



**USAID** | **NIGERIA**  
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## USAID/ NIGERIA COUNTRY STRATEGY STATEMENT

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This Strategy Statement for Nigeria was assembled by USAID/Nigeria. This is a USAID planning document and does not contain budget information approved by the U.S. Government. Any budget information contained therein is for illustrative purposes only.

Additional information on the attached can be obtained from Angela Lozano USAID/AFR/WA.

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## Program Rationale

**Foreign Policy Interests** Nigeria is a key strategic partner of the United States, and one of Assistant Secretary Frazer's two priority countries in Africa. Stability, prosperity and democracy in Nigeria, whose population of 140 million is by far Africa's largest, are prerequisites for the continent's growth and development. Nigeria's internal political stability and capacity to prevent and mitigate conflict are priority concerns for the nation, the region and the USG. Nigeria contributes directly and substantially to U. S. foreign policy interests through its leadership role in peacekeeping operations in West Africa and the Greater Horn, operations that have saved countless lives and reintroduced democratic processes in Liberia and Sierra Leone. Nigeria is also central to our nation's energy security, currently providing 10 percent of U. S. crude oil supplies, a proportion projected to increase to 15 percent by the end of this decade. American oil firms pump half of Nigeria's output, and their operations are vulnerable to disruption by militant youth and illegal bunkering operations; mitigation of these disruptions is a crucial foreign policy interest. U. S. national security interests compel USAID to help Nigeria achieve political and social stability and maintain momentum toward transformational development.

**Stability Challenges** In order to advance USG strategic concerns of counterterrorism, extractive industries, energy security, regional stability and HIV/AIDS mitigation, our program must identify potential threats to Nigeria's political, social and economic integrity, and propose programmatic approaches that will enhance stability.

The Niger Delta. Threats to stability in the Delta are fostered by the environment of lawlessness that prevails in selected areas, characterized by factionalized militant youth – 90 million Nigerians are under the age of 30 – and armed militias who engage in large-scale theft of crude oil from pipelines, or "oil bunkering", under the direction of politicians and warlords. Unemployment, and youth unemployment in particular, is also part of the problem; available data indicate that unemployment is much more severe in southern Nigeria and the Niger Delta states than elsewhere in the country. Unemployed youth, particularly men, are vulnerable to conflict and violence as well as political manipulation. Resource distribution and management are also part of the equation, with Niger Delta politicians and their constituents pointing to the value of the oil resources removed from their land that has not translated into development or addressed poverty in their area. Engagement on these issues, to ensure that the flow of crude oil, Nigeria's most important source of income and revenue, is not disrupted, is essential; at the same time the window of economic opportunity must be widened and diversified, especially for millions of unemployed young men and women.

Northern Nigeria. In the predominantly Muslim north, the influence of political Islam is expanding and extremist elements are of growing concern in some states. Poverty is deeply entrenched in the rural north and is attended by disproportionately high rates of child mortality, illiteracy and other social ills, the product of years of failure to invest in and deliver social services. The inequities between north and south in these markers of well-being are stark. Resource conflicts in the north, sometimes exacerbated by ethnic and religious tensions, have precipitated episodes of violence in which thousands of people have lost their lives. Youth unemployment, particularly in Kano, the north's largest city, is a growing problem. Improvements in the delivery of critical social sector services, employment generation, and poverty reduction are the key elements of an approach for increasing stability in northern Nigeria while ensuring that transformational development objectives are achieved and strategic concerns are addressed.

Governance. Nigeria's federal system of government assigns responsibilities for governance functions among the three tiers of federal, state and local government. The fundamental lack of consensus on relationships and responsibilities between and among these three tiers is a serious weakness. Guidelines are lacking, not binding, and/or contradictory, allowing one level of government to blame the others for failures to deliver benefits to the people. To address this, our governance programming will assist all stakeholders – government, civil society, and the private sector – to better define their roles and responsibilities, improve transparency, and collaborate rather than compete.

Elections. The planned 2007 national elections pose an additional challenge to Nigeria's stability. The 2003 elections that returned President Obasanjo to office were a landmark, ushering in the first two-term civilian government in 45 years of independence. Those elections were flawed by malpractices and a large majority of Nigerians do not believe in the integrity of the electoral process. Electoral violence and lack of credibility, potentially triggered by disputes over the 2006 census results, could undermine democratic progress in Nigeria. USAID will collaborate with other donors, government, and civil society to implement a coordinated program of elections support that will mitigate challenges to stability from this source.

**Development Challenges** Governance, economic empowerment, maternal and child health, education, and HIV/AIDS constitute the most formidable development challenges confronting Nigeria. Decades of unaccountable rule suppressed

