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FY 2010 Implementation Plan

U.S. Government Working Document

The Feed the Future (FTF) FY 2010 implementation plans are working documents outlining U.S. government planning for the first year of the Global Hunger and Food Security Initiative. These plans represent a transition towards the development of multiyear strategies and are targeted at investments that lay the foundation for a new country-level and coordinated approach with a diversity of partners. Multiyear strategies are under development that will span development and diplomatic actions across multiple USG agencies.

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Abbreviations and Acronyms

ACCOMEX	Agricultural Commodity Exchange Market
ADB	African Development Bank
AGRA	Alliance for a Green Revolution in Africa
AGBIZCLIR	Agriculture Business Climate Legal & Institutional Reform
ADWG	Agricultural Donor Working Group
ATP	Agriculture Transformation Program
BRD	Bank for Rural Development
CAADP	Comprehensive Africa Agriculture Development Program
CIDA	Canadian International Development Agency
CBO	Community Based Organization
CPS	Country Partnership Strategy
DARPS	Developing Agricultural Regulatory and Policy Systems
DFID	Department for International Development, United Kingdom
ECOWAS	Economic Community of West African States
EU	European Union
FAO	Food and Agriculture Organization
FEWSNET	Famine Early Warning System Network
GDA	Global Development Alliance
GDP	Gross Domestic Product
GFSR	Global Food Security Response
GHFSI	Global Hunger and Food Security Initiative
GHI	Global Health Initiative
GON	Government of Nigeria
ICRISAT	International Crops Research Institute for the Semi-Arid Tropics
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFDC	International Fertilizer Development Center
IFPRI	International Food Policy Research Institute
IGA	Income Generating Activity
IIP	Investing in People
IITA	International Institute of Tropical Agriculture
ILRI	International Livestock Research Institute
IMF	International Monetary Fund
JICA	Japan International Cooperation Agency
MARKETS	Maximize Agricultural Revenue and Key Enterprises in Targeted States (USAID project)
MAWR	Ministry of Agriculture and Water Resources
NADS	Nigeria Agro-Dealer Support Project
NCS	Nigeria Customs Service
NFRA	National Food Reserve Agency
NGO	Non-governmental Organization
NPK	Nitrogen-Phosphorus-Potassium
OVC	Orphans and Vulnerable Children
PEPFAR	US President's Emergency Plan for AIDS Relief
PIO	Public International Organization
PPP	Public Private Partnership
PROPCOM	Promoting Pro-Poor Opportunities Service Markets (DFID program)
RAISE	Raising Agricultural Income and Sustainable Environment

SAKSS	Strategic Analysis and Knowledge Support System
TSHIP	Two States High Impact Project (new USAID health program)
UNICEF	United Nations Children's Emergency Fund
UNDP	United Nations Development Program
USDA	United States Department of Agriculture
USAID	United States Agency for International Development
WARDA	West African Rice Development Association
WASA	West African Seed Alliance
WFP	World Food Program

1 INTRODUCTION

The USAID/Nigeria Food Security Program is on track to benefit 1.2 million Nigerians. An independent assessment was recently conducted of the USAID MARKETS private sector-led, value chain, agriculture and food security project. Among the findings are:

- Every $1 invested in the project since inception in 2005 has resulted in a $4 increase in net income for 400,000 farmers and agro-processors.
- Over 100,000 short and long-term jobs have been created.
- Production of sesame and rice has increased by 25%, and by 250% respectively for rice farming from the initial base.
- $50 million in commercial credit has been extended to participants, 90% of whom are women.
- Four value chains linking between farmers and specific agro-processors are now sustainable without further USG assistance.

Additionally, over 66,000 women have increased their incomes and hundreds of women's organizations are now more effectively advocating their needs to local governments. Total net income generated since 2005 is $66 million and, by December 2010, this figures is projected to increase to $85 million for 1.2 million farmers and processors.

In FY 2010, as part of its Global Hunger and Food Security Initiative (GHFSI), the USG will launch a new Agriculture Transformation Program (ATP) to support the Government of Nigeria (GON) Comprehensive African Agriculture Development Program Compact and Investment Plan (CAADP). The CAADP Compact incorporates the GON 5-Point Agenda for agriculture development. The ATP will support GON efforts to achieve the Millennium Development Goals (MDG) of reducing poverty and improving child nutrition by 2015.

At the 2009 G8 Summit, principles for food security were outlined in the Joint Statement on Food Security (the l'Aquila Principles), President Obama and the G8 donors pledged to support a host-country-led process to ensure food security for Africa's poor. The overarching goal of the USG Global Hunger and Food Security Initiative (GHFSI) is to reduce poverty and hunger. The ATP will support this goal through key strategic objectives:

- Improve the policy environment for planning and investment in the agricultural sector;
- Improve economic performance of the agricultural sector through a value chain, private sector development model;
- Improve internal and external trade and transportation as they impact agricultural productivity;
- Accelerate participation of the very poor[1] in economic development; and
- Improve the nutritional status of the poor[2] and the very poor in two key states.

While agriculture accounts for 40% of GDP and 75% of employment, it is not yet a source of prosperity. There are 80 million people earning less than $2.00 per day or 10% of all Africans. Future agricultural growth is targeted at 9.5% annually through 2017, which should lift an additional 16.5 million people above the poverty line. Investments will be needed in northern Nigeria, where poverty is the deepest; parts of southern Nigeria, particularly in the Niger Delta; and in the middle belt of the country, where agricultural productivity can help feed the nation and expand exports to the region.

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[1] Very poor is defined as earning less than $.75 per day.
[2] Poor is defined as earning less than $2.00 per day.

To significantly reduce poverty, the GON needs to establish a sound enabling environment and develop a CAADP Investment Plan based on the 2009 CAADP Compact. It must also expand private sector-led agricultural investments, ensure capacity to implement a significantly larger program, and allocate at least 10% of the federal and key state budgets to agriculture.

The USG will support the GON-led agriculture transformation program, working together with development partners and the private sector to achieve 10% growth rates. The USG assistance will be provided within the framework of the Nigerian President Yar'Adua's 7-Point Agenda, the multi-donor Country Partnership Strategy (CPS); the GON Vision 20:2020[3]; the Ministry of Agriculture and Water Resources (MAWR) 5-Point Agriculture Agenda; the Nigeria CAADP Compact; and the GON $1.3 billion food security fund.

The GON CAADP Compact and 5-Point Agenda focus on:

- Developing Agricultural Regulatory and Policy Systems (DARPs);
- Establishing an effective Agriculture Commodity Exchange Market (ACCOMEX);
- Raising Agricultural Income with Sustainable Environment (RAISE) in 1,500 sites in order to consolidate bilateral donor projects;
- Maximizing Agricultural Revenue In Key Enterprises (MARKETS) for modern grains, fishery, livestock market, dairy processing, rice processing and cassava processing; and
- Introducing Water and Aquaculture Resources Management (Warming Nigeria Project) in 1,500 targeted sites.

The l'Aquila Principles commit donors to the following core actions:

- Fund public and private sector capacity building in agriculture;
- Increase access to agricultural inputs;
- Expand private sector development;
- Improve infrastructure and market access; and
- Foster regional harmonization and integration of policies and markets.

Through the ATP, USG Nigeria proposes to allocate $25 million in food security funds and finance associated trade and microfinancing activities that support food security program objectives of increasing agriculture-driven growth and the income of beneficiaries. Investments of the USG and development partners will complement the GON programs to meet the MDG of reducing poverty by reaching at least 4.5 million poor by 2015—as long as there are adequate multi-year resources for a sustained program. The ATP is based on proven results achieved by the USAID MARKETS private sector-led agricultural project, which is increasing productivity and advancing agriculture and trade policy reforms. The FY 2010 program will lay the foundation for a four-year program based on the following objectives:

Objective 1 - Improve economic performance: The USG program will 1) assist the GON to improve the policy environment for agriculture growth; 2) improve agricultural productivity through a private sector value chain approach; and 3) make the trade and transportation system more efficient.

Objective 2 - Improve incomes and nutrition of the poor: The USAID program will improve the nutritional status of the poor and very poor in Bauchi and Sokoto States by 1) conducting a nutritional assessment for the prevention of malnutrition; 2) identifying positive child health practices that can be transferred to other families and communities; and 3) improving the nutrition of orphans and vulnerable children.

[3] *Vision 20:2020* is Nigeria's plan to be one of the world's largest 20 economies by 2020.

Objective 3 - Accelerate participation of the very poor in economic activities: This will be achieved using the value chain model noted under Objective 1, but with additional assistance to help the very poor mobilize assets to make the transition to commercial production. Cooperation will be undertaken with the GON-World Bank -Fadama III project, which is reaching the very poor.

The ATP will also introduce activities to increase the income of women. Women's issues will be addressed throughout the ATP with clearly defined gender approaches and targets for women beneficiaries.

1.1 WHY NIGERIA IS AN IMPORTANT STRATEGIC PARTNER

Nigeria is a strategic partner under the USG GHFSI because of its size and impact on the economies of West Africa. Its poverty level exceeds the combined population of most of West Africa, and 80 million poor Nigerians represent a drain on the economic growth of the region.

Nigeria's economy is having a large effect on West Africa. GON policies and underinvestment in agriculture have had a significant impact on food security. The demand for food has been met by massive increases in imports in basic grains such as wheat and rice (Nigeria is the second largest importer of rice in the world). It also imports significant quantities of agricultural inputs such as seeds and fertilizer. This demand has contributed to an increase in world prices and trade flows in rice and other grains.

Nigeria's trade and agriculture policies, particularly those that are protectionist, have exacerbated food insecurity and have resulted in lack of food in the market in neighboring countries. Past policies that prevented trade in basic grains drove up the price of these grains both in Nigeria and in the region, as smuggling increased. Nigeria is the largest market in sub-Saharan Africa for US agricultural exports, and opportunities for trade and development reform in this sector significantly outweigh opportunities in other countries in the region. Given its economic size and influence, Nigeria is in a unique position to strongly influence the agenda for sustainable food security regionally.

With reform of agriculture, trade, and transportation policies, Nigeria can provide the engine for regional economic growth and trade in West Africa, working actively with the Economic Community of West African States (ECOWAS).

Government agriculture policies, strategies, and programs have changed frequently over the past two decades and have resulted in poor performance. The GON has often chosen a government-led model for agricultural growth which has not increased productivity and, in some areas, malnutrition is on the rise. The USG, and in particular the USAID programs, have demonstrated that a private sector-led model for agricultural growth can raise incomes, despite a weak enabling environment and poor infrastructure. The Mission believes that a major increase in investments can transfer this private sector-led model to the federal and state governments and help to reduce rural poverty for tens of millions of poor Nigerians.

It is also important to invest in northern Nigeria, a region recently plagued by Muslim extremist violence. Tackling the root causes of extreme poverty to help reduce some of the causes of more violent discontent is a priority. Increasing the participation of women in the economy will also be important to reduce poverty.

Investments in the Niger Delta warrant increased levels of USG investment in agriculture. The recent amnesty is at a delicate stage, and there is a need for GON, donor, and private sector investments to create economic opportunities that will help deter attacks on the critical oil and gas infrastructure that is so important for the US and the rest of West Africa.

1.2 BACKGROUND

Following a series of economic reforms in 2003, Nigeria enjoyed relatively strong economic growth through 2007. Agricultural growth rose from 3.5% per annum during the period 1990–1999 to 5.9% per annum during the 2000-2007 period. Poverty was reduced from 65.6% in 1996 to 54.4% in 2004. The GDP annual growth rate rose to 7% between 2000 and 2007.

However, the agricultural sector has suffered from a decrease in investment since the growth of the petroleum industry in the 1980s. While agriculture accounts for 40% of GDP and 75% of employment, it is not yet a source of prosperity. There are 80 million Nigerians earning less than $2.00 per day.

The GON is committed to a target of 9.5% annual growth in the agricultural sector. If this target is reached, it should lift an additional 16.5 million people above the poverty line.

The GON is diversifying the economy away from oil, with agriculture as a priority area. Non-oil growth requires infrastructure to support growth clusters, significant private sector investment, training in employment-intensive value chains reduced import bans, and lower tariffs. Intra-regional trade can match shortages in one country with surpluses in another. West African countries and G8 donors recognize the crucial need for regional integration and harmonization to reduce trade barriers and to ease restrictions on cross-border transportation of agricultural products by harmonizing grades, standards, and regulations. Given Nigeria's economic dominance in West Africa, it is critical to accelerate coordination on trade, transportation, agriculture policies, and investments. Opening up larger markets will create incentives for farmers to increase their productivity and total regional food availability.

