

Report of the 24th Nigerian Economic Summit

Poverty to Prosperity: Making Governance and Institutions Work

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Ministry of
Budget and
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The
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24
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Summit



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CONTENTS

Part A

| | |
|-------------------|---|
| Executive Summary | 5 |
|-------------------|---|

Part B

| | |
|--|-----|
| Opening, Plenary and Breakout Sessions | 27- |
|--|-----|

Day 1: MONDAY, October 22

| | |
|---|----|
| SUMMIT OPENING: Welcome Remarks; Opening Remarks; Keynote Address and Summit Opening Address | 29 |
|---|----|

| | |
|---|----|
| PLENARY I: Corruption and Rule of Law - Zero Tolerance | 36 |
|---|----|

BREAKOUT SESSIONS

| | |
|--|----|
| Accelerating Infrastructure Investments | 44 |
|--|----|

- Group Discussion I – Alternative Financing Options for Nigeria’s Infrastructure
- Group Discussion II – Restoring the Financial Viability of the Nigerian Electricity Supply Industry

| | |
|---|----|
| 23 Million Nigerian Youth: Turning Risk to Opportunity | 52 |
|---|----|

- Group Discussion I – E-Learning Content & Credentialing
- Group Discussion II – Meeting the Demands for a Quality and Affordable Broadband Infrastructure

| | |
|---|----|
| Exploiting Regional and Global Markets | 60 |
|---|----|

- Group Discussion I: Mining Our Business
- Group Discussion II – Local Production, Regional Trade and Global Markets

| | |
|--|----|
| \$196 Billion Investments By 2020 | 67 |
|--|----|

- Group Discussion I – Investing in Nigeria: From Opportunities to Realities
- Group Discussion II – Enhancing the Absorptive Capacity of Nigeria’s Financial System

| | |
|--|----|
| Optimizing Business Opportunities in the Talent Economy | 75 |
|--|----|

- Group Discussion I – Unlocking the Untapped Potential for Growth in the Creative Industry
- Group Discussion II – Maximizing the Value of Sports as a Business

| | |
|---|----|
| New Frontiers for Business and Economic Growth | 85 |
|---|----|

- Group Discussion I – Innovation, Growth and Environmental Sustainability: Turning Constraints to Opportunities
- Group Discussion II – Unlocking Incentives for Nigeria’s ‘Sustainability Champions’

| | |
|---|----|
| PLENARY II: Effective Public Institutions – The Unfinished Business of Reforms | 93 |
|---|----|

Day 2: TUESDAY, October 23

| | |
|---|-----|
| PLENARY III: Sustainable Economic Opportunities – Ending the Vicious Cycle | 100 |
|---|-----|

| | |
|---|-----|
| PLENARY IV: Participation & Citizens’ Rights – Citizens Dividend as a Measure of Good Governance | 105 |
|---|-----|

| | |
|---|-----|
| PLENARY V: Human Development - Investing in Our People | 111 |
|---|-----|

| | |
|----------------|-----|
| Summit Closing | 116 |
|----------------|-----|

Part C

| | |
|-------------|-----|
| Side Events | 118 |
|-------------|-----|



POVERTY TO PROSPERITY: MAKING GOVERNANCE AND INSTITUTIONS WORK

1. INTRODUCTION

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

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

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

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

The country’s rampant education and healthcare challenges have also been highlighted in reports by the United Nations International Children’s Emergency Fund (UNICEF), World Health Organization and World Economic Forum. Of particular concern is Nigeria’s ranking as the country with the highest number of out-of-school children, and one of the worst healthcare systems and infant & maternal mortality rates in the world.

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

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

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

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

The key objectives of the Summit were to:

- Underscore the link between good governance and economic growth and development
- Highlight the current state of governance and the challenges in delivering public services
- Map key governance indicators on human development outcomes
- Set an agenda that emphasizes citizens' dividend as a measure of good governance.

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

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

2. SUMMARY OF KEY DELIBERATIONS

The discussions at the Summit were structured on five pillars of inputs and outcomes (drawn from selected indicators in the Ibrahim Index for African Governance) which served as the Summit's Sub-Themes: Corruption and Rule of Law; Effective Public Institutions; Participation and Citizens' Rights; Sustainable Economic Opportunities; and Human Development. The Summit also included 11 Policy Commission breakout sessions (facilitated by the National Economic Summit Group Policy Commissions). Facilitators of these sessions adopted a workshop approach in discussing specific governance issues relating to service delivery in their focus sectors/areas.

Welcome and Opening Remarks

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



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

Keynote Address – Moving Nigeria Forward: Making Prosperity Work

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

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

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

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

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

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

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

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

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

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

² CIA World Fact book.

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

⁴ CIA World Fact book.

- Build and empower an effective economic team
- Strengthen peak economic institutions
- Enable alliances between urban entrepreneurs and rural producers
- Break through critical bottlenecks in infrastructure, notably electricity
- Create a more predictable environment for transactions.

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

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

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

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

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

- *The role of institutions in growth and development*

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

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

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

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

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

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



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

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

7 http://www.un.org/esa/desa/papers/2007/wp54_2007.pdf



Sources: Transparency International; World Bank

Summit Opening Address

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

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

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

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

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

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

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

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

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

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

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

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

- *Ineffective public and judicial system*

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

- *Culture of impunity and poor accountability in government*

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

- *Poor remuneration in the public service*

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

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

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

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

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

- *Build effective public and judicial institutions*

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

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

- *International support on anti-corruption*

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

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

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

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

Pillar II – Effective Public Institutions: Unfinished Business of Reforms

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

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

- *Bureaucratic model of public service*

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

- *Ineffective performance management system*

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

- *Delay in adopting technology*

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

- *Ineffective implementation of public service reforms*

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

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

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

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

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

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

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

Pillar III – Sustainable Economic Opportunities – Ending the Vicious Cycle

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

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

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

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

- *Insufficient capital to drive economic growth*

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

- *Hostile business and investment environment*

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

- *Poor implementation of economic policies and strategies*

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

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

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

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

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

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

- *Revive sectorial strategy*

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

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

- *Improve rural economic climate*

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

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

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

- *Promote environmental sustainability*

Government policies aimed at promoting environmental sustainability should be premised on driving innovation to achieve cost optimization and market competitiveness. Examples of such initiatives include: standardization of the adoption of light-weight plastics for food and beverage manufacturers, alternatives to synthetic detergent packaging, eradication of plastics in certain spaces such as retail stores, etc.

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

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

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

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

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

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

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

platform has not proved to be effective.

