Report of the 24th Nigerian Economic Summit Poverty to Prosperity: **Making Governance and Institutions Work**

****October 22-23, 2018

**Ministry of Budget and National** 

**Planning**

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**POVERTY TO PROSPERITY:**

**MAKING GOVERNANCE AND INSTITUTIONS WORK 1. INTRODUCTION**

The 24th edition of the Nigerian Economic Summit (“NES #24” or “the Summit”) held on 22nd and 23rd October 2018 at Transcorp Hilton Hotel, Abuja, with the theme **“Poverty to Prosperity: Making Governance and Institutions Work”**. The Summit was graced as usual by dignitaries from various spheres of life. These included: the Vice President of the Federal Republic of Nigeria, Prof. Yemi Osinbajo, GCON; Executive Governors and Deputy Governors of numerous States; distinguished lawmakers; Federal ministers; captains of industries; renowned academics; and other public and private sector leaders.

The theme of the Summit was auspicious, considering that Nigeria had only recently been jolted by the World Poverty Clock, to the awareness that it had become the poverty capital of the world. With an estimated 86.9 million Nigerians believed to be living on less than US$1.90 a day, statistics from the Vienna-based World Data Lab indicated that Nigeria had emerged as the country with the largest number of people living in extreme poverty.

Frankly speaking, the warning signs have always been there: Only 69.5% of Nigeria’s teeming population of 197 million people have access to clean water, a whopping 71% are plagued with poor sanitation, while tens of millions of Nigerians cannot find gainful employment. According to a recent report1 by the International

Monetary Fund (IMF), Nigeria’s major developmental challenges include: a large infrastructure gap, high gender and income inequality, pervasive corruption, low financial inclusion, and the ongoing humanitarian crisis in the North Eastern part of Nigeria.

The country’s rampant education and healthcare challenges have also been highlighted in reports by the United Nations International Children’s Emergency Fund (UNICEF), World Health Organization and World Economic Forum. Of particular concern is Nigeria’s ranking as the country with the highest number of out

of-school children, and one of the worst healthcare systems and infant & maternal mortality rates in the world.

The Economic Recovery and Growth Plan (ERGP), which depicts the government’s economic growth framework for Nigeria for the period 2017 - 2020, projected a GDP growth rate of 2.2% and a per capita GDP of US$2,542 for 2017. However, according to the NBS, Nigeria’s GDP growth for 2017 was 0.8%, far from the ERGP target. Although this growth lifted Nigeria out of the first recession it has suffered from in 25 years, the country’s post-recession economy remains fragile. The rate of GDP growth accelerated from 0.72% (in Q2 2017) to 2.11% (in Q4 2017) but tapered off to 1.95% and then 1.5% in the first two quarters of 2018, respectively.

1 https://www.imf.org/en/Publications/CR/Issues/2018/03/07/Nigeria-2018-Article-IV-Consultation-Press-Release-Staff-Report-and Statement-by-the-45699

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Based on data from the World Bank, Nigeria’s GDP per capita has also dipped over the last four years, since reaching a ten-year high in 2014.

With the above narrative, it became imperative to bring relevant stakeholders together at NES #24 to share a unifying narrative on good governance and strong institutions, and the need for governments at all levels to focus on the critical and urgent task of moving 87 million Nigerians out of extreme poverty.

The key objectives of the Summit were to:

• Underscore the link between good governance and economic growth and development

• Highlight the current state of governance and the challenges in delivering public services

• Map key governance indicators on human development outcomes

• Set an agenda that emphasizes citizens’ dividend as a measure of good governance.

The consensus of stakeholders at the Summit was that Nigeria still has prospects, not only for full economic recovery but also for rapid and sustainable economic growth and development. However, this hope for economic transformation will become reality only through significant political will and a government focused on and able to implement policies for inclusive growth.

The following pages contain a summary of the issues discussed at NES #24, the identified binding constraints to good governance in Nigeria, and the work plan highlighting the critical paths the country must navigate to achieve economic prosperity.

**2. SUMMARY OF KEY DELIBERATIONS**

The discussions at the Summit were structured on five pillars of inputs and outcomes (drawn from selected indicators in the Ibrahim Index for African Governance) which served as the Summit’s Sub

Themes: Corruption and Rule of Law; Effective Public Institutions; Participation and Citizens’ Rights; Sustainable Economic Opportunities; and Human Development. The Summit also included 11 Policy Commission breakout sessions (facilitated by the National Economic Summit Group Policy Commissions). Facilitators of these sessions adopted a workshop approach in discussing specific governance issues relating to service delivery in their focus sectors/areas.

**Welcome and Opening Remarks**

Mr. Asue Ighodalo, Chairman of the National Economic Summit Group (NESG), explained during his welcome remark, that the choice of the Summit’s theme was driven by Nigeria’s overwhelming developmental challenges amidst modest economic growth. He acknowledged the Nigerian economy’s gradual recovery from recession, the relative stability in exchange rates and the growth in external reserves during the year. However, he emphasized that the country remained vulnerable on multiple fronts – economic, social and political. These are underscored by negative trends in human development conditions, such as the recent jobs statistics from the National Bureau of Statistics (NBS), which indicate that between January and September 2017, no less than 4 million Nigerians either lost their jobs; entered into the labour market afresh and remained unemployed; or were employed at jobs that were not reflective of their academic qualifications or economic needs. He expressed optimism that the implementation of the Summit’s outcomes would reverse this troubling trend.



In his opening remark, Senator Udoma Udo Udoma, the Honourable Minister for Budget and National Planning affirmed the government’s appreciation of the importance of regular dialogue and engagement with the private sector, in recognition of the sector’s role in economic transformation. He highlighted recent successes in the implementation of the ERGP, particularly in relation to sector-specific focus labs established to address bureaucratic issues in agriculture & transport, manufacturing & processing, and power & gas. He also mentioned the Federal Government’s four-year strategic plan for civil service reform, which is intended to drive innovation in service and institutionalize a citizen-oriented performance management system. The successful implementation of this reform is pivotal to Nigeria’s transition from poverty to prosperity.

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Keynote Address – Moving Nigeria Forward: Making Prosperity Work

The opening remark was followed by the keynote address by Prof. Peter M. Lewis, Director, Africa & Middle East Programme at John Hopkins University, USA and author of Growing Apart: Oil, Politics, and Economic Change in Indonesia and Nigeria.

Prof. Lewis acknowledged Nigeria’s great human capital potential and abundant resources, and the progress the country has recorded since the first Nigerian Economic Summit (NES) in 1993, which he attended. He also expressed his pleasure about Nigeria’s emergence as Africa’s biggest economy on the back of its annual average GDP growth of about 8% between 2002 and 2015.

However, he noted that despite Nigeria’s potential and economic growth, the country has failed to break out into a high-growth, sustained and diversified economy that can provide inclusively for its middle class, urban poor and the rural masses. This is unlike countries such as China, Chile, Indonesia, Malaysia, Mexico, Turkey and Vietnam, which grappled with economic stagnation and poor governance at some point, but have advanced significantly over the years through deliberate efforts.

Indonesia, in particular, qualifies as an important case study for Nigeria because both countries have a similar history, structure, population size, and ethnic and religious diversity, but have navigated different economic paths over the last two decades. Specifically, both Nigeria and Indonesia had GDP of less than US$80 billion in the 1960s (based on 2010 US$). Both nations were predominantly monocultural economies that depended on crude oil exports in the 1970s. Both countries had national poverty rates of over 50% in the 1980s, and transitioned to their current democratic dispensation in the late 1990s after a long era of authoritarian rule.

However, today, Indonesia has evolved into a high growth, competitive and diversified economy, with a poverty rate of less than 10%, a GDP of over US$1 trillion, and a GDP per capita of approximately US$4,000 (based on 2010 US$). On the contrary, Nigeria is still a monocultural economy, with an extremely poor population of about 50%, and GDP and GDP per capita figures that are less than half of Indonesia’s.

2 CIA World Fact book.

Indonesia was able to transition its economy by focusing on boosting its manufacturing and agricultural sectors, diversifying its export potentials and reducing its population growth rate. The country also embarked on a string of reforms which have reduced layers of government regulation, leveraged regional trade integration, and opened new areas of the economy to private investment. The country significantly reduced fuel subsidies in 2015, thus redirecting its spending to development priorities.2

At the root of Indonesia’s economic breakthrough was the enactment of laws on national development planning, particularly its Law Number 25 of 2004 on the National Development Planning System, and Law Number 17 of 2007 on Long-term National Development Plan of 2005-2025 (known as the “RPJPN 2005‐2025” or “the National Plan”). The RPJPN 2005-2025 is divided into four, separate, five year-long National Medium Term Development Plans which are developed by national ministries, provincial and district governments, and run parallel with the taking office of each new government.

The National Plan also formed the basis for the Masterplan for Acceleration and Expansion of Indonesia’s Economic Development (MP3EI) which was unveiled in 2011. The MP3EI documents Indonesia’s ambition of becoming one of the world’s largest economies by 2025 with expected per capita income of US$14,250-US$15,500 and total GDP of US$4.0-$4.5 trillion. This is to be fuelled by a projected annual economic growth of 7 to 8% between 2013 and 2025, and massive investments by the private sector.3

The concerted implementation of the RPJPN 2005-2025 and its related plans by successive national, provincial and district governments during its first 12 years, has transformed Indonesia into the biggest economy in Southeast Asia and the 7th biggest economy in the world based on GDP Purchasing Power Parity,4 with a GDP per capita that has risen astronomically over a seventeen-year period.

Prof. Peter M. Lewis posited that Nigeria must make the following strategic choices to get out of its poverty rut and evolve into a high-growth, competitive and prosperous country:

3 Supplementary Document 16: Sector and Institutional Analysis, Indonesia: Coral Reef Rehabilitation and Management Program—Coral Triangle Initiative Project.

4 CIA World Fact book.

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• Build and empower an effective economic team • Strengthen peak economic institutions • Enable alliances between urban entrepreneurs and rural producers

• Break through critical bottlenecks in infrastructure, notably electricity

• Create a more predictable environment for transactions.

**The Role of Governance and Institutions in Moving Nations from Poverty to Prosperity**

Prof. Peter Lewis emphasized during his keynote address that *‘it’s not the labels, it’s not the regions, it’s the politics’* that bring about the transition of a country from a stagnant economy to a prosperous one. This view is supported by several studies, three of which are cited below:

*• Determinants of economic growth: a cross-country empirical study*

An empirical study was conducted by Robert Barro5 across 100 countries over a 30-year period from 1960 to 1990 to test for key determinants of economic growth. In terms of government policies, the study showed that the growth of GDP per capita was positively influenced by: upholding the rule of law, lower rates of inflation, improvements in trade and less government consumption.

The study also showed that lower fertility rates, higher number of secondary and higher education schooling, and longer life expectancies tend to foster economic growth especially for countries with lower levels of real GDP per capita.

*• The role of institutions in growth and development*

Daron Acemoglu and James Robinson argued in their paper on the above subject6 , that the main determinant of differences in prosperity across countries are differences in economic institutions, and that the prevailing institutional framework is the product of a political process.

Specifically, the economic institutions of a society depend on the nature of political institutions and the distribution of political power in society.

They further posited that in order to have a better understanding of underdevelopment, one must understand why different countries get stuck in political equilibria that result in bad economic institutions. Therefore, solving the problem of development entails understanding what instruments can be used to push a society from a bad to a good political equilibrium.

*• Governance, Economic Growth and Development since the 1960s*

Mushtaq Khan7 carried out an empirical study over a forty-year period from 1960 to 2000. The study analysed more than 112 countries across several indicators including property rights, political instability, control of corruption, rule of law, voice and accountability, regulatory quality and government effectiveness. The study showed that governance capacity (the presence of strong institutions to implement strategies) was important to economic growth.

The following chart depicts the relationship between effective governance (using Corruption Perception Index as an indicator) and economic prosperity (using GDP per capita as the metric) for nine emerging economies over a ten-year period from (2008 – 2017). Although the chart does not establish a causal connection between effective governance and economic growth, it highlights the fact that the four emerging economies (i.e. China, India, Indonesia and Rwanda) that have shown significant improvement in governance performance have experienced high economic growth.

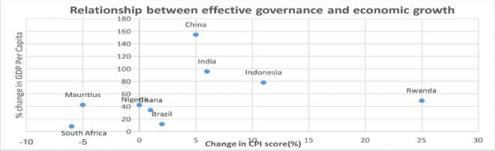


5 http://unpan1.un.org/intradoc/groups/public/documents/apcity/unpan027110.pdf

6 Acemoglu, D., & Robinson, J (2008). The Role of Institutions in Growth and Development. Commission on Growth and Development. Working Paper No.10

7 http://www.un.org/esa/desa/papers/2007/wp54\_2007.pdf

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Sources: Transparency International; World Bank

**Summit Opening Address**

Following the keynote address, the Vice-President, Prof. Yemi Osinbajo, GCON, gave the Summit’s opening address on behalf of President Muhammadu Buhari, GCFR. The Vice President commenced the address by defining absolute poverty as a condition where people cannot afford the bare essentials – food, shelter and clothing – or, according to the World Bank, a condition where people live on less than US$1.90/day.

Referencing statistics from the NBS, the Vice President noted that in Nigeria, poverty levels have risen even during periods of economic growth: in 1980 the absolute poverty figure was 17.1m; 1985 – 34.7m; 1992 – 39.2m; 1996 – 67.1m, 2004 – 66.7m and 2010 – 112.47m. These statistics are corroborated by data from Oxfam which indicate that the number of Nigerians living below the national poverty line increased from 69 million in 2004 to 112 million in 2010, despite the fact that Nigeria’s annual economic growth rate averaged 7%, and the number of millionaires grew by 44%, during the period.8

The Vice President adduced four reasons for this paradox, the first being a phenomenon he called “grand corruption” i.e. the direct looting of the treasury by public officials in connivance with private individuals, for illegitimate personal use and enrichment at the expense of the citizenry.

8 Oxfam (2017). Inequality in Nigeria: Exploring the Drivers

The second reason – which according to the Vice President is directly linked to the first – is poor investment in infrastructure and creation of an enabling environment for businesses. Third, is a lack of commitment to diversification of the economy; while the last reason is low investment over the years in the informal sector, which comprises businesses at the bottom of the economic pyramid.

The Vice President emphasized that high government revenues will only result in increased prosperity if the revenues are invested in infrastructure, economic diversification, education, healthcare, and social protection for the poorest of the poor, through a commitment to strong fiscal discipline. He went on to provide the Federal Government’s scorecard in this regard under the current administration.

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**Pillar I – Corruption and Rule of Law: Push for Zero Tolerance**

Poverty and inequality in Nigeria are not due to lack of resources, but to the misappropriation of the country’s abundant resources. At the root of this is a culture of corruption and rent-seeking combined with a political elite that is out of touch with the daily struggles of average Nigerians. The overlap between political and economic power bends the allocation of opportunities, income and wealth to vested interests, and biases policy-making in favour of a select few.

Unsurprisingly, Nigeria ranks as one of the most corrupt countries in the world. According to Transparency International’s 2017 CPI, Nigeria is currently the 148th least corrupt (or the 33rd most corrupt) country of the 180 countries surveyed, with a CPI score of 27/100. This is relatively worse than Nigeria’s rank of 136 out of 176, and score of 28/100 in 2016.

This binding constraint was the focus of the opening plenary session on Corruption and Rule of Law, which was moderated by Prof. Ngaire Woods (Founding Dean of the Blavatnik School of Government and Professor of Global Economic Governance, University of Oxford). The session was in the form of a Presidential Dialogue with President Muhammadu Buhari, GCFR, who was represented by the Vice President, Prof. Yemi Osinbajo, GCON.

The Vice President reiterated during the session that grand corruption remains one of the major challenges in Nigeria, as it benefits a privileged few at the expense of the majority, hampers economic development and widens the inequality gap.

It was noted at the session that, despite Government’s anti-corruption efforts, corruption has prevailed at both the national and sub-national levels due to the following factors:

*• Ineffective public and judicial system*

The current judicial process is inherently ineffective in expediting judgments on corruption cases; consequently, many corruption cases linger for many years.

*• Culture of impunity and poor accountability in government*

Many high-ranking political office holders and government officials in Nigeria wallow in corruption with impunity, thanks to the country’s weak political will, poor accountability structure and Constitutional Immunity Clause.

*• Poor remuneration in the public service*

There is a broad consensus (supported by empirical research) that poor remuneration of civil servants in developing countries encourages corruption.

*• Lack of cooperation from the international community in the recovery of looted funds*

The government often receives little support in recovering looted funds domiciled overseas partly because of the existing opaque information systems that protect foreign assets in such countries.