The agribusiness sector holds a great opportunity for Nigeria's development. Current programs have demonstrated increased yields through modest improvements in inputs. A diverse range of climates and soil types allows for a wide variety of crops. The domestic market is large enough to absorb any increase in production, provided the transport infrastructure is in place to deliver goods to market.

Export opportunities continue to expand. With improved trade policies, better access to markets, and trade facilitation initiatives, Nigeria could become a larger player in the region. Nigeria could readily expand its regional supply of food in northern Nigeria, where the private sector Kano grain market has become the largest market in West Africa. Finally, improvements in agriculture and trade can impact urban and rural poor populations, in particular women, who comprise a large share of labor in agriculture. Agricultural growth can also assist the very poor, who could be integrated into higher income-producing activities.

Any potential to increase productivity will be tempered by climate change. Over the next few decades, climate change is likely to have an impact on Nigeria causing gradual warming and more intense short-duration excesses of rainfall. The predicted rainfall patterns can lead to droughts in the north, unless investments are being made for more water storage and later release through irrigation schemes. Drought-tolerant staple crop varieties will likely need to be introduced. Flooding is expected from storm surges and seawater intrusion on the coast, home to 20% of the population and an existing petroleum infrastructure. The damage could exceed US $85 billion.

1.3 PROGRESS TOWARD THE MILLENNIUM DEVELOPMENT GOALS (MDGs) IS OFF TRACK

Nigeria is currently off track in achieving most of the MDGs. Progress towards the MDGs is slowest across northern Nigeria, an area which has some of the world's worst human development indicators, outside conflict and post-conflict zones. Without higher levels of cost-effective investments by the GON, poverty is not likely to be reduced from the current 54% to the 31% target by 2015. Nor will hunger

for children under five be reduced from 28.7% to 18% by 2015.

Nigeria is not making sufficient progress to achieving universal primary education and empowering women. The past five years have seen some progress toward reducing child mortality, although the maternal mortality ratio in Nigeria is among the worst in the world. It is also unlikely that Nigeria will double the proportion of the population with access to safe drinking water or improved sanitation.

The northern regions, where extreme poverty rates are the highest, have the least access to food. The southern regions have significantly lower poverty rates. These have improved dramatically since 1996, while poverty rates have increased in the north, except in the northwest[4].

The key findings of the 2003 and the 2008 Nigeria Demographic and Health Surveys (NDHS) provide a basis to assess progress in meeting MDG health goals. For example, the percentage of children under age five who were stunted in 2008 was 41% (10 million children) is virtually unchanged from 42% in 2003. Wasting actually increased from 11% to 14% (2.5 million), while the percent of underweight children was almost unchanged from 24% to 23% (5.8 million children).

Figures in northern Nigeria are far more alarming. Under-five mortality dropped from 187 to 157 deaths per 1,000 live births, yet maternal mortality remained quite high at 545 per 100,000 live births. Vaccine-preventable diseases, malaria, poor child-caring practices, contaminated water, and poor sanitation exacerbate the high levels of malnutrition, which are made more severe by a child's poor nutrition status.

Nigeria's nutritional situation is among the worst in the developing world. Like poverty level indicators, nutritional indices are much worse in the north compared to southern Nigeria[5]. Very low rates of prolonged exclusive breast-feeding are associated with high rates of acute malnutrition in infancy. Infant and young child-feeding needs to be addressed along with breastfeeding. Nigeria has one of the world's lowest rates of Vitamin A supplementation coverage, which has a profound impact on under-five mortality.

People of the southern Niger Delta have been victims of a long-term conflict and environmental damage from oil and gas development. Pockets of the southern region suffer from high rates of poverty and malnutrition, and communities are isolated from the market economy. If the current amnesty can be stabilized, the region will require the attention of the federal and state governments and development partners to demonstrate tangible economic and democratic benefits.

Over 16% of Nigerian households are woman-headed, with the majority being very poor. Women's participation in household decision making in Nigeria, and particularly in the north, is extremely low. In virtually all NDHS measures, Nigeria compares less favorably with other West African countries. Further, low-income women and the very poor are excluded from the process of economic development because they lack access to resources and services. As laborers, women receive only 75% 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.

[4] Country Partnership Strategy, 2009

[5] Nigeria Demographic and Health Survey, 2008

2 FY 2010 OBJECTIVES

2.1 COUNTRY-LED COMPREHENSIVE STRATEGY

2.1.1 Consultative Process

The GON priorities are described in the 7-Point Agenda, which includes an agriculture agenda entitled "Sustainable Agricultural Development and Market Access." Over the past year, the World Bank, African Development Bank (AfDB), UK Department for International Development (DFID), and USAID[6] have, with the GON, undertaken extensive analysis of the constraints to economic growth, human development, and governance.[7]

The analysis and associated stakeholder consultations culminated in a jointly endorsed Country Partnership Strategy (CPS) II, approved by the World Bank Board of Directors in 2009. The CPS is strongly aligned with the GON priorities and focuses on means to transform and diversify Nigeria's economy by improving governance, maintaining non-oil growth, and promoting human development.

To develop the CPS, the GON and the CPS partners held a series of stakeholder meetings specifically addressing agricultural sector development and food security. These discussions were held in conjunction with the CAADP process, particularly as the GON worked with the World Bank, USAID, and the International Food Policy Research Institute (IFPRI) to refine its agriculture strategy. USAID and the GON held stakeholders' workshops in November 2008 to validate the USAID AgBizCLIR analysis of constraints to agriculture. The USAID MARKETS project prepared a subsequent analysis in 2008-2009 that refined priorities to improve the enabling environment for agriculture sector growth and identified trade and transportation interventions to remove bottlenecks to domestic and regional agriculture trade.

Since1993, USAID (through the MARKETS project), DFID, and the World Bank have been conducting value chain studies in basic grains, tubers, fruits and vegetables, livestock and leather processing, and tourism. These studies identified promising high-growth clusters that warrant investment to create wealth and employment. A USAID assessment of its MARKETS project demonstrates major successes in raising incomes and reducing poverty for nearly 400,000 farmers and families over three years.

The GON, under the leadership of the Minister of Agriculture and Water Resources' (MAWR) designated liaison at the Nigerian Food Reserve Agency, held frequent discussions with USAID during the 2008 program development phase. In June 2009, the US Ambassador to Nigeria and the Managing Director of the Bank of Industry convened a workshop on financing agriculture and trade. The workshop involved the US Embassy, USAID, the US Department of Agriculture, the US Trade and Development Agency, the Overseas Private Investment Corporation and representatives from 14 Nigerian banks, business, civil society, the USAID West Africa Trade Hub, and farmers and farmers associations. Finally, USAID and IFPRI have been key members of the Nigeria CAADP technical working group that developed the underlying analysis for a CAADP Compact.

2.1.2 Five-Point Agenda for Agriculture and the CAADP

The ATP will adhere to the principles of country-led plans for agriculture, support strategic coordination within the USG, and foster collaboration with partners such as The World Bank, AfDB, DFID, other donors, and regional organizations. The USG will support parts of the MAWR 5-Point Agenda for agriculture and food security, which was subsequently incorporated in the 2009 CAADP Compact.

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[6] The four development partners provide approximately 80% of development assistance to Nigeria.

[7] See http://www-wds.worldbank.org/ external/

The 5-Point Agenda consists of 1) Developing Agricultural Regulatory and Policy Systems (DARPS); 2) Agriculture Commodity Exchange Market (ACCOMEX); 3) Raising Agricultural Income and Sustainable Environment (RAISE); 4) Maximizing Agricultural Revenue and Key Enterprises in Targeted States (MARKETS); and 5) Water And Aquaculture Resources Management (Warming Nigeria Project).

Developing Agricultural Regulatory and Policy Systems (DARPS)

The DARPS program includes a strategic review of agricultural policy, developing a sound policy on financing agriculture, preparing a regulatory framework, and creating fiscal incentives and tariff regimes to support agriculture integration. It also includes a communication strategy, a strong monitoring and evaluation mechanism to track results and promote peer review, and measures to strengthen a network of regional market information systems and traders' organizations through the platform of the African Union (AU) New Economic Partnership for Agriculture Development (NEPAD).

Agriculture Commodity Exchange Market (ACCOMEX)

Nigeria is establishing an agricultural commodity exchange market (ACCOMEX Nigeria) that focuses on three major programs: 1) developing Agricultural Input Markets in Nigeria (DAIMINA), 2) promoting Guaranteed Minimum Price (GMP) for farmer's produce through licensed buying agents, and 3) improving infrastructure such as post-harvest storage and rural roads.

The ACCOMEX will address issues such as packaging and labeling of products to meet international standards, compliance with sanitary and phytosanitary requirements, and improving access to finance, especially for small and medium enterprises (SME). It is strengthening labor-intensive industries such as shea butter and cashew, and reducing high transportation costs and poor trade facilitation systems. This includes efficient port operations, better customs clearance, storage facilities, meeting large volume demand, and overcoming a weak infrastructure base (e.g., railway, roads).

Raising Agricultural Income with Sustainable Environment (RAISE)

The RAISE project seeks to consolidate bilateral donor projects in 1,500 sites. The main focus is on integrated rural development through economic district development arrangements. Key elements include improving value chain infrastructure such as production, cold chain, small storage, cottage processing and marketing, rural infrastructure, and business centre enterprise development.

> "Building on the Government of Nigeria's vision and commitment for economic and social development, its 7-Point Agenda and the Joint Donors' Statement from the Development Partners Meeting of November 2006 on development assistance to Nigeria, the CAADP Compact (a) sets the parameters for long term partnership in the agricultural sector; (b) specifies key commitments on the part of government and development partners; and (c) clarifies expectations with respect to the agribusiness and farming communities in order to ensure successful implementation of the 5-Point Agricultural Agenda."
>
> - CAADP Compact October 2009

Maximizing Agricultural Revenue and Key Enterprises in Targeted States (MARKETS)

MARKETS will create the necessary market infrastructure and implement the Guaranteed Minimum Price to propel the development of Nigeria's agriculture sector by linking agricultural production to markets. The ultimate objective is to develop a sustainable markets ecosystem, including agro-processing plants, cold chain stores, community warehouses, food centers in major cities, model highway markets and agribusiness development centers. MARKETS includes specialized marketing

activity for modern grains market, fishery, livestock market, dairy processing, rice processing and cassava processing.

Water and Aquaculture Resources Management (Warming Nigeria Project)

In the 1,500 sites targeted in the RAISE project, Nigeria will develop small-size dams and irrigation infrastructure facilities, flood control, Early Warning Systems, agricultural cadastre through remote sensing of farmland, and a carbon credit project through afforestation and reforestation.