- *Inadequate demand from citizens for their rights*

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

Citizens’ lack of trust in Government and its initiatives

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

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

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

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

Enhance Citizen Participation in Governance

- Increase collaboration between government, private sector and civil society organisation

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

- Increase demand for Government’s accountability

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

Pillar V – Human Development: Investing in our People

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

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

Table 1: Human Development statistics

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

Source: United Nations HDI

Table 2: Labour Force statistics

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

Source: NBS

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

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

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

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

- *Population growth currently outpaces economic growth*

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

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

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

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

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

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

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

To combat these challenges, the following solutions were proffered:

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

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

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

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

- *Increase investments and implement policies to improve Nigeria's health and education outcomes*

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

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

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

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

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

3. SUMMARY OF KEY RECOMMENDATIONS

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

| Pillar | Strategic imperative | High-level action plan | Responsibilities |
|---|---|--|---|
| a. Sustain the Reforms of the Judicial System to Improve Rule of law and Enhance Prosecution of Corruption Cases | | | |
| Corruption and Rule of Law | Continued reform of the judicial systems to achieve fair and speedy prosecutions of corruption cases at the federal and state court systems. | <ul style="list-style-type: none"> Review obsolete laws that delay the administration of justice. Implement detailed examination and scrutiny of judicial officials before appointment. Implement competitive remuneration for judges. Work closely with state judiciary to ensure harmony in the country's judiciary system. Create and implement the necessary checks and balances in the judiciary to ensure that their integrity is not compromised. Implement framework for enforcing appropriate disciplinary actions against lawyers who indulge in dilatory practices. | <ul style="list-style-type: none"> Federal Ministry of Justice National Assembly State Judiciary National Judicial Council Head of Federal Civil Service |
| b. Strengthen Partnership with International Community and Private Sectors to Address the Challenges of Corruption | | | |
| | Drive international support for anti-corruption drive by building effective partnership with international community and foreign governments. | <ul style="list-style-type: none"> Work closely with other countries and foreign institutions to recover and return looted funds. Define, advocate and implement bilateral agreements with target countries on repatriation of looted funds. | <ul style="list-style-type: none"> Federal Ministry of Finance Federal Ministry of Justice Ministry of Foreign Affairs |

| Pillar | Strategic imperative | High-level action plan | Responsibilities |
|---|---|--|--|
| c. Accelerate Transformation of the Civil Service at Federal and State Levels, Leveraging Capabilities & Experience in the Private Sector to Build and Effective Public Institution in Nigeria | | | |
| Effective Public Institutions | Develop, roll-out and implement a comprehensive public service transformation plan | Conduct skills audit of all staff in MDAs <ul style="list-style-type: none"> • Conduct current state review of operating model of the Nigerian Civil Service to identify hindrances to productivity and service delivery. • Re-evaluate compensation and benefits framework. • Develop and roll-out an effective performance management system focused on outputs and outcomes. • Develop and implement a culture transformation and change management programme across federal and state civil service. | <ul style="list-style-type: none"> • Office of the Head of Civil Service • State Governments |
| | Leverage public-private sector collaboration to drive transformation in the civil service | <ul style="list-style-type: none"> • Set up a platform for interaction between Federal Civil Service, State Civil Services and the private sector. • Develop a comprehensive private-sector-led initiative to facilitate transformation of the Civil Service. • Participate in dialogue sessions with the private sector. | <ul style="list-style-type: none"> • Federal and State MDAs • Office of the Head of Civil Service • State Governments • NESG |
| d. Enhance Nigeria's Economic and Sectorial Strategies & Policies and Strengthen Capabilities to Drive Implementation to Achieve a Faster Economic Growth Rate | | | |
| Create sustainable economic opportunities | Align governments, regulators and agencies to focus on long-term growth as well as attraction of private capital investment | <ul style="list-style-type: none"> • Develop economic policies that boost private capital inflow. | <ul style="list-style-type: none"> • Federal Government • Private sector |

| Pillar | Strategic imperative | High-level action plan | Responsibilities |
|--|--------------------------------------|---|--|
| | Revive sectorial strategy | <ul style="list-style-type: none"> Consultative industry groups should be set up to drive innovation in specific sectors. Fast-track the development and roll-out of mining standards and codes. Design export policy standards for agricultural commodities. Eliminate interventions (such as price-controls) on certain inputs e.g. fertilizer. Fight piracy by pushing for private copyright levy. Establish a free zone for the creative industry to incentivise investments. | <ul style="list-style-type: none"> Private sector Federal Ministry of Mines and Steel Federal Ministry of Agriculture National Assembly Ministry of Information and Culture Copyright Commission |
| e. Drive Targeted Investment to Boost the Rural Economic Climate and Strengthen Entrepreneurship in order to Create Sustainable Economic Opportunities and End the Vicious Cycle of Poverty | | | |
| Create sustainable opportunities | Improve the rural economic climate | Invest in micro-grids for electricity supply and feeder roads for access to markets. | Federal and State Governments Private sector |
| | Strengthen entrepreneurship | Improve access to affordable financing for SMEs and businesses in the informal sector. | Federal Government Private sector (Financial Institutions) |
| | Promote environmental sustainability | <ul style="list-style-type: none"> Standardise the use of light-weight plastics. Introduce alternatives to detergents packaging. Introduce legislation to eliminate the use of plastics. | National Environmental Standards and Regulations Enforcement Agency National Assembl |

| Pillar | Strategic imperative | High-level action plan | Responsibilities |
|---|---|--|---|
| f. Accelerate & Boost Investment in Social Infrastructure, Health and Education to Dramatically Reverse the Declining Human Development Outcomes | | | |
| Human Development | Improve funding for critical infrastructure to improve health and education outcomes | <ul style="list-style-type: none"> Define and implement policies targeted at encouraging private capital investments in critical development infrastructure. Form a joint committee with the private sector players with long-term funds (especially Pension Fund Administrators and insurance companies) to identify projects. Define and implement a development projects monitoring framework with focus on linking project completion/ performance to funding . | <ul style="list-style-type: none"> Federal & State Governments Pension Fund Administrators Insurance companies |
| | Improve health and education outcomes especially for vulnerable children and pregnant mothers | Define and implement initiatives that utilize retired teachers with distinguished careers in filling education gaps especially in primary and secondary schools. | <ul style="list-style-type: none"> Federal & State Governments Private Sector |
| | Transform delivery of education by adopting technology and partnership with entrepreneurs and start-ups | <ul style="list-style-type: none"> Government should implement innovative and emerging technology that will foster educational development. Government should develop policies that enable technology entrepreneurs to become key players within the education sector and provide support for education technology incubators. | <ul style="list-style-type: none"> Federal& State Governments Private Sector |

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

4. OTHER ISSUES AND RECOMMENDATIONS

Sector-specific issues

| Sector | Issues | Recommendations | Responsibilities |
|-----------|---|---|--|
| Power | <ul style="list-style-type: none"> Low tariffs and large non-collectible debts Inappropriate government policies | <ul style="list-style-type: none"> Develop a mechanism to improve the liquidity of DisCos. Review the Multi-Year Tariff Order current pricing mechanism. Consider Disco franchising. | Nigeria Electricity Regulatory Commission (NERC) |
| Education | Misalignment of university curricula to workplace expectations | <ul style="list-style-type: none"> Develop a National Job Plan Active participation of state governments in the promotion of primary and secondary education. | Ministry of Education (Federal & States) Private sector |
| Mining | <ul style="list-style-type: none"> Insufficient information to make investment decisions Inadequate funding for the exploration segment of the mining value chain | <ul style="list-style-type: none"> Develop a robust regulatory framework for the mining sector. Facilitate stakeholder awareness and engagement in the mining sector. | Federal Ministry of Mines and Steel National assembly |

