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ANNEX

Neighbourhood, Development and International Cooperation Instrument (NDICI) – Global Europe

Exceptional Assistance Measure regarding Nigeria

1. IDENTIFICATION

Action:	Addressing insecurity in the Niger Delta
Action Reference:	NDICI CR 2023 /11
Cost:	EUR 6 500 000 (European Union (EU) contribution).
Budget Line:	14 02 03 10
Duration:	Maximum 18 months. The authorising officer responsible may decide to extend this period twice by a further period of up to six months, up to a total maximum duration of 30 months, under the conditions laid down in Article 23(6) of Regulation (EU) 2021/947.
Lead service:	FPI

2. ACTION SUMMARY

In the Niger Delta, insecurity fuelled by lucrative oil theft and related practices of artisanal oil refining has reached a level where it has profound implications for human security and stability in the region, accentuating socio-economic inequalities and exclusion within local communities, and negatively affecting formal oil production and hence the economy of Nigeria. In the first half of 2022 alone, Nigeria lost over \$10 billion in potential revenue to oil theft and Nigerian crude oil production reached a 32-year low in September 2022 as insecurity forced companies to cut production levels¹. In the current context of global energy shortage, precipitated by Russia's war of aggression against Ukraine, addressing the insecurity around oil theft in the Niger Delta has become even more urgent for Nigeria and beyond.

The action will address key drivers of violence, criminality and poor local governance in the region through inclusive community approaches to security and stability. It will support local actors to address security issues at the community level, with a focus on youth and women, compounded with engagement of national and local government authorities as well as the private sector. At the local level, the action will support communities to address drivers of violence and criminality, including marginalisation of youth and lack of livelihood

¹ Yusuf, Kabir. *Analysis: How broke Nigeria lost \$10 billion to crude oil theft in seven months*, Premium Times, 08.09.2022, <https://www.premiumtimesng.com/news/headlines/552781-analysis-how-broke-nigeria-lost-10-billion-to-crude-oil-theft-in-seven-months.html?tztc=1> [Consulted on 28.06.2023].

opportunities. The action will engage on early warning and early response mechanisms between communities, government and the private sector. The action will also work on increasing trust between community actors and state government officials, as well as strengthening social cohesion between different communities of the Niger Delta. In parallel, high level engagement with federal authorities will also be supported to foster collaboration between local and federal stakeholders for strengthened security and a more effective system of governance across the region.

3. BACKGROUND AND RATIONALE

3.1 BACKGROUND

The Niger Delta is one of the most polluted areas in the world due to decades of oil exploitation, oil theft and pipeline vandalism in the region. Accurate figures are not available, but the Nigerian National Petroleum Corporation Limited estimates that an average of 437 000 barrels of crude oil are stolen per day². The stolen oil is either shipped directly to international markets or sold in the local market after being processed in small artisanal refineries by communities living next to the pipelines. On top of the overall impact on the industry and on global energy supplies, the consequent oil spills have caused massive environmental degradation, which in addition to its health impact, has led to a loss of livelihoods for local communities who receive little to no benefit from the oil exploitation in their region. Grievances have over the years led to violent, often youth-led, resistance. In addition to significantly impacting the efficiency of energy production and Nigeria’s contribution to global, including European, energy needs, the huge illegal profits from oil theft is fuelling rampant corruption as well as the growth of organised crime groups in the Niger Delta. In this insecure environment, violence and breaches of human rights have spiralled including in the form of fighting amongst rival groups for the control of territory, kidnappings and attacks on Nigerian security forces, as well as heavy-handed security responses by private security actors against local communities.

While the importance of a diverse global energy supply has increased as a consequence of Russia’s war of aggression against Ukraine, Nigeria’s crude oil output hit a 32-year low in September 2022, largely due to oil theft and pipeline vandalism in the Niger Delta. There are indications that the increase in oil theft is linked with a concomitant decrease in piracy in the Gulf of Guinea as oil theft is both more lucrative and less risky. Similar to at-sea approaches to piracy, dynamics on land need to consider and address root causes of criminal activity and violence in the Niger Delta. This will require a broad, multi-pronged engagement with national authorities on issues across the region including anti-corruption and transparency. A hard security approach to protect the pipelines in the Niger Delta alone will not effectively address the issue as it will not address the difficulties the local population face. Community inclusion in decision making processes and the development of alternative livelihood opportunities are crucial elements in bolstering the security of, and around, the pipelines.

² Ibid.