2.1.3 Status of CAADP

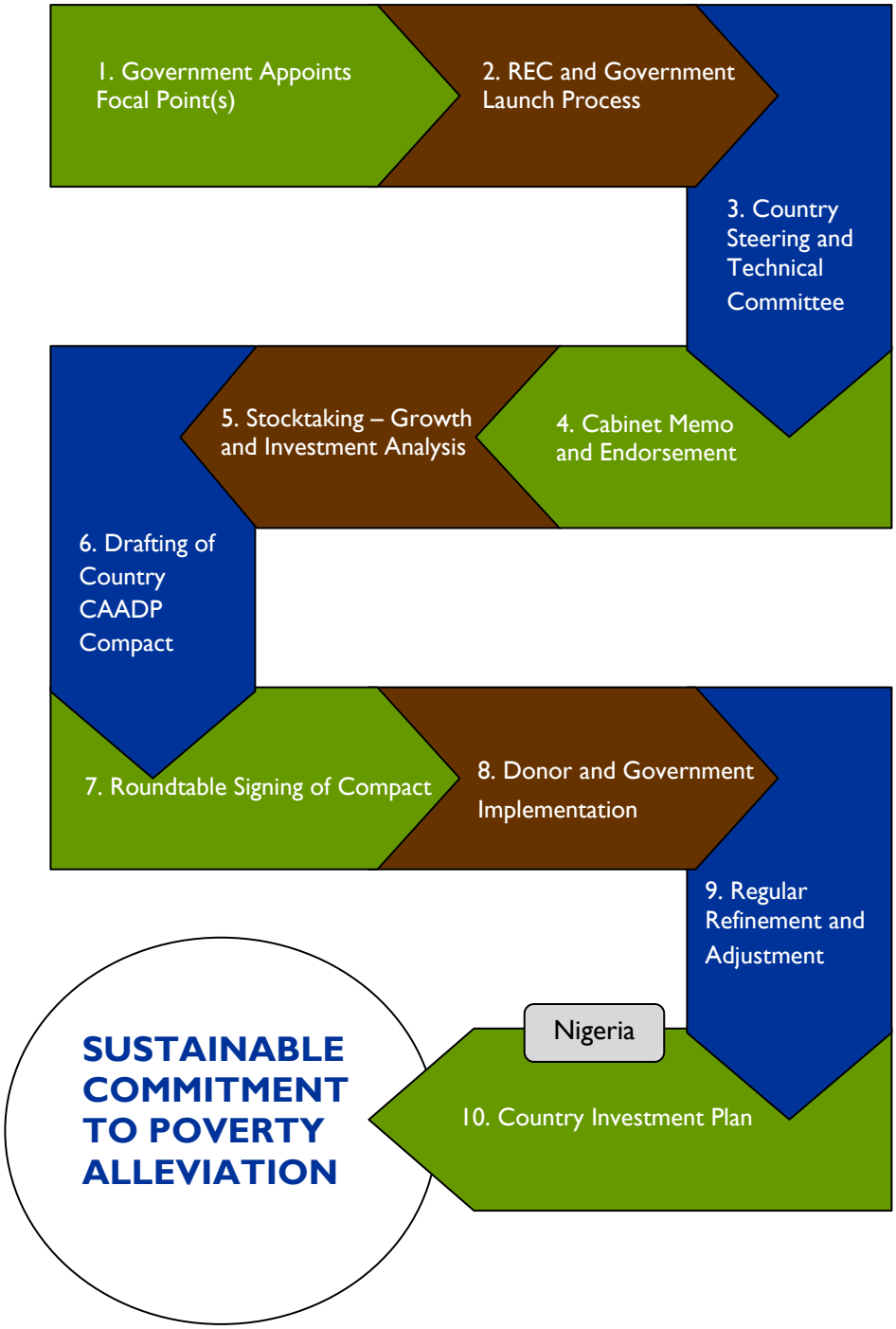
The Nigerian MAWR has been coordinating the GON efforts to implement its commitments to CAADP. The MAWR received program and financial support from ECOWAS with funding from the Canadian Government and USAID, through IFPRI. Over the past two years, the GON has undertaken a key analysis of constraints to agricultural growth and prepared briefing papers and brochures for a 2009 CAADP Stakeholders Workshop.

Key development partners participating in the development of the CAADP Compact include the USG, World Bank, the NEPAD Nigeria Office, the Food and Agriculture Organization (FAO), the United Nations Development Program (UNDP), and the Canadian International Development Agency (CIDA). The MAWR completed negotiations with the rest of the GON, and in October 2009, organized a national event to sign a CAADP Compact. The Compact was endorsed by the USAID Director on behalf of donors, the African Union/NEPAD, ECOWAS, the private sector, and civil society. The CAADP Compact supports the successful implementation of the 5-Point Agriculture Agenda.

A GON interagency technical group was established to coordinate the development of the CAADP Compact and will be further mobilized to prepare a CAADP Investment Plan. USAID and the MAWR are funding a CAADP Secretariat, with support from the Agriculture Donor Working Group (ADWG). The main task of the CAADP Secretariat is to develop a CAADP Investment Plan that will identify the most cost-effective means to increase agricultural growth. The GON will use it to foster development partners' investments in umbrella programs.

Further, documentation of this process will culminate in an AU/NEPAD (third party) and development partner peer review of the Investment Plan. The Monitoring and Evaluation plan and peer review will facilitate holding development partners accountable to meeting the programmatic and financial pledges for investment made in the L'Aquila Principles and international forum.

Figure 1: The CAADP Process



2.2 AFRICAN CAPACITY-BUILDING

Under the ATP, the USG will shift the focus from an exclusively private sector investment strategy for agricultural growth to a more comprehensive approach for building the capacity of the Federal, key states and private sector and commercial banks to reduce poverty through private sector investments. USAID and USDA will 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 agricultural sector growth through private sector market-driven investments. The GON and the USG are preparing a Capacity Building Plan to strengthen the skills of GON and private sector representatives to disseminate information about and implement the CAADP Compact.

Using FY 2009 Global Food Security Response Funds, USAID and USDA are building the institutional capacity of key counterpart organizations, including the 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.

2.3 INVEST IN PRIORITY ACTIONS

The proposed ATP directly supports a majority of elements of the 5-Point Agenda as detailed in the CAADP Compact. During 2010, USAID will work with development partners to report on and align their programs with the GON 5-Point Agenda. There is consensus that agricultural transformation requires improving the enabling environment to expand private sector links from farmers to markets. This will require increased access to technology and inputs, post-harvest infrastructure (roads, private sector warehouses, storage, and food processing), increased financing for agriculture, and improved access to market information. The GON can increase trade flows by improving regional transportation corridors, modernizing customs facilities, and introducing and enforcing market and safety standards.

The ATP will build on the current momentum in agriculture development and food security to continue the efforts of the GON, its development partners, and the private sector to increase investment in the sector. USAID and USDA will continue to build the capacity of the GON to manage CAADP implementation in 2010, as crucial milestones such as development of core investment areas and mobilization of finance are reached.

USAID will fund the CAADP Secretariat, which will function as the focal point for CAADP implementation. USAID, as the chair of the ADWG, will facilitate coordination of policy among the development partners, as staff can be recruited.

GON agencies responsible for customs and agricultural statistics will be assisted through capacity building to improve efficiency in these key areas. The MCI staff will receive training on trade facilitation and statistical analysis to help build their capacity to assess the impact of changes to trade policy, such as changes to tariffs and duties. The ATP will coordinate its efforts to address global climate change with development partners to align with GON priorities.

The Federal Ministry of Health (FMOH) has yet to establish child and infant nutrition as a key strategic focus. The MDG Office of the Presidency has focused more on addressing the mitigation of disparities in health indicators, including nutrition, between northern and southern states. UNICEF has assumed a leading role in the UN system to increase advocacy in this area.

However, the FMOH new National Health Strategic Development Plan—developed with USAID support and presented at a "Presidential Summit on Health" in Abuja in November 2009—does include the percentage of

underweight children under five as a higher-level indicator. GON strategies to increase breastfeeding and improve Vitamin A supplementation coverage are also part of the FMOH minimum package of services intended to revitalize integrated service delivery towards quality, equitable and sustainable healthcare, under health systems strengthening initiatives financed by the GON, Global Fund and other donor resources.

With sufficient resources, the ATP can:

- Engage in the national process of updating and revising nutritional policies and guidelines relating to malnutrition, and promote their implementation in the public and private systems down to community level.
- Assess the need for assistance in nutrition in Nigeria, given ongoing and planned activities by the GON and other development partners.
- Advocate for higher-level attention in the FMOH and other GON agencies on infant and child nutrition.
- Expand breastfeeding, Vitamin A interventions, and other key health practices that impact nutritional status in the USAID priority states of Bauchi and Sokoto.
- Plan and promote key nutritional messages nationally and in Bauchi and Sokoto, through the use of various media and assisted by the public and private sector, health care providers and community leaders working with USAID projects.
- Evaluate implementing other cost-effective, evidence-based nutritional interventions such as iron supplementation for women, food supplementation, and potential approaches to community management of acute malnutrition.

3 TARGET GROUPS BY INCOME AND LOCATION

Approximately 80 million Nigerians (56%) are poor and earn less than $2.00 per day, while between 25 and 28 million (19%) of the rural poor cannot meet basic needs. There is a strong relationship between increasing crop yields and reducing poverty[8]. A 10% increase in yields can reduce poverty in Nigeria for approximately 7 million people (9% of the poor). For farmers with access to land, higher yields can increase the incomes of farmers. The increased income of poor farmers can in turn increase incomes of others in the rural sector by creating on-farm and off-farm jobs providing rural wages.

With FY 2010 funds, the ATP will assist 750,000 farmers, agro-processors, food transporters, traders, and shippers. Under a four-year program and a robust budget, the ATP could assist up to 4.5 million Nigerians to increase their yields by 50% to 100%, depending on the commodity, which will significantly increase incomes. The target group would be 3 million poor Nigerians and 1.5 million very poor families. A four-year ATP would double the incomes of 1.5 to 2 million women.

The ATP will concentrate investments in approximately 10 states, but could increase the number of states with additional resources. Key criteria for state selection include commitments from state leadership, availability of co-financing to promote private sector growth, the presence of a private sector processor, and appropriate agro-ecological conditions for targeted commodities. Interventions will be in the poor northern states, where maize, sorghum, millet and irrigated rice are grown; the mid-belt, which is the primary region for rain-fed rice; and southern Nigeria, which is ideal for cassava, fisheries, and cocoa production. Special attention will be given to the very poor in the northern states where rural poverty and

[8] MARKETS analysis, IFPRI

malnutrition are severe and opportunities for women are the most limited.

The target groups for nutritional interventions will be children under five, particularly during infancy and the weaning period. Pregnant women and nursing mothers will also be targeted for interventions.

4 CORE INVESTMENT AREAS

4.1 CORE AREAS

The core ATP will consist of five projects, which are aligned with the GON 5-Point Agenda and the CAADP Compact:

- Improving Sound Market-Based Principles for Agriculture Growth;
- Increasing Agriculture Productivity through the value chain;
- Reducing Trade and Transportation Barriers;
- Improved Nutritional Status;, and
- Accelerating the Participation of the Very Poor in economic activities.

The USG objectives may be modified in FY 2011 to align with an emerging inter-governmental consensus on a multi-year results framework.

4.1.1 Improve Sound Market-Based Principles for Agriculture Growth

The GON recognizes the need to create a policy environment that is conducive to agricultural growth and development. Yet, the policy environment in Nigeria is plagued with three main problems[9]: policy discontinuity, incomplete policy implementation, and lack of discipline to enforce policy.

[9] AgBizCLIR 2008 and IFPRI 2009 Analysis

Improvements to the enabling environment will concentrate on creating a CAADP investment plan, revising the agriculture strategy, strengthening federal and state government capacity to undertake policy analysis, and improving applied agricultural research in emerging issues.

In order to stimulate agricultural productivity, there is a need to implement the following policy reforms:

- Develop a CAADP Investment Plan;
- Redefine the role of the federal and state governments in agriculture policy for private sector growth;
- Shift responsibility for procurement of inputs back to state governments;
- Develop a GON strategy and programs to reduce poverty of highly vulnerable and malnourished families;
- Reformulate Nigeria's fertilizer, seed, mechanization, and land tenure policies to ensure effectiveness and efficiency;
- Create an agricultural information system to enhance the flow of agricultural information at a low cost;
- Revitalize Farmers' Associations to enhance their bargaining power;
- Formulate an agricultural financing policy; and
- Maintain a minimum of 10% budgetary allocation to agriculture in line with the Maputo Declaration.

In FY 2009, USAID MARKETS provided $1.5 million to IFPRI to help the GON advance the CAADP action plan, refine Nigeria's agricultural strategy in cooperation with the World Bank, and analyze policies on fertilizer, seed, and mechanization. In FY 2010, USAID plans to help Nigeria set priorities for spending on agricultural and rural development for poverty alleviation (production, transport, marketing,

and land ownership). USAID will build the capacity of the MAWR Department of Policy, Planning, and Statisticsto undertake agriculture policy research and support the Strategic Analysis and Knowledge Support System (SAKSS) process in Nigeria. With FY 2009 and FY 2010 funds, USAID will finance the CAADP Secretariat to promote information exchange and give additional momentum to the CAADP process.
USAID will support the GON next steps to develop and implement a CAADP Compact. Resources will be provided to:

- Elaborate a detailed investment plan;
- Hold a post-compact review meeting and validate the investment plan,
- Reach an agreement on a financing plan, financing instruments, and annual review mechanism;
- Complete the operational design and other technical studies and assessments for program execution;
- Implement the CAADP Investment Plan; and
- Hold annual CAADP Investment Plan reviews.

