

# ANNUAL REPORT & ACCOUNT 2021





# ANNUAL REPORT & ACCOUNT



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## OUR VISION

To become Africa's leading private sector think-tank committed to the development of a modern globally competitive and inclusive Nigerian economy



## OUR MISSION

To promote and champion the reform of the Nigerian economy into an open, inclusive, sustainable and globally competitive economy

AS A THINK-TANK, THE NESG PERFORMS  
FOUR KEY STRATEGIC ROLES

### DIALOGUE PARTNER

Driving policy change through  
public private dialogue platforms  
and engagements

### CONNECTOR

Driving policy change through  
networks and influence (G-2-G,  
G-2-B, G-2-C, G-2-B-C)

Government-2-Government, Government-2-Business,  
Government-2-Consumer, Government-2-Business-Consumer

### INTERVENER

Driving policy change through  
interventions, monitoring,  
influential evaluation and reporting

### WATCHDOG

Driving policy change through  
research and evidence-based  
engagement



# OUR GUIDING PRINCIPLES

1

Commitment to a free market economy

2

Encouragement of private sector investment

3

Creation of an enabling environment

4

Governance in the national interest

5

Commitment to the rule of law

6

Establishment of economic foundation for democracy

7

Dedication to socioeconomic inclusion and shared prosperity

# Board Chairman's Report

## 2021 Annual General Meeting



Distinguished Members, Our Partners, Captains of Industry, Guests, my Colleagues on the Board of NESG, Ladies and Gentlemen, good morning. I welcome you all to the 27th Annual General Meeting of the Nigerian Economic Summit Group (NESG).

On behalf of my colleagues on the Board of the NESG, I express our deep gratitude to you all for your commitment and immense contributions to the work of the NESG since the first Summit on the 18th of February, 1993.

At the NESG, we have contributed extensively to policy proposals, formulation, reforms, and public sector advisory during this period. We have also provided technical support to governments at different levels to facilitate policy implementation. We remain incredibly grateful to our founding fathers for their vision in establishing the NESG, our corporate members for their unwavering support and allegiance, and our network of volunteers and experts for staying committed to our mission. We thank, most sincerely, our partners in the public sector, especially the Federal Ministry of Finance, Budget and National Planning, for their dedication to the public private sectors' collaboration and partnership and their understanding of our respective roles and responsibilities when, sometimes, fault lines cross.

### **The Nigerian Economy in 2021**

In 2021, the global economy returned to a positive growth path driven by the easing of lockdown measures, supporting economic and social policies, and the roll-out of COVID-19 vaccines. Despite imbalance in COVID-19 vaccine distribution and inoculation across countries, the global economy grew by 5.5 percent (World Bank). Similarly, Nigeria consolidated its economic recovery and recorded a growth of 3.4 percent, representing a 5.2 percent points increase from the contraction of 1.9 percent in 2020. The recovery and substantial growth outcome are attributable to the complete re-opening of the economy to productive activities, supporting policies, and significant improvements in the performance of the non-oil sector.

The 2021 growth performance represents Nigeria's most robust annual economic growth since 2017 when the economy exited the 2016 recession. This growth was motivated by improved productivity across a majority of the sectors of the economy; however, the sectoral spread of growth has not

attained the pre-2016 recession levels, especially our growth performance and spread in 2014. Whilst the growth is impressive, structural challenges – such as the elevated inflation rate, exchange rate pressures, insecurity and the overall harsh business climate – negatively affect the impact of economic growth on the ordinary Nigerian people.

Specifically, while the month-on-month inflation rate tapered in 2021, the average inflation for the year rose to 17 percent from 13.2 percent in 2020. Likewise, the official exchange rate in 2021 depreciated to N415/US\$ as CBN adopted the I&E exchange rate as its official rate. Furthermore, socioeconomic conditions deteriorated as the extreme poverty headcount rose to 69.1 million people from 67.6 million in 2020.

The fiscal space remained constrained despite the increase in oil price above the budget benchmark for 2021. As at November 2021, government's realised revenue was 30 percent lower than budgeted revenue, while government expenditure was three times realised income. The shortfall in revenue resulted in a bloated fiscal deficit which drove the government's debt stock to N39.56 trillion in 2021 from N32.92 trillion in 2020.

The NESG Macroeconomic Outlook 2022, titled "The Last Mile: Reforms Towards Significant Improvement in National Economic Outcomes", was launched on the 25th of January, 2022. The Outlook highlighted the disconnect between economic growth and national economic outcomes for 2022. It focused on the need for Government to urgently implement certain clearly identified reforms in order to sustain economic recovery, drive social inclusion in Nigeria and set the framework for future development. The Report articulated urgent sectoral reforms such as Oil and Gas deregulation, fuel subsidy removal, effective foreign exchange management, mechanics for lowering inflation rate, and a focus on critical sectors of the economy that will greatly improve our citizens' standard of living. Based on identified criteria, especially each sectors' potential to create jobs, the five (5) critical sectors proposed in the report for special focus are; Agriculture, Manufacturing, Education, Health and Trade.

### **The 27th Nigerian Economic Summit**

We held the 27th edition of the Nigerian Economic Summit (NES #27) on the 25th and 26th of October 2021, at the Transcorp Hilton Hotel, Abuja, with the theme 'Securing Our Future: The Fierce Urgency of Now'.

The Summit combined physical and virtual dialogues to carefully and deliberately reflect on the state of the Nigerian economy and rethink the country's economic fundamentals. These discussions were spread across 6 Plenary Sessions, 16 Interactive Panels, 1 Debate, 1 Insight Session, 1 Co-Creation Lab and 9 Pre-Summit Events. It was structured around five sub-themes: High and Sustained Growth; Quality of Life; National Security; Political Economy; and Digital Transformation. In attendance at the Summit were national and global policymakers, business leaders, development partners, and scholars who participated in sessions focused on fostering a people-centred approach to rethinking economic, social, political and governance strategies which will be targeted at reversing destabilising trends and creating a secure future of inclusive and sustainable economic development.

The NESG also collaborated with its partners to host two side events at the Summit. One of the side events was the launch of the Policy Innovation Centre, the first national-level centre to apply behavioural insights and other innovative policy tools to improve the design and implementation of government policies and programmes in Nigeria.

Summit participants agreed that to pull Nigeria out of its present economic, social and security problems, eliminate our comorbidities, and achieve macroeconomic stability; we must initiate and urgently implement extensive reforms and policies which enable extensive job creation, poverty alleviation, effective security, an enabling environment, human capital development, and necessary infrastructure. Stakeholders at the Summit were unequivocal in their call for fierce urgency by the public and private sectors to reverse the current negative tide and secure our future.

The Summit agreed on recommendations that participants believed if considered, adopted and implemented, would reverse the current negative economic trend, jump start double-digit inclusive economic growth, and ensure sustainable development.

### **The National Development Plan**

Following the expiration of the Nigeria Vision 20:2020 and the Economic Recovery and Growth Plan (2017-2020) in December 2020, the Federal Government of Nigeria (FGN), through the Ministry of Finance, Budget and National Planning, commenced the process of developing successor medium-term National Development Plans for 2021-2025, and 2026-2030. The NESG, in steadfast commitment to the standing partnership with the FGN, worked with the Federal Ministry of Finance, Budget and National Planning to provide the requisite private sector input into the National Development Planning process. We thank all our members and volunteers who worked assiduously on the project. The National Development Plan (NDP) 2021-2025 was approved by the Federal Executive Council on November 11 2021, and launched by His Excellency Muhammadu Buhari on December 23 2021. The NDP has a financial plan to increase revenue to GDP from 7 percent to 15 percent, driven by a renewed emphasis on economic diversification and export orientation backstopped by continued enabling investment climate reforms, the prioritisation of new economies (digital, biotechnology, creatives, the green economy, the blue economy and the circular economy), all underpinned by a sustained prioritisation of national human capital development (centred around the sustainable development goals). The NDP also anchors some of the NESG's policy advocacy priorities: our position on national and foreign trade, investment promotion and industrial policies. The NDP also separated sports development from youth initiatives, recognising sports as a business separate and distinct from youth issues and initiatives. This is a policy reform vigorously canvassed by the Tourism Hospitality Entertainment Creatives and Sports Policy Commission (THECSPC) of the NESG since 2018.

The NDP has a total funding target of N348.1 trillion (85.7% expected private sector funding and 14.3% government funding). Consequently, for the plan to work, we must create an environment that attracts massive local and foreign investments. The NDP is structured to generate 21 million full-time jobs and lift 35 million people out of poverty by 2025. The Federal Government is also working on a 30-year vision for the country through the development of 'Nigeria Agenda 2050'.

Whilst the challenges facing the country are daunting, considering evolving "global" uncertainties occasioned by the Russia-Ukraine Crisis, occasional emergence of different COVID-19 strains, insecurities and the imminence of the 2023 elections; the year 2022 still presents Nigeria with another unique opportunity to initiate tough economic reforms that would propel sustainable economic growth and inclusive development. In collaboration with the private sector and civil society, we are optimistic that the government will continue to work assiduously to address our challenges. The

NESG continues to provide a platform for public-private interactions, discussions, and collaborations, and the review, examination, interrogation, and resolution of policies considered necessary, effective and appropriate. We remain committed to supporting, in every way possible, Nigeria's inclusive and sustained double-digit economic growth.

We are motivated and focused on also supporting the creation of an enabling business climate that attracts the investments we need to achieve faster growth, job creation, and poverty reduction across the country. We will encourage private sector investment in vital sectors of the economy and will continue to work with our governments at every level to be more efficient and effective. We applaud governments' efforts thus far in certain areas, but much more needs to be done regarding security, policy consistency, the rule of law, conflict resolution, promoting domestic and foreign investment, budgetary discipline, and the provision of critical infrastructure. In a time of diminishing income and high demand for targeted investments in the social sector, it is necessary to prioritise public investments and spending in our general health and education institutions. Too many of our citizens die without cause, and many of our children cannot attend school.

I want to express my gratitude to all of our illustrious NESG Founding Fathers, all our Past Chairmen and CEOs, and our current and former Board members, Corporate Members, and Volunteers who have continued to serve and support the cause in the national interest with great enthusiasm, paying to serve. Without your devotion, determination, and commitment, the NESG would not have been able to achieve any of its goals in the last 28 years. I would also like to thank Mr Tony Attah, former CEO NLNG, and Mrs Tifase Onyeche, former CEO Siemens Nigeria, our directors who stepped down from the Board during the year 2021, for their dedication and selfless contributions. I appreciate all of our partners, donors and sponsors, especially; the Bill & Melinda Gates Foundation (BMGF), MacArthur Foundation, Open Society Initiative for West Africa (OSIWA), Africa Initiative for Governance (AIG), Rockefeller Philanthropy Advisors (RPA), the African Economic Research Consortium (AERC), Alliance for a Green Revolution in Africa (AGRA) and the Ford Foundation, for their commitment, trust and support. We thank profusely the gentlemen of the press, our expert networks, and the broader business community's continued interest in and support for our work.

In closing, I sincerely thank our Chief Executive Officer, Mr 'Laoye Jaiyeola, the NESG management and all our employees for keeping focused on the NESG objective and working tirelessly to realise the same. We are all grateful for the enormous sacrifices you have all made in this process.

God bless the NESG; God bless the Federal Republic of Nigeria!

**Asue Ighodalo**



*Chairman, NESG*

# Chief Executive Officer's Report

## 2021 Annual General Meeting



*Distinguished Board Members, Members, Invited Guests, Ladies and Gentlemen.*

It is my pleasure to welcome you to the 2021 Annual General Meeting of the Nigerian Economic Summit Group. The year 2021 was particularly marked by significant events, including the gradual recovery of the Nigerian economy from the negative impact of the COVID-19 pandemic. We thank you all for your commitment and continued support for the Group in 2021.

Despite the numerous challenges faced by the country, I am pleased to report that the quality and independence of our group and the roles we play as dialogue partner, connector, intervener and watchdog have continually helped to provide support and drive economic sustainability for the nation, even in its most tumultuous times. In our 2021 Macroeconomic Outlook Report, the NESG highlighted four key priority areas that are important in attracting private investment which is critical in achieving sustained growth and development in the short and long term. These priority areas are macroeconomic stability, policy and regulatory consistency, sector reforms and human capital development.

Following the fragile recovery from the COVID-19 induced downturn in the fourth quarter of 2020, the Nigerian Economy has sustained impressive growth rates in 2021, with aggregate output expanding by 3.4 percent in the year. According to data from the National Bureau of Statistics

(NBS), the country's impressive real Gross Domestic Product (GDP) was motivated by 5 percent, 4 percent and 4 percent year on year growth in Q2-Q4 2021, respectively. Overall, growth in the year was supported by the relative success of the COVID-19 vaccination drive and the tapering effects of the pandemic on global economic activities. The recovery was also accompanied by declining inflationary pressures as the headline inflation rate dropped for the eighth consecutive month in December to 15.6 percent from its peak of 18.2 percent in March 2021. Inflation rates, however, remain above the Central Bank of Nigeria's upper band of 9 percent for the year.

From a sectoral perspective, growth was driven by the non-oil sector, while the oil sector continued to reel under the adverse effects of the pandemic. The non-oil sector grew by 4.4 percent in 2021, driven mainly by growth in the services sector. The oil sector, however, further contracted by 8.3 percent, representing the second consecutive year of recession in the oil and gas sector.

Despite successive expansion in aggregate output in the year, pre-existing vulnerabilities in the economy (exposed and reinforced by the pandemic) continue to have deleterious effects on households, worsening the food insecurity

situation and trapping many below the poverty line. Moreover, pressures on the external sector intensified in the year resulting in the devaluation of the naira exchange rate to N415/US\$ and the unification of the Official and the Investors and Exporters' Windows. The country's fiscal space also remained constrained as public debt climbed to N39.6 trillion as at December 2021 from N32.9 trillion in December 2020.

In the wake of growing security threats, rising unemployment, high poverty rate, widening inequality and an economy in slow recovery, the 27th edition of the Nigerian Economic Summit (NES #27) convened over 6,800 stakeholders in government, business, politics, civil society, the diplomatic community and academia to discuss, debate, examine, explore and conceptualise ways Nigeria can reverse poor economic trends, improve the human capital base of the economy, mitigate security challenges, and lay the necessary foundation that will leapfrog Nigeria into a future of high and sustained inclusive economic growth.

The 27th Nigerian Economic Summit (NES #27) also reiterated the urgency for a collaborative response by the government and other stakeholders to reverse the poor economic trends in the country, mitigate security challenges, improve the human capital base of the economy, and lay the necessary foundation to achieve high, sustained and inclusive economic growth. Nevertheless, policy reforms and outcomes still fall below expectations.

Weeks and months of in-depth research, consultations, and technical assistance rendered by the NESG Staff and network of volunteers to the Federal Ministry of Finance, Budget and National Planning (at the height of the pandemic in 2020 and into 2021) eventually culminated in the launch of the National Development Plan (NDP) - 2021-2025 as a successor to the Economic Recovery Growth Plan (2017- 2020). In true commitment to the standing partnership between the FGN and the NESG (representing the private sector), the NESG provided the much-needed private sector participation in the National Development Planning process.

We also successfully launched other projects and interventions during the year, one of which is the Policy Innovation Centre (PIC), an initiative within the NESG sponsored by Rockefeller Philanthropy Advisors, with the support of the Bill and Melinda Gates Foundation. The Centre has the mandate to implement innovative policy tools, including behavioural insights, to improve policies and programmes in Nigeria.

### **Roundtables and Policy Commissions**

One of the key strategic thrusts of the Board was for the NESG to focus on poverty reduction, job creation and Sustainable Development Goals in line with NES recommendations and the NESG Macroeconomic Outlook. Policy Commission activities were, therefore, geared towards Macroeconomic Stability, Trade, Investment and Competitiveness and the Sustainable Development Goals.

The Policy Commissions also convened ten pre-summit stakeholder dialogues focused on driving evidence-based policy/legislation changes and reform implementation across their various sectors and thematic areas. These were further discussed at NES#27. In 2021, 21 policy documents were drafted across the Policy Commissions and Communities of Practice, and 14 Public-Private Dialogues (PPD) were hosted across the NESG's various PPD Platforms, with 4,387 stakeholders attending all Public-Private Dialogues.

Members of the NESG are invited to lend their voice to public policy issues through the platform provided by the NESG Roundtables, Policy Commissions and Communities of Practice. Beyond the payment of membership dues, engagements at these platforms confer on members the ability to: "influence" the big-ticket agenda items for shaping the Nigerian economic and business landscape; "drive" policy reforms across sectors of the economy; plan and take the members respective businesses to the next level as a result of "insights" gained from stakeholder engagements; "access" networks for leverage, and "grow" as technical experts and thought leaders in different sectors.

### **National Assembly Business Environment Roundtable (NASSBER)**

NASSBER continued to utilise its unique structure to enable collaborative solutions between the National Assembly, the civil society, and the organised private sector to carry out and build consensus on the reform of the Nigerian business environment through legislation. NASSBER entered into two strategic partnerships; first, with the Conference of Speakers of State Legislatures of Nigeria which extends NASSBER's activities to the sub-nationals. An inaugural meeting was held with the Conference of Speakers, which led to the formation of the State Assemblies Business Environment Roundtable (SABER). Implementation of the SABER framework will help strengthen the NESG's engagements at the Sub-national Level. Second, NASSBER partnered with the National Judicial Institute to provide training for Judges. NASSBER also held a pre-summit event to discuss the implementation, impact and challenges of the Companies and Allied Matters Act 2020.

### **Nigeria Renewable Energy Roundtable (NiRER)**

For the year 2021, the activities of NiRER were geared towards developing a legislative framework to address the myriad of challenges that inhibit the utilisation of renewable energy to bridge Nigeria's large electricity gap through the integration of the Renewable Energy Electricity (REE) Bill into the Electricity Sector Reform Amendment Act.

### **Debt Management Roundtable (DMR)**

The NESG-OSIWA Debt Management Roundtable (DMR) Project focuses on providing an understanding of the public debt situation in ECOWAS, providing policy recommendations to save the economies and engaging in advocacy to ensure implementation of the policies emanating from the DMR research.

### **NGF-NESG Economic Roundtable (NNER)**

The steering committee of the NNER, a sub-national platform of the NESG in partnership with the Nigeria Governors' Forum aimed at

promoting sub-national competitiveness to catalyse sustainable economic growth and development, was inaugurated in April, 2021 with State Governors and Captains of Industry in attendance. The NNER Technical Committee has since developed a three-year work plan and work streams to operationalise its strategic plan.

### **Nigeria Triple Helix Roundtable**

In 2021, the Nigeria Triple Helix Roundtable (NTHR) organised an Innovation Dialogue Series and co-hosted a webinar to discuss the requisite skill set needed for commercialization and University Technology Transfer, and engage key policymakers, to develop new partnerships across multiple sectors that will champion a renewed frontier for Circular Economy and Natural Capital opportunities respectively.

### **National Development Plan and 30-year Visioning for Nigeria**

In the spirit of the standing partnership between the FGN and the NESG, the Federal Ministry of Finance, Budget and National Planning relied on the NESG (representing the private sector), to provide the much-needed private sector participation in the National Development Planning process. The Federal Executive Council (FEC) on the 10th of November 2021 approved the National Development Plan (NDP) - 2021-2025 as a successor to the Economic Recovery Growth Plan - 2017-2020.