democratic institutions, stifled job creation, eroded health and education infrastructure and failed to address the growing HIV/AIDS threat. Economic performance since independence has been disappointing, with real growth averaging about 3.5 percent annually between 1960 and 2002, barely keeping pace with population growth. The economy is heavily dependent on oil, which accounts for over 90 percent of export earnings. Oil dependence, an unstable policy environment, and weak economic management adversely impact economic growth. Nigeria ranks 158 out of 177 countries on the 2005 UNDP Human Development Index and has not improved its standing over the past 15+ years. Close to 60 percent of Nigerians live in extreme poverty and although real GDP growth is expected to reach five percent in 2006, this is not sufficient to mitigate poverty. Core governance institutions remain uncertain of their roles and accountability is weak. National elections in 2003 were flawed by irregularities and over 85 percent of Nigerian respondents in a recent BBC/Gallup poll stated that elections are not free and fair, of deep concern given planned elections in 2007. Civil society remains largely excluded from broad participation in policy dialogue and setting the national agenda. The economy has picked up in the past two years, but this growth is fueled largely by inflated oil prices and has not resulted in new jobs for the three million Nigerians who enter the labor market each year. Although steps have been taken to revitalize the agricultural sector, which remains the nation's largest employer, most young Nigerians have no interest in farming as a livelihood and seek urban employment that they are not qualified for or that does not exist. The basic education and primary health care systems simply do not deliver acceptable services to their clients. Only 60 percent of primary school aged children in Nigeria attend school, with significantly fewer girls than boys attending. Literacy and numeracy achievement among primary school pupils is poor and adult illiteracy stands at 52 percent among women and 40 percent among men. Nigerian women marry young and bear on average six children, contributing to a population growth rate that will double the population to nearly 300 million in less than 25 years. Two of every ten Nigerian children born will die before reaching their fifth birthday from largely preventable causes such as malaria, diarrhea and measles, and 40 percent of children under five suffer from chronic malnutrition. Illiteracy, child mortality, and malnutrition rates are far higher in Nigeria's two northernmost geopolitical zones than in the southeast and southwest, and Nigeria is not on track to achieve the Millennium Development Goals. Nigeria now accounts for 10 percent of the world's HIV/AIDS burden, with nearly four million adults infected. Without urgent action this number will more than double by 2010. Nigeria already has over one million AIDS orphans and millions more children are made vulnerable by the disease; fear, stigma and discrimination against these children and people living with HIV/AIDS are high. Although the U. S. has responded to Nigeria's HIV/AIDS epidemic through the President's Emergency Plan for AIDS Relief, available resources and interventions are dwarfed by the magnitude of the problem.

**Opportunities** The Nigerian government and people have responded to these development challenges. The National Economic Empowerment and Development Strategy or NEEDS, Nigeria's poverty reduction strategy, was unveiled in 2003 and is being replicated at state and local government levels. The government's willingness to partner with donors in implementing and monitoring these strategies provides an unparalleled opportunity for dialogue and collaboration; donor coordination in implementation and selection of progressive state governments for development assistance and capacity building is strong. The GON has actively engaged with the donor community and the private sector to build institutional capacity for reform and to leverage resources for improvements in infrastructure to attract foreign investment. Ongoing reforms in public expenditure management, the procurement process, and the banking sector have increased transparency and allowed significant cost savings to the government. In FY 2005 Nigeria paid \$6.4 billion in arrears to the Paris Club, meeting the first deadline under an IMF-linked program to write off 60 percent of its \$30 billion debt owed to foreign governments. Resources formerly used to service this debt, as well as revenues arising from high international oil prices, will be used to improve service delivery and create jobs. Even at current oil prices, however, these funds amount to just pennies per Nigerian per day. The government's commitment and resources must be partnered with those of the development community and the private sector if they are to make a difference in the lives of ordinary Nigerians.

**Operational Goal** As our most important trade partner in Africa, provider of a significant and growing share of U.S. petroleum requirements, and home to Africa's largest Muslim population, Nigeria has profound strategic importance to the United States. Nigeria's role as a major supplier of crude petroleum merits special attention, especially given the rising proportion of U. S. oil requirements sourced from the Gulf of Guinea. Nigeria's petroleum sector poses complex and unique problems. Oil producing states in the Niger Delta are plagued by social unrest that episodically escalates to violent conflict; unemployment, particularly among young people; limited opportunity, and concomitant frustration; and socio-political alienation. Transparency and accountability have not been hallmarks of either private or public sector activities in the petroleum sector, and existing resource allocation formulae stipulating a 52/48 split between federal and state governments have left no one satisfied.

As recently as three years ago, a poll conducted by the Pew Global Attitudes Project revealed that 68 percent of Nigerians in the largely Muslim northwest held favorable views of American ideals and policies. Since that time the influence of political Islam has grown in Nigeria, especially among radical youth in the nation's large universities, and has certainly had a negative impact

on these views. Counter-terrorism has accordingly become a key strategic concern, especially in view of specific credible threats against U. S. interests and Nigeria's substantial Muslim population, the largest outside of Asia.

Nigeria has accordingly been designated as a strategic state, one of only three in sub-Saharan Africa. Simply put, Nigeria is central to the achievement of specific U. S. foreign policy goals and interests, particularly related to energy security, extractive industries, counter-terrorism, and HIV/AIDS. Over the past six years, Nigeria has increasingly demonstrated its commitment to reform and transformational development. USAID and the wider development community are in turn committed to supporting these agendas. We also acknowledge the need to increase stability in Nigeria if the GON's reform goals are to be achieved. With so much at stake for the U. S., the recognition of Nigeria as a strategic partner is welcome.

**Global Issues and Special Concerns** USAID/Nigeria addresses all key global issues and special concerns in its portfolio. As a participant in the USG's coordinated strategy for HIV/AIDS treatment, prevention, care and support in Nigeria, USAID has developed a strategic objective for HIV/AIDS that is an integral component of the broader country operational plan and strategy under PEPFAR. This SO also addresses tuberculosis, with special attention to co-infection, and the needs of vulnerable children. Our target is to provide care and support to 400,000 orphans and vulnerable children by 2008. Malaria is the leading cause of death in Nigerian children under the age of five, claiming at least 300,000 victims every year. In collaboration with other Roll Back Malaria partners, the Mission fields prevention and treatment interventions and has garnered support from the private sector. With Nigeria remaining as the world's largest reservoir of wild polio virus, progress in polio eradication is clearly of high importance. As with malaria, USAID collaborates with a consortium of partners in the Polio Eradication Initiative dedicated to improving immunization services and rates, and halting transmission within the next two to three years. In addition, resources from the Leahy War Victims' Fund are being used to assist polio-affected youth with income-generating activities and physical therapy. Nigeria's low contraceptive prevalence and high fertility make family planning and reproductive health interventions additional programmatic priorities. We have focused our program in five states with high populations, low acceptance rates, and significant opportunities for impact. A Demographic and Health Survey will be conducted in 2008 to document achievements.

