



USAID | NIGERIA

FROM THE AMERICAN PEOPLE

USAID/NIGERIA STRATEGY 2010 – 2013

I. Introduction

A. Country Context: Political, Economic, Security, Environmental, and Social Trends

Nigeria has just completed ten consecutive years of civilian governance, the longest period of non-military rule in its independent history. While the successive administrations of Presidents Obasanjo and Yar' Adua have enacted broad macroeconomic and other policy reforms, the implementation of these reforms has yet to register significant impact on the daily lives of ordinary Nigerians. Improving governance is the most pressing development challenge facing Nigeria today. The lack of transparency, accountability, and fiscal responsibility in the management of government revenues at all levels has set economic development back by decades. Nigeria's federal system delegates half of the annual budget and responsibility for the delivery of public services to 36 states and 774 local governments, which generally lack the institutional capacity to handle the money and provide the services. Government has also been ineffective at managing threats to peace and security from communal conflict, religious extremism, and militancy, and conducting orderly and credible elections.

Although Nigeria's standing on the Transparency International Corruption Perceptions Index has improved from 101/102 in 2002 to 121/180 in 2008, corruption remains a fundamental problem. In June 2009, one very positive development for Nigeria was its achievement of Tier 1 ranking by the Department of State Office to Monitor and Combat Trafficking in Persons (G/TIP) office in its Trafficking in Persons Report. For the past four years, Nigeria was ranked as a Tier 2 country. In 2004, it was listed on the G/TIP Tier 2 Watch List and was at risk for becoming a Tier 3 country, the lowest rating, and thus possibly subject to U.S. sanctions, including the withholding of certain types of foreign assistance. The report noted several improvements by the Government of Nigeria (GON), including the adoption in 2008 of a new National Plan of Action on Trafficking by the GON as well as the provision of \$9.3 million for the country's National Agency for the Prohibition of Trafficking in Persons (NAPTIP). Nigeria is the only African country other than Mauritius to make the top Tier 1 ranking.

Despite the country's recent strong economic performance, with GDP growth averaging 7.6% per year between 2003 and 2007, over half of Nigerians still live below the poverty line. Nigeria has the most highly concentrated export structure in the world, with oil and gas revenues constituting 95% of exports and 85% of government revenues. Agriculture, Nigeria's largest employer, accounts for 40% of GDP but contributes less than 5% of exports. It will take sustained growth of 10 percent per year to reduce poverty significantly by 2015. Low productivity, poor market linkages, negligible use of improved inputs, limited access to credit, inadequate infrastructure, and a poor enabling environment make farming an unrewarding occupation. Unemployment is a growing crisis, with up to three million young people entering the labor market each year in search of jobs that do not exist or for which they are not qualified. Youthful jobseekers also contribute to the rapid urbanization that is further compromising the already limited capacity to provide services, with profound environmental implications. Apart from urban congestion, pressing environmental issues include pollution of land and water resources from oil industry operations, deforestation, and desert encroachment, which will be accelerated by climate change. Nigeria contributes significantly to climate change primarily because of continuous flaring and venting of natural gas in the Niger Delta region and use of inefficient diesel back-up generators due to lack of reliable power

from the grid. According to the World Bank, more gas is flared in a single concentrated geographic area in Nigeria than anywhere else in the world.

Nigeria's basic education and primary health care systems simply do not deliver acceptable services to their clients. At least seven million primary school aged children do not attend school, the majority of them girls. Literacy and numeracy achievement among primary school pupils is poor and adult illiteracy stands at 40% among women and 30% 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 within 25 years. Use of modern methods of contraception remains very low. While child mortality has declined somewhat over the past five years, still nearly 16% of Nigerian children ever born will die before reaching their fifth birthday from largely preventable causes such as malaria, respiratory infections, diarrhea, and measles; and more than ten million children under five suffer from chronic malnutrition. The direct health impact of malaria is staggering in Nigeria and accounts for an estimated 60% of outpatient visits and 30% of hospitalizations. Use of insecticide treated bed nets by children under five and pregnant women are still low at 6% and 5%, respectively. Illiteracy, child mortality, and malnutrition rates are far higher in Nigeria's two northernmost geopolitical zones than in other parts of the country, and Nigeria is not on track to achieve the Millennium Development Goals. Nigeria is the only country in Africa to never have interrupted the transmission of polio virus. It has been and remains a source of re-infection globally. An estimated 2.6 million Nigerian adults are infected with HIV/AIDS, the second-largest burden in the world after South Africa. Without urgent action from the government this number will continue to increase. 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. Government (USG) has responded to Nigeria's HIV/AIDS epidemic through the President's Emergency Plan for AIDS Relief (PEPFAR), available resources and interventions are dwarfed by the magnitude of the problem.

Nigeria has the fourth largest burden of tuberculosis (TB) globally and is next only to South Africa on the African continent. USAID's TB control program is nationwide with TB "DOTS", or "Directly Observed Therapy Short-course", services provided in close to 100% of all local government areas. Treatment success rates have stabilized at over 80%, while case detection rates for TB patients appear to be stagnating at just over 30% percent

It is evident that TB in Nigeria will continue to be driven by HIV. TB continues to be a major cause of morbidity and mortality among people living with HIV/AIDS. The incidence of HIV in TB patients is 27%, affecting mostly the productive age groups of 25 to 34 years. The World Health Organization (WHO) estimated the prevalence of multi-drug resistant (MDR) TB in Nigeria to be 1.8% and 9.4% in new and re-treatment cases, respectively (WHO Global TB report 2009). There are ongoing efforts to establish an MDR-TB control program, including the development of guidelines, renovation of hospital wards, training of health workers, and conducting the first national MDR-TB survey. Limited laboratory capacity for MDR-TB diagnosis exists and vital laboratory systems are slow to develop. Lack of strong leadership, limited human resources, and severe funding gaps continue to hamper the national TB response.

B. Host Country Priorities and Commitment to Reform

Nigeria began to adopt significant macroeconomic and sector reforms during former President Obasanjo's second term in office (2003-2007). Thus far the greatest impact has been achieved in financial planning, budgeting, and fiscal management. A budget system based on a conservative reference price for oil has reduced economic instability and created a fund to cushion shocks. The National Assembly passed legislation aimed at reforming public procurement and improving fiscal responsibility and these have been signed into law at the federal level, with some states now beginning to draft similar legislation for

implementation at state and local levels. Nigeria was also among the first countries to “domesticate” the Extractive Industries Transparency Initiative (EITI) by passing an EITI law to improve governance of the oil and gas sector, allowing for significant civil society oversight. The legislature has yet to pass the freedom of information bill, however, and urgently-needed electoral reforms are still pending.

The second Obasanjo administration also saw the implementation of Nigeria’s first poverty reduction strategy, the National Economic Empowerment and Development Strategy (NEEDS), which covered the period 2005-2007. President Yar’Adua’s Seven Point Agenda has established current development priorities, which include macroeconomic management; infrastructure, particularly roads and power; agriculture; human development; anti-corruption; security; and the Niger Delta. The Seven Point Agenda provides the framework for the National Development Plan, or Vision 2020, which intends to position Nigeria to become one of the top 20 economies in the world by 2020. Vision 2020 was approved in October 2009. In addition, at a recent meeting of the National Economic Council, the Yar’ Adua administration brought together State Governors to endorse a comprehensive new federal-level National Strategic Health Development Plan (NSHDP), 2010-14, and to present State Plans for the same period. The plans prioritize primary health care interventions - including maternal and child health, reproductive health, family planning, and prevention and treatment of diseases that affect women and children - and provide budget figures, indicators, and targets for implementation, monitoring, and evaluation.

Nigeria’s National Planning Commission (NPC) is charged with the responsibility for managing bilateral economic cooperation and development assistance and producing the Vision 2020 Plan. USAID and other donors assisted the NPC to meet the October deadline for launching Vision 2020 and have collaborated closely with the NPC in the development of their strategy documents to ensure host country ownership and leadership.

II. Overall Strategic Approach and Priorities

A. U. S. Foreign Policy Goals

USAID’s strategy is designed to support Nigeria’s response to the governance, economic, and human development challenges described above. The United States has a strategic interest in continuing its strong partnership with Nigeria and is focusing on four policy pillars: governing justly and democratically; investing in people, particularly through health and education; enhancing economic growth and trade; and improving peace and security. Working through these pillars, USAID seeks to address the additional policy priorities of energy security, regional stability, and Muslim outreach.

Nigeria’s development challenges and opportunities are accompanied by risks. The global financial crisis has slowed the pace of economic growth and reduced government revenues. Institutional weaknesses and capacity constraints at all levels consume resources and compromise achievement of results. While USAID has applied a governance lens to the selection of partner states, the possibility that these states might not follow through on their commitments is also a risk. The likelihood that another botched election in 2011 would lead to violence or worse cannot be dismissed.

B. Strategic Vision and Themes

Improving governance is the foundation of the USAID program in Nigeria. There will be no sustainable progress in reducing catastrophic maternal and child mortality, fighting poverty and hunger, and creating jobs or a better-educated population without improved governance. USAID programs will work synergistically to build the capacity of citizens to demand better service delivery, and the capacity of government to provide it. USAID will concentrate its foreign assistance resources in selected states that have demonstrated commitment to reform. USAID will work with civil society, the private sector, and

other donors to strengthen service delivery systems and increase transparency and accountability, harnessing partner states' own resources to do more to benefit their people.