### **NESG Bridge Fellowship**

The NESG Bridge fellowship programme, in collaboration with LEAP Africa, is a 15-month programme with mid-level professionals, between the ages of 25 to 35 years, who have demonstrated interest in research, public policy, community development, social work, business and/or social entrepreneurship. 54 young leaders comprising sets 1 and 2 are being trained with hands-on, pragmatic experience in policy formulation and development, as it affects the Nigerian economy.

### **The Policy Innovation Centre**

Following the appointment of the Executive

Director and the Deputy Director, the Policy Innovation Centre (PIC) was launched during the 27th Nigerian Economic Summit. The Centre has the mandate to implement innovative policy tools, including behavioural insights, to improve policies and programmes in Nigeria. It is the first national-level unit of its kind in Africa and applies lessons from the behavioural and social sciences, including testing interventions to find evidence that can inform better policies and decision-making.

### **Non-Residential Fellowship Programme**

In 2021, the NESG Research department launched the Non-Residential Fellowship Programme (NRFP), a merit-based fellowship that brings together outstanding and high-level intellectuals in academia, research-based institutions, the public sector and the private sector to collaborate, share ideas, produce research outputs and ensure that findings from its research are applied in practice. Following a competitive application process with hundreds of applicants, eighteen (18) impressive Senior Fellows were inducted in November, 2021 and they are supported by a faculty comprising of 5 subject matter experts. The fellows are spread into six cluster areas and have commenced research on their respective subject matter.

### **Memberships**

In 2021, Five (5) new corporate members joined the Group despite significant disruptions to business activities and the poor performance of most sectors of the economy due to the COVID-19 pandemic.

Efforts to ensure the mobilisation of a critical mass of stakeholders, who will lend their voices to public policy issues through active engagement in the Policy Commissions, will continue in 2022.

### **Partners**

We have maintained relationships with our network of non-state actors to improve NESG's capacity for research and support economic reform initiatives. Relations have continued with the United Nations Global Compact (UNGC), Foreign, Commonwealth and Development

Office (FCDO), World Economic Forum (WEF), the World Bank, Lagos Business School, the Nigerian Bar Association Section on Business Law (NBASBL), Heinrich Böll Stiftung (HBS), All On, Bill and Melinda Gates Foundation (BMGF), Africa Capital Alliance Foundation (ACAF), Africa Initiative for Governance (AIG), the Open Society Initiative for West Africa (OSIWA), the MacArthur Foundation, the Ford Foundation, the African Economic Research Consortium (AERC), ONE Campaign and the Alliance for a Green Revolution in Africa (AGRA). We are deeply grateful to all our partners for their unwavering support in 2021 and we look forward to their continuous support in the year 2022.

I am pleased to note that beyond these organisations, conscious efforts were made in 2021 to cultivate new partnerships that have given rise to some other projects that are being driven by the NESG. We were only able to play these critical roles with the immense support of our partners, members and volunteers, and for this, we are most grateful.

As we take stock of our advocacy efforts in 2021, we look forward to working closely with you in the new year to consolidate our achievements, even as we endeavour to break new grounds. This report provides highlights of the Group's stewardship in the year 2021. I hope this will spur you to remain committed in 2022, as we continue to perform our strategic roles, all in the national interest.

### **Conclusion**

Although the distribution of vaccines and return to normalcy resulted in improvement in economic growth in 2021, pre-existing socio-economic challenges in the economy persist. This reinforces the urgency for sound macroeconomic policies to attract massive high-end investment underpinned by bold reforms across key sectors of the economy.

In our 2021 Macroeconomic Outlook, we highlighted four (4) priority areas that should be pursued to drive private investment and restore

Nigeria's economy to the path of inclusive and sustainable growth in 2021 and beyond. These priority areas include macroeconomic stability, policy and regulatory consistency, sectoral reforms and human capital development. The overall goal is to provide a favourable business environment that attracts investment into critical sectors of the economy capable of generating the needed growth outcome that will support job creation and poverty reduction. Governments at all levels, working in close collaboration with the private sector, must embark on bold reforms to attract investments into key sectors of the economy. This forms the basis for our best-case scenarios. Anything short, as is the "business-as-usual scenario", will result in poor performance in economic growth and undesirable socio-

economic outcomes – rising unemployment rate, widening income inequality and increasing poverty rates.

My sincere appreciation goes to the Board of Directors and the Board of Patrons for their unrelenting support in 2021. You have been a source of inspiration and hope from which the Secretariat draws its strength. I appreciate your support always and look forward to working closely with you in 2022.

**'Laoye Jaiyeola**



*CEO, NESG*



**CONNECTOR**

## ▪ A FEW KEY FIGURES ▪

### Bridge Fellows



2020

**22**

2021

**54**

% Change **↑145**

### Volunteers



2020

**872**

2021

**987**

% Change **↑13**

### Corporate Members



2020

**113**

2021

**117**

% Change **↑3.5**

### Summit Attendees



2020

**6,426**

2021

**6,500**

% Change **↑1.2**

### Press References



2020

**1,732**

2021

**1,950**

% Change **↑12.6**

### Policy Papers (Policy Briefs, White Paper, Position Paper)



2020

**3**

2021

**21**

% Change **↑600**

### Unique Web Visits



2020

**230,028**

2021

**337,500**

% Change **↑46.7**

### Public Private Dialogues



2020

**26**

2021

**26**

### Social Media Subscribers



2020

**110,677**

2021

**121,153**

% Change **↑9.4**

# "WE PAY TO



**Rear (L-R):** Mr. Brian Anderson, Mrs. Ifueko Okauru, Mr. Chris Onyemenam, Chief Henry Okolo, Mr. Foluso Phillips, Alh. Mohammed Hayatudeen OON., Mrs. Wonu Adetayo, Mr. Atedo Peterside CON., Mazi Sam Ohuabunwa, Mr. 'Laoye Jaiyeola, Engr. Mansur Ahmed, Mr. Asue Ighodalo, Mrs. Sola David-Borha, Senator Ibrahim Ida, Mrs. Omobola Johnson, Mr. Frank Nweke II, Mr. Bukar Kyari.

# O SERVE"



**Seated (L-R):** Dr. Imo Itsueli KSG. OON., Mr. Bunmi Oni MON., Mrs. Funke Osibodu, Mr. Dotun Sulaiman MFR., Mr. Pascal Dozie OON. CON., Chief Ernest Shonekan GCFR. KBE., Alh. Ahmadu Joda OFR. CON. CFR, Mr. Dick Kramer OFR., Mr. Faysal El-Khalil OON., Prof. Anya O. Anya OFR., Mr. Felix Ohiwerei.

# Tributes

In the past year, the NESG lost two founding fathers.  
They were gentlemen, patriots and tireless leaders, working towards the Nigeria of our dreams.  
Our thoughts and prayers are with their families.



**CHIEF  
ERNEST  
SHONEKAN**

GCFR, KBE

**1936 – 2021**



**ALH.  
AHMED  
JODA** OFR, CON, CFR

**1930 – 2021**



## Board of Directors

AS AT MARCH 2022

Top Row (L-R):		Frank Aigbogun	Segun Ogunsanya	Nnanna Ude	Wassim Elhousseini
		Amina Maina	Omoboyede Olusanya	Foluso Phillips	Karl Toriola
Middle Row (L-R):		Wonu Adetayo	Adekunle Elebute	Juliet Ehimuan-Chiazor	
		Mike Sangster	Lanre Akinbo	Udeme Ufot	Yinka Sanni
					Ndidi Nwuneli
Bottom Row (L-R):		Kyari Bukar	Olaniyi Yusuf (Vice Chair)	Asue Ighodalo (Chairman)	
		*Laoye Jaiyeola (CEO)	Osagie Okunbor (Vice Chair)	Philip Mshelbila	



**DIALOGUE  
PARTNER**



## THE 27TH NIGERIAN ECONOMIC SUMMIT

The Nigerian Economic Summit (NES) is the NESG's flagship event and the foremost Public-Private Dialogue (PPD) platform in Nigeria. The Summit is organised annually in collaboration with the Federal Ministry of Finance, Budget and National Planning.

In the wake of growing security threats, rising unemployment, high poverty rate, widening inequality and an economy in slow recovery, the 27th edition of the Nigerian Economic Summit (NES #27) convened stakeholders in government, business, politics, civil society, the diplomatic community and academia to discuss, debate, examine, explore and conceptualise ways Nigeria can reverse poor economic trends, improve the human capital base of the economy, mitigate security challenges, and lay the necessary foundation that will leapfrog Nigeria into a future of high and sustained inclusive economic growth.

In the year leading to the Summit, a profound sense of urgency was unmistakable in the agitations of Nigerians for targeted and concerted action towards achieving economic, social and national security. Hence, participants expressed optimism that the theme of the Summit "Securing Our Future: The Fierce Urgency of Now" aptly presented the platform for stakeholders to engage in candid discussions and make those tough choices needed to reverse poor economic trends and steer the course towards a secured future of high growth and socio-economic development.

Discussions at the Summit were structured around five sub-themes: High and Sustained Growth; Quality of Life; National Security, Political Economy and Digital Transformation, as stakeholders highlighted the risks, opportunities and priorities to accelerate and sustain inclusive economic growth. The key objectives of the Summit were to:

- Assess the current state of the economy, Nigeria's economic vulnerabilities that perpetuate

regression, poor performance and the risks associated with such susceptibilities;

- Foster a people-centred approach to rethink economic, social, political and governance strategies targeted at reversing emerging trends and shape a secured future of inclusive and sustainable economic growth;
- Identify the vital imperatives of leveraging modern technology to accelerate significant improvements in the social, economic and security conditions of Nigeria;
- Galvanise a renewed commitment of stakeholders to urgently and actively prioritise the pursuit of economic growth that can sustainably create jobs, lift millions out of poverty and enable Nigeria to realise its economic potentials on the global stage; and
- Agree on a compact that compels stakeholders to take urgent and immediate actions and efficient monitoring mechanisms to actualise the critical recommendations made at NES #27.

Over the two days of the Summit, participants converged in 6 Plenary Sessions, 19 Interactive Panels, 1 Debate, 1 Insight Session, and 1 Co-Creation Lab to deliberate on the Summit theme and continue the dialogue, which had commenced in 9 Pre-Summit Events. To enrich the deliberations, the Nigerian Economic Summit Group collaborated with its partners to host two side events at the Summit to discuss several platform issues that accentuated the core objectives of the NES #27. The Summit further presented the most appropriate platform for the launch of the Policy Innovation Centre, the first national-level centre to apply behavioural insights and other innovative policy tools to improve the design and implementation of government policies and programmes in

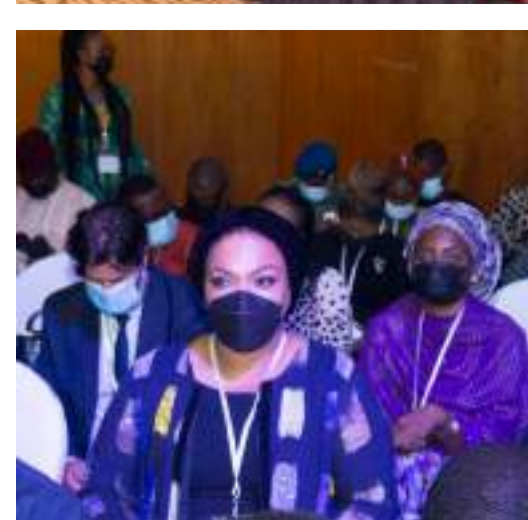
Nigeria. The full report (Greenbook) would be published on the NESG website.

After broad considerations of the Summit theme and extensive deliberations, participants agreed that the multifarious pressures of Nigeria's challenges and the multiple angles from which the pressures are simultaneously generated create conditions for a potential implosion from which recovery may be at best slow and at worst, nearly impossible. Therefore, stakeholders were unequivocal in their call for the urgency to act

for Nigeria to navigate its vulnerabilities, reverse the current negative tide, and secure its future. Stakeholders agreed that the proximity of the state and local governments to the human and natural resources proffer a prime and perhaps the only opportunity for the effective and efficient attainment of national development.

Stakeholders, therefore, agreed on a set of recommendations that emphasised the five pillars of the Summit, which also informed the sub-themes.





- High and Sustained Growth:** The Summit recommended that the government must ensure policy consistency, macroeconomic stability and currency stability to create an enabling environment for the private sector. Also, the government must guarantee foreign exchange stability and availability. To attain this, foreign exchange rates must be unified into a single and market-driven window. Ultimately, there must be an improvement in the coordination of fiscal, monetary and structural policies. There is a need to reassess and redefine the role of the government and private sector. Government must relinquish some of its responsibilities to the private sector, however, the government needs to incentivise the private sector. There is the need to drive inclusive growth through appropriate investments in the rural economies. An ecosystem approach should be adopted towards facilitating the growth and development of the agricultural sector. Furthermore, non-oil exports must be deliberately and effectively promoted. In order to deliver this, the federal government must equip the Nigerian Export Import (NEXIM) Bank, Nigerian Export Promotion Council (NEPC) and the Export Credit Agency to support Nigeria's trade expansion into other African markets. It is pertinent to also invest in researching the opportunities inherent in the African Continental Free Trade Area (AfCFTA), and deploy technology to address information management issues and other key aspects of the trade value chain. Subnational governments must drive economic development by unlocking the potential of their comparative advantages. Policies must be created to address supply-side challenges and facilitate the production of high-value-added commodities. The implementation of the Petroleum Industry Act must be fast-tracked. Improve Micro Small and Medium Scale Enterprises's (MSMEs) access to Finance. Improve entrepreneur investment readiness Initiatives and the operating and regulatory environment for MSMEs. In addition, governments at all levels must prioritise investment protection and promotion. The governments of African states must facilitate the creation of regional settlement systems and commit to the implementation of cost reflective

tariffs to achieve fiscal sustainability. Also, to ensure fiscal sustainability, public debt must be channelled to projects that would stimulate economic growth, taxes must be harmonised and tax collection efforts streamlined to boost revenue, and informal taxes must be converted into formal government revenue.

- Quality of Life:** The government should develop an accountability framework to track and monitor the redistribution of Sustainable Development Goal related projects in Nigeria to build public trust. The decisions or programmes on Sustainable Development Goals and development must also be data-driven and evidence-based. It was recommended that the government foster and harness multi-sectoral and multi-stakeholder partnerships to link job seekers to available jobs. The government must develop and implement long-term strategic plans on youth, education, agriculture and employment, revamp and design a Technical and Vocational Education and Training (TVET) education that is focused on standardisation and capacity building. An effective budget implementation for Ministries, Departments and Agencies in the agricultural sector must be ensured. Youths and women in agriculture must be engaged and empowered by the government and organisations. Regulatory agencies should ensure country-wide enforcement of food and nutritional standards. The government must improve the quality of lower primary education by effectively deploying technology in designing simpler, targeted and focused tools that can facilitate the learning process. The government must encourage digital inclusion and access to digital financial services for all Nigerian adults. Subnational governments should actively drive efforts towards human capital development through the Human Capital Development Committees within their States. Traditional institutions should be leveraged by the private sector and government to achieve an inclusive healthcare system in Nigeria. The government must mandate the digitization of healthcare services and remove impediments to the full utilisation of the Universal Basic Health Fund. The government must target output growth rates of

7-8% annually to reverse the trend in poverty and other dismal socio-economic indicators.

- **National Security:** The government should leverage local intelligence from communities to counter banditry, ramp up policy measures to resolve the farmer/herder conflict and engineer Nigeria's governance and political system to guarantee quality leadership that builds citizens' trust. Also, the criminal justice system must be revamped to restore peace, faith, and public confidence. The policing function of the Federal government must be devolved to enhance effectiveness. This also entails the establishment of a community policy system. Additionally, the root causes of social, economic, and political exclusion must be tackled. The government must institute a platform for dialogue on issues relevant to addressing insecurity in communities. Finally, the constitution should be reviewed to enhance the role of traditional rulers in security management.

- **Political Economy:** Marginalised groups such as women and youths must be supported and incentivised by the government to participate in politics. Political parties should use quota systems to ensure that certain positions are filled by youths and women. The government must fast-track efforts towards restructuring the country's political and economic governance architecture. Subnational governments should look inwards and maximise revenue sources listed on the concurrent list. Non-state actors should intensify advocacy for public sector transparency and accountability. Citizens engagement should be more constructive and focused on reinventing Nigeria's democracy. The government and citizenry must prioritise merit-driven recruitment into leadership positions, to attract the best and brightest into politics. Political parties must create the right incentives for people to participate. Economic elites must show interest in politics, knowing that their economic aspirations are tied to the political choices, which impact governance. Governance stakeholders must engage to ensure that the current competency and merit gap is closed across every sphere of our national

life. All stakeholders must prioritise creating and nurturing systems that can help citizens learn the art of nation building to forge the needed national consensus on "the Nigerian Dream".

- **Digital Transformation:** Governments at all levels must mainstream technology to transform the economy, improving efficiency and effectiveness. The role of technology is pivotal as it will enhance productivity across all sectors. Nigeria should maximise the opportunities offered by digital payment systems as it is key to effectively operationalizing and benefiting from the Africa Continental Free Trade Agreement (AfCFTA). Technology should be adopted to address the issues of healthcare access, post-harvest losses and irrigation in agriculture. Technology should also be deployed to address information management issues and other key aspects of the trade value chain. The government must leverage Information and Communication Technology (ICT) to fight insecurity and improve the safety of lives and properties.

Stakeholders were unequivocal in their call for the urgency to act so Nigeria can navigate its vulnerabilities, reverse the current negative tide, and ensure sustainable development for all Nigerians across all dimensions of human security. All governments must lead the way in proactively navigating the country towards recovery and resilience by expanding economic opportunity for all Nigerians through sound policies, strong institutions, and responsible public investments (especially pro-poor investments). All governments at all levels must lead the way in proactively navigating the country towards economic, food, health, political, environmental, personal and community security by expanding economic opportunity for all Nigerians through sound policies, strong institutions, and responsible public investments.

## PRE-SUMMIT EVENTS

- 01 CAMA 2020 - One Year On: Implementation, Impact, and Challenges  
16.09.2021
- 02 MSMEs Funding in Nigeria: Insights, Impact, Accountability  
21.09.2021
- 03 Strengthening Academia-Industry Collaboration in Circular Economy and Natural Capital Accounting  
28.09.2021
- 04 Local Manufacturing of Medicine and Vaccines  
29.09.2021
- 05 Bridging the Housing and Urban Development Divide  
05.10.2021
- 06 Prison Reforms and National Security  
07.10.2021
- 07 Generating and Capitalising on the Demographic Dividend Potential in Nigeria  
12.10.2021
- 08 Gender Equality and Inclusion Strategies for Economic Development  
14.10.2021
- 09 The Nigeria Startup Bill: National Stakeholders Roundtable  
14.10.2021

## THE POLICY COMMISSION STRUCTURE



## 6 ROUNDTABLES

National Assembly Business Environment Roundtable (NASSBER)

NGF-NESG Economic Roundtable (NNER)

Nigerian Renewable Energy Roundtable (NiRER)

Nigerian Triple Helix Roundtable

Sports Industry Working Group (SIWG)

Debt Management Roundtable (DMR)

## POLICY COMMISSION ACTIVITIES

In its role as a dialogue partner, the NESG strategically functions within workgroups known as “Policy Commissions”, which consist of public and private sector networks and experts who bring their insights to bear on strategic industry and crosscutting issues. Policy Commissions review government policies, conduct policy advocacy and facilitate the execution of programs and initiatives as dictated in the annual work plan, prepared by members, in line with the Sustainable Development Goals, the NES recommendations and the NESG Macroeconomic Outlook. Policy Commissions also facilitate and fast track the adoption of various Nigerian Economic Summit (NES) recommendations.