The USG will build the capacity of the MAWR to establish a strong monitoring and evaluation system, undertake a national agriculture census, strengthen information systems, and conduct short-term action research on agriculture policy. USDA will support the MAWR to develop agricultural statistics and information systems and continue promotion of biotechnology, food safety, and other agricultural policy formulation, as requested by the GON to support their agriculture commodity program (ACCOMEX),

USDA will provide technical assistance to develop modern sanitary and phytosanitary (SPS) measures that are harmonized with West African countries and meet international standards. USDA will provide assistance for SPS strengthening through an interagency agreement funded by USAID/Washington under the African Global Competitiveness Initiative. USAID and USDA will, as needed, provide assistance in the analysis of the institutional development needs of the MAWR. USAID and USDA will also provide technical assistance and capacity building to strengthen the role of farmer groups and agro-processing associations to monitor project implementation and advocate for policy reform.

4.1.2 Improve Agricultural Productivity

Improving productivity of the agriculture sector requires increases in on-farm productivity, expansion of private sector agro-processing capacity, and formation of strong business linkages between producers, processors, and transporters. The past four years of research and experience in increasing agricultural productivity have demonstrated a model to double incomes of farmers and businesses through value chain development.

To overcome constraints to increasing agriculture productivity and to facilitate the supply of affordable food for consumers, the ATP will provide technical assistance and training to members of the value chains selected to be in the program. The ATP will help Nigeria's agriculture sector to increase access to private sector-supplied inputs and technology, assist private sector agro-processers to expand their processing capacity and form business linkages to farmers, help local communities improve water management, develop a public-private sector capacity in post-harvest storage of cereals, and increase access to financing for farmers and processors. Additional barriers to value chain development will be overcome by improving business linkages along the value chain and through private sector expansion.

USAID/Nigeria's ATP will put agro-processors at the center of the value chain and sector development in order to increase rural incomes and create jobs. Agro-processors guarantee farmers a market for their produce at market prices and financial institutions are more willing to provide farmers with access to credit needed

to purchase inputs when the farmers have a commercial relationship with an agro-processor. Loans from financial institutions can then be repaid by farmers when agricultural goods are delivered for processing. Stimulating domestic and regional trade in agriculture will be a key focus of value chain development.

The ATP will invest in key areas to improve the quantity and quality of staple crops—particularly rice, sorghum, and cassava—reaching the Nigerian consumers and substituting domestically grown rice for imported rice. This will create jobs and increase wealth in the rural areas of Nigeria. The ATP will expand on the highly successful work started under the MARKETS Program, which is doubling the income of participant farmers[10]. Through the ATP, farmers in many states will receive assistance to form business linkages to agro-processors.

Increasing agricultural productivity will be achieved through investments in private sector value chain development, particularly improving agricultural productivity for farmers, expanding agro-processors' productivity, and integrating business linkages between producers, processors and financial institutions. Improvements in agricultural productivity will overcome constraints to technology deployment (farming practices, seeds, and fertilizer inputs), improve water resources management, form business linkages to processors, increase access to finances, and introduce climate change adaptation.

Interventions to improve agro-processing will include improving business practices, developing private sector input and equipment supply chain, promoting regional market integration, improving post-harvest storage and cold storage chains, improving the delivery of private sector extension services, and expanding lending to agriculture businesses by Nigerian banks and other financial investors. An Alliance and Partnership Fund will also be established to support innovative means to increase productivity and market development.

Increase On-Farm Productivity for the Poor

Farmers lack knowledge of modern agricultural technologies and management practices. There are few affordable and private sources of high-yield seed varieties. Few smallholder farmers have access to fertilizer and farm equipment. Poor water management plagues agricultural sector growth, particularly in the drier north.

Presently, the Federal Government is responsible for purchasing and supplying seeds and fertilizer to farmers. The government supply chain is poorly developed and inefficient, resulting in late delivery of inputs. Private sector seed and fertilizer options need to be built up to replace inefficient government delivery of services throughout the input supply chain. Further, value chain integration has been weak and business relationships between farmers, suppliers, processors, transporters, and marketers are not well developed.

Increase Access to Agricultural Inputs

Fertilizer use in Africa (and Nigeria) is less than 10% of the world average and is concentrated in high-value export crops. A small percentage of farmers use commercial seed. Improved private sector distribution and the formation of major seed and fertilizer alliances can increase the supply of quality seed and fertilizer to millions of smallholder farmers and stimulate productivity.

Fertilizer. In 2009, through USAID MARKETS, the International Fertilizer Development Center (IFDC) increased fertilizer supplies through an innovative voucher system that delivered fertilizer to 220,000 farmers, many of whom received fertilizer for the first time in 10 years. This initiative strengthened the role of the private sector in fertilizer production and reduced opportunities for corruption in the fertilizer distribution system.

[10] MARKETS Assessment Draft Jan 2010.

This fertilizer activity demonstrates an alternative to GON direct involvement in this part of the market chain. It will be expanded in the ATP and will result in significant savings to the GON programs.

USAID, in collaboration with the World Bank, DFID, and the Alliance for Green Revolution for Africa (AGRA) will continue to develop a market-oriented agricultural input system to provide affordable and reliable supplies of fertilizer to Nigerian farmers. The ATP will identify the respective roles of the public and private sectors and establish a set of clear, well-defined interventions to support increased fertilizer distribution and sales. The ATP will assist the GON to establish the enabling policies and regulations to ensure open and free competition among importers, wholesalers, and dealers, and to eliminate current restricted licensing and favoritism.

USAID and development partners will expand the current successful fertilizer voucher program to ten states by 2010 in partnership with the new private fertilizer manufacturer, Notore. Discussions are underway with Notore to start contributing counterpart funds to the voucher system and eventually take it over. The ATP will begin to assist other companies such as Golden and TAK to increase their distribution networks.

Seeds. USAID MARKETS promotes successful collaboration between seed companies and end-users to ensure that commercially demanded varieties are developed and marketed. The ATP will continue to expand commercial seed production through small- to large-holder farmers, strengthen distribution systems, expand commercial seed markets, and improve farmer access to quality seeds.

The ATP will develop private sector agro-dealers in at least five states to provide training on maintenance of foundation seed for partner seed companies and the government. The policy project will promote seed policy reforms in Nigeria in coordination with the USAID West Africa regional program. The West Africa Seed Alliance (WASA), funded by USAID/West Africa and the Gates Foundation, is promoting regional seed policy reforms. USAID can provide additional resources to WASA if the program makes progress in helping ECOWAS to adopt policy reforms to promote the growth of private sector seed companies.

Improve Natural Resources and Water Management for Agriculture

Research[11] has shown that a lack of investment and financing of the operation and maintenance of irrigation systems has led to a decrease in water and natural resources quality and supply. Farmers lack information about water management both in irrigated and rain-fed areas.

The ATP will train thousands of farmers in improved water management practices that increase the acreage of cereal crops under sustainable management practices, thus allowing year-round production of certain crops in selected states. The training will range from on-farm water management practices for rain-fed agriculture farmers to large-scale water systems in irrigated agricultural zones. USAID will collaborate with the GON, State Governments, the World Bank, the Japan International Cooperation Agency (JICA), WARDA, USAID/West Africa, and other donors where there are cost-effective opportunities for improving irrigation systems, including in the drier northern states.

The ATP will continue training farmers, farmers' associations, the GON public extension service and private sector extension agents in soil fertility management and conservation, fertilizer use, and integrated pest management to enhance productivity. The ATP will recommend the use of improved seeds and crop-

[11] Research conducted by the World Bank, the AfDB, *La Comité permanent Inter-Etats de Lutte Contre la Sécheresse dans le Sahel* (CILLS-Interstate Committee to Combat Drought in the Sahel), the African Rice Center (previously the West Africa Rice Development Association-Agency (WARDA)), and the International Institute of Tropical Agriculture (IITA).

management techniques that take into account the long-term trends of climate change.

Increase Access to Financing

Farmers generally are not served by the commercial banking sector, thus limiting their access to seeds, fertilizer, and farm equipment. The financial sector is beginning to invest in agriculture, but extending credit to farmers is considered a high risk because farmers lack collateral, insurance products, contracts to supply processors, and lack a dependable seed and fertilizer supply. In addition, commercial banks lack instruments and knowledge about sound investment opportunities in agriculture.

However, through a partnership between agro-processors, USAID MARKETS and the financial sector, USAID MARKETS has increased financial lending to tens of thousands of farmers, leading to increased productivity and incomes. Some increased lending was facilitated through a USAID partial loan guarantee with selected banks. USAID will continue to promote lending by financial institutions to commercial agribusiness partners and farmers. Women are heavy users of microfinance services and the ATP, working with the banking sector, will ensure that resources are targeted at increasing access to finance for women farmers and agro-processors.

The purposes of the ATP credit and finance activities (through which an anticipated micro-enterprise earmark will be met) are to increase credit for micro and smallholder farmers and build the capacity of agricultural lending institutions (commercial and rural lenders). The ATP will improve bankers' knowledge about agricultural investment opportunities, increase their use of existing loan guarantees, and assist them in providing more information to borrowers about their financial instruments. This activity will reduce the risk of lending and improve access to the credit needed by agricultural enterprises.

The US Embassy in partnership with the Bank of Industry is encouraging increased lending by private Nigerian banks to the agriculture sector. The Embassy has enlisted collaboration from the Overseas Private Investment Corporation (OPIC), the Export-Import Bank, and the US Trade and Development Agency to facilitate lending. USAID will also analyze the microfinance sector to see if additional donor efforts are needed to help microfinance and other banks to increase microenterprise lending to thousands of the very poor. The World Bank e-finance project is already working to address broad-based lending constraints to small and medium-sized businesses.

Expand Private Sector Agro-processing Capacity

Private sector involvement is the key to improving long-term sustainability of agricultural growth, mobilizing investments along the agriculture value chain, and increasing access to finance from commercial sources. USAID MARKETS has demonstrated the benefits of a private sector-led model working with processors and farmers and back through the distribution system to the market.

Public sector investments in Nigeria, particularly in agro-processing and input supply, have not increased incomes or productivity, nor have they reduced poverty. Public sector-supplied inputs often are not of appropriate quality and are delivered too late for farmers to use them. Further, the GON has underinvested in private sector agriculture. Medium and large-scale private sector processors are constrained by the lack of domestic supply of rice, sorghum, maize, and cassava. Small and medium enterprises often lack access to equipment, processing techniques, and knowledge of markets, have limited financing for exports, and have few links to buyers and exporters along the value chain.

In conjunction with the GON 5-Point Agenda (RAISE, MARKETS), the ATP will help agribusinesses overcome constraints by expanding and diversifying their final product and supply chains, increasing private sector business growth, and establishing private sector and government standards for quality control and grading. The ATP will assist processors and

farmers gain access to technology and financing to benefit from new business partnerships. In cooperation with the US Commercial Service, ATP will expand business-to-business linkages with US companies.

Similar to other successful regional projects, the ATP will build business relationships between small and medium enterprises and other trading partners in the value chains. Business-to-business linkages will be formed by introducing possible partners directly or through business linkage workshops. The ATP will expand the production and distribution of business training materials developed under USAID MARKETS and successfully piloted with the GON-World Bank Fadama II project.

The ATP will work with private seed and fertilizer companies to increase the supply and distribution of affordable fertilizer and seeds. The ATP will expand private sector-provided extension services, while USDA will provide training and technical exchanges to help build cooperatives and GON extension services.

Improve Post-Harvest Storage of Cereals

Since post-harvest facilities are neither well established nor widespread, the ATP will assist the GON to expand private sector-managed investments in storage and processing facilities. USDA will continue to assist the GON to design and manage silos and warehouses to store surplus agriculture grains following harvest, based on private sector management practices. At least 20,000 smallholder cereal farmers will be trained in improved post-harvest handling techniques and logistics of product movement from farm gate to processing facilities, leading to millions of dollars in business sales during the first two years of ATP. The ATP will work with the GON to prepare a private sector investment plan for 2011 financing. This responds to the GON request for collaboration under the Agricultural Commodity Exchange Market program (ACCOMEX), as part of the 5-Point Agenda and the CAADP Compact.

4.1.3 Reduce Trade and Transportation Barriers

USAID is assisting the GON to address bottlenecks to trade and transport identified in the 2008-9 AgBizCLIR analysis. Measures include improving port operations, supporting improved transportation corridors, modernizing customs, and building Nigeria's capacity to address trade policy. Agricultural development in Nigeria requires faster and safer national and regional transportation systems and increased investment in rural roads. Such investments are costly, however, and the fact that the GON often does not budget for road operation and maintenance costs contributes to the deterioration of the transport network.