Modest environment funding has enabled the Mission to implement a small program in Nigeria's southeastern Cross River State aimed at biodiversity conservation and tropical forestry. Cross River has Nigeria's largest remaining tract of intact tropical forest and the 5,383 sq km Cross River National Park harbors the critically endangered Cross River gorilla, as well as a host of unique flora and fauna. This forest is the westernmost extension of the vast forest that once covered the entire Congo Basin. USAID's efforts are aimed at introducing sustainable agricultural development and resource management strategies for both protected areas and areas under community control. These efforts should be reinforced through participation in the Congo Basin Forest Partnership. An increase in resources earmarked for biodiversity and tropical forestry would permit the Mission to address critical environmental problems in the Niger Delta's unique swamp forests and mangroves. Oil industry operations are one of the three most acute environmental threats in Nigeria and ameliorating their impact will contribute not only to environmental objectives but to livelihood security and conflict resolution as well.

**Initiatives** USAID/Nigeria contributes directly to the achievement of key Presidential Initiatives through its programs on the ground in Nigeria. Resources from the Africa Education Initiative strengthen the provision of quality basic education services to thousands of children in three states, with emphasis on girls, Muslim children, and improved pupil and teacher performance in underserved and underperforming areas of the country. The potential for this initiative to achieve results in Nigeria is enormous, but largely untapped because our program is woefully underfunded. The Mission's groundbreaking work in the north with Islamiyya schools is an integral element of our approach to Muslim outreach, addressing stability concerns and mitigating extremism. The program enjoys enormous stakeholder support and buy-in and must be expanded.

By far the largest Initiative program is HIV/AIDS treatment, prevention, care and support under the President's Emergency Plan for AIDS Relief. Activities under this integrated USG program are providing 19,000 Nigerians with antiretroviral drug treatment and have extended care and support to over 22,000 PLWHA and OVC. Prevention messages emphasizing abstinence and faithfulness are core interventions targeted to 1.2 million vulnerable youth in six Nigerian states.

Nigeria has Africa's largest malaria burden. Nationally it is the leading cause of morbidity and mortality; Nigerians suffer well over 60 million malaria episodes annually. USAID/Nigeria is the lead donor in malaria prevention and treatment in Nigeria but annual resources of just \$2-3 million are inadequate to address the magnitude of the problem. Incremental resources through the Presidential Malaria Initiative would permit scaling-up of the Mission's proven interventions to effectively address gaps and problem areas, in collaboration with the strong Roll Back Malaria partnership in Nigeria.

Resources provided through the Initiative to End Hunger in Africa are very small and are targeted specifically to biotechnology. Nigeria is open to biotechnology and our program anticipates field testing a bioengineered crop within the next year. Building on the initial modest investment, Nigeria's size, agricultural potential, robust sectoral growth of seven percent in 2003-2004, commitment to reform and revitalization of the agricultural sector, and role in regional food security all signal the need for larger investments of IEHA resources.

**National Reform Initiatives** Nigeria is making progress in macroeconomic reform and has developed poverty reduction strategies at federal and state level in the form of National and State Economic Empowerment and Development Strategies (NEEDS and SEEDS). NEEDS encompasses goals of wealth creation, employment generation, value reorientation and poverty reduction, and resources from debt relief and oil revenues have already begun to flow to these key areas. A rigorous benchmarking exercise in conjunction with SEEDS development has identified a dozen states that have met performance criteria with respect to policy, budget and fiscal management, service delivery and communication and transparency, and that have launched the implementation of their plans. The development of this Strategy Statement provides an opportunity to identify ways in which USAID can more closely align its assistance with Nigeria's own priorities, and implement its programs in states that are truly committed to reform.

### **Program Structure: A Strategic Approach to Stability**

USAID's program in Nigeria must address challenges to national stability. In the North these include entrenched poverty, excess morbidity and mortality from preventable conditions, high levels of illiteracy, and the growth of political Islam and extremist elements. In the South, youth unemployment, sporadic violence and the activities of the petroleum industry are interlinked problems that limit opportunity and engender despair and lawlessness. Throughout the country, weaknesses and gaps in governance and lack of accountability undermine citizens' confidence in their government, and in electoral institutions and processes. Our proposed program identifies strategic approaches for addressing these challenges in each programmatic area.

Within this larger strategic framework, the USAID/Nigeria strategy will specifically focus on the tremendous challenges confronting Nigeria's 90 million youth, who are the key to the country's future. Different cohorts in this youth population face different challenges through the life cycle. More than one-fifth of Nigerian children will die before their fifth birthday – an appalling million or more deaths each year, almost all of them readily preventable. Among children aged 6-12 net primary school attendance is just 60 percent, and the quality of education is low. At least 2 million fewer girls than boys attend primary school, with the majority of out-of-school girls concentrated in the north. While the threat of HIV/AIDS is not unique to young people, seroprevalence is highest among 20-24 year olds at 5.6%, and an estimated 1.5 million adolescents and young adults are seropositive. Unemployment is the principal risk facing those aged 18-30, with large numbers having migrated to urban areas seeking jobs that do not exist, or for which they are not qualified.

