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International Development Committee

DFID's Programme in Nigeria: Government Response to the Committee's Eighth Report of Session 2008–09

Second Special Report of Session 2009–10

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Second Special Report

On 23 October 2009 the International Development Committee published its Eighth Report of Session 2008-09, *DFID’s Programme in Nigeria,* HC 840-I. On 6 January 2010 we received the Government’s Response to the Report. It is reproduced as an Appendix to this Special Report.

In the Government Response, the Committee’s conclusions and recommendations are in bold text. The Government’s response is in plain text.

Appendix: Government response

The Government welcomes the International Development Committee’s report. We appreciate the report’s support of the UK’s work in Nigeria, and its understanding of the scale of need, challenge and potential impact. The report provides clear and useful recommendations on moving forward.

DFID’s Programme

[Paragraph 26] In such a vast and diverse country, we believe that DFID is right to focus on a limited number of States where the standards of governance are sufficient to permit an aid programme to operate at a meaningful level and have a significant impact. These focus States need to be chosen carefully and to reflect DFID's overriding priority of poverty reduction. The Federal Government and the focus States should be encouraged and supported to share information about successful programmes so that other States can replicate them using their own resources.

DFID has agreed a set of criteria for selection of focus states with the Nigerian Government, represented by the National Planning Commission, as part of its joint Country Partnership Strategy (CPS 2) with the World Bank, African Development Bank and USAID. CPS 2 was launched and disseminated in Nigeria in early November 2009. The criteria to be applied for selection of focus states include poverty and need, evidence of commitment by States to improve standards of governance, and performance of any pre-existing development partner funded programmes.

Information sharing and replication are an explicit part of the mandate of DFID Nigeria funded programmes. We agree that the Federal and focus State governments should be supported to share information so that other States can replicate. In the example of the Lagos Land Registry (cited in the Committee’s Urbanisation Report), good practice was shared by the DFID funded programme in the South East with Enugu and in the North with Kano. Kano State Government has subsequently disseminated further, independent of DFID support, including by providing information and a training resource to other interested northern states.

Provision of basic services

[Paragraph 32] It is vital that Nigeria meets the challenge of ensuring a reliable power supply with sufficient capacity to meet the needs of its people. If it fails to do so, the country's economic development and progress towards the MDGs will be jeopardised. This is therefore a crucial area for donor support and we welcome DFID's contribution through the Nigeria Infrastructure Advisory Facility: building capacity within Nigeria's public sector to plan, manage and implement major projects will be a key factor in transforming the power supply. DFID is a major donor to the World Bank and shares the goals for Nigeria set out in the joint Country Partnership Strategy. It should use this position to ensure that reform and improvement of the power sector remains a high priority for World Bank activity in Nigeria.

Nigeria's woefully inadequate power supply is identified as a key constraint to growth in the analysis underpinning the Country Partnership Strategy. The World Bank currently has three power sector reform programmes in Nigeria (as well as some regional projects that also cover Nigeria). Their newest project, the Nigeria Electricity and Gas Improvement Project, was approved in June 2009 and is valued at $200 million.

DFID, through its Nigerian Infrastructure Advisory Facility (NIAF), works closely with the World Bank in Nigeria. NIAF is valued at £19 million and is due to end in 2011. Design of a successor project is already under consideration. Close collaboration between NIAF and the World Bank helps to maximise the effectiveness of support provided by both partners. Regular communication eliminates the risk of wasteful duplication, and information sharing helps focus support in areas of greatest priority.

[Paragraph 39] At present, Nigeria is failing to exploit the potential of its economically productive people. Moreover, in an ethnically diverse country with a long history of political instability, the existence of large numbers of young unemployed men presents risks to stability and security. Nigeria needs support from donors to build its non-oil economic sectors and to generate jobs. DFID's Growth and Employment in States (GEMS) programme clearly has the potential to bring much needed jobs to Nigeria. The current target of 100,000 jobs is a promising start. However, given the size of the population in Nigeria and its rapid growth, and existing high levels of unemployment, it is important that it acts as a catalyst for Nigeria's State and Federal Governments to allocate resources to create similar programmes of their own. We recommend that further details about the economic sectors in which the GEMS jobs will be created, and in which parts of Nigeria, are provided in response to this report. We also request further information about how DFID's job generation programme is expected to complement the work of other donors and the Nigerian government's own efforts to create employment opportunities, and facilitate economic growth and private sector development.