| Sector | Issues | Recommendations | Responsibilities |
|---------------|--|--|--|
| Agriculture | <ul style="list-style-type: none"> Ineffective and inadequate multi-modal transport infrastructure. Ineffective policy formulation and execution. Inadequate funding for farmers. | <ul style="list-style-type: none"> Improve port access Design market-oriented policies. Develop a sustainable financing framework. | <ul style="list-style-type: none"> Federal Ministry of Agriculture. National Assembly. NESG |
| Entertainment | <ul style="list-style-type: none"> Continuing menace of piracy and copyright infringement. Limited funding to promote exploratory ideas. Mismatch between goals set out in the ERGP and industry trends. | <ul style="list-style-type: none"> Address copyright issues Conduct a detailed value chain study and size of the industry. Establish a free zone for the creative industry. | <ul style="list-style-type: none"> Federal Ministry of Information and Culture. National Copyright Commission. Ministry of Justice. |
| Sports | <ul style="list-style-type: none"> Inadequate capacity at the grassroots level for sports mobilization. Lack of access to sports infrastructure. The current regulatory structure is not fit-for-purpose. | <ul style="list-style-type: none"> Review the current regulatory structure of the sports industry. Develop a synergy between sports and education. Address the issue of infrastructural gap in the sports industry. | <p>Ministry of Sports and Education</p> <p>NESG/Private Sector</p> |

| Sector | Issues | Recommendations | Responsibilities |
|--------|---|--|--|
| Health | <ul style="list-style-type: none"> Bureaucracy and bottlenecks hinder partnerships and growth in the health sector. Inadequacies in the capacity development of healthcare professionals. Disproportionate distribution of healthcare professionals and facilities in the country. | <p>Create a favourable environment for investors to participate in the provision of healthcare services</p> <p>Develop a policy to incentivise healthcare investments.</p> | <ul style="list-style-type: none"> Federal Ministry of Health. National Identity Management Commission. Federal Government. National Assembly Business Environment Roundtable. |

Other issues

| Topic | Issues | Recommendations | Responsibilities |
|--|---|--|--|
| Alternative financing options for Nigeria's infrastructure | <ul style="list-style-type: none"> Disconnect between the pool of long-term capital and infrastructure financing needs. High political risk and uncertain macroeconomic environment to incentivise private capital. | <ul style="list-style-type: none"> Develop a Public-Private Partnership (PPP) framework for infrastructure projects. Adopt brownfield recycling for current productive assets. Use of road tax to generate revenue. | <ul style="list-style-type: none"> Infrastructure Concession Regulatory Commission. National Pension Commission. Pension Fund Administrators. |
| Enhancing the absorptive capacity of the Nigerian financial system | <ul style="list-style-type: none"> Infrastructural deficit in the Nigerian financial industry. Local Financial Markets lack depth and liquidity. Neglect of industries with high export potentials. | <ul style="list-style-type: none"> Develop banks that have differential capital base across core capital intensive sectors. | Central Bank of Nigeria |

| Topic | Issues | Recommendations | Responsibilities |
|--|--|---|--|
| Leveraging Domestic Resource Mobilization for Sustainable Development | <ul style="list-style-type: none"> Ineffective tax system. Lack of fidelity to rules and procedures surrounding fiscal governance. Ineffectiveness of the existing budget planning process. | <ul style="list-style-type: none"> Reform the tax codes, especially the Value Added Tax Act. <p>Ensure strict adherence to rules surrounding fiscal governance</p> <ul style="list-style-type: none"> Develop an efficient budget planning process. | <ul style="list-style-type: none"> Federal, State and Local Governments. National assembly. |
| Breaking Barriers: Cashing in on Human Development in the Niger-Delta | <ul style="list-style-type: none"> Unemployment rate is high among Niger Delta youth. Poor farming techniques among farmers in the Niger Delta region. Inherent gap between training offered and available job opportunities. | <ul style="list-style-type: none"> Ensure that the supply of human capital requirements meet the demands for services in the Niger Delta region. Promote youth innovate training programs with a focus on Information Communication and Technology, construction and agriculture. Promote PIND's capacity development approach to other actors across the country. | Partnership Initiatives in the Niger Delta (PIND). |
| The Conversation Continues: Follow-on to the National Conversation on the Humanitarian Development Peace Nexus | <ul style="list-style-type: none"> Weak collaboration between the private and public sectors. Trust deficit between local and international stakeholders. Inadequate security in vulnerable regions. | <ul style="list-style-type: none"> Develop an integrated approach and conscious collaboration between the government and humanitarian agencies. Strengthen Government-led security effort to enhance delivery of humanitarian aid to the vulnerable population. Collaborate with the private sector to provide services. | <ul style="list-style-type: none"> Federal Government Humanitarian Development Organizations Private Sector |

5. CONCLUSION

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

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

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

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

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

It was, therefore, suggested that, the Government needs to focus on: building effective judicial institutions, developing a comprehensive public service transformational plan, promoting investor-friendly economic policies, improving funding for critical infrastructure, and increasing demand for government accountability.

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

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







MONDAY
October 22

Poverty to Prosperity:
Making Governance
and Institutions Work



Date:

Monday, October 22, 2018

Session:

Opening Session

Time:

09:50 – 12:00pm

Speakers:

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

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

Keynote Address: Professor Peter Lewis; Director, Africa & Middle East Programme; John Hopkins University, USA

Summit Opening Address: Professor Yemi Osinbajo, Vice President, Federal Republic of Nigeria

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

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

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



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

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

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

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

Mr. Ighodalo observed that, despite these improvements, the country remains vulnerable on multiple fronts – economic, social and political, underscored by negative trends in several socio-economic indicators. He referred to the latest jobs report from the National Bureau of Statistics (NBS) that showed that the combined unemployment and under-employment rates rose from 35.2% in the fourth-quarter 2016 to 40% in the third-quarter 2017, implying that during the measurement period, over four million Nigerians either lost their jobs, entered into the labour market and remained unemployed or were employed at jobs that were inadequate to their economic needs. He urged the need for the country to deal with the insecurities at all levels.

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

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

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

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

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

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

The focus of some the Executive orders includes the promotion of local content procurement by government agencies and improving efficiency in the business environment.



Senator Udoma described the summit as an opportunity to examine the progress made through the programmes, policies and objectives of the ERGP because "good governance at all levels is crucial for the success of the ERGP". He reminded participants that the summit discussions would focus on the five sub-themes of corruption and the rule of law, effective public institutions, sustainable economic opportunities, participation and citizens' rights and, human development. Furthermore, he expressed the expectation that the summit deliberations would yield useful recommendations on how to enrich service delivery and to receive suggestions on how to enrich delivery of the plan and services. He stated that "while the ERGP is clear there could always be improvements made on the delivery of the plan."

