: Population and GDP growth



Source: World Development Indicators, WB

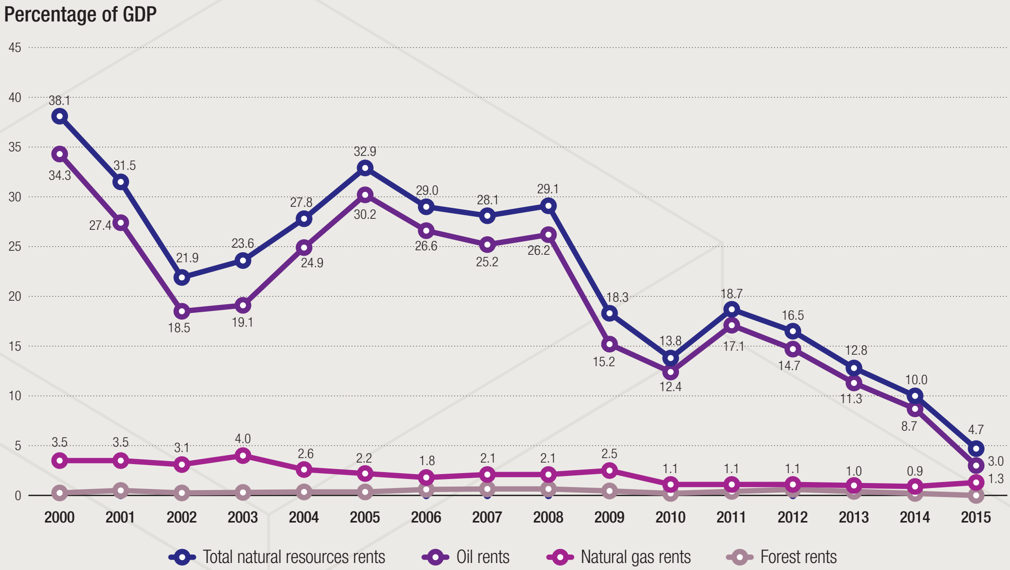
2008	2009	2010	2011	2012	2013	2014	2015
6	7	8	5	4	5	6	3
4 687	4 879	5 123	5 231	5 310	5 448	5 639	5 639
3	4	5	2	2	3	4	0
151 115 683	155 207 145	159 424 742	163 770 669	168 240 403	172 816 517	177 475 986	182 201 962
2.7	2.7	2.7	2.7	2.7	2.7	2.7	2.6
49	49	49	49	49	49	49	49
44	44	44	44	44	44	44	44
53	53	53	53	53	53	53	53
3	3	3	3	3	3	3	3
166	170	175	180	185	190	195	200

Table A4.2: Selected Economic and Financial Indicators, 2014–2017

	2014	2015	2016	2017	2018	2019	2020	2021
		Prel.	Projections					
National income and prices	*(Annual percentage change, unless otherwise specified)*							
Real GDP (at 2010 Basic Prices)	6.3	2.7	2.3	3.5	3.9	3.7	3.9	4
Oil and Gas GDP	-1.3	-5.4	-4.8	3	5	1.3	0.8	0.8
Non-oil GDP	7.3	3.6	3.1	3.5	3.7	3.9	4.1	4.3
Production of crude oil (million barrels per day)	2.2	2.1	2.2	2.3	2.5	2.5	2.5	2.5
Consumer price index (end of period)	8	9.6	12	12.5	12	10	9	8
Consolidated government operations*	*(Percent of GDP)*							
Total revenues and grants	10.5	7.8	5.9	6.8	7.3	7.7	8.3	8.5
Of which: oil and gas revenue	6.5	3.7	1.5	1.9	2.1	2.1	2.3	2.4
Total expenditure and net lending	12.3	11.5	10.3	10.9	11.1	11.7	12.2	12.4
Overall balance	-1.8	-3.7	-4.4	-4	-3.8	-4	-3.9	-3.9
Non-oil primary balance (percent of non-oil GDP)	-8.2	-6.8	-5.3	-5.2	-5	-4.9	-5.1	-5.2
External sector	*(Annual percentage change, unless otherwise specified)*							
Exports of goods and services	-13.3	-40.7	-21.8	22.6	11.5	4.5	5.1	3.7
Imports of goods and services	16.5	-22.1	-3	6.9	3.9	3.3	3.8	2.9
Current account balance (percent of GDP)	0.2	-2.4	-2.8	-1.8	-1.2	-1	-1	-0.9
Terms of trade	-2.7	-24.9	-16.9	9.3	2.4	0.4	2.1	1.3
Price of Nigerian oil (US$ per barrel)	100.6	53.1	36.1	43.3	46.1	47.6	49.8	51.1
Gross international reserves (US$ billions)	34.3	28.3	21.5	19.5	18.1	17	15.9	15
(Equivalent months of next year's imports)	6.1	5.2	3.7	3.2	2.9	2.6	2.4	2.2
Money and credit	*(Change in percent of broad money at the beginning of the period, unless otherwise specified)*							
Broad money (percentage change; end of period)	20.4	5.9	14.2	16.5	16.2	18.2	16.8	17.2
Net foreign assets	-10.9	-6.8	-7.4	-2.4	-0.4	-0.3	0.6	0.3
Net domestic assets	31.1	12.7	21.5	18.9	16.6	18.5	16.3	16.9

* Consists of federal, state, and local governments.
Sources: Nigerian authorities; and IMF staff estimates and projections.

Figure A4.2: Total natural resource rents, natural gas rents, oil rents and forest rents (% GDP)



Source: World Development Indicators Database

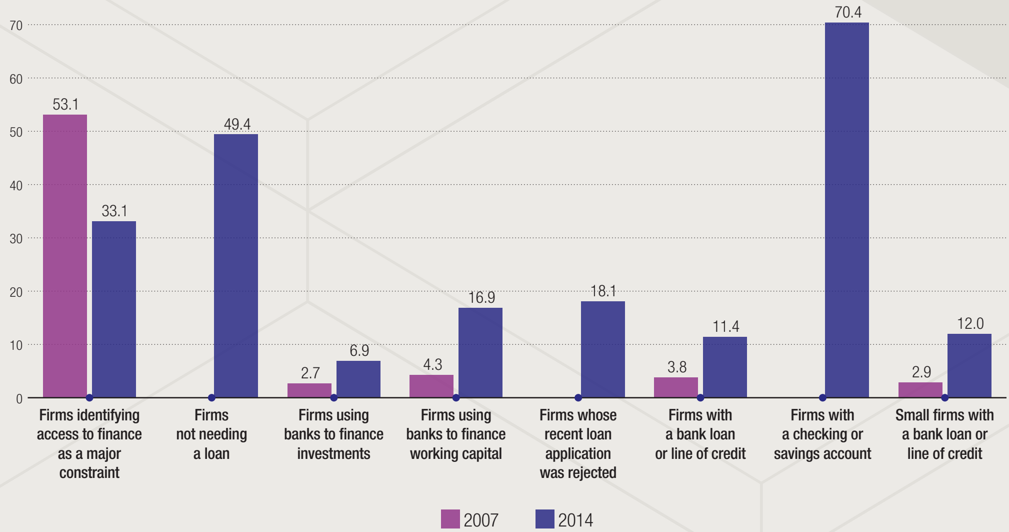
Table A4.3: Fastest growing economies, 2000–2015

	Country name	GDP, Average anual % increase 2000–2015
1	Turkmenistan	12.6
2	Qatar	11.0
3	Azerbaijan	11.0
4	Afghanistan	10.3
5	Equatorial Guinea	9.8
6	China	9.6
7	Myanmar	9.4
8	Angola	9.2
9	Ethiopia	9.2
14	**Nigeria**	**7.7**
15	Rwanda	7.6
20	India	7.2
	Sub-Sahran Africa Oil exporters	7.1
	BRICs	6.7
	Sub-Saharan Africa excl ZAF	6.3
	Developing Countries	5.9
	Low Income	5.8
	Emerging Markets and Developing Economies	5.5
	World (WBG members)	2.8
	High Income Countries	1.7

Source: World Development Indicators Database

Figure A4.3: Financial Indicators from 2007 to 2014, I

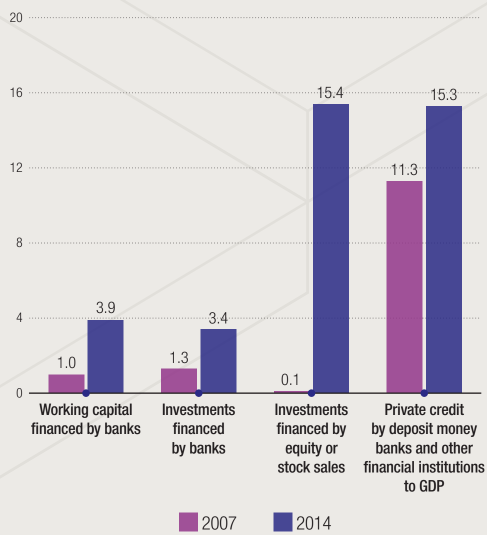
Percentage



Source: Global Financial Development Database, WB

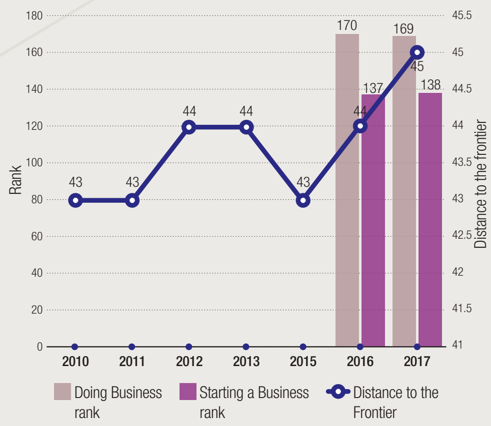
Figure A4.4: Financial Indicators from 2007 to 2014, II

Percentage



Source: Global Financial Development Database, WB

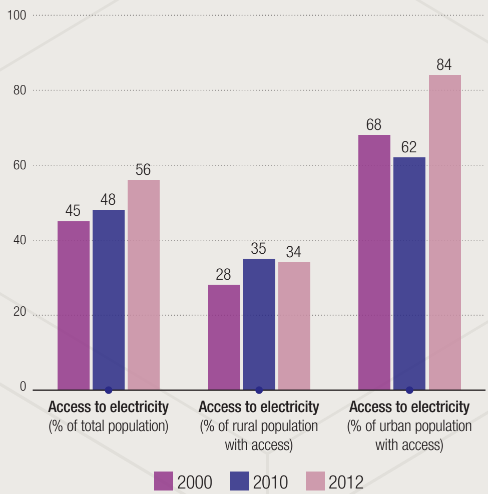
Figure A4.5: Doing Business rankings and Distance to the Frontier (DTF)



Note: The DTF score benchmarks economies with respect to regulatory practice, showing the absolute distance to the best performance in each Doing Business indicator. An economy's distance to frontier score is on a scale from 0 to 100, where 0 represents the worst performance and 100 the frontier.