### Agriculture and Food Security Policy Commission

The Agriculture and Food Security Policy Commission (AFSPC) engages in advocacy concerning agriculture specific issues to ensure the formulation, adoption, and implementation of appropriate policies regarding the agro-industrial development space and food and nutrition security as a whole. The overarching objective of the AFSPC is to facilitate the adoption of various NES recommendations to fast-track the economy's growth and development.

In delivering its work plan for the year 2021, the Agriculture and Food Security Policy Commission was involved in the following activities:

- The AFSPC collaborated with Sahel Consulting Agriculture & Nutrition Limited to deliver an Independent Food Systems Dialogue held on the 20th of January 2021.
- On the 28th of April, 2021, the AFSPC hosted a Webinar that focused on Expert's Review of the Plant Variety Protection Bill – Significance and Constraints. The Bill was signed into law by His Excellency President Muhammadu Buhari in May 2021. The AFSPC was involved in advocacy efforts geared towards disseminating fact sheets and creating awareness on the importance of the PVP Bill and its impact on the food systems.
- The AFSPC on the 25th of May 2021 also collaborated with the Ministry of Finance, Budget and National Planning to host a Private Sector Exploratory Dialogue on the United Nations (UN) Food Systems Summit (UNFSS).
- The AFSPC collaborated with National Agricultural Seed Council (NASC) to advocate for the passage and presidential assent of the Plant Variety Protection Bill.
- The AFSPC also participated in the Validation workshop for the final draft of the National Agricultural Seed Policy.
- AFSPC collaborated with the Commercial Dairy and Ranchers Association of Nigeria (CODARAN) on the World Milk Day on conversations for “Strengthening the Local Dairy Sector in Nigeria: Addressing the Pain-Points for Sustainable Impact”.
- AFSPC participated in the validation of the Food Systems Short, Medium and Long term at the National Consolidatory UN Food Systems Summit organised by the Ministry of Finance Budget & National Planning.
- The Policy Commission collaborated with Flour Mills of Nigeria, NBS, FMARD, CBN, and other stakeholders to conduct a National Wheat Production Survey in the period under review.
- The NESG-AFSPC partnered with the Association of Deans of Agriculture and Agripreneurs at the Agripreneurship Summit & 64th ADAN Conference held on 16th & 17th August 2021 at the Agripreneur Academy, Shabu Farms, Kokona-Keffi and Nasarawa State

University Assembly Hall, Keffi.

- The AFSPC partnered with the NGF Agriculture Desk to drive the public-private dialogue to secure consensus from Governors on the FEC approval of the National Dairy Policy.
- The AFSPC represented the Private Sector on the EU-FAO-CIRAD partnership Country Core team to provide technical support on the Rapid Food Systems Assessment conducted in Nigeria and 44 other low-income and low-middle-income countries (April - August 2021). The Policy Brief from the exercise was launched in November 2021.
- The AFSPC was involved in an advocacy drive on selected Agriculture & Food Security topics on the NESG Radio every week in July 2021.
- The Policy Commission collaborated with Agro Nigeria and Kainos Edge Consulting Limited at the Feed Nigeria Summit (FNS), 2021 to moderate a panel session, source rapporteurs and prepare the FNS 2021 Report.
- The AFSPC also participated at the hybrid AGRF Summit 2021 held in Nairobi, Kenya with the theme "Pathways to Recovery and Resilient Food Systems" from 6th – 10th September 2021.

### Energy Policy Commission

The Energy Policy Commission (EPC) is a veritable public-private dialogue platform aimed at addressing and removing bottlenecks, identifying viable opportunities and developing effective frameworks to expand and scale the energy industry across the renewable energy, oil and condensates, and power and gas sub-sectors. The overarching mandate of the EPC is to facilitate the adoption of various energy-related Nigerian Economic Summit recommendations with a view to fast-tracking growth and development of the economy.

The Energy Policy Commission was engaged in the following activities in 2021:

- The Power and Renewable Energy Thematic Group of the Energy Policy Commission held a Work Planning Workshop on the 25th of May 2021. As a premise to developing power and renewable energy work plan, the workshop aimed to evaluate Nigeria's power sector from non-renewable and renewable energy perspectives to ascertain the issues and proffer actionable solutions to the identified issues.
- The Policy Commission also reviewed the Power Sector Recovery Operation (PSRO) document. NESG Bridge Fellows assigned to the Policy Commissions participated in the review. The review process included the following:
  - *Review and summary of the entire PSRO, assessing the critical success factors and industry requirements.*
  - *Highlight areas of the PSRO that pertain to protecting the economically vulnerable/ poor.*
  - *Highlight areas of the PSRO that pertain to transparency and implementation of tariffs.*

### Health Policy Commission

The Health Policy Commission (HPC) was constituted after the Policy Commission (PC) restructuring process resulted in the unbundling of the Human Capital Policy Commission into two distinct Policy Commissions: The Health and Education Policy Commission. The HPC has the mandate to stimulate the country's response towards building responsive and resilient health systems to enable the achievement of Universal Health Coverage in Nigeria. The overarching objective of the Policy Commission is to facilitate the adoption of the various NES recommendations as it relates to fostering equality in access to health, ensuring quality health services, and financial risk protection.

Public-Private Dialogues and Policy Advocacy initiatives of the Health Policy Commission in 2021 include the following:

- The Health Policy Commission (HPC) hosted a General Assembly on the 12th of April 2021 towards developing its Work Plan for the year 2021. In the year, the HPC began developing a White Paper on Enhancing the Local Production of Medicines and Vaccines in Nigeria.
- On the 29th of September 2021, the HPC held a Pre-Summit Event with the theme: Enchaining Local Manufacturing of Medicines and Vaccines. Recommendations from the event served as input into the White Paper on Local Production of Medicines and Vaccines being developed by the Policy Commission.
- The PC is also developing a Reform Paper on the Health Sector, which will subsequently be adopted in engaging the government and relevant stakeholders.

### **Manufacturing and Mining Policy Commission**

The Manufacturing & Mining Policy Commission (MMPC) acts as a public-private policy dialogue platform for the manufacturing and mining sectors with a view to fast-tracking manufacturing and mining growth of the economy, driving advocacy that focuses on specific issues to ensure the formulation, adoption, implementation of appropriate policies. MMPC also champions the Nigerian Economic Summit (NES) recommendations to spark the intended sectoral growth and development needed in the economy. To achieve this, members of the Policy Commission meet regularly as action-oriented partnerships to deliberate on ways to remove the bottlenecks in the sector.

The Manufacturing and Mining Policy Commission engagements in the year include the following:

- On the 30th of March, 2021, the Manufacturing and Mining Policy

Commission (MMPC) in collaboration with the Foreign, Commonwealth & Development Office (FCDO), International Finance Corporation (IFC) & the Manufacturer's Association of Nigeria (MAN), held a webinar themed "Developing Nigeria's Light Manufacturing Sector COVID-19 Response – Opportunities and Constraints". The report of the event was drafted into a Position Paper which was sent to the Minister of Industry, Trade and Investment for his consideration.

- The MMPC held a discovery meeting with the African Continental Free Trade Area (AfCFTA) Secretariat on how the Manufacturing Thematic Group can support and amplify the work of the secretariat with regard to the implementation of the AfCFTA in Nigeria.
- The Manufacturing Thematic Group of the MMPC held an onboarding session for new members on the 30th of August 2021.
- The Mining Thematic Group held a thematic meeting in August and re-designed its priority for the sector. The outcome of the meeting was the Mining Sector Reforms Deliverables which would help address sectoral issues across eight (8) priority areas.

### **Trade, Investment and Competitiveness Policy Commission (TICPC)**

The Trade, Investment, and Competitiveness Policy Commission (TICPC) comprises arbiters of specialised competency in trade, investment, competitiveness, tax, and fiscal policy. The policy commission is saddled with the mandate to holistically address brewing concerns on the Nigerian business environment, focusing on progressively realising an enabling environment for enhanced economic activities and seamless regulation.

The Trade, Investment and Competitiveness Policy Commission, in carrying out its work plan

for the year, engaged in the following activities:

- In collaboration with the Infrastructure Policy Commission, the Trade, Investment and Competitiveness PC (TICPC) reviewed the National Maritime Transport Policy Draft Document and submitted a report titled “NESG’s considerations for improvement of the Draft National Maritime Transport Policy” to the Ministry of Transportation. The goal was to provide further consideration towards improving the Draft National Maritime Transport Policy. The PC is also currently developing a 21st Century Nigeria Trade Policy document.
- The Policy Commission also engaged with the Nigerian Office of Trade Negotiation (NOTN) and the National Action Committee on Africa Continental Free Trade Area to fast-track the development of a 21st Century National Trade Policy.
- The Investment Thematic Group of the TICPC engaged with the Department of Investment in the Federal Ministry of Industry, Trade and Investment (FMITI) on an Investment Policy for Nigeria. The Thematic Group is also providing professional advice on steps to achieve commonality with 14 member countries in the ECOWAS.

### Digital Economy Policy Commission

The Digital Economic Policy Commission (DEPC) is charged with enabling Digital Transformation, Digital Government, Digital Trade and Innovation to develop a Digital Economy across all sectors for inclusive and sustainable socio-economic development. DEPC aims to achieve its objective by actively promoting sectoral private-public collaboration, policy development and implementation, and adopting various recommendations from the Nigerian Economic Summit (NES). During the period under review, the Policy Commission remained very active with a series of engagements:

- The Policy Commission on-boarded

Two New Thematic Group Leads into its newly established thematic groups:

- *Digital Platform & Financial Services*
- *Digital Infrastructure and Tech Sector Financing*

- The Digital Economy Policy Commission, on the 14th of October, 2021, held a Pre-Summit Event titled “The Nigeria Startup Bill: National Stakeholders Roundtable.” The event sought to provide a platform to assess the key provisions of the Nigeria Startup Bill, evaluate the opportunities that the Bill will unlock and lay the foundation for ongoing collaboration to develop the tech ecosystem in the country. As one of the outcomes of the Dialogue Session, the Honourable Minister endorsed the creation of the Digital Economy Industry Working Group by the NESG in collaboration with the Federal Ministry of Communications and Digital Economy. Outcomes of the event have been drafted into a Position Paper to be presented to the Minister.

### Financial Market and Financial Inclusion Policy Commission (FMFIPC)

The Financial Markets and Inclusion Policy Commission (FMFIPC) continually works to facilitate the adoption of various financial sector-specific NES recommendations with a view to improving Nigeria’s financial system and positioning the sector to support the growth and development of Nigeria’s economy.

In the period under review, the Financial Market and Financial Inclusion Policy Commission were engaged in the following activities towards the implementation of its Work Plan for the year:

- The Financial Market Thematic Group was engaged in deliberations geared towards establishing a new Benchmark for the Naira. A research report is currently being prepared to validate the new Benchmark.
- Through a series of meetings held during the year, members of the

Financial Inclusion Thematic Group (TG) were focused on identifying the obstacles and articulating a monitoring framework to drive the growth of Financial Inclusion in Nigeria. Members of the TG also deliberated on ways to engage relevant stakeholders to ensure the implementation of agreed solutions.

### **Infrastructure Policy Commission (IPC)**

The Infrastructure Policy Commission (IPC) is structured to address infrastructure-specific issues and recommendations of the annual Nigerian Economic Summit to ensure the formulation, adoption and implementation by the relevant government agencies. The IPC currently works through six thematic groups led by subject and sector experts in Roads, Rail, Aviation, Ports & Inland Waterways, Water and Sanitation, and Housing & Urban Development.

The Policy Commission was engaged in the following activities in 2021:

- On the 27th of April 2021, the Infrastructure Policy Commission held a General Assembly to present its Work Plan to its members.
- The Infrastructure Policy Commission held a meeting on the 27th of May 2021 with the National Bureau of Statistics (NBS) to discuss a collaborative framework between the NESG (Housing and Urban Development Thematic Group) and NBS for housing census to drive economic planning and development in Nigeria.
- The Water and Sanitation Thematic Group of the IPC, in collaboration with the UNGC Nigeria and in commemoration of the World Environment Day, hosted a one-day webinar themed: Private Sector Imperative for Sustainable Water Resources Management in Nigeria held on the 7th of June 2021.
- The Aviation Thematic Group hosted bi-weekly meetings to develop a policy document for subsequent engagement

on Positioning Nigeria's Aviation Sector to be Regionally and Globally Competitive.

- The Infrastructure Policy Commission, specifically the Housing & Urban Development Thematic Group, held a Pre-Summit Event on the 5th of October 2021 titled Bridging the Housing & Urban Development Divide. The event provided a platform for stakeholders to deliberate on updating the National Urban Development Policy 2012 to "ensure that all Nigerians own or have access to decent, safe and sanitary housing in healthy environments with infrastructure services at affordable cost and with secure tenure".

### **Tourism, Hospitality, Entertainment, Creative Arts and Sports Industries (THECS) Policy Commission**

The overarching objective of the Tourism, Hospitality, Entertainment, Creative Arts and Sports Industries (THECS) Policy Commission is to facilitate the adoption of various NES recommendations to fast-track growth and development of the economy.

The Policy Commission remained very active in 2021 with a series of engagements:

- The Tourism Hospitality Entertainment Creatives and Sports (THECS) Policy Commission of the NESG held its first Steering Committee Meeting on Friday, the 19th of February, 2021 and also approved the 2021 work plan.
- A new thematic lead for the Creatives and Entertainment Thematic Group was appointed on the 25th of June, 2021.
- On the 14th of July, 2021, the THECS Policy Commission held its second Steering Committee Meeting, with the Permanent Secretary, Federal Ministry of Youths and Sports Development in attendance as the Public Sector Co-Chair.

- On the 19th of August, 2021, the Tourism and Hospitality Industries Thematic Group (THITG) of the THECS PC held a Focus Group Forum with the theme “Repositioning the Tourism and Hospitality Sectors for Sustainable Growth and Profitability”. The goal of the Forum was to dimension the challenges in the tourism and hospitality sectors and ultimately adopt remedial recommendations/an actionable work plan. The outcome of the forum has been developed into a report and presented to the Minister of information and Culture for his consideration
- Also, Subgroups have been created to secure input for policy review and the development of a master plan for the development of the Tourism and Hospitality Sectors.

### **Sustainability Policy Commission**

The overarching objective of the Sustainability Policy Commission (SPC) is to facilitate the adoption of Nigerian Economic Summit recommendations with a view to bridging the gap in sustainability and supporting the embedding of the green, blue and circular economies in Nigeria.

The Sustainability Policy Commission remained active in the year with a series of activities geared towards the implementation of its Work Plan:

- The SPC in collaboration with Adam Smith International held a Climate Finance Accelerator (CFA) workshop titled: “Climate Finance Accelerator (CFA) Stakeholder Engagement Workshop with Financial institutions and Project Proponents” on the 13th of August, 2021. The CFA is a four-year technical assistance programme funded by the UK’s Department for Business, Energy & Industrial Strategy (BEIS). The programme works closely with eight middle-income countries, one of which is Nigeria, and supports each of them to develop a sustainable pipeline of bankable, low-carbon projects and identify suitable financing options. One of the objectives of the CFA is to Attract private finance for low-carbon projects, infrastructure, and climate change action.
- The Policy Commission held a second CFA workshop with the theme “Climate Finance Accelerator Nigeria-Roadmap to Sustainable Green Investment” on the 31st of August, 2021. The workshop focused on the need for governmental interference. Ultimately, Federal and State Governments have a major role in setting the policy and framework for implementing the Nationally Determined Contribution.
- In preparation for the 27th Nigerian Economic Summit, the Sustainability Policy Commission held a Pre-Summit Event on the 28th of September, 2021 with the theme “Strengthening Academia-Industry Collaboration in Circular Economy and Natural Capital Accounting”. The event convened stakeholders in a town and gown approach to discuss Circular Economy and Natural Capital for capacity building that will lead to greater uptake in the Universities and industries. It also provided an opportunity to engage key policymakers, corporate and political decision-makers to develop new partnerships across multiple sectors that will champion a renewed frontier for Circular Economy and Natural Capital opportunities.
- The SPC also provided support to the French Embassy on a Dialogue titled “Have we done enough in the fight against climate change?” which took place at the Alliance Française in Lagos on the 6th of May, 2021. The goal of the dialogue was to promote a conversation about the fight against climate change in Africa and how to improve environmental cooperation between Nigeria and France.

- The Policy Commission held a General Assembly on Friday, the 16th of July 2021, to onboard the new members of its PC, present the overall Work Plan for the year, and discuss the next steps.

### **Governance and Institutions Policy Commission (GIPC)**

The overarching objective of the Governance and Institutions Policy Commission (GIPC) is to facilitate the overhaul of Public Institutions, strengthen partnerships and measure the performance of government with a view to fast-tracking growth and development of the economy.

The Governance and Institutions Policy Commission was engaged in a series of activities towards the implementation of its Work Plan for the year:

- On the 6th of February, 2021, the GIPC on-boarded a new thematic lead for the "Supporting the Reforms of Public Institutions Thematic Group" in the person of Mrs Ifueko Omoigui Okauru.
- On the 19th of March, 2021, the Governance and Institutions PC had its first (1st) Steering Committee Meeting for the year to present the PC's Work Plan for approval and officially introduce the new Thematic Lead for the Supporting the Reforms of Public Institutions Thematic Group.
- The GIPC held a Dialogue Session on the 26th of August, 2021 with the theme "Government and Private Sector Engagement in The Times of the COVID-19 Pandemic and Beyond".

The dialogue session sought to examine the issues raised by COVID-19 and its effects on governance in Nigeria and analyse areas to assist the civil service in building capacity within government for policymaking in times of crisis, fiscal and financial management, regulation and crisis and risk management.

- The Governance and Institutions Policy Commission held its 2nd Steering committee on the 31st of August, 2021, to update Steering Committee Members on the Work Plans of the 3 Thematic Groups and deliberate on the PC's engagement during NES #27.

- As part of its efforts to facilitate the transformation of the Nigerian Public Sector, the Measuring Performance Thematic Working Group (MPTG) of the Governance and Institutions Policy Commission (GIPC) of the Nigerian Economic Summit Group (NESG) collaborated with the Aig-Imoukhuede Foundation in the development of a Public Sector Index for Nigeria. The index seeks to measure the impact of public sector activities on the Nigerian economy's overall productivity and economic growth and on the well-being of its citizens.

- The GIPC was also involved in a plenary session at the 27th Nigerian Economic Summit to discuss and elaborate on the work of the Measuring Performance Thematic Working Group (MPTG) in collaboration with the Africa Initiative for Governance (AIG) on the creation of a Nigerian public sector index.



## Key Policy Commission Activities in the Year

In the period under review, one of the key strategic thrusts for the NESG was to focus on poverty reduction, job creation and the Sustainable Development Goals in line with NES recommendations and the NESG Macroeconomic Outlook.