A project to reduce trade and transportation barriers will improve the key regional trade and transportation corridors between the Republic of Niger and Lagos and between Lagos and the rest of West Africa, build capacity for trade policy reform, modernize customs policies and procedures, and facilitate investments in rural access roads.

More Efficient Transportation Corridor

The concept of corridor management has received increasing attention in recent years as a mechanism for focusing resources on routes that serve a significant part of a country's trade. Corridor management works with government to simplify and improve the enforcement of regulations affecting these services and with the private sector to coordinate efforts to upgrade skills, obtain better equipment, and introduce self-regulation.

A 2009 analysis of the Lagos-Kano-Jibiya (Niger border) corridor found that the corridor's performance, in terms of time, cost and reliability, lags well behind international benchmarks. Average cost for the importation of one cargo container through Apapa was between $2,600 and $5,500, compared to best practice cost of about $300. Similarly, the average dwell time of a container in Apapa port exceeds 20 days, in contrast to international best practice time of less than five days. A

transport corridor seminar held in late November 2009 disseminated the full findings to the private sector, government and parastatal stakeholders, all of whom play essential roles in moving cargo along the corridor.

The ATP will implement activities designed to improve corridor efficiency and reduce by 10 days the time to transit the corridor. This will include measures to decongest the port, reduce dwell time, improve collection and dissemination of information, reduce the number of checkpoints along the corridor, and identify key sections of road in need of rehabilitation. The program will work with stakeholders to implement and support a new public/private corridor management group designed to oversee efficient use of the corridor. Lastly, the activity will feed data into the road governance report released quarterly by the Trade Hub to give stakeholders a better picture of the cost to transit goods along major West African trade routes.

Improve Port Operations

A major focus will be on removing trade bottlenecks at the Port of Lagos. The 2008-9 AgBizCLIR analysis found that the ports are inefficient, impose high cost on traders, and are unable to deal with congestion. In 2006, private sector operators were given concessions to manage the main ports in Lagos. However, promised improvements in operations and infrastructure have not been delivered and conditions continue to deteriorate. Container traffic has doubled since privatization and dwell times for cargo at the ports have improved only modestly. According to the 2010 Doing Business survey, Nigeria ranks 146th in the Trading across Borders index, taking 25 days to export goods and 41 days to import.

The ATP will work to improve Nigeria's port operations by reducing the number of days to import and export goods. Activities will focus on building capacity of the Nigeria Customs Service (NCS) to facilitate trade. ATP will work with the World Bank, DIFD, and the European Commission to improve data interchange and communication between the NCS, port operators, and other border agencies. Increased use of inland container depots and foreign trade zones will be explored and alternatives for multi-modal delivery of goods to the hinterland will be assessed.

Improve Rural Road Infrastructure

More than half of the Nigerian population lives in the rural areas. Only 47% of rural communities have access to all season farm-to-market roads, with over 35 million rural inhabitants living further than two kilometers from the nearest road. Without decent roads, many rural communities have little or no access to basic public services such as education and health. Rural productivity and economic opportunities, especially in agriculture, are hindered by inefficient rural transport infrastructure and high transportation costs. Improved rural access roads will enhance rural development, promote better farming practices, and improve production margins. With improved rural access, firms would also benefit from a reliable supply of raw materials and farmers would be more inclined to utilize the vast stretches of fertile and underdeveloped land in rural Nigeria.

The ATP will assist the GON to develop and use cost recovery mechanisms to ensure sustainable road maintenance. Sustaining the benefits of improved road networks will require close collaboration and rigorous monitoring within the context of public-private partnerships. Critical partners include federal and state governments, the World Bank, the AfDB, the private sector, and communities.

In 2010, USAID will explore establishing a trust fund with the World Bank and the AfDB to accelerate implementation of loans to the GON that will rehabilitate or construct farm-to-market feeder roads. The trust fund will be used to build the capacity of the GON to improve the selection and design of the roads to build that will increase farm-to-market shipment of farm products. It will also be used to expand the capacity of the GON federal and state officials so that the World Bank and AfDB

loans can be used more rapidly in a greater number of states.

Reform Trade Policies

The lack of a national trade policy consistent with international norms also constrains trade. Nigeria's trade policy has been characterized by damaging import bans, high tariffs, and limited benefit from small efforts to liberalize trade. Trade policy inconsistencies create an unpredictable environment for importers and exporters and discourage long-term investment. Policy development is constrained by the lack of quality trade statistics, which are needed for impact assessments. Further, the MCI lacks the skilled staff and financial resources to perform such analyses.

With FY 2009 USAID support, the GON drafted a new trade and industrial policy designed to provide a better enabling environment to stimulate trade and encourage private sector investment. The USG will continue to promote trade policy reforms in coordination with new European Commission, DFID, and USAID West Africa Regional programs with ECOWAS, particularly where the results increase regional trade and trade to the US under the African Growth and Opportunity Act (AGOA). The US Embassy and Consulate economics offices and the Foreign Commercial Service office will play a key role in policy dialogue on trade policy. The US Trade Representative and the US Embassy Economics team lead the trade policy discussions under the TIFA.

Modernize the Customs Service

The GON has placed a high priority on capacity building of the NCS. The NCS has sought assistance to improve its service delivery and change its policy and procedures to expand the international trading supply chain. Like other regional governments, the NCS needs to improve the performance and efficiency of trade and customs inspection compliance management. In order to improve trade facilitation, the focus of assistance to the NCS will be on streamlining customs clearance to accelerate the movement of goods, implementing risk management policies and procedures, and coordinating with other border agencies to reduce transaction times.

On-going work with the NCS will support ECOWAS regional integration agenda efforts to implement, with donor assistance, joint border posts and single window trade facilitation. USAID will continue to assist the GON to complete, disseminate, and implement the new policy standards and to build the capacity of the NCS to implement modern customs techniques.

4.1.4 Improve Nutrition

The Mission will build on existing efforts to reduce malnutrition in rural women and children, where USAID has recently launched large-scale integrated maternal and child health, reproductive health, family planning and water and sanitation projects. Nutrition activities will improve the nutritional status of the poor and very poor in Bauchi and Sokoto States.

The ATP addresses the root causes of hunger and malnourishment through economic growth. Integrating rural families into Nigeria's commercial economy will increase family incomes, , which can then be used to purchase better food.

However, economic growth and agricultural production alone are not sufficient to improve nutrition. USAID assistance through public and private sectors, through private sector health providers and market vendors and through social marketing behavior-change interventions, already addresses early initiation, exclusive and continued breastfeeding, infant and child-feeding practices, and Vitamin A distribution to reduce malnourishment. Water, sanitation and hygiene interventions that contribute to improved nutritional status will be expanded with the Mission's separate water and sanitation program, which responds to a Congressional earmark.

With FY 2010 resources, USAID will undertake a nutritional assessment emphasizing prevention of malnutrition. The assessment will identify opportunities to expand or initiate evidence-

based and cost-effective interventions that can, directly or indirectly, improve the nutritional status of mothers and children in northern Nigeria.

USAID will also identify those positive child health practices used by very poor families that have resulted in comparatively better nutritional status than other families in similar circumstances in the same communities[12] and that can be widely transferred to other families and communities. FY 2010 food security resources will be used to develop a multi-year nutrition strategy and program, which will work synergistically with other health and nutrition programs. The assistance will be designed to match FY 2011 and future budget resources.

USAID will coordinate with the US President's Emergency Plan for AIDS Relief (PEPFAR) Nigeria program to expand sustainable nutritional services and growth monitoring for orphans and vulnerable children (OVC). It will complement prevention services offered to women and children under the GON plans for universal access to prevention of mother-to-child transmission (PMTCT) services. USAID will identify potential leveraging opportunities to improve nutrition in the Country Operational Plan (COP) 2010 reprogramming exercise, COP 2011, within the PEPFAR Partnership Framework with the GON, and with other potential development partners active in the sector, such as UNICEF.

4.1.5 Accelerate Participation of the Very Poor

In 2010, ATP will support collaboration with the Federal Government to develop an action plan to reach the very poor; expand activities to improve agriculture productivity of the very poor in conjunction with the programs for the poor; and improve productive skills, assets, and incomes of women throughout the income levels and foster market integration. The Mission will participate in a multi-country analysis of the impacts of climate change in Nigeria. However, due to lack of resources, it does not anticipate programs to assist the GON in identifying means for Nigerian farmers to adapt to climate change.

Assist the Very Poor

Many of the very poor are less well connected to value chains and commercial markets than the poor. They are more isolated than the poor, living in the drier northern states and some of the southern states. They are not as educated and have limited access to financial resources. The value chain program described above is working with the poor and the very poor who have the capability to become more commercially successful farmers. The highest return on USAID investments is with farmers and farmer groups that have some capacity to shift from subsistence to market farming.

Programs that address the needs of the very poor will be similar to those directed at the poor. However, additional support will be needed to improve the knowledge of modern farming practices and assist some of the very poor to obtain access to inputs and financing that may be different than more credit worthy poor farmers.

Fadama III is a community-based project that reaches a high percentage of the very poor. It will be expanded to 24 of Nigeria's 36 states over the next four years. USAID is already providing training to over 200,000 Fadama II farmers in business development. In addition to expanding MARKETS to reach more very poor, USAID will evaluate collaboration with the Fadama III project and identify means and the benefits of filling gaps within the project. Based on the assessment of options for collaboration, USAID can expand collaboration with Fadama III farmers through a farmer-to-farmer program that has proven to be effective in other parts of the world, including Africa.

Increase Women's Income

Women, who make up an estimated 80% of the total labor used in subsistence agriculture, contribute significantly to food production, processing, and marketing, yet they constitute a

[12] Where positive deviance studies have been undertaken.

higher percentage of the rural poor and lack access to services. With technical assistance and training in the USAID MARKETS project, 66,000 women farmers gained access to inputs and financing and expanded business linkages to agro-processors, which led to an increase in their farm productivity and income. In addition, MARKETS collaborated closely with several women's organizations.

The ATP will assist women to gain access to economic and technical resources equal to men in targeted sites. The ATP will integrate gender balance throughout the agricultural value chain intervention, increase women's control over productive assets, ensure a more equal participation by women in all levels of agricultural management, examine and introduce gender-appropriate labor-saving technologies, and ensure greater access to finance by women. The ATP will provide technical assistance and training to women farmers, increasing their access to new technology and inputs. The program will focus on strengthening women's associations that address agricultural and poverty-alleviation needs.

For example, USAID will expand work with women who started under USAID MARKETS and increase the percentage of women participants in the ATP to at least 40% of total beneficiaries. ATP will place greater emphasis on creating more off-farm employment for landless women and for those living on extremely small plots of marginal lands and fragile soil types. The ATP will increase the number of women who have access to microfinance services. Maize is being added to the USAID MARKETS crop portfolio in 2009. Because women generally cultivate more maize than men, adding this crop to the program will benefit a higher percentage of women than other crops.

4.1.6 Climate Change and Natural Resource Management

USAID Washington will continue funding FEWSNET, the famine early warning systems network, to help predict negative effects of changing climate. FEWSNET monitors food security (supply, market, prices, impact on the poor), rainfall, production, and post-harvest issues to prepare for a disaster and anticipate the amount of food aid needed in case of drought.

With FY 2009 resources, the USG will collaborate with the GON, World Bank, UNDP, DFID, Norway and other donors to develop a GON strategy to identify specific actions that foster adapting to climate change. With FY 2010 funds, on-farm technologies and conservation practices that reduce risk to farmers will be examined as part of the planning to assist the poor and very poor, as a sub-activity under improving productivity. A more robust program cannot be implemented given current planned FY 2011 budget cuts for food security. Any direct interventions will be part of the activities supported as part of the increased agriculture productivity interventions.

4.2 AFRICAN PRIORITIES

The ATP is aligned with the GON CAADP Compact and MAWR 5-Point Agenda. Major examples can be found in Table 1.