GEMS is a joint programme with the World Bank. It will work in six sectors. The estimated jobs created in each are as follows:

- Information technology—15,000
- Construction—20,000
- Meat and leather—5,000
- Entertainment—50,000
- Hospitality—10,000
- Wholesale and retail—5,000.

The programme will work in Kano, Kaduna, Cross River and Lagos States.

GEMS will complement the work of other donor programmes and the Nigerian Government's efforts. Similarly to the Security, Justice and Growth (SJG) programme's work on land administration, GEMS will act as a catalyst for the State and Federal Governments to undertake similar programmes. SJG's reform work in four States was taken up by a further six States after lesson sharing at dissemination workshops. During implementation ongoing dialogue with other donors engaged in these areas will ensure support is coordinated and effectiveness maximised. Key Government stakeholders in each State will chair the GEMS state Steering Committees and the National Steering Committee will be chaired by the Federal Ministry of Commerce, ensuring effective coordination.

[Paragraph 40] We note that the Growth and Employment in States programme is expected to benefit 600,000 people in Nigeria. The recent DFID White Paper gives an overall commitment to create jobs which will benefit 7.5 million people in five countries. This leaves nearly 7 million beneficiaries to be reached through DFID's programmes in the other four countries in the next five years (Afghanistan, Ethiopia, Nepal and Yemen). We request, in response to this report, a breakdown of the number of beneficiaries which DFID expects there to be in each of these four countries and further details about the types of employment it expects to generate through its programmes in each case.

Exact targets for individual countries have not yet been finalised, as interventions are still being designed. Current plans for employment creating programmes include:

- Nepal: DFID funded programmes will create 150,000 jobs through labour intensive public works on rural infrastructure and climate change adaptation, principally community forestry. DFID investments will contribute to the creation of 62,000 jobs by 2011/12; these will come from skills development, market development in tourism and agriculture, and investment climate reform.

- Afghanistan: agriculture, rural enterprise and private sector development programmes will help create an estimated 300,000 jobs by 2013.

- Ethiopia: DFID supports about 83,000 jobs a year in Ethiopia through the Protection of Basic Services and Productive Safety Nets programmes. Not all these jobs are permanent. At the request of the Government of Ethiopia, DFID is supporting growth diagnostics work to explore ways to generate more permanent employment.

- Yemen: DFID expects that at least 72,000 economic opportunities will be created through an International Finance Cooperation Private Enterprise Partnership, aimed at improving access to investment and finance. DFID will support about 100,000 people through cash transfers. We also contribute to a Social Fund for Development which plans to create a large number of jobs.

In total, DFID plans to create up to 1.25 million new economic opportunities across post-conflict and fragile countries by 2013. These opportunities will benefit 7.5 million people, based on an average household size of 6.

[Paragraph 44] Nigeria's future economic growth will require much greater access to finance and banking services for small and medium-sized business, and for individuals. The DFID supported Enhancing Financial Innovation and Access for the Poor (EFINA) project has done valuable work to establish statistics on the existing levels of access. It now needs to move quickly to the next stage of devising schemes which will fill the gaps and help businesses and individuals to gain access to loans and financial services. We believe that EFINA should also seek to exploit the potential of banking services through mobile phone technology, which has worked so effectively in other African countries.

