

COUNTRY ASSISTANCE FRAMEWORK

Presentation to the Joint Planning Board

Bauchi

April 24, 2014



Outline

1. What is CAF?
2. CAF Framework
3. Implementation

1. What is CAF?

- **Objective:**

To increase and reinforce development results by offering a common strategic partner approach to:

- a) Support country's development objectives and priorities
- b) Achieve greater harmonization of interventions
- c) Avoid duplication of tasks

- **Instrument:**

Consultative process and policy dialogue instrument supporting the establishment of a platform for Nigeria's strong, socially and regionally inclusive, sustained growth, implemented through thematic/sector donor coordination groups.

1. What is CAF?

- **Principles of engagement:**

- a) **Ownership:** Supporting implementation of the country's strategy, priorities derived from the Vision 20/2020, the Transformation Agenda and consultations with governments and other stakeholders
- b) **Outcome Focus:** Focusing on results and strengthening M&E systems
- c) **Division of Labor:** Collaborating more effectively among development partners and with the government (federal and state)

CAF PARTNERS

African Development
Bank (AfDB)

Agence Francaise de
Development (AFD)

Korea International
Cooperation Agency
(KOICA)

Canadian
International
Development Agency
(CIDA)

Department for
International
Development, UK

Embassy of Japan,
Japan International
Cooperation Agency
(JICA)

Embassy of the
Republic of China

European Union
(EU)

High Commission of
India

International
Monetary Fund (IMF)

United States
Agency for
International
Development
(USAID)

United Nations
System

World Bank Group
(WBG)

2. CAF Framework

Key government priorities:

- Macroeconomic stability
- Job creation through private sector development
- Infrastructural development, including power sector
- Security
- Strengthen institutions, support transparency, fight corruption

Related areas of focus

Sectors with growth potential	Business/ Investment Climate	Public Finance Management	Building a more inclusive society
Agriculture	Privatization, Deregulation, Liberalization	Fiscal consolidation	Health
Manufacturing	Access to finance	Increasing non-oil revenues (tax, VAT, customs)	Education & Skills
Housing and Construction	Doing business	Removal of petroleum subsidies	Job creation programs
Entertainment industry	Customs and ports reform	Sovereign Wealth Fund	Social Safety Nets
ICT		Budget transparency (federal, state, local)	
Non-oil minerals		Procurement, Financial Management	

2. CAF Framework



Nigeria's development challenges and opportunities as understood by CAF partners

Multifaceted character of Nigeria:

- Rural/Agrarian
- Resource rich
- Urbanizing
- Conflict challenges
- High youth unemployment
- Middle income
- Low income

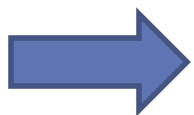
2. CAF Framework

Establish and sustain fundamentals

- Macroeconomic stability
- Enabling business environment
- Human capital
- Rule of law and respect for rights
- Effective, accountable and transparent public sector management

Strategic directions

- Promote diversification in non-oil sector
- Integrate markets domestically and globally
- Improve selectivity and effectiveness of public investment for growth and social inclusion
- Enhance the role of private sector in development and stimulate entrepreneurship



Focus CAF Areas: Individual partners integrate selected areas in their respective strategies, taking into account comparative advantages

Macro-Eco. management	Competitiveness	Building a more inclusive society	Reducing vulnerabilities	Governance
Improving budget & public financial management, including procurement	Building minimum infrastructure platforms: <ul style="list-style-type: none"> • Focus on power & transport, • Priority on improving market connections 	Health: SOML, private sector health & insurance Education/skills: primary education, TVE; cooperation with private sector/ NGOs	Develop strategies, govern. arrangements, monitoring & early warning systems, and response mechanisms for natural hazards & climate change adaptation	Strengthen capacity for governance & good governance, focus on building capacity of key institutions
Increasing domestic revenue mobilization	Improved access to long term financing (housing, SMEs, agriculture)	Water and sanitation: improving water supply delivery; emphasis on sustainability and affordability for the poor	Strengthen focus on rural population - livelihood, off-farm self-employment, and strengthening skills	Rule of law and oversight institutions
Improving selectivity & effectiveness of public investments	<ul style="list-style-type: none"> • Promoting economic/ trade diversification • Improving regulatory environment 	Develop effective social safety net, incl. youth employment programs		Demand for social accountability

3. Implementation challenges

1. **Political and Security risks:**

- Delays in reform implementation due to political changes
- Capacity to intervene in some geographic areas

2. **Macro-economic risks:**

- Global recovery, volatility of oil prices, and sustainability of reforms

3. **Capacity and coordination gaps:**

- Coordination across and within tiers of government
- Capacity to ensure sustainability of programs and their scaling up at subnational levels
- Capacity to ensure effective donor coordination at sub-national level

3. Implementation framework

1. CAF Thematic Groups around key priorities to work with Government to ensure alignment & priorities (slide 13)
2. Donor data bank on aid flows to be managed by NPC (to be simplified and updated)
3. Need to establish a light Secretariat to facilitate interface between Government and partners
4. State-level engagement – need to agree on:
 - A platform to interact with States: Joint Planning Board, Governors' Form etc.
 - How to structure that interaction (thematically, geographically, etc.)
 - Frequency/periodicity (biannually, annually, or more frequent)
5. Annual or bi-annual meeting with Federal Government to review implementation and priorities

CAF Thematic Groups

S/N	CAF Thematic/Working Groups
1	Agriculture & Irrigation
2	Education
3	Environment & Climate Change
4	Governance & Accountability-PFM
5	Health
6	Infrastructure-Energy & Transport
7	Macro-Economic Analysis-Statistics
8	Political Governance & Conflict Prevention
9	Water, Sanitation, and Hygiene

Questions – Your feedback

**On the
mechanism
for
dialogue:**

- What is the best platform to interact on strategic issues with States?
- How to structure that interaction (thematically, geographically, etc.)
- At which frequency?
- How to organize the monitoring of our programs on ground?

**On the
priorities:**

- Any missing priorities?