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

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



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

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

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

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

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

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

1. In cases of successful economic transition, a development-oriented leadership has driven the change.
 2. In cases of weak governance and deficient institutions, modest changes can produce significant growth effects. There is a middle ground, thus focus on efforts that can move the nation forward quickly, as the country doesn't have to get it all right at once.
 3. **Focus on the binding constraints.** Priority should be placed on what needs to be done to move the country forward and on the main obstacles to growth, including:
 - Electricity/ power
 - Ports and Roads, especially rural roads to get produce to the market
 - Ease of capital transaction/ ease of moving money around
 - Education, which is critical especially for bridging the gap in gender education.
1. **Focus on livelihoods rather than jobs.** Eight out of ten Nigerians work in the informal sector - agriculture or urban services. The World Bank studies show that only 3% of the population in Nigeria work in the formal sector.
 2. **Revive industry sectoral strategies and policies.** Develop consultant groups between the government and private sector focusing on

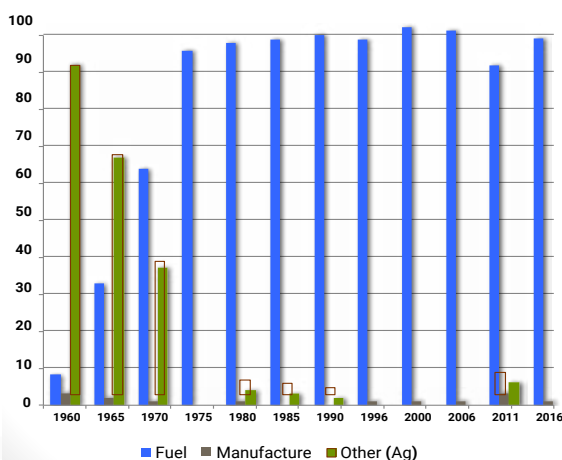
industries such as metals and mining, automobile manufacturing. An alliance of government and key producer groups worked in Indonesia, China, Mexico and Vietnam. For instance, Vietnam went from zero coffee production to number 2 in the world in about 15 years.

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

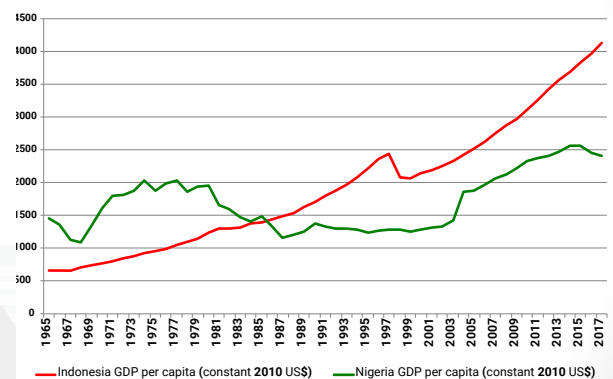
- Build and empower an effective economic team
- Strengthen peak economic institutions
- Pursue alliances with urban entrepreneurs and rural producers
- Break through infrastructure bottlenecks, especially electricity
- Create a more predictable environment for transactions

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

Nigeria: Petroleum Monoculture



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



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

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

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



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

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

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

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

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

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

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

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

1. Ensuring that at least 30% of the budget is spent on capital especially infrastructure. To buttress this, he referred to economics reasoning that as growth in capital expenditure rises, unemployment falls and the human development index improves. Therefore, infrastructure-based policies which will initially improve unemployment will also improve the living conditions.
2. Diversifying the economy especially agriculture, mining and the promotion of MSMEs
3. Strong fiscal discipline especially zero tolerance for grand corruption.
4. Supporting states for payments of salaries and emoluments.
5. A social protection program covering at least 5m of poorest in its first phase.

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

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

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

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

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

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

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

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

- » The NPower programme which is the largest post-tertiary job project in Africa and under which 500 thousand graduates have been recruited as teachers, agriculture extension workers officers and public health officials. The last batch, comprising of 300 thousand graduates, was recruited at the end of August of this year. Each of the volunteers is provided with an electronic tablet which contains relevant training materials. The device empowers the beneficiaries to participate in a digital economy as data collectors and analysts.
- » The Government Enterprise and Empowerment Programme (GEEP) which gives interest-free loans to traders and artisans. So far, over 15bn in interest-free loans ranging from 50,000 – 350,000 has been disbursed to more than 300 market women, traders, artisans and farmers across the country and 56% of those loans have gone to women.
- » The Trader Moni programme, under which microcredits are given to the bottom of the pyramid typically the one-table traders who typically have inventory of less than N5,000. The programme is aimed at encouraging these hardworking traders to buy more, improve their inventory and increase their capacity to earn. Under the scheme, the government is building microcredits for about 2 million petty traders across the country and the scheme enables them to draw more credit if they are able to pay back in 6 months. In addition to this, the government is working with between 6 and 10 banks to enable these traders to open free bank accounts in order for them to have even more access to financial services. So far, the programme has successfully opened about 349,000 new bank accounts.
- » The Energizing Economies Project which is targeted at providing infrastructure, particularly solar power for small economic clusters and markets. Under this project solar power was provided for over 31,000 shops in Ariara market in Aba; for 13,598 shops in Sabon Gari Market in Kano and almost 1,000 shops in three markets in Ondo state. In total, the project has provided solar power to 81,691 shops spread over 320,000 MSMEs.
- » The Home-Grown School Feeding Programme under which a free balanced meal is provided to over 9.2m children in public primary schools

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

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

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

- Achieving the educational outcome specified by the Sustainable Development Goals, which are the target of school enrollment, the target of quality of education, adult literacy and the quality teaching by 2020.
- Undertaking a programme to get the 9million out of school children back to school. A plan that needs the full cooperation of state governments, religious authorities as well as resources to build the schools and equip them properly and pay for a wide number of teachers.
- Given achievements in technology and the country's rapidly increasing population, there is a need to change the substance of education and the methods by which they are taught. There is a need to improve the curriculum from a STEM (Science, Technology, Engineering and Medicine) approach to a STEAM approach (Science, Technology, Engineering, Art and Medicine)



Date:

Monday, October 22, 2018

Session: Plenary I

Corruption and Rule of Law
-Zero Tolerance

Speakers:

His Excellency, Professor Yemi Osinbajo - SAN, GCON Vice President, Federal Republic of Nigeria

Moderator

Professor Ngaire Woods - Founding Dean of the Blavatnik School of Government and Professor of Global Economic Governance, University of Oxford

Session Objectives

- Distil issues and chart a way forward to tackle corruption and strengthen the rule of law in Nigeria
- Discuss Government strategies to create a system that prevents the diversion of public funds

Background

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

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

Issues and Challenges

Prevalence of Grand corruption

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

- » It benefits the privileged few at the expense of the majority and causes serious and widespread harm to individuals and society. The perpetrators often go unpunished.
- » It is a major impediment to national development which is increasingly becoming almost impossible to deal with.
- » It deepens poverty, inequality and increases exclusion.

Unwillingness to confront corruption

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

- » Most people are victims of corruption and will want to see a corruption free society. However, they are helpless when it comes to fighting corruption.
- » The private sector is often unwilling to confront corruption as most businesses do not want to upset those involved.

Impunity and lack of consequences against corruption

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

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

- » The most important progress made in addressing the corruption challenge in Nigeria includes:
- » Holding culprits accountable and seizing properties as well as stolen funds.
- » Reforming the judicial system to ensure that there is no stay of proceedings while corrupt cases are being prosecuted. However, administration of justice has been slow for corruption cases.

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

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

- » Repatriation of looted funds from foreign government or banks is often met by obstacles as the systems in many of these countries are not in a hurry to return such funds.
- » There is need for the international community to designate stolen funds as proceeds of crime, and once it is proven, it should be returned without any complexity.

Delay in the Justice system and Autonomy of States judiciary

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

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

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

Undue interference in deciding corruption cases

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

Poor remuneration in the public service

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

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

Recommendations

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

Address impunity at the very top of the system

- » Years of impunity and lack of appropriate sanctions against corrupt persons has hindered growth and development in the country over the years. To effectively address this, the fight against corruption should begin with those at the very top of the system.
- » Government at all levels must show commitment and seriousness in order to encourage the public to join the fight against corruption.
- » Holding people accountable for their actions and discipline of public officials involved in corruption.
- » The rule of law should be allowed to take its due course on those found guilty of corruption charges.