The Mission will achieve its overall operational goals by pursuing five mutually reinforcing strategic objectives: governance, livelihoods, health, education, and HIV/AIDS. Each of these strategic objectives will simultaneously promote achievement of a transformational development goal, while promoting US foreign policy interests and addressing one or more of the causes of fragility in Nigeria. Four of the five SOs directly address one of the major hurdles confronting Nigerian youth. The health SO will reduce child mortality; the education SO will increase school attendance and literacy; the HIV/AIDS SO will provide prevention, treatment, and care and support interventions with youth as a target population; and the livelihoods SO will offer hope and opportunity for the unemployed. The governance SO will support efforts across the portfolio to increase capacity, transparency, and accountability, and mitigate conflict, with specific attention to the needs of youth.

### **SO11: Strengthened Foundations for Democratic Governance: January 1, 2006 to September 30, 2009**

This strategic objective will help to strengthen democratic institutions and promote transparent governance at the national and state levels. The SO will contribute to achievement of the Africa Bureau's transformational development goal of increasing the effectiveness of African institutions in promoting a vibrant private sector and democratic governance. The underlying development hypothesis is that more democratic and transparent governance is critical for economic growth and development.

Although the national elections in 2003 ushering in the second successive elected civilian administration were a watershed in Nigerian politics, many roadblocks to strengthened democracy still remain. Many years of poor governance, with power concentrated in the hands of small elites, eroded the rule of law and bred corruption. Without opportunities to peacefully express their dissatisfaction and hold government officials accountable, many Nigerians, especially youths, seek to gain access to resources through violent means. The SO will rebuild the basic mechanisms of democratic governance required to make elected

officials accountable to their constituents: free and fair elections, effective government institutions, and well-organized, informed citizens who demand performance. The SO will involve young people in political processes so that they will learn their rights and responsibilities, establishing the basis for continued democratic practices. USAID will support mechanisms that identify potential conflicts in advance and take measures to mitigate or manage them. Recognizing that the high rate of unemployment among youth is an important factor contributing to conflict in Nigeria, in close collaboration with the livelihoods SO team, we will offer skills training and financial support to youth in conflict-prone areas to provide viable opportunities for them to make a living without resorting to crime or violence. These efforts will be focused in the Niger Delta, including Rivers, Delta, Akwa Ibom and Cross River states, and in the northern states of Kaduna, Kano and Plateau.

The key focus areas of elections, rule of law and reconciliation will be addressed by the following program components:

- Promote and Support Credible Elections Processes
- Promote and Support Anti-Corruption Reforms
- Mitigate Conflict and Support Peace

**Results:** The SO will directly advance the US foreign policy goals of promoting political stability, enhancing energy security and improving the management of revenues generated by extractive industries. Training and capacity building will address the absence of consensus on governance relationships among the various levels of government, as will activities aimed at strengthening civil society organizations. The high development impact of increasing transparency and accountability argues for making Nigeria a top priority for USAID democracy and governance funding.

By the end of FY 2009, Nigerian citizens, represented by 120 partner NGOs, will play a greater role in policy-making; the National Assembly will operate more effectively as a result of training for 240 elected members and 250 staff; State Governments will implement their development strategies with public oversight and participation; the incidence and scale of conflict will be greatly reduced; government agencies will apprehend and prosecute people responsible for trafficking in persons; and 60 million Nigerians will have voted in a transparent and non-violent national election in 2007.

**Risk Factors:** Nigeria's progress towards democratic governance would be threatened if the current round of reforms were to be reversed. Disillusionment and frustration could easily lead to unrest and violence. Elections whose results are not felt to have reflected the will of the people would also dampen Nigerians' faith in democracy, and further reduce the cohesion of the Nigerian nation. The failure of the government to successfully prosecute individuals involved in the trafficking of persons and narcotics could trigger suspension of US development assistance to Nigeria, damaging relations between the two countries.

#### **SO12: Improved Livelihoods in Selected Areas: January 1, 2006-September 30, 2009**

Crude petroleum exports account for the bulk of foreign exchange earnings and budget revenues in Nigeria. The dominance of oil as a source of resources for development has diverted attention from agriculture, processing and manufacturing, and services, yet these are the sectors in which the majority of Nigerians earn their daily bread. Despite rapid urbanization, more than half of Nigerians still live in rural areas and farm for a living. Agriculture provides a precarious livelihood, marked by declining productivity, environmental degradation, limited use of productivity-enhancing technologies, declining biodiversity, and poor market linkages. Agriculture holds little promise for young people, who increasingly turn their backs on the land and seek employment in urban centers, competing for jobs that are few and far between. Farmers and entrepreneurs are not served by financial institutions and have little access to services such as savings and credit that would help their enterprises to grow, diversify, and create jobs.

This SO will address the core stability challenges of poverty in the North and unemployment in the South. The SO will work at farm and firm level to identify key agricultural commodities and other products, add value along the entire commodity development chain, and enhance competitiveness, productivity, and commercial potential. This approach will increase economic returns to poor farmers and entrepreneurs and thus alleviate poverty, with a focus on the northern states of Kano, Bauchi, Katsina and Kaduna. The SO will also address the burden of unemployment, particularly for disadvantaged and disaffected youth in Rivers, Delta, Akwa Ibom, Cross River and Abia States. The SO will build on existing investments in agricultural productivity and post-harvest processing and will identify growth sectors in the economy and prepare young people for employment in those sectors. Microfinance development and financial services provision will be integral elements of efforts in both the north and the south. Men and women farmers and entrepreneurs, micro- and small enterprises, and unemployed young people, particularly young men, will be the targeted beneficiaries. The SO directly supports both of the Strategic Framework's transformational development goals as it seeks both to foster productivity and to engage the private sector as the driver of economic growth and empowerment, as envisioned in Nigeria's NEEDS.