The key recommendations that were proffered to address these issues include:

***a. Sustain the Reforms of the Judicial System to Improve Rule of Law and Enhance Prosecution of Corruption Cases***

*• Build effective public and judicial institutions*

Government should push for reform of the judicial systems to achieve a fair and speedy prosecution of corruption cases in both federal and state court systems. This should cover: the review of obsolete laws; implementation of checks and balances to enable effective disciplinary actions for erring judicial officers and lawyers; and enhancement of the process of appointment of judicial officers to ensure meritocracy.

**b. Strengthen Partnership with International Community and Private Sectors to Address the Challenges of Corruption**

*• International support on anti-corruption*

Government should drive international support for Nigeria’s anti-corruption drive by building effective partnership with the international community and foreign governments to designate stolen funds in similar manner as terrorist funds, and to fast-track the repatriation of such funds to Nigeria.

*• Private sector and citizen participation in the corruption drive*

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The private sector should support the government’s anti-corruption drive by leveraging the Whistle Blower Policy to report corrupt practices by government

officials and agencies, as well as the private sector players that aid them.

**Pillar II – Effective Public Institutions: Unfinished Business of Reforms**

The consensus by the participants at the session was that, although public institutions do not formulate policies, they implement them. Therefore, they play a critical role in translating policy objectives to their desired outcomes. Unfortunately, effective public institutions have failed to emerge in Nigeria, resulting in the suffocation of well-intended government policies.

The following challenges were identified as being responsible for Nigeria’s current institutional failure:

*• Bureaucratic model of public service*

The Nigerian bureaucratic model of public service is heavily process-driven and does not ensure efficient service delivery. Interestingly, Britain, from which we inherited this civil service model, has since moved to more contemporary models for public-sector service delivery.

*• Ineffective performance management system*

The performance management system within the Nigerian public service is ineffective – as it largely focuses on inputs and activities, rather than on output and desired results. The system relies on a subjective assessment criterion, which promotes loyalty and compliance, instead of productivity and personnel’s ability to make a positive impact.

*• Delay in adopting technology*

The public service has been a laggard in the adoption of technology, and this has negatively impacted on productivity as well as quality of information for decision-making and monitoring.

*• Ineffective implementation of public service reforms*

There have been several attempts in the past to reform the Nigerian Public Service; however, none yielded the desired transformational outcome. The ineffectiveness of such proposed reforms have been tied to: the high cost of implementing reforms; zero buy-in from critical stakeholders; and lack of political will.

It was agreed that the following actions, if duly implemented, would improve Nigeria’s institutional capacity:

***a. Accelerate Transformation of the Civil Service at Federal and State Levels by Leveraging Capabilities & Experience in the Private Sector to Build an Effective Public Institution in Nigeria***

*• Develop, roll-out and implement a comprehensive civil service transformation plan at federal and state levels*

A comprehensive public service transformation plan should involve a holistic human capital assessment to identify skills gaps, assess existing compensation structure, etc. in order to raise the value of human capital. It would also involve the development of an effective performance management system and a pragmatic change management programme. Importantly, an implementation of robust compensation and consequence management framework will be key to building a motivated civil service as well as track private sector talents.

***Leverage public-private sector collaboration to drive transformation in the civil service***

A platform for private sector participation in the transformation of the civil service needs to be implemented. A public-private partnership in this manner would help to broaden the skill set of public workers, hone their talents, and imbibe a service mind-set and a good work ethic, thus enabling a more responsive work culture in public institutions.

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**Pillar III – Sustainable Economic Opportunities – Ending the Vicious Cycle**

In 2016, the World Bank highlighted the need for Nigeria to create about 40 million jobs for it to be able to cater for new market entrants by 2030. Government reflected its medium-term ambition to create a total of 14.7 million jobs by 2020, in the ERGP.

However, this appears to be considerably off-track, as there has been an uptick in the country’s unemployment and underemployment statistics from 2017 to date.

While the country witnessed a slight improvement in its ranking in the 2018 World Bank’s Ease of Doing Business Index (145th in 2018 compared to 169th in 2017)9, a number of factors still hinder the government’s achievement of sustainable economic development.

The discussants highlighted the following issues as the major road blocks to the creation of a globally competitive economic environment:

*• Insufficient capital to drive economic growth*

Nigeria has yet to attract sufficient FDI to accelerate the much-needed economic growth. 2017 data reveal that Nigeria’s total FDI inflow was a paltry $3.5 billion, which is far below that of Egypt ($13.3 billion), its African neighbour. In addition, entrepreneurs are plagued with difficulty in accessing finance, which could significantly impact entrepreneurial activity and economic development.

*• Hostile business and investment environment*

The business and investment environment in Nigeria has deterred the realisation of the growth potential and viability of businesses, especially small businesses. Three key factors limiting the attractiveness of Nigeria’s economic environment are: high cost of doing business, high-risk investment climate and distortion of market mechanism by government’s interventions and policies.

*• Poor implementation of economic policies and strategies*

The failure to translate economic policies and strategies to sustainable economic development can be attributed to: inadequate understanding of Nigeria’s economic problems by policy-makers, inconsistency in policy formulation, poor implementation of economic policies and strategies and lack of collective action of critical stakeholders to drive economic growth and development.

9 Nigeria moved a notch down to 146th in the 2019 EODB Index.

The recommendations posited as the critical paths to take in ending the vicious cycle of economic stagnation, include:

***a. Enhance Nigeria’s Economic and Sectorial Strategies & Policies and Strengthen Capabilities to Drive Implementation to Achieve a Faster Economic Growth Rate***

*• Align governments, regulators and agencies to focus on long-term growth as well as attraction of private capital investment*

The philosophy of government and regulators should be geared towards long-term economic growth rather than short term revenue generation. Government also needs to sustain current economic policies that are yielding positive results and also to emphasise on policies that boost private capital inflow.

*• Revive sectorial strategy*

Government should provide a clear strategic roadmap for stimulating growth in critical areas of the economy such as agriculture, mining, power, logistics and the creative industry. Consultative industry groups should therefore be revived (or set up where necessary) to drive innovation in these sectors. These groups should identify the critical binding constraints (such as infrastructural gaps, inadequate funding, ineffective policy formulation and execution, etc.), tackle industry specific and cross-cutting challenges and produce innovative solutions to boost the economy.

***b. Drive Targeted Investment to Boost the Rural Economic Climate and Strengthen Entrepreneurship in order to create Sustainable Economic Opportunities and End the Vicious Cycle of Poverty***

*• Improve rural economic climate*

There is the need for an increased focus on improving economic climate in rural areas by investing in micro grids for electricity supply and feeder roads for access to markets. According to data from the World Bank, only 3% of the Nigerian population work in the formal sector. Therefore, the implementation of key economic developmental initiatives are capable of significantly improving livelihoods and combating poverty.

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*• Strengthen entrepreneurship and informal Businesses by improving access to affordable finance & access to domestic and international markets.*

Improved access to affordable financing for SMEs and businesses in the informal sector are critical in boosting entrepreneurial activity. Furthermore, there should also be dialogues between large corporations and SMEs to further enhance the value chain contribution of SMEs to large corporations.

*• Promote environmental sustainability*

Government policies aimed at promoting environmental sustainability should be premised on driving innovation to achieve cost optimization and market competitiveness. Examples of such initiatives include: standardization of the adoption of light

weight plastics for food and beverage manufacturers, alternatives to synthetic detergent packaging, eradication of plastics in certain spaces such as retail stores, etc.

**Pillar IV – Participation & Citizens’ Rights: Citizens Dividend as a Measure of Good Governance**

platform has not proved to be effective.

A truly democratic society should create a functional

system for effective participation by the electorate. At the root of this is the need for the electorate to possess a high degree of freedom to not only elect its political leaders but also to hold them accountable. However, citizen participation and rights extend beyond the exercise of political franchise.

Citizen participation in Nigeria is relatively low. Real engagement by the political class is often limited to the electioneering season. Citizens’ rights are also seldom respected. This has resulted over time in a general sense of frustration, despondency and even powerlessness, in the masses.

Although Nigeria ranks highly in the list of countries with a high number of internet users, the Nigerian government has failed to leverage the internet as a means of effective engagement with citizens since the country’s return to democratic rule in 1999. According to a 2018 E-Government Development Index, Nigeria ranks 143 out of 193 countries, in the use of information and communications technologies in delivering public services. Thus, despite the Nigerian society getting more interconnected through technology, Nigerians are often still disconnected from policy decisions that shape and impact their lives.

The discussants raised the following issues as the factors that could be responsible for the disconnection between the government and the populace:

*• Poor awareness of existing Government platforms for citizen participation*

The Office of the Secretary to the Government of the Federation, in May 2018, developed an e-participation portal as a means of engaging with citizens. However, owing to poor publicity, amongst other factors, the

*• Inadequate demand from citizens for their rights*

Nigerian citizens are not doing enough in demanding their right and holding public officials accountable. This partly stems from the fact that many citizens do not know their rights. According a recently conducted poll, only few Nigerians have read the Constitution.

*Citizens’ lack of trust in Government and its initiatives*

As a result of poor governance and weak institutional integrity, there is hardly cooperative reception to proposed government initiatives, such as the development of collaborative platforms. Also, non-functionality of existing platforms aimed at improving citizen participation such as Servicom, and government’s failure to keep past promises, has further increased citizen’s skepticism of government’s engagement channels.

*• Lack of a holistic approach to citizens’ engagement*

The Government does not have engagement platforms targeted at various citizen classes, which makes it impossible to properly capture general public opinion. Also, there seems to be a lack of collaboration between all levels of governments and MDAs in developing these initiatives. Consequently, there has been a surfeit of ineffective initiatives across the country.

To foster greater citizen participation, the following solutions were suggested:

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***Enhance Citizen Participation in Governance***

*• Increase collaboration between government, private sector and civil society organisation*

The partnership between civil society organisations, private sector participants and the Government should be reinforced to enhance the use of engagement platforms by citizens. This is a key component of “open governance partnership” (OGP) that would help to deepen government’s knowledge of the concerns and suggestions of its citizens.

*• Increase demand for Government’s accountability*

Citizens need information to hold their government accountable. Admittedly, the government has begun the development of an OGP approach towards information dissemination, such as the open budgeting process which is led by the Ministry of Budget and National Planning. However, there is the need for information on real-time Government spending in order for citizens to track and hold all levels of government accountable.

**Pillar V – Human Development: Investing in our People**

According to Oxfam, Nigeria’s annual economic growth rate averaged 7% in the 2000s. During this period, the number of millionaires in the country grew by approximately 44%.10 Ironically, the number of people living below the national poverty line increased by 62%, from 69 million in 2004 to 112 million in 2010. Nigeria’s ranking on the United Nation’s Human Development Index11 has also deteriorated over the past three years (see chart below). This trend has remained unchanged in recent years, if the latest World Poverty Clock report which indicates that six Nigerians slip into abject poverty every minute, is anything to go by.

Table 1: Human Development statistics

Nigeria ranks as one of the countries in the world with the highest number of maternal, infant and child mortality (1 in every 13 expectant mothers dies at child birth). On educational development, recent statistics by the UNICEF show that Nigeria has the highest number of out-of-school children in the world: a baffling total of over 13 million Nigerian children do not go to school! These narratives are evident when one considers Nigeria’s ranking on the United Nation’s Human Development Index12 over the past three years (see chart below).

| Year/Parameter | 2014 | 2015 | 2016 | 2017 |
| --- | --- | --- | --- | --- |
| Human Development Index  (0 - 1) 1 being the best | 0.524 | 0.527 | 0.530 | 0.532 |
| Human Development Index Ranking among 188 countries | 151 | 152 | 156 | 157 |

Source: United Nations HDI

Table 2: Labour Force statistics

| Year/Parameter | Q1  2016 | Q2  2016 | Q3  2016 | Q4  2016 | Q1  2017 | Q2  2017 | Q3  2017 |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Unemployment rate (%) | 12.1 | 13.3 | 13.9 | 14.2 | 14.4 | 16.2 | 18.8 |
| Underemployment rate (%) | 19.1 | 19.3 | 19.7 | 21 | 20.4 | 21.1 | 21.2 |
| Unemployment & Underemployment rate (%) | 31.2 | 32.6 | 33.6 | 35.2 | 34.8 | 37.3 | 40 |

Source: NBS

10 Oxfam (2017). Inequality in Nigeria: Exploring the Drivers

11 This is an indicator of long-term progress across three dimensions of human development: long and healthy life, access to knowl edge and standard of living

12 This is an indicator of long-term progress across three dimensions of human development: long and healthy life, access to knowl edge and standard of living

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The discussants highlighted Nigeria’s human development challenges to include the following:

*• Population growth currently outpaces economic growth*

Nigeria’s burgeoning population (which is growing at an annual rate of 2.6%) has outpaced the country’s slow economic growth, thus placing a huge strain on the limited resources available to cater for the welfare of the populace. This has also undermined the impact of several poverty alleviation measures and initiatives which have been implemented by the government and international development organizations over time.

*• Massive backlog of investment in health and education infrastructure*

Many initiatives that have been undertaken to attract significant public and private capital inflows to the health and education sectors have proven to be ineffective. This is due to the fact that there is still a significant gap between the infrastructural needs of the sectors and current infrastructural capacity, and there are no clear, convincing government policies in place to woo investors to participate in these critical sectors.

*• Inadequate fiscal capital expenditure to address existing problems in health and education*

The ratios of fiscal capital expenditure to GDP – which serves as a measure of the quality of investment in core sectors – in the health and education sectors in Nigeria are relatively low, compared to those of developed countries with functional systems and infrastructure. As a result, there is a huge deficiency of capital investment in infrastructure which are critical to solving existing sectorial challenges.

*• Dearth of technical capacity amongst teachers and trainers in primary and early secondary schools*

The educational sector has also been plagued by deficiency in the technical capacity of teachers and educators. Also, the Nigerian educational curriculum is currently outdated and not in line with globally acceptable standards. Such factors undermine the quality of learning at both primary and secondary schools, and invariably impact the developmental potential and performance of students.

To combat these challenges, the following solutions were proffered:

***Accelerate & Boost Investment in Social Infrastructure, Health and Education to Dramatically Reverse the Declining Human Development Outcomes***

*• Improve funding flows to drive investment in critical physical and social infrastructure*

Efforts must be geared towards attracting private capital (both local and foreign). This can be achieved by making deliberate effort to reduce the risk of business failure for these investments, putting appropriate risk management processes around the funding of infrastructure projects, and developing an effective Public-Private Partnership (PPP) framework for infrastructure projects.

There is also the need for an increased budgetary allocation towards education, review of the existing curriculum, support of private sector-led initiatives, and the development of incentive packages for attracting and retaining talent in the sector. Federal and State Governments could also issue bonds against productive assets with proven track record of stable cash flows. This would free up additional resources for the government to finance key infrastructure needs.

*• Increase investments and implement policies to improve Nigeria’s health and education outcomes*

There should be continued intervention in immunisation and nutrition. The Government should bolster its efforts to ensure that all children are immunized and provided with access to basic education. Policies geared towards affordable healthcare and the proper nourishment of expecting/nursing mothers should also be implemented.

Furthermore, Government should improve technical capacity for primary and secondary schools education by devising innovative ways of attracting top performing individuals into the teaching profession. The Government should also consider leveraging highly skilled and experienced retired teachers to bridge the technical capacity gaps in our primary and secondary schools. Refresher programmes could be introduced for these retired teachers to get them ready to go back to classrooms.

*• Transform delivery of education by adopting technology and partnership with entrepreneurs and start-ups.*

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Government should implement innovative and emerging technology that will foster education for peace building and integrate people from conflict regions as well provide access to free education to the less privileged and vulnerable groups in the Nigerian

**3. SUMMARY OF KEY RECOMMENDATIONS**

population. Furthermore, Government should develop policies that enable technology entrepreneurs to become key players within the education sector and provide support for education technology incubators.