B. Building Effective Public and Judicial Institutions

Continued reform of the judicial systems

- » Review obsolete laws or legislations that delay the administration of justice and prosecution of corruption cases.
- » Implement framework for enforcing appropriate disciplinary actions against lawyers who indulge in dilatory practices.
- » Create and implement the necessary check and balances in the judiciary system to ensure that its integrity is not compromised.

- » Appointment of judges and other judicial officials should be subjected to due process (thorough scrutiny and interviews as against personal or political interest; this will ensure that appointments are based on merit.
- » Judges should be interrogated and called to order whenever there is perceived corruption in the judicial system, in order to ensure that the integrity of the system is not compromised.

Improve remuneration and strengthening of the civil service

- » Relook the remuneration/compensation in civil service.
- » Introduce robust consequence management to discourage negative behaviour and enforce discipline across the civil service.
- » Ensure recruitment in the public service should follow due process to ensure that the right persons are engaged.

Improve public procurement process across all tiers of government:

- » Government should do more to ensure that public procurement process is open and transparent. Government contracts should only be awarded to those considered to be best qualified.
- » Officials of Ministries, Departments, and Agencies of government found culpable of illicit transfer of fund and violation of procurement processes should be made to face the consequences of their actions.

C. International Support on Anti-Corruption

Support by the international community in the repatriation of looted funds

- » Foreign governments should designate stolen funds in similar manner as terrorist funds and fast-track the repatriation of the fund back to Nigeria.
- » Foreign governments and their financial sector regulators should sanction banks within their jurisdictions with stolen funds within their portfolio.

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

Support the anti-corruption drive of Government

- » Leverage the whistleblower policy to report corrupt practices by government official and agencies.
- » Partner with Federal Government to develop and implement reform policies entrench the rule of law.

Key Priorities, Action Steps, Responsibilities and KPIs

| Key Priorities | Government Driven | | Private Sector Driven | |
|---|---|--|---|----------------------|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| Sustained Commitment in Addressing Grand Corruption at the Top of the System | <ul style="list-style-type: none"> ▪ Presidency ▪ Federal Ministry of Justice | <ul style="list-style-type: none"> ▪ Maintain commitment at the highest level of government to hold people accountable ▪ Demonstrate willingness to prosecute corruption cases | | |
| | Building Effective Public and Judicial Institutions | <ul style="list-style-type: none"> ▪ Federal Ministry of Justice ▪ National Assembly ▪ States Judiciary ▪ National Judicial Council | <ul style="list-style-type: none"> ▪ Review obsolete laws or legislations that delay the administration of justice ▪ Implement detailed examination and scrutiny of judicial officials before appointment ▪ Implement competitive remuneration for judges ▪ Work closely with State judiciary to ensure harmony in the country's judiciary system | |

| Key Priorities | Government Driven | | Private Sector Driven | |
|--|---|--|-----------------------|----------------------|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| International Support on Anti-Corruption | <ul style="list-style-type: none"> National Judicial Council | <ul style="list-style-type: none"> Create and implement the necessary check and balances in the judiciary system to ensure that their integrity is not compromised Implement framework for enforcing appropriate disciplinary actions against lawyers who indulge in dilatory practices. | | |
| | <ul style="list-style-type: none"> Federal Government – Head of Civil Service State Governments | <ul style="list-style-type: none"> Review the remuneration/ compensation within the civil service Introduce robust consequence management to discourage negative behaviour and enforce discipline across the civil service. Review the quality of people in the civil service. | | |
| | <ul style="list-style-type: none"> Federal Ministry of Finance | <ul style="list-style-type: none"> Work closely with other countries and foreign | | |

| Key Priorities | Government Driven | | Private Sector Driven | |
|---|--|--|--|---|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| Private Sector and Citizen Participation in the Anti-Corruption Drive | <ul style="list-style-type: none"> ▪ Federal Ministry of Justice ▪ Ministry of Foreign Affairs | <ul style="list-style-type: none"> ▪ Institutions to recover and return looted funds ▪ Define, advocate and implement bilateral agreements with target countries on repatriation of looted funds | <ul style="list-style-type: none"> ▪ Private sectors and Citizens | <ul style="list-style-type: none"> ▪ Leverage the whistle-blower policy to report corrupt practices by government official and agencies. ▪ Partner with Federal Government to develop and implement reform policies entrench the rule of law. |
| | <ul style="list-style-type: none"> ▪ Foreign countries/ Embassies | <ul style="list-style-type: none"> ▪ Support drive to recover looted funds by designating the funds as proceeds of crime and fast tracking the repatriation back to Nigeria | | |

Notable Quotes

1. "Grand corruption is in our context, where money is taken directly from the treasury and it is simply diverted to private uses, now that is one of the most shocking types of corruption. Whereas, what we are more familiar with is corruption in the procurement process, where are taking percentages in procurements, or simply stated, from resources that are already in the hands of government agencies"
 2. "Even the grand corruption that you have talked about, is looking increasingly possible to address"
 3. "The major obstacle for me is not wanting to confront it (corruption) too much and not wanting to focus on it (corruption)"
 4. "The biggest step the government has taken is holding persons who have gone away with public funds accountable, and taking them to
-
5. court, and seizing assets which have been moved locally and internationally."
 6. "I think a majority of people would rather work in an environment which is free of corruption... must people are victims of corruption"
 7. "What people need the most and what government can provide is for people to know that the highest level of government is behind the fight against corruption and they will support the fighting corruption"
 8. "It is an obstacle course trying to get money from foreign government or foreign banks, as it is laden with all manner of difficulties. It is obvious that there is no great enthusiasm in returning the money"

ALTERNATIVE INFRASTRUCTURE INVESTMENTS

INFRASTRUCTURE AND ENERGY POLICY COMMISSIONS

October, 2018 | Transcorp Hilton, Abuja

**Date:**

Wednesday, October 22, 2018

Session: Infrastructure
Accelerating Infrastructure
Investment - **Alternative
Financing Options for Nigeria's
Infrastructure**

Time:

2:00 – 4:00 p.m.

Co-Chairs:

- H.E. Babatunde Fashola; Honourable Minister for Power, Works and Housing
- H.E. Rotimi Amaechi; Honourable Minister for Transportation – **Panelist**

Discussion Leader:

- Mr Uche Orj; CEO, Nigeria Sovereign Investment Authority (NSIA)

Discussants:

- Mr Chinua Azubuike; CEO, Infrastructure Credit Guarantee Company Limited (InfraCredit)
- Mr Dave Uduano; CEO; Sigma Pension Limited
- Mr Akin Ajibola; Partner, Bola Ajibola & Co.