EFINA has made good progress in the second half of 2009. The organisation's Innovation Fund's first request for proposals is complete and EFINA will be awarding its first grant shortly, directly increasing access to finance. EFINA also is working closely with the Central Bank of Nigeria to create an enabling environment for private sector operators of mobile banking. In early 2009 EFINA organised a conference together with the World Bank and Central Bank of Nigeria (CBN) to discuss mobile banking regulations to which private sector stakeholders were invited. EFINA will continue to support the CBN in fine tuning these to allow mobile banking to take off in Nigeria. Access to finance, particularly in Nigeria's predominantly Muslim northern regions where access is very low, will benefit greatly from a well functioning Islamic banking sector. In this regard EFINA has been instrumental in setting up an Islamic Finance Working Group for the sector's stakeholders.

[Paragraph 50] DFID's support for Nigeria's health services has provided significant resources and made a real impact on services in the States where the programmes have operated. However, there is still a very long way to go until service provision is anywhere near adequate, even in the States where DFID is providing assistance. DFID's focus in the second stage of its Partnership for Transforming Health Systems Strengthening programme seems to us to be the correct one: as in other areas of public services, the emphasis must continue to be on building up the Nigerian authorities' own ability to plan, fund and deliver health care and improving the level of co-ordination between the different tiers of government. It is vital that those least able to pay for health services are given priority in measures to increase access. The new Country Partnership Strategy states that the poor and vulnerable will be a key focus for health service support from donors. We invite DFID to provide us with further information, in response to this Report, on how this targeted assistance will be delivered.

DFID endorses the IDC's view on DFID's health programmes in Nigeria and its recommendation for DFID to continue to build the Nigerian authorities' own capacity.

Our approach in Nigeria is in line with the Country Partnership Strategy to increase access and utilisation of health services by the extreme poor and vulnerable. Our health programmes therefore focus on primary (as opposed to secondary) health care: this is critical to addressing the needs of the vulnerable and the poor as these services are closest to where they live. In addition, primary care is the most cost-effective approach, important where resources are limited.

Nigeria is implementing various approaches to improve access to health services for poor people and DFID Nigeria's programmes are helping assess their potential. DFID supports the removal of user fees for primary health services. Several States have already introduced policies for free maternal and child health services. DFID Nigeria has assisted the drafting of supportive legislation and is advising on policy costings. We will continue to provide assistance to ensure that adequate resources are available to support these policies.

In addition to state level resources, there are substantial resources at the federal level in the draft national health bill to expand primary healthcare coverage to the poor. DFID and its programmes have been supporting the passage of the bill.

As a relatively new approach, our maternal and child health programme is planning to pilot the use of conditional cash transfers, which will improve access to maternal and child health services for the poor and most vulnerable.

[Paragraph 53] Malaria is a major cause of child death in Nigeria and has a serious impact on economic output. Bed-nets are a cheap and effective way of preventing malaria and we commend DFID's significant support for the Nigerian National Malaria Programme. We recommend that DFID provide us with further details of progress on implementation of the programme in response to this report.

The National Malaria Control Programme is making substantial progress with the implementation of its current Strategic Plan for malaria control, which includes ambitious plans for massive scale-up of coverage of malaria control interventions across the country. In the last few months a total of 5.8 million long lasting insecticide treated nets (LLINs) have been distributed to 2.9 million households in two Nigerian States. Two million of these nets were provided by DFID. The balance was provided by the US Government (1.2 million LLINs) and through financing from the World Bank (2.6 million LLINs). The pace of distribution is accelerating rapidly—a further 15.5 million LLINS will be distributed to 8 million households in an additional nine States by the end of January 2010. By the end of the net campaign in December 2010, a total of 62 million nets will have been distributed to Nigeria's 31 million households in 37 States.

In addition to resources being provided for malaria control by several Nigerian States and Federal Government, Nigeria's National Malaria Control Programme is also receiving substantial global support. In June 2009, the World Bank approved additional financing of $100 million for Nigeria's World Bank Malaria Booster Project; and in October 2009 the Global Fund to Fight AIDS, TB and Malaria (GFATM) signed a $300 million grant to support the first phase of Nigeria's malaria control plan. Nigeria has also recently received provisional approval for funding from the Affordable Medicines Facility for malaria (AMFm), a DFID supported initiative which aims to provide effective malaria treatment at affordable prices in poor countries. When fully operational, this support will make possible an unprecedented expansion in access to malaria prevention and treatment interventions across the country.