Key Policy Commission activities geared towards Macroeconomic Stability, Trade, Investment and Competitiveness during the period under review include

- Trade, Investment and Competitiveness PC (TICPC):** In collaboration with the Infrastructure PC, the Policy Commission reviewed the National Maritime Transport Policy Draft Document and submitted a report to the Ministry of Transportation's consideration towards improving the Draft National Maritime Transport Policy. The PC is also currently developing a 21st Century Nigeria Trade Policy document.
- Infrastructure Policy Commission (IPC):** The Housing and Urban Development Thematic Group held a meeting on the 27th of May, 2021, with the National Bureau of Statistics (NBS), to discuss a collaborative framework between the NESG and NBS for a housing census to drive economic planning and development in Nigeria.
- Manufacturing and Mining Policy Commission (MMPC):** In collaboration with FCDO, IFC & MAN, the Manufacturing Thematic Group held a webinar towards developing the light manufacturing industry in Nigeria and has sustained the dialogue and engagement with the partners mentioned above. The Policy Commission submitted the outcomes of the webinar in the form of a Position Paper to the Minister of Industry, Trade and Investment. The Thematic Group also held a discovery meeting with the AfCFTA Secretariat on how the Manufacturing Thematic Group can support and amplify the Secretariat's efforts geared towards the implementation of AfCFTA in Nigeria.

Key Policy Commission activities geared towards the Sustainable Development Goals (SDGs) include:

The Agriculture and Food Security Policy Commission (AFSPC) on the 28th of April, 2021 the AFSPC hosted a Webinar that focused on Expert's Review of the Plant Variety Protection Bill – Significance and Constraints. The Bill was signed into law by His Excellency President Muhammadu Buhari in May 2021. The AFSPC was involved in advocacy efforts geared towards disseminating fact sheets and creating awareness on the importance of the PVP Bill and its impact on the food systems.

Furthermore, the Agriculture and Food Security PC in the period under review forged some collaborations with key stakeholders to drive the dialogue on food security. Some of which include: collaboration with the Ministry of Budget and National Planning to host a Private Sector Exploratory Dialogue on the UN Food Systems Summit (UNFSS), which held on the 25th of May 2021; collaboration with the Commercial Dairy and Ranchers Association of Nigeria (CODARAN) on the World Milk Day on conversations for "Strengthening the Local Dairy Sector in Nigeria: Addressing the Pain-Points for Sustainable Impact"; collaboration with the Flour Mills of Nigeria, NBS, FMARD, CBN and other stakeholders to conduct a National Wheat Production Survey.

The Water and Sanitation Thematic Group of the IPC, in collaboration with the UNGCN, and in commemoration of the World Environment Day, hosted a one-day webinar themed: Private Sector Imperative for Sustainable Water Resources Management in Nigeria, which was held on the 7th of June 2021.



## NESG COMMUNITIES OF PRACTICE

As part of the Group's repositioning of the Policy Commissions in 2019, three (3) stand-alone platforms were created for marginalised groups, including the Micro Small Medium Enterprises (MSMEs), Gender-related issues and Youth. These platforms allow these groups to come together as communities of practice to champion and promote advocacy based on their thematic focus areas.

### Community of Practice on Gender

The overarching objective of the Community of Practice on Gender is to provide a platform for key stakeholders/individuals across private and public sector groups to collectively own and champion the issues around women through the NESG's structured approach to deliberating, agreeing and advocating on policy focal points.

The Gender Community of Practice (CoP) was involved in the following activities in 2021:

- On the 24th of October, 2021, the Gender CoP held a Pre-Summit Event in preparation for the 27th Nigerian Economic Summit, themed "Gender Equality and Inclusion Strategies for Economic Development". The dialogue session sought to promote the mainstreaming of gender equality and inclusion into Nigeria's organisational framework and culture and critically examine and address policy issues on gender and inclusion across the public and private sectors.

### Community of Practice (CoP) on MSMEs

The Community of Practice on MSME is a Working Group of Public, Private and Development Sector players committed to developing Micro, Small and Medium Enterprises in Nigeria.

The Community of Practice on Micro and Small

Medium Enterprises (MSMEs) was engaged in the following activities towards the implementation of its Work Plan:

- The MSME CoP held a General Assembly on Thursday, the 15th of April, 2021, to present the overall work plan of the CoP to its members. It was also an opportunity to operationalise the activities of its thematic groups for the year.
- The Access to Finance Thematic Group designed a draft funding framework tailored to the needs of Micro and Small Enterprises and met once every month to deliver on the set task.
- The Access to Market Thematic Group developed a draft blueprint on implementation framework to foster market access for MSMEs and met once every month to deliver on the set task.
- The Capacity Building Thematic Group worked on a Research Case-study of KBS on BDSPs accreditation and met once every month to deliver on the set task.
- The Regulations Thematic Group worked on a draft Legislative Gap Assessment for the MSME regulatory space and proffered recommendations. The thematic group met once every month to deliver on the set task.
- On the 21st of September, 2021, the MSME Community of Practice held a Pre-Summit Event themed: "MSME Funding in Nigeria: Insights, Impact, Accountability."

Policy Documents Drafted across Policy Commissions and Communities of Practice

21

14

Total number of Public-Private Dialogues hosted across the NESG's various PPD Platforms

Total number of Stakeholders in attendance at Public-Private Dialogues in 2021

4,387

**Government MDAs and Development Partners engaged in the year by the NESG's Public-Private Dialogue (PPD) Platforms include:**

Federal Ministry of Communication and Digital Economy (FMC&DE)

National Agriculture Seed Council (NASC)

National Bureau of Statistics (NBS)

Federal Ministry of Agriculture and Rural Development (FMARD)

Federal Ministry of Information and Culture (FMIC)

Federal Ministry of Youths and Sports Development (FMYSO)

Federal Ministry of Industry, Trade and Investment (FMITI)

Office of the Head of the Civil Service of the Federation (OHCSF)

Nigerian Office of Trade Negotiation

Small and Medium Enterprise Development Agency of Nigeria (SMEDAN)

Foreign Commonwealth and Development Office (FCDO)

International Finance Corporation (IFC)

The World Bank Group, Nigeria



**INTERVENER**

## National Assembly Business Environment Roundtable (NASSBER)



The National Assembly Business Environment Roundtable (NASSBER) has used its unique position to enable collaborative solutions between the National Assembly, the civil society, and the organised private sector to build consensus in the process of reforming Nigeria's business environment. NASSBER strives to accomplish this by broadening participation, engagement and the quality of output to the nation's legislative process. By ensuring steady advancement of business environment legislation through the National Assembly, NASSBER has, over the years, played a crucial role in securing the passage and signing into law of several key legislations aimed at improving the business environment. It has also facilitated the progress of many other legislations through engagements with the legislators and bureaucracy of both chambers of the National Assembly.

NASSBER has sustained its engagement with the 9th Session of the National Assembly. However, the scope of NASSBER's agenda has been expanded. During the 8th Session of the National Assembly, the NASSBER Agenda focused on improving the business environment to achieve economic development, which requires a stable macroeconomic environment. However, to enhance macroeconomic stability, Nigeria needs to adopt policies that target key macroeconomic indicators with structural reforms that strengthen and improve the functioning of domestic markets and economic sectors. For the NESG, it also ensures that critical dots in the economy are connected for national growth and development. Therefore, a broader perspective is now required to achieve a reform of the economic landscape. As a result, our legislative advocacy will focus on both improving the Business Environment and Achieving Competitiveness.

### Key activities in the year include:

- NASSBER Collaborative meeting with Policy and Legislative Advocacy Centre (PLAC): In the first quarter of the year, the NASSBER team held a collaborative meeting with the Executives of the Policy and Legislative Advocacy Centre.
- NASSBER Technical Committee Meeting: NASSBER held its first and second Technical Committee meetings on the 15th of February and the 1st of June 2021, respectively.
- Expert Network Onboarding Session: On the 23rd of March 2021, NASSBER conducted an onboarding session for members of its Expert Network. The main objectives of the session were to provide further information on NASSBER, discuss the roles and responsibilities of the Expert Network, and onboard members to the NASSBER portal.
- NASSBER Advisory Council meeting: The NASSBER Advisory Council held its 2nd Quarter meeting for 2021 on the 11th of June 2021.
- Collaboration with the National Judicial Institute: As part of its Stakeholder Engagement plan, NASSBER has collaborated with the National Judicial Institute (NJI) to provide key resource persons and experts to participate in capacity-building workshops for Judges. The first workshop was held on the 27th and 28th of October 2021 with the theme: "The Role of the Bench in Nigeria's Economic Growth and Development." The workshop was a success, with robust conversations between the judicial officers and the Private Sector participants. The Chairman of the NESG, the Chief Justice of Nigeria and the Administrator of the NJI were also in attendance. NASSBER has also partnered with the NJI in the area of research.

- Visit to the Nigerian Communications Commission (NCC): In furtherance of the Advisory Council's approval to engage with regulators, NASSBER visited the Nigerian Communications Commission. Key outcomes from the engagement include:

- *Legislative Gap Analysis on the Nigerian Communications Act.*
- *20-year economic impact assessment on the Liberalisation of the Telecommunications Industry.*
- *Research Collaboration.*

- The Commission also sought the technical assistance of NASSBER on a Critical National Infrastructure Bill that will protect critical infrastructure across the country. The NASSBER Secretariat is currently developing a framework for implementing these areas of agreement.

- Appointment of a Thematic Lead for Human Capital Development Thematic Area: A new Thematic Lead was appointed for NASSBER's Human Capital Development Thematic Area, with the onboarding session conducted on the 9th of August, 2021. The Human Capital Development Expert Network is currently reviewing the Gender and Equal Opportunities Bill.

- CAMA 2020 Advocacy Event: NASSBER held a panel discussion on the 16th of September 2021 to analyse the one-year impact of CAMA 2020 on the Nigerian economy, particularly on small and medium enterprises. The virtual event titled "CAMA 2020 - One Year on: Implementation, Impact and Challenges" was

one of the Pre-Summit events held in the weeks leading to the Summit.

- Passage of Priority Bills: Two of NASSBER's priority infrastructure bills; The National Roads Fund Bill and the Federal Roads Bill, have been passed into law by both chambers of the National Assembly and awaiting transmission for Presidential Assent. The NASSBER expert network members have remained focused on ensuring that most of the key legislations identified are passed and signed into law before the end of the ninth assembly.

- Nigerian Investment Promotion Commission Act (Repeal and Re-enactment) Bill: Following the meeting of NASSBER with the Nigerian Investment Promotion Commission (NIPC), on the review of the Bill, among other issues, the NIPC has sought Technical Assistance from NASSBER on a joint review of the Bill. A working group was constituted to work with the team from the Commission.

- Other Bills currently being reviewed by the NASSBER team include

- *The Arbitration and Dispute Resolution Bill;*
- *The Investments and Securities Act (Amendment) Bill;*
- *The Factoring Bill;*
- *The National Transport Commission Bill;*
- *The Start-up Bill;*
- *The Mining Industry Bills; and*
- *The Patents and Designs Act (Repeal and Re-enactment) Bill.*

### **State Assemblies Business Environment Roundtable (SABER)**

In the period under review, the NESG extended its legislative reform agenda to the Sub-nationals. An inaugural meeting was held with the Conference of Speakers, which led to the formation of the State Assemblies Business Environment Roundtable (SABER). Implementation of the SABER framework is being finalised. SABER will strengthen the NESG's engagements at the Subnational Level.

## The Nigerian Renewable Energy Roundtable (NiRER)



The Nigerian Renewable Energy Roundtable (NiRER) is an action-oriented partnership of relevant stakeholders committed to resolving the bottlenecks that limit the expansion of Nigeria's on-grid and off-grid renewable energy market. Since its establishment in 2017, the roundtable has established itself as a mainstay on Renewable Energy (RE) issues in Nigeria.

For the year 2021, the activities of NiRER were geared towards developing a legislative framework to address the myriad of challenges that inhibit the utilisation of renewable energy to bridge Nigeria's large electricity gap. Key activities in the year include

Integration of the Renewable Energy Electricity (REE) Bill into the Electricity Sector Reform Amendment Act: Following the adoption of viable inputs from stakeholders into the REE

Bill, provisions of the Bill were then integrated into the Electricity Sector Reform Act to form the renewable industry component of the Act. As of 6th of May 2021, the amendment act was read for the first time at the Senate. This is in line with the long-term recommendation of the RE Legislative Gap Analysis, which is the enactment of an all-encompassing electricity sector legislation that addresses the issues in the renewable energy sector.

Engagement with the Senate Chair; Committee on Power: On the 23rd of April 2021, the NESG paid a courtesy visit to Senator Gabriel Suswam, Chair, Senate Committee on Power, to assure him of NiRER's support towards a legislative framework that addresses the myriad of challenges in the renewable energy sector and to seek potential avenues to facilitate the passage of the electricity Bill into law.

## The Debt Management Roundtable



The NESG-OSIWA Debt Management Roundtable (DMR) Project focuses on providing an understanding of the public debt situation in ECOWAS, providing policy recommendations to save the economies and engaging in advocacy to ensure implementation of the policies emanating from the DMR research.

The Project Research team, with advisory support from the Debt Management Roundtable Commissioners, conducted a landscape review of the economic, fiscal and debt management framework in the ECOWAS region. The team also developed a method for establishing debt sustainability thresholds for individual ECOWAS

countries with sustainability indicators beyond the debt to GDP ratio.

A Summary report on West Africa's debt Profile was launched at the 27th Nigerian Economic Summit.

The Final report draft was presented at the DMR close-out meeting on the 11th of November 2021. The Debt Management Roundtable commissioners have provided feedback which is currently being implemented by the project research team.

Following the delivery of the Summary Report on the Debt Management Restructuring and

Sustainability in ECOWAS at the 27th Annual Nigerian Economic Summit; the Final Full report was concluded in English and French language versions in March 2022 for dissemination across the ECOWAS countries.

With Nigeria leading the Debt Management Restructuring discourse, the NESG Leadership has requested the Director General, National Debt Management Office to launch the full report in Nigeria before commencing the dissemination within ECOWAS.

Furthermore, the Debt Management Roundtable project will close-out with the distribution of printed DMR Full & Summary reports (English & French versions) will commence to the 36 State Governors' Offices, FCTA, State Ministries of Finance & DMOs, ALGON (LGAs) and Development Partners in April 2022.

#### **NGF-NESG Economic Roundtable (NNER)**

The NGF-NESG Economic Roundtable (NNER) is a sub-national platform expression of the NESG in partnership with the Nigeria Governors' Forum aimed at promoting sub-national competitiveness to catalyse sustainable economic growth and development.

The Steering Committee of NNER was inaugurated on the 21st of April, 2021, with 6 State Governors and 6 Captains of Industry in attendance. The NNER Technical Committee has since developed a three-year work plan, workstreams and budget.

The NNER Secretariat developed four workstreams to operationalise its strategic plan. The workstreams include;

- *Ready for Investment Programme (RIPE) States Initiative,*
- *What Works Initiative,*
- *Subnational Competitiveness Research and Data Program,*
- *NES Subnational Recommendations Implementation Coordination.*

The NNER successfully onboarded four (4) Bridge Fellows who are currently serving as Technical

Anchors for the different workstreams. These fellows are currently finalising their one-year work plan for the implementation of workstream projects.

Under the RIPE States Initiative, the NNER secretariat is currently exploring partnerships with the NIPC on a Subnational Investment Promotion Support Programme. The Secretariat is conceptualising a pilot to work with select States on the project. Ogun, Oyo, Cross River, Edo and Kaduna States have been identified for the pilot phase. Interventions will include deploying an instrument to assess State Investment Promotion Agencies (IPAs) and scope best practices that feed into the NNER "What Works Hub" for peer learning and reform adaptation.

Specific progress made by the NNER secretariat in 2021 includes the development of a Data and Information Framework to guide NNER's subnational competitiveness improvement programme, convening of two Technical Committee meetings to approve the Secretariat's strategic plan, work plan, budget and workstreams and partnership discussions with relevant organisations such as the World Bank, Secretariat of the National Action Committee on AfCFTA, and the NIPC.

#### **Nigeria Triple Helix Roundtable**

The Nigeria Triple Helix Roundtable (NTHR) was launched on the 20th of September 2019 as a permanent platform for implementing the government-academia-industry collaboration towards fostering economic growth and national development in Nigeria. It is the first practical expression of the Triple-Helix model in the country, coming after the signing of an MoU between the National Universities Commission (NUC) (for academia) and the Nigerian Economic Summit Group (NESG) (for the industry), and the interactive session and retreat which held thereafter. While the primary objective of the academia-industry collaboration is to revitalise the Nigerian higher education system, the broader long-term objective is to facilitate a

tripartite partnership between the government, academia and industry such that the three actors can actively collaborate to develop solutions to critical problems and implement an agenda for economic growth. The NTHR seeks to enhance collaboration between these actors for the primary objective of stimulating growth by transitioning into an innovation-led and knowledge-driven economy.

- On the 26th of August 2021, the Nigeria Triple Helix Roundtable organised an Innovation Dialogue Series on "University Technology Transfer and Commercialization." The event provided the platform for stakeholders to discuss the requisite skill set needed for commercialization and University Technology Transfer as well as to analyze the processes, systems, and structures required for the effective commercialization of research output.
- In collaboration with the Sustainability Policy Commission of the NESG, the Nigeria Triple Helix Roundtable co-hosted a webinar on the 28th of September 2021 with the theme: "Strengthening Academia-Industry Collaboration in Circular Economy and Natural Capital" The event convened stakeholders in a town and gown approach to discuss Circular Economy and Natural Capital for capacity building that will lead to greater uptake in the Universities and industries. It also provided an opportunity to engage key policymakers, corporate and political decision-makers to develop new partnerships across multiple sectors that will champion a renewed frontier for Circular Economy and Natural Capital opportunities.

### **National Development Plan and 30-year Visioning for Nigeria**

- The subsisting National Development Plans, including the Nigeria Vision 20:2020 and Economic Recovery and Growth Plan (2017-2020) expired

in December 2020. Therefore, the Federal Government of Nigeria (FGN), through the Ministry of Finance, Budget and National Planning, commenced developing the successor National Development Plan (NDP) 2021-2025 in the last quarter of year 2020 through to the first quarter of the year 2021. The Ministry also simultaneously embarked on a 30-year vision for the country through the development of the "Nigeria Agenda 2050".

- In true commitment to the standing partnership between the FGN and the NESG (representing the private sector), the Federal Ministry of Finance, Budget and National Planning has relied on the NESG to provide the much-needed private sector participation in the National Development Planning process.
- The private sector and the NESG were adequately represented in all tiers of the institutional structure set up to deliver the NDP (2021-2025) and Nigeria Agenda 2050.
- Acting on behalf of the private sector, the NESG nominated 60 subject matter experts as members of the 26 Technical Working Groups, which cut across every sector of the economy.
- Also, the Technical Working Group on Macroeconomic Framework and Growth Diagnostics was supported by the NESG Research unit.
- The NESG went a step further to support the process by deploying 25 members of the NESG Bridge Fellowship Programme as Technical Assistants to provide adequate technical support to the work of the TWGs.
- The Federal Executive Council (FEC) on the 10th of November 2021 approved the National Development Plan NDP (2021-2025) as a successor to the

Economic Recovery Growth Plan (2017-2020).

- The plan is structured into six clusters: economic growth and development, infrastructure, public administration, human capital development, social development and regional development.
- The NESG co-chaired the Technical Review Team that evaluated the Zero draft of the NDP 2021-2025, Expenditure Framework, and the National Vision 2050.