Facilitator:

- Mr Nnanna Ude, CEO, Agon Continental Limited
- Mr Abiola Lawal; CEO Quorum Energy Limited

Session Objectives

- To explore alternative means of financing Nigeria's widening infrastructure deficit

Background

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

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

Issues and Challenges

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

- » No defined framework to guide investment of pension funds in infrastructure projects in the country
- » Most infrastructure projects are not bankable and major impediments from transaction origination to financial close include: political, legal and regulatory risks in Nigeria's operating environment
- » Inadequate incentives/ limited support for project initiation phase which requires significant upfront costs before projects attain

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

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

- » o Foreign exchange market – ability to access foreign exchange for capita importation
- » Consumer Price Index (CPI) – impact of inflation on investments
- » Continuity and consistency in policies (political, legal and regulatory) regardless of a change in government

Recommendations

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

- » Government and private sector to work together to identify key infrastructure projects to execute in the short and medium term.
- » The transactions should serve as the model/ template to test the various regulatory and legal hurdles and recommended solutions in infrastructure financing

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

- » Further boost the capacity of InfraCredit to provide more guarantees for viable infrastructure projects perceived to be very risky by capital providers
- » Such guarantees provide comfort to investors and likely to attract domestic private capital especially from Pension Fund Administrators (PFAs) for viable projects

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

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

Adopt brownfield recycling for current productive assets

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

Use of road tax

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

Improve Nigeria's competitive environment

- » The Federal Government needs to demonstrate political will to execute necessary reforms to make the environment competitive and attractive for private investments in infrastructure projects
- » Reforms should focus on streamlining the numerous laws and regulatory hurdles that concern infrastructure finance and repeal/modify laws that exclude private sector players in participating in key infrastructure projects.

Key Priorities, Action Steps, Responsibilities and KPIs

| Key Priorities | Government Driven | | Private Sector Driven | |
|---|--|--|--|---|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| Develop PPP framework | <ul style="list-style-type: none"> ICRC (Infrastructure Concession Regulatory Commission) PENCOM | <ul style="list-style-type: none"> Form a joint committee with the private sector players with long-term funds (especially PFAs and Insurance companies) to identify priority projects and use as guidance to develop the PPP model for infrastructure financing in the country | <ul style="list-style-type: none"> PFAs (Pension Fund Administrators) | <ul style="list-style-type: none"> Work with the ICRC to develop a PPP framework for infrastructure financing in the country |
| Increase capital base of InfraCredit | <ul style="list-style-type: none"> NSIA | <ul style="list-style-type: none"> Expedite the capital raise program for InfraCredit to boost its capacity to provide more guarantee for infrastructure projects | N/A | N/A |
| Institute road tax | <ul style="list-style-type: none"> National Assembly Ministry of Power, Works & Housing | <ul style="list-style-type: none"> Work with the legislative arm of government to design and implement a road tax system for road maintenance and construction | N/A | N/A |



Date:

Wednesday, October 22, 2018

Session: Infrastructure
Accelerating Infrastructure
Investment - **Restoring the
Financial Viability of the
Nigerian Electricity Supply
Industry**

Time:

2:00 – 4:00 p.m.

Discussants:

- Mr. U.G. Mohammed - MD, Transmission Company of Nigeria
- Mr. Alonge Yusuf - CEO, Qua Iboe Power Limited

Discussion Leader:

- Mr. Ebipere Clark; Central Bank of Nigeria

Session Objectives

- Identify key reasons why the Nigerian Electricity Supply Industry has not attracted much needed investments; and,
- Provide recommendations on how to make the sector attractive to investments

Background

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

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

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

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

Issues and Challenges

Lack of private sector financing is hindering growth

- » Financing of the sector is largely from the Government as potential investors are reluctant to fund projects
- » For the private sector to invest in the industry, there must be a well-defined and efficient mechanism to recoup investments and generate profits

Low tariffs and large non-collectible debts

- » Current tariffs are considered to be unrealistic and too low to be investor-friendly, especially as consumers have shown a willingness to pay above current grid rates if regular supply is guaranteed
- » Government has not demonstrated the political courage to increase tariffs, without which the sector will remain unattractive to investors

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

Inappropriate Government policies and unstable regulatory environment

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

Large coverage for DisCos.

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

Recommendations

Collectible tariffs

- » Effective mechanism for DISCO to collect debts from debtors including government
- » Recapitalise DisCos to ensure that the ability to withstand the effects of delayed revenue collection

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

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

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

Industry Alignment and clear Government policies

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

Consider DisCo Franchising

- » DisCos to consider breaking operational areas into manageable areas and sub-letting to Franchisees
- » The Franchisees would make all required investments to ensure quality service delivery to consumers under their operational areas

Key Priorities, Action Steps, Responsibilities and KPIs

| Key Priorities | Government Driven Responsibility | Government Driven Action Step and KPIs | Private Sector Driven Responsibility | Private Sector Driven Action Step and KPIs |
|--|--|---|--|--|
| Collectible tariffs | <ul style="list-style-type: none"> NERC | <ul style="list-style-type: none"> Effective mechanism for DISCO to collect debts from government Recapitalise DisCos to ensure that the ability to withstand the effects of delayed revenue collection | <ul style="list-style-type: none"> DisCos | <ul style="list-style-type: none"> Effective mechanism for DisCos to collect debts from debtors |
| Create a conducive investment climate | <ul style="list-style-type: none"> NERC | <ul style="list-style-type: none"> Develop clear mechanisms for potential investors to recoup their profits. Review of the Multi-Year Tariff Order (MYTO) to ensure proper electricity pricing | | |
| Consider DISCO franchising | <ul style="list-style-type: none"> NERC | <ul style="list-style-type: none"> Develop a policy to encourage DisCo franchising | <ul style="list-style-type: none"> DisCos | <ul style="list-style-type: none"> Break coverage areas into smaller operational zones Identify potential Franchisee |

**Date:**

Wednesday, October 22, 2018

Session: Youth/Education
23 Million Nigerian Youth:
Turning Risk to Opportunity -
“E-Learning Content and
Credentialing”

Time:

2:00 – 4:00 p.m.

Discussants:

- Mrs. Onyeche Tifasa; CEO, Siemens Nigeria Limited
- Mr. Roti Balogun; Chief Learning Officer, GE Africa
- Dr. Tunji Adegbesan; CEO, Gidi Mobile Limited

Moderated by:

- Professor Abubakar Rasheed, Executive Secretary, National Universities Commission (NUC) – Represented the Honourable Minister for Education

Session Objectives

- To identify the underlying issues bedeviling the Nigerian education sector.
- To contextualize the problem of unemployability among Nigerian youths.
- To propose strategies for leveraging technology to bridge knowledge and skills gap in Nigeria.
- To identify the best strategies for public/private and inter-agency collaboration in addressing the challenge of education in Nigeria.

Background

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

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

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

Issues and Challenges

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

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

- » Unemployment is on the increase.
- » Majority of Nigerian graduates are unemployable - they lack skills needed for today’s workplace.
- » Basic technical skills (nanny, bricklayers, tilers, hoteliers, caterers etc.) are being imported into Nigeria from other neighbouring African countries and Asia.
- » There is currently no clear national job plan.
- » Lack of a functional and inclusive think-tank responsible for addressing the problems of education.

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

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

- » To get government approvals.
- » Get endorsements from government to attract foreign investors.
- » To leverage on government infrastructure for developmental purposes.

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

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

- » Obsolete courses and/or curriculum in Nigerian universities.
- » Lack of a ‘national job plan’ that projects the future of jobs in Nigeria.
- » Lack of technical skills to get current jobs due to the abandonment of technical education.
- » Mindset/apathy to technical education as against university education

Recommendations

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

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

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

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

There is a need to develop a 'National Job Plan'.