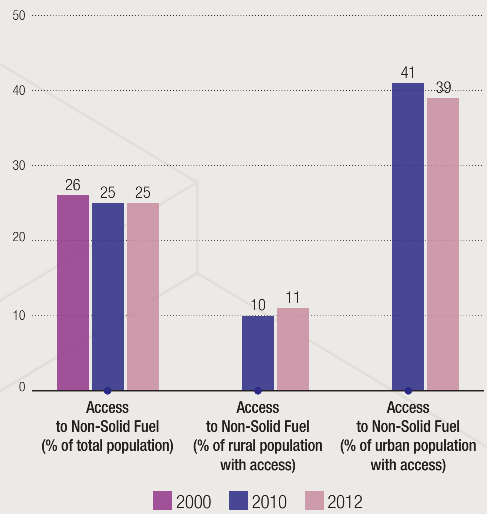
Source: Doing Business Database, WB

Figure A4.6: Access to electricity in Nigeria, total, rural and urban population 2000, 2010, and 2012



Source: Sustainable Energy for All Database, WB

Figure A4.7: Access to non-solid fuel in Nigeria, total, rural, and urban population 2000, 2010, 2012



Source: Sustainable Energy for All Database, WB

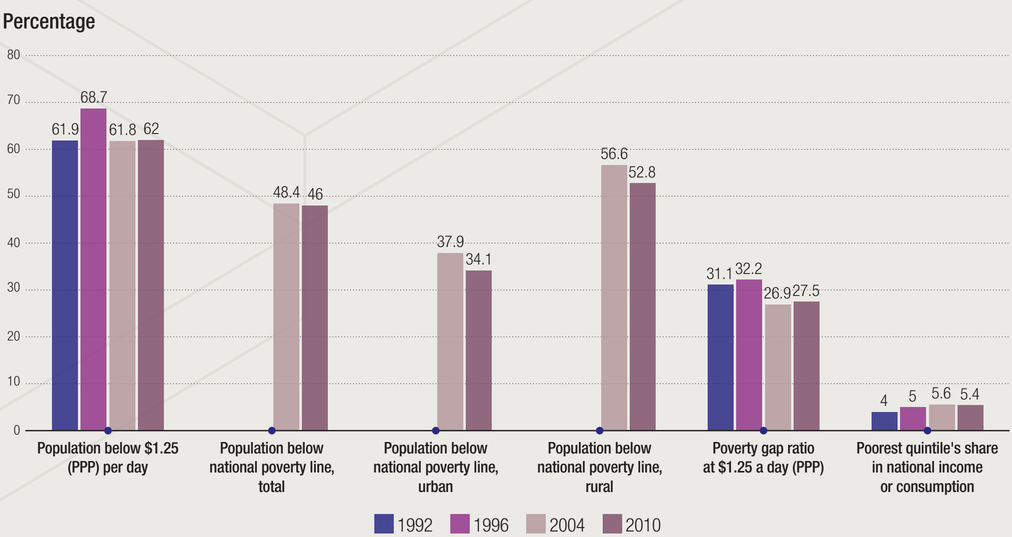
Table A4.4: Nigeria: Millennium Development Goals, 1990-2014

	1990	2000	2010	2014	Comments
Goal 1: Eradicate extreme poverty and hunger					
Malnutrition prevalence, weight for age (% of children under 5)	35.0	27.0	27.0	25.5	**Goal 1 is not likely to be achieved, though** there is no poverty measure that is comparable across time.
Poverty headcount ratio at $1.25 a day (PPP) (% of population)	62.0	..	68.0	..	
Poverty headcount ratio (adult equivalent) 1	..	..	46.0	33.0	
Goal 2: Achieve universal primary education					
Primary completion rate, total (% of relevant age group)	..	..	74	74	**Goal 2 is not likely to be achieved. In fact** the primary completion rate has declined since 2005.
School enrollment, primary (% net)	..	65	63.9	68.7	
Goal 3: Promote gender equality and empower women					
Ratio of female to male primary enrollment (%)	79	82	92	..	**Goal 3 is close to being achieved** for children 5-14 year old. GHS-Panel 2012/13 shows the ratio is at 97 percent.
Ratio of female to male secondary enrollment (%)	78	85	89	..	
Goal 4: Reduce child mortality					
Immunization, measles (% of children ages 12–23 months)	54	33	56	51	**Goal 4 is not likely to be achieved,** as mortality of children under 5 has declined only by 47% since 1990 (as opposed to 2/3).
Mortality rate, infant (per 1,000 live births)	127	113	83	72	
Mortality rate, under-5 (per 1,000 live births)	214	188	132	113	

	1990	2000	2010	2014	Comments
Goal 5: Improve maternal health					
Maternal mortality ratio (modeled estimate, per 100,000 live births)	1100	970	610	560	**Goal 5 is not likely to be achieved,** as maternal mortality has declined only by 49 percent since 1990 (as opposed to 3/4).
Contraceptive prevalence (% of women ages 15–49)	6	15	15	19	
Goal 6: Combat HIV/AIDS, malaria, and other diseases					
Children with fever receiving antimalarial drugs (% of children under age 5 with fever)	..	..	49	..	**Goal 6 is not likely to be achieved,** as only a half of children with fever received antimalarial drugs in 2010. Not enough information on universal access to treatment for HIV/AIDS.
Prevalence of HIV, total (% of population ages 15–49)	1.3	3.9	3	3	
Tuberculosis case detection rate (%, all forms) – old	16	12	40	..	
Tuberculosis case detection rate (%, all forms)	8	6.5		..	
Goal 7: Ensure environmental sustainability					
Improved sanitation facilities (% of population with access)	38	34	29	29.3	**Goal 7 is not likely to be achieved,** as those without access to water declined only by 29% since 1990 (as opposed to 1/2).
Improved water source (% of population with access)	47	53	63	62	
Goal 8: Develop a global partnership for development					
Internet users (per 100 people)	0	0.1	24	42.7	
Mobile cellular subscriptions (per 100 people)	0	0	54.7	77.8	

Sources: World Bank's World Development Indicators; National Bureau of Statistics "The MDG Performance Tracking Survey 2015 Report."

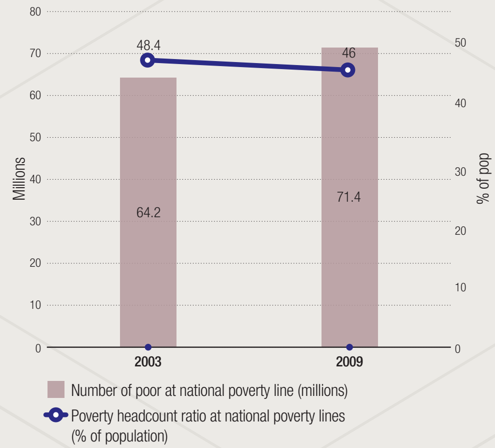
Figure A 4.8: Nigeria: poverty indicators, 1992–2010



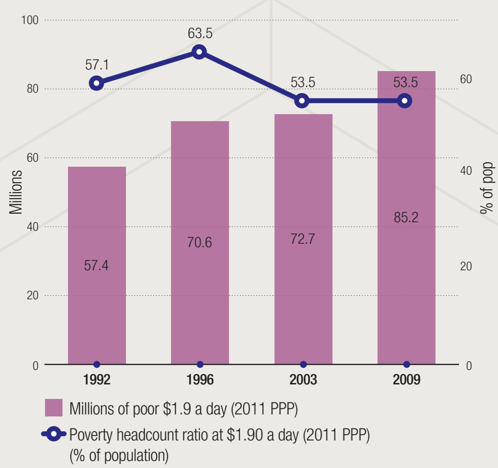
Source: WB

Figure A4.9: Poverty indicators

People living below national poverty line



People living on less than $1.90 a day



Note: National poverty headcount ratio is the percentage of the population living below national poverty lines. National estimates are based on population-weighted subgroup estimates from household surveys. Poverty headcount ratio at USD1.90 a day is the percentage of the population living on less than USD1.90 a day at 2011 international prices. Revisions in PPP exchange rates make it impossible to compare poverty rates in individual countries with poverty rates reported earlier, prior to the revisions.

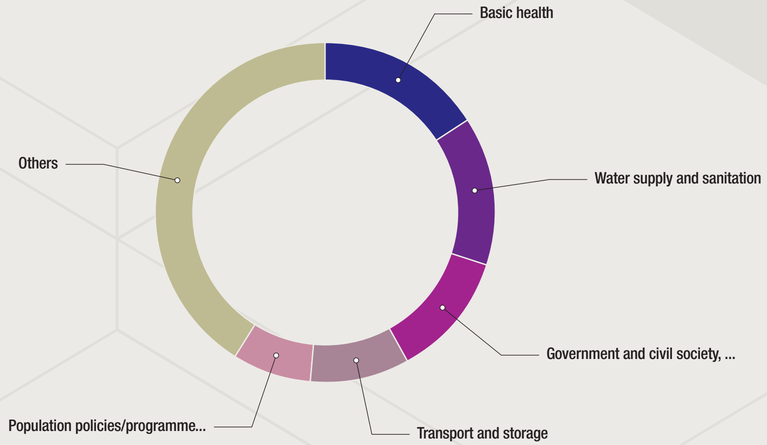
Source: Poverty and equity database, WB

Table A4.5: Poverty headcount ratio at national poverty line in Nigeria´s Federal State (% of population)