[Paragraph 60] Better maternal health in Nigeria will only be achieved if there is improvement in two areas: access to and quality of health services; and women's status in society. Changing negative attitudes to women requires an innovative and multi-dimensional approach. It is unacceptable that women's lives are being lost in childbirth because some societies fail to value them and allow them the access to the care which they need. DFID has a clear commitment to gender equality. Improving maternal health is an integral part of progress towards such equality. We accept that donors must act sensitively in raising these issues, and must take account of varying societal factors in different countries and in different regions of the same country, but maternal mortality rates, particularly in northern Nigeria, provide a clear indication that the most basic rights of many of the country's women are not being met. We recommend that DFID, in partnership with the Nigerian authorities, other donors and with organisations which have been successful in changing attitudes to women elsewhere in Africa, devote more resources and effort towards ensuring that real progress is made on reducing the number of women who die needlessly through lack of care. This would be a major justification for DFID's Nigeria programme, which is large in terms of the contribution made by the UK taxpayer but small in proportion to the scale of the challenge.

The UK-Norway joint MNCH (maternal, newborn and child health) initiative is providing approximately £42 million to support four States in Northern Nigeria (where maternal mortality rates are highest) to reduce maternal and child morbidity and mortality. The programme helps address the lack of maternal health services with a holistic approach addressing governance, human resources, drug and equipment supply and the management of these resources. The programme also addresses poor access to maternal services through work on community knowledge and awareness raising (including on gender issues), working with men and traditional leaders as well as women.

Although our other health programmes do not explicitly address maternal mortality, our PATHS 2 programme (Partnership for transforming health systems, £140 million) supports the strengthening of state health systems, a prerequisite for improving maternal health. Our malaria programme (SuNMap) includes provision of bed nets and preventive treatment for pregnant women, as malaria is a major cause of maternal mortality. Our voice and accountability programme (SAVI) is supporting the passage of legislation to support free health services for women and children.

We are currently undertaking exploratory work on how we can increase resources to improve maternal health by addressing three of the indirect causes of maternal mortality. Firstly we are looking at how we can strengthen DFID Nigeria's work on nutrition. Malnutrition is an important factor in maternal mortality in Nigeria so additional nutrition work would provide an additional dimension to our, primarily, health systems approach. Secondly we are planning to increase our support to family planning. Total fertility rates are very high in northern Nigeria and child spacing is important to reduce maternal mortality. Finally, another potential new area of support is the 'Girl's Hub' initiative where support may be given to adolescent girls using economic, communication or civil society approaches, addressing some of the cultural barriers to good maternal care.

DFID and our programme staff regularly undertake advocacy visits to political, traditional and religious leaders with maternal health high on the agenda. We will ensure that gender aspects are addressed in a culturally-sensitive way.

[Paragraph 68] We support DFID's view that it is for State governments in Nigeria to provide education, not DFID. However, the capacity of States to do this remains weak and DFID's Education Sector Support Programme in Nigeria (ESSPIN) is providing much-needed assistance to increase government's ability to provide education. The support through ESSPIN for the integration of religious and secular education in Islamiyya schools in northern Nigeria is an innovative approach which we welcome. It is essential for the development of the country that all children have access to good quality education in subjects which will help them to find employment and improve their life chances. The impact of DFID's support for Islamiyya schools does, however, require careful monitoring. We recommend that DFID provide us with further information, in response to this Report, on the evaluation it plans to undertake on the effectiveness of the ESSPIN programme and in particular the Islamiyya element.

DFID's support through ESSPIN helps to ensure that faith based schools provide high quality education that will equip students for the modern world. So far most of the effort has been around illustrating best practice, researching local models of integrated education provision and supporting institutional reforms. Work to support Islamic faith based schools in delivering good quality secular education works better when it is not perceived as being imposed by outsiders. As part of our support to Islamiyya schools in three districts in Kano, meetings are being held with community leaders and religious representatives of the Kano Emirate Council to foster understanding.

