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NIGERIA

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FY 2009 FOREIGN ASSISTANCE GOALS

One of the most significant achievements for Nigeria in FY 2009 was the completion of 10 consecutive years of civilian governance, the longest period of non-military rule since its independence in 1960. Nigeria has experienced a series of military regimes, a devastating civil war, and several democratically elected governments that were unable to complete their terms in office. This began to change with the election of President Olusegun Obasanjo in 1999 and his subsequent re-election in 2003. With the election of President Umaru Yar'Adua in 2007, one democratically elected government handed power over to another for the first time in Nigeria's history.

However, there continue to be significant threats to Nigeria's still fragile stability, as was evidenced earlier this year by the killing of more than 700 people in clashes between Islamist militants and Nigeria's security forces, as well as violent outbreaks over local government elections in the northern part of the country. Nigeria is off track in achieving most of the Millennium Development Goals, and rates of poverty vary significantly between urban and rural populations and between northern and southern parts of the country. Over 75 percent of agricultural households in the north, for example, live below the poverty line. In education, Nigeria aims to achieve gender equality at the primary level by 2015, but significant challenges remain, particularly in the northeast and northwest regions, where enrollment rates are very low, and less than half the children of the appropriate age in primary school. Quality and learning outcomes are also poor. United States Government (USG) assistance has contributed to progress in improving routine immunization and supporting polio eradication, but strengthening the health sector and improving health status are among the most important development issues facing Nigeria.

The lack of transparency, accountability, and fiscal responsibility in the management of government revenues, particularly at the state level, has held back economic development. Nigeria's federal system delegates half of the annual budget and responsibility for the delivery of public services to 36 states and 774 local governments, which generally lack the institutional capacity to handle the money and provide basic social services. Government has also been ineffective at managing threats to

peace and security from communal conflict, extremism, and militancy, and conducting orderly and credible elections. Although Nigeria's standing on the Transparency International Corruption Perceptions Index improved in 2008, corruption remains a fundamental problem. USG assistance aims to improve the rule of law by supporting good governance and electoral reform, without which Nigeria will not have sustainable development. Nigeria's predicament illustrates why an oil-based economy can be a curse. As oil income flowed in, agricultural-based growth was de-emphasized or ignored. The subsequent strong foreign exchange position increased the external value of the Nigerian currency, which increased the cost of inputs and made agricultural imports cheaper than domestic production. People left farms to seek urban employment, reducing the knowledge base and contributing to the decimation of rural industries that had processed, transported, and provided inputs to agriculture.

HIGHLIGHTS BY PROGRAM OBJECTIVE

Peace and Security

Nigeria is an anchor state in Africa because of its political influence and economic size. It is, by far, the largest economy in west Africa with the largest population. Widespread poverty combined with oil wealth and corruption, inter-religious violence, and political tensions can create a breeding ground for both terrorism and ways to finance it. In FY 2009 the USG provided training in combating terrorism, managing international borders, incident investigation, peacekeeping operations, medical services, flight safety, and rescue operations. Assistance was also provided to improve the Nigerian Government's operational and tactical capabilities to confront terrorism.

USG-assisted counternarcotics efforts saw significant improvements over the previous year's. In FY 2009:

- Nigeria's National Drug Law Enforcement Agency made 6,186 arrests, compared with 4,240 in FY 2008 and seized 220.17 kg of cocaine (as compared to 279 kg in 2008), 24.27 kg of heroin (10.3 kg in 2008), and 485.19 kg of psychotropic substances (259 kg in 2008).
- The USG provided scanners, which led to increased arrests and drug seizures at the international airports, with a total of 183 arrests and 729 kilos of drugs seized in FY 2009, compared with 147 arrests and 234 kilos of drugs seized in FY 2008 at these airports. In particular, a drug courier attempting to board a Delta flight to Atlanta was detected with first-time use of a USG-donated Digital Body Scanner at the Lagos International Airport and arrested. In FY 2009, USG trained 48 persons in the use of IT3 itemizers, the latest model of drug and explosive detection machines.