Below is a summary of the key recommendations and action plans agreed at the Summit (please refer to Part B of the Green Book for details).

| Pillar | Strategic imperative | High-level action plan | Responsibilities |
| --- | --- | --- | --- |
| **a. Sustain the Reforms of the Judicial System to Improve Rule of law and Enhance Prosecution of Corruption Cases** | | | |
| Corruption and Rule of Law | Continued reform of  the judicial systems to achieve fair and speedy prosecutions of corruption cases at the federal and state court systems. | • Review obsolete laws that delay the administration of justice.  • Implement detailed examination and scrutiny of judicial officials before appointment.  • Implement competitive remuneration for judges.  • Work closely with state judiciary to ensure harmony in the country’s judiciary system.  • Create and implement the necessary checks and balances in the judiciary to ensure that their integrity is not compromised.  • Implement framework for enforcing appropriate disciplinary actions  against lawyers who indulge in  dilatory practices. | • Federal Ministry of Justice  • National  Assembly  • State Judiciary  • National Judicial Council  • Head of Federal Civil Service |
| **b. Strengthen Partnership with International Community and Private Sectors to Address the Challenges of Corruption** | | | |
|  | Drive international support for anti-corruption drive by building effective  partnership with  international community and foreign governments. | • Work closely with other countries and foreign institutions to recover and return looted funds.  • Define, advocate and implement bilateral agreements with target  countries on repatriation of looted funds. | Federal Ministry of Finance  Federal Ministry of Justice  Ministry of Foreign Affairs |

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| Pillar | Strategic imperative | High-level action plan | Responsibilities |
| --- | --- | --- | --- |
| **c. Accelerate Transformation of the Civil Service at Federal and State Levels, Leveraging Capabilities & Experience in the Private Sector to Build and Effective Public Institution in Nigeria** | | | |
| Effective Public Institutions | Develop, roll-out  and implement a  comprehensive public service transformation plan | Conduct skills audit of all staff in MDAs • Conduct current state review of operating model of the Nigerian Civil Service to identify hindrances to  productivity and service delivery.  • Re-evaluate compensation and benefits framework.  • Develop and roll-out an effective performance management system focused on outputs and outcomes.  • Develop and implement a culture transformation and change  management programme across federal and state civil service. | • Office of the  Head of Civil  Service  • State  Governments |
|  | Leverage public-private sector collaboration to drive transformation in the civil service | • Set up a platform for interaction between Federal Civil Service, State Civil Services and the private sector.  • Develop a comprehensive private sector-led initiative to facilitate  transformation of the Civil Service.  • Participate in dialogue sessions with the private sector. | • Federal and  State MDAs  • Office of the  Head of Civil  Service  • State  Governments  • NESG |
| **d. Enhance Nigeria’s Economic and Sectorial Strategies & Policies and Strengthen Capabilities to Drive Implementation to Achieve a Faster Economic Growth Rate** | | | |
| Create  sustainable  economic  opportunities | Align governments,  regulators and agencies to focus on long-term growth as well as attraction of private capital investment | • Develop economic policies that boost private capital inflow. | • Federal  Government  • Private sector |

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| Pillar | Strategic imperative | High-level action plan | Responsibilities |
| --- | --- | --- | --- |
|  | Revive sectorial strategy | • Consultative industry groups should be set up to drive innovation in  specific sectors.  • Fast-track the development and roll out of mining standards and codes.  • Design export policy standards for agricultural commodities.  • Eliminate interventions (such as price-controls) on certain inputs e.g. fertilizer.  • Fight piracy by pushing for private copyright levy.  • Establish a free zone for the creative industry to incentivise investments. | • Private sector  • Federal Ministry of Mines and  Steel  • Federal Ministry of Agriculture  • National  Assembly  • Ministry of  Information and  Culture  • Copyright  Commission |
| **e. Drive Targeted Investment to Boost the Rural Economic Climate and Strengthen Entrepreneurship in order to Create Sustainable Economic Opportunities and End the Vicious Cycle of Poverty** | | | |
| Create  sustainable  opportunities | Improve the rural  economic climate | Invest in micro-grids for electricity supply and feeder roads for access to markets. | Federal and State Governments  Private sector |
| Strengthen  entrepreneurship | Improve access to affordable financing for SMEs and businesses in the informal sector. | Federal Government  Private sector  (Financial  Institutions) |
|  | Promote environmental sustainability | • Standardise the use of light-weight plastics.  • Introduce alternatives to detergents packaging.  • Introduce legislation to eliminate the use of plastics. | National  Environmental  Standards and  Regulations  Enforcement Agency National Assembl |

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| Pillar | Strategic imperative | High-level action plan | Responsibilities |
| --- | --- | --- | --- |
| **f. Accelerate & Boost Investment in Social Infrastructure, Health and Education to Dramatically Reverse the Declining Human Development Outcomes** | | | |
| Human  Development | Improve funding for  critical infrastructure  to improve health and education outcomes | • Define and implement policies targeted at encouraging private  capital investments in critical  development infrastructure.  • Form a joint committee with the private sector players with long  term funds (especially Pension  Fund Administrators and insurance companies) to identify projects.  • Define and implement a development projects monitoring framework with focus on linking project completion/ performance to funding . | • Federal & State Governments  • Pension Fund Administrators  • Insurance  companies |
| Improve health and  education outcomes  especially for vulnerable children and pregnant mothers | Define and implement initiatives that utilize retired teachers with distinguished careers in filling education gaps  especially in primary and secondary schools. | • Federal & State Governments  • Private Sector |
| Transform delivery  of education by  adopting technology  and partnership with  entrepreneurs and start ups | • Government should implement innovative and emerging technology that will foster educational  development.  • Government should develop policies that enable technology entrepreneurs to become key players within the education sector and provide support for education technology incubators. | • Federal& State Governments  • Private Sector |

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| Pillar | Strategic imperative | High-level action plan | Responsibilities |
| --- | --- | --- | --- |
| **g. Enhance Citizen Participation in Governance** | | | |
| Participation and Citizens’ Rights | Increase collaboration between government, private sector and civil society organisation | Active involvement of civil society organisations and private sector participants in Government-led initiatives that serve to promote engagement of citizens | Federal & State  Governments  Private Sector |
| Increase demand  for Government’s  accountability | Strengthen information dissemination channels in order to promote public accountability | Federal and State Governments |

**4. OTHER ISSUES AND RECOMMENDATIONS**

***Sector-specific issues***

| Sector | Issues | Recommendations | Responsibilities |
| --- | --- | --- | --- |
| Power | • Low tariffs and  large non-collectible debts  • Inappropriate  government policies | • Develop a mechanism to improve the liquidity of DisCos.  • Review the Multi-Year Tariff Order current pricing mechanism.  • Consider Disco franchising. | Nigeria Electricity Regulatory  Commission (NERC) |
| Education | Misalignment of  university curricula to workplace expectations | • Develop a National Job Plan  • Active participation of state  governments in the promotion of  primary and secondary education. | Ministry of  Education (Federal & States)  Private sector |
| Mining | • Insufficient  information to  make investment  decisions  • Inadequate funding for the exploration  segment of the  mining value chain | • Develop a robust regulatory framework for the mining sector.  • Facilitate stakeholder awareness and engagement in the mining sector. | Federal Ministry of Mines and Steel  National assembly |

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| Sector | Issues | Recommendations | Responsibilities |
| --- | --- | --- | --- |
| Agriculture | • Ineffective and  inadequate multi  modal transport  infrastructure.  • Ineffective policy formulation and  execution.  • Inadequate funding for farmers. | • Improve port access  • Design market-oriented policies.  • Develop a sustainable financing framework. | • Federal Ministry of Agriculture.  • National  Assembly.  • NESG |
| Entertainment | • Continuing  menace of piracy  and copyright  infringement.  • Limited funding to promote exploratory ideas.  • Mismatch between goals set out in the  ERGP and industry  trends. | • Address copyright issues  • Conduct a detailed value chain study and size of the industry.  • Establish a free zone for the creative industry. | • Federal Ministry of Information  and Culture.  • National  Copyright  Commission.  • Ministry of  Justice. |
| Sports | • Inadequate capacity at the grassroots  level for sports  mobilization.  • Lack of access  to sports  infrastructure.  • The current  regulatory structure in not fit-for  purpose. | • Review the current regulatory structure of the sports industry.  • Develop a synergy between sports and education.  • Address the issue of infrastructural gap in the sports industry. | Ministry of Sports and Education  NESG/Private Sector |

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| Sector | Issues | Recommendations | Responsibilities |
| --- | --- | --- | --- |
| Health | • Bureaucracy and bottlenecks hinder  partnerships and  growth in the health sector.  • Inadequacies  in the capacity  development  of healthcare  professionals.  • Disproportionate distribution  of healthcare  professionals and  facilities in the  country. | Create a favourable environment for investors to participate in the provision of healthcare services  Develop a policy to incentivise healthcare investments. | • Federal Ministry of Health.  • National Identity Management  Commission.  • Federal  Government.  • National  Assembly  Business  Environment  Roundtable. |

***Other issues***

| Topic | Issues | Recommendations | Responsibilities |
| --- | --- | --- | --- |
| Alternative  financing  options for  Nigeria’s  infrastructure | • Disconnect  between the pool  of long-term capital and infrastructure  financing needs.  • High political risk and uncertain  macroeconomic  environment to  incentivise private  capital. | • Develop a Public-Private Partnership (PPP) framework for infrastructure projects.  • Adopt brownfield recycling for current productive assets.  • Use of road tax to generate revenue. | • Infrastructure Concession  Regulatory  Commission.  • National  Pension  Commission.  • Pension Fund Administrators. |
| Enhancing the absorptive  capacity of  the Nigerian  financial  system | • Infrastructural  deficit in the  Nigerian financial  industry.  • Local Financial  Markets lack depth  and liquidity.  • Neglect of  industries with high export potentials. | • Develop banks that have differential capital base across core capital  intensive sectors. | Central Bank of  Nigeria |

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| Topic | Issues | Recommendations | Responsibilities |
| --- | --- | --- | --- |
| Leveraging  Domestic  Resource  Mobilization  for Sustainable Development | • Ineffective tax  system.  • Lack of fidelity  to rules and  procedures  surrounding fiscal  governance.  • Ineffectiveness of the existing budget planning process. | • Reform the tax codes, especially the Value Added Tax Act.  Ensure strict adherence to rules surrounding fiscal governance  • Develop an efficient budget planning process. | • Federal, State and Local  Governments.  • National  assembly. |
| Breaking  Barriers:  Cashing in  on Human  Development in the Niger  Delta | • Unemployment rate is high among Niger Delta youth.  • Poor farming  techniques among  farmers in the Niger Delta region.  • Inherent gap  between training  offered and  available job  opportunities. | • Ensure that the supply of human capital requirements meet the demands for services in the Niger Delta region.  • Promote youth innovate training programs with a focus on Information Communication and Technology,  construction and agriculture.  • Promote PIND’s capacity development approach to other actors across the country. | Partnership  Initiatives in the  Niger Delta (PIND). |
| The  Conversation Continues:  Follow-on to  the National  Conversation on the  Humanitarian Development Peace Nexus | • Weak collaboration between the private and public sectors.  • Trust deficit  between local  and international  stakeholders.  • Inadequate security in vulnerable  regions. | • Develop an integrated approach and conscious collaboration between the government and humanitarian agencies.  • Strengthen Government-led security effort to enhance delivery of  humanitarian aid to the vulnerable  population.  • Collaborate with the private sector to provide services. | • Federal  Government  • Humanitarian Development  Organizations  • Private Sector |

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**5. CONCLUSION**

The Summit was convened to discuss the critical issues that are attributable to our economic and developmental challenges as a nation and the role of effective governance and institutions in driving the much-needed transition from poverty to economic prosperity – specifically speaking, by moving 87 million people above the poverty line and, therefore, changing the narrative of Nigeria being the poverty capital of the world.

Based on the outcome of the Summit, it became apparent that Nigeria’s governance and institutional challenges stem from: ineffective judicial systems, impunity and poor accountability, ineffective performance management system in public institutions, hostile business and investment environment, and the poor implementation of economic policies and strategies.

The discussants at the Summit also noted that the prospects of Nigeria’s human development have been dimmed primarily by a massive backlog of investment in health and education infrastructure. Also, citizens’ lack of trust and poor accountability of public office holders have resulted in the seeming disenfranchisement of the majority of the populace.

The Summit birthed multifarious recommendations on how the Government can, through a goal-oriented governance philosophy, combat corruption, address its institutional shortcomings, accelerate human capital development and promote a globally competitive

business environment. To achieve this, the discussants posited that, in order to achieve tangible results, the Government needs to deviate from traditional political rhetoric.

It was, therefore, suggested that, the Government needs to focus on: building effective judicial institutions, developing a comprehensive public service transformational plan, promoting investor

friendly economic policies, improving funding for critical infrastructure, and increasing demand for government accountability.

While these recommendations are laudable, the effect of such transformational initiatives would only bring about tangible outcomes where the following critical success factors are duly considered: an alignment of stakeholders’ recommendations with legislative priorities, the development of a robust implementation roadmap for strategic initiatives, the development of a change management plan, and a political will to drive key policy reforms.

Finally, it is expected that Nigerians would muster the desire, courage and effort to hold public office holders accountable for the delivery of expected outcomes. This calls for a more transparent information system that allows the populace to make informed decisions on governance and institutional performance, and an electoral system that is above board.

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MONDAY October 22

Poverty to Prosperity: Making Governance and Institutions Work

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| **Date:**  Monday, October 22, 2018  **Session:**  Opening Session  **Time:**  09:50 – 12:00pm | Speakers:  **Welcome Remarks:** Mr. Asue Ighodalo, Chairman, Nigerian Economic Summit Group  **Opening Remarks:** Senator Udoma Udo Udoma, CON, Honourable Minister for Budget and National Planning  **Keynote Address:** Professor Peter Lewis; Director, Africa & Middle East Programme; John Hopkins University, USA  **Summit Opening Address:** Professor Yemi Osinbajo, Vice President, Federal Republic of Nigeria |
| --- | --- |

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**Welcome Remarks:** Mr. Asue Ighodalo, Chairman, Nigerian Economic Summit Group

Mr. Asue Ighodalo, the Chairman of the Nigerian Economic Summit Group (NESG), welcomed participants to the 24th Nigerian Economic Summit. He noted that since its inception in 1993, the Nigerian Economic Summit had evolved to become an enduring, important and cerebral platform for the public and private sector to engage in robust and rigorous conversations about the Nigerian economic challenges. He stated that “the frank, and sometimes very difficult, conversations enable us to arrive at solutions which are truly beneficial to our country.”

Reviewing developments since the last Summit, Mr. Ighodalo stated that the 2018 Macroeconomic Outlook Report and the Report on the 23rd Nigerian Economic Summit was presented to the President on January 22nd 2018. He noted the passage of the National Transport Commission Bill by the National Assembly and urged the President to speedily assent to the Bill, as the passing of the Bill is expected to help attract significant private capital to the transport sector. He also expressed the NESG’s expectation of expeditious presidential assent to the Petroleum Industry Governance Bill, as soon as the National Assembly resolves the few contentious issues raised by the Presidency.



The Chairman of NESG Board reported that the NESG, in conjunction with the Nigerian Bar Association Section on Business Law, partnered with the National Assembly through the National Assembly Business Environment Roundtable (NASSBER) to provide content, promote, amend and prepare for passage, bills that encourage and support private sector investments and improve the overall business environment He stated the Bills that the NESG expects the National Assembly to accelerate the passage as follows:

amended Companies and Allied Matters Act Bill, Nigerian Railway Bill, National Roads Funds Bill, Federal Competition and Consumer Protection Bill, Coastal and Inland Shipping (Cabotage) Bill, and the Arbitration and Conciliation Bill.

Mr. Ighodalo noted that while the Federal Government had implemented significant aspects of the Economic Recovery and Growth Plan (ERGP), the NESG expects the implementation process to continue unabated, particularly in the run-up to the general elections in 2019. “There is no better time than now to keep our eyes on the ball because, no matter the outcome on 16 February 2019, we must all work to ensure that we still have a strong economy to build on, the morning after”, he said.

He noted that in 2017, the Nigerian economy had started the recovery from recession which the country experienced between 2015 and 2016, which was the first in more than two decades; with five successive quarters of growth since March 2017. He noted that this was evidenced by reduction in cost of living, measured by headline inflation, for 18 consecutive months and the foreign reserves at a five-year high of $48 billion as at the end of the first quarter of 2018. He also noted Nigeria’s respectable jump in the World Bank Ease of Doing Business ranking from 169 in 2016 to 145 by 2017 (with expectations of better rankings this year) and the upward movement by ten places from our rankings last year in the recently published 2018 WEF Global Competitiveness Report, in which Nigeria was ranked 115 out of 140 countries and commended the Federal Government for these efforts.

Mr. Ighodalo observed that, despite these improvements, the country remains vulnerable on multiple fronts – economic, social and political, underscored by negative trends in several socio

economic indicators. He referred to the latest jobs report from the National Bureau of Statistics (NBS) that showed that the combined unemployment and under-employment rates rose from 35.2% in the fourth

quarter 2016 to 40% in the third-quarter 2017, implying that during the measurement period, over four million Nigerians either lost their jobs, entered into the labour market and remained unemployed or were employed at jobs that were inadequate to their economic needs. He urged the need for the country to deal with the insecurities at all levels.