Ferderal States	2004	2010	Change (p.p.)
Lagos	59.1	22.6	-36.5
Osun	28.5	22.8	-5.7
Bayelsa	28.3	28.7	0.4
Imo	29.5	28.8	-0.6
Niger	47.0	29.2	-17.8
Oyo	21.0	29.5	8.5
Anambra	23.0	29.5	6.5
Abuja	35.3	30.9	-4.5
Abia	26.5	31.1	4.7
Rivers	39.6	31.2	-8.4
Akwa Ibom	38.9	35.0	-3.9
Ekiti	40.3	39.5	-0.8
Ondo	45.8	40.8	-4.9
Ogun	32.2	41.3	9.2
Delta	55.9	41.9	-14.0
Edo	38.4	43.1	4.6
Cross River	49.3	43.1	-6.2
Borno	40.5	43.6	3.1
Kaduna	36.0	46.7	10.7
Taraba	44.0	47.8	3.7
Enugu	31.8	48.1	16.3
Kebbi	77.2	49.1	-28.1
Zamfara	66.8	51.0	-15.8
Kwara	83.7	53.3	-30.4
Plateau	48.9	53.8	4.8
Kogi	87.5	54.1	-33.4
Nassarawa	45.7	55.7	10.0
Kano	41.4	55.9	14.5
Katsina	54.3	57.5	3.2
Benue	45.5	62.0	16.5
Adamawa	62.3	65.2	2.9
Bauchi	75.7	65.8	-9.9
Yobe	70.6	67.9	-2.7
Ebonyi	43.1	71.1	28.0
Sokoto	62.3	71.2	8.9
Gombe	55.6	74.4	18.7
Jigawa	87.2	77.7	-9.4

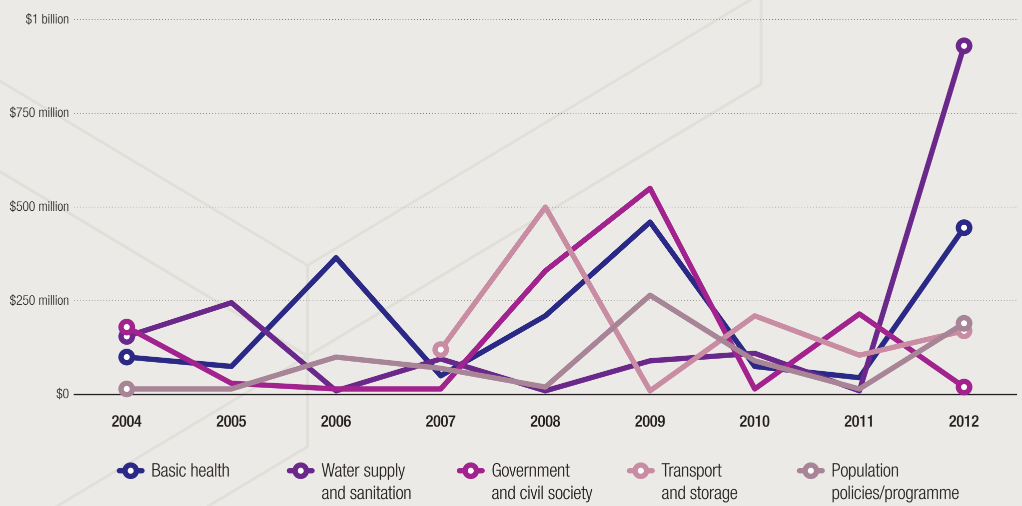
Source: Subnational Poverty Database, WB

Figure A4.10: Sector distribution of aid flows 2004–2016



Note: Total international aid during the period amounted to USD11.3 billion
Source: Aid Data, OECD

Figure A4.11: Sector distribution of aid flows 2004–2016



Source: Aid Data, OECD

Annex 5 — Overview of the Bank´s Strategic Priorities in Nigeria 2004–2017

CSP period	Pillars	Components	To note
2002–2004	1. Health sector	▌ Improvement of public health facilities ▌ Improvement of access to health services	Overall focus on poverty reduction. Strategy does not include pillars per se but refers to areas of focus
	2. Agriculture and rural development.	▌ Enhance agricultural production, ▌ Raise income levels and ▌ Support for food security.	
	3. Regional Integration	▌ Development of infrastructure for regional integration ▌ Resource mobilization infrastructure projects that contribute towards enhancing regional and continental integration	
2005–2009	4. Development of human capital through improved service delivery in education and health	▌ Provision of unfettered access to education ▌ Elimination of gender disparity, ▌ Improve the quality of education at all levels ▌ Strengthen preventive and curative primary health care services, to increase access ▌ Provision of quality primary health care	In 2010, this strategy was extended to 2011.
	5. Stimulating non-oil growth through enhanced infrastructure and agricultural/rural development	▌ Providing enabling environment for infrastructure investments ▌ Ensuring integrated water management and development, ▌ Protection of water resources and environment, ▌ Building PPP for the sustainable development of water resources	
2011–2013	1. Improving governance	▌ Transparency and accountability ▌ Participation ▌ Sector governance ▌ Capacity development ▌ Judicial reform and democratic governance	A joint strategy implemented in partnership with the WB.
	2. Maintaining non-oil growth	▌ Infrastructure to support growth clusters ▌ Promoting private sector ▌ Technical and vocational education to address the skills gap ▌ Reducing import bans and high tariff barriers	
	3. Promoting human development	▌ Improve access and utilization of services ▌ Support to education with particular focus on girls education ▌ Support to maternal and child health	
2013–2017	1. Supporting the development of a sound policy environment;	▌ Public financial management reforms ▌ Resource mobilization and fiscal federalism ▌ Private public partnerships ▌ Financial intermediation ▌ Gender mainstreaming ▌ Regional integration	CSP mentions areas of focus as opposed to components under each pillar.
	2. Investing in Critical Infrastructure to Promote the Development of the Real Sector of the Economy.	▌ Power ▌ Transport	

RISP period	Pillar	Components	To note
2011–2015	1. Linking regional markets	▌Regional transport infrastructure ▌Transport and trade facilitation ▌Regional energy production and markets integration	Pillar II also refers to strengthening the capacity of existing Regional Economic Communities (RECs) in West Africa. Specifically, the capacity of ECOWAS/WAEMU, and selected regional institutions and national entities where necessary.
	2. Capacity building	▌For effective policy and regional projects implementation ▌For financial sector integration and, ▌Support to regional research and training centers relevant to the integration agenda.	

Annex 6 — Details of the Assessment of the Four Main Evaluation Criteria

Relevance

Different sources were used in this assessment. Secondary sources include project documents (supervision reports, PCR/XSR, mid-term reviews, aide-memoire, ad hoc reports, etc.), CSP mid-term reviews and sectoral evaluations, overall portfolio reviews, national sources, and other donors' and international sources. Primary sources include field visits to selected projects and key informants' interviews.

Table A6.1: Overall assessment of the relevance of projects that underwent a PRA

Public Projects		Community Based Agricultural Develop-ment project (CBARD)	FADAMA II	Agriculture and Rural Institutions Support Pro-ject (ARISP)	NERICA Rice Dissemina-tion Project (MNRDP), MULTINA-TIONAL project	Average Agriculture
	PRA number	1	2	11	13	
Criteria	Sector	Agriculture	Agriculture	Agriculture	Agriculture	
Relevance	**Overall rating**	**5**	**5**	**5**	**4**	**5**
	1.1 Relevance of Project Objectives	6	6	6	5	6
	1.2 Relevance of Project design to achieve objectives	4	5	4	4	4

Private Projects		Line of Credit to Guarantee Trust Bank (GTB) - LoC1	Line of Credit to Guarantee Trust Bank (GTB) - LoC2	UBA Emergency Liquidity Facility (ELF)	Line of Cred-it for Zenith Bank PLC	Second Line of Credit for Zenith Bank PLC
	PRA number	3	4	6	7	8
Criteria	Sector	Finance	Finance	Finance	Finance	Finance
Relevance	**Overall Rating**	**4**	**4**	**5**	**5**	**5**
	1.1 Relevance of Project Objectives	6	6	4	5	6
	1.2 Relevance of project design to achieve project objective (Quality of front-end work and additionality)	4	4	3	4	5

Integrated Management Invasive Aquatic Weeds Project (IMIAWP)	Rural Access and Mobility Project–Cross River State (RAMP-CRS)		Skills Training and Vocational Education Project (STVEP)	Average Public Sector Projects rating	Average Public-Private
12	14	14	15		
Environment	Transport		Education		
6	**5**	**5**	**6**	**5**	**5**
6	6	6	6	6	6
5	4	4	6	5	4

Zenith Bank Emergency Liquidity Facility	Line of Credit to Zenith Bank (LoC III)	UBA Trade Finance Initiative (TFI)	Line of Credit to Access Bank	Average Finance	Lekki Concession Company	Average Private Sector Projects	Difference Public-Private
9	10	16	17		5		
Finance	Finance	Finance	Finance		Infrastructure		
4	**4**	**4**	**4**	**4**	**5**	**4**	**1**
6	6	6	6	6	6	6	0
3	4	4	4	4	4	4	1

Table A6.2: Synthetic ratings for the relevance criterion

<table>
<tr><th colspan="3">Relevance</th></tr>
<tr><td colspan="3">Evaluation Questions</td></tr>
<tr><td colspan="3">1. EQ 1 - To what extent are the country strategy and Bank operations aligned with:
▌RMC development needs
▌RMC development strategies and priorities
▌The needs of beneficiarie.</td></tr>
<tr><td>Judgement criteria</td><td>Indicators</td><td>Key findings and ratings</td></tr>
<tr><td>Alignment with the country´s development needs and key national and sectoral strategies and priorities</td><td>Strategic level:
1. Consistency of CSPs with the country´s development needs, priorities and evolution over time [HS]
2. Consistency of CSPs with the country´s key national and sectoral strategies, and evolution over time [HS]
3. Feedback from RMC stakeholders [HS]

Portfolio level:
4. Sector distribution and trends volume and size; status of operations; ratio of lending and non-lending/ private sector and public sector [S]

Project level:
5. Relevance of project objectives [HS]
6. Relevance of project design, including the extent to which the project's objectives are clearly stated and focused on outcomes as opposed to outputs; the realism of intended outcomes in the country's current circumstances; the extent to which project design adopted the appropriate solutions to the identified problems [S]</td><td>Highly Satisfactory
The alignment of CSPs with Nigeria´s national strategies is very high, fostered by the ownership policy of the Bank and its participation in national dialogue processes. At the sectoral level, Bank support is very closely aligned with the country´s needs and priorities.</td></tr>
<tr><td>Alignment with beneficiary needs</td><td>Strategic level:
7. Proportion of CSPs which include analysis (or reference to) of beneficiary needs [HS]
8. Feedback from RMC stakeholders [S]

Project level:
9. Share of the Bank´s projects clearly identifying the target population [S]
10. Share off the Bank´s projects with an articulated analysis of needs of the target population [MS]</td><td>Satisfactory
Bank funds projects responded in most cases to the real needs of local beneficiaries. In most PARs, the target population is identified, but their needs and the path towards beneficiary impacts are only rarely described.</td></tr>
<tr><td>Overall rating</td><td colspan="2">Satisfactory</td></tr>
</table>

Note: H = Highly Satisfactory; S = Satisfactory; MS = Moderately Satisfactory; MU = Moderately Unsatisfactory; U = Unsatisfactory; HU = Highly Unsatisfactory

Effectiveness

For each sector, two main levels of the result-chain were assessed:

- Immediate project results measured against the stated baseline and targets (outputs).