Table 1: Alignment of 5 Point Agenda with the ATP Assistance Objectives

5-Point Agenda	ATP Assistance Objectives
DARPS	Improve Sound Market-Based Principles for Agriculture Growth, Reduce Trade and Transportation Barriers, Improve Women's Income, USDA Policy
ACCOMEX	Improve Post-harvest Storage of Cereals, USDA Capacity Building
RAISE	Increase Agriculture Productivity, Increase Access to Finance, Accelerate Participation of the Very Poor, Reduce Malnourishment, Improve Women's Income
MARKETS	Increase Agriculture Productivity, Increase Access to Agriculture Inputs, Expand Agriculture Productivity, Increase Access to Finance, Reduce Trade and Transportation Barriers, Improve Women's Income
Water, Aquaculture, and Resource Management	Improve Natural Resources and Water Management

4.3 HOW AREAS BUILD ON EARLIER INVESTMENTS

Donor-supported programs in Nigeria, including the USAID MARKETS project, have helped:

- Increase agricultural production and productivity (yield/acre) through increased technical assistance delivered through farmer groups and the private sector;
- Increase the number of farm jobs for the rural poor;
- Improve access by farmers to quality seeds, fertilizer, credit, equipment, and technology;
- Expand public and private sector extension and training programs;
- Invest in adaptive research (rice, maize, sorghum, cassava, and fish);
- Reduce agriculture and trade-policy constraints to agricultural investments; and
- Promote sustainable agricultural development.

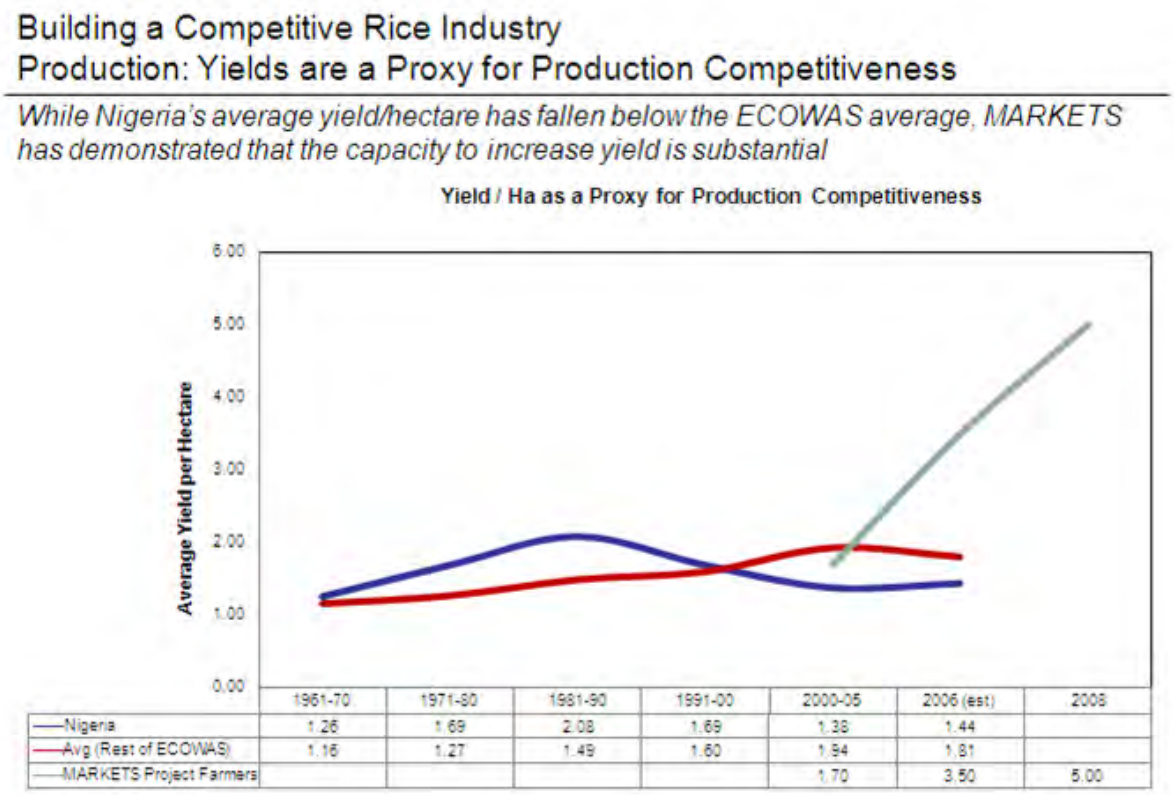
The past year's results for USAID MARKETS are: $21.5 million in increased income; 55,000 new jobs created; $19.8 million in value-added commodities and products; $26.7 million in commodity sales by assisted producer groups; 44,900 hectares under improved management; and over 65,000 new loans from banks and microfinance institutions provided to farmer clients.

The ATP builds directly on successful investments under USAID MARKETS with agro-processors and farmers to market more products and provide incentives to use improved technology and expand production. The main commodities are rice, sorghum, cowpea, maize, cassava, sesame, aquaculture, groundnuts, and wheat.

The ATP is based on lessons learned under the DFID PROPCOM project, the GON-World Bank-funded Fadama I and II projects, and USAID experiences in sub Saharan Africa through the Initiative to End Hunger in Africa (IEHA). The ATP will improve on the current USAID-funded program with IFPRI to strengthen the GON capacity to use market-based principles and CAADP policies to revise the agricultural strategy and investment plan. It will collaborate with IFDC, and the IITA to apply lessons learned from agricultural research and fertilizer policy efforts.

The Trade and Transport Component builds on recent GON reforms by strengthening GON policy development in modernizing the customs service and improving transportation management along the Lagos to Maradi Niger corridor. It also includes previous assistance for exports provided by the USAID/West Africa Trade Hub and is based on the 2009 USAID AgBizCLIR analysis of barriers to agriculture trade.

Figure 2: Nigerian Rice



4.4 LINK TO FOREIGN ASSISTANCE FRAMEWORK

Investments in the ATP and complementary funding support the Agency's Framework in Nutrition, the Agriculture (Program Area 4.5) and Trade (Program Area 4.2), Economic Opportunity Program (Program Area 4.7).

The ATP supports Program Elements:

- 3.1 Health
  - 3.1.9 Nutrition
- 4.2.1 Trade and Investment Enabling Environment
  - 4.2.1.3 Trade Facilitation
  - 4.2.1.4 Support for International Standards
- 4.5.1 Agriculture Enabling Environment
  - 4.5.1.1 Agricultural Resource Policy
  - 4.5.1.2 Food Policy
  - 4.5.1.3 Agricultural Market Standards and Regulations
  - 4.5.1.4 Public Investment Policy
- 4.5.2 Agriculture Sector Capacity
  - 4.5.2.1Research and Technology Dissemination
  - 4.5.2.2 Land and Water Management
  - 4.5.2.3 Rural and Agricultural Finance

- 4.5.2.4 Agribusiness and Producer Organizations
- 4.5.2.5 Markets and Trade Capacity
- 4.5.2.7 Agricultural Safety Nets and Livelihood Services

- 4.7.2 Policy Environment for Micro and Small Enterprises
  - 4.7.2.1 Reduce Barriers to Registering Micro and Small Enterprises
  - 4.7.2.2 Reduce Regulatory Burden on Micro and Small Enterprises

5 FY 2010 RESULTS/ INDICATORS/TARGETS

The ATP will achieve the overall expected results to reduce hunger and increase food security to achieve objectives of the GHFSI. The ATP results will link to and support the GON CAADP Compact, the Country Partnership Strategy (CPS) expected results, and the new USAID/Nigeria updated strategy. The expected results for the ATP are based on the last four years' experience of USAID MARKETS.

The USAID/Nigeria detailed Performance Management Plan (PMP) was prepared in 2005 and updated in 2009 in response to implementation of the emergency Global Food Security Response program. The ATP will continue to report against the GHFSI PMP. Also, it will contribute to the overall expected results of the multi-donor CPS in agriculture by 2013, which include:

- Increased net sales of selected crops with increased income from Nigerian Naira 135,000 per household to Nigerian Naira 189,000[13] ($90 per year for 4 years);
- Improved performance in the overall World Bank Doing Business Indicators in targeted states;
- Increased rate individuals with access to financial services to 16.5% of the population; and
- Rehabilitation of 1,200 km of roads and increased speed on critical corridors.

Finally, the Mission will prepare a final Results Framework for FY 2010 based on the initial draft and consultations with Washington. The Results Framework will be modified in FY 2011 once the inter-agency Results Framework is approved.

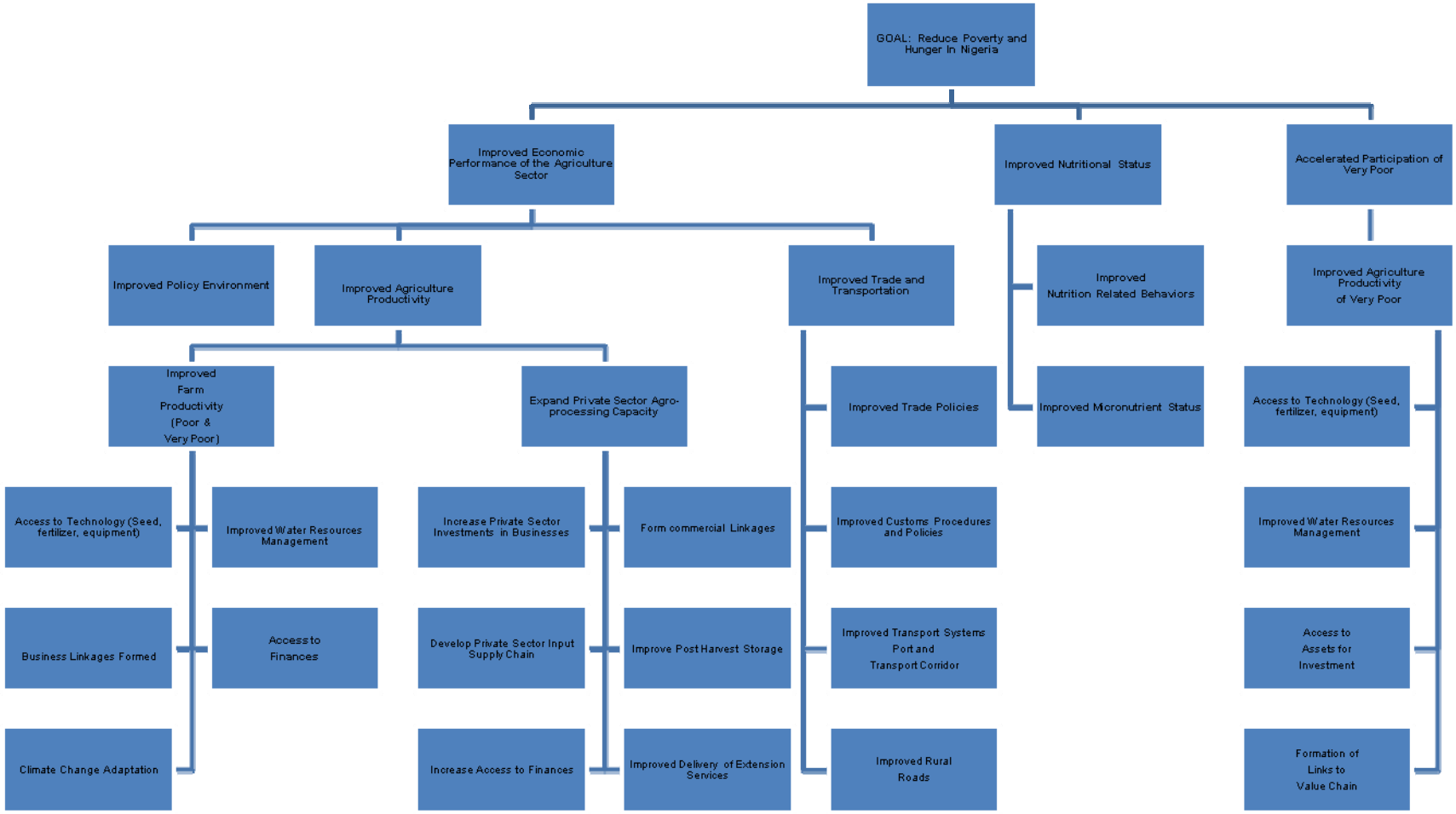
5.1 IMPROVE SOUND MARKET-BASED PRINCIPLES

Expected results to improve sound market-based principles are:

- A CAADP Investment Plan;
- A revised GON agricultural strategy to be consistent with CAADP principles;
- An expanded GON capacity to undertake policy analysis and census;
- An effective data collection and analysis node to serve as a control for knowledge and information systems for supporting policy decisions;
- Strengthened capacity in three think tanks to help government use research-based evidence for policy decisions; and
- Ten strategic analyses to assess agriculture sector performance and evaluate the impact on poverty and food security.