Governing Justly and Democratically

Nigerians have now lived under civilian rule for a decade, which has created rising democratic expectations by the public. However, systemic corruption continues to be a key governance issue that has pervaded almost every aspect of the daily lives of Nigerians, who believe that only unemployment is a bigger challenge to their future. During FY 2009, important counter-trends that augured well for improved governance in Nigeria. Pockets of democratic reform are consolidating in some parts of the system. The Supreme Court, federal high courts, and some of the election tribunals have shown increasing independence, as has the National Assembly and some state assemblies. Perhaps the most important positive trend is the growing political and organizational learning that is taking place. With USG assistance, in June 2009, Nigeria achieved a Tier 1 ranking

by the State Department's Office of Global Trafficking in Persons, a positive step for Nigeria. This is particularly noteworthy, given that for the past four years, Nigeria was ranked as a Tier 2 country, and at risk of becoming a Tier 3 country and being subjected to U.S. sanctions, including the withholding of certain types of foreign assistance. Nigeria has not yet recovered from a generation of rule that was virtually unaccountable to the public, but the increase in civil society organizations is a positive improvement. Their efforts have resulted in the passage of key transparency and accountability laws, such as the Fiscal Responsibility, Public Procurement, and Nigerian Extractive Industries Transparency Initiative Laws. In FY 2009, USG assistance:

- Supported Nigeria's Muslim League for Accountability, a network of Islamic civil society organizations to ensure continued advocacy for the passage of a Freedom of Information Act, which had met with serious opposition from legislators. Training was also provided to members of 46 civil society groups, making it possible for them to harmonize their positions prior to a public hearing on a Petroleum Industry Bill to promote accountability.
- Improved the electoral reform process. This support has increased the national consensus on electoral reform, which has put the executive and legislature under pressure to accelerate the reform process in time for the 2011 elections. FY 2009 assistance helped establish a Civil Society Coordinating Committee, which includes people with disabilities, businesses, eminent persons, political parties, and civil society organizations. During the year, the committee organized educational and advocacy campaigns for electoral reforms that often used the U.S. approach of a town meeting to promote discussion on the need for both reform and for lobbying legislators.
- Trained 20 political parties and political groups to articulate their platforms and policy agendas, trained 26 journalists to report on electoral reform issues, and organized a forum for the business community, the first of its kind in Nigeria, to facilitate their participation in the electoral reform process.
- Increased the capability of key branches of local government by entering into partnership with the Bayelsa State Government, which provided \$1 million to the USG to support the U.S. technical assistance program to increase trainings to state and local officials in budget design, management, and administration. This partnership marked the first time that a Nigerian state has entered into such an agreement of this kind with a USG entity.

Investing In People

Strengthening the health sector and improving health indicators are among the most important development issues facing Nigeria. About one million children under age five die each year, and infant and child mortality rates are extremely high, even compared to other sub-Saharan African countries. Maternal mortality rates are among the highest in the world, particularly in the northern states. The average Nigerian woman, for whom childbearing starts very early and births are especially closely spaced, gives birth to seven children during her reproductive years. USG assistance has improved delivery of key maternal and child health, family planning, and reproductive health services at the operational (primary and first referral) levels of the public health system, and has demonstrated how community mobilization can make major contributions to increasing healthy behaviors and demand for health services, as well as to improving those services themselves. Nigeria has been slow to recognize the gravity of the HIV/AIDS epidemic, and failed to mobilize the commitment and resources required for a sustainable national response. While progress has

been made in policy development and strategic planning at the federal level, provision of care, treatment, and prevention services remains inadequate and the level of unmet need is enormous. The expansion of HIV/AIDS services over the past five years has been due almost entirely to donor support, particularly from the USG through the President's Emergency Plan for AIDS Relief.