USAID has developed a transparent and inclusive process for selecting partner states where assistance will be focused. In priority order, the five broad criteria used in the selection are:

- Governance factors, including enabling legislation, policy frameworks, reform champions;
- Need, as demonstrated by poverty, child mortality, school enrollment, etc.;
- Prior investments and opportunities for leveraging;
- Nigerian government priorities;
- Foreign policy priorities, institutional priorities.

Application of the selection process resulted in the choice of Bauchi and Sokoto states as partners for health, education, and governance interventions. Additional states will be added as funding levels permit. In economic growth, USAID will remain flexible to address opportunities to develop market chains, capacity to grow key crops, agro-processing facilities, and meeting the requirements of the President's Global Hunger and Food Security Initiative.

USAID/Nigeria's assistance objectives address five key issues that must be considered in all programs to ensure successful implementation in the Nigerian environment. These are: youth, conflict, anticorruption, gender, and local institutional capacity.

- **Youth.** Nigeria has a huge youth bulge. Almost half of the population is under the age of 15 and 45 million are aged between 10 and 24 years. Different cohorts of the youth population face different challenges through the life cycle. Early childhood is attended by high rates of morbidity and mortality. Among children aged 6-12, net primary school attendance is poor 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. At least one-third of Nigerian women have given birth to their first child at age 18 or younger and are exposed to the illness and death associated with adolescent pregnancy and child-bearing. Unemployment is the principal risk facing those aged 18-24, with large numbers having migrated to urban areas in a vain search for jobs. All USAID/Nigeria programs will employ innovative and effective approaches to youth engagement, including building the capacity of youth-focused civil society organizations (CSOs) and airing radio programs that speak to youth issues.
- **Conflict.** Conflict in Nigeria is localized and has multiple causes. Its disruptive effects threaten food security and income generation, lead to the destruction of property and loss of life, constrain or prevent the use of health and educational services, foster the transmission of HIV/AIDS, and have disproportionate negative impact on women and their children. Conflict also affects the implementation of development assistance programs. USAID's own conflict mitigation and management program has been compelled to scale back or suspend operations in some areas due to escalation of conflict. Under this updated strategy, based on evaluation findings, we will modify our approach to conflict to build conflict management and early warning capacity in communities and civil society organizations across sectors, and to address governance-related dimensions of conflict.
- **Gender.** Nigeria performs very poorly against globally accepted gender equality measures. Nigeria has a very low Gender Development Index (GDI) ranking - 123 out of 140 countries. Nigeria also performs relatively poorly in terms of the Gender Empowerment Measure (GEM), ranked 145 out of 162 countries and 117 out of 154 countries for the presence of women legislators and the ratio of female earned income to male earned income, respectively. USAID/Nigeria dedicates significant resources to improving gender equity and women's empowerment across all objectives and this commitment will be sustained under the updated strategy.

- Anticorruption. The pervasiveness of corruption and the lack of transparency that attends the conduct of daily affairs in Nigeria have already been noted, as have recent improvements in the Transparency International Corruption Perception Index. Such improvement cannot be a cause for complacency. The rate of corruption remains high and has direct impact on activities implemented under all objectives because it increases the costs of doing business; prevents direct support to the GON; and slows the pace of implementation because partners must be carefully vetted, and because rent-seeking impedes the release of imported commodities from customs. Each objective must address transparency on two levels: as it affects program implementation, and as a core development issue.
- Local institutional capacity. Sustainable development in Nigeria requires increasing efforts to build and sustain institutional capacity. Decades of authoritarian leadership in Nigeria did little to foster effective governance institutions or non-governmental organizations (NGOs). Over the last ten years, democratic institutions have been strengthened and civil society organizations have proliferated, but significant capacity challenges remain. USAID/Nigeria has adopted a systems strengthening approach as the focus of social sector and governance programming. The approach will focus on increasing the competencies of government institutions and civil society to plan, manage resources, implement policies, and be accountable to citizens.

The USAID strategy also supports Administration priorities and initiatives, including food security, health and nutrition, education, Muslim outreach, and global climate change. The latter of these deserves special attention because of Nigeria's unique contributions to climate change through gas flaring. The Nigerian National Petroleum Corporation (NNPC) reports that 40% of gas produced in the country is flared annually, making Nigeria the second largest gas flaring country in the world. The World Bank estimates that Nigeria loses \$2.5 billion annually to gas flaring. Over the next four years, USAID will utilize market-based approaches to reduce global climate change emissions, improve efficiencies, and expand clean energy growth. These efforts will contribute to the foreign policy priority of energy security and, if properly implemented, will support youth and conflict interventions.

The USAID strategy is fully aligned with Nigerian government priorities as laid out in the Seven-Point Agenda, directly or indirectly supporting all of the components of this agenda. Stakeholder consultations were conducted with NPC, Federal Government line Ministries, state and local governments, numerous civil society organizations representing technical sectors and cross-cutting concerns such as corruption and human rights, and the private sector. Development outreach efforts through press releases, radio programs, success stories, periodic "Letters from Nigeria" and news flashes, and appearances by Mission personnel at public events will ensure that host country audiences are informed about the results and impact of USAID programs.

C. Donor Coordination

Simultaneously with updating the bilateral strategy, USAID has also joined forces with the African Development Bank (AfDB), U. K. Department for International Development (DFID), and the World Bank in developing a Country Partnership Strategy (CPS) II. The CPS II partners account for over 80% of annual development assistance to Nigeria. By agreeing to a single joint strategy, the partners anticipate increased effectiveness of their support, closer coordination of their activities, and greater transparency in their relationships with Nigerian counterparts. Agency heads of all development partners in Nigeria meet on a monthly basis and share information about their programs and activities. Non-CPS partners, including the Canadian International Development Agency (CIDA), Japanese International Cooperation Agency (JICA), the European Union, the French Agency for International Development, and the United Nations system have seconded observers to the CPS II process and some are expected to formally join the partnership during the implementation period. The CPS pillars of non-oil growth, human development, and governance, and USAID's five Assistance Objectives, articulated below, are mutually reinforcing and

share common performance measures. In addition, USAID actively participates in dozens of donor working groups in key strategic areas.

III. Assistance Objectives

AO 1: Strengthened Civic Engagement for Good Governance

Foreign Assistance Framework Linkages: Peace and Security, Governing Justly and Democratically

A. Situation Analysis and Development Hypothesis. Many roadblocks to strengthened democracy remain in Nigeria at all levels of governance. Political elites are still entrenched in political structures, excluding the majority of citizens from meaningful political participation. Violent conflict, triggered by political competition and communal, ethnic, religious, or resource allocation rivalries, poses a major threat to democracy in Nigeria. Systemic corruption is a key governance issue that has pervaded the daily lives of Nigerians, who believe that only unemployment is a bigger challenge to their future. Civil society still lacks both the capacity and the resources it needs to truly engage with government and advocate for change. Government institutions have not established partnerships with citizens or the private sector and lack capacity to carry out their own mandates. Nigeria remains on the USG Religious Freedom Watch List due at least in part to infringements on civil liberties perpetrated on religious grounds.

The key governance problem facing Nigeria is the dominance of the nation's politics by an oligarchy – a small elite spread across the country – that is illicitly capturing the country's massive wealth while excluding the bulk of the citizens from economic and political participation. These oligarchs are still the dominant public figures, and corruption persists at appalling levels. The incumbent administration has not carried through on its commitment to electoral reform, raising the spectre of another election fiasco in 2011. In addition, the increasing militarization of politics nationwide, and in the Niger Delta in particular, raises growing concerns that political conflicts will become ever more violent, surging beyond the control of leaders at all levels. Moreover, these negative political development trends are occurring in the context of poor social and economic indicators across the country. In addition to the human costs, these conditions undermine the public's ability to engage the democratic process at the minimal levels required for the system to flourish.

Amid this darkening picture, however, are important counter-trends that auger well for democratic development in Nigeria. The first is that pockets of democratic reform are consolidating in some parts of the system. The Supreme Court, Federal Courts of Appeal, and some election tribunals have shown independence and probity. Nigerians have now lived under civilian, semi-democratic rule for a decade, which has created rising democratic expectations among the public. The elites, meanwhile, have also shown a measure of democratic learning and a willingness to use some of the key constitutional processes and institutions to settle disputes. Such positive-leaning oligarchs are the primary "reform champions" with whom USAID and its partners can work. The moments when an oligarch's narrow self-interest coincides with the public interest offer windows of opportunity for USAID and its civil society partners to encourage, implement, monitor, and demonstrate the effectiveness of good governance reforms. As the political benefits of meeting popular needs become increasingly apparent, this process can create a virtuous cycle that sustains and expands political will while encouraging the development of systems to capture and manage increasing shares of resources for the public good.

These circumstances suggest the following development hypothesis:

Civil society can help to create, take advantage of, and replicate the alignment of certain Nigerian leaders' political will with the public interest in order to transform pockets of reform into a self-reinforcing system of good governance.

B. Assumptions and Risks.

- Election reforms will not likely be enacted in time for the 2011 election. Consequently, a two-track approach to elections is required: one track for the immediate need to strengthen civil society and public oversight of the potentially flawed 2011 elections, and one track to pursue the longer-term reforms that are required.
- The pockets of "political will" among reform-inclined oligarchs will require USAID-assisted CSO partners to adopt a more collaborative, rather than confrontational, approach. Bearing in mind that civic action around the 2011 elections is likely to be antagonistic, USAID will emphasize pro-democracy coalition building and non-violent approaches to protecting legitimate public mandates in credible election outcomes.
- Membership-based CSOs, such as trade unions and religious institutions, tend to have much larger followings and public legitimacy than NGOs (professional skill/service providers), and consequently should be made more central in peace and democratic governance activities, particularly in regard to election-related concerns.
- Building linkages between national-level CSOs and grassroots community based organizations (CBOs) will be possible in the context of the 2011 election, in which large nationwide coalitions with local CBO alliances may form and could be supported, and in public expenditure tracking.