This and other initiatives of ESSPIN are subject to annual reviews being commissioned through external consultants to both monitor progress and evaluate impact. In addition work to support the annual school census will allow better statistical evidence to become available from all types of schools to measure impact on the education MDG indicators. Classroom observation and student learning assessment surveys are also being undertaken to support impact evaluation of ESSPIN's interventions. DFID will take the IDC comments into account during the next major annual review of ESSPIN in mid 2010.

[Paragraph 72] The disparity between the number of boys and girls in school, particularly in northern Nigeria, is a clear indication of gender inequality. UNICEF's Girls Education Project, supported by DFID, has demonstrated that resistance to sending girls to school can be overcome if the barriers are addressed in a sensitive way. We recommend that DFID continue its support for UNICEF's work and seek to build on this where it has proved effective in increasing girls' enrolment rates.

While accurate and up to date statistical information is lacking, all sources indicate (i) very low school enrolment rates and (ii) a major gender disparity against girls in the North West and North East zones of Nigeria. This informed DFID's decision in 2004 to start the targeted programme on girls' education in partnership with UNICEF.

The Girls' Education Programme (GEP) has evolved over time to promote more effective interventions (e.g. advocacy with traditional leaders, female teacher training and community support modalities) and also to mainstream this approach into the government education systems. A national component of the programme promotes the spread of best practice and gender education policy to other states. Through these practices, media communications and broader DFID influence on national policy, the successful interventions on girls' education are being more widely promoted across northern Nigeria.

DFID is currently discussing with UNICEF how to fast track funds to mainstream activities and lever government co-financing in supported states. This could lead to additional funding through UNICEF for girls' education in 2010 and 2011.

Governance

[Paragraph 85] Fair and free elections are not the only element in a functioning democracy but they are an essential one and give a clear indication of whether a developing country is making the necessary progress towards proper governance. The 2007 elections demonstrated that Nigeria is a long way from achieving this. The political elite needs to do more to demonstrate that it understands that politicians are accountable to the people, that political power must be bestowed by the people through the ballot box, and that it has moved away from a situation where power is carved up between those with vested interests, in a crude 'sharing of the spoils'. We believe that donors, including DFID, need to apply increased pressure on the Nigerian authorities, and work with them, to continue to reform the political system. This should include a new and fully independent Electoral Commission, whose recommendations are properly considered and implemented.

DFID will continue to provide technical support to reform the political system in Nigeria. We supported the electoral process in 2007 and our £20 million, five-year programme to deepen democracy will start in early 2010. DFID and FCO will also collaborate with others to conduct a full assessment of the National Electoral Commission.

DFID will continue to work with FCO colleagues and other like-minded missions to develop and deliver consistent messages to the Nigerian authorities on the need for political reform.

[Paragraph 91] We have made clear in the past our view that parliamentarians have a specific and important role to play in promoting transparency and accountability in developing countries. Nigeria has a long way to go in this respect and it is vital that the National Assembly is assisted by the international community to understand and fulfil its scrutiny role. We are not convinced that DFID yet understands the centrality of parliaments to effective governance and this is reflected in the small proportion of DFID's governance budget which goes to parliaments. We urge DFID to live up to the renewed commitment to transparency and accountability made in the White Paper by ensuring support to the Nigeria National Assembly is a central and properly funded pillar of its new Deepening Democracy in Nigeria programme. DFID should provide specific support to the National Assembly to help develop robust mechanisms for holding the government to account, and assist individual MPs and committees to become more effective.

DFID has prioritised support to the essential work of parliaments in Nigeria and to this end implemented a successful programme of support to the National Assembly (SNAP) between 2005 and 2009. Building on the success of this programme, we are exploring the feasibility of additional support for the period 2010 to 2013.