3.2 RATIONALE FOR CRISIS RESPONSE ACTIONS UNDER THE RAPID RESPONSE PILLAR OF THE NEIGHBOURHOOD, DEVELOPMENT AND INTERNATIONAL COOPERATION INSTRUMENT

The crisis level of oil theft and related practice of artisanal oil refining reached in Niger Delta, piracy and more generally the rise in organised crime, drug trafficking and arms proliferation as well as environmental degradation constitute an exceptional and unforeseen situation in the sense of Article 4(4)(a) of the NDICI Regulation. An adequate response cannot be provided under any other European Union Instrument due to the urgency with which the funds are required and due to available resources already being firmly committed.

Annex IV, paragraph 1, second paragraph, points (a), (g) and (o) of Regulation (EU) 2021/947 specifically provides for the use of the NDICI rapid response pillar to (a) support, through the provision of technical and logistical assistance, for the efforts undertaken by international, regional and local organisations and by State and civil society actors in promoting confidence-building, mediation, dialogue and reconciliation, transitional justice, women’s and youth empowerment, in particular with regard to community tensions and protracted conflicts; (g) support for measures necessary to start the rehabilitation and reconstruction of key infrastructure, housing, public buildings and economic assets, and essential productive capacity, as well as other measures for the re-starting of economic activity, the generation of employment and the establishment of the minimum conditions necessary for sustainable social development, and (o) support for socio-economic measures to promote equitable access to, and transparent management of, natural resources in a situation of crisis or emerging crisis, including peacebuilding.

3.3 RISKS AND ASSUMPTIONS

Risk	Likelihood	Impact	Mitigation measure
The security situation deteriorates in target localities, hampering access to target communities.	Medium	High	The action will keep close coordination with State Governments and liaise with the Federal Government to ensure a timely adaptation to emerging security challenges for safeguarding the continuity of the activities. The action will be designed in a flexible manner cutting across multiple themes which will give it leverage and room for discussion both with government and community stakeholders. To mitigate and minimize the security risks, the implementing partners will closely monitor the operational environment and adapt

Risk	Likelihood	Impact	Mitigation measure
			implementation plans according to the shifting security situation.
Public and private stakeholders show limited commitment in working with communities around security issues.	Medium	Low	The action will ensure continuous engagement of public authorities and private stakeholders, highlighting the importance of multi-stakeholders' collaboration and participatory approaches.
High-level policy and coordination initiatives leave little room for communities' needs and visions of security (objectives for security architecture).	Medium	Medium	The action will foresee high-level coordination mechanisms that will include a diverse set of actors, including representatives from communities and civil society groups who are well suited to address the needs of people and marginalised groups at the grassroots level.

4. OBJECTIVES

4.1 OVERALL OBJECTIVE

The overall objective of the action is to address key drivers of violence and insecurity in Bayelsa, Rivers and Delta State of the Niger Delta region.

4.2 SPECIFIC OBJECTIVES

- 4.2.1 Strengthen collaboration between communities, government authorities and security actors, as well as the private sector, to address security issues at the community level in the Niger Delta region;
- 4.2.2 Support engagement with government authorities, including at high level, to open spaces for dialogue and collaboration between government and civil society actors, to prevent insecurity caused by criminality and violence in the Niger Delta region.

5. ACTION COMPONENTS AND EXPECTED RESULTS

The main expected results/outcomes include:

Expected Result (1): Community actors are empowered to cooperatively address local drivers of violence and criminality in Bayelsa, Rivers and Delta State.

Activities (indicative):

- 5.1.1 Strengthen capacities of community leaders on inclusive leadership for conflict transformation and violence prevention at community level;
- 5.1.2 Promote active engagement of local youth on conflict-transformation and prevention of criminal behaviours in the daily life of local communities;
- 5.1.3 Increase livelihood opportunities through short-term local initiatives, including initiatives aimed at reinforcing environmental sustainability.

Expected Result (2): Collaboration between communities, government authorities, security actors, and the private sector, is strengthened around early-warning and early-response to violence and criminality in Bayelsa, Rivers and Delta State.

Activities (indicative):

- 5.2.1 Establish and/or strengthen early warning monitoring and response planning systems, in joint collaboration between community actors, government authorities and security forces;
- 5.2.2 Establish community response networks and community security dialogues at the local and State levels to foster mutual understanding and collaboration between communities, government authorities and security actors around issues of insecurity, violence and criminality (including security of pipelines and environmental crime);
- 5.2.3 Strengthen capacities of government security forces on human rights and principles of human-centred security to prevent abuses and build trust with the local populations;
- 5.2.4 Establish Peace and Conflict Resolution Committees to foster mutual understanding and collaboration between communities and oil companies for addressing both security and development needs.
- 5.2.5 Strengthen social cohesion within and between communities through arts- and culture solidarity activities and multi-media Peace Campaigns in Bayelsa, Rivers and Delta State.