### The Policy Innovation Centre

Following the appointment of the Executive Director and the Deputy Director, the Policy Innovation Centre (PIC) was launched during the 27th Nigerian Economic Summit. The PIC is an initiative within the NESG sponsored by Rockefeller Philanthropy Advisors, with the support of the Bill and Melinda Gates Foundation. The Centre has the mandate to implement innovative policy tools, including behavioural insights, to improve policies and programmes in Nigeria. It is the first national-level unit of its kind in Africa and applies lessons from the behavioural and social sciences, including testing interventions to find evidence that can inform better policies and decision-making. The PIC is currently implementing a grant from MacArthur Foundation titled 'Harnessing Behavioural Insights to improve Accountability and Transparency in Nigeria'.

### NESG Bridge Fellowship

The NESG Bridge fellowship programme, in collaboration with LEAP Africa, is a 15-month programme with mid-level professionals between the ages of 25 to 35 years who have demonstrated interest in research, public policy, community development, social work, business and/or social entrepreneurship. These professionals are drawn from academia, the private sector and the public sectors through a stringent selection process. At the end of the fellowship, the fellows become Alumni members, serve as members of the NESG Community

of Practice on Youth championing reforms in various thematic areas, and volunteer in Policy Commissions and Roundtables as technical anchors.

Since its Inception in 2020, the Programme has had two (2) cohorts of Fellows: The first cohort, the 2020/2021 set (Bridge Set 1) with 22 fellows and the second cohort, 2021/2022 set Bridge Set 2) with 32 fellows. As such, 54 young leaders are being trained with hands-on, pragmatic experience in policy formulation and development, as it affects the Nigerian economy.

### Bridge Set 1

- Each Bridge Fellow served as Technical Assistant to Thematic Working Groups on the National Development Plan (2021-2025), and Nigeria Agenda 2050. The National Development Plan (2021-2025) was approved on Wednesday, the 10th of November, 2021, by the Federal Executive Council
- Renowned industry experts have mentored the Fellows
- The Bridge Fellows were also assigned as rapporteurs at the Summit (NES #27), capturing the technical details of the Summit conversations, which are the prelude to the development of the Summit report called 'Green Book', which is presented to the President, the Federal Executive Council and other relevant stakeholders.
- As part of their capstone project, the Bridge Fellows have embarked on 4 social impact projects with the SDGs as an underlying impetus. These projects include:
  - *National Security and Prison reform advocacy- where a group of Fellows conveyed the key stakeholders in a room to dialogue on bridging the gap.*
  - *Bone Marrow Registration drive*
  - *Training rural women on producing Eco-Friendly Sanitary Pad and Financial Literacy*

• *Data to Drama - The fellows produced a drama called "Eagle Rising". This blockbuster stage drama animates Nigeria at 2050 scenarios - i.e Nigeria Rises, Nigeria at Status Quo, and Nigeria fail. The goal was to make the scenarios relatable to the government, private sector and the common man and present the urgency of making Nigeria a better place.*

After completing the Bridge Fellowship Programme, the pioneer set - the 2020/2021 set - will be formally inaugurated as Alumni Fellows. At the end of the fellowship, the fellows become Alumni members, serving as members of the NESG Community of Practice on Youth to champion reforms in various thematic areas and volunteer in Policy Commissions and Roundtables as Technical Anchors.

### Bridge Set 2

- The Secretariat facilitated learning sessions through the orientation programme to educate the fellows about the NESG and its strategic mandate. The facilitators/guest speakers centred their discussions on their

personal and professional journey, their contributions through the NESG while also discussing relevant policy issues.

- The Fellows have been assigned to Policy Commissions and Roundtables, where they serve as technical anchors to champion the reform of the Nigerian economy.
- The Bridge Fellows were also assigned as rapporteurs at the Summit (NES#27), capturing the technical details of the Summit conversations, which are the prelude to the development of the Summit report called 'Green Book', which is presented to the President, the Federal Executive Council and other stakeholders.
- The Fellows were also granted access to an online virtual learning platform where they can access a wide range of courses to help in leadership, research and policy advocacy skills.



**WATCHDOG**

## Research Outputs and Engagements

The NESG gathers, collates and analyses social and economic data on the Nigerian economy with a view of generating objective and credible reports to support evidence-based policy advocacy. Outputs of the NESG research are used to champion policymaking and review by influencing economic and social policies toward sustainable growth and development of a modern, globally competitive Nigerian economy. The Thematic areas of our research publications include:

- Economic competitiveness
- Foreign aid and investment
- Inclusive growth, equitable and informal sector
- Infrastructure, energy and power
- Institutions and growth
- Private sector and business environment
- Regional integration and trade

**Economic Alerts - 11**  
**Mini-Macroeconomic Reports - 2**  
**Collaborative research projects - 3**

### Internal Research Engagements in 2021

- **2021 Macroeconomic Outlook Report:** The research department launched the 2021 edition of the Macroeconomic Outlook Report titled "Four Priorities for the Nigerian Economy in 2021 and Beyond" on the 2nd of February 2021.
- **Mini-Macroeconomic Reports:** The Research department published two (2) mini-reports to explore in detail the four key priorities to attract investment and spur inclusive economic growth, as highlighted in the 2021 Macroeconomic Outlook Report.
- **NESG's Economic Alerts:** The research department published a total of 11 economic alerts, including 1 MPC Alert, the 2020' GDP Alert, the 2021' Q1; Q2 & Q3 GDP Alert; the Q4' 2020 Unemployment Alert, Q4'2020; 2021' Q1 and 2021'Q2 Foreign Trade Alert, Q2-2021 Capital Importation Alert and 2021' Q1 Economic Report.

- **EPR Journal Publication:** In the period under review, the research department published the first issue of its bi-annual Economic and Policy Review (EPR) journal, focusing on "Harnessing COVID-19-induced Opportunities for Economic Recovery and Resilience in Nigeria". Call for papers for the second edition of the publication with the topic "Attracting Investments in the Quest for Accelerated and Inclusive Growth in Nigeria" was also launched in November 2021.

- **Policy Briefs:** The department released a Policy Brief on Nigeria's Manufacturing Sector dubbed "Sectoral Reforms and Investment in Nigeria: A Focus on the Manufacturing Sector".

### Collaborative Research

- The NESG-OSIWA's Debt Management, Restructuring and Sustainability in the ECOWAS project has been concluded. Four (4) policy briefs are being prepared from the project.
- In partnership with the World Economic Forum, the Research Department administered questionnaires to CEOs

for insight into the Global Competitiveness of the Nigerian economic space.

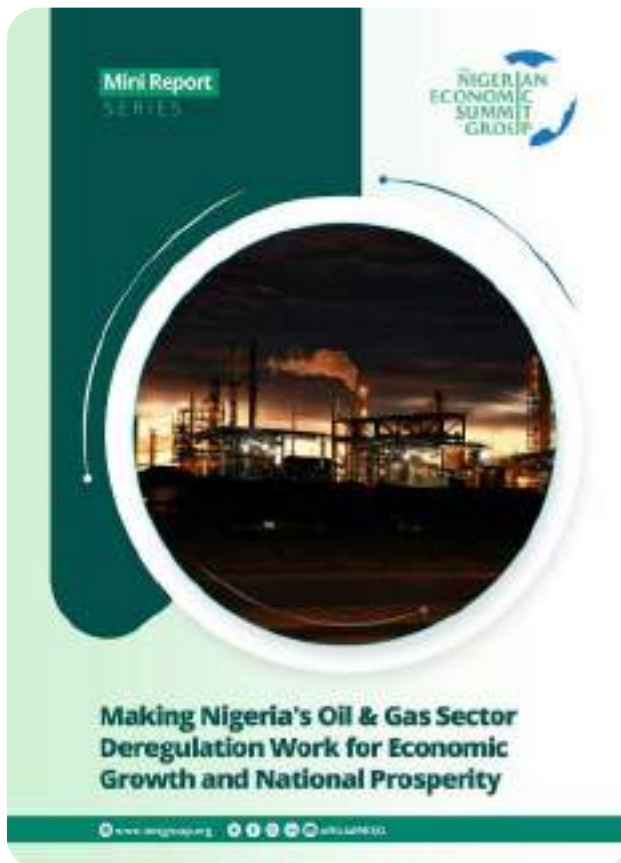
- Also, in partnership with the African Economic Research Consortium, the department is undertaking a case study on COVID-19, Human Capital Development and Post-Covid in Nigeria.
- **Engagement with the Federal Government:** The Research Department concluded the draft National

Development Plan (NDP) review. The NDP was approved on Wednesday, the 10th of November, 2021, by the Federal Executive Council.

- **MacArthur's Behaviour Theory of Change:** The NESG Research department and the Policy Innovation Centre (PIC) collaborated with MacArthur Foundation to apply behavioural insights in promoting transparency.

### Non-Residential Fellowship Programme

In the period under review, the Research department launched the Non-Residential Fellowship Programme, a merit-based fellowship, that brings together outstanding and high-level intellectuals in academia, research-based institutions, the public sector and the private sector to collaborate, share ideas, produce research outputs and ensure that findings from its research are applied in practice. Following a competitive application process with hundreds of applicants, 18 impressive Senior Fellows were selected who will be supported by a faculty of 5 subject matter experts. Over the 2-year course of the Programme, the Non-resident Fellows will make notable contributions towards sustainable economic development in Nigeria. The induction of successful applicants took place on the 30th of November, 2021.



2022 NESG Economic and Policy Review

# CALL FOR PAPER

THEME:

**Reforms and Policies for Economic  
Development in Nigeria**

DEADLINE FOR  
SUBMISSION

**25 APRIL  
2022**



The NESG Economic and Policy Review (EPR) is a bi-annual publication of the Nigerian Economic Summit Group (NESG), established to serve as an avenue for constructive analysis of economic policies and their impacts on different aspects of the business and economic environment.

The objectives of the EPR are to:

- Provide unbiased authoritative insights and opinions on the Nigerian economy;
- Provide innovative solutions to key challenges facing the Nigerian economy, and
- Shape readers' knowledge by providing in-depth analyses on trending national, international business and economic developments.

The current edition focuses on "Reforms and Policies for Economic Development in Nigeria".



**LIMITED BY GUARANTEE**



# ACCOUNTS

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Corporate information*

<b><i>Directors</i></b>	Mr. Asue Ighodalo Mr. Olaniyi Yusuf Mr. Osagie Okunbor Mr. Laoye Jaiyeola Mr. Frank Aigbogun Mr. Foluso Phillips Dr. Adedoyin Salami Mrs. Wonu Adetayo Mr. Yinka Sanni Mr. Adekunle Elebute Mr. Udemé Ufot Mr. Segun Ogunsanya Mrs. Juliet Ehimuan-Chiazor Mr. Omoboyede Olusanya Mr. Michael Sangster Mr. Wassim El Hussein Mr. Karl Toriola Mr. Nnanna Ude Mr. Lanre Akinbo Mrs. Nnidi Nwuneli Mrs. Amina Maina Mr. Kyari Bukar Dr. Mshelbila Philip	<ul style="list-style-type: none"><li>- Chairman</li><li>- Vice-chairman</li><li>- Vice-chairman</li><li>- Chief Executive Officer</li></ul>
<b><i>Company's secretary</i></b>	Olaniwun Ajayi LP	
<b><i>Registered office</i></b>	6, Oba Elegushi Street Ikoyi Lagos	
<b><i>Principal place of business</i></b>	6, Oba Elegushi Street Ikoyi Lagos	
<b><i>Independent auditors</i></b>	Crowe Dafinone Chartered Accountants 15, Elsie Femi Pearse Street Victoria Island Lagos	
<b><i>Bankers</i></b>	Access Bank Plc First Bank of Nigeria Limited Stanbic IBTC Bank Plc Sterling Bank Plc United Bank for Africa Plc Zenith Bank Plc	
<b><i>RC No.</i></b>	303317	

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Report of the directors*

The directors present their annual report together with the audited financial statements for the year ended 31<sup>st</sup> December, 2021.

**Principal activities** The Nigerian Economic Summit Group is an independent, non-partisan, not for profit organisation, limited by guarantee, committed to fostering open and continuous dialogue on Nigeria's economic development and growth.

**Results for the year** The results for the year are shown on page 63

**Future developments** The Organisation intends to continue fulfilling the objectives stated in its Memorandum of Association.

**Dividend** The nature of the Organisation's legal structure does not permit the distribution of any of the surplus of income over expenditure to the guarantors.

**Property, plant and equipment** The property, plant and equipment values are shown in note 12 to these financial statements.

**Directors** The directors who served the Organisation during the year under review and up to the date of signing of the financial statements are as stated on page 57

The following directors were appointed/resigned in the year.

Mrs Onyeché Tifase	(Resigned, 16 <sup>th</sup> February 2021)
Mr. Tony Attah	(Resigned, 12 <sup>th</sup> October 2021)
Mr. Omoboyede Olusanya	(Appointed, 13 <sup>th</sup> April 2021)
Mr. Michael Sangster	(Appointed, 13 <sup>th</sup> April 2021)
Mr. Wassim El Hussein	(Appointed, 13 <sup>th</sup> April 2021)
Mr. Karl Toriola	(Appointed, 13 <sup>th</sup> April 2021)
Mr. Nnanna Ude	(Appointed, 13 <sup>th</sup> April 2021)
Mr. Lanre Akinbo	(Appointed, 13 <sup>th</sup> April 2021)
Mrs. Ndidi Nwuneli	(Appointed, 13 <sup>th</sup> April 2021)
Mrs. Amina Maina	(Appointed, 13 <sup>th</sup> April 2021)
Mr. Kyari Bukar	(Appointed, 13 <sup>th</sup> April 2021)
Dr. Mshelbila Philip	(Appointed, 13 <sup>th</sup> April 2021)

**Responsibilities of the directors** The Companies and Allied Matters Act, 2020 requires, where the Organisation is registered under the Act, that the directors prepare financial statements, in respect of each financial year, so as to give a true and fair view of the state of affairs of the Organisation at the end of the year and of the surplus or deficit generated by the Organisation for the year.

In preparing these financial statements, the directors:

- selected suitable significant accounting policies which were consistently applied;
- made judgments and estimates that were reasonable and prudent;
- ensured that the applicable International Financial Reporting Standards have been followed, and in the case of any material departures, that it has been fully disclosed and explained in the financial statements; and
- prepared the financial statements on a going concern basis, since it was appropriate to assume that the Organisation will continue to exist.
- Ensured that accurate accounting records are kept and that the financial statements comply with the Companies and Allied Matters Act, 2020.

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Report of the directors (continued)*

#### *Responsibilities of the directors (continued)*

The directors are also responsible for ensuring that the financial statements so prepared comply with the relevant International Financial Reporting Standards as adopted by the Financial Reporting Council of Nigeria. The directors are also responsible for the safeguarding of the assets of the Organisation, and therefore, for taking all and any reasonable steps for the prevention and detection of fraud and other irregularities.

#### *Employment of physically challenged persons*

It is the Organisation's policy to give equal consideration to all applications for employment, including those that are physically challenged, after taking cognisance of their special aptitudes or disabilities. Employees who become physically challenged during the course of their employment are given reasonable alternatives, having regard to their disability. There were no physically challenged people in the employment of the organisation throughout the year under review.

#### *Health and safety at work for employees*

Health and safety regulations are in force within the Organisation and are displayed on various notice boards for the employees' benefit. The Organisation has engaged the services of medical practitioners to treat the illness or accidents, which may arise in respect of any employee, from the operations of the Organisation. The cost incurred on this for the year amounted to N 16 million (2020: N 11.6 million).

#### *Employee involvement and training*

The Organisation encourages its employees to improve on their performance and development through on-the-job training and where necessary, by attending both internal and external courses. The cost incurred on staff training during the year under review amounted to N 12.2 million (2020: N 13.8 million).

#### *Donations*

The Organisation did not make any charitable donations during the year under review (2020: nil).

#### *Research and development activities*

The Organisation contributes towards research and development activities in the industry by creating a forum for members in the industry to discuss and exchange ideas.

#### *Independent auditors*

Messrs Crowe Dafinone, Chartered Accountants, having indicated their willingness to continue in office, shall do so, in accordance with Section 401(2) of the Companies and Allied Matters Act, 2020.

*By order of the Board*

**OLANIWUN AJAYI LP**

*Olaniwun Ajayi LP*

*Organisation Secretary*

*FRC/2013/00000000001615*

*Lagos, Nigeria*

*15<sup>th</sup> February, 2022*

**OLANIWUN AJAYI LP**

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE  
NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)**

***Opinion***

We have audited the financial statements of the Nigerian Economic Summit Group (Limited by Guarantee) which comprise, statement of profit or loss and other comprehensive income, statement of financial position as at 31<sup>st</sup> December, 2021, statement of changes in equity, statement of cash flows for the year then ended, other explanatory notes, statement of value added and the five year financial summary. These financial statements are set out on pages 63 to 97 and have been prepared using the significant accounting policies set out on pages 71 to 78

In our opinion, the financial statements give a true and fair view of the financial position of the Nigerian Economic Summit Group as at 31<sup>st</sup> December, 2021 and of its financial performance and its cash flows for the year ended on that date, and comply with the applicable International Financial Reporting Standards in the manner required by the Financial Reporting Council of Nigeria Act, No. 6, 2011 and the Companies and Allied Matters Act, 2020.

***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (ISAs) in the manner required by the Nigerian Standards on Auditing (NSAs). Our responsibilities under those standards are further described in the Auditors responsibilities for the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate so as to provide a reasonable basis for our audit opinion.

***Independence***

We are independent of the Nigerian Economic Summit Group in accordance with the International Ethics Standards Board for Accountants Code of Ethics for professional Accountants (IESBA) code. We have fulfilled our other ethical responsibilities in accordance with the IESBA code.

***Information other than the financial statements and auditors' report***

The directors' report and other information contained therein are the responsibility of management. Our opinion does not cover these reports and accordingly, we do not express any form of assurance conclusion thereon. It is our responsibility to read the other information and in doing so, consider whether the information is materially inconsistent with the financial statements or with the knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on our work we conclude that there is material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE  
NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE) (continued)**

***Responsibilities of directors and management for the financial statements***

The directors and the management are responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards in the manner required by the Financial Reporting Council of Nigeria Act, No.6 2011. These responsibilities include: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate significant accounting policies and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, management and the directors are responsible for assessing the Organisation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organisation or to cease operations, or has no realistic alternative but to do so.

***Auditors' responsibilities for the financial statements***

Our objectives are to obtain a reasonable assurance about whether the financial statements are free from material misstatement, whether due to fraud or error and to issue an auditor's report that include our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the International Standards on Auditing will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users, taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate, so as to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organisation's internal control.
- Evaluate the appropriateness of the significant accounting policies used and the reasonableness of the accounting estimates and related disclosures made by management.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF THE  
NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE) (continued)**

***Auditors' responsibilities for the financial statements (continued)***

- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organisation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organisation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in the manner that achieves fair presentation.

We communicate with those charged with governance regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in the internal controls that we identify during our audit.

***Report on other legal and regulatory requirements***

In accordance with Section 407 (1) and (2) of the Companies and Allied Matters Act, 2020 we confirm that the financial statements are in agreement with the accounting records, which have been properly kept.

In accordance with Section 407 (3) of the Companies and Allied Matters Act, 2020, we confirm that we received all of the information and explanations that were required for the purpose of the audit.

Lagos, Nigeria  
15<sup>th</sup> February, 2022.