- Medium-term results (or outcome/impact level), or how the expected benefits materialized and the project contributed to broader sectoral goals. The purpose is to determine, in a tentative and often qualitative manner, if and to what extent the results of Bank projects had a tangible effect on broader sectoral trends and achievements. At this level, outcome indicators are very often structural and provided by the country's statistical system.

Different sources were used in to assess effectiveness. Secondary sources include project documents (supervision reports, PCR/XSR, mid-term reviews, aide-memoire, ad hoc reports, etc.), CSP MTRs and sectoral evaluations, overall portfolio reviews, national sources (general and sectoral statistical databases, M&E reports, and other MDA data), and other donors' and international sources. Primary sources included field visits to selected projects and interviews with key informants.

Some limitations and shortcomings in the analysis are worth pointing out. It is not always possible to assess the contribution of the Bank's portfolio to the strategic objectives of the country and of the Bank. Only a few projects included in the portfolio allowed for such an assessment because there was sufficient information (10 of the 26 public sector projects had no PCR). Furthermore, some projects are still ongoing, which limits the outcomes assessment.

Sector boundaries are often blurred. There are also areas of overlap from synergies and spillovers, especially regarding ultimate goals. For instance, feeder roads may have been built to facilitate the trade of agriculture products and to enable access to health and education facilities.

Effectiveness was hampered by project implementation, which has generally been slow in Nigeria, primarily for the following reasons:

- untimely releases of counterpart funds
- capacity gaps in project implementation and M&E
- involvement of different tiers of federation governments
- monitoring challenges in projects covering several jurisdictions in a large federal country

Table A6.3: Overall assessment of the effectiveness of projects that underwent a PRA

Public Projects		Community Based Agricultural Development project (CBARD)	FADAMA II	Agriculture and Rural Institutions Support Project (ARISP)	NERICA Rice Dissemination Project (MNRDP), MULTINATIONAL project
Criteria	Sector	Agriculture	Agriculture	Agriculture	Agriculture
Effectiveness	**Overall Rating**	**4**	**5**	**2**	**3**
	2.1 Achievement of outputs	5	5	3	4
	2.2 Achievement of outcomes	4	5	2	2
	2.3 Unintended outcomes (if any)	n/a	n/a	n/a	n/a

Private Projects		Line of Credit to Guarantee Trust Bank (GTB) - LoC1	Line of Credit to Guarantee Trust Bank (GTB) - LoC2	UBA Emergency Liquidity Facility (ELF)	Line of Credit for Zenith Bank PLC	Second Line of Credit for Zenith Bank PLC
	PRA number	3	4	6	7	8
Criteria	Sector	Finance	Finance	Finance	Finance	Finance
Effectiveness	**Overall Rating**	**4**	**4**	**3**	**5**	**4**
	2.1 Achievement of outputs	3	3	3	6	5
	2.2 Achievement of outcomes	4	4	4	4	4
	2.3 Unintended outcomes (if any)	n/a	n/a	n/a	n/a	n/a

Table A6.4: Synthetic ratings for the Effectiveness criterion

Evaluation questions		
▌EQ 2 - To what estent have the Bank's interventions achieved their expected results? ▌EQ 3 - To what extent have the Bank's interventions benefited target group members? ▌EQ 4 - To what extent have the Bank's interventions contributed to the achievement of development abjectives and expected development results of the country, including impacts (both intended and unintended)?		
Judgement Criteria	**Indicators**	**Key findings and ratings**
Level of achievement of expected results	Strategic 1. Extent to which Bank's engagement in Nigeria was appropriate **[HS]** Portfolio 2. Sector performance (as documented by the PRA averages): ▌Agriculture **[MS]** ▌Environment **[MS]** ▌Transport **[MS]** ▌Education **[S]** ▌Finance **[MS]** ▌Infrastructure **[MS]** Project 3. Achievement of outputs for public sector projects (average PRA) **[MS]** 4. Achievement of outputs for private sector projects (average PRA) **[MS]**	Moderately Satisfactory Effectiveness has been hampered by the slow project implementation which has been generally slow in Nigeria. Only a few projects included in the portfolio allowed for an assessment of their contribution because of the sufficient information available (e.g. 10 out of the 26 public sector projectsdo not have a PCR). Moreover, some projects are still ongoing which limits the assessment of outcomes. For projects subject to PRA, overall average effectiveness rating for the private and public sector are similar, but significant differences between projects exist.

	Average Agriculture	Integrated Management Invasive Aquatic Weeds Project (IMIAWP)	Rural Access and Mobility Project – Cross River State (RAMP-CRS)		Skills Training and Vocational Education Project (STVEP)	Average Public sector Projects rating	Average Public-Private
		Environment	Transport	Transport	Education		
	4	**4**	**4**	**4**	**5**	**4**	**4**
	4	4	5	5	5	4	4
	3	3	4	4	4	3	4
		n/a	n/a	n/a	n/a		3

	Zenith Bank Emergency Liquidity Facility	Line of Credit to Zenith Bank (LoC III)	UBA Trade Finance Initiative (TFI)	Line of Credit to Access Bank	Average Finance	Lekki Concession Company	Average Private Sector Projects	Difference Public-Private
	9	**10**	**16**	**17**		**5**		
	Finance	Finance	Finance	Finance		Infrastructure		
	4	**3**	**2**	**4**	**4**	**4**	**4**	**0**
	4	n/a	1	4	4	5	4	1
	4	n/a	3	4	4	4	4	0
	n/a	3	n/a	n/a	3	2	3	

Evaluation questions		
Judgement Criteria	**Indicators**	**Key findings and ratings**
	5. Achievement of outcomes for public sector projects (average PRA) **[MU]** 6. Achievement of outcomes for private sector projects (average PRA) **[MS]**	
Benefits for Target groups	7. Projects contribution to expected achievements for target groups includes in the CSPs **[MS]** ▮ Access to finance **[S]** ▮ Institutional support and capacity building **[S]**	**Moderately Satisfactory** Private sector intervention, mostly LoC, contributed to the development of the domestic financial market, increased access of SMEs to medium-term financing and job creation. However, specific outcome indicators could hardly be determined in the absence of appropriate M&E systems to account for the development impact of LoC. in the public sector, training and institutional support were positively impacted (e.g. Federal Ministry of Agriculture), as well as access to rural infrastructure facilities and food security.

Legend: HS = Highly Satisfactory; S = Satisfactory; MS = Moderately Satisfactory; MU = Moderately Unsatisfactory; U = Unsatisfactory; HU = Highly Unsatisfactory

Efficiency

Table A6.5: Overall assessment of the efficiency of projects that underwent a PRA

Public Projects		Community Based Agricultural Development project (CBARD)	FADAMA II	Agriculture and Rural Institutions Support Project (ARISP)	NERICA Rice Dissemination Project (MNRDP), MULTINATIONAL project
Criteria	Sector	Agriculture	Agriculture	Agriculture	Agriculture
Efficiency	**Overall rating**	**4**	**4**	**3**	**3**
	3.1 Cost-benefits analysis	4	5	n/a	3
	3.2 Cost-Effectiveness	3	4	4	n/a
	3.3 Timeliness	2	1	1	3
	3.4 Implementation progress (IP)	4	3	5	4

Private Projects		Line of Credit to Guarantee Trust Bank (GTB) - LoC1	Line of Credit to Guarantee Trust Bank (GTB) - LoC2	UBA Emergency Liquidity Facility (ELF)	Line of Credit for Zenith Bank PLC	Line of Credit to Guarantee Trust Bank (GTB) - LoC1
Criteria	Sector	Finance	Finance	Finance	Finance	Finance
Efficiency	**Overall rating**	**4**	**4**	**5**	**4**	**4**
	3.1 Bank Investment Profitability	5	5	4	5	5
	3.2 Timeliness	5	5	5	5	5
	3.3 Supervision and Administration	3	3	4	4	4

Table A6.6: Synthetic ratings for the Efficiency criterion

Efficiency		
Evaluation Questions		
❙ EQ 8 - To what extent are the Bank's interventions delivered in an efficient manner (i.e., whether resources and inputs are economically converted to results)? ❙ EQ 9 - To what extent are the Bank's interventions implemented in a timely manner and in compliance with operational standards?		
Judgement Criteria	**Indicators**	**Key findings and ratings**
Timeliness of Bank's Assistance	Portfolio level: 1. Portfolio average age trend **[S]*** Project level: 2. PRA average timeliness of assistance for public sector projects **[U]*** 3. PRA average timeliness of assistance for private sector projects **[S]*** 4. PRA average implementation progress for public sector projects **[MS]*** 5. Project implementation duration, actual vs planned (non-PRA projects) **[MU]** 6. Share of projects with start-up delays (non-PRA projects) **[MU]**	Moderately Satisfactory The Bank's portfolio for Nigeria is considered relatively matured. The average age of projects is 5.1 years and has been reduced over time due to the closure of various ageing projects as well as the removal of projects from the portfolio after the completion of the CPPR. The 2012 CPIP already provided of the status of implementation issues later also raised in the 2015 CPIP. Issues are related to procurement, disbursement and financial management, several of them directly affect the timeliness of implementation, namely for public sector projects.