C. Assistance Approaches.

- Rule of Law. The justice system in Nigeria is vast and needs are enormous. USAID assistance to the sector will be focused on Federal institutions, including the Supreme Court and Courts of Appeal. These courts have already shown a willingness to reform and to operate effectively and transparently. The National Judicial Council is working to remove corrupt and incompetent judges and assert budgetary control. The USAID program of support to the Federal Judiciary will build on these positive trends.
- Good Governance. Improving governance is the cornerstone of the approach. Engagement will be principally with state and local governments, as well as civil society and private sector stakeholders at those levels. Approaches will include building the capacity of key officials to plan, budget, track, manage, and evaluate their fiscal and administrative responsibilities; reinforcing policies and systems to improve transparency; mobilizing civil society and the private sector to participate in community planning and budgeting, monitor financial flows, and assess the quality of services rendered; and assisting civil society groups to hold elected officials responsible for their actions.
- Elections and electoral reform. The approach will address electoral reform and management of elections. USAID will seek to improve the credibility of the 2011 election through election coalition formation, domestic monitoring, civic education, political party strengthening, mandate protection, and parallel vote tabulation. As it does not seem likely that needed reforms to governance and conduct of elections will be enacted prior to the next national election in 2011, USAID will also focus on moving forward with positive changes to electoral laws.
- Civil Society. USAID will provide capacity building and support civic advocacy and media professionalism, focusing on membership organizations and larger civil society groups as targets for advocacy work, particularly on anti-corruption reforms. A public-private partnership with the

BBC World Trust will provide training to the media and improve the quality of programming around themes related to governance, conflict management, elections, and service delivery.

- **Conflict Mitigation and Reconciliation.** On the conflict mitigation side we will stress the promotion of stronger and broader collaboration between government and civil society to reduce sources of communal tension and violence in selected states and build robust early-warning systems. Peace education will be complemented by national-level inter-faith dialogue being carried out jointly by the Christian Association of Nigeria, under the leadership of the Archbishop of Abuja, and the Supreme Council for Islamic Affairs, headed by the Sultan of Sokoto.

D. Development Partners. International development partners including DFID, the European Commission (EC), CIDA, and the World Bank are providing support to promote good governance at the national, state and local government levels in Nigeria. The DFID-funded “Coalitions for Change” program in Nigeria takes an issues-based approach to improving Nigeria’s capacity to meet the Millennium Development Goals by institutional change within government to promote accountability and reduce mismanagement of public revenues. The approach identifies and supports coalitions of interest across civil society, government, the private sector, and the media. In the governance sector, CIDA has been working to improve the living conditions of the poor by enhancing the technical capacity of government agencies, NGOs, and community organizations to manage natural resources.

E. Results Framework.

AO 1: Strengthened Civic Engagement for Good Governance			
<ul style="list-style-type: none"> • Multi-sectoral Policy Scorecard • Afrobarometer nationwide public opinion surveys 			
IR 1: Increased capacity for civic advocacy, monitoring, and engagement	IR 2: Enhanced credibility of elections	IR 3: Responsive governance at state and local levels	IR 4: Conflict mitigated among at-risk communities

AO 2: Increased Rural Incomes and Jobs in Assisted Areas

Foreign Assistance Framework Linkage: Economic Growth

A. Situation analysis and development hypothesis. The agricultural sector is essential to Nigeria’s non-oil development. Since 2001, this sector has generated over half the new jobs in the economy and its 7% annual growth rate since 2003 has stabilized the economy during volatile swings in crude oil prices. Agriculture accounts for 41% of GDP and 38% of economic growth. Agricultural exports are 2.6% of total exports and, while growing, they remain insignificant. The banking sector’s heavy emphasis on urban areas and loans to large enterprises has cut rural areas and agriculture off from access to financial services. The dearth of finance has made it difficult for private agro-enterprises to expand. Government policies have discouraged private firms and farming. Poor infrastructure has made it costly and difficult to move crops to markets and annual population growth of 2.5% compromises national food security. Moving the majority of Nigerians out of poverty will require the economy to grow at 10 percent per annum.

Nigeria illustrates why an oil-based economy can be a curse. As oil income flowed in, agricultural-based growth was deemphasized or ignored. The strong foreign exchange position increased the external value of the Naira, which increased the cost of inputs and made agricultural imports cheaper than domestic

production. People left farms to seek urban employment, reducing the knowledge base. Government ignored transport infrastructure, which deteriorated and increased transport costs. The same forces decimated rural industries that had processed, transported, and provided inputs to agriculture. The oil money increased corruption as licenses to import, sell, and transport items were not market-driven. The government stepped in frequently to supply inputs directly. As a result, private rural input suppliers disappeared and supplies were late and/or inadequate. State-controlled agro-processing facilities failed because of inefficiencies and lack of connection between producers and consumer demands. Agricultural research funding and testing of new seeds and fertilizers was reduced. Policies that support use of the market and the private sector are inconsistent and unpredictable.

To guarantee markets for agricultural products and assure linkages with transporters, USAID will make agro-processors central to the value chain and sector development. The processors guarantee an output market and, through linkages with financial institutions, can provide the money needed to purchase inputs from private agro-enterprises. Since the financial institutions get paid by the agro-processors when goods are delivered by farmers for processing, the approach will reduce risk and increase access to finance. Processor downstream value chain linkages further help the process. This model enables USAID to strengthen the agricultural private sector and provide a working alternative to unsustainable government actions. The USAID model has been successful with different crops in different states. Recent improvements in agricultural production have been due more to increases in area under cultivation. This will be decreasingly possible in the near future as improving productivity through improved inputs and technology, which should come from the private sector, becomes more important. USAID will initially work in the states and with the crops with which it has been successful, expanding to new states and commodities as funds permit. Within the support to the Comprehensive African Agriculture Development Program (CAADP) in Nigeria and the donor pledge of \$20 billion to improve food security and agriculture-led growth in Africa, investments will improve the enabling environment for agriculture and trade as well as reduce trade and transportation costs of essential commodities.

B. Assumptions and Risks.

- While there are statements of GON support for expanded private sector involvement in the entire agricultural sector, there will continue to be pressure for government to directly intervene to provide inputs and purchase outputs. The reduction in government revenue due to the global financial crisis might reduce such interventions, but future changes in oil prices might lead to policy reversals.
- The GON will maintain the political will to implement a CAADP compact and investment plan.
- Climatic conditions, particularly rainfall, will be favorable.

C. Assistance approaches.

- The Nigerian Global Hunger and Food Security program - Agriculture Transformation Program (ATP): Agriculture is the core of the program. Work will center on agro-processors to ensure that commodities produced as a result of increased agricultural production can be sold, thereby increasing valued added processing and improving the incomes of all businesses along the agriculture value chain. Policy work will assist agro-enterprises to increase access to technology (seeds, fertilizer, and business practices); expand private sector supply of inputs; increase financing for farmers and processors; decrease the costs of agricultural trade; and improve regional and international commodity networks. The USG will help expand farmer credit by using bank financing supplied to farmers in association with agro-processors, develop new leasing arrangements to assist transporters, and aid small and medium enterprises through microenterprise banks.

- ATP will increase the benefits to and income of women and the very poor. Generally, low-income women and the very poor (earning less than \$1.25/day) are excluded from the process of economic development because they lack access to resources and services. Over 16 percent of Nigerian households are woman-headed, with the majority being very poor. As laborers, women receive only 75 percent of the wages men are paid for the same work. Creating more off-farm employment for the landless and for those living on extremely small plots of marginal land will provide a more sustainable income stream for the vulnerable poor. Finally, improvements in agriculture and trade can impact everyone, in particular women, who comprise a large share of labor in agriculture, and the very poor, who currently engage in subsistence farming but could easily be integrated into higher income-producing activities. Special attention will be provided in the northern states where rural poverty is highest and opportunities for women are the most limited. Women are heavy users of microfinance services. Working with the banking sector, ATP will ensure that resources are targeted at increasing access to finances for women farmers and agro-processors.

Women's Income: The USAID MARKETS project assisted 66,000 women to gain access to inputs and financing and expand business linkages to agro-processors, which led to an increase in their farm productivity and income. Women are very involved in production and provide a large proportion of the labor force for processors. Under ATP, USAID will expand work with women that started under USAID MARKETS and increase the number of women participating in the successor USAID MARKETS II to at least 40 percent of total beneficiaries. ATP will expand its focus in MARKETS II to create more off-farm employment for landless women and for those living on extremely small plots of marginal and fragile soil types. ATP will broaden the number of women who have access to microfinance services.

Assist the Very Poor: The ATP USAID MARKETS II model may not reach the majority of the very poorest population, so additional efforts will be considered to assist this group. The World Bank Fadama III Program (Fadama) is a community-based project that reaches a high percentage of the very poor. It is being expanded to 24 of Nigeria's 36 states over the next four years. USAID will examine the Fadama program to identify how extensively it reaches the very poor. Based on this examination, USAID will consider collaborating with the Fadama project through a pilot program in Bauchi and Sokoto states, which are priority focus states for USAID's health, education, and future nutrition programs.