  
**Oluwalu Samuel**  
Engagement partner  
FRC/2012/ICAN/0600000358  
For: Crowe Dafinane  
Chartered Accountants



**THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)**

***Statement of profit or loss and other comprehensive income for the year ended 31<sup>st</sup> December, 2021***

	Note	2021 ₦	2020 ₦
Revenue	7	414,458,409	358,475,972
Other operating income	8	142,745,583	31,383,747
Administrative expenses	9	(530,068,581)	(416,615,456)
Finance income	10	28,621,566	45,659,475
<b>Surplus before tax</b>		<b>55,756,977</b>	<b>18,903,738</b>
Income tax expense	11	-	-
<b>Surplus for the year</b>	22	<b>55,756,977</b>	<b>18,903,738</b>
<b>Items that will not be reclassified to income and expenditure:</b>			
<b>Other comprehensive income:</b>			
Fair value gain on financial assets at fair value through other comprehensive income	13.1	5,113,787	4,104,550
<b>Total comprehensive income for the year</b>		<b>60,870,764</b> =====	<b>23,008,288</b> =====

*The general information, the significant accounting policies and the notes on pages 67 to 92 form an integral part of these financial statements.*

# THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)


## Statement of financial position as at 31<sup>st</sup> December, 2021

	Note	2021 N	2020 N
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	12	432,479,677	446,055,219
Financial assets at fair value through other comprehensive income	13	32,986,416	27,872,629
<b>Total non-current assets</b>		<b>465,466,093</b>	<b>473,927,848</b>
<b>Current assets</b>			
Prepayments	14	27,208,992	23,716,080
Trade and other receivables	15	32,757,124	9,334,051
Cash and cash equivalents	16	1,672,277,999	1,122,717,025
<b>Total current assets</b>		<b>1,732,244,115</b>	<b>1,155,767,156</b>
<b>Total assets</b>		<b>2,197,710,208</b>	<b>1,629,695,004</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Accumulated fund		1,089,171,020	1,033,414,043
Capital development fund		485,101,418	485,101,418
Fair value reserve		(5,892,694)	(11,006,481)
<b>Total equity</b>		<b>1,568,379,744</b>	<b>1,507,508,980</b>
<b>Current liabilities</b>			
Deferred income	17	609,792,611	49,312,200
Trade and other payables	18	5,217,893	70,373,824
Accruals	19	14,319,960	2,500,000
<b>Total current liabilities</b>		<b>629,330,464</b>	<b>122,186,024</b>
<b>Total liabilities</b>		<b>629,330,464</b>	<b>122,186,024</b>
<b>Total equity and liabilities</b>		<b>2,197,710,208</b>	<b>1,629,695,004</b>

The financial statements were approved and authorised for issue by the board of directors on 15<sup>th</sup> February, 2022 and were signed on its behalf by:

  
Mr. Asue Igboke  
Chairman  
FRC/2015/MNA/00000010660

  
Mr. Kyari Bakr  
Member, Board Finance Committee  
FRC/2013/TCOW/00000002050

  
Mr. Safo Jalywala  
Chief Executive Officer  
FRC/2013/MULTI/00000001379

The general information, the significant accounting policies and the notes on pages 67 to 92 form an integral part of these financial statements.

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Statement of changes in equity for the year ended 31<sup>st</sup> December, 2021*

	Accumulated fund ₦	Capital development fund ₦	Fair value reserve ₦	Total equity ₦
As at 1 <sup>st</sup> January, 2021	1,033,414,043	485,101,418	(11,006,481)	1,507,508,980
<b>Income and expenditure:</b>				
Surplus for the year	55,756,977	-	-	55,756,977
<b>Other comprehensive income:</b>				
Fair value changes	-	-	5,113,787	5,113,787
<b>As at 31<sup>st</sup> December, 2021</b>	<b>1,089,171,020</b> =====	<b>485,101,418</b> =====	<b>(5,892,694)</b> =====	<b>1,568,379,744</b> =====
As at 1 <sup>st</sup> January, 2020	1,000,477,565	485,101,418	(1,078,291)	1,484,500,692
<b>Income and expenditure:</b>				
Surplus for the year	18,903,738	-	-	18,903,738
<b>Other comprehensive income:</b>				
Derecognition of fair value gain (note 13.1)	14,032,740	-	(14,032,740)	-
Fair value changes	-	-	4,104,550	4,104,550
<b>As at 31<sup>st</sup> December, 2020</b>	<b>1,033,414,043</b> =====	<b>485,101,418</b> =====	<b>(11,006,481)</b> =====	<b>1,507,508,980</b> =====

*The general information, the significant accounting policies and the notes on pages 67 to 92 form an integral part of these financial statements.*

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### Statement of cashflows for the year ended 31<sup>st</sup> December, 2021

	Note	2021 ₦	2020 ₦
<b>Cash flow from operating activities</b>			
Surplus for the year		55,756,977	18,903,738
<b>Adjustments for non-cash items:</b>			
Depreciation	12	23,193,886	26,993,841
Gain on disposal of investment	8	-	(1,289,921)
(Gain)/loss on disposal of property, plant and equipment		(92,334)	421,292
Reclassification of property, plant and equipment		-	1,413,849
<b>Cash inflows before working capital changes</b>		<b>78,858,529</b>	<b>46,442,799</b>
<b>Working capital changes:</b>			
Increase in prepayments		(3,492,912)	(3,755,348)
(Increase)/decrease in trade and other receivables		(23,423,073)	32,302,197
(Decrease)/increase in trade and other payables		(65,155,931)	46,615,626
Increase in accruals		11,819,960	400,000
<b>Net cash (outflow)/inflows from operating activities</b>		<b>(1,393,427)</b>	<b>122,005,274</b>
<b>Cash flow from investing activities:</b>			
Purchase of property, plant and equipment	12	(9,881,010)	(4,628,428)
Financial assets at amortised cost		-	713,245,920
Proceed from sale of investment		355,000	4,684,050
<b>Net cash (outflow)/inflow from investing activities</b>		<b>(9,526,010)</b>	<b>713,301,542</b>
<b>Cash flow from financing activities:</b>			
Grant received in advance		560,480,411	(24,557,457)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>560,480,411</b>	<b>(24,557,457)</b>
Net increase in cash and cash equivalents		549,560,974	810,749,359
Cash and cash equivalents as at 1 <sup>st</sup> January		1,122,717,025	311,967,666
<b>Cash and cash equivalents as at 31<sup>st</sup> December</b>	16	<b>1,672,277,999</b>	<b>1,122,717,025</b>
<b>Represented by:</b>			
Cash in hand		63,280	3,798,250
Bank balances		1,672,214,719	1,118,918,775
		<b>1,672,277,999</b>	<b>1,122,717,025</b>

The general information, the significant accounting policies and the notes on pages 67 to 92 form an integral part of these financial statements.

## **THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)**

### *Note to the financial statements for the year ended 31<sup>st</sup> December, 2021*

#### **1.0 General information**

##### **1.1 Reporting entity**

The Nigerian Economic Summit Group was incorporated as a private limited Organisation by guarantee on 8<sup>th</sup> November 1996, as an independent, non-partisan, not-for-profit organization with a mandate to promote and champion the reform of the Nigerian economy into an open, private sector-led globally competitive economy through its advocacy efforts. It commenced business immediately on the same date.

##### **1.2 Principal activities**

The Nigerian Economic Summit Group is an independent non-partisan organisation, committed to fostering open and continuous dialogue on Nigeria's economic development and growth.

##### **1.3 Basis of preparation**

The financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Financial assets at fair value through other comprehensive income are measured at fair value through other comprehensive income.
- Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.
- Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal market at the measurement date under current market condition, regardless of whether that price is directly observable or estimated using another valuation technique.

##### **1.4 Composition of financial statements**

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board, in the manner required by the Financial Reporting Council of Nigeria Act, No.6, 2011. The financial statements comprise:

- Statement of comprehensive income
- Statement of financial position
- Statement of changes in equity
- Statement of cash flows
- Notes to the financial statements.

It also includes statements required by local legislation but not prohibited by IFRS. These are:

- Statement of value added
- Five year financial summary

## **THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)**

### ***Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)***

#### **1.0 General information (continued)**

#### **1.5 Financial period**

These financial statements cover the financial year ended 31<sup>st</sup> December 2021, with comparative amounts for the financial year ended 31<sup>st</sup> December 2020.

##### **1.5.1 Frequency of reporting**

The Organisation had maintained a 31<sup>st</sup> December year end (i.e. 12 months) as there was no change in accounting date for the periods covered by these IFRS financial statements.

#### **1.6 Statement of compliance**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") in the manner required by Financial Reporting Council of Nigeria Act No. 6, 2011.

#### **1.7 Functional and presentation currency**

These financial statements are presented in Nigerian Naira which is the Organisation's functional currency. Except otherwise indicated, financial information presented in Naira have been stated in absolute figures.

#### **1.8 Use of estimates and judgments**

The preparation of the financial statements in conformity with IFRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Areas where critical estimates are made are referred to in note 4.

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

#### 2.0 New standards, interpretations and amendments

##### 2.1 New and revised IFRSs in issue but not yet effective

A number of new standards, interpretations and amendments were issued for the first time for periods beginning on (or after) 1<sup>st</sup> January, 2022. The Organisation has elected not to adopt them in these financial statements. The nature and effect of each new standard, interpretation and amendment yet to be adopted by the Organisation are as detailed below.

Pronouncement	Nature of change	Effective date
<b><i>IFRS 17 Insurance Contracts</i></b>	IFRS 17 was issued in May 2017 as replacement for IFRS 4 <i>Insurance Contracts</i> . It requires a current measurement model where estimates are re-measured each reporting period. Contracts are measured using the building blocks of:	Annual periods beginning on or after 1 <sup>st</sup> January, 2023

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin (“CSM”) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under IFRS 9. An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for short duration contracts, which are often written by non-life insurers.

There is a modification of the general measurement model called the ‘variable fee approach’ for certain contracts written by life insurers where policy holders share in the returns from underlying items. When applying the variable fee approach the entity’s share of the fair value changes of the underlying items is included in the contractual service margin. The results of insurers using this model are therefore likely to be less volatile than under the general model. The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

#### 2.0 New standards, interpretations and amendments (continued)

#### 2.1 New and revised IFRSs in issue but not yet effective (continued)

Pronouncement	Nature of change	Effective date
<b>IAS 16</b> <b>Property, Plant and Equipment</b>	<p><i>Property, plant and equipment: Proceeds before intended use:</i></p> <p>The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss.</p>	Annual periods beginning on or after 1 <sup>st</sup> January, 2023
<b>IFRS 9</b> <b>Financial Instruments</b>	<p><i>Interest Rate Benchmark Reform:</i></p> <p>The amendments of IFRS 9, IAS 39 and IFRS 7 amend requirements for hedge accounting to support the provision of useful financial information during the period of uncertainty caused by the phasing out of interest-rate benchmarks such as interbank offered rates (IBORs) on hedge accounting.</p> <p>The amendments modify some specific hedge accounting requirements to provide relief from potential effects of the uncertainty caused by the IBOR reform. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties.</p> <ul style="list-style-type: none"> <li>Annual Improvements to IFRS Standards 2018 – 2020: The amendments clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability.</li> </ul>	Annual periods beginning on or after 1 <sup>st</sup> January, 2022
<b>IAS 1</b> <b>(Amendment on classification)</b>	The amendment provides a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangement in place at the reporting date.	Annual periods beginning on or after 1 <sup>st</sup> January, 2023
<b>IAS 8</b> <b>(Amendment of disclosure of accounting policies)</b>	In February 2021, the International Accounting Standards Board issued amendments to IAS, to help entities distinguish between accounting policies and accounting estimates.	Annual periods beginning on or after 1 <sup>st</sup> January, 2023

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

#### **3. Significant accounting policies**

##### **3.1 Financial instruments**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition, except for transaction costs relating to financial assets or financial liabilities at fair value through profit or loss, which are recognised immediately in profit or loss.

##### **3.1.1 Recognition and measurement**

###### **(a) Financial assets**

Financial assets are initially recognised at fair value plus directly attributable transaction costs. Subsequent remeasurement of financial assets is determined by their designation that is revisited at each reporting date.

The classification of financial assets depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. The company's financial assets comprise of 'financial assets at amortised cost', 'cash and cash equivalents' and 'other receivables'.

At each reporting date, the company assesses whether its financial assets have been impaired. Impairment losses are recognised in the statement of profit or loss and other comprehensive income where there is objective evidence of impairment.

Financial assets are classified generally based on the business model in which they are managed and its contractual cashflow characteristics. They are classified in the following categories, measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss.

###### *Financial assets at amortised cost*

A financial asset is measured at amortised cost if both of the following conditions are met:

- A financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments on principal and interest on the principal amount outstanding.

###### *Financial asset at fair value through other comprehensive income*

A financial asset is measured at fair value through other comprehensive income if both the following conditions are met:

- The financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

#### **3. Significant accounting policies (continued)**

##### **3.1 Financial instruments (continued)**

##### **3.1.1 Recognition and measurement (continued)**

###### **a) Financial assets (continued)**

###### *Financial assets at fair value through profit or loss*

A financial asset is measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income. However, the company may make an irrevocable election at initial recognition for particular instruments in equity instruments that would otherwise be measured at fair value through profit or loss to present subsequent changes in fair value in other comprehensive income.

The company recognises as financial assets loans and receivables on the date when they are originated and debt securities on the date when they are acquired. All other financial assets are recognised initially on the trade date at which the company becomes a party to the contractual provisions of the instrument.

###### *Trade and other receivables*

Trade and other receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment. A provision for impairment for trade receivables is established when there is objective evidence that the Organisation will not be able to collect all the amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments (more than 365 days overdue) are considered indicators that the trade receivable is impaired

The amount of the provision is the difference between the assets' carrying amount and the recoverable amount net of any costs that may be incurred in recovering the debt. The recoverable amount, if the receivable is more than one year is equal to the present value of expected cash flows, discounted at the market rate of interest applicable to similar borrowers. The amount of the provision is recognized as an expense in profit or loss.

Bad accounts shall be written off when there is no possibility of recovery.

Subsequent recoveries of amounts previously written off are credited against administrative expenses in profit or loss.

Other receivables are other loans and advances that are neither loans and advances and cash and cash equivalents. They comprise of advance to suppliers, employee loan and other receivables. They are initially recognised at fair value when there is evidence that the contractual cashflow in the asset will flow to the company.

###### *Cash, cash equivalents and bank overdrafts*

Cash and cash equivalents shall comprise cash, bank current accounts, and bank deposits free of encumbrance with a maturity date of three months or less from the date of deposit and highly liquid investments with a maturity date of three months or less from the date of investment. Bank overdrafts are included within borrowings in current liabilities on the statement of financial position.

For the purpose of the Statement of cash flows, cash and cash equivalents comprise of: cash in hand, cash at bank, short term bank deposits, domiciliary account balance and bank overdraft.

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

#### **3.0 Significant accounting policies (continued)**

#### **3.1 Financial instruments (continued)**

#### **3.1.1 Recognition and measurement (continued)**

##### **a) Financial assets (continued)**

##### *Derecognition of financial assets*

The organisation derecognises a financial asset only when the contractual rights to the cash flows from the asset expires, or when it transfers substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in the statement of profit or loss and other comprehensive income.

##### **b) Financial liabilities**

Financial liabilities are initially recognised at fair value when the company becomes a party to the contractual provisions of the liability. Subsequent measurement of financial liabilities is based on amortised cost using the effective interest method. The company's financial liabilities include trade and other payables, bank overdraft, short and long term borrowings.

Financial liabilities are presented as if the liability is due to be settled within 12 months after the reporting date, or if they are held for the purpose of being traded. Other financial liabilities which contractually will be settled more than 12 months after the reporting date are classified as non-current.

##### **(i) Trade and other payables**

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### **(ii) De-recognition of financial liabilities**

The organisation derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit or loss and other comprehensive income.

##### **(iii) Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost using the effective interest rate; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of profit or loss and other comprehensive income over the period of the borrowings using the effective interest method.

## **THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)**

### *Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

#### **3.0 Significant accounting policies (continued)**

##### **3.1 Financial instruments (continued)**

###### **3.1.2 Impairment of financial assets**

The Organisation assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is an objective evidence of impairment as a result of an event that occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtor is experiencing financial difficulty, default in interest or principal payments, or the probability that they will enter bankruptcy and where there is an indication of a decrease in the estimated future cash flows.

For loans and receivables, the amount of the loss is measured as the difference between the carrying amount and the present value of the estimated future cash flows. The carrying amount is reduced and the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in profit or loss.

###### **3.1.3 Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

##### **3.2 Fair value hierarchy**

###### **Fair values are determined according to the following hierarchy:**

Level 1: Quoted market prices- financial assets and liabilities with quoted prices for identical instruments in active markets.

Level 2: Valuation techniques using observable inputs- quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial assets and liabilities valued using models where all significant inputs are observable.

Level 3: Valuation techniques using significant unobservable inputs- financial assets and liabilities valued using valuation techniques where one or more significant inputs are unobservable. The best evidence of fair value is a quoted price in an active market. In the event that the market for a financial asset or liability is not active, a valuation technique is used.

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

#### **3.0 Significant accounting policies (continued)**

#### **3.3 Property, plant and equipment**

Property, plant and equipment and other tangible assets are stated at historical cost except for building at revalued amount, less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Organisation and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate their cost to their residual values on a systematic basis over their estimated useful lives. The average useful lives are expressed in years as follows:

<b>Assets</b>	<b>Estimated Useful Lives (Yrs)</b>
Land	Over the lease period (99 years)
Buildings	40
Library books	4
Office furniture, fittings and fixtures	5
Office equipment	5
Motor vehicle	4
Plant and machinery	5

The Organisation's land is part of the Government's 99 year initiative and is depreciated over the remaining period of the lease.

Each part of an item of office equipment, furniture and other property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The asset's residual values, useful lives and depreciation method are reviewed on an annual basis, and are adjusted if appropriate. An asset's carrying amount is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The carrying amount of asset replaced is derecognized before recognizing the cost of replacement.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the income statement.

## **THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)**

### *Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

#### **3.0 Significant accounting policies (continued)**

#### **3.4 Employee benefits**

##### **3.4.1 Pension fund obligations**

A defined contribution plan is a pension plan under which the Organisation pays fixed contributions into a separate entity. The Organisation has no legal or constructive obligations to pay further contributions, if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current year and prior periods.

For defined contribution plans, the Organisation pays 10% while employees pay 8% of annual gross salary as contributions to an administered pension plans in accordance with the Pension Reform Act, 2014. However, additional voluntary contributions are allowed. The Organisation has no further payment obligations once the contributions have been paid. The contributions are recognized as employee benefit expense when they are due.

##### **3.4.2 Short-term employee benefits**

The cost of short-term employee benefits (those payable within 12 months after service is rendered) such as paid vacation, leave pay, sick leave and bonuses are recognised in the period in which the service is rendered and is not discounted. The expected cost of short-term accumulating compensated absences is recognised as an expense as the employees render service that increases their entitlement or, in the case of non-accumulating absences, when the absences occur. The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Provisions for leave pay and bonuses are recognised as a liability in the financial statements.

#### **3.5 Taxation**

The Organisation is exempted from income tax in accordance with the Companies Income Tax Act as amended. It however has obligation to deduct and remit withholding tax at source from suppliers and contractors payments.

#### **3.6 Provisions**

Provisions are liabilities of uncertain timing or amount, and are recognised when the Organisation has a present obligation as a result of a past event, and it is probable that the Organisation will be required to settle that obligation.