Expected Result (3): Credible and open space for dialogue and thematic advocacy with government authorities around issues of security, violence and criminality in a non-adversarial and constructive manner is established to make progress towards innovative policy development and good governance practices in Bayelsa, Rivers and Delta State.

Activities (indicative):

- 5.3.1 Establish multi-stakeholder platforms of dialogue at the Federal level between government authorities and key stakeholders from the Niger Delta region, including community leaders, civil society actors and traditional authorities, to regularly discuss issues of insecurity, criminality and good governance in Bayelsa, Rivers and Delta State;
- 5.3.2 Establish multi-stakeholder platforms of dialogue at the State level between State Governments, security forces, community leaders and civil society, and the private

sector to develop coordinated responses and integrated strategies to address criminal activities, insecurity and good governance in Bayelsa, Rivers and Delta State;

- 5.3.3 Hold high-level dialogue initiatives and thematic advocacy engagements between government and civil society actors from Bayelsa, Rivers and Delta State around specific topics emerging from discussions within the multi-stakeholder platforms as well as initiatives promoting innovative policy development and good governance practises – including on issues of insecurity, criminality, security of pipelines as well as transparency and accountability.

6. IMPLEMENTATION

6.1 IMPLEMENTATION MODALITIES

The Commission will ensure that the appropriate EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures³.

6.1.1 Grant: direct award (direct management)

(a) Purpose of the grant

The grant will contribute to achieving the specific objectives (4.2.1 and 4.2.2) and expected results 1, 2 and 3.

(b) Type of applicants targeted

The type of applicants targeted are non-governmental and not for profit organisations with consolidated experience in the region of the Niger Delta, including with a solid experience in community engagement and mobilisation, as well facilitate political and policy dialogues between leaders/key stakeholders from the region and the government, including at the top federal level.

(c) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because **the action entails crisis management aid as referred to in Article 195(a) and as defined in Article 2(21) of the Financial Regulation** at the date of the Financing Decision.

6.1.2 Changes from direct to indirect management mode due to exceptional circumstances

Alternative implementation modality in indirect management might be applied in case direct management cannot be implemented due to circumstances outside of the Commission's control.

The pillar assessed entity will be selected by the Commission's services using the following criteria: experience on community engagement and mobilization, as well facilitate political and policy dialogue between leaders/key stakeholders from the region and the government, including at the top federal level.

³ www.sanctionsmap.eu Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website, it is the OJ version that prevails.

6.2 INDICATIVE BUDGET

The total European Union contribution under this Financing Decision **will not exceed EUR 6 500 000**. A breakdown among components is provided hereunder, and is indicative.

Indicative budget breakdown

Components	EU contribution (amount in EUR)	Indicative third party contribution, in currency identified
Component 1: Addressing key drivers of violence and insecurity in Bayelsa, Rivers and Delta State of the Niger Delta region (Result 1, 2 and 3).		
6.1.1 – Direct grant (direct management)	6 500 000	N/A
Total	6 500 000	

6.3 ORGANISATIONAL SET-UP AND RESPONSIBILITIES

The action shall be implemented under direct management. It will be devolved and sub-delegated to the **European Union Delegation to Nigeria**, with the support of the Commission for the conclusion of the contracts implementing the action.

6.4 PERFORMANCE AND RESULTS MONITORING AND REPORTING

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final report. Each report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and outcomes) as measured by corresponding indicators, using as reference the Logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

6.5 EVALUATION

Having regard to the nature of the action, an evaluation will not be carried out for this action or its components.

The Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

6.6 AUDIT

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision.

6.7 COMMUNICATION AND VISIBILITY

The 2021-2027 programming cycle has adopted a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

It will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union's support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

The 2022 “Communicating and Raising EU Visibility: Guidance for external actions” reference document shall be used to establish the appropriate contractual obligations.

7. COMPLEMENTARITY, COORDINATION AND FOLLOW-UP

This action will complement past and planned engagement of the EU in Nigeria, notably under the geographic and thematic pillars of the NDICI, the European Development Fund and the European Civil Protection and Humanitarian Aid Operations (DG ECHO). It will build on previously conducted conflict analysis and conflict sensitivity scanning, including by implementing partners. It will seek to build on already existing structures for early warning and early response as well as previous and ongoing peacebuilding initiatives, creating strong synergies with other international partners and with past and ongoing initiatives aiming to address the multi-layered crisis in Bayelsa, Rivers and Delta State.