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He noted that the Summit’s theme of “Poverty to Prosperity: Making Governance and Institutions Work” had the overarching objectives to stir up discussions, create and share a unifying narrative on good governance, strong institutions and to focus governments at all levels on the critical and urgent task of moving eighty-seven million Nigerians out of extreme poverty. He observed that the theme is especially apt given the upcoming general elections next year and echoed the importance of undertaking

the electoral process with as little rancour as possible and as much enlightenment of citizens as can be mustered. Mr. Ighodalo thanked his predecessor, Mr. Kyari Bukar, on behalf of the NESG Board and management for his commitment and zeal in achieving a better Nigeria. Lastly, he noted that “No Nigerian must be left behind and we must give all our people hope.”

**Opening Remarks:** *Senator Udoma Udo Udoma, CON, Honourable Minister for Budget and National Planning*

Senator Udoma Udo Udoma, the Honourable Minister for Budget and National Planning, affirmed the government’s prioritisation of regular dialogue and engagement with the private sector, in recognition of the private sector’s role in economic transformation. He reported that in line with the ERGP, the government successfully organised sector-specific focus labs between March 13th – April 21st, 2018 to address bureaucratic issues in three workstreams of the economy, namely: agriculture and transport, manufacturing and processing, and, power and gas. Based on the foregoing, an ERGP delivery unit was set up in the Ministry of Budget and National Planning (MBNP) to work closely with ministerial delivery units in each of the six ministries responsible for the sectors.

He highlighted some key results of the labs as follows: an expedited process for the Brass Fertilizer and Petrochemical Company’s multi-billion dollar plant which, if successful, could result in 20,000 direct and indirect jobs, accelerated development of the National Gold Development Policy and the Federal Gold Reserve Scheme and support to Autodex Limited, a local automobile assembly firm in Imo State in order to double capacity for the production of farm tractors.

For improved service delivery, Senator Udoma highlighted the Federal Government’s four-year strategic plan for civil service reform coordinated by the Head of Civil Service. He noted that “this reform would drive innovation in service and institutionalise a performance management system that is citizen oriented.” He outlined several executive orders that had been issued by the President to improve service delivery and enhance transparency.

The focus of some the Executive orders includes the promotion of local content procurement by govern ment agencies and improving efficiency in the busi ness environment.



Senator Udoma described the summit as an oppor tunity to examine the progress made through the programmes, policies and objectives of the ERGP be cause “good governance at all levels is crucial for the success of the ERGP”. He reminded participants that the summit discussions would focus on the five sub themes of corruption and the rule of law, effective pub lic institutions, sustainable economic opportunities, participation and citizens’ rights and, human develop ment. Furthermore, he expressed the expectation that the summit deliberations would yield useful recom mendations on how to enrich service delivery and to receive suggestions on how to enrich delivery of the plan and services. He stated that “while the ERGP is clear there could always be improvements made on the delivery of the plan.”

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**Keynote Address:** *Professor Peter Lewis; Director, Africa & Middle East Programme; John Hopkins University, USA and Author, Growing Apart: Politics and Economic Change in Indonesia and Nigeria*

Professor Peter Lewis of the Africa and Middle East Programme, Johns Hopkins University, stated that Nigeria had great potential in terms of human capital, talent, and resources, and had made progress over the years compared to the first Nigerian Economic Summit (NES) in 1993. However, Nigeria continues to struggle in realising the vision of a high-growth sustainable and diversified economy. Despite the challenges that Nigeria was faced with at the time of the first summit, namely: international isolation, poor governance, economic stagnation, adverse policy outcomes, rising poverty and high levels of corruption, the summit had become a centre of dialogue on Nigeria’s economy and development.



He observed that the discouraging pictures of the 1990’s were almost unrecognisable today, as Nigeria currently had the largest economy in Africa, with Gross Domestic Product (GDP) growing at an average rate of 8% overall and yielding 5% per capita on average between 2002 and 2015. This enabled average income to double in real terms since the first inauguration of the fourth republic in 1999. He noted that, after decades of heavy dependence on oil, signs of possible diversification in finance, telecommunications, information technology, media and entertainment, agriculture and manufacturing were becoming more evident.

Professor Lewis observed that during the recent recession, non-oil GDP outperformed oil GDP and the economy appeared to have stabilised after a difficult period with modest growth outlook.

He noted that the economic performance remained far from the aspirations of the country’s leaders, elites and average citizens; and despite some improvements, the transition to a high growth, sustained, and diversified economy that can provide inclusively for the middle class, urban poor and the rural masses had not been achieved. He further noted that with the poverty rate being consistently above 60% and a rapidly growing population, more Nigerians are living at the margins of poverty. He stated that although many policies had been pursued jointly by the public and private sector to move Nigeria to a more prosperous economy; Nigeria had continued to struggle to breakout to make the economic transition.

He stated that Nigeria’s struggle to achieve a high growth, sustained and diversified economy could be compared to several countries that had grappled with economic stagnation and poor governance such as China, Chile, Mexico, Turkey, Indonesia, Malaysia, and Vietnam; but unlike Nigeria, these countries had made considerable progress over the years. In particular, he compared Nigeria with Indonesia, based on similarities in population size, status as economic anchors in their respective regions, ethnic and religious diversity, high levels of natural resources especially in oil and gas, challenging history of colonial rule, high levels of civil violence in the 60’s and over 30 years of military rule.

Professor Lewis noted that despite the similarities in history, background and structure between both countries; the trajectory of development was very different. From late 1960s through 1990, Indonesia’s economy grew positively and consistently over the years into a diversified economy with less dependence on oil, and poverty reduced from over 70% to 15%. However, Nigeria has struggled to address high rates of poverty and heavy dependence on oil. He explained that Indonesia was able to transition its economy by focusing on microeconomics; focusing more on manufacturing and agriculture, diversifying export potential and reducing population growth. He advised that ‘it’s not the labels, it’s not the regions, it’s the politics’ that bring about the transition of a country from a stagnant economy to a prosperous one.

He set out five (5) key strategic points that can provide ideas to potentially turn around the current situation in Nigeria, as follows:

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1. In cases of successful economic transition, a development-oriented leadership has driven the change.

2. In cases of weak governance and deficient institutions, modest changes can produce significant growth effects. There is a middle ground, thus focus on efforts that can move the nation forward quickly, as the country doesn’t have to get it all right at once.

3. Focus on the binding constraints. Priority should be placed on what needs to be done to move the country forward and on the main obstacles to growth, including:

• Electricity/ power

• Ports and Roads, especially rural roads to get produce to the market

• Ease of capital transaction/ ease of moving money around

• Education, which is critical especially for bridging the gap in gender education.

1. Focus on livelihoods rather than jobs. Eight out of ten Nigerians work in the informal sector - agriculture or urban services. The World Bank studies show that only 3% of the population in Nigeria work in the formal sector.

2. Revive industry sectoral strategies and policies. Develop consultant groups between the government and private sector focusing on

Nigeria**:** Petroleum Monoculture

**100** 

**90**

**80**

**70**

**60**

**50**

**40**

**30**

**20**

industries such as metals and mining, automobile manufacturing. An alliance of government and key producer groups worked in Indonesia, China, Mexico and Vietnam. For instance, Vietnam went from zero coffee production to number 2 in the world in about 15 years.

In conclusion, Professor Lewis offered two possible scenarios for Nigeria. Firstly, Nigeria breaks out to a high-growth economy, building on recent policy changes and develops major institutions, utilising the country’s vast human potentials and resources to elevate the economy into a powerful emerging market. Secondly, the country remains a ‘stuck’ economy with no breakout. He further explained that Nigeria can get to the first scenario by making the right choices, setting the right priorities and implementing the right strategies, which include:

• Build and empower an effective economic team • Strengthen peak economic institutions • Pursue alliances with urban entrepreneurs and rural producers

• Break through infrastructure bottlenecks, especially electricity

• Create a more predictable environment for transactions

These responses that have the potential to transition Nigeria’s economy to breakout to a high growth economy of prosperity.

Nigeria and Indonesia**:** GDP Per Capita **1965-2017 *(****constant****2010$****US****)***

**4500**

**4000**

**3500**

**3000**

**2500**

**2000**

**1500**

**1000**

**500**

**10 0 **

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**1965**

**1967**

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**1999**

**2001**

**2003**

**2005**

**2007**

**2009**

**2011**

**2013**

**2015**

**2017**

**1960 1965 1970 1975 1980 1985 1990 1996 2000 2006 2011 2016** Fuel Manufacture Other **(**Ag**)**

Indonesia GDP per capita **(**constant **2010** US**$)** Nigeria GDP per capita **(**constant **2010** US**$)**

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**Summit Opening Address:** *His Excellency, Professor Yemi Osinbajo, SAN, GCON, Vice President of the Federal Republic of Nigeria*

The Vice President of the Federal Republic of Nigeria, Professor Yemi Osinbajo, SAN, GCON, declared open the 24th Nigerian Economic Summit on behalf of the President, His Excellency Muhammadu Buhari.

Professor Osinbajo expressed his pleasure at being at the 24th Nigerian Economic Summit as a representative of the President of Nigeria. He noted that the Nigerian Economic Summit Group had promoted dialogue and collaboration between government and the private sector which had led to several joint interventions and worthy initiatives over the years. He also added that the summit created a regular opportunity for the government to review the conditions and policies

that impact on overall economic performance and to collaboratively interrogate some of the important ideas and prescriptions proffered for the Nigerian economy.

The Vice President defined absolute poverty as a condition where people cannot afford the essentials of life – food, shelter and clothing – or according to the World Bank, people who live under $1.90 per day. He explained that over the last decade, the poverty situation in the country had become possibly the biggest economic challenge for Nigeria and that the condition had persisted even when the nation’s earnings were at an all-time high. To buttress his point, he referred to the recent Nigerian Bureau of Statistics (NBS) survey which clearly depicted that despite rising oil prices and growth figures, poverty increased in every survey cycle and that in 1980 absolute poverty figures were 17.1m Nigerians, in 1985 – 34.7m, in 1992 – 39.2m, 1996 – 67.1m, 2004 – 66.7m and in 2010 – 112.47m.

The Vice President explained that the problem of poverty and the apparent deficit in the human development indices of the country had become more

significant because the population had continued to grow at about 3% annually, and the country is projected to become the world’s third most populous nation by 2050. Of that population, over 60% will be young people with about 1.4m entering the job market every year. To explain the paradox of high growth figures and rising poverty and unemployment, he stated that high oil revenues do not directly translate to jobs, as the oil sector generated very few jobs. He went further to state that high revenues would only have an impact if revenues were invested in the diversification of the economy, infrastructure, education, healthcare, and social protection for people who could not work.

The Vice President provided four reasons for the lack of appropriate use of increased revenues. First, grand corruption – the stealing of large portions of public resources by public officials in collaboration with private individuals; the direct looting of the treasury. He elaborated that with grand corruption, which is the redirecting of public resources to private use, resources are not available to be invested in the manner that they are planned to benefit the majority of people. He distinguished grand corruption from the corruption of poor execution of government contracts and emphasised that the phenomenon as seen in the present-day Nigerian government is the direct looting of the nation’s resources and simply diverting them for personal use.

Second, he explained, flowed from grand corruption which is poor investment in infrastructure and creation of an enabling environment for businesses. Third, is a lack of commitment to diversification of the economy which would have caused and provided multiple streams of revenue.

He pointed out that this is a problem both at the national and subnational level as states are heavily dependent on monthly FAAC Allocation to pay their worker salaries as the annual internally generated revenue (IGR) of most states cannot pay salaries in one month. Nigeria’s productive economy is the sum total of thirty-six states and the FCT and where the states do not have enough private, commercial activity, generating sufficient IGR becomes impossible, job creation is stifled, and poverty worsens. Fourth reason he identified is low investment over the years in the businesses at the bottom of the pyramid – the informal sector and the need recognize it and invest in it.

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The Vice President stated that the current government’s approach to reversing poverty and its consequences is that, while supporting a private sector-led economy, to intentionally address the creation of economic opportunities for the people at the bottom of the pyramid and in addition create some jobs directly, especially for thelarge number of people coming out of tertiary institutions who have no immediate job opportunities. Specifically, he said that the major premise of the government’s economic model, was focused on empowering the jobless youths and people in extreme poverty, by a mix of micro credit schemes, infrastructure support for markets and small business clusters, welfare for the most vulnerable and a direct creation of jobs on a consistent basis. He also identified the following as key focus areas for the government:

1. Ensuring that at least 30% of the budget is spent on capital especially infrastructure. To buttress this, he referred to economics reasoning that as growth in capital expenditure rises, unemployment falls and the human development index improves. Therefore, infrastructure-based policies which will initially improve unemployment will also improve the living conditions.

2. Diversifying the economy especially agriculture, mining and the promotion of MSMEs

3. Strong fiscal discipline especially zero tolerance for grand corruption.

4. Supporting states for payments of salaries and emoluments.

5. A social protection program covering at least 5m of poorest in its first phase.

Based on these objectives, the Vice President highlighted the government’s achievements so far, as follows:

• Provided for 30% capital expenditure from 2016 despite earning over 60% less than in the previous 4 years. The government has so far invested a total of 2.7 trillion in capital spending in rail, roads, power and in gas, the highest ever in the history of the country.

• In diversifying the economy, Agriculture has been a major success story with increasing budgetary allocation of N8.8bn in 2015 to N46.2bn in 2016 and N1.03bn in the current cycle. Success stories in this regard include:

» The Anchor Borrowers Programme which provides finance to small-holder farms and under which the CBN and 13 other participating banks have so far given credit totalling N120.6bn to 720,000 small-holder farms who cultivate 12 commodities, including; rice, wheat, cotton, soya, cassava and groundnuts across 36 states and the FCT. The Anchor Borrowers programme is also digitized, with all farmlands on the platform GPRS mapped, farmer biometrics captured, electronic card issued, and specific inputs required on the platform aimed at enhancing visibility and productivity of the farmers.

» A fertilizer programme to improve local blending capacity, in collaboration with the Kingdom of Morocco. Currently, the country has 11 fertilizer blending plants with a capacity of 2.1 million metric tons. This has led to price reduction from about N15,000 per bag of fertilizer to between N5,000 to N7,000 per bag.

» Rice production, where, but for a few drawbacks, the country is confidently approaching self-sufficiency, as imports are now down to 2% from previous position of importing $5million worth of rice every day.

• Active support to the state governments through loans. Paris Club refunds owed since 2005 and budget support facilities totalling N1.9 trillion have been given to the states so that consumer spending in the states does not suffer even more. On assumption of office in 2015, over 20 states were owing salaries for periods ranging from 3 to 12 months and for most states the regular income of civil servants is a critical part of the economy of those states.

• The social investment programme aimed at poverty alleviation and is the largest and most ambitious in the history of the country. The total spend in the two cycles of the programme totals N250 billion. The components of the programme are as follows:

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» The NPower programme which is the largest post-tertiary job project in Africa and under which 500 thousand graduates have been recruited as teachers, agriculture extension workers officers and public health officials. The last batch, comprising of 300 thousand graduates, was recruited at the end of August of this year. Each of the volunteers is provided with an electronic tablet which contains relevant training materials. The device empowers the beneficiaries to participate in a digital economy as data collectors and analysts.

» The Government Enterprise and Empowerment Programme (GEEP) which gives interest free loans to traders and artisans. So far, over 15bn in interest-free loans ranging from 50,000 – 350,000 has been disbursed to more than 300 market women, traders, artisans and farmers across the country and 56% of those loans have gone to women.

» The Trader Moni programme, under which microcredits are given to the bottom of the pyramid typically the one-table traders who typically have inventory of less than N5,000. The programme is aimed at encouraging these hardworking traders to buy more, improve their inventory and increase their capacity to earn. Under the scheme, the government is building microcredits for about 2 million petty traders across the country and the scheme enables them to draw more credit if they are able to pay back in 6 months. In addition to this, the government is working with between 6 and 10 banks to enables these traders to open free bank accounts in order for them to have even more access to financial services. So far, the programme has successfully opened about 349,000 new bank accounts.

» The Energizing Economies Project which is targeted at providing infrastructure, particularly solar power for small economic clusters and markets. Under this project solar power was provided for over 31,000 shops in Ariara market in Aba; for 13,598 shops in Sabon Gari Market in Kano and almost 1,000 shops in three markets in Ondo state. In total, the project has provided solar power to 81,691 shops spread over 320,000 MSMEs.

» The Home-Grown School Feeding Programme under which a free balanced meal is provided to over 9.2m children in public primary schools

every day. The programme is operational in 26 states and uses local produce livestock and poultry which in turn supports local agriculture and provides jobs for 95,440 cooks resident in various communities where the schools are located.

» The Provisional Cash Transfer Programmes under which N5,000 is paid monthly to the poorest and most vulnerable households on the condition that they participate in some nutritional and environmental activities. The target is to cover 1 million households in the first phase, but only over 300,000 households have been covered so far.