The key focus areas of food security in northern Nigeria, employment in the Niger Delta, and policy improvement at national and state levels will be addressed by the following program components:

- Improve Private Sector Competitiveness
- Increase Agricultural Sector Productivity
- Improve Sustainable Management of Natural Resources and Biodiversity

**Results:** Rural poverty in the north and youth unemployment and disempowerment in the south have been identified as crucial stability factors in Nigeria. This SO will tackle these threats head on, using diverse strategies and approaches:

- Increasing agricultural productivity and post-harvest processing options at micro, small and medium enterprise levels to make agribusiness a more financially and professionally rewarding occupation;
- Increasing the flow of financial resources for credit to entrepreneurs: farmers, processors, traders, manufacturers, service providers and craftspeople;
- Forging strategic linkages with other SOs and other development partners to identify demand areas of the economy and prepare youth for careers in those sectors.

By the end of 2009, USAID's activities will increase the productivity and marketing of cassava, cowpea, dairy products, aquaculture and other commodities, and increase the number of agro-processing and other enterprises established along selected commodity chains. Producer and processor associations will be strengthened, and women's groups will be key players. At least 500,000 men and women farmers will have opportunities to improve their livelihoods. Over 100,000 hectares of agricultural land will be under improved management practices, and 24,000 hectares of tropical forest and other critical environments will be protected through community forest management plans. The SO will help to create over 200,000 jobs by establishing new businesses and increasing the competitiveness of existing enterprises, and by enhancing the availability of credit, with an emphasis on gainful employment for youth.

**Risk Factors:** Nigeria has made substantial progress in policy reform and modest progress in policy implementation that addresses constraints in the agricultural and private sector environment. Changes in policy and programmatic direction are a significant potential risk to continued progress. Nigeria's failure to liberalize its highly restrictive trade policy regime is also a risk factor that inhibits regional trade and weakens Nigeria's global competitiveness.

#### **SO14: Reduced Impact of HIV/AIDS and TB in Selected States:** January 1, 2006 to December 31 2008

The HIV/AIDS crisis threatens the prosperity, stability, and development of Nigeria. With approximately four million people living with HIV/AIDS, Nigeria accounts for nearly 10 percent of the world's HIV/AIDS burden. Orphan numbers are skyrocketing and youth are at high risk of HIV infection; age-specific HIV prevalence is highest among 20-24 year olds at 5.6 percent. Fear, stigma and discrimination against PLWHA are high. Nigeria also has the fourth largest tuberculosis burden in the world with an estimated 300,000 cases, but only 10-15 percent of active cases are detected. TB and HIV are closely linked: TB is the leading cause of morbidity and mortality among HIV patients, and HIV fuels the TB epidemic. Although it is estimated that up to half of TB cases may be HIV positive, no systematic sentinel survey of co-infection has been conducted since 2000. Behavior change messages are increasing and condoms are widely available, but basic care, support and treatment infrastructure is poor. However, over the past two years, with significant support from USAID and the U.S. Government through President Bush's Emergency Plan for AIDS Relief, Nigeria is making progress in strengthening the health care system for antiretroviral treatment, opportunistic infection treatment and care and support of people living with and affected by HIV/AIDS, including orphans and vulnerable children.

The SO will work in close collaboration with USG partners, the GON, and hundreds of Nigerian non-governmental and faith-based organizations to mitigate the impact of HIV/AIDS and prevent further transmission of HIV and TB in six focus states: Anambra, Cross River, Edo, FCT-Abuja, Kano, and Lagos. More states may be added as increased resources allow. The prevention strategy will concentrate on behavior change among most at risk populations (MARPs) and abstinence for youth. To mitigate the epidemic's impact in Nigeria, USAID will work to increase the availability of antiretroviral therapy, treatment of opportunistic infections, especially TB, and community care and support of people living with and affected by HIV/AIDS. Care and support will also be provided to orphans and vulnerable children. Treatment, care and support will enable people living with AIDS to live longer, healthier and more productive lives, mitigating the impact of HIV/AIDS on society.

The dramatic increase in USG resources for HIV/AIDS in Nigeria has been very welcome. However, over half (55%) of these resources are dedicated solely to antiretroviral treatment of people living with AIDS, leaving the prevention and community care and support elements of the USAID program under-funded. USAID will seek to establish public/private partnerships to leverage funding to fill in gaps in the prevention and care and support areas. Prevention among high risk groups will be a key priority given their importance in containing the spread of the HIV through the general population. We also seek additional TB resources to complement the large investments in HIV/AIDS.

**Program components:**

- Reduce Transmission and Impact of HIV/AIDS
- Prevent and Control Infectious Diseases of Major Importance

**Results:** Controlling and ultimately reversing the trajectory of the HIV/AIDS epidemic through a multi-sectoral response that addresses prevention, treatment and care and support is key to long-term stability in Nigeria. Over the next three years, USAID will contribute to the USG's PEPFAR targets in Nigeria to provide antiretroviral treatment to 350,000 people living with AIDS, prevent 1,145,000 new infections and provide care and support to 1,750,000 people living with and affected by HIV/AIDS including orphans and vulnerable children.