DFID’s £20 million Deepening Democracy in Nigeria (DDiN) programme which is expected to start in March 2010 will also help to build the institutional capacity of the National Assembly.

At State level, DFID’s £20 million programme—State Accountability and Voice Initiative (SAVI)—is focused on building the capacity of State Houses of Assembly. This includes support to strengthen the linkages between House members and their constituents and budget oversight skills. The programme is also working to improve civil society’s working relationship with the State Houses.

[Paragraph 96] We support DFID’s approach that puts good governance at the core of its programme in Nigeria. It is right that corruption should be tackled both through direct and overt support for bodies such as the Economic and Financial Crimes Commission and through programmes which reduce opportunities for corruption and build Nigeria’s own systems of accountability and transparency. However, this is a battle which is nowhere near being won: as DFID acknowledges, corruption remains endemic in Nigeria. It is a canker which, if not removed, will continue to obstruct improvement in the lives of millions of poor Nigerians. We recommend that DFID and its international partners continue to press the Nigerian Government to prioritise tackling corruption as the most effective route to overcoming many of the other obstacles which threaten development in the country.

DFID will continue to work with FCO colleagues and others in the international community to press the Nigerian government to address corruption. See further details below.

[Paragraph 99] A key part of the support which the UK can offer Nigeria in tackling corruption is to ensure that its criminals do not find refuge in the UK. Strong and concerted measures must be taken against them in the UK justice system, including the recovery of assets. DFID has given a commitment in its new White Paper to triple the funding for tackling corruption in developing countries. Nigeria’s endemic corruption is an obvious target for additional effort and resources, both in-country and in the UK. We recommend that DFID provide us with details of specific action the Government, the Serious Fraud Office and other UK agencies intend to take to assist Nigeria to reduce corruption, under the White Paper proposals.

DFID’s programmes to tackle corruption in Nigeria in accordance with White Paper commitments include:

- £30 million on-going Security, Justice and Growth (SJG) programme, which addresses corruption within the judiciary and also supports the Economic and Financial Crimes Commission (EFCC) —a key anti-corruption agency. A new Justice for All programme is in the final stages of design and due to start in March 2010. It will support a wider range of anti-corruption agencies including the

Independent Corrupt Practices Commission (ICPC), the Code of Conduct Bureau and the Special Control Unit on Money Laundering.

- £7.5 million support to the civil society programme Coalitions for Change, which brings together civil society and government to address issues of procurement and transparency in key ministries.
- We have supported Nigeria's Extractive Industries Transparency Initiative (NEITI) which aims to generate greater transparency in the flow of revenues from extractive industries.
- Current and proposed support to the National and State Houses of Assembly (see above) is intended to strengthen oversight and increase transparency.
- To complement the specific anti-corruption work DFID supports improved public finance management at State level through the £42 million programme on Accountability, Responsiveness and Capability (SPARC). DFID also provides £19 million to help reform the public sector. A new £25 million public sector reform programme is currently being designed. It is due to start in March 2010.

Other partners across government are also working to combat corruption in Nigeria:

- The Metropolitan Police regularly shares evidence with the Nigerian Economic and Financial Crimes Commission (EFCC) to combat grand-scale corruption.
- The UK's Serious Organised Crime Agency (SOCA) supports Nigerian law enforcement and the Nigerian Postal Services to improve their capacity to intercept fraudulent documents destined for the UK.
- The UK Crown Prosecution Service (CPS) collaborates with the Nigerian authorities under the Mutual Legal Assistance Treaty. This facilitates the exchange of information on on-going court cases including those related to money laundering.
- The UK's Financial Services Authority (FSA) regularly shares information with Nigerian financial institutions.