	Average Agriculture	Integrated Management Invasive Aquatic Weeds Project (IMIAWP)	Rural Access and Mobility Project– Cross River State (RAMP-CRS)	Skills Training and Vocational Education Project (STVEP)	Average Public Sector Projects rating	Average Public-Private
		Environment	Transport	Education		
	4	**4**	**3**	**3**	**3**	**4**
	4	5	n/a	4	4	
	4	5	n/a	n/a	4	
	2	4	1	1	2	3
	4	3	4	4	4	

	Line of Credit to Guarantee Trust Bank (GTB) - LoC2	UBA Emergency Liquidity Facility (ELF)	Line of Credit for Zenith Bank PLC	Line of Credit to Access Bank	Average Finance	Lekki Concession Company	Average Private Sector Projects	Difference Public-Private
	Finance	Finance	Finance	Finance		Infrastructure		
	3	**5**	**4**	**4**	**4**	**5**	**4**	**-1**
	5	6	5	5	5	4	5	
	2	6	5	4	5	5	5	-3
	3	n/a	3	3	3	5	4	

Efficiency		
Judgement Criteria	**Indicators**	**Key findings and ratings**
	7. Share of projects with first disbursement delays (non-PRA projects) **[MU]** 8. Share of projects with revised end-date (non-PRA projects) **[MS]** 9. Project completion delays (non-PRA projects) **[MU]**	There are visible discrepancies between the public and the private sector, with the average PARs awarding the public sector with an unsatisfactory performance and the private with a satisfactory one.
Overall Rating	**Moderately Satisfactory**	

Legend: HS = Highly Satisfactory; S = Satisfactory; MS = Moderately Satisfactory; MU = Moderately Unsatisfactory; U = Unsatisfactory; HU = Highly Unsatisfactory

Sustainability

Depending on the nature of the intervention (private vs. public), the assessment involved the consideration of various aspects, including:

- Financial, economic, social, political, and environmental factors affecting specific operations; and
- The degree of government ownership and commitment and degree of commitment of other relevant stakeholders to these goals.

The main sustainability categories analyzed:

- Economic and financial sustainability: the extent to which funding mechanisms and modalities (e.g. tariffs,

Table A6.7: Overall assessment of the sustainability of projects that underwent a PRA

Public Projects		Community Based Agricultural Development project (CBARD)	FADAMA II	Agriculture and Rural Institutions Support Project (ARISP)	NERICA Rice Dissemination Project (MNRDP), multinational project
Criteria	Sector	Agriculture	Agriculture	Agriculture	Agriculture
Sustainability	**Overall rating**	**4**	**5**	**3**	**3**
	4.1 Technical Soundness	4	4	3	2
	4.2 Economic and Financial viability	2	5	3	3
	4.3 Institutional sustainability and strengthening of capacities	4	6	2	2
	4.4 Political and governance environment	5	4	4	4
	4.5 Ownership and sustainability of partnerships	5	5	2	3
	4.6 Environmental and social sustainability	n/a	4	6	2
	4.7 Resilience to exogenous factors and risk management	4	6	4	3

Private Projects		Line of Credit to Guarantee Trust Bank (GTB) - LoC1	Line of Credit to Guarantee Trust Bank (GTB) - LoC2	UBA Emergency Liquidity Facility (ELF)	Line of Credit for Zenith Bank PLC
Criteria	Sector	Finance	Finance	Finance	Finance
Sustainability	**Overall rating**	**5**	**n/a**	**5**	**4**
	4.1 Business Success i.e., financial performance and fulfilment of project business objectives	5	5	4	5
	4.2 Environmental and Social Performance	5	n/a	4	3

user fees, maintenance fees, budgetary allocations, other stakeholder contributions, aid flows, etc.) have been put in place).

- Institutional sustainability and capacities: the extent to which the project has contributed to strengthen institutional capacities).
- Ownership and sustainability of partnerships: whether the project has effectively involved relevant stakeholders, promoted a sense of ownership among beneficiaries and put in place effective partnerships with relevant stakeholders.
- Environmental and social sustainability.

	Average Agriculture	Integrated Management Invasive Aquatic Weeds Project (IMIAWP)	Rural Access and Mobility Project– Cross River State (RAMP-CRS)		Skills Training and Vocational Education Project (STVEP)	Average Public Sector Projects rating	Average Public-Private
		Environment	Transport		Education		
	4	**5**	**4**	**4**	**5**	**4**	**4.1**
	3	5	4	4	5	4	
	3	3	4	4	3	3	
	4	5	2	2	4	4	
	4	4	4	4	3	4	
	4	6	4	4	6	4	
	4	4	5	5	6	5	
	4	6	3	3	n/a	4	

	Second Line of Credit for Zenith Bank PLC	Zenith Bank Emergency Liquidity Facility	Line of Credit to Zenith Bank (LoC III)	UBA Trade Finance Initiative (TFI)	Line of Credit to Access Bank	Average Finance	Lekki Concession Company	Average Private Sector Projects	Difference Public-Private
	Finance	Finance	Finance	Finance	Finance		Infrastructure		
	4	**4**	**n/a**	**4**	**4**	**4**	**3**	**4**	**0.0**
	5	4	5	5	5	5	2	5	
	4	n/a	n/a	4	4	4	3	4	

Table A6.8: Synthetic ratings for the Sustainability critetion

Sustainability		
Evaluation Questions		
❙ EQ 5 - To what extent have achieved benefits continued or will be likely to continue once the Bank's interventions are completed?		
Judgement Criteria	**Indicators**	**Key findings and ratings**
Sustainability	Portfolio: Extent to which different aspects of sustainability (financial, economic, institutional, environmental) were considered at appraisal and monitored during supervision **[MU]** Project: 1. Economic and financial sustainability/business success **[MS]** 2. Institutional capacity in executing/operating organization **[MS]** 3. Likelihood of continuation of benefits after project completion **[S]** 4. Project's environmental and social performance in meeting the Bank's requirements **[S]** 5. Project's environmental and social impacts **[MS]** 6. Ownership and partnerships observed **[S]**	Moderately Satisfactory At portfolio level, the Bank's own assessments of the performance of its portfolio in Nigeria does not structurally address the continuation of benefits after project completion. Neither the Bank's CPPR nor the CPIP cover sustainability issues in a systematic manner, i.e. sustainability does not appear as a fixed criterion in the portfolio assessments nor improvement plans. For public sector projects, project beneficiaries appear to apply the knowledge received through the trainings offered under the projects. On the other hand, project benefits are not always internalized in the beneficiary institution and links between institutions remain sometimes weak. Sustainability is hampered by the fact that the skills acquired under the project are not totally suitable for the activities needed to sustain project benefits. There is evidence of some uptake of Bank-supported reforms by national and local entities. Projects in which the intervention was direct, like Lekki Toll Road, the Helios Towers project or the TA Grant for ABN Microfinance, the performance of the beneficiaries in terms of financial sustainability has been poorer.
Overall rating	**Moderately Satisfactory**	

Legend: HS = Highly Satisfactory; S = Satisfactory; MS = Moderately Satisfactory; MU = Moderately Unsatisfactory; U = Unsatisfactory; HU = Highly Unsatisfactory

Crosscutting Issues

This Section provides an assessment of the extent to which the two high-level objectives of the Bank's Ten-Year Strategy, inclusive growth and green growth, were actually mainstreamed in Bank activities in Nigeria during the evaluation period. This refers to the promotion of gender equality, the reduction of regional disparities, the degree of environmental sustainability of Bank operations, and an overall analysis of the extent to which the Bank supported the country´s transition to green growth.

Table A6.9: Synthetic ratings for crosscutting criteria

Crosscutting issues		
Evaluation Questions		
EQ 8 - To what extent are the Bank's interventions inclusive (i.e., bringing prosperity by expanding the economic base across the barriers of age, gender and geography) in terms of gender equality and regional disparity? EQ 9 - To what extent are the Bank's interventions environmentally sustainable and support the transition to green growth?		
Judgement Criteria	**Indicators**	**Key findings and ratings**
Bank´s interventions promoting gender equality	Strategic 1. Degree and depth of gender analysis in CSP and project documents **[S]** Portfolio 2. Share of Bank´s interventions specifically dedicated or including components tackling gender inequality **[MS]** Projects 3. New projects with gender-informed design **[MS]** 4. Extent of use of Bank´s gender mainstreaming sectoral checklists **[MU]** 5. Projects with satisfactory gender equality outcomes **[MS]** 6. Extent to which cross cutting issues are considered at appraisal and monitored **[MU]**	Moderately Satisfactory There are few projects included in the Bank's portfolio directly addressing crosscutting issues. In the private sector portfolio, the Bank addresses only gender equality. Gender equality outcomes were hard to assess quantitatively a substantial part of the assessment was done qualitatively due to the reporting challenges faced by the Bank.
Bank´s interventions promoting reducing regional disparities	Strategic 7. Degree and depth of regional disparities in CSP and project documents **[MS]** Portfolio 8. Degree of balance in the geographical distribution of interventions **[MU]** 9. Share of Bank´s initiatives covering more disadvantaged regions (regions with higher incidence of poverty and unemployment) **[MU]** 10. Share of Bank´s interventions specifically aimed at reducing regional economic disparities **[MU]** inequality **[MS]** Projects 11. Projects with satisfactory regional disparities outcomes **[n.e.]** 12. Extent to which regional disparities issues are considered at appraisal and monitored **[MU]**	Moderately Unsatisfactory Regional disparities are not directly addressed in private sector projects and could be addressed in more detail with CSPs. Due to perceived improvements with projects´ quality at entry, portfolio performance and development impact, there was an option to further concentrate interventions due to the vast territory of Nigeria, the complex inter-relationships of the different tiers of government The LoC recipients are major banks concentrated around Lagos as well as most financing sub-borrowers. No geographical spread indicator is set in the reporting documents. Specific projects like Okipp, Lekki Toll and Helios Towers are directed towards strategic ventures rather than depressed or underdeveloped areas.