- Trade. USAID proposes to continue with its current analytical methods to identify bottlenecks and strengthen advocacy groups to systematically eliminate trade barriers. Initial work will be on the Lagos-Niger corridor but future work will be on other corridors; domestic (especially middle-belt) roads; and pilot programs to improve transport between agro-processors, farmers and markets. To facilitate trade, USAID will help develop inland dry ports. The importance of meeting international standards for traded commodities necessitates the creation of testing and certifying labs. The program will continue to support the reform efforts of the Nigerian Customs Service, leading to reduced transaction costs for trade. USAID will help commercial banks interested in expanding their role in confirming trade letters of credit, which are necessary for international trade.
- Financial Sector. Access to finance is critical to success of the strategy. Because credit is in short supply in rural areas there is less scope for development. The focus will be to increase access to financing for the processors and producers along key value chains that will increase productivity and market supply of foods. The large commercial banks are unlikely to provide much credit except with exceptional guarantees or subsidies and more collateral than enterprises or farmers have. The recent development of micro-finance banks offers an opportunity to provide

credit to smaller enterprises. The Central Bank will be assisted to develop regulations and monitoring and then help these banks with data collection and the analysis and risk management that goes with the data. Leasing companies only exist in a few cities but offer USAID opportunities in both the transport sector and in providing mechanization to farmers. The primary core program areas of the Mission Strategic Plan, the Secretary of State-GON Binational Commission, and the President's Global Hunger and Food Security Initiative are agriculture sector and trade development and energy/climate change activities. While the Mission recognizes that opportunities might exist for engagement to help develop Nigeria's financial infrastructure, the updated strategy does not contemplate doing so because it would be an expansion of the Mission's focus into areas for which there is inadequate staffing. The Mission has limited unprogrammed, unearmarked Development Assistance funding to support work in the financial sector and the available and anticipated resources are all fully committed to local government strengthening for fiscal responsibility and public procurement in Bauchi and Sokoto states, based on previous negotiations with the GON. Within the food security program, the immediate objectives are to expand lending to the agriculture sector through attracting investors and from the commercial banks. If significant additional funding becomes available in FY 2011 from the Global Hunger and Food Security Initiative and office space and staffing shortages are not issues, the Mission would consider work in this area.

- Professionalism in GON. Achieving the goal of agricultural transformation will require attention to five core issues, one of which is capacity building for the public and private sector working in agriculture. USAID/Nigeria will help build the capacity of the GON, the private sector (agro-processors, small and medium scale farmers, associations, cooperatives, shippers, and transporters), and civil society to expand agriculture sector growth through private sector market-driven investments. An initial priority will be to deepen Nigerians knowledge about the CAADP framework. The USG is preparing a Capacity Building Plan to strengthen the skills of GON and private sector representatives to disseminate information about and implement a CAADP compact. Using FY 2009 Global Food Security Response Funds, USAID is building the institutional capacity of key counterpart organizations [Ministry of Agriculture and Water Resource (MAWR) Department of Policy, Planning, and Statistics; the Ministry of Commerce and Industry (MCI) trade policy and Trade and Investment Framework Agreement (TIFA) team; the Ministry of Transportation; and the Nigerian Customs Service]. These activities will be expanded with FY 2010 resources.

GON agencies responsible for customs and agricultural statistics will be assisted through capacity building to improve efficiency in these key areas. MCI staff will receive training on trade facilitation and statistical analysis to help build its capacity to assess the impact of changes to trade policy, such as changes to tariffs and duties. Finally, ATP will coordinate its efforts to address global climate change with other development partners and the GON to ensure that activities are in line with country priorities. A specific Capacity Building Plan is attached.

- Environment. USAID will collaborate with the GON to reduce gas venting and flaring by providing technical assistance and institutional capacity building to GON and private sector entities, including the Independent Power Producer Association of Nigeria and NNPC. USAID will also raise awareness of and increase strategic capabilities for renewable energy technologies.

D. Development Partners. In May 2008, Nigeria's Federal Ministry of Agriculture and Water Resources announced the National Food Security Program, a strategic plan to guide the effective implementation of agricultural programs and policies in response to the ongoing food security crisis. The GON floated a \$1.35 billion bond to provide credit facilities to commercial farmers in the country. The GON comprehensive agricultural development strategy engages the private sector in competitive production,

commodity development and marketing. In addition to the USG, the World Bank; AfDB; United Nations; and British, French, and Canadian governments support agricultural sector productivity in Nigeria. These institutions are undertaking significant work to develop Nigeria’s financial infrastructure, which is critical to the success of the Mission’s programs. There might be an opportunity for the Mission to implement activities in this area to improve the efficiency of the financial infrastructure, which would have a direct effect on the whole economy. However, because of staffing and funding issues highlighted above, the immediate contemplation of the Mission’s strategy as it relates to this area is to expand lending to the agricultural sector. The World Bank is financing small-scale irrigation systems, feeder roads, marketing infrastructure, and other types of community infrastructure identified by beneficiaries as priorities, and has approved a \$200 million commercial agriculture development project. The AfDB is expanding investments in rural infrastructure.

The Special Program for Food Security is financed by the GON and managed by the Food and Agriculture Organization of the United Nations. The aim of the project is to increase production and incomes of rural households and beneficiary communities. The U. K.’s agriculture program aims at improving the livelihoods of the poor by facilitating the development of viable agriculture commodity and service markets. USAID reactivated the Agriculture Donors Working Group to engage the GON in policy discussions and coordinate assistance.

The donor analysis for CPS II lays out the compelling need to focus on job creation and increasing incomes. The oil and gas sector has dominated the economy and non-oil sector growth must be the focus of attention for the next several years, probably a decade. The approach to job creation on farms is to increase productivity and expand land under cultivation. The need for job creation is based on a rigorous study by the World Bank and takes into account the current levels of underemployment and rapid population growth rate throughout Nigeria. The Mission’s value chain model has already resulted in increasing farm labor jobs. In addition, empirical evidence shows that interventions in the value chain at the processor level and working back to farmers’ results in greater productivity, income, and employment. This model has won an international award from the World Economic Forum. Further, without the development of agro-processors, it is the experience of USAID/Nigeria as well as other countries that productivity gains can be achieved but, without clearly developed markets to complement this, crops cannot be sold.

E. Results Framework

AO 2: Increased Rural Incomes and Jobs in Assisted Areas <ul style="list-style-type: none"> • Agricultural revenues generated • New agriculture value chain jobs created 			
IR 1: Increased Agro-enterprise-farmer linkages		IR 2: Reduced infrastructure (energy, trade and transport) bottlenecks	IR 3: Improved agricultural and trade enabling environment at state and federal levels
Sub-IR 1: Increased agricultural productivity	Sub-IR 2: Increased value of private sector input supply to and output purchases from farmers		

AO 3: Increased Nigerian Capacity for a Sustainable HIV/AIDS and TB Response

Foreign Assistance Framework Linkage: Investing in People/Health

- A. Situation analysis and development hypothesis. The HIV epidemic in Nigeria is a mixed epidemic. Generalized prevalence is 3.1%, but there are significantly higher rates among most-at-risk populations (MARPs), including commercial sex workers, injecting drug users, and men having sex with men. Nigeria's 2.6 million HIV positive individuals constitute the second greatest burden of HIV/AIDS care and treatment worldwide. Adding to this burden are 1.2 million children orphaned by HIV/AIDS. Heterosexual transmission accounts for up to 95% of HIV infections and women account for close to 60% of all adults living with HIV. Fewer than five percent of pregnant HIV-positive women are reached by services to prevent mother-to-child transmission (PMTCT), and more than 73,000 children are born with HIV each year. Approximately 300,000 individuals are currently on anti-retroviral treatment (ART) nationwide, but the estimated 750,000 HIV positive individuals needing ART but not receiving it constitute an unmet demand of over 70%.

TB constitutes a major public health problem in Nigeria with an estimated annual incidence of 311/100,000. About 460,000 cases of all forms of TB occur annually in the country. TB is one of the most important causes of morbidity and mortality among HIV positive individuals. It is estimated that 27% of TB patients are HIV positive and while 30% of HIV positive patients have TB. Support for collaborative TB/HIV activities continues to be a public health priority in the control of TB. Case detection of TB cases in Nigeria appears to be stagnating at less than 40% despite continued expansion of TB DOTS services. Seeking out the missing cases will require intensified case finding among high risk populations. Expanding the reach and provision of TB control services beyond public health facilities into communities, private sector, and tertiary health care services will be critical. Furthermore, WHO estimates the prevalence of MDR-TB in the country to be 1.8% and 9.4% among new and retreatment cases, respectively. Support for an effective MDR-TB program in the country is critical and entails the development of local capacity for new skills and knowledge, diagnostics, drugs, management, infrastructure, and financing.

Nigeria has been slow to recognize the gravity of the epidemic and to mobilize the commitment and resources required for a sustainable national response. While progress has been made in policy development and strategic planning at Federal level, provision of care, treatment, and prevention services remains inadequate and the level of unmet need is enormous. The expansion of HIV/AIDS services over the past five years has been due almost in its entirety to donor support, particularly from the USG through PEPFAR. In order to assist Nigeria to develop and implement a comprehensive national response to HIV/AIDS, PEPFAR partners will establish a Partnership Framework with Nigerian stakeholders, including Federal government bodies, state and local governments, faith-based organizations, civil society, the private sector, and development partners, including the Global Fund Nigeria Country Coordinating Mechanism. The goal of the Partnership Framework is to advance Nigeria's ownership of the fight against HIV/AIDS. The Partnership Framework will outline the mutual commitments and responsibilities of the partners and identify strategies for expanding prevention, care, and treatment services; strengthening the health care system and better integrating the HIV/AIDS response into that system; and improving the environment for HIV/AIDS service delivery at all levels.

B. Assumptions and Risks

- Nigerian stakeholders will deliver on their commitments under the Partnership Framework.
- The resources necessary to satisfy unmet demand will be mobilized and available.