**Risk factors:** Along with Ethiopia, China, India and Russia, Nigeria is identified as a "next wave" country that will double or triple the number of global HIV cases by 2010. This potential for explosive growth is fueled by the high proportion of young Nigerians and the early age of sexual debut. Such a huge increase in caseload will have profound impacts not just on health, but on education, service delivery, agricultural productivity, the skilled workforce, economic growth, and Nigeria's long-term stability. An aggressive, broad based partnership is essential to stemming this potentially vast upsurge in the number of Nigerians infected and affected by HIV/AIDS.

**SO15: Increased Use of Child Survival and Reproductive Health Services in Target Areas:** January 1, 2006 – September 30, 2009

Delivery and use of child survival and reproductive health services in Nigeria is weak. High child and maternal morbidity and mortality and high fertility translate into rapid and unsustainable population growth. Availability and use of affordable child survival and maternal health services is appallingly low. At least 20 percent of Nigerian children will die before their fifth birthday. Fertility is high, birth intervals are short, and contraceptive prevalence is low. Health indicators are much worse in the predominantly Muslim North than in the rest of the country, demonstrating regional imbalance and inequity. The lack of access to basic health services, particularly in the North, is encapsulating successive generations of the poor deeper and deeper into poverty, further marginalizing communities and fueling the potential for unrest. Addressing child and maternal health problems in the North is a critical element of the Mission's Muslim outreach strategy and will help resolve underlying causes of unrest.

This SO carries forward the maternal, child and reproductive health elements of the Mission's former SO 13, "Increased Use of Social Sector Services"; the education components of the former integrated SO are addressed in SO16, *Increased Demand for Quality Education and Training*. This approach will better align the Mission SOs with the four hurdles Nigerian youth face from birth to adulthood and enhance the capacity of each SO to efficiently manage resources and achieve results. The two teams will coordinate closely and where appropriate, integration of health and education activities at the community level will be sustained.

SO15 will foster a healthier and more productive population by controlling malaria, combating polio, strengthening routine immunization, and providing quality reproductive health services in targeted states. Malaria prevention and treatment efforts will be concentrated in the hyperendemic states of the south, including Rivers, Delta, and Akwa Ibom, while integrated maternal and child health services, polio eradication and routine immunization efforts will be extended from the current three to six additional northern states, including Kaduna, Katsina, Jigawa, Zamfara, and Sokoto and the Federal Capital Territory. Working in local communities, the SO will continue to implement proven interventions to address health issues impacting children under five, particularly malaria. The SO will provide resources and technical assistance to support ongoing donor-coordinated immunization activities with a particular focus on interruption of the polio virus. In addition, the SO will continue to improve the quality, access, and demand for reproductive health service through capacity building of personnel, upgrading of facilities, and contraceptive social marketing. Engagement with religious leaders and other community opinion leaders, and development of culturally-appropriate and innovative behavior change communication materials will be expanded. Finally, at the policy level, the SO team will further targeted policies and legislation towards approval and implementation.

The key focus areas of immunization, reproductive health and malaria control will be addressed by the following program Components:

- Prevent and Control Infectious Diseases of Major Importance
- Improve Child Survival, Health, and Nutrition
- Improve Maternal Health and Nutrition
- Support Family Planning

**Results:** Increasing access to essential services directly contributes to greater stability in the North. While service delivery is poor nationwide, it is weakest in the North where the potential for unrest may be triggered by the lack of investment in and inadequate delivery of social services. By providing health services to marginalized populations in the North, where poor health conditions and quality of life threaten to foster extremism, the Mission is addressing a key challenge to Nigeria's national stability.

By 2009, principal outcomes of the mission's health service delivery program in target states and local government areas will include an increase in the use of modern contraceptives from 8 percent to 11 percent, an increase in DPT3 coverage from 12 percent to 30 percent, 4.2 million women of reproductive age receiving quality family planning and reproductive health services, reduced prevalence of malaria in an estimated 9 million women and children, comprehensive child survival interventions reaching more than two million children under the age of five, and nutrition interventions reaching an estimated 5.7 million under-fives and school age children.

**Risk Factors:** Nigeria has made some progress in the reform of child survival and reproductive health policy and improving the quality of health services available in selected states. Failure to harmonize the roles of representatives and government officials at the local, state, and federal level, would severely threaten the continuation and sustainability of these reforms. Further, a failure to provide quality health services in the North could further alienate Muslim communities.

**SO16: Increased Demand for Quality Education and Training:** January 1, 2006 – September 30, 2009

The Government of Nigeria has not provided nationwide access to quality basic education. The poor quality of education generates low demand and therefore low levels of student enrollment. As a result, levels of adult literacy are low, having actually declined in the 1990s, and academic performance is poor. Of the 30 million primary-school-aged children in Nigeria, 10 million are not enrolled in school. Of those currently in primary school, fewer than one third will join junior secondary schools and even fewer will proceed to senior secondary. While education indicators are poor nationwide, the greatest need for USAID assistance is in the predominantly Muslim North. Poor education contributes to the marginalization of Muslim communities in the North and to the potential for unrest in the region. The inclusion of Islamiyya schools in the education program constitutes a significant and essential element of the Mission's emphasis on Muslim outreach and will abate the potential for further alienation. Currently operating in Nasarawa and Kano states in the North, the program will be extended to the additional northern states of Kaduna, Katsina, Bauchi, Zamfara, Jigawa and Sokoto.

Nigeria's Universities are a destabilizing influence, hotbeds of organized cultism, religious and political fundamentalism, and violent student unrest, failing to prepare their students for either responsible citizenship or gainful employment. Building on past experience with programs such as ATLAS and AFGRAD, USAID is uniquely positioned to assist Amadu Bello University, Usman Dan Fodio University, and the Universities of Port Harcourt and Benin to mitigate the destabilizing potential of hundreds of thousands of undereducated, unemployed and radicalized youth by fostering partnerships with U. S. universities, including historically black colleges and universities (HBCUs).