<table>
<tr><th colspan="3">Crosscutting issues</th></tr>
<tr><td colspan="3">Evaluation Questions</td></tr>
<tr><td colspan="3">EQ 8 - To what extent are the Bank's interventions inclusive (i.e., bringing prosperity by expanding the economic base across the barriers of age, gender and geography) in terms of gender equality and regional disparity?
EQ 9 - To what extent are the Bank's interventions environmentally sustainable and support the transition to green growth?</td></tr>
<tr><th>Judgement Criteria</th><th>Indicators</th><th>Key findings and ratings</th></tr>
<tr><td>Bank´s interventions taking into account sustainable development and environmental protection aspects</td><td>Strategic
13. Degree and depth of sustainable development and environmental issues in CSP and project documents [MS]
Portfolio
14. Share of Bank´s interventions specifically aimed at sustainable development and environmental issues [MU]
Projects
15. Compliance of borrowers with social and environmental provisions included in the loan agreements [S]
16. Unintended environmental impacts [HS]
17. Extent to which transition to green growth is assessed at appraisal and monitored [U]</td><td>Moderately Satisfactory
As the environment, climate change, and green growth recently emerged as strategic areas of support, more attention was paid to these issues in the current CSP as compared to its predecessors. However, the number of operations supporting the transition to green growth remains limited to a few projects in water and sanitation. The coverage of environmental risks was adequate as well as the mitigation measures embedded in project designs.</td></tr>
<tr><td>Overall rating</td><td colspan="2">Moderately Satisfactory</td></tr>
</table>

Legend: HS = Highly Satisfactory; S = Satisfactory; MS = Moderately Satisfactory; MU = Moderately Unsatisfactory; U = Unsatisfactory; HU = Highly Unsatisfactory

Annex 7 — Assessment of Public Sector Project Timeliness

Project	PRA rating	Key findings
Rural Access & Mobility Project	Highly Unsatisfactory	▌The project was originally foreseen to take up 43 months and was delayed by 38 months. ▌There have been delays in project implementation due to short dry seasons, slow contracting procedures, and the increase of material prices after the 2012 fuel price increase.
Agric. & Rural Institutions Support (ARISP)	Highly unsatisfactory	▌The project was supposed to run for three years from June 2005 onwards. In reality the project took off in 2006 and was closed in 2010 ▌Reasons for the delay vary and include: Conditions of the agreement with the Bank were not satisfied by FMARD, insufficient knowledge of the Bank's rules of procedure among members of the Project Coordination Unit (PCU) caused start-up difficulties, and meetings of the Steering Committee were difficult to arrange because members didn't make time available.
Integrated Management of Invasive Aquatic Weeds	Moderately Satisfactory	▌The project was originally foreseen to take up 60 months. There has been a significant delay in the start-up of the project that reduced the time available for implementation and ultimately led to an extension of 6 months for finalizing the PCR. This initial delay has been crucial as it impeded to respect the project timeline ▌Delays especially resulted from the initial high turnover of project coordinators, which caused different understandings and interpretations of Bank rules and requirements.
Skills Training and Vocational Education	Highly Unsatisfactory	▌The project had a long start-up phase, which was caused by in several factors. For example, not all conditions precedent to the first disbursement of the STVETP loan were met, the Federal Ministry of Education could not allocate sufficient budget for the project and was hence unable to recruit staff for the PCU, and the first project manager resigned unexpectedly.
Community-Based Agricultural & Rural Development	Unsatisfactory	▌The project was originally foreseen to take up 6 years ▌There has been a delay in the start-up of the project mostly due to loan conditions not being timely fulfilled. Further delays were due to slow release of counterpart funds by Federal, State and Local Governments ▌During the later stages of the project, the delegation of responsibility from HQ to the Bank´s office Nigeria positively affected project implementation.
FADAMA Development Project II	Highly unsatisfactory	▌The planned project implementation period was six years. The total implementation duration was effectively almost 9.5 years ▌Reasons for delay include the difficulties for the participating States to meet the conditions laid down in the loan agreement, high turnover of Task Managers at the Bank (following resulted from staff retirements, resignations and promotions) that resulted in non-response toward additional project request for trainings and other unplanned procurement (no-objections), limited competences of the Field office (After the Bank's office in Nigeria became a regional office, the competencies increased which proved beneficiary for project implementation).
NERICA	Moderately Unsatisfactory	▌The project implementation was delayed by 12 months ▌This delay was mostly due to a slow start of the project, which in turn could be related to inadequate project preparations, where some of the project implementation documents were not ready at appraisal. This related to implementation studies, infrastructure bidding documents and the assessment of advisory support activities.

Source: Based on PRA findings

Annex 8 — Knowledge Work and Policy Advice: Main ESW for Nigeria 2009–2017

Title	CSP source, originator, year	Overview
Country Governance Profile	2005–2009	Completed 2009
Investment Climate Assessment (ICA)	Extension 2009–2011	Produced in June 2008 by the Finance and Private Sector Development Group of the WB Africa Region and the Bank under the Joint World Bank Group – DFID Nigeria Investment Climate Program. Builds on a survey of 2300 firms and provides evidence-based recommendations designed to support the vision 2020. The authors conclude that stakeholder consultations on the diagnostic work, policy assessment, and design would improve Nigeria's investment climate.
Financial management review in Kogi state	Extension 2009–2011	Public Financial Management Review in Kogi State in preparation of a planned fiscal decentralization study. Completed 2010. Prepared in lieu of planned fiscal decentralization study.
Strategy to support regional integration in West Africa	Extension 2009–2011	West Africa RISP 2011–2015 published March 2011.
Flagship Study on Nigeria	Extension 2009–2011	The work was to be undertaken in close collaboration with the Nigerian authorities. No information on the state of completion.
Planned skills development study	Extension 2009–2011	*This study could not be undertaken for lack of resources.*
A study was planned under the ongoing Vocational Education Project	Extension 2009–2011	*No information on this study was obtained.*
Infrastructure Action Plan Flagship Study	2013–2017	Preliminary findings of the Infrastructure Action Plan informed the preparation of the CSP 2013–2017.
Nigeria Power Sector Review	2013–2017	The findings of the Nigeria Power Sector Review Study informed the budget support for the Economic and Power Sector Reform Program (EPSERP) approved by the Board in October 2009 and completed in 2010.
Nigeria´s power sector reform, AfDB´s proposed interventions	2013–2017 MTR	The study describes problems in the power sector value chain and provides guidance for Bank interventions in relation to the Power Sector Implementation Plan. Envisaged completion in Q4 2017.
Feasibility Study Abidjan/Lagos Highway	2013–2017	Procurement launched in 2017 (ongoing). The objective of the Abidjan-Lagos Corridor Highway Study is to undertake all necessary studies on the hard and soft aspects necessary for effective implementation, operation, and economic development of the corridor primarily between Abidjan and Lagos via Accra, Lome and Cotonou. The new highway will be a six-lane (3-lane dual) carriageway approximately 1028 kilometers long. The study will be based on one main principle: it will primarily follow a new alignment, incorporating sections of the existing alignment, where necessary, to ensure route optimization.
Feasibility Study Nigeria – Benin Interconnection Reinforcement Project	2013–2017	Initiated in 2013. Included determination of technical feasibility of the project, economic and financial evaluation of the project including sensitivity analyses, preliminary engineering design at feasibility level, and preparation of functional specifications.
Review of the Draft Road Sector Reform Bills on the creation of a roads authority, road fund and tolling policy	2013–2017	No information on its state of completion.

Title	CSP source, originator, year	Overview
Nigeria´s transport sector reform, AfDB´s proposed interventions	2013–2017 MTR	The study is based on a situation analysis of the transport sector and draws from the transport sector bill currently in preparation to provide guidance for Bank intervention. Envisaged completion in Q4 2017.
AfDB´s proposed interventions in water and sanitation	2013–2017 MTR	The study conducts a situation analysis of and ongoing reforms in the water and sanitation sector to provide guidance for Bank intervention. Envisaged completion Q4 2017.
Assessment of the Power and Agricultural Sectors in the Transformation Agenda	2013–2017	No information on the state of implementation.
Innovative Approaches to Domestic Resource Mobilization	2013–2017	As part of an African-wide effort to promote domestic resource mobilization, the Nigeria Domestic Resource Mobilization Study was initiated to examine alternative tax policy scenarios that would increase non-oil tax revenue. Studies indicate that Nigeria is among the countries with huge infrastructure financing gap/deficit with an infrastructure stock to GDP estimated at between 20% and 25%, far lower than the 70% international benchmark. The study seeks therefore to: (i) review experiences of selected countries on DRM and draw lessons which can be used in Bank's dialogue with the government; (ii) outline opportunities where findings could be used to supplement the Bank's existing innovative financing mechanisms to implement its High 5 agenda. Envisaged completion Q4 2017.
Study to Reform Development Finance Institutions	2013–2017	No information on the state of completion.
Sectoral growth diagnostics and implications for Nigeria	2013–2017 MTR	Nigeria has high levels of unemployment, poverty, and inequality. Despite impressive growth performance, this is higher than the continental average, and has endured for over a decade. The country is now in recession attributed to lack of revenue and export diversification. The FGN recently unveiled its Medium Term Plan (i.e. ERPG) which essentially promotes economic diversification by prioritizing those sectors of the economy believed to have the potential to pull it out of recession and place it on a sustained, inclusive growth path. This study seeks to (1) apply growth accounting to decompose sectoral contributions to GDP growth; (2) analyze the contribution of the growth dynamics to change in labor productivity and its reallocation among sectors over time; and (3) outline the implications of these findings for the implementation of the High 5 agenda and Bank dialogue with the government. Envisaged completion date Q4 2017.
Nigeria´s agricultural sector reform, AfDB´s proposed interventions	2013–2017 MTR	The study conducts a situation analysis of the agricultural sector and together with the Agricultural Promotion Policy identifies niche areas for Bank interventions. Envisaged completion Q4 2017.
AfDB´s proposed interventions in the financial sector	2013–2017 MTR	The study is based on a situation analysis of the financial sector to provide guidance for Bank interventions. Envisaged completion Q4 2017.
Fiscal sustainability and debt dynamics in Nigeria	2013–2017 MTR	Over the past three years, Nigeria's public debt has increased rapidly due to the sharp decline in oil receipts. In the absence of external financing, this has resulted in higher domestic debt and importantly a rise in the share of debt service payments in total revenue to 66%, compared with 34% planned in the 2016 budget. The policy safeguard, The Medium Term Debt Management Strategy, requires a 60:40 split between domestic and external loans to finance fiscal deficit whereas the share of domestic debt in fiscal deficit financing is estimated at over 90%. This has adversely affected country's debt sustainability. According to the recent debt sustainability analysis conducted by the DMO, Nigeria's debt stress regressed to medium-risk from low-risk a year or so ago. The study (1) builds on existing initiatives in the DMO and lessons from successful economies and explores innovative approaches to financing fiscal deficit to ensure debt sustainability; (2) draws lessons learned from other countries on the management of sub- national debts, and importantly (3) explores options to raise non-oil sources of revenue and their respective welfare effect implications. Envisaged completion Q4 2017.

Title	CSP source, originator, year	Overview
Participation and empowerment in AfDB projects in Nigeria -a study in social inclusion	2013–2017 MTR	The study seeks to identify the alignment of AfDB projects to the government's social inclusion objectives. It produces map overlays of various poverty indicators and Bank interventions in Nigeria. Envisaged completion Q4 2017.
Illicit Financial flows out of Nigeria	2013–2017 MTR	The study shows that Nigeria has lost USD$83 billion since 1981 through trade mispricing. The policy paper identifies the oil sector as most affected and proposes approaches to counter illicit financial flows from the extractive sector. Envisaged completion Q3 2017
Extractive industry transparency initiative	2013–2017 MTR	The Nigeria Extractive Industry Transparency Initiative (NEITI) audit reports reveal fundamental issues in the oil and solid mineral sectors. The study reviews existing operational and procedural process used by NEITI and develops a framework aligned with EITI to plug loopholes in revenue leakages caused by lack of transparency and accountability in the extractive sector. Envisaged completion Q1 2018.
Industrial development cluster	2013–2017 MTR	The Nigeria Industrial Revolution Plan proposes a cluster approach to industrial development. The study produces a feasibility study on the rehabilitation of the 23 industrial centers to industrial clusters. Envisaged completion Q2 2018.
Demand-driven request from government/Bank management	To be decided	Demand-driven type of studies to be conducted by the RDNG country economist or assigned resource person from the ECMR or both. Envisaged completion depends on the time of the request.