- Accurate and timely data to gauge the impact of the national response will be available.
- Conflict and/or the political situation will not interrupt provision of services.

C. Assistance Approaches.

- **Prevention.** In the past Nigeria was labeled a “next wave” country and an explosive increase in HIV infections was predicted. While that grim scenario has not materialized, Demographic Health Survey (DHS) data on knowledge of HIV/AIDS transmission demonstrate the urgent need to step up prevention efforts. Central to the approach is the engagement of influential political, traditional, religious, and community leaders to lead by example and to tackle stigma, which remains a significant barrier to prevention. Strengthened data collection and monitoring will identify most-at-risk populations (MARPS) and marginalized and underserved groups. USAID will seek to strike a better balance between abstinence, being faithful, and other prevention messaging and service provision, including condoms, and to strengthen the provision of PMTCT services.
- **Care and treatment.** Close to one million Nigerians need ART, but only 300,000 are currently on treatment. The intent is not to increase the number of clients on treatment, but to improve the quality of services and ensure greater equity and appropriate distribution of available services. Together with Partnership Framework partners, we will seek to correct uneven resource allocation and inequities in the distribution of service delivery outlets. The approach will follow the “hub and spoke” model of scaling out services to areas of unmet need, particularly at the primary health care level, and will take geographic coverage data, prevalence rates, and focused clinical outreach to MARPS into account. Quality of services will be addressed through standardization of training programs, human resource development and supervision, and implementation of national lab and drug quality assurance programs.
- **Systems strengthening and integration.** The public health care system in Nigeria suffered a decade of neglect under military rule from which it still has not recovered. USAID and Partnership Framework partners will work to improve key ingredients of quality service delivery systems, including governance and policy, infrastructure, financial management, human resources, and logistics. At the same time, there is an opportunity to better define the allocation of responsibilities between the national, state, and local tiers of government, and to reduce “stove piping” of donor, private sector, and government programs driven by specific diseases, including HIV/AIDS. Strengthening, streamlining, and coordinating the health care system will allow opportunities for stronger linkages between maternal and child health, reproductive health, TB, and HIV/AIDS programs and activities, as well as increased opportunities to integrate governance and economic growth components into care and support and prevention messages into other sector programs.
- **Enabling environment.** The progress made at national level in establishing a supportive policy framework for HIV/AIDS has not been stepped down to state, local, and community levels. Misconceptions about transmission and prevention still abound and translate into discrimination and stigma. HIV/AIDS is a culturally sensitive issue, but requires dialogue and open discussion of the impact and challenges posed by the epidemic. USAID and partners will work to “decentralize” appropriate policies to state and local levels and to disseminate accurate, culturally appropriate information to inform decision-making and policy development.

D. Development partners

The interagency USG PEPFAR program represents the lion’s share of assistance in this sector. However, there are substantial contributions as well from the Global Fund Round 5 grant currently under phase 2, as well as DFID and the World Bank. Under a new program initiative, DFID will channel a substantial portion of its support through the World Bank, and embed in the World Bank Nigeria Mission a senior HIV/AIDS specialist who will oversee both DFID and World Bank assistance. More modest assistance has come from UNAIDS, UNDP, WHO, UNICEF, the European Union, CIDA, the Embassy of France, and GTZ.

Donors in the HIV/AIDS arena are grouped together in the Development Partners Group against HIV/AIDS. This body, which includes both USAID and CDC, meets monthly to discuss program and policy opportunities for enhanced coordination. USAID sits on the Global Fund Nigeria Country Coordinating Mechanism, which provided overall supervisory oversight to the active HIV/AIDS, TB, and Malaria grants. The USG PEPFAR program has worked hard to harmonize PEPFAR and Global Fund contributions and link sites receiving assistance.

E. Results framework

<p style="text-align: center;">Increased Nigerian Capacity for a Sustainable HIV/AIDS and TB Response</p> <ul style="list-style-type: none"> • Number of GON sites providing comprehensive integrated services • % of total funding for the response from Nigerian sources 				
IR 1: Increased access to quality HIV/AIDS and TB care and treatment services	IR 2: Increased access to quality HIV/AIDS and TB prevention services	IR 3: Strengthened health care systems	IR 4: Strengthened cross-sectoral integration of HIV/AIDS and TB programs	IR 5: Strengthened public, private, and community enabling environment

AO 4: Increased Use of High-Impact Health Interventions

Foreign Assistance Framework Linkage: Investing in People/Health

A. Situation analysis and development hypothesis. Strengthening the health sector and improving health indicators are among the most important development issues facing Nigeria. Maternal mortality rates are very high, particularly in the northern states, and the average woman in the northern states, where childbearing starts very early and births are very closely spaced, gives birth to seven children during her reproductive years. Use of modern methods of contraception remains very low, use of condoms to protect against sexually-transmitted infections is low, and family planning and reproductive health services are weak. About one million children die each year before their fifth birthday, with malaria being the single largest cause of death in children. Infant and child mortality rates are extremely high, even when compared to other sub-Saharan countries. The GON and the international partners in Nigeria are coming together to develop coordinated strategies, policies, and plans to address these urgent public health issues.

USAID has a long history of activities in the health sector, including maternal and child health, family planning and reproductive health, malaria, TB, and HIV/AIDS. In MCH/FP/RH, these activities have included support for development of policies, planning, norms, and standards at the federal, state, and local levels; building of key capacities; and targeted strengthening of key system elements (such as logistics at the distal end of the health commodities delivery system). USAID has developed approaches to improve delivery of key MCH/FP/RH services at the operational (primary and first referral) levels of the public health system and has demonstrated how community mobilization can make major

contributions to increasing healthy behaviors and demand for health services as well as to improving those services themselves. USAID has also been a leader in applying social marketing and other private sector approaches to improve availability of health services and products. USAID has combined support for strengthening routine immunization with substantial resources supporting the polio eradication initiative. This has had special resonance in Nigeria, given that Nigeria is one of the four remaining countries where wild polio virus still circulates, and in recent years Nigeria's laggard performance has contributed to the re-infection of over a dozen countries in Africa and Asia.

USAID's new MCH/FP/RH strategy emphasizes stronger coordination of activities; greater focus technically and geographically; and strategic integration of key program areas and resources, including MCH, FP/RH, malaria and routine immunization. These activities, in turn, will be coordinated with HIV/AIDS, governance, and water and sanitation activities. This strategy supports the USG's (and USAID's) broader commitment to the Paris Declaration on improving aid effectiveness and the Millennium Development Goals, and the Agency's intention to increase the application of private sector resources to development in the interest of countries and their people.

The USG plays a major and integral part in the effort to control malaria and, along with other donors, through USAID will ramp up assistance under the President's Malaria Initiative (PMI) in coordination with the broad-based Roll Back Malaria Partnership. In recent years, Nigeria has received a tremendous upsurge in funding for malaria control, including greatly increased resources from the World Bank, Global Fund, DFID, and other development partners. Nigeria has also been selected to participate in the Affordable Medicines Facilities for malaria (AMFm). These recent developments will allow major progress in both malaria prevention and treatment nationally over the next few years. This holds the promise of large reductions in both malaria specific and overall under-five mortality. The USG, with expected increases in funding, will be a major player in this effort and will provide critical technical and managerial inputs needed to achieve success.

The USG will continue to support polio eradication through WHO, UNICEF and coordinated USG interagency efforts.

B. Assumptions and risks.

- Target states will replicate positive national level policies supporting improved basic health services.
- Federal, state, and local governments will allocate the resources needed to support key interventions and increase the long term sustainability of MCH/FP/RH services.
- Success in raising the acceptability and uptake of FP/RH services such as routine immunization and polio coverage through integration with other services will continue.

C. Assistance approaches.

- **Quality.** The actual and perceived quality of health care has powerful impact on uptake of services. Nigeria's health care delivery system is challenged by numerous shortfalls in quality: degraded physical infrastructure, unqualified and inadequately supervised personnel, standards of practice that exist only on paper, stockouts of essential commodities, rentseeking, and failure to abide by best practices. USAID's approach will assist state and local government and private sector partners to develop and apply standards of practice; institutionalize supportive supervision; develop and implement improved pre-service and in-service training curricula; and ensure consistent availability of a core package of interventions at all public and private primary care facilities in partner states.

- **Governance.** Sector policy and budgetary reforms achieved at the Federal level have for the most part not yet been introduced at state and local level. There are policy gaps and inconsistencies between different levels of government, and annual workplans and budgets scarcely exist. Efforts will be focused at both national level, to address additional policies in need of reform and to move to implement those already in place; and at state level to step down suitable national policy initiatives and improve medium-term planning and budget management. Public-private partnerships will also be established to leverage resources and technical skills and improve health sector governance.
- **Demand.** Many factors affect the demand for health care services. Inadequate or inaccurate information and cultural and religious beliefs are critical deterrents in the Nigerian environment. Community outreach and mass media are important tools for ensuring that these barriers are overcome and health care consumers are empowered to make informed choices. USAID will continue to partner with the Voice of America Hausa Service as well as BBC World Service to broadcast health messages on the radio, the most important form of mass media in northern Nigeria, reaching over 23 million listeners with spillover to other West African countries. USAID will also build on successful sensitization programs with religious leaders and traditional authorities, and work with local civil society and faith-based organizations to disseminate key messages in communities using comprehensive behavior change communication strategies. Through an expansion of the social marketing program, practices to change health behavior will be emphasized.
- **Capacity.** Capacity to deliver services and inputs will be expanded through both the public and the private sectors. Social marketing partners will reach out to the population of Nigeria with carefully selected high quality and affordable MCH/FP/RH products. Public sector facilities will offer an integrated package of malaria, MCH and FP/RH services and step them down to the community. Efforts to build host country capacity in supply chain management will be intensified.