The Vice President concluded by stating that in addition to job creation, two other issues are critical to resolving the poverty problem – education and health care. With respect to education, he noted that improved educational outcomes are crucial to the government’s overall strategy to end extreme poverty. To emphasize this, he highlighted government’s action plan to tackle the educational issue in the country as follows:

• Achieving the educational outcome specified by the Sustainable Development Goals, which are the target of school enrollment, the target of quality of education, adult literacy and the quality teaching by 2020.

• Undertaking a programme to get the 9million out of school children back to school. A plan that needs the full cooperation of state governments, religious authorities as well as resources to build the schools and equip them properly and pay for a wide number of teachers.

• Given achievements in technology and the country’s rapidly increasing population, there is a need to change the substance of education and the methods by which they are taught. There is a need to improve the curriculum from a STEM (Science, Technology, Engineering and Medicine) approach to a STEAM approach (Science, Technology, Engineering, Art and Medicine)

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| **Date:**  Monday, October 22, 2018  **Session:** Plenary I  Corruption and Rule of Law  -Zero Tolerance | Speakers:  **His Excellency, Professor Yemi Osinbajo -** SAN, GCON Vice President, Federal Republic of Nigeria  **Moderator**  **Professor Ngaire Woods -** Founding Dean of the Blavatnik School of Government and Professor of Global Economic Governance, University of Oxford  **Session Objectives**  • Distil issues and chart a way forward to tackle  corruption and strengthen the rule of law in Nigeria  • Discuss Government strategies to create a system that prevents the diversion of public funds |
| --- | --- |

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**Background**

Despite initiatives of the past and present administrations, Nigeria still has a long way to go in addressing the key elements of corruption and the rule of law. The country currently ranks 148 out of 180 on Transparency International’s 2017 Corruption Perception Index. The focus of this session was on

**Issues and Challenges**

**Prevalence of Grand corruption**

Grand corruption is a major challenge in Nigeria which has negatively affected economic development in the country over the years. It involves the use of executive approvals to take public funds from the treasury for private use.

» It benefits the privileged few at the expense of the majority and causes serious and widespread harm to individuals and society. The perpetrators often go unpunished.

» It is a major impediment to national development which is increasingly becoming almost impossible to deal with.

» It deepens poverty, inequality and increases exclusion.

**Unwillingness to confront corruption**

There is a general unwillingness to confront corruption or focus on the issue of corruption. Government must be committed and consistent in its fight against this national menace.

» Most people are victims of corruption and will want to see a corruption free society. However, they are helpless when it comes to fighting corruption.

» The private sector is often unwilling to confront corruption as most businesses do not want to upset those involved.

**Impunity and lack of consequences against corruption**

Nigeria has experienced years of impunity at the top of the system due to lack of accountability and consequences for corruption offences.

» Impunity fosters and perpetuates acts of corruption. People make away with public funds and are not held to account for their actions.

zero tolerance for corruption, which has undermined the rule of law and eroded the effectiveness of public and private institutions. It emphases the need to create a system that will address the critical elements of corruption and the rule of law with a view to improving subsequent ranking in Corruption Perception Index

» The most important progress made in addressing the corruption challenge in Nigeria includes:

» Holding culprits accountable and seizing properties as well as stolen funds.

» Reforming the judicial system to ensure that there is no stay of proceedings while corrupt cases are being prosecuted. However, administration of justice has been slow for corruption cases.

**Lack of cooperation and limited support from the International Community in the recovery of looted funds**

Nigeria often does not receive adequate support from foreign governments and institutions in its efforts to recover looted funds domiciled in oversee banks.

» Repatriation of looted funds from foreign government or banks is often met by obstacles as the systems in many of these countries are not in in hurry to return such funds.

» There is need for the international community to designate stolen funds as proceeds of crime, and once it is proven, it should be returned without any complexity.

**Delay in the Justice system and Autonomy of States judiciary**

The Judicial system in the country is often faced with challenges in the determination of corruption-related cases in the country.

» This is evidenced in the slow process for obtaining convictions on corruption cases which most times lingered for years in the courts.

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» Autonomy of States judicial system hinders the implementation of judicial reform at the subnational level.

**Undue interference in deciding corruption cases**

There is often undue interference with the prosecution of corruption cases by influential members of the society.

**Recommendations**

**A. Sustained Commitment in Addressing Grand Corruption at the Top of the System**

**Address impunity at the very top of the system**

» Years of impunity and lack of appropriate sanctions against corrupt persons has hin dered growth and development in the coun try over the years. To effectively address this, the fight against corruption should begin with those at the very top of the system.

» Government at all levels must show commit ment and seriousness in order to encourage the public to join the fight against corruption.

» Holding people accountable for their actions and discipline of public officials involved in corruption.

» The rule of law should be allowed to take its due course on those found guilty of corruption charges.

**B. Building Effective Public and Judicial Institutions**

**Continued reform of the judicial systems**

» Review obsolete laws or legislations that de lay the administration of justice and prosecu tion of corruption cases.

» Implement framework for enforcing appropri ate disciplinary actions against lawyers who indulge in dilatory practices.

» Create and implement the necessary check and balances in the judiciary system to ensure that its integrity is not compromised.

**Poor remuneration in the public service**

There is a broad consensus that poor remuneration for civil servants in developing countries has created incentives for corruption.

» This is evidenced in the study that shows negative relationship between the level of civil service remuneration and incidences of corruption indicating that poorly paid civil servants are more vulnerable to illicit rent-seeking.

» Appointment of judges and other judicial of ficials should be subjected to due process (thorough scrutiny and interviews as against personal or political interest; this will ensure that appointments are based on merit.

» Judges should be interrogated and called to order whenever there is perceived corruption in the judicial system, in order to ensure that the integrity of the system is not compromised.

**Improve remuneration and strengthening of the civil service**

» Relook the remuneration/compensation in civil service.

» Introduce robust consequence management to discourage negative behaviour and enforce discipline across the civil service.

» Ensure recruitment in the public service should follow due process to ensure that the right persons are engaged.

**Improve public procurement process across all tiers of government:**

» Government should do more to ensure that public procurement process is open and transparent. Government contracts should only be awarded to those considered to be best qualified.

» Officials of Ministries, Departments, and Agencies of government found culpable of illicit transfer of fund and violation of procure ment processes should be made to face the consequences of their actions.

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**C. International Support on Anti-Corruption**

**Support by the international community in the repatriation of looted funds**

» Foreign governments should designate stolen funds in similar manner as terrorist funds and fast-track the repatriation of the fund back to Nigeria.

» Foreign governments and their financial sec tor regulators should sanction banks within their jurisdictions with stolen funds within their portfolio.

**D. Private Sector and Citizen Participation in the Anti-Corruption Drive**

**Support the anti-corruption drive of Government**

» Leverage the whistleblower policy to report corrupt practices by government official and agencies.

» Partner with Federal Government to develop and implement reform policies entrench the rule of law.

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▪

~~▪~~ National Judicial Council

~~▪~~ States Judiciary

▪

~~▪~~ National Assembly

**and Judicial Institutions** Justice

legislations

**Building Effective Public**

~~▪~~

Federal Ministry of ▪

▪ Demonstrate willingness to

**the System** Justice

**Corruption at the Top of**

~~▪~~

Federal Ministry of

**Addressing Grand**

**Sustained Commitment in** ~~▪~~ Presidency ▪

**~~R~~esponsibility Action Step and KPIs**

**Key Priorities Government Driven**

**Key Priorities, Action Steps, Responsibilities and KPIs**

the country’s judiciary system

judiciary to ensure harmony in

Work closely with State

remuneration for judges

Implement competitive

appointment

judicial officials before

exami nation and scrutiny of

Implement detailed

administration of justice

Review obsolete laws or

that delay the

prosecute corruption cases

hold people accountable

highest level of government to

Maintain commitment at the

**Responsibility Action Step and KPIs**

**Private Sector Driven**

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**Private Sector Driven Government Driven Key Priorities**

**Action Step and KPIs Responsibility Action Step and KPIs Responsibility**

▪ Create and implement the

necessary check and balances

in the judiciary system to

ensure that their integrity is not

compromised

▪ Implement framework for ▪ National Judicial Council

enforcing appropriate

disciplinary actions against

lawyers who indulge in dilatory

practices.

▪ Review the remuneration/ ▪ Federal Government –

compensation within the civil Head of Civil Service

service

▪ State Governments

▪ Introduce robust consequence

management to discourage

negative behaviour and

enforce discipline across the

civil service.

▪ Review the quality of people in

the civil service.

▪ Work closely with other ▪ Federal Ministry of **International Support on**

countries and foreign

Finance **Anti-Corruption**

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▪

**Participation in the AntiCorruption Drive** Citizens

**Private Sector and Citizen**

~~▪~~

Private sectors and ▪

to Nigeria

tracking the repatriation back

as proceeds of crime and fast

Embassies funds by designating the funds

~~▪~~

Foreign countries/

▪

Support drive to recover looted

looted funds

countries on repatriation of

agreements with target

imple ment bilateral

~~▪~~ Ministry of Foreign Affairs ▪

Define, advocate and

Justice return looted funds

~~▪~~

Federal Ministry of institutions to recover and

**~~R~~esponsibility Action Step and KPIs Responsibility Action Step and KPIs**

**Key Priorities Government Driven Private Sector Driven**

entrench the rule of law.

implement reform policies

Government to develop and

Partner with Federal

official and agencies.

practices by government

policy to report corrupt

Leverage the whistle-blower

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court, and seizing assets which have been moved locally and

internationally.”

5.

“I think a majority of people would rather work in an environment 6.

which is free of corruption… must people are victims of corruption”

“What people need the most and what government can provide is for 7.

people to know that the highest level of government is behind the

fight against corruption and they will support the fighting corruption”

8. “It is an obstacle course trying to get money from foreign

with all manner of government or foreign banks, as it is laden

difficulties. It is obvious that there is no great enthusiasm in

returning the money”

**Notable Quotes**

“Grand corruption is in our context, where money is taken directly 1.

from the treasury and it is simply diverted to private uses, now that

is one of the most shocking types of corruption. Whereas, what we

are more familiar with is corruption in the procurement process~~,~~

where are taking percentages in procurements, or simply stated~~,~~

from resources that are already in the hands of government

agencies”

“Even the grand corruption that you have talked about, is looking 2.

increasingly possible to address “

“The major obstacle for me is not wanting to confront it 3.

(corruption) too much and not wanting to focus on it (corruption)”

“The biggest step the government has taken is holding persons **4.**

who have gone away with public funds accountable, and taking

them to

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| **Date:**  Wednesday, October 22, 2018  **Session:** Infrastructure  Accelerating Infrastructure  Investment - **Alternative**  **Financing Options for Nigeria’s**  **Infrastructure**  **Time:**  2:00 – 4:00 p.m. | **Co-Chairs:**  • H.E. Babatunde Fashola; Honourable Minister for Power, Works and Housing  • H.E. Rotimi Amaechi; Honourable Minister for  Transportation **– Panelist**  **Discussion Leader:**  • Mr Uche Orj; CEO, Nigeria Sovereign Investment  Authority (NSIA)  **Discussants:**  • Mr Chinua Azubuike; CEO, Infrastructure Credit  Guarantee Company Limited (InfraCredit)  • Mr Dave Uduano; CEO; Sigma Pension Limited  • Mr Akin Ajibola; Partner, Bola Ajibola & Co.  **Facilitator:**  • Mr Nnanna Ude, CEO, Agon Continental Limited  • Mr Abiola Lawal; CEO Quorum Energy Limited  **Session Objectives**  • To explore alternative means of financing Nigeria’s widening infrastructure deficit |
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**Background**

Across the globe, the landscape of infrastructure financing is changing. Governments are under severe economic pressure and are finding it difficult to fund infrastructure projects. Several countries have turned to Public-Private Partnerships (PPP) to provide new and well-maintained roads, bridges, airports, railways, ports, waterways as well as efficient water and sanitation infrastructure. However, the success of PPPs depends largely on having a clear PPP delivery framework. In the past few years, governments have explored alternative sources such as long-term bonds to finance infrastructure projects.

**Issues and Challenges**

**Disconnect between the pool of long-term capital (Insurance, and Pension Funds) that exist in the country and the infrastructure financing needs of the country**

» No defined framework to guide investment of pension funds in infrastructure projects in the country

» Most infrastructure projects are not bankable and major impediments from transaction origination to financial close include: political, legal and regulatory risks in Nigeria’s operating environment

» Inadequate incentives/ limited support for project initiation phase which requires significant upfront costs before projects attain

**Recommendations**

**Develop a PPP (Public Private Partnership) framework for infrastructure projects**

» Government and private sector to work together to identify key infrastructure projects to execute in the short and medium term.

» The transactions should serve as the model/ template to test the various regulatory and legal hurdles and recommended solutions in infrastructure financing

The value of Nigeria’s total infrastructure stock represents only 35% of GDP, which is far below the level of peer emerging market countries where the average is 70%. Nigeria’s gap has been widening in recent years, owing partly to lack of capital expenditure in the national budget. From available data, government does not have the capacity to fund the infrastructure gap in the country. The session explored other alternative sources of funding Nigeria’s widening infrastructure deficit.

bankability status. Most investors are unwilling to provide support for projects at this phase due to the inherent risks involved

**Current environment is unattractive, due to high political risk and uncertain macroeconomic environment, to incentivise private capital (both local and foreign)**

» o Foreign exchange market – ability to access foreign exchange for capita importation

» Consumer Price Index (CPI) – impact of inflation on investments

» Continuity and consistency in policies (political, legal and regulatory) regardless of a change in government

**Increase the capital base of the Infrastructure Credit Guarantee Company Limited (InfraCredit)**

» Further boost the capacity of InfraCredit to provide more guarantees for viable infrastructure projects perceived to be very risky by capital providers

» Such guarantees provide comfort to investors and likely to attract domestic private capital especially from Pension Fund Administrators (PFAs) for viable projects

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**Create a stable macroeconomic and political environment which is critical for proper planning by private investors (local and foreign)**

» The Central Bank of Nigeria (CBN) is to ensure continuous stability in the foreign exchange market and use appropriate monetary policies to keep inflation in check

**Adopt brownfield recycling for current productive assets**

» Federal and state governments were encouraged to issue bonds against productive assets with proven track record of stable cash flows to free up additional resources for the government to finance other pressing infrastructure needs. For example, the Lekki-Ikoyi bridge owned by the Lagos State Government

**Use of road tax**

» The National Assembly and the Executive arm should work out the modalities of instituting a road tax to generate revenue for road maintenance as well as construction

**Improve Nigeria’s competitive environment**

» The Federal Government needs to demonstrate political will to execute necessary reforms to make the environment competitive and attractive for private investments in infrastructure projects

» Reforms should focus on streamlining the numerous laws and regulatory hurdles that concern infrastructure finance and repeal/ modify laws that exclude private sector players in participating in key infrastructure projects.

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construction

& Housing for road maintenance and

~~▪~~

Ministry of Power, Works

implement a road tax system

government to design an d

**Institute road tax** ~~▪~~ National Assembly

▪

Work with the legislative arm of N/A

N/A

infrastructure projects

more guarantee for

**InfraCredit** boost its capacity to provide

**base of**

program for InfraCredit to

**Increase capital** ~~▪~~ NSIA

▪

Expedite the capital raise N/A

N/A

cou

ntry

infrastructure financing in the

develop the PPP model for

projects and use as guidance t o

~~▪~~ PENCOM

companies) to identify priority

PFAs and Insurance

Commission

long -term

funds (especially financing in the country

**framework**

Concession Regul atory

the private sector players with Administrators)

PPP framework for infrastructure

**Develop PPP**

~~▪~~

ICRC (Infrastructure

▪

Form a joint committee with

~~▪~~

PFAs (Pension Fund

▪

Work with the ICRC to develop a

**~~R~~esponsibility Action Step and KPIs ~~R~~esponsibility Action Step and KPIs**

**Key Priorities Government Driven**

**Private Sector Driven**

**Key Priorities, Action Steps, Responsibilities and KPIs**

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| **Date:**  Wednesday, October 22, 2018  **Session:** Infrastructure  Accelerating Infrastructure  Investment - **Restoring the**  **Financial Viability of the**  **Nigerian Electricity Supply**  **Industry**  **Time:**  2:00 – 4:00 p.m. | **Discussants:**  • Mr. U.G. Mohammed - MD, Transmission Company of Nigeria  • Mr. Alonge Yusuf - CEO, Qua Iboe Power Limited  **Discussion Leader:**  • Mr. Ebipere Clark; Central Bank of Nigeria  **Session Objectives**  • Identify key reasons why the Nigerian Electricity Supply Industry has not attracted much needed investments; and,  • Provide recommendations on how to make the sector attractive to investments |
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**Background**

The success of the power sector privatisation programme raised expectations that private sector participation would lead to rapid improvements in the sector. This much-anticipated success has not been realised. There is an urgent need to reverse this situation and restore financial viability to the Nigerian Electricity Supply Industry.