Annex 9 — Partnerships and Leverage

Co-financing public sector projects

Table A9.1 provides an overview co-funding rates for projects studied in-depth (PRA) for this evaluation. Amounts are taken from project PARs.

Table A9.1: Overview of co-funding rates per project

Sector	Project	AfDB amount (in UA million) & source	Co-funding amount (UA million) & source	Co-funding rate in % as foreseen in PAR
Agriculture	Support to Agriculture and Rural Institutions	3 (ADF grant)	0.22 (FGN)	7.3
	Fadama Development Project II	22 (ADF loan)	0.41 (FGN), 2.06 (State gov.), 0.43 (Local gov.), 0.22 (beneficiaries)	4.8
	Nerica	5.57 (ADF Loan), 0.25 (ADF Grant)	1.29 (FGN), 0.18 (beneficiaries)	25
	Community-Based Agr. & Rural Development	13 (ADF loan)	0.48 (FGN), 0.94 (State gov.), 1.36 (Local gov.), 0.18 (beneficiaries)*	22.7
Environment	Invasive Aquatic Weeds – Nigeria	1.609 (ADF loan), 0.28 (ADF Grant)	0.59 (FGN)*	31
Transport	Rural Access & Mobility Project	35 (ADF Loan)	0.8 (FGN), 3.2 (CR State)	11.8
Social	Skills Training and Vocational Education	30 (ADF loan)	3.71 (FGN)	12

Source: Project Appraisal Reports. Date regrouped to provide an overview

Detailing cooperation with DPs

Bank relations with other DPs vary. The intensity of cooperation depends on the degree of strategic overlap and the projects that the Bank and other DPs co-finance.

The Bank participated in the WB's 2010 CPS, one of four partners: – WBG, DFID, USAID, and the Bank – who accounted for 80% of Nigeria's development assistance. The CPS was prepared as Nigeria was facing two key challenges: the global economic crisis in the short term and the need to sustain non-oil growth and develop human capital over the medium term. The core issue of governance underpinned both challenges. The DPs jointly agreed with the government that the CPS should help Nigeria strengthen the management of its resources, especially at the state level. This reflects the fact that states have considerable political autonomy, control about 50% of revenues, and deliver most essential services.

In addition, the Bank is firmly entrenched in the 2013 Common Assistance Framework (CAF). This common strategic approach was developed by DPs in Nigeria to support the government's development plans. This is done by using common arrangements to deliver aid and by harmonizing programming and policy dialogue. Support is thus streamlined to increase effectiveness, accelerate implementation, and deliver rapid transformation.

The CAF highlights the opportunities in Nigeria, the country's regional importance, and the challenges. The underlying vision is to achieve strong, socially and regionally inclusive and sustained growth by offering financial and analytical and advisory support through four channels. These include budget and project support to the government, support to civil society organization programs, assistance to the private sector, and support channeled through UN agencies.

Agricultural sector

A range of donors target Nigeria's agricultural sector, focusing on different areas. The WBG, in cooperation with DfID, supported the development of the FGN's 2001 Rural Development Strategy. IFAD is another major donor in the agricultural sector. UNICEF supports a program to provide community-based nutrition services. The EU seeks to promote social development in the Delta region through its Delta Micro-Projects Programs. The Ford Foundation funds the Micro Credit Program for farmers. DfID implemented the Jigawa Enhancement of Wetland Livelihoods at that time.

The FADAMA Development Project II is an example of an up-scaled project originally funded by the WB and co-funded by Nigerian authorities. The positive results, when it was financed solely by the WBG (1993–1999) and implemented in five states, encouraged the FGN to approach the WB to expand project scope and size. However, the WB had funding for 12 states only. The FGN asked the WB to liaise with the Bank to arrange for more funding to cover six additional states. The Bank's involvement in the FADAMA II project ran from 2003-2013. This was the first project to introduce the concept of community-driven development to Nigeria's agriculture sector. The WB currently finances FADAMA III in Nigeria's 36 states and in the Federal Capital Territory (USD 450 million came in 2009 to overlap FADAMA II).

In 2002, WARDA, the Rockefeller Foundation, and seven West African countries, set up the Africa Rice Initiative (ARI) and its executive body, the NERICA for Food Security in sub-Saharan Africa. In addition to Bank funds, supplementary funds were provided by the Japan International Cooperation Agency (JICA), the WBG, USAID and, more recently, the Alliance for a Green Revolution in Africa (AGRA) funded by the Bill & Melinda Gates Foundation. The Japanese government has also signed bilateral agreements to support NERICA projects managed by the Food and Agriculture Organization (FAO).

In cooperation with the Bank, IFAD is co-financing CBARD in five states. It is designed to improve the livelihoods and living conditions of rural communities, and especially of women and other vulnerable groups.

The FAO carried out a capacity review of the Federal Ministry of Agriculture and Rural Development (FMARD) supported by the Bank and other donors. This formed the basis of the Bank's Agricultural and Rural Institutional Support Project (ARISP). Because ARISP outcomes have limited sustainability, United Nations Development Program (UNDP) has been implementing a similar project to enhance FMARD capacity since 2012.

Donor activities have been limited on the IMIAWP project regarding Invasive Aquatic Weeds. Only FAO was active in this area in 2000. No donor has financed any follow-up project in this area so far.

Transport sector

WBG is the only donor currently active in the road transport sector, with a total estimated contribution of USD 720 million from 2002 to 2014. Projects consist mainly of the Federal "Unity Roads" Development Project with a total WBG contribution of USD 536 million, the Lagos Urban Transport Project (USD 100 million approved in 2002; an additional loan of USD 50 million approved in 2007) and the RAMP in Kaduna State (USD 68.5 million, pre-appraised in 2007).

Following joint preparation missions of the Bank and the WBG in 2005 and 2006, the Bank selected Cross River State and WBG chose Kaduna State for RAMP. The prioritization of states was based on commitment to reforms, good performance in policy, budgetary and fiscal management, service delivery, communication, transparency and agricultural potential. In February 2007, a joint mission WBG-Bank mission visited Nigeria. The Bank appraised the RAMP components in Cross River State while the WBG simultaneously pre-appraised in Kaduna state. According to the PAR, both donors considered implementing similar RAMP projects in other states as well, after assessing performance results in the two states. In 2013, the FGN received financing from the WBG and AFDto implement RAMP-2 in four States: Adamawa, Enugu, Niger and Osun. The Bank did not participate in RAMP-2.

Education sector

Since the 1980s, various donors (WB, DfID, UNESCO and JICA) have provided some support to the TVET sector in Nigeria. UNESCO's TVE Revitalization Project 2000-2002 is the only recent project focusing on curricular revision for secondary technical colleges and post-secondary polytechnics: Phase II began in 2010. Building on the UNESCO project, the Bank started its STVEP in 2005. STVEP is thus very relevant in light of donor support to TVET in Nigeria. It fills a specific niche in the education sector where donor support has been comparatively limited. International donors have expressed interest in financing a scaled-up TVET project on various occasions, but no concrete actions have been taken.

Annex 10 — Managing for Results: Assessment of Implementation Progress per PRA

Project reporting overall ranges from moderately satisfactory to moderately unsatisfactory. This highlights how supervision and follow-up mechanism are still an ongoing issue.

Public sector projects

For public projects studied in-depth, the Implementation Progress (IP) rating was unsatisfactory. On the one hand, this may reflect the limited information available to the evaluation team. For example, BTO reports from Bank supervision missions could not be consulted. On the other hand, planned M&E activities were not undertaken. For instance, no MTR was conducted by the PCU for the IMIAW project. In other projects, the PCU failed to conduct a baseline survey or undertook only sporadic M&E activities that were not in line with the plan. This is not to say that M&E worked out well in more traditional clear-cut projects such as CR-RAMP.

Table A10.1: Assessment of implementation progress for public-sector PRAs

Project	PRA rating	Key findings
Rural Access Mobility (RAMP) Cross River State)	Satisfactory	▌ The implementation processes have been satisfactory for the most part. They have led to the anticipated results. ▌ The loan covenants have been complied with, project systems and procedures were strictly complied with, financial records were properly maintained, counterpart funds payment was satisfactory.
Agric. & Rural Institutions Support (ARISP)	Satisfactory	▌ The scarcity of information available to the evaluation team limits any precise judgment on project efficiency. ▌ It is not known whether or not project benefits exceeded project costs. ▌ There is some evidence that the project achieved its benefits against limited costs. Project implementation is only moderately satisfactory.
Integrated Management of Invasive Aquatic Weeds (IMIAW)	Unsatisfactory	▌ IP has been moderately unsatisfactory. This is mainly due to disbursement delays. ▌ The Bank did not undertake a MTR. ▌ A committee grant through ECOWAS proved to be unavailable.
Skills Training & Vocational Educ. (STVEP)	Satisfactory	▌ Implementation progress has been moderately satisfactory. ▌ There was compliance with covenants, e.g. an environmental and social management plan was established at the appraisal stage. In addition, the Bank's standards and procurement procedures were applied. ▌ With regards to project execution and financing, the Bank's first disbursement was relatively late because some loan agreement could not be met initially.
Community-Based Agricultural Devt. (CBARD)	Satisfactory	▌ The implementation progress has for the most part been satisfactory, and has led to the anticipated results. ▌ There was full compliance with covenants. Project systems and procedures were strictly complied with and financial records were properly maintained. ▌ Counterpart funds payment was satisfactory. The States demonstrated their readiness to continue funding because of the project's recorded achievements and ongoing relevance to their development agenda.

Project	PRA rating	Key findings
FADAMA	Unsatisfactory	▌Implementation progress is mixed. ▌There is compliance with covenants. The project systems and procedures were smooth whereas project execution and financing were delayed. Project only partially accomplished. ▌Ideally, implementation procedures (covenants, systems and procedures) contribute to project execution and financing rather than visa versa.
NERICA	Satisfactory	▌The implementation process has been satisfactory for the most part and has led to the anticipated effect. ▌There was full compliance with covenants, project systems and procedures were functioning as planned (although the M&E system was weak). There was compliance with the schedule of activities. ▌Implementation was late and not harmonized with activities related to the adoption of pre- and post- harvest and rice processing techniques. Consequently, these techniques were not popularized. ▌The certification process and marketing of rice seeds was especially poor. This led to bad germination, seed impurities, lower sales, and poor storage.