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

Need for a 'Ministry of Skill Development & Entrepreneurship'.

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

Key Priorities, Action Steps, Responsibilities and KPIs

| Key Priorities | Government Driven | | Private Sector Driven | |
|---|---|--|---|--|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| Think-tank for collaboration | <ul style="list-style-type: none"> ▪ NUC | <ul style="list-style-type: none"> ▪ Sign MOU for this collaboration. ▪ Collate all intervention efforts in the education sector. | <ul style="list-style-type: none"> ▪ NESG | <ul style="list-style-type: none"> ▪ Sign MOU for this collaboration. ▪ Collate the skill needs of the current workplace. ▪ Propose future skills needed to compete globally. |
| National Job Plan | <ul style="list-style-type: none"> ▪ Universities | <ul style="list-style-type: none"> ▪ Volunteer resources (professionals) to assist in this effort | | |
| | <ul style="list-style-type: none"> ▪ FGN | <ul style="list-style-type: none"> ▪ Create the 'Ministry of Skill Development & Entrepreneurship'. ▪ Create an enabling environment for private sector driven initiatives targeted at improving education to thrive. | <ul style="list-style-type: none"> ▪ Companies | <ul style="list-style-type: none"> ▪ Collate the needs of the current workplace and communicate same to the federal government through the proposed NUC/NESG Think-tank. |
| Active participation of state government | <ul style="list-style-type: none"> ▪ State governments | <ul style="list-style-type: none"> ▪ Commitment to investment in education. ▪ Increased monitoring of institutions in the education sector. ▪ Increased budgetary allocation to education. ▪ Reduced dependence on the federal government for funding education. | | |

**Date:**

Wednesday, October 22, 2018

Session: Youth/Education
**23 Million Nigerian Youth:
Turning Risk to Opportunity -**
Meeting the Demands for
a Quality and Affordable
Broadband Infrastructure

Time:

2:00 – 4:00 p.m.

Discussants Leader:

- Mr Colins Oneugbu - CEO, Signal Alliance

Discussants

- Mr Segun Ogunsanya - CEO, Airtel
- Nkemdilim Begho - CEO, Futuresoft
- Yusuf Kazaure - CEO, Galaxy Backbone

Moderated by:

- Mr Tope Toogun - CEO, Cognity Advisory
- Dr Moji Olateru-Olagbegi - Managing Partner, The Workplace Centre
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Session Objectives

- Identify bottlenecks and gaps in the system that have slowed the pace of broadband penetration and affordability.
- Set a new target for broadband penetration in Nigeria.
- Identify policies that can be reviewed to improve broadband penetration.
- Determine ways of making broadband more affordable in Nigeria.

Background

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

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

Issues and Challenges

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

Outdated National Broadband Plan

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

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

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

Inadequate access to affordable broadband by educational institutions

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

Recommendations

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

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

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

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

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

Review current right of way and multiple taxation policy

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

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

Key Priorities, Action Steps, Responsibilities and KPIs

| Key Priorities | Government Driven | | Private Sector Driven | |
|---|--|--|--|---|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| Update National Broadband Plan | Ministry of Communications; NCC | Develop a five year (2018 - 2023) National Broadband Plan to ensure broadband penetration to at least 80% of the population. | Telecom companies and NESG | Support government in developing a five year (2018 - 2023) National Broadband Plan to ensure broadband penetration to at least 80% of the population. |
| Increase broadband penetration | Ministry of Communications; NCC | Develop a new policy on open access enabling telecom companies to use the same fibre network thereby enabling cost savings. | Telecom companies and NESG | Provide inputs from a private sector perspective into the new policy on open access enabling telecom companies to use the same fibre network thereby enabling cost savings. |
| Reduce associated costs with deploying broadband especially for educational institutions | FG, states and local governments FG | Review current right of way and multiple taxation policy. Federal Government should target 30% broadband coverage for primary and secondary schools and 100% broadband coverage for all universities. | Telecom companies Telecom companies | Discuss with government for more business friendly right of way and multiple taxation policy. Implement through effective deployment of broadband architecture to ensure at least 30% broadband coverage for primary and secondary schools and 100% broadband coverage for all universities is achieved. |



Date:

Wednesday, October 22, 2018

Session:

Exploiting Regional and Global Markets -Local production, Regional Trade and Global Markets

Time:

2:00 – 4:00 p.m.

Panelists/Co-Chairs:

- Mrs. Yemisi Iranloye; CEO, Psaltry International Limited
- Mr. Eze Nwakanma; Head, Agric Value Chain Finance & Investment Services, Nigeria Incentive-based Risk Sharing System for Agricultural Lending (NIRSAL)
- Mr. Debo Abodunrin; CEO, AgroPlus Africa Systems Limited

Moderated by:

- Mr. Sadiq Usman; Deputy COO, Agro-Allied Division, Flour Mills of Nigeria Plc.

Session Objectives

- Highlight the factors limiting the successful integration of the value-chain from agriculture to manufacturing.
- Provide recommendations to drive more local-value addition of agriculture resources to boost the manufacturing sector and enhance exports.
- Share knowledge and ideas on best practices and innovative solutions that can be adopted and adapted to the local agribusiness value-chain.

Background

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

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

Issues and Challenges

Transport Infrastructure

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

- » Construction of railways to transport raw materials to industrial production sites and final markets.
- » Diversification of ports away from Lagos due to congestion.
- » Private players currently play the role of producers and government providers e.g. building roads to create access to their own markets from the processing plants.

Funding of the Sector

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

- » Absence of advance payments or cash-and-carry policies of processors and manufacturers for products sold to off-takers causing cash/income constraints for farmers.
- » Inaccurate measurement of farmland size leading to asset over-estimation and the extension of excess financing, which eventually leads to debt default.

- » Minimum units considered by NIRSAL to de-risk lenders is too small e.g. 0.5 hectares.
- » Lack of government provision of sustainable finance for survival and expansion of the industry.

Policy formulation and execution

Lack of clear-cut policies to guide the direction of the sector is hindering its development. There is need for collaborative partnerships among relevant MDAs comprising Agriculture; Industry and Trade, Finance, Transport, Works, etc., to create policies that encompass and integrate the various value-chains across agricultural product segments e.g. dairy policy, cassava value-chain policy, etc.

- » Absence of comprehensive sectorial strategy and industrial policies for each products' value chain will limit the integration to regional/global markets.
- » Lack of implementation or execution of policies where existent e.g. tomato policy.
- » Lack of established standards for exports of agricultural commodities and produce.

Capacity-building

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

- » Insufficient provision of the right technology, agronomy and market information to farmers: For instance, fertiliser demand outstrips supply (unlike herbicides) due to government interference in the value-chain via subsidies. Lack of access to fertilisers stifles the growth of the sector.
- » Nigeria is the world's largest producer of cassava with annual output of 45 million metric tonnes, however, the country's comparative advantage is not being translated into value-added products such as cassava starch, ethanol, cassava flour, etc. Furthermore, in terms of exports, the country is competitively constrained, as production of cassava is still at the subsistence level.
- » Aggregating and clustering cassava production across Nigeria is difficult (due to the widely-dispersed nature of cassava-growing farms) and thereby limits the potential of shoring up huge pool of reserves for processing and exports.
- » Lack of business approach to farming. The need to re-orient farmers to have a new outlook of a more commercial perspective of their occupation away from the subsistence model.
- » Inadequate knowledge of best practices of harvesting crops speeding up the perishability of produce thereby resulting in significant wastages and high prices of food in the domestic markets.