In March 2017, the Government approved a Power Sector Recovery Programme (PSRP) aimed at, among other objectives, restoring the financial viability of

**Issues and Challenges**

**Lack of private sector financing is hindering growth**

» Financing of the sector is largely from the Government as potential investors are reluctant to fund projects

» For the private sector to invest in the industry, there must be a well-defined and efficient mechanism to recoup investments and generate profits

**Low tariffs and large non-collectible debts**

» Current tariffs are considered to be unrealistic and too low to be investor-friendly, especially as consumers have shown a willingness to pay above current grid rates if regular supply is guaranteed

» Government has not demonstrated the political courage to increase tariffs, without which the sector will remain unattractive to investors

**Recommendations**

**Collectible tariffs**

» Effective mechanism for DISCO to collect debts from debtors including government

» Recapitalise DisCos to ensure that the ability to withstand the effects of delayed revenue collection

the power sector. There has been no significant improvement since this programme was launched as the electricity industry remains illiquid, running out of money and is failing to attract new investments. Revenue collection, critical to the survival of the industry, is one of the lowest rates in the sector across West Africa.

This session is focused on identifying key reasons why the Nigerian Electricity Supply Industry has not attracted investments.

» Electricity Distribution Companies (DisCos) find it difficult to recover debts from customers including government

**Inappropriate Government policies and unstable regulatory environment**

» Various Government interventions have not improved the Nigerian power sector performance

» Imbalance and lack of cooperation between all three (3) players (Consumers, Investors and Government) in the industry such that the Government and the Distribution Companies (investors) are not aligned on the implementation of Government policies, thereby hindering progress in the sector

**Large coverage for DisCos.**

» The area of coverage of most of the DisCos is too large to be effectively serviced. This is a major concern as the DisCos have not been able to raise significant new investments required to improve service delivery to their customers.

**Proper electricity pricing mechanism and a review of the Multi-Year Tariff Order (MYTO) Model**

» MYTO should be redesigned to ensure that investors have other avenues to recoup investments other than trough tariffs, which the DisCos have difficulties in fully recovering

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» Current pricing mechanism should also be reviewed such that consumers can choose to pay more for electricity if a steady supply is to be guaranteed

**Industry Alignment and clear Government policies**

» All stakeholders in the industry should agree on the policies required for the success of the industry especially with regards to the implementation of Meter Asset Provider, Regulation and other Government policies

**Consider DisCo Franchising**

» DisCos to consider breaking operational areas into manageable areas and sub-letting to Franchisees

» The Franchisees would make all required investments to ensure quality service delivery to consumers under their operational areas

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**Key Priorities, Action Steps, Responsibilities and KPIs**

**Private Sector Driven**

**Government Driven Key Priorities**

**Action Step and KPIs Responsibility Action Step and KPIs Responsibility**

▪ Effective mechanism for

▪ DisCos Effective mechanism for DISCO ▪

▪ NERC **Collectible tariffs**

DisCos to collect debts from to collect debts from government

debtors

Recapitalise DisCos to ensure

▪

that the ability to withstand the

effects of delayed revenue

collection

Develop clear mechanisms for ▪

▪ NERC **Create a conducive**

potential investors to recoup **investment climate**

their profits.

Review of the Multi-Year Tariff ▪

Order (MYTO) to ensure proper

electricity pricing

▪ Break coverage areas into

▪ DisCos Develop a policy to encourage ▪

▪ NERC **Consider DISCO**

smaller operational zones DisCo franchising **franchising**

▪ Identify potential Franchisee

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| **Date:**  Wednesday, October 22, 2018  **Session:** Youth/Education  23 Million Nigerian Youth:  Turning Risk to Opportunity -  **“E-Learning Content and**  **Credentialing”**  **Time:**  2:00 – 4:00 p.m. | **Discussants:**  • Mrs.OnyecheTifasa; CEO, Siemens Nigeria Limited • Mr. Roti Balogun; Chief Learning Officer, GE Africa • Dr. Tunji Adegbesan; CEO, Gidi Mobile Limited  **Moderated by:**  • Professor Abubakar Rasheed, Executive Secretary, National Universities Commission (NUC) – Represented the Honourable Minister for Education  **Session Objectives**  • To identify the underlying issues bedeviling the Nigerian education sector.  • To contextualize the problem of unemployability among Nigerian youths.  • To propose strategies for leveraging technology to bridge knowledge and skills gap in Nigeria.  • To identify the best strategies for public/private and inter-agency collaboration in addressing the challenge of education in Nigeria. |
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**Background**

Today, 23million Nigerian youths are either unemployed, underemployed or unemployable. This is worrisome because there is no current comprehensive plan to address this problem. More worrisome is the fact that “only about 1% of the current Nigerian population is enrolled in the university system - one of the lowest in the world” as identified by Prof. Rasheed (representative of the Hon. Minister of Education and serving Executive Secretary, National Universities Commission).

With only 264 universities in Nigeria catering for around 2 million students (500,000 of these students

**Issues and Challenges**

**An opportunistic/political approach to addressing the problems bedeviling the education sector in Nigeria.**

Over the years, several government initiatives have been put in place to address the problems of educational development challenges in Nigeria. There have also been several private sector driven initiatives and intervention from international agencies aimed at addressing the problem. However, these initiatives have failed to provide a robust and holistic strategy to address the underlying problems of education in Nigeria. For instance;

» Unemployment is on the increase.

» Majority of Nigerian graduates are unemployable - they lack skills needed for today’s workplace.

» Basic technical skills (nanny, bricklayers, tilers, hoteliers, caterers etc.) are being imported into Nigeria from other neighbouring African countries and Asia.

» There is currently no clear national job plan.

» Lack of a functional and inclusive think-tank responsible for addressing the problems of education.

**Inefficient publics sector bureaucracy and lack of government support for private sector driven initiatives**

are enrolled in the National Open University (NOUN) alone), there is an urgent need to address the challenge of capacity and approach. E-learning has been identified as the most efficient and innovative method of reaching more learners at a lower cost and with recent, dynamic, relevant and, cutting-edge curricula and skills needed in today’s workplace; and for today’s workforce. Additionally, e-learning empowers the learner to self-direct learning. However, for e-learning to be effective, its content should be relevant, standardized and up-to-date.

Technology experts as well as learning professionals often encounter several bottlenecks interacting with government as there are no clear-cut mandates as to which agency is responsible for what in the education sector. These bottlenecks are encountered when seeking;

» To get government approvals.

» Get endorsements from government to attract foreign investors.

» To leverage on government infrastructure for developmental purposes.

**Skills identification, alignment to future jobs and job provision to the youths**

Most Nigerian youths are unemployable despite receiving university education. The factors that have contributed to this problem include;

» Obsolete courses and/or curriculum in Nigerian universities.

» Lack of a ‘national job plan’ that projects the future of jobs in Nigeria.

» Lack of technical skills to get current jobs due to the abandonment of technical education.

» Mindset/apathy to technical education as against university education

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**Recommendations**

**Aggregation of all efforts at improving education in Nigeria into the current ‘NESG/NUC Strategic Partnership’.**

Currently, there are pockets of initiatives all geared towards improving education in Nigeria either through technology, greater inclusion, industry participation etc. all such efforts should be channeled through this strategic partnership.

**State governments should participate actively in the promotion of primary and secondary education within their jurisdictions.**

As a federation, all state governments in Nigeria have been empowered to address the problem of education in their regions without necessarily waiting on the federal government. Thus, there should be an enforcement mechanism in place to ensure that state governors do not renege on this responsibility.

**There is a need to develop a ‘National Job Plan’.**

There should be a deliberate effort by the federal government to aggregate the jobs projection of the future and propose the skills needed to meet the job requirements. This should be documented and communicated widely to allow for targeted learning and skills development.

**Need for a ‘Ministry of Skill Development & Entrepreneurship’.**

As obtainable in developing countries like India, Nigeria needs a dedicated ministry to investigate the needs of the current and future workplace and propose new skills to meets these needs.

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**Private Sector Driven**

**Action Step and KPIs Responsibility**

▪ Sign MOU for this ▪ NESG

collaboration.

▪ Collate the skill needs of the

current workplace.

▪ Propose future skills needed to

compete globally.

▪ Collate the needs of the ▪ Companies

current workplace and

communicate same to the

federal government through

the proposed NUC/NESG

Think-tank.

**Key Priorities, Action Steps, Responsibilities and KPIs**

| Reduced dependence on the federal  Volunteer resources (professionals)  Increased monitoring of institutions  Collate all intervention efforts in the  Create an enabling environment for  government for funding education.  Development & Entrepreneurship’.  targeted at improving education to  Increased budgetary allocation to  Sign MOU for this collaboration.  private sector driven initiatives  Commitment to investment in  Create the ‘Ministry of Skill  in the education sector.  to assist in this effort  **Action Step and KPIs**  education sector.  education.  education.  thrive.  ▪  ▪  ▪  ▪  ▪  ▪  ▪  ▪  ▪  ▪ State governments  **Responsibility**  ▪ Universities  ▪ NUC  ▪ FGN |
| --- |

**Government Driven**

**Key Priorities**

**Think-tank for**

**collaboration**

**National Job Plan**

**Active participation**

**of state government**

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| **Date:**  Wednesday, October 22, 2018  **Session:** Youth/Education  **23 Million Nigerian Youth:**  **Turning Risk to Opportunity** -  Meeting the Demands for  a Quality and Affordable  Broadband Infrastructure  **Time:**  2:00 – 4:00 p.m. | **Discussants Leader:**  • Mr Colins Oneugbu - CEO, Signal Alliance  **Discussants**  • Mr Segun Ogunsanya - CEO, Airtel  • Nkemdilim Begho - CEO, Futuresoft  • Yusuf Kazaure - CEO, Galaxy Backbone  **Moderated by:**  • Mr Tope Toogun - CEO, Cognity Advisory  • Dr Moji Olateru-Olagbegi - Managing Partner, The Workplace Centre  **•**  **Session Objectives**  • Identify bottlenecks and gaps in the system that have slowed the pace of broadband penetration and affordability.  • Set a new target for broadband penetration in Nigeria. • Identify policies that can be reviewed to improve broadband penetration.  • Determine ways of making broadband more affordable in Nigeria. |
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**Background**

There has been an upsurge in the uptake of internet enabled mobile devices in Nigeria. The country currently has an estimated 103 million internet users, a significant percentage of this being the youth who use this primarily to facilitate their social interactions. There is a need to convert their use of the internet and technology devices to more productive uses that will aid learning, research, innovation, entrepreneurship etc. This would help develop the Science & Technology sector of the country, which would ultimately translate to higher numbers of gainfully employed youth and ultimately a reduction in social ills.

**Issues and Challenges**

The current broadband penetration in Nigeria is 22%, falling short of Federal Government’s 30% target by the end of 2018. A number of factors have contributed to the slow pace of broadband penetration. The government’s current broadband plan is out of date and needs to be reviewed. The plan should be focused more on resilient technologies, ensuring that our youths have adequate and affordable access to develop their capacities and ensure their place in the global community.

**Outdated National Broadband Plan**

With a growing population and an increase in the number of computer devices with internet capabilities, the current National Broadband plan does not take into account the new shifts in the telecommunications market. There are currently 160 million computers in Nigeria; the current plan lacks a concrete strategy on how to leverage on the internet enabled devices currently available to spread broadband penetration. With the plan set to expire at the end of 2018, there is a need to devise a new plan that will set a higher broadband penetration target.

Current internet penetration levels can be leveraged to aid learning and development. As the number of technology services’ users increase, the demand for data services for businesses, video streaming, social and academic use will all continue to increase significantly. To meet the demand, access, affordability and quality of service are key factors that need to be considered. Broadband penetration is currently at 22% which is below its target of 30% by the end of 2018 (National Broadband Plan). There is therefore a need to identify bottlenecks and gaps in the system that have slowed the pace of broadband penetration and affordability.

**High cost of laying fibre optic cables due to current right of way policy**

The big issue with broadband penetration across the country has to do with the high cost of laying fibre optic cables due to the current right of way policy. Presently, 80% of the total cost of laying fibre optic cables is borne by right of way charges, which are paid to the various levels of government. The excessive right of way charges substantially raises investment levels required by telecom companies to provide broadband services and ultimately leads to high data prices for the consumer. These prices have to be harmonized across the country if broadband penetration is to be sustainably expanded.

**Inadequate access to affordable broadband by educational institutions**

There are presently two million students currently enrolled in universities across Nigeria with five hundred thousand of them currently in The National Open University of Nigeria (NOUN). The government does not provide adequate subsidies for the provision of broadband connectivity to educational institutions and hence the current pricing for broadband access in schools is unsustainable and needs to be urgently reviewed.

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**Recommendations**

**Develop a five year (2018 - 2023) National Broadband Plan to ensure broadband penetration to at least 80% of the population.**

Broadband access should be defined as a strategy tool, which influences every sector in the economy. The federal government should have a national strategy that is technology driven and the backbone of this technology will be broadband connectivity. To have a strong economy, a new 5-year National Broadband Plan needs to be developed. The new plan will target 80% of the population by the end of 2023. To achieve this target, the federal government must create an enabling environment. Wireless and fibre based broadband technologies should be utilised. As supply is created, demand should be simultaneously developed by making broadband access affordable.

**Develop a new policy on open access enabling telecom companies to use the same fibre network thereby enabling cost savings.**

To expand broadband access in urban and rural areas in the country, an effective open access model needs to be developed and effectively implemented,

enabling telecom organisations to share broadband infrastructure. This would help to bridge the current broadband supply gap and deliver fast and reliable broadband services to households and businesses across Nigeria.

**Review current right of way and multiple taxation policy**

To reduce the cost of fibre optic cable laying in the country, there needs to be a harmonization of right of way costs and multiple taxation across all levels of government. A negotiation with the federal government, state governments and local governments should be initiated to produce a nationwide right of way pricing policy, which will reduce broadband infrastructure development costs for the telecom companies.

**Federal Government should target 30% broadband coverage for primary and secondary schools and 100% broadband coverage for all universities. Achieving this target will require support from the government in the form of broadband subsidies for educational institutions.**

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**Private Sector Driven**

**Action Step and KPIs**

Support government in

developing a five year (2018 -

2023) National Broadband

Plan to ensure broadband

penetration to at least 80% of

the population.

Provide inputs from a private

sector perspective into the

new policy on open access

enabling telecom companies

to use the same fibre

network thereby enabling

cost savings.

Discuss with government formore business friendly right

of way and multiple

taxation policy.

Implement through effectivedeployment of broadband

architecture to ensure at

least 30% broadband

coverage for primary and

secondary schools and 100%

broadband coverage for all

universities is achieved.

**Responsibility**

Telecom companies and

NESG

Telecom companies and

NESG

Telecom companies

Telecom companies

**Key Priorities, Action Steps, Responsibilities and KPIs**

| Federal Government should target  Develop a five year (2018 - 2023)  companies to use the same fibre  ensure broadband penetration to  Review current right of way and  primary and secondary schools  and 100% broadband coverage  at least 80% of the population.  network thereby enabling cost  Develop a new policy on open  30% broadband coverage for  National Broadband Plan to  access enabling telecom  multiple taxation policy.  **Action Step and KPIs**  for all universities.  savings.  Communications; NCC  Communications; NCC  FG, states and local  **Responsibility**  governments  Ministry of  Ministry of  FG |
| --- |

**Government Driven**

**Key Priorities**

**Update National**

**Broadband Plan**

**Increase broadband**

**penetration**

**Reduce associated**

**costs with deploying**

**broadband especially**

**for educational**

**institutions**

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| **Date:**  Wednesday, October 22, 2018  **Session:**  **Exploiting Regional and Global**  **Markets** -Local production,  Regional Trade and Global  Markets  **Time:**  2:00 – 4:00 p.m. | **Panelists/Co-Chairs:**  • Mrs. Yemisi Iranloye; CEO, Psaltry International Limited • Mr. Eze Nwakanma; Head, Agric Value Chain Finance & Investment Services, Nigeria Incentive-based Risk  Sharing System for Agricultural Lending (NIRSAL)  • Mr. Debo Abodunrin; CEO, AgroPlus Africa Systems Limited  **Moderated by:**  • Mr. Sadiq Usman; Deputy COO, Agro-Allied Division, Flour Mills of Nigeria Plc.  **Session Objectives**  • Highlight the factors limiting the successful integration of the value-chain from agriculture to manufacturing.  • Provide recommendations to drive more local value addition of agriculture resources to boost the manufacturing sector and enhance exports.  • Share knowledge and ideas on best practices and innovative solutions that can be adopted and adapted to the local agribusiness value-chain. |
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**Background**

Millions of smallholder farmers and communities in Nigeria strive to improve their livelihoods in an environment characterised by increasing competition among producers, processors and FCMGs along the agribusiness value-chain. Nigeria benefits from highly diversified climatic and soil conditions. Despite this, the sector suffers from low yields due to lack of knowledge of best practices and limited access to inputs. Nigeria’s primary products are mainly sold fresh in the domestic markets. The processing industry represents only a fraction of the agribusiness value-chain. In addition, post-harvest transport and storage of crops is an important piece of the puzzle,

**Issues and Challenges**

**Transport Infrastructure**

Ineffective and inadequate multi-modal transport network and systems to support the mobility of raw agricultural produce to the locations where needed; is hampering the development and competitiveness of the Sector.