[Paragraph 104] Civil society is an essential pillar in the transparency and accountability structure of any country. Given Nigeria's challenges of endemic corruption and huge inequality in access to basic services, the role of the country's non-governmental sector in voicing demand for services, securing a fair share of resources and ensuring public money is not stolen or wasted, are central to the country's development. We believe that DFID is right to provide strong support to Nigerian civil society. In such a large and diverse country, it is however important to ensure that this support is not just provided to high profile, educated and largely middle-class organisations in the cities. Under-represented sections of society, in rural and remote areas, are most likely to be the poor and marginalised people who have the greatest need for services and the least access to ways of voicing this need. We request that DFID, in response to this Report, provide more details on ways in which it aims to support civil society, and in particular organisations which represent the interests of

people living in more remote areas, who do not have access to the internet and other information networks.

DFID agrees with the IDC's view of the importance of civil society, and works with civil society organisations at community, state and national levels. DFID has made a substantial investment in State-level education and health programmes—£106 million and £148 million respectively. They both work with representative community level civil society organisations and structures. Another example is the £38 million Girls Education Project (GEP), and in particular its work with school-based management committees.

Oil wealth and the Niger Delta

[Paragraph 112] The Nigerian Extractive Industries Transparency Initiative (NEITI) has brought a very welcome increase in transparency and accountability to the country's oil sector. We commend DFID for taking such a strong lead in supporting this initiative. However, as its Chairman made clear to us, NEITI is an important, but at the moment isolated, element in what needs to be a much broader, integrated and government-led programme to reform both the oil industry and its relationship with the country's economic and political structures. While oil and politics remain inextricably linked, corruption and mismanagement will prevail. We recommend that DFID take every opportunity to apply pressure to the Nigerian Government to prioritise oil industry reform measures, including publication of data on the contribution which oil revenues make to public finances and on the programmes which oil revenues fund, and the separation of oil from politics. These measures should also include provision of adequate resources to NEITI to build upon its excellent work to date and full co-operation with NEITI in the provision of data to ensure that publication of the audits for 2006-08 can be expedited.

The Government of Nigeria is currently planning wholesale reform of the oil and gas sector through draft legislation currently going through parliament. DFID is focusing its dialogue with Government on the implications of reform for improved transparency and accountability in the collection and management of oil revenues.

DFID is supporting NEITI to become a stronger organisation. It needs to have better technical capacity to undertake and share analysis. But it needs more than resources to do this. It also needs political support from the Nigerian Government, which we have seen decrease in recent years.

DFID is working with FCO colleagues at the British High Commission to encourage Government to implement the recommendations from NEITI's audit reports and mainstream these issues into the planned industry reforms. This was part of Baroness Kinnock's recent dialogue with the President of Nigeria when they met in early November 2009.

[Paragraph 123] Violence and instability in the Niger Delta are having a serious impact on Nigeria's oil industry and therefore on its economic situation. The people of the region suffer poverty and live in fear, despite the wealth being generated in the region. The causes are complex and reflect the interaction between oil, politics, crime and corruption in Nigeria which have to be tackled in a co-ordinated and integrated

approach. We believe DFID must do more to support the Nigerian authorities to meet their responsibility to provide this response. This should include the adoption where necessary of stronger legislation to compel oil companies to honour the rights of local people and to conduct their business in a way which enables Nigeria's oil wealth to be shared with its people, with robust mechanisms in place to guarantee transparency and accountability in the flows of money and oil.

DFID, working closely with the FCO and MoD, has maintained regular dialogue with the Niger Delta States Governments and with relevant elements of the Federal Government on issues affecting the region and the on-going but fragile amnesty between Government and militant groups. DFID has offered strategic support for the amnesty alongside the UN. The UK Government is also exploring how best to support the reintegration of ex-militants and mid to long-term development plans for the region.

DFID does have a number of programmes that work in the Niger Delta, or which impact upon governance, transparency, and financial accountability issues in the region. The Stakeholder Democracy Network manages a £2.7 million project which aims to improve local governments' delivery of basic services in Rivers, Bayelsa and Delta States. DFID's support to NEITI (see above) has made a significant contribution to increasing accountability in the use of oil revenues. We also contribute to development in the Delta through the work of the European Commission (EC). Since 1999, the EC has provided €63 million to fund community development projects in the region.