Provisions are measured at the directors' estimate of the expenditure required to settle that obligation at the end of each reporting period, and are discounted (at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability) to present value where the effect is material.

Provisions are not recognised for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

## **THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)**

### *Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

#### **3.0 Significant accounting policies (continued)**

#### **3.7 Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business net of VAT and other related sales taxes.

##### **3.7.1 Membership subscription and summit income**

Subscriptions are due on the first day of January of each year; summit income is reported in the year when the summit takes place. Other income is recognized on accrual basis.

By a policy effective 1st January 2015, not less than 50% of the membership subscription is accounted for as capital development fund, except in extenuating circumstances whereby it can be suspended.

##### **3.7.2 Interest and dividend income**

Interest income and expense are accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Dividend income is recognized when the Organisation has a right to receive such dividend which is usually when the dividend is approved by the investing Organisation.

#### **3.8 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, bank balances and other short term highly liquid investments that are convertible to a known amount of cash which are subject to insignificant risk of changes in value, all of which are available for use by the Organisation unless otherwise stated.

#### **3.9 Foreign currency transactions**

In preparing the financial statements of the Organisation, transactions in currencies other than the entity's presentation currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

#### **3.10 Grants**

Grants are not recognized until there is reasonable assurance that the Organisation will comply with the conditions attached to them and that the grants will be received.

They are recognized in comprehensive income on a systematic basis over the periods in which the Organisation recognized as expenses the related costs for which the grants are intended to compensate. Specifically, grants whose primary condition is that the Organisation should purchase, construct or acquire non-current assets are recognized as deferred revenue in the statement of financial position and transferred to comprehensive income on a systematic and rational basis over the useful lives of the related assets.

## **THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)**

### *Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

#### **3.0 Significant accounting policies (continued)**

##### **3.10 Grants (continued)**

Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Organisation with no future related costs are recognized in comprehensive income in the period in which they become receivable.

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

##### **3.11 Related party transactions**

Related parties include the related companies, the directors, their close family members and any employee who is able to exert significant influence on the operating policies of the Organisation.

Key management personnel are also considered related parties. Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The Organisation considers two parties to be related if, directly or indirectly one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. Where there is a related party transaction with the Organisation, the transactions are disclosed separately as to the type of relationship that exists with the Organisation and the outstanding balances necessary to understand their effects on the financial position and the mode of settlement.

##### **3.12 Capital development fund**

A capital development fund was set up with effect from 1<sup>st</sup> January, 2015. The fund is to be used for capital development projects. It is funded by 50% of the membership contributions received except in extenuating circumstances whereby it can be suspended. The Board of directors agreed that no amount should be transferred to the fund in 2021(2020: nil).

#### **4.0 Critical accounting estimates and judgements**

The Organisation makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience as other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

##### **4.1 Allocation of land cost**

At the date of adoption, the Organisation separate the cost of the land from the building. The amount allocated to land was based on the best estimate of fair value of land within Ikoyi environment of Lagos State, Nigeria.

##### **4.2 Annual estimation of useful lives and residual values**

The estimates of useful lives and residual values of property, plant and equipment impact on the annual depreciation charge. The useful lives and residual values are based on management experience and the condition of the assets. Consideration is given to management's intended usage policy for the assets in the future and potential market prices of similar assets.

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

#### **5.0 Financial risk management**

**5.1** The Organisation is exposed through its operations to the following financial risks:

- Liquidity risk
- Reputation risk
- Credit risk
- Equity price risk

In common with all other businesses, the Organisation is exposed to risks that arise from its use of financial instruments. This note describes the Organisation's objectives, policies and processes for managing those risks and the methods used to measure them. There have been no substantive changes in the Organisation's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous years unless otherwise stated in this note.

#### **5.2 Principal financial instruments**

The principal financial instruments used by the Organisation, from which financial instrument risk arises, as well as their carrying amounts are as follows:

	2021 ₦	2020 ₦
<b>Financial assets</b>		
Trade and other receivables	32,757,124	9,334,051
Cash and cash equivalents	1,672,277,999	1,122,717,025
	<hr/>	<hr/>
	1,705,035,123	1,132,051,076
	=====	=====
<b>Financial liabilities</b>		
Trade and other payables	5,217,893	70,373,824
	=====	=====

#### **5.3 General objectives, policies and processes**

The Board has overall responsibility for the determination of the Organisation's risk management objectives, policies and processes. Whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Organisation's Operating Function. The Board receives monthly reports from the Chief Executive Officer (CEO) through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The Chief Executive Officer also reviews the risk management policies and processes and reports their findings to the Board.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Organisation's competitiveness and flexibility.

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

#### **5.0 Financial risk management (continued)**

#### **5.4 Credit risk**

Credit risk is the risk of financial loss to the Organisation, if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Organisation is mainly exposed to credit risk from cash and cash equivalents held with banks and financial institutions. Banks with good reputation are accepted by the Organisation for business transactions.

The maximum exposure of financial assets giving rise to credit risk is as follows:

	2021 ₦	2020 ₦
Trade receivables	23,000,000	-
Other receivables	9,757,124	9,334,051
Cash and cash equivalents	1,672,277,999	1,122,717,025
	<hr/>	<hr/>
	1,705,035,123	1,132,051,076
	=====	=====

The credit quality of trade receivables that are neither past due nor impaired is assessed by management with reference to customer credit reports and the historic payment track records of the customer and majority of it being owed by donors.

The age analysis of trade receivables at reporting date is as follows:

	2021 ₦	2020 ₦
Below 30 days	-	-
30 - 60 days	23,000,000	-
	=====	=====

As at 31<sup>st</sup> December, 2021 there were no impairment losses recognized in the financial statements as there was no objective evidence that receivables have been impaired.

#### **5.5 Liquidity risk**

Liquidity risk arises from the Organisation's management of working capital. It is the risk that the Organisation will encounter difficulty in meeting its financial obligations as they fall due. The Organisation's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it ensures that commitments are made according to cash inflow, excessive borrowing from financial institutions are avoided, low level of liabilities are maintained and keeps enough cash balance in bank to meet expected requirements. The liquidity risk of the Organisation is managed centrally by the Organisation's Chief Financial Officer.

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

#### **5.0 Financial risk management (continued)**

#### **5.5 Liquidity risk (continued)**

The table below summarises the maturity profile of the Organisation's financial liabilities based on contractual undiscounted payments:

	Carrying amounts ₦	Contractual cash flows ₦	Less than 1 year ₦	1-2 years ₦	Above 2 years ₦
<b>2021</b>					
Trade and other payables	5,217,893	5,217,893	5,217,893	-	-
<b>2020</b>					
Trade and other payables	70,373,824	70,373,824	70,373,824	-	-

#### **5.6 Reputational risk**

Reputational risk is the risk of loss caused by a decline in the reputation of the Organisation or any of its specific business units from the perspective of its stakeholders - staff, business partners or the general public. Reputational risk can both cause and result from losses in all risk categories such as market or credit risk.

#### **5.7 Equity price risk**

The Organisation has portfolio investments managed by Stanbic IBTC Stockbrokers Limited and mutual funds managed by ARM Investment Limited. These investments are held in quoted equities which are exposed to market price changes. The investments are regularly monitored through a properly diversified equity-mix for risk-return strategy.

#### **5.8 Capital management**

The Organisation manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to stakeholder through optimization of an ideal mix of capital structure. The capital structure of the Organisation consists of accumulated funds and reserves as detailed in statement of changes in equity.

The Organisation is not subject to any externally imposed capital restrictions.

#### **6.0 Determination of fair values**

#### **6.1 Fair value hierarchy**

A number of the Organisation's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. For financial reporting purposes, fair value measurements are categorized into Levels 1, 2 or 3 based on the degree to which the inputs to fair value measurements observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

#### **6.0 Determination of fair values (continued)**

#### **6.1 Fair value hierarchy (continued)**

- Level 1 inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable for the asset or liability.

When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Fair values have been determined for measurement and/or disclosure purposes by the Organisation based on the following methods.

#### **6.2 Trade and other receivables/payables**

The fair value of trade and other receivables and trade and other payables approximates to the carrying values due to the short-term maturity of these instruments.

#### **6.3 Financial assets through other comprehensive income**

The fair values of equity and debt securities are determined by reference to their quoted closing bid price at the reporting date. The financial assets through other comprehensive income financial instruments are quoted equities on the Nigeria Stock Exchange with readily available market price.

#### **6.4 Cash and cash equivalents**

The fair value of bank balances and cash and bank overdrafts approximates to the carrying value due to the short-term maturity of these instruments.

The table below analyses financial instruments measured at fair value at the end of the reporting period, by the level in the fair value hierarchy into which the fair value measurement is categorized:

	Level 1 ₦	Level 2 ₦	Level 3 ₦
<b>31<sup>st</sup> December, 2021</b>			
<b>Assets</b>			
Cash and cash equivalents	1,672,277,999 =====	- =====	- =====
<b>31<sup>st</sup> December, 2020</b>			
<b>Assets</b>			
Cash and cash equivalents	1,122,717,025 =====	- =====	- =====

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

	2021 ₦	2020 ₦
<b>7. Revenue</b>		
Membership fees (note 7.1)*	185,900,000	240,650,000
Net summit income (note 7.2)	125,911,533	54,981,558
Net project income (note 7.3)	102,646,876	62,844,414
	<hr/>	<hr/>
	414,458,409	358,475,972
	=====	=====
<b>7.1 Membership fees</b>		
Corporate elite	148,000,000	191,000,000
Corporate enhanced	31,000,000	40,000,000
Corporate standard	6,000,000	8,750,000
Individual members	900,000	900,000
	<hr/>	<hr/>
	185,900,000	240,650,000
	=====	=====
*By a policy effective 1st January 2015, not less than 50% of the membership subscription is accounted for as capital development fund, except in extenuating circumstances whereby it can be suspended. The board of directors agreed that no amount should be transferred to the fund in 2021 (2020: nil).		
	2021 ₦	2020 ₦
<b>7.2 Summit income</b>		
<b>Income</b>		
Participation fee	48,940,185	25,474,443
Sponsorship	281,332,030	177,800,000
	<hr/>	<hr/>
<b>Summit income</b>	<b>330,272,215</b>	<b>203,274,443</b>
	<hr/>	<hr/>
<b>Expenditure</b>		
Hotel and other related expenses	116,936,078	85,199,328
Courier, travelling and other expenses	7,063,648	5,065,907
Publicity and publication expenses	80,360,956	58,027,650
	<hr/>	<hr/>
<b>Summit expenses</b>	<b>204,360,682</b>	<b>148,292,885</b>
	<hr/>	<hr/>
<b>Net summit income</b>	<b>125,911,533</b>	<b>54,981,558</b>
	=====	=====
<b>7.3 Project income</b>		
Income	440,583,191	364,774,033
Expenditure	(337,936,315)	(301,929,619)
	<hr/>	<hr/>
<b>Net project income</b>	<b>102,646,876</b>	<b>62,844,414</b>
	=====	=====

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

	2021 ₦	2020 ₦
<b>8. Other operating income</b>		
Exchange gain	179,728,896	61,093,826
NESG fellowship fund (note 8.1)	(37,075,647)	(31,000,000)
Other income	92,334	1,289,921
	<hr/>	<hr/>
	142,745,583	31,383,747
	=====	=====

	2021 ₦	2020 ₦
<b>8.1 NESG fellowship fund</b>		
<b>Income</b>		
Stanbic IBTC	5,000,000	-
	<hr/>	<hr/>
	5,000,000	-
	<hr/>	<hr/>
<b>Expenditure</b>		
Salaries and wages	36,000,000	29,000,000
Accommodation	-	2,000,000
Training	3,260,285	-
Medical support	1,000,000	-
Bridge fellows expenses	1,815,362	-
	<hr/>	<hr/>
Expenses	42,075,647	31,000,000
	<hr/>	<hr/>
<b>Deficit</b>	<b>(37,075,647)</b>	<b>(31,000,000)</b>
	=====	=====

At the Board meeting of the Nigerian Economic Summit Group Ltd/Gte held on 8<sup>th</sup> December 2015, the Organisation was authorised to develop and commence an Internship and Fellowship programme. This is a platform where professionals are employed and seconded by NESG to work with Federal Government parastatals in order to support Nigeria Economy.

In furtherance of the programme a dedicated account was opened with Zenith Bank for the purpose of lodging funds to be utilised in connection with the programme. An initial fund of ₦ 25 million was appropriated from the Organisation's reserve into NESG fellowship fund account. This account warehouses the funds received from sponsors and expenses incurred in connection with the programme. As stated in the minutes of meetings held in September 2020, the Bridge fellowship programme was introduced in 2019, these are specialised technical volunteers selected based on required skills, experience e.t.c. They are trained and used to execute the group assignments and projects. The fund had a deficit of income over expenditure of ₦ 37 million (2020: ₦ 31 million) which was funded from the operating income of the group.

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

	2021 ₦	2020 ₦
<b>9. Administrative expenses</b>		
Directors' remuneration	39,289,024	34,977,521
Salaries and wages	223,030,340	161,011,540
Repairs and maintenance	10,327,721	6,775,554
Printing and stationeries	3,203,272	5,823,908
Transport and travelling	26,854,726	14,042,542
Postage and telephone	18,525,672	15,000,726
Utilities	4,921,575	4,530,569
Entertainment	13,416,750	10,944,879
Insurance	6,145,035	3,661,279
Staff recruitment and training	12,165,548	13,815,303
Donations and gifts	6,286,810	5,066,550
Subscriptions	4,216,545	3,874,432
Medical	16,044,899	11,592,372
Depreciation	23,193,886	26,993,841
Audit fees	2,000,000	2,000,000
Pension contribution	23,785,966	18,114,391
Electricity	9,276,815	8,279,405
Rent and rates	17,047,368	20,511,225
AGM expenses	1,633,893	150,500
Newspapers and periodicals	380,800	477,833
Security expenses	4,883,900	4,972,154
Office expenses	20,642,544	5,141,667
Bank charges	1,175,417	646,578
Research and development	25,043,333	24,126,300
Information technology	16,018,650	12,904,033
Exchange loss	558,092	759,062
Loss on disposal of asset	-	421,292
	<hr/> 530,068,581 <hr/> =====	<hr/> 416,615,456 <hr/> =====
<b>10. Finance income</b>		
Interest income	27,691,908	44,715,850
Investment income	929,658	943,625
	<hr/> 28,621,566 <hr/> =====	<hr/> 45,659,475 <hr/> =====
<b>11. Income tax expense</b>		

The Organisation's income received from members and donor are exempted from companies income tax and this is in accordance to Companies Income Tax Act 2007 Section 23.

**THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)**

*Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

**12. Property, plant and equipment**

<u>Cost</u>	Land #	Building #	Motor vehicle #	Furniture fittings & fixtures #	Office equipment #	Library books #	Plant & machinery #	Total #
<b>As at 1<sup>st</sup> January, 2020</b>	226,702,158	260,471,211	13,320,250	59,467,557	51,440,548	1,010,599	4,308,000	616,720,323
Additions	-	-	-	161,890	4,466,538	-	-	4,628,428
Reclassification*	-	-	-	-	(2,204,749)	-	-	(2,204,749)
Disposal	-	-	-	-	(1,976,850)	-	-	(1,976,850)
<b>As at 31<sup>st</sup> December, 2020</b>	226,702,158	260,471,211	13,320,250	59,629,447	51,725,487	1,010,599	4,308,000	617,167,152
Additions	-	-	-	1,488,700	8,392,310	-	-	9,881,010
Disposal	-	-	-	(800,000)	(340,000)	-	-	(1,140,000)
<b>As at 31<sup>st</sup> December, 2021</b>	226,702,158	260,471,211	13,320,250	60,318,147	59,777,797	1,010,599	4,308,000	625,908,162
<u>Depreciation</u>								
<b>As at 1<sup>st</sup> January, 2020</b>	18,084,992	45,256,872	9,098,886	38,605,504	30,227,564	1,010,599	4,180,133	146,464,550
Charge for the year	425,201	7,380,019	2,302,562	9,140,558	7,639,834	-	105,867	26,993,841
Reclassification*	-	-	-	-	(790,900)	-	-	(790,900)
Disposal	-	-	-	-	(1,555,558)	-	-	(1,555,558)
<b>As at 31<sup>st</sup> December, 2020</b>	18,510,193	52,636,891	11,401,448	47,746,062	35,520,740	1,010,599	4,286,000	171,111,933
Charge for the year	2,289,922	6,511,780	1,918,802	5,428,888	7,022,495	-	21,999	23,193,886
Disposal	-	-	-	(786,667)	(90,667)	-	-	(877,334)
<b>As at 31<sup>st</sup> December, 2021</b>	20,800,115	59,148,671	13,320,250	52,388,283	42,452,568	1,010,599	4,307,999	193,428,485
<u>Carrying amount</u>								
<b>As at 31<sup>st</sup> December, 2021</b>	205,902,043	201,322,540	-	7,929,864	17,325,229	-	1	432,479,677
<b>As at 31<sup>st</sup> December, 2020</b>	208,191,965	207,834,320	1,918,802	11,883,385	16,204,747	-	22,000	446,055,219

**Impairment of property, plant and equipment**

There are no indications of impairment at the end of the reporting period, thus, the directors are of the opinion that allowance for impairment is not required, and as such, no impairment is recognised during the year.

\* This represents the reclassification of project assets to the project account.

# THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

## Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)

	2021 ₦	2020 ₦
<b>13. Financial assets at fair value through other comprehensive income</b>		
Fair Value	27,872,629	27,162,208
Fair value change (13.1)	5,113,787	4,104,550
Disposal	-	(3,394,129)
	<hr/>	<hr/>
	32,986,416	27,872,629
	=====	=====
<b>13.1 Fair value reserve</b>		
As at 1 <sup>st</sup> January,	(11,006,481)	(1,078,291)
Derecognition of fair value gain*	-	(14,032,740)
Fair value change	5,113,787	4,104,550
	<hr/>	<hr/>
As at 1 <sup>st</sup> December,	(5,892,694)	(11,006,481)
	=====	=====
* This represents the transfer of the fair value gain on the long outstanding BGL shares, which has been fully provided for in previous years, to the accumulated fund account.		
	2021	2020
	₦	₦
<b>14. Prepayments</b>		
Prepaid insurance	3,620,618	2,506,394
Prepaid rent	11,723,984	11,085,376
Prepaid expenses	11,864,390	10,124,310
	<hr/>	<hr/>
	27,208,992	23,716,080
	=====	=====
<b>15. Trade and other receivables</b>		
Trade receivables (15.1)	23,000,000	-
Staff advances	9,757,124	4,650,000
Other receivables	-	4,684,051
	<hr/>	<hr/>
	32,757,124	9,334,051
	=====	=====
<b>15.1 Trade receivables</b>		
As at 1 <sup>st</sup> January,	-	38,871,962
Additions during the year	23,000,000	-
Receipt during the year	-	(38,871,962)
	<hr/>	<hr/>
As at 31 <sup>st</sup> December	23,000,000	-
	=====	=====

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)

	2021 ₦	2020 ₦
<b>16. Cash and cash equivalents</b>		
Cash in hand	63,280	3,798,250
Local currencies in bank	184,728,504	290,927,316
Foreign currencies in bank	1,080,332,437	58,780,256
Fixed deposit*	407,153,778	769,211,203
	<hr/>	<hr/>
	1,672,277,999	1,122,717,025
	=====	=====

\* This represents fixed deposit held with Sterling Bank Plc as at year end with interest rate ranging from 2.25% to 4.00%.