Challenges bedeviling Nigeria's education sector were fundamentally inherited from the time of military rule. Government of Nigeria resources were prioritized toward defense, to the detriment of the social sectors. The poor quality of education generated low demand, low enrollment, and poor attendance. One-third of the 30 million primary-school-aged children in Nigeria are not in school. Of those in primary school, less than a third will advance to junior secondary schools, and even fewer will proceed to senior secondary. Less than 1.5 million will pursue higher education. This leaves an enormous number of people who are semi-illiterate with little hope of joining the formal workforce. While education indicators are poor nationwide, the greatest need for USG assistance is in the predominantly Muslim north, where poor education contributes to the marginalization of Muslim communities, reduced economic opportunities, and an increase in the potential for unrest. In FY 2009, USG assistance:

- Increased the quality of primary education, especially girls' education, access to education, and completion of primary-level education in northern states, as well as teacher education and information-management policy reforms. Working at the community level, USG education programs ensured access to basic educational materials, improved teaching techniques, and improved pupil performance in numeracy and literacy.
- Trained 7,587 teachers, and provided 46,520 textbooks and teaching aids. About 493 student teachers were also supported with scholarships. To strengthen education administration and community involvement, 859 school administrators and officials were trained, and 45 parent-teacher associations received small grants and training to repair 318 classrooms. These interventions benefited 657,982 pupils (309,286 male, 348,696 female) enrolled in USG-supported primary schools.
- Provided psychosocial support and counseling to women who tested positive for HIV to help address abuse and stigmatization that they may face in disclosing their status by linking identified women to support groups. A family-centered approach was adopted by providing HIV counseling and testing to family members, including children, and linking them to appropriate prevention, care, and support services including counseling and psychosocial support that helped minimize stigma and discrimination.
- Strengthened the diagnosis and management of multi-drug resistant tuberculosis (MDR TB) by providing support for the ongoing national MDR TB survey, as well as training for doctors and nurses in clinical management of MDR TB. The USG supported the establishment of the first Biosafety level 3 TB culture laboratory with drug and molecular testing facilities. In the reporting period, community TB care was established in 33 new communities, with 517 patients accessing TB treatment. To strengthen leadership and governance in TB control, the USG supported nationwide management and leadership training for program managers of TB and HIV/AIDS programs and the development and costing of the 2010-15 National Strategic Plan for TB control.

Economic Growth

The agricultural sector is essential to Nigeria's non-oil development. Since 2001, this sector has generated over half the new jobs in the economy. Agriculture accounts for 41 percent of GDP, and 38 percent of economic growth. Agricultural exports however, are just 2.6 percent of total exports and, while growing, remain insignificant. The banking sector's heavy emphasis on urban areas and loans to large enterprises has largely cut rural areas and agriculture off from access to financial services, making it difficult for private agro-enterprises to expand. At the same time, government policies have discouraged the development and expansion of private firms and farming. Poor infrastructure has made it both costly and difficult to move crops to markets, and annual population growth compromises national food security. Moving the majority of Nigerians out of poverty will require economic growth of 10 percent per year. Activities under the Global Food Security Response increased the productivity of staple food crops, and promoted market-based principles. In FY 2009, USG assistance has:

- Developed a new approach in Nigeria to small farmer agricultural development. Building on experiences elsewhere in the world, the USG used a value-chain approach, but made private agro-enterprises the key to its operation. The first of these, focusing on rice production in Benue state, had a large bank provide loans for small farmers through the agro-processor. Individual farmer loans were paid off when their paddy was presented for milling. The agro-processor also helped with transport and extension services to improve the quality and quantity of the rice production. This model is being expanded to other rice millers, and is being used with sorghum producers through a malting plant.
- Continued work on customs modernization, trade and transport corridor management, and trade capacity building. USG assistance to customs helped modernize the use of international best practices to expedite the process and reduce corruption.
- Increased cassava production and strengthened linkages between farmers and industrial end-users, using the value chain to improve small farmer incomes. Likewise, fish farmers have been trained in smoking fish to reduce their dependency on monopolistic buyers and to capture additional value. A domestic private fish feed company, in partnership with the USG, is replacing imported fish feed and reducing farmer cost.
- Replaced government fertilizer distribution with a fertilizer voucher system by using private firms, as well as encouraging local fertilizer production and reducing imports