D. **Development partners.** Development partners support the GON's mechanisms for donor coordination and the streamlining of these entities to improve their effectiveness and efficiency. The Federal Ministry of Health's Health Partners Coordinating Committee (HPCC) and the Interagency Coordinating Committee and Experts Review Committee (ERC), which provides international donor support and oversight to routine immunization and polio eradication efforts in Nigeria, are major coordinating bodies in the health sector.

In addition to the USG, key health sector donors include DFID, CIDA, the EC, World Bank, and AfDB, the JICA, and United Nations agencies, such as UNICEF and WHO. Several bilateral donor agencies combine resources that are channeled and managed by WHO. The Clinton Foundation, Bill and Melinda Gates Foundation, Packard and MacArthur Foundations, and Rotary International are active. The Clinton Foundation is reducing resources for HIV/AIDS and expanding support to malaria control and global climate change. The Gates Foundation has been an important partner with Rotary International and the USG on polio eradication, and is sharply increasing resources not only for polio but for a broader MCH and RH program in urban areas in Nigeria. Recently, a new Development Partners for Health Group was formed by multilateral, bilateral, and private sector agencies, including USAID and the CDC. The group will meet quarterly to coordinate activities and to advise the GON on a wide range of health issues. The Group will liaise with Government through the HPCC, which is chaired by the Minister of Health.

Nigeria has an active Global Fund (GFATM) program with well-performing grants that address HIV/AIDS, TB, and malaria. The Country Coordinating Mechanism (CCM) has broad-based support and

is currently chaired by a respected local CSO leader, with vice chairs from the Ministry of Health HIV/AIDS Program and the USAID partner FHI/GHAIN. Nigeria presented successful applications for expanded support to malaria and health systems strengthening this year. The USG and other development partners supported the submission and are helping Nigeria’s CCM revise major submissions for HIV/AIDS and TB. There are increasing efforts to better harmonize the GFATM programs and those of the Development Partners Group.

E. Results framework

<p>AO 4: Increased Use of High Impact Health Interventions</p> <ul style="list-style-type: none"> • DPT3 immunization coverage • Contraceptive prevalence rate • Deliveries attended by skilled birth attendants • Birth interval • ITN use by children under five and pregnant women • Non-polio AFP rate 2/100,000 under 15 years of age 			
<p>IR 1: Improved quality of public and private primary health care services</p>	<p>IR 2: Strengthened governance of health systems</p>	<p>IR 3: Expanded demand for improved public and private primary health care services</p>	<p>IR 4: Increased government and private sector capacity to provide services and commodities</p>

AO 5: Improved Quality and Efficiency of Basic Education

Foreign Assistance Framework Linkage: Investing in People/Education

A. Situation analysis and development hypothesis. The GON has not provided nationwide access to quality basic education. The quality of basic education in Nigeria is extremely poor, leading to low demand and unacceptably low academic performance. There are 30 million primary school-aged children in the country, of whom an estimated seven million not enrolled in school. Of those currently in primary school, less than one third will join junior secondary schools and even fewer will proceed to senior secondary. This leaves a massive number of out-of-school children and young adults who possess limited literacy and numeracy skills and have little hope of ever joining the formal workforce, leaving them vulnerable to high risk behaviors. While education indicators are poor nationwide, the greatest need for assistance is in the predominantly Muslim North. The delivery of education services is acutely inadequate in the Northern states.

While the Federal Government through the Ministry of Education and the Universal Basic Education Commission should be providing leadership through broad policy guidance, setting national standards, and establishing a regulatory framework, these efforts are often confounded by at least 21 parastatals with overlapping mandates in the education sector. Adding to the complexity is the relative independence of each State Ministry of Education and the fact that no two states have exactly the same systems for the delivery of basic education. The federal structure generally mandates the decentralization of education services down to state and local governments. However, decentralization has yet to be matched with greater levels of accountability and transparency, given the opportunities that might otherwise exist with bringing sector decision-making closer to the community level.

Education is the foundation on which any development intervention needs to be built. Research has shown that a literate society is better able to generate productive, democratically-minded, active and healthy citizens. Quality basic education will contribute to a sustainable pool of skilled human capital while supporting the development of Nigeria's young democracy and promote domestic stability. This will only be achieved when the basic education system in Nigeria is streamlined, strengthened, and informed by proper planning.

B. Assumptions and risks

- The Universal Basic Education Commission (UBEC), the Federal Government entity responsible for policy guidance and financial support to basic education at the state level, and targeted states will demonstrate political will to fund education at least at current levels.
- The two intervention states of Sokoto and Bauchi will demonstrate political will in systems strengthening initiatives.
- The National Commission for Colleges of Education (NCCE), the Federal Government unit responsible for administering all teacher training institutions in Nigeria, is committed to curriculum reform and development in primary education studies and early childhood development.

C. Assistance approaches.

- Education management systems strengthening. Efforts will be concentrated on the basic building blocks of systems strengthening in the education sector at state and local level: policy development and implementation; information management and data for decision-making; human resource development and management, including training, monitoring, and supervision; financial resource management, budgeting, and accountability; and demand side capacity development and participation. USAID will strengthen the capacity of partner states to manage, allocate, disburse, and track their education funds while meeting good governance benchmarks. We will assist state and local governments to develop, implement, and use appropriate policies and education management information for planning, monitoring, and evaluation. The weak human resource management capacity of the states in recruiting, deploying, and monitoring their education staff (teachers and administrators) will be addressed through an institutional capacity building program. USAID will continue to develop the capacity of communities to support education services at local levels by working with Parent-Teacher Associations (PTAs) and community leaders.
- Teacher training services. USAID has played a leadership role in reforming existing policies on teacher training, and qualifications. USAID will support pre-service teacher training colleges in partner states to revise the national pre-service teacher training curriculum for primary schools and develop new curriculum methodologies for teacher trainers. USAID will focus on methodologies for teaching basic academic skills in reading, writing and math.
- Education services for at-risk populations. USAID will strengthen the capacity of governmental and non-governmental institutions to deliver formal and non-formal education services to pre-primary population as well as marginalized out of school children, including itinerant Qu'ranic pupils (almajirai) and girls. USAID will assist with pre-primary curriculum development for pupils and teachers; expand our engagement with Sesame Street, mobilizing Nigeria's major mass media outlets to provide consistent and daily access to educational programming to young children; and support out-of-school, marginalized, orphaned, and/or vulnerable children by creating or strengthening learning centers providing a package of basic skills training such as

health and hygiene, life skills, psychosocial support, counseling, and basic literacy and numeracy.

- Data for decision making. USAID will strengthen the capacity of the National Population Commission (NPopC) to collect , analyze and disseminate house-hold based education data, including measures of school attendance, reasons for attending or not attending school and a basic measure of literacy. Data is to be used for planning of resource distribution, program development and project baselines by the Government of Nigeria (GON), international donor agencies and USAID.
- National Level Policy Development. Efforts will focus on the implementation of two key education policies (National Teacher Education Policy, National Education Management Information Systems), and the development of new policies that will support education systems strengthening.

D. Development partners. Donor coordination in the education sector is robust, with USAID and UNESCO co-chairing monthly meetings. Other members include UNICEF, DFID, JICA, World Bank, AfDB, and ILO. The forum fosters integration and coordination of interventions, encourages direct partnerships in projects to avoid duplication of effort, and permits donors to speak with one voice.

UNESCO supports teacher training and literacy programs. JICA provides in-service teacher training in science and math for secondary schools. The World Bank also focuses on science and technology education at secondary level and is bringing two new activities on line: secondary education in Lagos state, and tertiary education reform. UNICEF, with funding from DFID, supports girls’ education, particularly in the north. DFID is also supporting an omnibus basic education program to include work at both state and federal levels. USAID supports the activities of the only umbrella civil society network in the education sector, Civil Society Action Coalition for Education for All (CSACEFA), by providing training in aspects of education policy development implementation, monitoring and evaluation; NGO strategy development and financial planning; and use of media in consensus-building.

E. Results framework

AO 5: Improved Quality and Efficiency of Basic Education		
<ul style="list-style-type: none"> • Improved student performance: • Use of data for decision-making • Strengthened performance 		
IR 1: Key education management systems strengthened in target states	IR 2: Teacher training services for primary schools strengthened and delivered	IR 3: strengthened capacity to develop and deliver education services to at-risk populations

IV. Scenarios

Given the political and economic uncertainty that characterize Nigeria, high levels of conflict and violent crime, and the pending elections in 2011, USAID/Nigeria proposes three illustrative program scenarios in this updated strategy. Nigeria remains a volatile country and the status quo can change at any time. Outbreaks of communal violence, the Boko Haram attacks and subsequent reprisals, unresolved grievances in the Niger Delta and the fragility of the Amnesty, and failed states in the wider West African region are reminders that stability in Nigeria cannot be taken for granted. Accordingly, the scenarios presented in the 2004-2009 Country Strategic Plan remain relevant: “Renewal from the Roots”, “Crippled Giant”, and “Things Fall Apart”.

Box 3: Illustrative Scenario Triggers

Illustrative Scenario Triggers

- Regional conflict
- Internal conflict
- Terrorism
- Renewed Delta insecurity
- Governance failures
- Unemployment
- Urban unrest
- Political assassinations
- Increasing visibility of the military

Renewal from the Roots: This democratic consolidation scenario is modeled on successful elections in 2011 and continued progress in strengthening democratic institutions, economic performance, and service delivery. Promising signs that this scenario may hold include the government’s reform agenda as presented in the Seven Point Agenda and Vision 20:2020. The strategy was updated on the basis of this scenario.