» Construction of railways to transport raw ma terials to industrial production sites and final markets.

» Diversification of ports away from Lagos due to congestion.

» Private players currently play the role of pro ducers and government providers e.g. build ing roads to create access to their own mar kets from the processing plants.

**Funding of the Sector**

Sustainable finance, either equity or debt, is required to ensure that the agricultural sector grows to the full ness of its potential for a food-secure Nigeria, as well as for regional and global exports.

» Absence of advance payments or cash-and carry policies of processors and manufac turers for products sold to off-takers causing cash/income constraints for farmers.

» Inaccurate measurement of farmland size leading to asset over-estimation and the ex tension of excess financing, which eventually leads to debt default.

as a major proportion of losses in agriculture occurs during storage and transit. Improved back-end supply chain processes and better cold-chain facilities could reduce food losses, save billions of naira annually; and secure billions of dollars in additional export revenue. Across the value-chain, several vulnerabilities arise: bankability of investments in the sector; backward and forward linkages; environmental factors, and supply-chain peculiarities. Summarily, Nigeria needs an integrated framework for ensuring that farmers can access new markets and develop business in a coherent and sustainable manner.

» Minimum units considered by NIRSAL to de risk lenders is too small e.g. 0.5 hectares.

» Lack of government provision of sustainable finance for survival and expansion of the industry.

**Policy formulation and execution**

Lack of clear-cut policies to guide the direction of the sector is hindering its development. There is need for collaborative partnerships among relevant MDAs comprising Agriculture; Industry and Trade, Finance, Transport, Works, etc., to create policies that encom

pass and integrate the various value-chains across ag ricultural product segments e.g. dairy policy, cassava value-chain policy, etc.

» Absence of comprehensive sectorial strategy and industrial policies for each products’ val ue chain will limit the integration to regional/ global markets.

» Lack of implementation or execution of poli cies where existent e.g. tomato policy.

» Lack of established standards for exports of agricultural commodities and produce.

**Capacity-building**

Lack of technical and innovative capacity of industry players via training programmes, workshops, knowl edge-sharing platforms and collaborative partner ships is hindering the integration of the value-chain. This has resulted in the following:

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» Insufficient provision of the right technology, agronomy and market information to farm ers: For instance, fertiliser demand outstrips supply (unlike herbicides) due to government interference in the value-chain via subsidies. Lack of access to fertilisers stifles the growth of the sector.

» Nigeria is the world’s largest producer of cas sava with annual output of 45 million metric tonnes, however, the country’s comparative advantage is not being translated into val ue-added products such as cassava starch, ethanol, cassava flour, etc. Furthermore, in terms of exports, the country is competitively constrained, as production of cassava is still at the subsistence level.

» Aggregating and clustering cassava produc tion across Nigeria is difficult (due to the widely-dispersed nature of cassava-growing farms) and thereby limits the potential of shoring up huge pool of reserves for process ing and exports.

» Lack of business approach to farming. The need to re-orient farmers to have a new out look of a more commercial perspective of their occupation away from the subsistence model.

» Inadequate knowledge of best practices of harvesting crops speeding up the perishabil ity of produce thereby resulting in significant wastages and high prices of food in the do mestic markets.

**Agricultural production**

» Declining crop yields and insufficient supply of stock replacement by relevant research institutes.

» Lack of availability of pliable land. Dearth of ar able land available for farming. Financial insti tutions have not exploited this service aspect of extending credit to farmers for land asset expansion. Thus, farmers have been utilising the same land area for decades. This has led to significant drop in yields, on account of the over-utilisation of the same land, resulting in decreasing replenishment of soil resources required to maintain the soil quality and attain significant crop yields for direct consumption, production processes and exports.

» Crop density in Nigeria is very low.

**Inefficient local methods of production also hamper yield.**

» Hence, financial institutions unwilling to in vest or extend credit.

» Huge supply-demand gap of seeds, which is a huge factor limiting the growth of crop yields. » Poor seed quality

» Expensive import substitution methods of farming e.g. hydroponics in the case of toma to farming

**Storage**

Transporting fresh produce without the availability of requisite storage facilities and infrastructure has led to increased perishability and significant wastages along the value-chain (from harvests to markets) lead

ing to high food prices. Other issues include:

» Inadequate electricity supply to keep storage systems fully functional.

» Lack of cold-storage facilities in the local mar kets e.g. Mile 12 is the largest tomato market in Nigeria, yet the unavailability of cold stor age infrastructure is limiting the revenue-gen erating potential of the market in West Africa.

**Others**

» High cost of production and inability to compete favourably with foreign importer countries.

» Nigeria missed out on the industrial revolution causing lag in mechanization.

» Having a good grading system that allows for produce grading because there are inade quate records of Nigeria’s actual exports.

» Loan defaults due to unwillingness of farmers to pay back credit extended to them.

» Reliance on imported packaged foods when there is cheaper alternatives for domestic pro duction in Nigeria e.g. packaged French fries, sweet peas, sweet corn, etc.

» Lack of inter-dependability across the val ue-chain for each agric segment.

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**Recommendations**

**Capacity-building -**

» Develop business education training pro grammes for farmers. Re-orient and re-train farmers to transform their mind-sets from the subsistence model to the business model of agriculture in order to improve productivity, boost output, enhance revenues and create wealth.

» Adopt knowledge-sharing platforms for pri vate sector collaboration and knowledge transfer.

» Convene a meeting with session partici pants and the government within three (3) months to further dialogue and discuss recommendations.

**Infrastructure**

» Improve ports access by diversifying the ports and reducing over-reliance on Lagos for ease of mobility and enhanced competitiveness.

» Construct railways across the agricultural landscape of Nigeria to create access to mar kets for farmers, processors, manufacturers and exporters.

**Policy formulation and execution**

» Design export policy standards for agricul tural commodities via private-public partner ships to regulate the quality of exports.

» Eliminate interventions on inputs such as price-controls e.g. fertilizer subsidies. This is to allow for free-market economics to dictate price and supply, which will eventually lead to the sufficient supply for the expansion of farmers’ yields and outputs similar to the her bicides supply market.

» Coordinate MDAs to develop complete and holistic set of policy measures to scale-up competitiveness and self-sufficiency in each agric value-chain. E.g. cassava to starch.

» Relevant MDAs cut across agriculture, in dustry, trade, finance, exports, transport and investment.

» Implement policies where existent e.g. toma to policy.

» Formulate policies for the utilisation of 10% of local raw materials in food processing by global food manufacturers operating within the Country.

**Availability and accessibility of inputs**

» Foster partnerships to generate innovations to integrate and improve the value-chain e.g. cold storage rooms, research and improved mobility. Critical stakeholders include the fed

eral government, private sector, educational institutions, state governments and commit tee members.

**Sustainable financing of the Agribusiness sector**

» Need for financial players and the relevant government agencies to understand the dy namics of the sector and provide private play ers with the much-needed funding to off-take their products from the farming communities. On the part of the government, sustainable finance should be provided without bureau cracy. Furthermore, the government should facilitate ease of financing for the private sec tor (off-takers) for onward disbursement to farmers.

**Ensuring government support and interventions**

» Government and government institutions and agencies should take their roles seriously. Intervention roles of government should be made clear for the private sector.

» Modest changes in governance/institutions will provide massive impact e.g. NIRSAL as an institution, if it achieves 10% of its objectives, will result in huge transformations in the Agric value-chain.

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agencies

~~▪~~

~~▪~~

**partnerships**

**collaborative**

**Knowledgesharing and** ~~▪~~

**~~R~~esponsibility**

**Key Priorities**

**Key Priorities, Action Steps, Responsibilities and KPIs**

Agriculture

Agriculture

Federal Ministry of ▪

▪

▪

▪

Agriculture

Federal Ministry of ▪

**Action Step and KPIs**

**Government Driven**

as cold storage rooms, research &

to improve the sector value -chain such

players e.g. Nestle,

governments and private sector players ~~▪~~

Major agribusiness

educational institutions, state

Engaging/collaborating with ~~▪~~ NESG

▪

results from the meeting are executed.

Ensure that the short term proffered

derived are recorded for action.

Ensure that the ideas and solutions

meeting.

Agriculture to the knowledge -sharing

▪

within the Federal Ministry of

including department and agenci es

Ensure attendance of key stakeholders

platforms.

under Agriculture on the social media

well as departments and agencies

Include key actors in the Ministry as ~~▪~~ NESG

▪

**~~R~~esponsibility Action Step and KPIs**

**Private Sector Driven**

across the industry.

strengthening the linkages

value -chain and

solutions to integrating the

proffering additional

recommendations and

evaluating the

Aim the session at

the sector.

issues and challenges within

innovations to mitigate the

on ideas, solutions and

sector actors to brainst orm

involving public and private

knowledge -sharing session

organising within 3 months a

Discuss and brainstorm on

global markets session.

production, regional and

participants on the Local

Facebook groups and add

platf orms e.g. WhatsApp and

Create social media

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**Private Sector Driven**

**Action Step and KPIs**

▪ Partner with, and provide

support to the government in

terms of resources to facilitate

the successful execution and

completion of the training

programmes.

▪ Sustain policy advocacy to

ensure implementation of

policy recommendations by the

private sector.

**Responsibility**

Flour Mills, Olam,

etc.

▪ SMEs –

agribusiness, food

processing,

exporters, etc.

▪ Major agribusiness

players

▪ NGOs providing

funding for the

sector

▪ NESG

| training programmes across the country  harvesting methods, seed technologies,  Adapt those case studies for local use  countries where successes have been  for farmers to increase understanding  of commercial/business approach to  agricultural commodities via privatepublic partnerships to regulate the  methods in their farming processes.  Study and generate case studies of  Design export policy standards for  considering local peculiarities and  Organise training programmes for  farmers to adopt and adapt these  Organise regular workshops and  recorded. Best practices in crop  development and infrastructure  agricultural best practices from  planting and growing methods,  irrigation methods.  **Action Step and KPIs**  quality of exports.  development.  farming.  climate.  ▪  ▪  ▪  ▪  ▪  ▪ Agric institutes and  ▪ Federal Ministry of  ▪ Federal Ministry of  ▪ National Assembly  institutes and  **Responsibility**  ▪ Agricultural  Agriculture  institutions  institutions  academic  academic  Agriculture |
| --- |

**Government Driven**

**Key Priorities**

**Capacity-building**

**Policy**

**formulation and**

**execution**

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**Key Priorities**

| **Responsibility**  **Action Step and KPIs** ▪  ▪  ▪  ▪  ▪  ▪  o  chain.  transformations  objectives, will result in huge  an institution, if it achieves 10% of its  governance/institutions e.g. NIRSAL as  Ensure modest changes in  sector.  should be made clear to the private  Intervention roles of government  Country.  manufacturers operat  processing by global food  10% of local raw materials in food  Formulate policies for the utilisation of  tomato policy.  Implement policies where existent e.g.  exports, transport and investment.  agriculture, industry, trade, finance,  E.g. cassava to starch.  sufficiency in each agric value-chain.  scale  and holistic set of policy measures to  Coordinate MDAs to develop complete  the herbicides supply market.  subsidies. This is to allow for freefarmers sufficient supply for the expansion ofsupply, which will eventually lead to themarket economics to dictate price and’ yields and outputs similar to  Eliminate interventions on inputs such  as price  -up competitiveness and self  Relevant MDAs cut across  -controls e.g. fertilizer  in the agric value  ing within the |
| --- |

**Government Driven**

**~~R~~esponsibility**

established.

the objectives for which it was

▪

Ensure that NIRSAL achieves

**Action Step and KPIs**

**Private Sector Driven**

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| **Date:**  Wednesday, October 22, 2018  **Session:**  **$196 Billion Investments by**  **2020 –** Investing in Nigeria:  From Opportunities to Realities  **Time:**  2:00 – 4:00 p.m. | **Panelists/Co-Chairs:**  • Mr. Ike Chioke; CEO, Afrinvest West Africa Limited • Dr. Adeyemi Dipeolu; Special Adviser to the President on Economic Matters  • Mrs. Toyin Sanni; Group Chief Executive Officer,  Emerging Africa Capital Limited  • Mr. Jubril Enakele; CEO, Zenith Capital Limited  **•**  **Moderated by:**  • Mr. Kunle Kuku – Executive Director, Lakewood  Investor Services  • Mrs Nnenna Uche – Senior Manager, KPMG  Professional Services  **Session Objectives**  • Identify steps Nigeria must take to scale up investments in the country; and,  • How best to convert investment opportunities to realities? |
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**Background**

The efforts of the Presidential Enabling Business Environment Council (PEBEC) and the Nigerian Investment Promotion Council (NIPC) to improve the Nigerian business environment are encouraging. Yet, much more is required to realise a value-added national investment drive of $196 billion by 2020 as defined in the Economic Recovery and Growth Plan (ERGP).

In April, South Africa launched an aggressive invest ment drive to raise $100 billion investments. This has far-reaching implications on the quality and quantity of foreign direct investments that can be attracted into

**Issues and Challenges**

**Major sectors of the Nigerian economy (such as power and agriculture) are currently viewed by many investors as too risky.**

» These sectors are plagued with issues of policy inconsistency, poor liquidity, subsidy/non-com petitive pricing, insecurity/ vandalisation, etc. and are therefore unable to attract much-need ed domestic and foreign direct investment.

**Inadequate investor-friendly policies.**

» Ensure a free and fair electioneering process that enables political stability.

» Enable stable economic policies as inves tors need to know that policies will be applied even-handedly, and that profits and capital can be repatriated safely.

» Enable rule of law and ability to enforce contracts

**Lack of clear strategic positioning as a country**

» Need to identify and pursue our strategic po sitioning as a country i.e. do we want to be a regional logistics hub, financial centre, tourist centre, etc.

» Defining and pursuing this strategic positioning will enable Nigeria to attract capital in the spec ified areas.

**Narrative communicated to potential investors is inconsistent with investment objectives and diminishes Brand Nigeria**

Nigeria.

Furthermore, a more holistic approach to Nigeria’s in vestment policy, Foreign Direct Investment (FDI) pro motion strategy, image building and sector branding, investment targeting and facilitation, investor support and reinvestment incentivising, needs to be articulated into an integrated investment strategy that would build investors’ confidence in the economy and attract sub stantial amount of long-term investments (both domes tic and foreign). There is, therefore, an urgent need for an intense focus on the actual tangible actions that will turn investment opportunities to realities.

» The information that is constantly beamed to potential investors about Nigeria, typically bor ders around corruption and insecurity. We need to carefully and deliberately shape/ change this narrative and project the numerous qualities that make Nigeria a preferred investment desti nation to potential investors.

**Government agencies and regulatory bodies must provide top-notch public services and serve as business enablers**

» The Nigerian government must focus on the most important role which is to create a safe and secure physical and business environ ment that enables enterprise and attracts investment.

» Government agencies and regulators’ actions have far-reaching implications on how existing and potential investors perceive the Nigerian business environment. Thus, whilst discharg

ing their duties as regulators, they should en sure that issues are raised in a manner that builds investors’ confidence in Nigeria.

» Government Ministries, Departments and Agencies (MDAs) need to ensure accuracy, clarity, accessibility and diversity of informa tion provided to investors (especially on their websites). To attract diverse investors from disparate countries, information should be pre sented in multiple languages including French and Mandarin, in addition to English.

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**Recommendations**

• Adopt power, agriculture, creative industry, tech nology and logistics as Nigeria’s priority areas.

• Set up a committee comprising regulators, in dustry players and experts to identify the binding constraints inhibiting the inflow of capital to the above areas.

• Ensure appropriate interface between agencies and regulatory authorities.

• Incentivise smart power and off-grid solutions and implement a cost-reflective tariff in the power sector.

• Address policy inconsistencies in the logistics sector. E.g. the Nigeria Customs Service.

• Ensure accuracy, clarity, accessibility and diversi ty of information provided to investors (i.e. aside from English, information should be provided in French and Mandarin).

• Decentralise electricity distribution and genera tion in the country.