	2021 ₦	2020 ₦
<b>17. Deferred income</b>		
Open Society Initiative for West Africa (17.1)	-	41,812,200
Bill & Melinda Gate Foundation (17.2)	400,026,400	-
Membership fee received in advance (17.6)	6,000,000	7,500,000
Policy innovation unit (17.3)	140,800,000	-
John David Catherine T MacArthur (17.4)	52,793,000	-
Ford Foundation (17.5)	9,130,800	-
Sterling Bank investment (17.7)	1,042,411	-
	<hr/>	<hr/>
	609,792,611	49,312,200
	=====	=====

#### 17.1 Open Society Initiative for West Africa (OSIWA)

The grant was awarded by OSIWA to promote the adoption of fiscal sustainability for Debt Restructuring and Social Financing in West Africa. The term of the grant is for 15 months commencing on the 15<sup>th</sup> of November, 2020 and ending on the 15<sup>th</sup> March, 2022, subject to 6 months automatic renewal, if any term of the activities remain uncompleted. Payment shall be disbursed in two instalments of \$ 116,105 and \$ 71,960 respectively. The first phase of the project has been completed.

#### 17.2 Bill and Melinda Gate Foundation (BMGF)

The Bill and Melinda Gate Foundation provided the grant to support Nigeria's equitable economic recovery and accelerate the implementation of Sustainable Development Goals (SDGs) and Human Capital Development (HCD) policies. The grant project titled: "Accelerating SDGs and HCD Policy Implementation in Nigeria" commenced officially on 7<sup>th</sup> November, 2021 and scheduled to end 30<sup>th</sup> September, 2024. The grant would be disbursed in three (3) instalments of \$ 1,500,066, \$ 1,000,000 and \$ 500,000 respectively. Following the disbursement of the first instalment in December 2021, the project is ongoing.

#### 17.3 Policy Innovation Unit (PIU)

Rockefeller Philanthropy Advisors (RPA), on behalf of its sponsored project - Supporting an Enabling Regulatory Environment (SERE); awarded NESG a grant of \$ 720,000 as project support for the role of a Deputy Director within the Policy Innovation Unit (a behavioural science team) of NESG. The duration of the grant is from 1<sup>st</sup> August, 2021 to 31<sup>st</sup> July 2024. The grant would be disbursed in 2 instalments of \$ 432,000 and \$ 288,000 respectively. The program is ongoing.

#### 17.4 John D. and Catherine T. MacArthur Foundation

This represents the grant of \$ 800,000 approved for the NESG by John D. and Catherine T. MacArthur Foundation. The purpose of the grant project is to institutionalise behaviour change approaches for reducing corruption in public and private sectors in Nigeria. The project period is from 1<sup>st</sup> July, 2021 to 30<sup>th</sup> June, 2024. Payment are to be made in three instalments of \$ 300,000, \$ 250,000 and \$ 250,000 respectively. The project is ongoing.

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

#### **17. Deferred income (continued)**

##### **17.5 Ford Foundation**

The \$ 150,000 grant was approved by the Ford Foundation as a support to the NESG for a project to conduct a diagnostic assessment of Nigeria's minerals sector. This is to be conducted over a period of one year beginning 1<sup>st</sup> September, 2021. The payment would be made in two instalments of \$ 100,000 and \$ 50,000 respectively. The project is ongoing.

	2021 ₦	2020 ₦
<b>17.6 Membership fee received in advance</b>		
Flour Mills	3,000,000	-
Julius Berger	-	3,000,000
Stanbic IBTC	3,000,000	3,000,000
Tropical Africa	-	1,500,000
	<hr/>	<hr/>
	6,000,000	7,500,000
	=====	=====

##### **17.7 Sterling Bank investment**

This represents outstanding discounted interest income to be earned on investment in Sterling Bank.

#### **18. Trade and other payables**

Trade payables	228,892	59,896,000
Lagos State Internal Revenue	3,189,375	3,189,375
Other payable (18.1)	1,799,626	7,288,449
	<hr/>	<hr/>
	5,217,893	70,373,824
	=====	=====

##### **18.1 Other payable**

Withholding tax	1,282,088	7,288,449
Pension payable	517,538	-
	<hr/>	<hr/>
	1,799,626	7,288,449
	=====	=====

#### **19. Accruals**

Accrued expenses	14,319,960	2,500,000
	=====	=====

#### **20. Related party transactions**

Parties are considered to be related if one party has the ability to control the other party or exercises significant influence over the other party in making financial or operational decisions.

The entity made transactions to/from its related parties during the year 2021. These transactions were conducted on an arm's length basis in the ordinary course of business. The transactions made during the year were:

- Capital development fund: The Organisation set aside 50% of membership contribution with effect from 1<sup>st</sup> January 2015 as capital development fund. This fund is to be used for capital development project. It was agreed that no amount will be transferred to Capital reserve in the year (2020: nil). The balance in this fund account as at 31<sup>st</sup> December, 2021 is ₦= 485.1 million.
- Nigerian Economic Summit Group Fellowship Fund: This fund is set aside for internship and fellowship programme and separate bank account is maintained. This is to support government and the economy. The initial fund of ₦= 25 million was provided by the Organisation while subsequent funds were generated from various sponsors. Details of the fund has been disclosed

**THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)**

*Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

in note 8.1.

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)

#### 21. Transactions with key management personnel

- Key management staff are those persons who have authority and responsibility for planning, directing and controlling the activities of the Organisation. Key management includes directors (executive and non-executive).

The compensation paid to key management for employee services is shown below:

	2021 ₦	2020 ₦
Salaries and other short-term benefits	39,289,024	34,977,521
	=====	=====

This represents payment made to the executive director

#### 22. Surplus for the year

	55,756,977	18,903,738
	=====	=====
This is stated after charging/(crediting)		
Depreciation	23,193,886	26,993,841
Auditor's remuneration	2,000,000	2,000,000
Director's emoluments	39,289,024	34,977,521
Exchange gain	(179,728,896)	(61,093,826)
Exchange loss	558,092	759,062
Employee costs (23.1)	275,026,753	204,533,606
	=====	=====

#### 23. Information regarding employees

##### 23.1 Employee costs

Salaries and wages	223,030,340	161,011,540
Medical	16,044,899	11,592,372
Pension costs	23,785,966	18,114,391
Staff recruitment and training	12,165,548	13,815,303
	=====	=====
	275,026,753	204,533,606
	=====	=====

The management staff compensation included in the employee costs is ₦59,646,583 (2020: ₦62,746,958).

##### 23.2 Employees remunerated at higher rates

	Number	Number
N, = 900,001 - N, = 1,000,000	1	2
N, = 1,100,001 - N, = 1,600,000	6	6
N, = 1,700,001 - N, = 1,800,000	7	5
N, = 2,100,001 - N, = 2,200,000	3	8
N, = 2,200,001 - N, = 3,500,000	6	4
N, = 3,600,001 - N, = 5,000,000	9	9
N, = 5,000,001 - N, = 8,000,000	11	8
N, = 7,500,001 - N, = 10,000,000	7	2
	=====	=====
	50	44
	==	==

##### 23.3 Average number of employees during the year

Administration	26	16
Research	10	6
Programmes	7	15
Publications & IT	7	7
	=====	=====
	50	44
	==	==

## **THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)**

### ***Note to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)***

#### **24. Contingent liabilities**

As at the year end, there were no known contingent liabilities that have not been provided for in these financial statements (2020: nil).

#### **25. Capital commitments**

There were no capital commitments as at the date of these financial statements (2020: nil).

#### **26. Events after the reporting period**

There were no subsequent events after the reporting period which could have material effect on the financial position of the company as at 31<sup>st</sup> December, 2021 and the profit for the year ended on that date which have not been adequately provided or disclosed.

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Statement of value added for the year ended 31<sup>st</sup> December, 2021*

	2021		2020	
	₦	%	₦	%
Revenue	414,458,409		358,475,972	
Operating income	142,745,583		31,383,747	
Finance income	28,621,566		45,659,475	
Bought in goods and services - local	585,825,558 (192,558,918)		435,519,194 (150,110,488)	
Value added	393,266,640	100	285,408,706	100
	=====	===	=====	===
<b>Applied in the following ways:</b>				
<b>To pay employees:</b>				
Salaries, wages and other benefits, including directors' emoluments	314,315,777	80	239,511,127	84
<b>To provide for the maintenance of assets and expansion of operations:</b>				
Depreciation	23,193,886	6	26,993,841	9
Surplus for the year	55,756,977	14	18,903,738	7
	393,266,640	100	285,408,706	100
	=====	===	=====	===

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Five year financial summary*

Year ended 31 <sup>st</sup> December	2021 ₦	2020 ₦	2019 ₦	2018 ₦	2017 ₦
<b>Statement of financial position</b>					
Non-current assets	465,466,093	473,927,848	497,417,981	505,498,539	531,526,282
Current assets	1,732,244,115	1,155,767,156	1,086,810,566	939,383,071	729,943,734
Current liabilities	(629,330,464)	(122,186,024)	(99,727,855)	(112,101,324)	(102,203,359)
<b>Net assets</b>	<b>1,568,379,744</b>	<b>1,507,508,980</b>	<b>1,484,500,692</b>	<b>1,332,780,286</b>	<b>1,159,266,657</b>
<b>Capital employed</b>					
Accumulated fund	1,089,171,020	1,033,414,043	1,000,477,565	972,931,340	909,486,021
Capital fund	485,101,418	485,101,418	485,101,418	352,376,418	234,176,418
Fair value reserve	(5,892,694)	(11,006,481)	(1,078,291)	7,472,528	15,604,218
<b>Total equity</b>	<b>1,568,379,744</b>	<b>1,507,508,980</b>	<b>1,484,500,692</b>	<b>1,332,780,286</b>	<b>1,159,266,657</b>
<b>Profit or loss</b>					
Revenue	414,458,409	358,475,972	330,014,001	309,006,074	241,148,122
Surplus before income tax	55,756,977	18,903,738	27,546,225	63,445,319	29,705,343
Income tax	-	-	-	-	-
Surplus for the year	55,756,977	18,903,738	27,546,225	63,445,319	29,705,343
Other comprehensive income: Fair value gain/(loss) on available for sale financial assets at fair value through other comprehensive income	5,113,787	4,104,550	(8,550,819)	(8,131,690)	16,410,238
<b>Total comprehensive income</b>	<b>60,870,764</b>	<b>23,008,288</b>	<b>18,995,406</b>	<b>55,313,629</b>	<b>46,115,581</b>
	=====	=====	=====	=====	=====

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

*Schedules to the financial statements for the year ended 31<sup>st</sup> December 2021*

	2021 N, =	2020 N, =
<b>Membership contribution</b>		
<b>(i) Corporate Elite</b>		
Africa Foundries Ltd	-	4,000,000
Axa Mansard Insurance Plc	3,000,000	3,000,000
BUA group	-	3,000,000
Capital Alliance Nigeria Limited	-	3,000,000
Central Securities Clearing Systems	3,000,000	3,000,000
Chevron Nigeria Limited	3,000,000	3,000,000
Coca Cola Nigeria Ltd	3,000,000	3,000,000
Commercio Partners Ltd	-	4,000,000
Coronation Merchant Bank	3,000,000	3,000,000
Dangote Group Nigeria Ltd	-	3,000,000
Deloitte	3,000,000	3,000,000
Ecobank Plc	-	3,000,000
FBN Quest Merchant Bank	3,000,000	3,000,000
Fidelity Bank Plc.	-	3,000,000
First Bank of Nig. Limited	-	3,000,000
First City Monument Bank	3,000,000	3,000,000
Flour Mills Limited	3,000,000	3,000,000
FMDQ OTC Plc	3,000,000	3,000,000
Friesland Campina WAMCO Nig PLC	3,000,000	3,000,000
Fsdh Merchant Bank Limited	3,000,000	3,000,000
Habanera Ltd	3,000,000	3,000,000
IBM West African Ltd	3,000,000	3,000,000
IHS Nigeria Ltd	3,000,000	4,000,000
Investment One Fin. Service Ltd.	3,000,000	3,000,000
Julius Berger Plc	3,000,000	3,000,000
KPMG Professional Services	3,000,000	3,000,000
Lafarge Africa Plc	3,000,000	3,000,000
Lagos Free Trade Zone	-	3,000,000
Levene Energy Group	-	4,000,000
Mainone cable	4,000,000	-
MRS Holding Limited	4,000,000	-
MTN Communications Nigeria Limited	3,000,000	3,000,000
Nestle Nigeria Plc	6,000,000	-
Nig. Inter bank Settlement System	-	3,000,000
Nigeria NLG	3,000,000	3,000,000
Nigeria Breweries Plc	3,000,000	6,000,000
NIRSAL	-	3,000,000
North South Power Coy. Limited	3,000,000	3,000,000
OCP Amca Fertilizer Nig. Ltd	3,000,000	4,000,000
Oando	-	3,000,000
Olam Nigeria Limited	-	1,500,000
Ports & Terminal Multisery Ltd	3,000,000	3,000,000
Pricewater House Coopers	3,000,000	3,000,000
Prime Atlantic Limited	3,000,000	3,000,000
Procter & Gamble Nigeria Ltd	3,000,000	3,000,000
PZ Cussons Nigeria Plc	3,000,000	3,000,000
Rand Merchant Bank Nig. Limited	-	3,000,000
Securied Nigeria Ltd	3,000,000	3,000,000
Seplat Petroleum Development Organisation Plc	3,000,000	-
Seven-Up Bottling Co. Plc	3,000,000	3,000,000
Sparkle MFB	4,000,000	-
SV Gaming (Betking)	4,000,000	-
Shell Petroleum Development Organisation Limited	3,000,000	3,000,000
Siemens	3,000,000	3,000,000
Stanbic IBTC Bank Plc	3,000,000	3,000,000
Standard Chartered Bank	3,000,000	3,000,000
Sterling Bank Plc	3,000,000	3,000,000
<b>Corporate elite carried forward</b>	<b>133,000,000</b> =====	<b>159,500,000</b> =====

## THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)

### *Schedules to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)*

	2021 ₦	2020 ₦
<b>Membership contribution</b>		
<b>(i) Corporate elite (continued)</b>		
<b>Corporate elite brought forward</b>	<b>133,000,000</b>	<b>159,500,000</b>
Transnational Corporation Plc	3,000,000	3,000,000
Unified Payment Services	3,000,000	1,500,000
Union Bank of Nigeria Plc	3,000,000	3,000,000
United Bank for Africa Plc	-	3,000,000
Unity Bank Plc	-	3,000,000
Unilever Nigeria Plc	3,000,000	3,000,000
Venture Garden	-	3,000,000
VEROD Capital Management	3,000,000	3,000,000
Walter Smith Petroman Oil Ltd	-	3,000,000
Wema Bank Plc	-	3,000,000
Zenith Bank Plc	-	3,000,000
<b>Grand total</b>	<b>148,000,000</b> =====	<b>191,000,000</b> =====
<b>Analysed as follows:</b>		
Membership fees	148,000,000	191,000,000
Capital development fund	-	-
	<b>148,000,000</b> =====	<b>191,000,000</b> =====
<b>(ii) Corporate enhanced</b>		
Airtel Networks Limited	1,500,000	1,500,000
British America Tobacco	1,500,000	1,500,000
CIBN	1,500,000	1,500,000
Citibank Nigeria Limited	1,500,000	1,500,000
Citi Trust	1,500,000	2,500,000
CRC Credit Bureau Limited	1,500,000	1,500,000
De United Foods Industry Limited	-	1,500,000
Ekah lakes	2,500,000	-
Ernst & Young	1,500,000	1,500,000
Google Global Service	-	1,500,000
ICAN	1,500,000	1,500,000
Monaccrep (Chartered Institute of Mgt. Accountants)	1,500,000	1,500,000
NBC	1,500,000	1,500,000
Next Cash and Carry	1,500,000	1,500,000
Page Credit Limited	1,500,000	1,500,000
Phillips Consulting	-	1,500,000
Polaris Bank	-	1,500,000
Saro Africa Int'l Ltd	1,500,000	1,500,000
Signa Alliance	1,500,000	2,500,000
Tee Lad Ind. Ltd	-	2,500,000
The Nigeria Stock Exchange	1,500,000	1,500,000
Toyota Nigeria Limited	1,500,000	1,500,000
Tropical General Investment (Nig.) Limited	1,500,000	1,500,000
Verraki	1,500,000	1,500,000
Zedcrest Capital Ltd	1,500,000	2,500,000
	<b>31,000,000</b> =====	<b>40,000,000</b> =====
<b>Analysed as follows:</b>		
Membership fees	31,000,000	40,000,000
Capital development fund	-	-
	<b>31,000,000</b> =====	<b>40,000,000</b> =====

**THE NIGERIAN ECONOMIC SUMMIT GROUP (LIMITED BY GUARANTEE)*****Schedules to the financial statements for the year ended 31<sup>st</sup> December, 2021 (continued)***






	2021 ₦	2020 ₦
<b>(iii) Corporate standard</b>		
Accion Microfinance Bank Ltd	-	750,000
Aluko & Oyeboode	750,000	750,000
Banwo & Ighodalo	750,000	750,000
C & I Leasing	-	750,000
Corona Schools Trust Council	750,000	750,000
First Trust Mortgage Bank	-	750,000
Jaiz Bank Plc	750,000	750,000
JMG Limited	750,000	-
Olaniwun Ajayi	-	750,000
Promasidor Nigeria	750,000	750,000
S. O & U Ltd	-	500,000
Total Health Trust	750,000	750,000
Udo Udoma	750,000	750,000
	<hr/>	<hr/>
	6,000,000	8,750,000
	=====	=====
<b>Analysed as follows:</b>		
Membership fees	6,000,000	8,750,000
Capital development fund	-	-
	<hr/>	<hr/>
	6,000,000	8,750,000
	=====	=====
<b>(iv) Individual members</b>		
Daraju Industries Limited	300,000	300,000
Mediterran Shipping (Nwankwo Chuma)	300,000	300,000
Senantra (Bioye Davies)	300,000	300,000
	<hr/>	<hr/>
	900,000	900,000
	=====	=====
<b>Analysed as follows:</b>		
Membership fees	900,000	900,000
Capital development fund	-	-
	<hr/>	<hr/>
	900,000	900,000
	=====	=====





In February 2021, the Group launched the NESG Podcast services. The NESG Radio is a weekly, syndicated podcast that keeps Nigerians informed through curated localised content on economic policies and issues across sectors of the Nigerian economy. The NESG podcast will help effectively communicate the activities of the Group to a younger audience and extend research-based advocacy in a distillable localised format to all Nigerians. The radio has had guests from the private sector, public sector, civil societies and donor communities speak on issues of national interest. Thus far, NESG Radio has recorded **77 episodes** with several episodes translated to local languages for the mass audience.

To listen please visit [www.nesgroup.org/podcast](http://www.nesgroup.org/podcast)

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Available on



*\*Episodes are syndicated to radio stations across local communities in Nigeria*

## ABOUT NESG

The NESG is an independent, non-partisan, non-sectarian organisation, committed to fostering open and continuous dialogue on Nigeria's economic development. The NESG strives to forge a mutual understanding between leaders of thought so as to explore, discover and support initiatives directed at improving Nigeria's economic policies, institutions, and management.

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