Crippled Giant: This scenario is modeled on continuing transition and political uncertainty. Even though the GON is forging ahead with the National Development Plan, any one or a combination of indicators could make it increasingly difficult for the current administration to govern. Unresolved violent conflict, not only in the Niger Delta states but in every geopolitical zone, is another reminder of the fragility of the civilian regime. If disruptive protests or conflicts recur and escalate to a level that impedes program implementation, the Mission will respond by redirecting resources to unaffected target areas and scaling up engagement with civil society, including national NGOs, community-based organizations, think tanks, and political parties. USAID would also continue to emphasize transparency and accountability in governance, sound economic management, and improved service delivery in dialogue with the GON. Flexibility and responsiveness will be crucial to adjust to what might well be rapidly-changing circumstances.

Things Fall Apart: Nigeria’s political history since Independence demonstrates that a democratic collapse scenario, a total breakdown of law and order leading to ouster of the democratically-elected government, has the potential to occur. Any of the scenario triggers, singly or in combination, could precipitate such a collapse. In such a case, the Mission would of necessity dramatically scale back its engagement with government and revert to a civil society based program such as prevailed prior to the democratic elections of 1999.

Building on the “early warning” system that has been established, the Mission will continue to monitor events and potential triggers. Conflict alone – unless occurring on a national scale – would not be a trigger for moving from one scenario to another. However, the impact of conflict on security and the ability to carry out activities in specific geographic areas would be a key determinant for adjusting scenarios.

V. Resource Assumptions

Resource Request Narrative (FY 2010-2013 Strategy) - draft

USAID/Nigeria estimates that \$347.6 million in FY 2010 foreign assistance resources and \$559.4 million annually in each of the following three years would be needed to achieve the activities and results outlined in this strategy update. The Mission would like to highlight that implemented activities and results may vary depending on the actual level of funding realized. Activities and results as outlined in the strategy update are based on the FY 2010 request base and expectations of significant increases in the Economic Growth, Governing Justly and Democratically and Investing in People programs.

Nigeria is one of the USG's most strategic partners on the African continent – Africa's most populous nation, with close to 150 million people, and the world's seventh largest oil producer, with more than 36 billion barrels of proven oil reserves and accounting for more than 12% of U.S. oil imports. Nigeria has been a partner with the USG on regional issues from Darfur to the Democratic Republic of the Congo (DRC).

Nigeria has a poor record on political and economic governance, democratization, delivering health and education services to its people, and the ability to maintain peace and order. 35% of GDP and over 85% of government revenue derive from oil, but much of these funds has disappeared into the pockets of a tiny elite. If left unchecked, communal violence in Nigeria's predominantly Muslim north and oil-rich Niger Delta regions could provide a breeding ground for terrorism or insurgency.

President Yar'Adua's government has declared its commitments to fighting corruption, reforming the electoral process, improving conditions in the Niger Delta, modernizing agriculture, reforming the energy sector, and strengthening budget transparency and accountability. These commitments of course have been slow to fully materialize and take practical form. In some cases, Nigeria's federal structure dilutes what the federal government can really take on compared to state governments.

USAID's strategy is designed to address President Obama's priorities: food security, education, global climate change, Muslim outreach, and gender equity and women's empowerment. It will also meet U.S. foreign assistance strategic goals in the areas of: accountable governance, economic growth and prosperity, a healthy and well-educated population, and peace and security, through support to Nigeria's response to development challenges described above. Resource requirements for each Assistance Objective are as follows:

- Requested level AO 1 – Strengthened Civic Engagement for Good Governance: The assistance objective will need a total of \$135.2 million in DA funds over the life of the strategy for good governance, political competition and consensus building, and civil society activities. These resources will assist in strengthening the capacity of key officials to plan, budget, track, manage, and evaluate their fiscal and administrative responsibilities. It will facilitate the establishment of a civil society electoral reform coalition to help increase political participation and inclusiveness of key stakeholders. It will also provide support to CSOs to effectively monitor the implementation of laws, including the Nigerian Extractive Industries Transparency Initiative (NEITI), the Public Procurement Act, and the Fiscal Responsibility Law. CSO participation in the annual extractive industries audit process will include analyzing the audit report, disseminating the findings widely and articulating audit concerns for advocacy to the government. The USG will seek opportunities to use the NEITI law to introduce revenue transparency initiatives at state and local levels.
- Requested level AO 2 - Increased Rural Incomes and Jobs in Assisted Areas: The assistance objective will need \$378 million in DA funds over the life of the strategy to improve food security and revitalize agriculture, facilitate trade, reduce gas flaring, and develop clean and renewable energy in Nigeria. The country is a strategic partner under CAADP. In addition, Nigeria may become a Phase II program country, and thus needs to meet the requirement of a

sound CAADP compact and associated investment plan. These resources will leverage funds from the GON, other donors and private sector resources to set up a viable CAADP working group to improve market-demand driven agriculture investment and to meet the MDG goal of reducing poverty and hunger by half by 2015.

- Requested level AO 3 - Increased Nigerian Capacity for a Sustainable HIV/AIDS and TB Response: The HIV/AIDS objective will require \$944.1 million over the life of the strategy for prevention, care, and treatment of HIV/AIDS epidemic in Nigeria. This amount is approximately half of the anticipated total PEPFAR funding for Nigeria over the strategy period, the historical resource level that USAID has managed, and \$35 million in TB funds. Nigeria has been slow to recognize the gravity of the HIV/AIDS epidemic and to mobilize the commitment and resources required for a sustainable national response. While progress has been made in policy development and strategic planning at Federal level, provision of care treatment and prevention services remains inadequate and the level of unmet need is enormous. The resources requested will leverage funds of other Nigerian stakeholders to meet the goals of the proposed Partnership Framework, which is to advance Nigeria's ownership of the fight against HIV/AIDS.
- Requested level AO 4 - Increased Use of High-Impact Health Interventions: The health objective will require a total of \$526.5 million in Global Health and Child Survival and DA funding to reduce catastrophic rates of child and maternal mortality that cause over one million unnecessary deaths every year. Family planning is a relatively neglected health component of primary health care. Although the Government of Nigeria has adopted some supportive policies, it has been generally reluctant to take a strong public position on family planning given cultural opposition. Health donors have provided relatively little funding for family planning. USAID is the major donor that has provided funding and technical assistance for family planning information, counseling and service provision through both public and private sectors. Therefore, additional funding is required for the population sub-sector to meet these challenges and to match the ramp-up in other health sectors. The GHCS request for the out-years (2011-2013) includes \$40 million annually from the population sub-account, \$59.4 million from the malaria sub-account, and \$44.8 million from the MCH sub-account. The DA request is for \$1 million from the water and sanitation element annually. The GHCS resources will be used to deliver life-saving interventions such as insecticide-treated mosquito nets, immunizations, and emergency obstetric and newborn care.
- Requested level AO 5 – Improved Quality and Efficiency of Basic Education: The education assistance objective will require \$74 million in DA resources over the life of the strategy to support a holistic program to strengthen the basic education system in Nigeria, where the majority of Nigerians receive their only formal education. With more northern states beginning to recognize the importance of formal basic education, there are opportunities for increasing Muslim outreach. With a national education roadmap now in place under the leadership of a proactive Minister of Education, the opportunity for significant positive impact on systems strengthening, teacher training, and improved access for vulnerable populations should not be lost to a constrained budget.

Attachment 1

USAID/Nigeria Capacity Building Plan

The ATP capacity building project will use FY 2009 resources to improve the programmatic and technical capacity of the private sector and key personnel within the GON. Priority training will be provided to expand agricultural supply and trade within the CAADP framework.

The private sector strengthening will expand on current programs to assist agro processors, small and medium scale farmers (particularly women), associations, cooperatives, shippers, transporters, and banks. Assistance will be provided through MARKETS, MARKETS II, and a new capacity-building contract. MARKETS and MARKETS II will draw on support from IFDC, IITA and other partners.

USAID will expand small and medium scale farmers' capacity to meet market demands by increasing their knowledge about the use of technology, seeds, and fertilizer and business linkages and work with them to produce the quality, quantity, and timeliness of raw products required by the processors. Agro-processors will be trained in better business practices and project financing to enable them to access commercial credit. ATP will work with agro processors to improve their efficiencies and increase sales through better packaging, streamlined marketing channels, and advertising. The USAID bilateral program will collaborate with other partners to build region specific partnerships or alliances to facilitate training.

Using FY 2009 funds, USAID is building the institutional capacity of key Nigerian counterpart organizations such as the MAWR Department of Policy, Planning, and Statistics; the MCI trade policy and TIFA team, the Ministry of Transportation, and the Nigerian Customs Services (NCS). FY 2010 funds will be used to expand the capacity building activities. The priorities are to build the agriculture ministry's capacity in strategic and investment planning, market development, rural road construction identification, and agriculture census. The priority training and assistance for the Ministry of Transportation will be to improve transportation corridor management and port administration in Lagos and along the Maradi, Niger to Lagos transportation corridor. ATP will coordinate with USAID/West Africa to strengthen government capacity to improve trade along the Lagos-Cotonou-Abidjan corridor.