[13] Calculation based on $1 = 150 Nigerian Naira

Figure 3: Strategic Framework for Food Security in Nigeria



5.2 INCREASE AGRICULTURAL PRODUCTIVITY

The agriculture productivity program will start in FY 2010 with the following results expected:

- Increased sales of agriculture products by $220 million for 750,000 farmers, processors, traders and shippers (40% women);
- Creation of 50,000 new jobs, of which a high percentage will be for women and the very poor;
- Increased yields of rice, sorghum, cowpeas, cassava, and millet by 50-75%;
- $40 million public and private funds for agriculture leveraged;
- Improved agricultural technology and inputs for 300,000 farmers;
- Expanded activities in four new value chains (sesame, maize, aquaculture, and fruit) under the ATP;
- At least one public-private partnership established to assist the poor in a Niger Delta state;
- Strengthened capacity of fertilizer companies to distribute fertilizer (50 retailer networks created and developed, advisory services improved, and fertilizer dealers reaching 300,000 rural clients);
- $30 million for smallholder and agribusiness in commercial credit leveraged to 50,000 smallholders;
- At least 250 GON officials in 10 states and the MAWR trained in the MARKETS private sector model;
- An outreach and communication program for ATP; and
- Reduced trade and transportation barriers.
- Expected results from the Trade and Transport Project include:
- Increased trade along improved roads allowing more farm produce to reach markets;
- Improved trade corridor operation, with reduced trade barriers in collaboration with the Ministry of Transportation and private shippers and transporters;
- Streamlined customs procedures and greater capacity of the NCS;
- Development of a management plan to improve operations at the Port of Lagos; and
- Establishment of a trust fund to help the World Bank and African Development Bank rehabilitate and/or build 250 kilometers of rural roads by the end of 2011.

5.3 IMPROVE NUTRITION

Expected major results of the nutrition program are:

- Expanded cost-effective, evidence-based nutritional interventions for women and children, including breast-feeding and Vitamin A supplementation, in Bauchi and Sokoto, through a nutrition assessment.
- Expanded food and nutrition services to orphans and vulnerable children (OVC) through leveraging of PEPFAR resources;;
- Harmonize two sets of resources flowing into the Nigeria health system: i) USG health systems strengthening resources, under the new Global Health Initiative, and ii) the new Global Fund Nigeria Health Systems Strengthening grant; and
- At least 200 local government areas benefit from increased capacity of primary healthcare networks, improved health worker training and retention, and integrated management of health, HIV

and nutrition referral services at the ward and district levels.

5.4 ACCELERATE THE PARTICIPATION OF THE VERY POOR

The key expected results from assisting the very poor are:

- Develop state programs that help the very poor by working with state agriculture commissions to analyze agricultural policies and programs that will benefit them.
- Collaboration with the Fadama III project for the rural poor, especially in the poor Muslim areas of the north;
- At least one public-private partnership established to assist the very poor in a Niger Delta state;
- Around 200,000 very poor farmers linked to the ATP tto increase their income.; and
- Track employment created for the very poor from the ATP.

6 KEY ISSUES AND ANALYTICAL ACTIVITIES LOOKING TOWARD FY 2011

The USG is working with Nigeria to expand its capacity to rapidly improve private sector agricultural growth and to improve its role as a regional market leader in West Africa, while helping Nigeria to feed its own population. Through existing and new mechanisms, USAID/Nigeria will build the capacity of the GON to introduce and spread a private sector agriculture program, expand the role of the private agro-processors, and collaborate with the GON and development partners to expand the growth of the agriculture sector to implement the CAADP Compact. The overarching priority analysis is to prepare a CAADP Implementation Plan that has the endorsement of development partners and has been internationally peer reviewed.

To increase agricultural growth and expand regional trade, USAID/Nigeria will analyze policy constraints and institutional constraints in the four core investment areas as outlined in Section 4. The analytical agenda for the year consists of activities to:

- Analyze and disseminate program impacts of the USAID MARKETS project. Use this analysis in workshops and seminars to demonstrate a private sector agriculture program that the GON can adopt;
- Present the findings of the policy study on constraints to private sector providers of fertilizer, seeds, and farm equipment (IFPRI) and develop an action plan to remove policy barriers in this area;
- Present the findings of the analysis of the barriers to transportation along major transportation corridors (FastPath[14] - MARKETS) and establish a transportation corridor management unit to introduce reforms;
- Present the analysis of the constraints to the efficient operations of the Port of Lagos (January 2010) and develop a donor and private sector action plan for investment and procedural reforms;
- Analyze the institutional constraints and capacity building needs of the MAWR Department of Policy, Planning, and Statistics (MARKETS and USDA) in order to prepare a follow-up expanded assistance program for institutional development to implement CAADP;

[14] FastPath is Nathan Associates, Inc. tool for assessing trade corridors for efficiency, cost, and reliability

- Examine the MARKETS and GON projects for ways to improve women's livelihoods and incorporate the findings in ATP;
- Undertake a nutritional assessment to identify means to incorporate nutrition elements into maternal child health/ reproductive health/family planning and disease prevention programs in Bauchi and Sokoto. Based on the assessment, evidenced-based nutritional interventions, programs such as extended breast-feeding and Vitamin A supplementation will be promoted through behavior change and service delivery activities in USAID-supported projects in FY 2011. The intervention will work in the public and private sectors and in collaboration with other health development partners;
- Inventory good models of how to provide children in northern Nigeria with vitamin A supplementation, engaging and mobilizing support from traditional and religious leaders;
- Explore use of iron supplementation for women, food supplementation, community management of acute undernutrition, and other programmatic strategies such as conditional cash transfer programs, currently being piloted by UNICEF, the World Bank, and the GON MDG office;
- Identify and address enabling environment constraints that may undermine state-level service delivery system, and support advocacy efforts to change them;
- Analyze how to improve the quality of food produced, increase the understanding of the importance of nutrition, and teach people how to raise and use more nutritious and micronutrient rich foods;
- Analyze and design a joint climate-change action plan with the World Bank and development partners; and
- In collaboration with the World Bank and the African Development Bank, design a trust fund program to increase access to markets through design and construction of rural feeder roads that can be financed through current loans.

7 PARTNERSHIP PLAN

At the L'Aquila Summit, the G8 members initiated an agriculture and food security program along with a Global Donor Partnership for Agriculture Food Security (GDPAFS) that supports implementation of the CAADP agenda. The GDPAFS includes formation of partnerships amongst donors to assist countries in a coordinated manner. The USG program will support GON linkages to the GDPAFS and closely collaborate with the GON, multilateral partners, and private sector resources.

A key feature of the ATP will be to expand public-private partnerships and collaborate closely with GON investments in agriculture at the federal and key states level. The Country Partnership Strategy II, approved by the World Bank, African Development Bank, DFID, and USAID, provides a formal process of coordination, as does the CAADP Peer Review Process.

7.1 USG INTER-AGENCY CONSULTATION AND COORDINATION DIPLOMACY STRATEGY

Under the leadership of the US Ambassador, USAID/Nigeria is leading the overall design of ATP in collaboration with the Mission inter-agency team of the Economic, Political, and Public Diplomacy Sections, Foreign Agricultural Service (FAS), US Foreign Commercial Service (USCS), USAID/West Africa, as well as the interagency PEPFAR team. USAID/Nigeria has promoted inter-agency coordination among Mission Nigeria Country Team members and during visits by representatives from agencies based in Washington, and will continue such

coordination during execution of the Implementation Plan. USG representatives meet frequently, consult often and reach consensus about proposed programs. The US inter-agency team proposed actions that were directly incorporated into the Implementation Plan and cleared on the final document.

The Chief of Mission (COM) and USAID Mission Director will engage regularly with the highest level GON officials, including the Acting President, Ministers of Agriculture and Water Resources and Foreign Affairs and other senior advisors, such as the Presidential Advisor on the Millennium Development Goals. The Mission will also engage with political leaders, state governments, other donor-country representatives, the private sector, non-governmental organizations, and civil society organizations to ensure that GHFSI goals addressing food insecurity in a comprehensive manner become and remain a top GON priority.

USAID has served as the primary USG institution, implementing agricultural projects in Nigeria since the late 1990s. It has an extensive network of counterparts at both federal and state levels, and with the private sector and non-governmental organizations. USAID officials provide the Ambassador with primary input for agriculture development programs. USAID will remain the primary USG institution responsible for program development, guidance, monitoring, and reporting. It will supervise capacity-building activities promoting CAADP and improving the enabling environment for agriculture and trade related to agriculture, and will supervise private sector-led agricultural development programs. It will also collaborate with other donors through the Agriculture Donor Working Group (chaired by USAID), and will leverage GON and private sector investments to support GHFSI.

USDA serves as a key implementer and will receive ATP funds to implement key programs in government-to-government capacity building in policy, planning, post-harvest storage, and other areas. The Economic and Political Sections will prepare reports and analyses on developments and policies affecting food security. FAS, USCS and the Economic Section will coordinate the third annual conference on public-private Partnership on Trade, Industry, and Commerce (POTICO), scheduled in May 2010 in Abuja. This year, the conference will focus on agricultural infrastructure. The 2009 conference focused on educating the Nigerian agricultural sector about US food security efforts, financing for agriculture and food safety issues.

The Mission Country Team includes representatives of all sections and agencies at the Embassy in Abuja and the Consulate General in Lagos, and supports efforts to promote food security. Country Team members will include information on food security initiatives in briefings to relevant senior visitors, including high-level executive branch officials and members of Congress.

The Public Diplomacy (PD) Section supports the Ambassador in preparing and implementing outreach messages, events, and policy dialogue talking points to advance food security reform. The PD could also use strategic speakers, exchange visitors, and related programs to advance food security objectives. The Mission Strategic Resource Plan (MSRP) includes food security as a core program activity, meriting personnel and program support both at the Mission and from headquarters agencies in Washington. The US Secretary of State and the President of Nigeria have agreed to establish a Bi-National Commission (BNC) to address important policy issues of interest to both countries, including the Global Hunger and Food Security Initiative.

COM, USAID, FAS, the Political, Economic, and Public Diplomacy Sections, and appropriate Washington-based US agencies will continue to promote policy dialogue with GON counterparts to promote private sector investment on food security in Nigeria. The Mission will encourage participation of experts from other US federal agencies (e.g. USTDA and EXIM Bank) for development and implementation of food security projects. For example, working through Washington

agencies, Mission will continue to encourage the US African Development Foundation's positive efforts in supporting agricultural projects to help alleviate poverty for the ultra poor in Nigeria.

The Mission will also encourage, through the inter-agency process, the US Treasury Department to partner with the World Bank and the African Development Bank in establishing trust funds to support food security initiatives. The Mission will continue its positive efforts with other US agencies, including the Overseas Private Investment Corporation (OPIC) on project and agricultural financing, US Trade Development Administration (USTDA) on investment preparation, Export-Import Bank (EXIMBANK) on export financing, the US Trade Representative and Commerce Department on trade policy, and the State Department on regional integration and international coordination.

USAID and the Centers for Disease Control (CDC) will review progress on nutrition initiatives at the interagency Investing in People (IIP) biweekly meetings chaired by the Deputy Chief of Mission. In addition, ATP implementers will collaborate with other USAID programs, as appropriate, for activities to implement in Bauchi, Sokoto, and other States experiencing food security challenges in Nigeria.

The Chief of Mission will continue to support and encourage participation of the USAID Mission Director in a Donor Coordination Group to promote greater focus on GHFSI goals, both during the current and future GON administration, set to assume office in May 2011.

7.2 CONSULTATION AND COORDINATION WITH GOVERNMENT

The USG coordinates closely with the Ministry of Agriculture and Water Resources. The USG team is aligning its program with the African Union-endorsed CAADP, the GON CAADP compact, and the MAWR 5-Point Agenda or "Agriculture and Food Security Development Plan for Nigeria for 2010-2014." USAID, USDA and the State Department will expand collaboration on GON target areas (Policy, Commodity Exchange, Sustainable Development, Agribusiness, and Aquaculture). USAID will co-fund a CAADP secretariat to foster communication and coordination.

USAID will also work with DFID and the World Health Organization to elevate communication and coordination on nutrition issues with the Federal Ministry of Health and the National Primary Care Development Agency. Semi-annual stocktaking exercises with the MDG office of the Presidency will also be undertaken.

