Testimony by Assistant Secretary Johnnie Carson, Bureau of African Affairs, U.S. Department of State Senate Foreign Relations Committee Subcommittee on African Affairs March 29, 2012 "A Closer Look at Nigeria: Security, Governance, and Trade"

Thank you for having me here today. Nigeria is one of the two most important countries in sub-Saharan Africa, and a county of significant strategic importance to the United States. It plays a central role in West Africa, because of its dominant political, economic, and military influence. A stable, prosperous Nigeria can be a powerful force for promoting stability and prosperity all over Africa.

Nigeria faces a number of challenges, and we maintain a regular dialogue with the Nigerian government on ways to address those concerns through the U.S. – Nigeria Binational Commission. This framework has allowed us to sustain high-level engagement with Nigerian officials on the most critical issues of mutual importance to our countries. Those issues are good governance; energy and investment; the Niger Delta; agriculture and food security; and regional security cooperation.

Elections and Governance

The April 2011 general elections in Nigeria were the most successful since its return to multiparty democracy in 1999. Despite imperfections, they represented a substantial improvement over the deeply flawed 2007 process, reversing a downward trajectory for democratic governance and providing the country a solid foundation for strengthening its elections procedures and democratic institutions in the years to come. The Independent National Electoral Commission, under the leadership of Professor Attahiru Jega, set a new standard for cooperation with civil society and inspired many Nigerians to become more actively involved in the electoral process. But, the elections were not perfect – post-election riots in several northern cities left hundreds dead, and work remains to be done to ensure more peaceful and improved votes in the future. We continue to engage with Dr. Jega to further strengthen Nigeria's electoral institutions, and we were pleased

to see peaceful by-elections, with strong civil society participation, in several states last month.

The Nigerian government is now faced with the challenge of using this electoral mandate to provide the good governance that the Nigerian people deserve. Voters need to see credible elections translate into tangible gains, and all levels of government must prioritize transparency and accountability to ensure that government services and economic development are available to every Nigerian. The recent appointment of Ibrahim Lamorde to lead Nigeria's Economic and Financial Crimes Commission (EFCC) was an important step in this direction. We are currently developing programs to strengthen the EFCC's capacity to target corrupt officials and to improve the professional quality of Nigeria's justice sector. We also continue to press for strong leadership in Nigeria's other anti-corruption institutions.

Progress on good governance and the steady elimination of corruption is essential to Nigeria's continued economic development. Nigeria is our largest trading partner in sub-Saharan Africa and a crucial global supplier of oil, playing an important role in helping keep the global oil market stable. However, a lack of accountability and transparency has prevented the oil revenues from being translated into economic growth.

Economic Reform

President Jonathan's ambitious economic agenda includes a commitment to power sector reform, significant investment in public resources, and improved regulatory frameworks to attract greater investment. The Nigerian government has undertaken important reforms in the banking and power sectors that have improved the prospects for inclusive economic growth. We support the reformers in the Nigerian government whose initiatives are overcoming entrenched interests, interests that block Nigeria from achieving its potential as a top world economy.

In February, the Africa Bureau organized a successful 10-company energy trade delegation that visited Nigeria and Ghana to discuss opportunities for U.S. investment in the power sector. Their meetings with key decision-makers in the energy sector advanced our economic and energy agenda for Nigeria, and the visit yielded potential partnerships between U.S. and Nigerian firms. We are committed to helping Nigeria strengthen its regulatory environment. For example, we continue to press the Nigerian government to pass a Petroleum Industry Bill that would modernize the rules for oil and gas extraction, and address lingering uncertainty in Nigeria's energy sector. Increasing trade would benefit both our countries, and we plan to hold formal discussions soon on a Trade and Investment Framework Agreement to further that goal.

Agricultural Reform

We are also committed to helping Nigeria promote non-oil economic growth, particularly in its agricultural sector. Agriculture comprises forty percent of the Nigerian economy and employs about seventy percent of the population. Our working group on agriculture and food security brings together various public and private interests pursuing stronger implementation of Nigeria's Comprehensive Africa Agricultural Development Program and facilitating private sector investment in Nigeria's agriculture sector. In addition to addressing food security within its borders, Nigeria can play an important role in regional food security, and we support their efforts to reform agricultural and trade policies to promote that growth. Nigeria was once a net exporter of food, and there is no reason why it cannot be one again. We have encouraged greater investment in the agricultural sector and for additional policy reforms to promote regional trade to revitalize and strengthen Nigeria's farming and agro-processing industry.

The Niger Delta

Socio-economic and environmental issues continue to plague the Niger Delta. The 2009 Amnesty program has been successful at stemming the violence by militants, but oil theft, kidnapping, and other crimes remain a problem. Continued government engagement and investment in development is critical if progress is to be maintained. The Binational Commission working group on the Niger Delta helps to highlight these issues and encourages stronger government accountability in the Delta. We have also encouraged the Nigerian government to act upon the recommendations of the UN Environmental Program report issued last year.

Boko Haram

Security issues remain a central concern in Nigeria. A looselyorganized group known as Boko Haram has carried out attacks on Nigerian and international interests, and attempts to exploit the legitimate grievances of northern populations to garner recruits and public sympathy. Boko Haram is not monolithic or homogenous and is composed of several groups that remain primarily focused on discrediting the Nigerian government. As Boko Haram is focused primarily on local Nigerian issues and actors, they respond principally to political and security developments within Nigeria. Attacks ascribed to members of this group have improved in sophistication and increased in number over the last few years, and we take the potential threat to American lives and interests very seriously. There are reports of contact

and growing relationships between elements of Boko Haram and other extremists in Africa, including al-Qa'ida in the Islamic Maghreb. While we are careful not to conflate these groups, we are monitoring the situation closely.

The Nigerian government must effectively engage communities vulnerable to extremist violence by addressing the underlying political and socio-economic problems in the North. The government must also promote respect for human rights by its security forces, whose heavyhanded tactics and extrajudicial killings reinforce the belief that Abuja is insensitive to the concerns of the North. The appointment of credible northerners to lead the government response to northern grievances would be an important and tangible step toward reversing that perception.

Muslim – Christian Tolerance

It is important to note that religion is not the primary driver behind extremist violence in Nigeria. While some seek to inflame MuslimChristian tensions, Nigeria's religious and ethnic diversity is one of its greatest strengths, and there are many examples of communities working together to protect each other. To support those leaders advocating tolerance in the diverse and sometimes troubled Middle Belt region, we have a \$700,000 program to strengthen the conflict prevention capacity of religious leaders.

Human Rights

As we support credible Nigerian voices advocating for positive change, the promotion and protection of human rights remains a priority in our engagements with the Nigerian government. Reports of human rights abuses by Nigerian security forces are alarming – the Nigerian people deserve a government and security services that work to protect them, and the Nigerian government must respond quickly to allegations of abuses, and hold perpetrators accountable, in order to build trust with the communities that they serve. The challenges facing Nigeria are great, but Nigeria is up to the task. It has a large and very talented professional class, an abundance of natural resources, and a strategic location along the West African coast. We stand ready to partner with those Nigerian leaders committed to tackling the country's multiple challenges. Building on its strong partnerships in the international community, and drawing on its strengths, Nigeria can build on the momentum of last year's elections and begin to develop the structures for better governance and service delivery to its people.

Thank you again for the opportunity to speak with you today on this important issue. I welcome any questions you may have.