Assistance will be provided to NCS to enable it to meet international customs standards. USAID will continue to train NCS staff so that the agency will be better able to harmonize policy and procedures in support of the ECOWAS regional integration agenda in line with donor efforts to implement joint border posts and single windows for trade facilitation. Training will also be provide to enable staff to complete, disseminate, and implement procedures to reduce costs of trade and transport, reduce transit times for staple crops, and link 50,000 producers with improved private sector distribution, processing, and storage.

IFPRI will provide capacity building to local think tanks and universities, as well as key units within MAWR, to conduct joint research aimed at improving agricultural policy. Priority will be to expand the network and capacity of Nigerian agriculture policy research analysis and advocacy.

**USAID/NIGERIA
STRATEGY 2010 - 2013**

Annex I

USAID/Nigeria Conflict Mitigation and Management Assistance

Nigeria is still undergoing a difficult economic and political transition despite 10 years of civilian rule. Institutionalized corruption, insecurity in the Delta region, ethnic and religious intolerance and extremism in the north, and political repression continue to undermine social and economic development and are fueling dramatic increases in violence. The Government of Nigeria (GON) has taken steps to reduce violence in the Niger Delta through its Amnesty Program, which has achieved modest success in that more than 21,000 militants have disarmed. These individuals have agreed to either take part in vocational training programs or receive help to start their own businesses. The disarmament of the militants has improved security in the Niger Delta and installation attacks have decreased allowing for increased electricity generation. The government plans to repair/build roads and rail lines and power plants to create jobs for ex-militants, which will also help to address root causes of violence. However, all of this could be undermined because of long delays in starting the rehabilitation and reintegration phases of the program.

In the north, sectarian violence between Christians and Muslims groups is on the rise, made worse by the emergence of extremist groups like “Boko-Haram” (western education is prohibited by Islam) and “Kala-Kato” (followers of the Hadith-sayings of Prophet Mohammed). The recurring violence in Jos, instigated by ethnic and religious tensions, has undermined previous efforts to build peace in Plateau State which shows that government has done nothing to address religious tolerance. Outbreaks of this type pose a major threat to Nigeria’s national stability and unless addressed will keep Nigeria on the United State’s terrorist International Religious Freedom Watch lists

Although USAID/Nigeria’s assistance has helped reduce violence in Nigeria through its Conflict Abatement and Local Mitigation project, targeted assistance is now needed and is critical to helping Nigeria take responsibility for reducing violence in the country. Key stakeholders will include religious leaders and organizations, national and state government think-tanks and institutions, security agencies, and civil society organizations. Coordination with the Archbishop of Abuja and the Sultan of Sokoto who is also the President of the Muslim Supreme Council, is also be critical to helping Nigeria focus on religious freedom issues. Because USAID does not work directly with the police/military, assistance will be required from other USG agencies to train security agencies to intervene during crises, including being impartial in local conflicts.

USAID/Nigeria activities:

In 2010, the United States will design two new conflict projects to help Nigeria address resource, ethnic and religious violence, including extremism. The first to be implemented will be the Training of Leaders for Religious and National Co-Existence (TOLERANCE) project, which will seek to increase stability primarily in northern Nigeria by working to reduce lawlessness and radicalism, mitigating extremism, and increasing the legitimacy and capacity of governance structures to defend religious freedom. This will be achieved through four integrated and complementary intermediate objectives:

- Mitigating and managing conflict through a multi-sectoral, community-based approach;
- Supporting government institutions to defend religious freedom;
- Building the capacity of youth and women to serve the needs of their constituents;

- Developing early warning system, protocols and reference material in increase response to outbreaks or threats of violence.

The Conflict Halt and Negation of Growing Extremism (CHANGE) will be a cross-cutting activity designed to promote collaboration between government and civil society to address resources, communal and political outbreaks. USAID/Nigeria will enhance the ability of stakeholders to report on, and respond to early warning information about potential outbreaks of violence, mitigate and manage conflict, and conduct mediation and negotiation between disputing groups and communities. At-risk-youth will be targeted through sports and civic program to further reduce their susceptibility to political manipulation as political agitation, particularly at election time. USAID will also enhance the skills of the five Conflict Mitigation and Management Regional Councils (CMMRCs made up of Christian and Muslim clerics; the private sector; civil society, the media; and eminent persons) working in Kaduna, Plateau, Bauchi, Rivers, and Deltas states to address violence in their zones and to advocate for improvements by government in its actions to address conflicts in their areas of operation.

Assistance through the CHANGE and TOLERANCE projects will be coordinated to harmonize and to implement complementary activities. Collaboration with other USG programs, including HIV/AIDS, education, health, and local governance will also be explored.

USAID, as the primary implementer, will work in close coordination with the US Embassy staff to maintain contact with civil society organizations, interfaith groups and government institutions. These contacts provide valuable information for USG reports on Nigeria. The Public Affairs section will also conducts outreach briefings for the media, and facilitates international visitors' programs for young Muslims, women, civil society activists and journalists that promote understanding and balanced reporting on conflict issues. The US Embassy, working with other USG agencies, will conduct a series of focus group meetings with non-governmental organizations on a wide range of topics, including religious and ethnic tolerance, elections violence and other conflict triggers.

USAID/NIGERIA STRATEGY 2010 - 2013

Annex II

Focus States Strategy

USAID/Nigeria's development strategy is designed to increase access to quality social services; improve the rule of law and responsive governance; expand and strengthen the prevention, care and treatment of persons affected by HIV/AIDS; and expand community empowerment. In an effort to effectively and efficiently concentrate the bulk of its resources, USAID selected two focus States to concentrate its resources. This decision was based on several factors including governance failures, corruption, and limited development progress in Nigeria as well as Congressional or Parliamentary earmarks, USG foreign assistance goals and objectives, such as Muslim engagement, and democratic deepening, and State Department and Government of Nigeria (GON) guidance on national interest priorities. Of critical consideration also was an examination of the prospective resource envelope for the next strategy period (2010-2013), by funding account and program area/element to determine how best USAID should attempt to achieve its development objectives for Nigeria. Consequently, the analysis below by the Mission informed its decision to carry out the bulk of its activities for the Strategy period in two focus States where success is most likely and with which it can effectively engage. The primary objectives of the approach were to concentrate resources in reform-oriented States in order to increase development impacts, to strengthen demand for improved government services, and to increase government commitment for reforms.

Fundamentals of the Focus States Approach

With many of these assumptions directly or indirectly in mind, with information from a "State Strategy Review", and in collaboration with other donors, including, DFID, the World Bank, and the African Development Bank (ADB), with whom USAID/Nigeria has partnered and developed the Country Partnership Strategy II (CPS), USAID selected Bauchi and Sokoto as its two focus States. CPS II is a joint strategy to ensure more effective support, closer coordination of activities, and greater transparency among the four donors who account for over 80% of annual development assistance to Nigeria.

Although the bulk of the Mission's resources will be utilized to implement activities in its two focus States, other activities that have a nationwide impact will be initiated and continue during the strategy period. However, the focus States approach will result in a more significant impact of the Mission's limited resources if concentrated rather than spread thinly over the country's 36 states and 148 million people. Aid effectiveness could be achieved through concentration of resources in selected states with greater potential for success. Success in a few states could also be replicated and scaled up through leveraging Nigeria's own public resources. This approach is also aimed at achieving synergies among the donors and implementing partners in order to reduce redundancy in spending and to increase effective donor collaboration. Effective monitoring schemes that can produce hard data to review the impact of these efforts are also required. The goal of the focus States model is to inspire state reform policies and improved service provision writ large, such that *any* progress in nearly *any* of the major criteria would be a sign of the strategy's success. So long as there is agreement on some *general* criteria and a *process* whereby to apply it, then the incentives upon which the model is based can still work and can motivate reformist orientations and policies in the States.

USAID/Nigeria expended considerable time and effort to identify focus States. The Mission hired a consultant (Darren Kew) to review lessons learned from concentrating resources in focus States during the implementation of its activities under CPS I, and to recommend selection criteria and a process for the Mission to identify focus States under CPS II. USAID shared and discussed these findings with the other CPS II partners, and then met internally to identify its focus States. The identification process required each USAID technical team to comprehensively analyze viable States based on the selection criteria below. USAID's decision to focus on Sokoto and Bauchi was then shared with CPS II partners, who agreed with the decision.

Sokoto and Bauchi were selected as focus States based on governance; needs; existing activities, including activities by other donors; GON priorities; and USG foreign assistance objectives. This analysis revealed that resources and activities would have a more significant impact if concentrated in Northern Nigeria in States with the greatest development needs, committed leadership and where success could be replicated and scaled up through leveraging Nigeria's own public resources.

The focus States analysis centered on five selection criteria:

- **Need:** Representing some measurement of human need, or multiple need indicators, including poverty levels, income distribution, child mortality, and primary school attendance.
- **Governance:** Including an interest in working with better governed states and in rewarding track records of good governance, particularly in terms of reining in corruption. Especially important for governance is the presence of a reform champion – particularly a governor – who is committed to the donor program in question (health, education, etc.).
- **Responsibility to Home Government or Mission Priorities:** Conformity with USG foreign policy priorities.
- **Nigerian Government Priorities:** A desire to be responsive to the priorities of the Nigerian Government, both at the federal and state levels as articulated in its Seven Point Agenda and other national development plans.
- **Existing Work and Logistics:** States in which donors have been working for some time provide a host of existing relationships upon which new programming can be developed. In addition, some states may be more accessible because of geographical proximity, topography, and the like.

The sheer size of Nigeria combined with limited donor funds also supported the logic of focusing on a select number of States. The focus States strategy will also “reward” reform at the state level, in order to help institutionalize such progressive practices and transform these States. Such high performance States could then, it is hoped, serve as inspirational models for others and for future USAID activities in Nigeria.