7.3 MULTILATERAL AND BILATERAL DONOR CONSULTATION AND COORDINATION

In 2009, USAID reactivated the Agricultural Donor Working Group (ADWG)—which is open to all interested donors—to increase policy dialogue with the GON, foster collaboration, and harmonize investments from all donors. USAID is chairing the ADWG for the first year. By agreeing to a single joint framework both internationally (CAADP) and at the country level (CPS), partners will strengthen development effectiveness and expand collaboration. Other partners include the AU/NEPAD Nigeria, FAO, UN institutions, the European Union, the French Development Agency.

Donors with significant programs in food security also include the World Bank and the AfDB. The World Bank will provide a $500 million loan for budget support to be used for improved governance and non-oil growth. Non-oil growth investments in agriculture include**:**

- Increased agricultural productivity;
- Strengthened agricultural input systems;
- Improved agricultural research;
- Improved agricultural finances;
- Public/private partnerships in irrigation;
- Expanded collaboration with agro-processors and supermarkets;

- Physical infrastructure for growth clusters;
- Technical and vocational training; and
- IFC to seek opportunities in agribusiness.

The AfDB is providing an $80 million loan for their current strategy in human capital development through interventions in the social sectors, stimulating private sector-led growth in the non-oil sector, enhanced infrastructure, and agricultural and rural development. Priority areas for investment are infrastructure, good governance, private sector development and regional integration, all of which are in line with the CPS and CAADP frameworks.

DFID is supporting one project for agricultural development. The focus of DFID non oil-sector programs (totaling £120–140 million or $185-215 million) will be energy, infrastructure, policy, investment climate, health systems and governance.

USAID plans to establish a trust fund with the World Bank and the AfDB to speed up implementation of their loans to build rural roads and invest in agriculture projects.

Nutrition issues are under discussion through the Development Partners Group on Health, which unites key bilateral and multilateral donors and meets monthly. In addition, USAID and DFID have regular meetings in Abuja and the northern states to address health, nutrition and reproductive health, operational concerns, and lessons learned.

7.4 CIVIL SOCIETY AND PRIVATE SECTOR CONSULTATION AND COORDINATION

Regular consultations are held with the Nigerian and international private sector to identify policy and program barriers to expansion of agricultural processing and supply constraints. Additional consultations were held with civil society and the private sector during a Global Food Security Response Stakeholders meeting, the MAWR-led stakeholders meeting on agriculture strategy, and the annual Nigerian Economic Summit Group conference. The CAADP stakeholders meeting provided additional input to the ATP design.

8 FY 2010 CAPACITY-BUILDING PLAN

The USG will use FY 2009 resources to design a capacity-building program for the private sector and key departments in counterpart federal and state governments. The priority training will focus on expanding private sector agricultural supply and trade within the CAADP framework.

Government

Since 2005, USAID MARKETS has worked with the private sector to demonstrate that a private sector-driven model could raise incomes and reduce poverty. Under the ATP, the USG will work to transfer this model to the GON.

IFPRI will help build capacity for agriculture policy through joint research with local think tanks and universities, as well as the Department of Policy, Planning, and Agriculture Statistics within MAWR. The priority will be to expand the network and capacity of Nigerian agriculture policy research, analysis, and advocacy.

Using FY 2009 funds, USAID is building the institutional capacity of key counterpart organizations, the MAWR Department of Policy, Planning, and Statistics, the Ministry of Transportation, and the NCS. The priorities are to build the capacity of MAWR in strategic and investment planning, market development, rural road construction identification, and agriculture census. The USDA program and the MARKETS IFPRI team are building capacity in SAKSS and agriculture policy, biotechnology, and agricultural statistical analysis.

Institutional development of the MAWR will be analyzed in the second quarter of calendar year 2010, and the USG will provide training to the MAWR for policy planning, strategic planning, providing extension services, and CAADP

implementation. Capacity building of the State Commissioners of Agriculture will be undertaken as the ATP works in each state.

The priority training and assistance for the Ministry of Transportation was identified in the AgBizCLIR assessment and detailed work plan of a MARKETS/Trade and Transportation assessment (2009). Efforts to reduce transportation costs will focus on improving transportation corridor management and port administration in Lagos and along the Maradi, Niger to Lagos transportation corridor. The specific efforts to build capacity of the Port of Lagos authority are documented in the MARKETS/Nathan Fast Path and port analysis (February 2010). The ATP will coordinate with the USAID/West Africa Regional Mission to strengthen government capacity to improve trade along the Lagos-Cotonou-Abidjan corridor.

Based on the analytical study of constraints to agriculture development (AgBizCLIR and MARKETS/Nathan 2009), USAID will build the capacity of the NCS to meet international standards for customs procedures. USAID will continue training the NCS 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. USAID will train NCS officials to complete, disseminate, and implement new 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.

Farmers

The primary training needs for farmers are in the areas of use of modern technology for each value chain, use of appropriate types of seeds and fertilizer, organizing and managing cooperatives for bulk purchases of inputs and group leasing of equipment, and good business practices for managing finance and obtaining credit. The current business training manuals developed and used by the USAID MARKETS project have now been transferred to 200,000 farmers under the GON-World Bank Fadama II program.

Private Sector

Private sector strengthening will expand on current programs to assist agro-processors, farmers (particularly women), associations, cooperatives, shippers, transporters, and banks. To help them access credit, processors will be trained in better business practices, operating efficiencies, increased sales through better packaging, streamlined marketing channels, advertising, and project finance. The USAID bilateral program will collaborate with other partners to build region-specific partnerships or alliances to facilitate training.

Nutrition

Nutrition programming will require focus on a variety of target populations. FY 2010 funds will be used to build capacity of:

- Civil society organizations to promote better policies and an enabling environment for nutritional interventions;
- Researchers and evaluation experts to analyze the determinants and potential approaches to reduce malnutrition;
- Social marketing/BCC organizations to effectively promote nutritional messages at a large scale through various media;
- Health workers at state, local and health facility levels to implement nutrition related services; and
- Targeted communities to identify and expand training in good behaviors to improve nutritious feeding of children.

9 MANAGEMENT PLAN

9.1 WHOLE-OF-GOVERNMENT COORDINATION STRUCTURE

The Embassy, the Consulate General, USAID, USDA/FAS, and FCS are committed to a whole-of- government approach to agriculture sector growth[15]. This approach reflects the Ambassador's long-standing policy. The USAID/Nigeria Mission Director will provide overall management of the ATP. The Director or a USAID designee will convene quarterly meetings of a USG Agriculture and Food Security Working Group to determine best approaches to guide the program, share information about the overall USG, GON, and donor policy and programming. The Working Group comprises representatives from the US Embassy Economics section, Foreign Agriculture Service (FAS) Lagos, US Commercial Service, Lagos, USAID Nigeria Economic Growth and Environment (USAID/EGE) Office, the USAID Investing in People Office, and the interagency PEPFAR team. USAID/Nigeria is the lead contact with the USAID West Africa regional program. The USG Agriculture and Food Security Working Group will periodically brief key stakeholders, including the Ambassador and the Consul General, Lagos. The US Department of Agriculture (USDA) provides key policy and technical recommendations for agriculture investments in Nigeria.

USAID/EGE
USAID/EGE has the lead for the overall design and implementation of the ATP.. It is guiding the USAID/MARKETS project and its successor, supervising the IFPRI policy reform assistance program, directing the trade and transportation program, and establishing public-private partnerships, which will be expanded to implement the ATP. USAID has the primary responsibility for collaborating with the key GON institutions such as the MAWR, MCI, Ministry of Finance, and Ministry of Transportation, in addition to lstate-level authorities. USAID is responsible for reporting on the program impacts of the interagency ATP.

Investing in People (IIP)\PEPFAR
The USAID Investing in People Office, the new Health, Population, and Nutrition (HPN) and HIV-TB Office, and the inter-agency PEPFAR team will leverage health systems strengthening resources under the Global Health Initiative. Those of the new Global Fund Nigeria Health Systems Strengthening grant will expand quality, integrated health, HIV and nutritional services in priority states and local government areas. The program will also seek to leverage resources available under the PEPFAR II earmarked for nutritional activities, expanding food security through channels to provide services for women and children under PMTCT and OVC.

US Commercial Service (USCS)
USCS is promoting opportunities in the Nigerian agro-industry to introduce US suppliers of technology and equipment. USCS will promote trade events and visits between the US and Nigeria to expand the introduction of equipment, services, supplies and technology. USCS activities should also lead to greater productivity in Nigerian agriculture.

Embassy Economic Affairs (ECON)
GHFSI is one of the four core economic growth areas in the Mission Strategic Plan and the US Nigeria Bi-National Commission. ECON will continue to engage in policy discussions with the GON, provide advice about how to advance the GHFSI agenda, and report on the GON views about private sector agriculture development.

Public Affairs Section (PAS)
The US Mission will underscore significant milestones in the food security program with high-profile or ceremonial public events. The Ambassador or a senior designee will play a central role in such events. PAS will support these with appropriate publicity in coordination with USAID.

It should be noted that activities of each USG unit are constrained by limited staff resources. In addition, recently heightened security threats

[15] Neither Peace Corps, Food for Peace, or Millenium Challenge Corporation operate in Nigeria.

and other constraints combine to make recruitment of experienced officers a challenge.

9.2 REVIEW AND EVALUATION SCHEDULE

The USG has made a firm commitment to employ internationally agreed monitoring and evaluation (M&E) systems for the food security program. This will be done in collaboration with the MAWR. Data will be collected for the monitoring matrix established under the Country Partnership Strategy and the GON 7-Point Agenda. USAID will employ the CAADP Donor Guidelines, which USAID was the first donor to endorse for use in Nigeria. The USG will harmonize its own project evaluation using the Food Security indicators that are adopted jointly by USAID and the GON.

Monitoring and evaluation are an integral part of the USG Nigeria plan. Plans to scale up in 2011 will be influenced by performance data and analytical information collected from FY 2009 and FY 2010. Further, the USG commitment to CAADP implementation obligates the US to peer review and the use of harmonized indicators.

Because the USAID MARKETS project has worked in Nigeria since 2005, USAID has an extensive baseline for over 700,000 farmers and agro-processors for six value chains. The baseline data will be increased to 1.2 million farmers and processors by December 2010. The baseline analysis is available in the quarterly and annual report of the MARKETS team. The experience of MARKETS and the 2010 assessment of the MARKETS program provide the foundation for the results indicators provided as part of the IP program assessment. USAID Nigeria will set up a GHFSI M&E system. The GSFSI will be the same as USAID/Nigeria's M&E plan.

USAID/Nigeria activity managers will monitor ATP and performance data will be constantly reviewed during the Agency's annual Performance Plan and Report and special reporting requirements for the USG food security program. The new ATP M&E contractor will work with USAID partners and USAID/Nigeria staff to develop and refine performance monitoring plans.

USAID/Nigeria will undertake annual portfolio reviews of all ATP projects. USAID will use web-based reporting to track annual performance data and to facilitate comparison of progress against targets, required partner reporting, and the use of performance and other data for mapping. USAID will work with CAADP stakeholders to develop a capacity-building plan, establish a quality assurance process, reach joint agreement on investment programs, provide medium-term indications of support to enhance the predictability of assistance, and support peer review to track progress.

USAID/Nigeria will support continued dissemination of the 2008 NDHS results as a baseline for nutrition interventions, and will coordinate with UNICEF and other multilateral and bilateral health donors on a potential 2010-2011 Multi-Indicator Cluster Survey (MICS). USAID will decide if in addition to the 2008 NDHS baseline data, any other data collection tool must be developed to report on the impact of combined agriculture and nutrition interventions. The 2013 DHS survey may also serve as a population-based baseline for these projects.

9.3 STAFFING REQUIREMENTS

Additional staffing will be needed if the FY 2011-2013 budget is significantly higher than the FY 2009-2010 budget levels. The staffing is subject to further in-depth assessment of management burden, ability to recruit experienced staff, and planning funding levels for FY 2011-2013. Some staff will be phased in before receiving FY 2011 funds.

In addition, USAID will work with the GON and other donors to prepare a monitoring and evaluation plan for the Nigerian CAADP Investment Plan. This plan will track the performance of investments in support of food security and GON and donor investment levels.

Illustrative New Core Staffing

- Agriculture Communication and Reporting Coordinator
- Agriculture Program Manager (Finance)
- Agriculture Program Manager (Infrastructure Engineer)
- Health/Nutrition Program Manager

Illustrative New Support staff

- EGE Program Assistant
- Program officer
- Acquisition and assistance specialist
- Voucher examiner