The education funds available to the mission are small compared to the challenges in Nigeria. The potential for results, support from the government, and resources available through USAID's Africa Education Initiative argue for Nigeria to be classified as a high priority country for education resources. While girls' education, youth skill development, and education policy will be the focus of SO activities, the education team defines its strength in the synergies it develops with other SOs in the areas of health services, civic education, and employment generation. The SO team will implement successful grassroots programs which, through further USAID assistance, will inform education policies developed by the Federal Ministry of Education. The SO will directly support the transformational development framework goal of creating a better educated population in Nigeria. Working at the community level, the SO team will ensure access to basic educational materials, improve teaching techniques, and improve pupil performance in numeracy and literacy. Through these interventions, the SO will increase demand for education services. The SO will further the passage and implementation of policies and legislation and an education information system. At tertiary level, the SO will strengthen administrative capacity within local universities, reduce radicalism and student discontent, and build the next generation of Nigeria's leaders.

#### Program Components:

- Achieve Equitable Access to Quality Basic Education
- Improve Capacity of Higher Education to Contribute to Development
- Improve Quality of Workforce Through Vocational/Technical Education

**Results:** The SO will address USG priorities and long-term stability through its support to Islamiyya schools that incorporate the formal primary education curriculum, with an emphasis on literacy and numeracy, into Islamic teaching; and through the tertiary component, where efforts will focus on alleviating the sources of student unrest and instilling principles of leadership.

By 2009, principal outcomes of the mission's education program in target states and local government areas will include providing basic materials to 3.5 million students and training to 64,000 teachers in 5,600 schools. A total of 8 million students will also be reached through radio instruction. The SO will also mitigate the potential for unrest in the North through the delivery of improved basic education, and work with 21,000 University students and 150 administrators to improve the quality and relevance of tertiary education.

**Risk Factors:** While Nigeria has made substantial progress in the reform of education-specific policy and improved the quality of education in selected schools, overall quality remains poor, leading to low levels of demand and creating large, destabilizing populations of disaffected out of school youth. Continued commitment to reform and a significant budget allocation for quality education delivery are necessary to increase demand, reduce unrest, and improve pupil achievement in Nigeria.

#### Cross cutting Themes

**HIV/AIDS:** HIV/AIDS is a multisectoral problem. In high prevalence countries it has negative impacts on agricultural production, the skilled workforce, and the health care delivery system. It is exacerbated by conflict and infringes on human rights and dignity. Women are more seriously affected than men both in the proportion infected, their roles and caregivers to PLWA and orphans, and unequal power relations that make it difficult for them to negotiate safe sex. Thus far Nigeria has not mounted an effective response to any of these issues and has been identified as a "next wave" country, facing a massive increase in numbers infected. To forestall this, prevention, treatment, care and support interventions must be scaled up and delivered through multiple channels: the workplace, the school, the community, the government, the private sector, and faith based organizations. The governance SO is positioned to address advocacy, human rights and empowerment issues through its civil society, policy and legislative work, and also integrate HIV/AIDS messages into its conflict activity. Increased agricultural productivity, employment generation and micro enterprise development supported by the livelihoods SO all hold potential benefits for PLWA and others affected by AIDS, as poverty is both an effect and a driver of the epidemic. The health and education SOs will support family life education, contraceptive social marketing, STI prevention, prevention of mother to child transmission (PMTCT) and antenatal care, and there is potential to mobilize PTAs and communities to address the needs of OVC. The HIV/AIDS SO will provide technical leadership and, potentially resources to these efforts.

**Gender:** In comparison to their male counterparts, Nigerian women are disadvantaged in access to justice and political participation, their economic roles and control over resources, their levels of education and access to health care, and their ability to protect themselves against HIV/AIDS. Given these inequities, there is a clear imperative for the USAID/Nigeria program to pay close attention to gender and to ensure that it is appropriately addressed throughout the portfolio. The Mission's democracy and governance program has maintained a strong focus on women's political empowerment and will increasingly engage with NGOs working on gender issues in the civil society program. In governance, we recognize that women are particularly vulnerable in conflict settings, and will build the capacity of partners to address their needs. Given the key role of women in agriculture in Nigeria, especially in the south, the livelihoods SO is well-placed to assist women to benefit from productivity gains and improved technologies, and also have easier access to credit and employment. The Mission is devoting particular attention to improving girls' persistence and performance in primary school through both teacher training and community participation. Reducing maternal and child morbidity and mortality require addressing the needs and concerns of both men and women with gender-appropriate methods and messages. HIV/AIDS behavior change communication campaigns will recognize the differing knowledge levels, informational needs, and means of access to information of men and women, and design focused programs responsive to those differences.

**Governance:** Democratic institutions in Nigeria are weak at all levels. Lack of capacity remains a core issue. Nigerians question the effectiveness of their government, and relationships between levels of government are not adequately defined. Nigeria is notorious for the levels of corruption and the lack of transparency that attend the conduct of daily affairs, and

Transparency International rates Nigeria as the eighth most corrupt country in the world. Corruption has direct impact on activities implemented under all of the SOs because it increases the costs of doing business, prevents direct support to the GON and slows the pace of implementation as partners must be carefully vetted, and because rent-seeking impedes the release of imported commodities from customs. The National Economic Empowerment Development Strategy (NEEDS) and its State level counterparts demonstrate Nigeria's commitment to promoting private enterprise and providing improved social services. All SOs will work to support the implementation of the NEEDS and SEEDS. Each SO will contribute support to at least one state level plan that has been listed as a high performer by an objective benchmarking exercise. In this way, USAID will encourage and support progressive state level leadership.