Source: Considerations based on PRA findings

Private sector projects

For private sector projects, the modality chosen is at the root of the main challenge for supervision. Since the Bank funds sub-projects indirectly through the FIs, the supervision mechanism ran into a major obstacle at the borrower's level. If the FI does not report on sub-projects, the Bank cannot report on the intervention's development results on the ultimate beneficiary. The Bank's quality control – through the Evaluation Notes on the XSRs – often exposes the inadequacy of reporting and monitoring, especially in terms of the quality and coherence of the collected data. These shortcomings especially affect environmental and social reporting. Moreover, FIs were mostly unprepared to comply with Bank requirements. The provision of fully-fledged TA projects (as in the Zenith LoC I) and tailored trainings (as in the GTB LoC I and Access Bank LoC I) show the Bank's commitment to overcome such problems. However, the projects did not seem to have fully achieved their objectives.

Table A10.2: Private-sector PRA assessments of supervision quality

Project	PRA rating	Key findings
Access Bank LoC I	Unsatisfactory	▌The borrower did not provide part of the required reporting despite several Bank reminders. ▌Lack of Bank capacity to enforce loan agreement requirements at implementation stage.
Access Bank LoC II	N/A	▌Not enough information available to date ▌The second reporting document was not yet available. It should have been produced in June 2015.
GTB LoC II	Unsatisfactory	▌As in the LoC I, the borrower did not provide the required sub-project reporting on environmental and social compliance, despite several Bank reminders. ▌Lack of Bank capacity to enforce loan agreement requirements at the implementation stage.

Project	PRA rating	Key findings
GTB LoC I	Unsatisfactory	▌The borrower did not provide the required reporting on sub-projects' environmental and social compliance despite many Bank reminders. ▌Lack of Bank capacity to enforce loan agreement requirements at implementation stage.
Lekki Toll Road (LCC)	Satisfactory	▌The Bank is actively engaging in the discussions around the financial restructuring of the LCC's debt. It has been following closely the developments leading to the takeover of the private equity of LCC by LASG. ▌Throughout the reporting documents, the Bank appears to have been monitoring the project. The evidence that was collected during the data collection mission confirmed this. ▌Lekki Toll Road was also included as a case study during the evaluation of Bank assistance in the Transport Sector.
UBA ELF	Satisfactory	▌Environmental audits are mentioned by some documents produced by United Bank for Africa (UBA) as a follow-up on sub-projects. However, neither the reporting documents nor the data collection mission could retrieve any of these. ▌Part of the sub-project documentation is thus considered missing.
UBA TFI	Unsatisfactory	▌Environmental audits are mentioned among the documents produced by UBA as a follow-up on sub-projects. However, neither the reporting documents nor the evidence from the data collection mission could retrieve any of these. ▌Part of the sub-project documentation is thus considered missing. This has more impact given the concentration of sub-borrowers in the oil and gas sector, where environmental compliance is particularly important.
Zenith Bank ELF	Unsatisfactory	▌Reporting on development outcomes admittedly relied on the supervision missions rather than on voluntary reporting compliance from Zenith. ▌The major issue identified is the apparent disconnect between the Bank and the ultimate borrowers (sub-projects). ▌The borrower's project monitoring mostly emphasizes the investment outcome and the loan repayment capacity of the sub-projects. It disregards the other development outcomes.
Zenith Bank LoC I	Satisfactory	▌The borrower did not provide part of the required reporting despite several Bank reminders. ▌Lack of Bank capacity to enforce the loan agreement requirements at the implementation stage.
Zenith Bank LoC II	Satisfactory	▌The reporting documentation suggests that Zenith Bank was carrying out some follow-up activities on the sub-projects. ▌Over the same period, Zenith was not following-up on the sub-projects under LoC I.
Zenith Bank LoC III	NA	▌Not enough information available to date. ▌The second reporting document was not yet available, although it should have been produced in June 2015.

Source: based on PRA findings

Annex 11 — Map of Nigeria

Annex 12 — Bibliography

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Endnotes

1. Highly Satisfactory, Satisfactory, Moderately Satisfactory, Moderately Unsatisfactory, Unsatisfactory and Highly Unsatisfactory. It has been agreed with the Board to move to ratings on a four-point scale. This evaluation began before this decision and thus uses the six-point scale.
2. Several specific outcome indicators were not appropriately measured in the absence of suitable LoC Monitoring and evaluation (M&E) systems. However, the efforts made to collect outcome information during field missions revealed that most of the LoC projects were able to moderately sustain their stated outcome targets (e.g. expansion of production base, employment, taxes to government, etc).
3. These three public sector projects were added because the initial list of projects selected for results assessment had too many private sector projects and did not reflect fully the Bank´s public sector work.
4. Details on methodology are provided in Annex 3.
5. Projects included in the PRA exercise were originally to include "all closed and completed projects" in 2004-2016. However the sample included too many private sector projects as compared to public sector projects. To increase the representation in the PRA the evaluation team added three more mature public sector projects from 2003. One private sector project was later excluded because available documentation was lacking. The final 17 projects included in PRAs comprised seven public and ten private sector projects, representing 21.4 % of the total value of the 2004-2016 portfolio. This sample was used to rate effectiveness.
6. This increase was attributed to having new sectors of the economy -- telecommunications, movies, and retail – being incompletely captured or previously underreported in official statistics. Annex 4 provides more detailed information on socioeconomic and development indicators.
7. According to World Bank national accounts data and OECD National Accounts data files. See also Annex 4.
8. See Annex 4 for statistics.
9. The assessment of relevance is described in detail in Annex 6. It uses secondary sources such as project documents, CSP MTRs and sectoral evaluations, portfolio reviews, national sources, and other donor and international sources. Primary sources include field visits to selected projects and interviews with key informants.
10. An additional overview of the Bank's strategic priorities in Nigeria over the period 2004-2017 is provided in Annex 5.
11. See Annex 1 for a description of approved operations.
12. These are deepening the financial sector and sustaining its stability to finance growth (Nigeria Vision 2020).
13. Its rationale, often complementing the project´s intended ToC, logframes, and matrices of economic indicators, concerns the achievement of priorities by fostering the private sector through cheaper financing with longer tenor periods.
14. AfDB (2010), Bank Group Financial Sector Strategy and Action Plan (for the five-year period 2011-2016".
15. AfDB (2009), Bank Response to the Economic Impact of the Financial Crisis"- ref. ADB/BD/WP/2009/27.
16. The Bank´s intention was to target SMEs whereas the FI strategy became more focused on solid medium to large enterprises. This misalignment was corrected shortly thereafter when the Zenith Bank strategy was updated to acknowledge the importance of financing SMEs, changing its modus operandi accordingly.
17. Notwithstanding the clear hierarchy of output and outcome objectives in the logframes.
18. Only four of seven projects scored moderately satisfactory or satisfactory on outcome achievement while three of seven scored moderately unsatisfactory or unsatisfactory.
19. The LoC III to Zenith Bank was still ongoing making an assessment of outputs and outcomes impossible.
20. The Bank was actually a pioneer in supporting the advent of the first PPP in the transport sector in Nigeria, but the project changed hands after the Lagos State government acquired it. This is clearly a case of a negative demonstration effect.
21. Given these limitations, other sources were analyzed to provide additional lines of evidence. Secondary sources included a desk review of available project documents (supervision reports and aide-memoires), sectoral evaluations, and primary sources including field visits to selected projects and interviews with key informants.
22. AfDB (2013), Environmental Mainstreaming, Safeguards and Results: Bank Road Projects and their Enabling Policy Environment, 1999-2010.
23. This shows the average time in months of project completion after the first disbursement
24. LoCs were removed from the calculations because they disburse quickly.
25. The average age in months of ongoing projects in the 2004-2016 portfolio at the end of the evaluation period.
26. Annex 7 contains further details on time efficiency issues per project.
27. The CSP design and its adequacy are normally gauged to its fulfillment of the Bank's QaE principles and an "umbrella" framework covering all relevant aspects of strategic and program design. Key design elements comprise: the clarity of objectives, an intervention logic based on an adequate front-end analysis, consultations with stakeholders to ensure partnership, that instruments and products to respond to needs, that the choice of implementation modalities maximizes success and mitigates capacity issues, and risk assessment and mitigation measures.
28. AfDB Nigeria: Country Portfolio Improvement Plan (2015), p. 3.
29. Strategizing for the "Africa We Want": An Independent Evaluation of the Quality at Entry of Country and Regional Integration Strategies, IDEV (2015), pages 30-31.

30. At the start of 2016, the Nigeria field office had a total of 33 staff.
31. The only negative aspect in this case is the acquisition of the concession company by the Lagos State Government, which effectively puts the project into public hands, providing a negative example.
32. Offering products or services with attributes that bridge the market gap in longer-term financing (longer tenor and/or grace period), FX resources, innovative financing structure and other financial instruments (e.g., partial risk guarantees, risk management products, trade finance credit lines).
33. AfDB (2014), "An infrastructure Action Plan for Nigeria: Closing the infrastructure gap and accelerating economic transformation".
34. Agence Française de Développement (2014).
35. Described in Annex 9.
36. Inclusion of adequate logframes/results framework and monitoring plans, the actual practice of reporting on achievements and shortcomings, and learning from experience.

IDEV

Independent Development Evaluation

African Development Bank

An IDEV **Country Strategy Evaluation**

About this evaluation

This report summarizes the findings of the independent evaluation of the African Development Bank's Country Strategy and Program in Nigeria from 2004 to 2016. The evaluation is intended to inform the next Country Strategy Paper (CSP) due in 2018, and to contribute to both accountability and learning in the Bank in general. The evaluation had four objectives: to provide credible evaluative evidence on the development results of the Bank's engagement in Nigeria; to provide credible evaluative evidence on how the Bank has managed its engagement in Nigeria; to identify the factors and drivers behind good or poor performance; and to identify lessons and recommendations stemming from the performance and management of the Bank's support to Nigeria to inform the design and implementation of future strategies and operations. The report draws on the working papers and analysis of individual project results assessments, reviews of strategies, the broader portfolio of non-lending activities, project field visits and verification, and stakeholder and key informant interviews.

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Independent Development Evaluation
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