



# USAID | NIGERIA

FROM THE AMERICAN PEOPLE

## ECONOMIC GROWTH

*Since 2014, the U.S. government has invested approximately \$200 million to support economic growth and help the people of Nigeria improve their quality of life.*



### OVERVIEW

With 86 million people living below the international poverty line in 2016, Nigeria had the world's second-largest population of poor. Relatively high annual Gross Domestic Product (GDP) growth rates over the past decade have not reduced corresponding poverty rates. After the global drop in oil prices in 2014, Nigeria's GDP fell precipitously and the country slipped into recession.

According to the National Bureau of Statistics, oil accounted for 90 percent of Nigeria's exports in 2016. Agriculture, which employs about 70 percent of the population, accounts for only 22 percent of GDP and 2.6 percent of exports. Nigeria's economic recovery requires a transition from oil-dependency to a modern, diversified economy focused on inclusive growth, a robust agricultural sector, and increased capacity for global competitiveness.

Nigeria's economic potential is constrained by myriad issues including inadequate infrastructure, barriers to trade, limited and unreliable access to power, obstacles to investment including lack of access to foreign currency, lack of confidence in macroeconomic policy, and limited export diversification. USAID supports the Government of Nigeria in its commitment to improving the enabling environment for business by removing barriers to trade and investment, while increasing agricultural competitiveness, facilitating power sector growth, and improving access to energy, clean water, and sanitation. In 2017, Nigeria exited from recession and increased its standing on the World Bank's Ease of Doing Business Ranking by 24 points, reflecting a serious effort to overcome persistent barriers.

### ACTIVITIES

#### AGRICULTURE AND FOOD SECURITY

USAID's agriculture and food security program works in collaboration with the Government of Nigeria to increase agricultural productivity, expand market participation, increase resilience of vulnerable households, improve the business enabling environment, and increase access to finance and technology. Since 2012, the U.S. Feed the Future initiative has helped more than 800,000 Nigerian farmers acquire improved seeds, fertilizers, tools, and access to markets. USAID advocates for regulatory reform to help the private sector introduce new technologies to the agricultural sector and to encourage an agricultural enabling environment that spurs more private investment.

USAID links farmers to markets in a range of value chains, with a focus on aquaculture, cocoa, cowpea, maize, rice, and soy value chains, which increases overall competitiveness, incomes, and employment. Through these activities USAID works with Nigerians to reduce poverty by increasing incomes, improving nutrition, and building household resilience to external shocks. Under its Global Food

Security Strategy, USAID will implement agriculture activities in seven focus states in Nigeria, and will expand to the Northeast as security permits.

## **ENERGY**

Nigeria's lack of reliable electrical power is a significant constraint to economic growth and prosperity. The unreliable and insufficient supply of electricity has crippled the economy, forcing firms and homes to rely on private power generators, which significantly drive up costs, lower profitability, and renders Nigerian firms uncompetitive in both international and local markets.

The U.S. government's Power Africa initiative works to facilitate investment and reform of the power sector by expanding opportunities for private sector-led development of gas-fired generation, and grid-scale renewable energy sources, as well scale up of markets in off-grid technologies. Power Africa's goal is to help Nigeria add more than 8,700 megawatts of on-grid and 65 megawatts of off-grid power generation, enabling an estimated 5 million direct and 9 million indirect new connections, and transforming the power sector through sustainable, market-based growth.

## **WATER, SANITATION AND HYGIENE (WASH)**

To improve household access to safe drinking water and sanitation, USAID partners with Nigerians to provide education, training, and capacity development to State Water Boards in select states, under the Paul Simon Water for the World Act in order to improve water and sanitation service delivery to their customers. USAID is also forming and training WASH committees in select rural communities to manage water and sanitation assets, and to inform fellow community members about the importance of proper hygiene and sanitation.



Increasing the capacity of local actors and raising community awareness of the need for better access to water and sanitation is critical for Nigeria to develop human resources, particularly among women and children. These activities are linked with USAID's education and health programs.

*About USAID: USAID partners to end extreme poverty and promote resilient, democratic societies while advancing our security and prosperity. In its partnership with Nigeria, the United States strengthens social stability through social services, supports transparent and accountable governance, promotes a more market led economy, and enhances Nigeria's capacity as a responsible regional and trade partner.*

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