**Youth:** Ninety million Nigerians are under the age of 30. It is critical that Nigeria productively engage its youth to ensure a bright future for the nation. Youth will be a central focus of the entire USAID/Nigeria strategy. USAID/Nigeria will establish a youth focus committee to champion youth activities across the mission portfolio. Every SO will address youth to help them through the successive challenges that they face in reaching adulthood in Nigeria. The health SO will continue to focus on helping Nigerian children survive past their fifth birthday. The education SO will increase the percentage of Nigerian children who attend primary school and receive a quality education. The HIV/AIDS SO will help more youth avoid HIV infection. As youth enter into the job market, the livelihoods SO will help more youth find gainful employment. The governance SO will positively engage youth in civil society and the election process. This proactive engagement will garner youth support for democratic institutions.

**Urbanization:** Unemployed, rural Nigerians are increasingly migrating to urban areas in search of jobs that do not exist. Unemployed youth, particularly young men, are vulnerable to conflict and violence, as well as political manipulation. USAID will work across all SO teams to increase employment opportunities in both rural and urban areas. USAID will work to increase agricultural productivity and post-harvest processing options to make farming a more financially and professionally rewarding occupation. To address the needs of youth already in urban areas, USAID/Nigeria will identify demand areas of the economy and develop programs to prepare youth for careers in those sectors. Linking youth with employment will require job placement and small enterprise development activities. These job creation activities will be supplemented by others which will increase access to sources of credit for new urban migrants as well as for those choosing to remain in rural areas.

**Regional Aspects** Nigeria's 140 million people make it the giant of Africa. Accelerated economic growth in Nigeria will benefit the whole sub-region, while economic decline or stagnation will have wide-ranging negative impact. The sheer size of Nigeria calls for a bilateral program that predominantly focuses its attentions within Nigeria's borders. While Nigeria remains actively involved in addressing security concerns throughout Africa, such international engagement cannot be sustained without meaningful progress to increase economic, political and social development at home. A robust USG bilateral assistance program will support the US foreign policy interest of continuing Nigerian leadership in peacekeeping operations in Africa, and long-term regional stability.

Nigeria's leadership was crucial in the creation of the African Union and of the New Partnership for Africa's Development (NEPAD). Noteworthy accomplishments of NEPAD include the African Peer Review Mechanism, a tool for monitoring performance in transparency and accountability, and recent initiatives aimed at increasing regional food security. As just one example, USAID intends to work closely with NEPAD's Fish for All program to introduce sustainable, modern aquaculture techniques and reduce Nigeria's reliance on imported fish products. Nigeria is also host to the Economic Community of West African States (ECOWAS), and plays a key role in the organization. The Nigerian Government's support has contributed to the planned adoption by 2007 of a common external tariff, which is expected to greatly facilitate trade among countries in the sub-region. The Mission will pursue greater coordination with the USAID West Africa Regional Program (WARP), particularly in the areas of trade promotion, HIV/AIDS, conflict prevention and peacebuilding. The Mission will also seek ways to collaborate with WARP on improving Nigeria's energy policy and regulation.

**Indigenous Expertise, Donor Coordination, and Public-Private Partnerships** USAID/Nigeria partners with the government of Nigeria, the international donor community, local and international implementing partners as direct recipients of USG resources, and NGOs, community based organizations and faith based organizations to achieve development results. Nigerian civil society, although still weak and nascent, provides the local perspective that is crucial to making development interventions responsive to the local environment. Although Nigeria had an enviable educational infrastructure through the 1970s and before, much of it collapsed under military dictatorship. Many highly-qualified Nigerian nationals joined the Diaspora and have not returned. USAID recognizes the need for capacity -building at all programmatic levels and has made this an integral element of its portfolio of activities.

Donor coordination in Nigeria is being strengthened. USAID is now a full partner with the World Bank and DFID, the largest multilateral and bilateral donors respectively, in an integrated economic growth and agricultural development sector approach. This collaboration is in the process of being extended to address other key sectors as well. USAID participates in nine donor sector working groups and chairs those in education and HIV/AIDS. Collaborative efforts that go beyond the donor community to leverage the resources and participation of private sector and philanthropic organizations as well include the Polio Eradication Initiative and Roll Back Malaria, where coordination with the UN System is also strong.

Partnership is integral to USAID/Nigeria's development assistance programs. Traditionally this has meant seeking implementing partners through competitive processes and awarding grants and contracts. While these partners have worked hard to achieve development results, generally they have not collaborated with USAID in the definition of the problem to be solved or the results to be attained, and it is not their resources that are at risk. Recognizing that new partnership models are necessary in order to capitalize on the varying and unique capacities that different categories of actors bring to the table, the Mission has gone beyond the traditional award process and established both public/private partnerships and Global Development Alliances. These models bring together diverse partners in pursuit of a jointly-defined common goal, with each partner making its own distinctive contribution to achievement of that goal. Over the past three years, USAID/Nigeria has leveraged over \$20 million in private sector funding, and over \$100 million in total contributions, to help achieve priority development objectives in Nigeria through partnerships. These partnerships address development priorities across the Mission's strategic objectives in such areas as rice and cassava productivity, capacity building for legislative institutions, the national business coalition against HIV/AIDS, reproductive health, and malaria prevention. In FY 2006 the Mission will establish a new Partnership Office, headed by a Foreign Service officer, to expand public/private engagement in such areas as HIV/AIDS prevention and care and support; additional agricultural commodity sectors; and youth employment.