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**investments**

**attract new**

▪

**power sector to**

**Reposition the** ▪

▪

▪

▪

**priority sectors**

**De-risking of** ▪

authorities

▪

▪ NIPC

▪ PEBEC

**positioning**

**Strategic** ▪ Federal and State

**~~R~~esponsibility**

**Key Priorities**

**Key Priorities, Action Steps, Responsibilities and KPIs**

Works and Housing

Minister of Power,

▪

National Assembly

Council

Federal Executive ▪

authorities

Regulatory

NIPC

PEBEC

Governments

Federal and State ▪

▪

Regulatory

▪

▪

Governments

**Action Step and KPIs**

**Government Driven**

generation in the country.

decentralize electricity distribution and

administrative changes required to

Effect the necessary legislative and

tariff in the power sector

solutions and implement a cost-reflective

Incentivise smart power and off-grid

investors

boost attrac tiveness to domestic and foreign

appropriate government policies, as a way to

Deliberately de-risk priority sectors with

agencies and regulatory authorities

Ensure appropriate interface between

capital to the above areas.

binding constraints inhibiting the inflow of

industry players and experts to identify the

Set up a committee comprising regulators,

Nigeria's priority areas.

Industries, Technology and Logistics as

Adopt Power, Agriculture, Creative

**~~R~~esponsibility Action Step and KPIs**

**Private Sector Driven**

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| **Date:**  Wednesday, October 22, 2018  **Session:**  $196 Billion Investments  by 2020 – Enhancing the  Absorptive Capacity of Nigeria’s Financial System”  **Time:**  2:00 – 4:00 p.m. | **Panelists/Co-Chairs:**  • Mr. Urum Eke – GMD, FBN Holdings PLC  • Mr. Akin Dawodu – Citibank Nigeria Limited  **Moderated by:**  • Mr. Kunle Kuku – Executive Director, Lakewood Investor Services  • Mrs Nnenna Uche – Senior Manager, KPMG  Professional Services  **Session Objectives**  • Identify factors that affect the depth and liquidity of the financial markets;  • Explore opportunities for inducing a more enabling investment climate; and,  • Articulate initiatives that can bolster the capacity of the Nigerian financial system in a sustainable manner. |
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**Background**

Nigeria’s capacity to absorb capital flows is greatly in fluenced by the depth and efficiency of the financial system. The level of financial development will also determine the extent to which the country can benefit from capital flows in terms of spill-overs from targeted sectors to the rest of the economy as well as the over all growth effect. Therefore, Capital flows between in vestors, governments (federal and state), businesses and consumers will depend on an efficient and inclu sive financial structure.

In 2007, Nigeria launched a Financial System Strategy 2020 to develop and transform Nigeria’s financial sector into a growth catalyst and engineer Nigeria’s

**Issues and Challenges**

**Infrastructural deficit in the Nigerian Financial Industry**

The current infrastructure of the Nigerian financial system impedes the effective absorption of huge cap ital inflows to the country, due to existing regulatory policies which have not evolved with notable develop ments across global financial markets.

» There is a need to redefine our business mod el, which has since defined the structure of the Nigerian financial system, to recognise the value of new and existing information, as well as absorb and exploit it for growth. This is par ticularly essential given the changes in terms of both size and complexity in the operating landscape of the global financial system.

» Lack of policy stability with regards to finan cial market regulation which has hindered ef forts geared towards attracting foreign invest ment and the listing of big local companies on

the Nigerian stock exchange.

» Insufficient technical capacity among even the major financial institutions in the coun try to handle and structure complex trans actions and compete effectively with global institutions.

evolution into an international financial centre, strengthen and deepen the domestic markets, en hance integration with the external financial markets, and promote sustainable economic development.

As Nigeria seeks $196 billion private sector invest ments by 2020, it underscores the imperative to have a strong financial system that performs roles that are vital to the proper functioning of a market economy such as information generation, price discovery, risk sharing, liquidity provision, promotion of contractual efficiency, promotion of corporate governance, and fa

cilitating global integration.

**The Depth and Liquidity of Local Financial Markets**

Depth and liquidity of markets are core aspects that make financial markets attractive to foreign and local investors and assuages concerns regarding ease of capital flows.

» Despite the significant improvement in the fixed income market base on the activities of the Debt Management Office (DMO), the Nigerian equities market has been struggling to attain full recovery since the global stock market shock in 2008, while the foreign ex

change market has been in despair since the fall in oil prices in 2014 which has left the country with poorly functioning financial markets.

**Leveraging industries with the most potential for valuable exports**

The overwhelming focus on the oil and gas industry in Nigeria, has left other industries with high economic growth, impact potential, capacity for exports and bol ster capital inflows, unexploited.

» Other industries, such as Entertainment and Arts & Culture, have experienced impressive growth and have produced content with high export value.

» Need to properly leverage other industries in positioning the country as a haven of bounti ful investment opportunities.

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**Recommendations**

**Identify three (3) areas of utmost priority for investments with high impact**

» One of these areas should be agriculture, giv en Nigeria’s inherent advantage in it, as well as its established impact on job creation and other elements of economic development. The government can evaluate, based on avail able data, the crops we have the most advan tage in cultivating and have that guide the na ture of investments in agriculture.

» Build mutually beneficial relationships with partners who are strategically identified based on their expertise in either the identified priority areas for investment or complemen

tary areas that will enhance the value of the investments.

**Develop specialised banks that are heavily capitalised and have differential capital base across core capital intensive sectors to effectively absorb heavy investment**

» This will provide the financial system with sufficient capacity to effectively absorb huge capital inflows and properly channel funds to wards sector specific investment.

» Potential sectors include construction, power, transportation, and infrastructure.

**Reform, through policy, the process for issuance of Certificate of Capital Importation (CCI)**

» Regulatory policy and processes consistency surrounding capital importation, particular ly the issuance of CCI, need to be reformed and sustained, which will facilitate the ease of capital flow.

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**Financial markets** Government/CBN ▪

~~▪~~ Ministry of Agriculture

**Agriculture**

~~▪~~ Investments Ministry of Trade and ▪

**~~R~~esponsibility Action Step and KPIs**

**Key Priorities Government Driven**

**Key Priorities, Action Steps, Responsibilities and KPIs**

issuance of CCI

Reform the process for

sectors

across core ca

pital intensive

Establish specialised banks

financial markets

local companies on the

Incentivise the listing of big ~~N~~ESG

agricultural sector

catalyse the growth of the

investment towards them to

cultivating and guide

have inherent advantages in

Identify crops for which we

**~~R~~esponsibility**

CCI

Provide input into policy of

**Action Step and KPIs**

**Private Sector Driven**

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| **Date:**  Wednesday, October 22, 2018  **Session:**  Optimizing Business  Opportunities in the Talent  Economy -  Unlocking the Untapped  Potential for Growth in the  Creative Industry  **Time:**  2:00 – 4:00 p.m. | **Panelists/Co-Chairs:**  • Ms. Ojoma Ochai - Director, Arts and Creative Industries (West Africa), British Council  **Discussants**  • Mr. Paul Nwulu - Programme Officer, Ford Foundation • Mr. Chike Maduegbuna – Founder & CEO Afrinolly Creative Hub  • Ms. Ugochi Nwosu – (representing the Permanent Secretary of Federal Ministry of Information and  Culture)  **Moderated by:**  • Dr. Ikenna Nwosu - CEO Mooregate Limited  **Session Objectives**  • To identify investment potential of the industry and articulate possible investment models.  • To outline governance and institutional strategies to deliver on immediate milestones.  • To articulate key action points to leapfrog / spur the Creative Industry. |
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**Background**

Creative industries (Film/Fashion/Music Broadcasting/Publishing) around the world are a big contributor to global economies especially in the area of youth employment. The industry is the fastest growing sector in many economies even in times of recession. In 2017, the sector contributed ~6% to U.K’s GDP which represents about one third of Nigeria’s GDP. Nigeria’s national accounts rebasing in 2014 revealed

**Issues and Challenges**

**Continuing menace of piracy and copyright infringement.**

Piracy and copyright infringement remain burning issues for the Creative Industry with no clear pathway for resolution in sight.

» Policies for managing this problem have been document but the government has encountered difficulties with implementation.

» The private copyright levy Bill still remains unpassed even after 20 years of deliberation.

**Lack of capacity:**

Lack of requisite knowledge capacity and skills to compete internationally. There is need for capacity development in packaging of products and development of instruments and development and implementation of framework to combat piracy. A formal structure of capacity development is lacking, as some areas are operated as family business where skills and training are passed down to members of the family

**Content available in Nigeria does not meet International Standard.**

Some of Nigeria’s creative content are not fit for international consumption and therefore cannot earn foreign exchange for the nation. For example, Netflix invested 8 billion dollars in content but Nigeria did not get any part of it despite having the second largest motion picture industry in the world.

**Lack of policies to support and promote the Creative Industry.**

Historically, the sector developed based on private sector initiatives. The entire industry has developed over the years mainly due to private participation.

that motion pictures, sound recording and music production alone, account for 1.42% of our GDP. In the past two years, while the entire economy plunged into recession, the Arts, Entertainment and Recreation Sector recorded a growth of 3.72% (2016) and 4.72% (2017). The industry also contributed N152.63bn to Nigeria’s GDP in 2017.

The private sector cannot remain the only architects of change, the government hitherto has been providing funding and needs to do more besides providing funding support. Unlike other industries/sectors like the Agricultural sector, the creative industry sector does not have specific policies to promote its growth. Government needs to update the policies and legislations regulating the industry, as existing ones are outdated. In addition, a lot of industry players are unaware of incentives available to the sector.

**Poor implementation of intervention plans, thus yielding little or no outcomes.**

Several intervention plans have implemented by Government to transform the sector, however, these plans have not worked. Often intervention do not match the timeline for the problem. There is a need for review and analysis of these plans to understand the mistakes that led to their ineffectiveness.

**Mismatch between goals set out in the Economic Recovery and Growth Plan (ERGP) and trends in the industry.**

The creative industry is rapidly changing, and some policy objectives need to reflect emerging trends in the industry and adopt innovation to leapfrog current state of the art to achieve competitive advantage. For instance, goals set out in the ERGP are not reflective of current trends. The policy objective to ‘export videos to generate USD 1 Billion in foreign exchange by 2020’ does not consider the possibility of videos becoming obsolete by 2020 and being replaced by another media.

**Limited funding available to the sector.**

There is limited funding available to the sector. Funding is mostly available for ‘proven’ ideas but not ‘exploratory ideas’.

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Most operators have shied away from engaging commercial banks due to onerous requirements from the banks. However, involvement of commercial banks encourages practitioners to operate on sustainable principles rather than on subsistent basis.

» Funding has mostly been provided by the Bank of Industry and the Nigerian Export Import

**Recommendations**

**Address Copyright issues.**

Major interventions need to be made with regards to piracy and protection of intellectual property rights, beginning with possible collaboration with the Nigerian Bar Association in its forthcoming forum on copyright issues. Also, protection of intellectual property rights of stakeholders through the enactment of appropriate laws and institution of efficient and effective enforcement mechanism is necessary.

**Conduct a policy dialogue to initiate the conversation of developing specific policies for the industry.**

It’s imperative that a policy dialogue be held to kick start discussions on developing specific policies for the creative industry. Additionally, policies need to be relevant and take into account changing industry trends. For example, the ERGP plans for the industry needs to be re-addressed and re-designed to match industry trends. It is suggested that direction could be taken from relevant policies available in similar countries.

**Conduct a detailed value chain study & estimate the size of the industry.**

There is the need to conduct a detailed value chain analysis of the sector to address specific issues in the industry and identify opportunities for growth, determine the size of the sector and understand the magnitude of its possible future contributions.

**Match industry players / experts with policy makers.**

Compile a list of industry experts for relevant parastatals and the legislature for easy engagement and support in fashioning out policies and regulations to engender growth of the industry.

**Nigerian Investment Promotion Commission (NIPC) to host an Incentive Summit in partnership with the Nigerian Economic Summit Group (NESG).**

Bank. There is little or no private funding available for innovative ideas.

» Funding types are limited. There are no financing options for different stages of business (i.e. exploratory all the way to roll out), particularly R&D.

The NIPC and NESG should hold a forum to educate industry players on the range of incentives available to the sector.

**Nigerian Export-Import (Nexim) bank and Bank of Industry (BoI) need to be more creative in developing funds for the sector.**

Nexim and BOI need to be more creative in financing the creative industry. There should be engagement with practitioners to understand financing/special funding needs as well as options adopted in other countries and adopt same in Nigeria. Also, engage commercial banks to provide special funding to the industry.

**Industry players to improve the quality of content developed to international standard.**

There is the need for industry players to improve the quality of content developed in order to make it suitable for export to foreign markets. Also, there is the need for capacity building to develop operators. Possibly adopt a train the trainer approach where required.

**Develop and democratize Creative Hubs.**

Hubs have proved to be an impactful support system for start-ups. Stakeholders should consider developing Creative Hubs across the country. Also, the Government needs to consistently engage citizens through technology.

**Advertising and Creative Industry to work together to harmonise goals and objectives.**

There is the need for advertising industry to work together with the creative industry to collectively promote and protect the industry. Exercise of regulatory power should not stifle creativity and innovation.

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**Develop a Free Zone for the industry through which equipment can be imported tax free.**

There is the need for the Government to develop a free zone for the creative industry very much like other industries in order to boost the sector, encourage current investors and attract new investors in creation of content as well as manufacture of equipment.

**Include subjects relevant to the Creative Industry in the national education curriculum**

It is important for the education ministry and Inter ministerial commissions to include subjects on creative industry in school curriculum. This addresses the issue of unemployability of university graduates as students with skills relevant to this industry are able manage and create self-employment

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**Private Sector Driven**

**Action Step and KPIs Responsibility**

▪ Hold Policy dialogue ▪ Private stakeholders

▪ Identify relevant policies in ▪ Private stakeholders

similar countries that could

be adopted in Nigeria

Conduct value chain analysis Private stakeholders

and estimate the size of the

industry

Establish Multiple Creative Private stakeholders

Hubs across the country

**Key Priorities, Action Steps, Responsibilities and KPIs**

| Conduct value chain analysis and  Create sub-themes for thematic  Establish Multiple Creative Hubs  Compile list of industry experts  Begin discussions to revise the  pertaining to the industry in the  estimate the size of the industry  ERGP policy objectives for the  Push for the private copyright  Establish a free zone for the  agreements to fight piracy  Develop multiple financing  Enter MoUs and bilateral  Include relevant elements  Conduct incentive summit  Hold policy dialogue  educational curriculum  options for the sector  **Action Step and KPIs**  creative industry  across the country  discussions  Fight piracy  sector  levy  ▪  ▪  ▪  ▪  ▪  ▪  ▪  Ministry of Information and  Ministry of Information and  ▪ Ministry of Information and  ▪ Ministry of Information and  ▪ Ministry of Information and  ▪ Ministry of Information and Culture  ▪ Ministry of Information and  ▪ Ministry of Information and  ▪ Copyright Commission  ▪ Ministry of Education  ▪ Ministry of Justice  **Responsibility**  Culture  Culture  Culture  Culture  Culture  Culture  Culture  ▪ NEXIM  ▪ NESG  ▪ NESG  ▪ NIPC  ▪ BoI |
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**Government Driven**

**Key Priorities**

**Piracy and CopyrightPolicy Development**

**Understand the**

**Industry**

**Incentive Summit Create sub-themes Financing Creative Hubs**

**Free Zone / Industrial**

**Park**

**Educational**

**Curriculum**

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| **Date:**  Wednesday, October 22, 2018  **Session:**  Optimizing Business  Opportunities in the Talent  Economy -  Maximising the Value of Sports  as a Business  **Time:**  2:00 – 4:00 p.m. | **Panelists/Co-Chairs:**  • Ms Nkechi Obi; MD/CEO, Premium Sports Management Services Limited  • Mr Leonard M. Kange; General Manager, Large  Enterprises, Bank of Industry  • Mr Stanley Okebugu; Deputy Director Sports, Federal Ministry of Youths & Sports  • Professor Seun Omotayo representing 1st Vice  President, Nigeria Basketball Federation (NBF)  **Moderated/Facilitated by:**  • Dr Ikenna Nwosu; CEO, Mooregate Limited  **Session Objectives**  • Identify the strategies that the stakeholders can devise to monetise the passion people have for sports.  • Drive inclusion in sports to accommodate more people to play especially people at the bottom of the pyramid. • Understand the potentials of the industry in terms of low hanging fruits.  • Identify how to position sports using these drivers (education, tourism, fitness & health and media), to drive demand for goods and services.  • Share intelligence and actionable insights and provide opportunity for people to dialogue to create demand for goods and services in sports and add economic value  • Identify and articulate possible investment potentials and models, and outline governance and institutional strategies to deliver immediate milestones.  • Articulate action plans for immediate action as well as medium(6-18months), to long term (18months – 4 years) action. |
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