Agricultural production

- » Declining crop yields and insufficient supply of stock replacement by relevant research institutes.
- » Lack of availability of pliable land. Dearth of arable land available for farming. Financial institutions have not exploited this service aspect of extending credit to farmers for land asset expansion. Thus, farmers have been utilising the same land area for decades. This has led to significant drop in yields, on account of the over-utilisation of the same land, resulting in decreasing replenishment of soil resources required to maintain the soil quality and attain significant crop yields for direct consumption, production processes and exports.
- » Crop density in Nigeria is very low.

Inefficient local methods of production also hamper yield.

- » Hence, financial institutions unwilling to invest or extend credit.
- » Huge supply-demand gap of seeds, which is a huge factor limiting the growth of crop yields.
- » Poor seed quality
- » Expensive import substitution methods of farming e.g. hydroponics in the case of tomato farming

Storage

Transporting fresh produce without the availability of requisite storage facilities and infrastructure has led to increased perishability and significant wastages along the value-chain (from harvests to markets) leading to high food prices. Other issues include:

- » Inadequate electricity supply to keep storage systems fully functional.
- » Lack of cold-storage facilities in the local markets e.g. Mile 12 is the largest tomato market in Nigeria, yet the unavailability of cold storage infrastructure is limiting the revenue-generating potential of the market in West Africa.

Others

- » High cost of production and inability to compete favourably with foreign importer countries.
- » Nigeria missed out on the industrial revolution causing lag in mechanization.
- » Having a good grading system that allows for produce grading because there are inadequate records of Nigeria's actual exports.
- » Loan defaults due to unwillingness of farmers to pay back credit extended to them.
- » Reliance on imported packaged foods when there is cheaper alternatives for domestic production in Nigeria e.g. packaged French fries, sweet peas, sweet corn, etc.
- » Lack of inter-dependability across the value-chain for each agric segment.

Recommendations

Capacity-building -

- » Develop business education training programmes for farmers. Re-orient and re-train farmers to transform their mind-sets from the subsistence model to the business model of agriculture in order to improve productivity, boost output, enhance revenues and create wealth.
- » Adopt knowledge-sharing platforms for private sector collaboration and knowledge transfer.
- » Convene a meeting with session participants and the government within three (3) months to further dialogue and discuss recommendations.

Infrastructure

- » Improve ports access by diversifying the ports and reducing over-reliance on Lagos for ease of mobility and enhanced competitiveness.
- » Construct railways across the agricultural landscape of Nigeria to create access to markets for farmers, processors, manufacturers and exporters.

Policy formulation and execution

- » Design export policy standards for agricultural commodities via private-public partnerships to regulate the quality of exports.
- » Eliminate interventions on inputs such as price-controls e.g. fertilizer subsidies. This is to allow for free-market economics to dictate price and supply, which will eventually lead to the sufficient supply for the expansion of farmers' yields and outputs similar to the herbicides supply market.
- » Coordinate MDAs to develop complete and holistic set of policy measures to scale-up competitiveness and self-sufficiency in each agric value-chain. E.g. cassava to starch.

- » Relevant MDAs cut across agriculture, industry, trade, finance, exports, transport and investment.
- » Implement policies where existent e.g. tomato policy.
- » Formulate policies for the utilisation of 10% of local raw materials in food processing by global food manufacturers operating within the Country.

Availability and accessibility of inputs

- » Foster partnerships to generate innovations to integrate and improve the value-chain e.g. cold storage rooms, research and improved mobility. Critical stakeholders include the federal government, private sector, educational institutions, state governments and committee members.

Sustainable financing of the Agribusiness sector

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

Ensuring government support and interventions

- » Government and government institutions and agencies should take their roles seriously. Intervention roles of government should be made clear for the private sector.
- » Modest changes in governance/institutions will provide massive impact e.g. NIRSAL as an institution, if it achieves 10% of its objectives, will result in huge transformations in the Agric value-chain.

Key Priorities, Action Steps, Responsibilities and KPIs

| Key Priorities | Government Driven | | Private Sector Driven | |
|---|---|--|--|--|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| Knowledge-sharing and collaborative partnerships | <ul style="list-style-type: none"> ▪ Federal Ministry of Agriculture | <ul style="list-style-type: none"> ▪ Include key actors in the Ministry as well as departments and agencies under Agriculture on the social media platforms. ▪ Ensure attendance of key stakeholders including department and agencies within the Federal Ministry of Agriculture to the knowledge-sharing meeting. ▪ Ensure that the ideas and solutions derived are recorded for action. ▪ Ensure that the short term proffered results from the meeting are executed. | <ul style="list-style-type: none"> ▪ NESG | <ul style="list-style-type: none"> ▪ Create social media platforms e.g. WhatsApp and Facebook groups and add participants on the Local production, regional and global markets session. ▪ Discuss and brainstorm on organising within 3 months a knowledge-sharing session involving public and private sector actors to brainstorm on ideas, solutions and innovations to mitigate the issues and challenges within the sector. ▪ Aim the session at evaluating the recommendations and proffering additional solutions to integrating the value-chain and strengthening the linkages across the industry. |
| | | | | |

| Key Priorities | Government Driven | | Private Sector Driven | |
|---|---|--|--|---|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| | <ul style="list-style-type: none"> ▪ Agricultural institutes and academic institutions | <p>development and infrastructure development.</p> | <p>Flour Mills, Olam, etc.</p> <ul style="list-style-type: none"> ▪ SMEs – agribusiness, food processing, exporters, etc. | |
| Capacity-building | <ul style="list-style-type: none"> ▪ Federal Ministry of Agriculture ▪ Agric institutes and academic institutions | <ul style="list-style-type: none"> ▪ Organise regular workshops and training programmes across the country for farmers to increase understanding of commercial/business approach to farming. ▪ Study and generate case studies of agricultural best practices from countries where successes have been recorded. Best practices in crop planting and growing methods, harvesting methods, seed technologies, irrigation methods. ▪ Adapt those case studies for local use considering local peculiarities and climate. ▪ Organise training programmes for farmers to adopt and adapt these methods in their farming processes. | <ul style="list-style-type: none"> ▪ Major agribusiness players ▪ NGOs providing funding for the sector | <ul style="list-style-type: none"> ▪ Partner with, and provide support to the government in terms of resources to facilitate the successful execution and completion of the training programmes. |
| Policy formulation and execution | <ul style="list-style-type: none"> ▪ Federal Ministry of Agriculture ▪ National Assembly | <ul style="list-style-type: none"> ▪ Design export policy standards for agricultural commodities via private-public partnerships to regulate the quality of exports. | <ul style="list-style-type: none"> ▪ NESG | <ul style="list-style-type: none"> ▪ Sustain policy advocacy to ensure implementation of policy recommendations by the private sector. |

| Key Priorities | Government Driven | | Private Sector Driven | |
|----------------|-------------------|--|-----------------------|--|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| | | <ul style="list-style-type: none"> ▪ Eliminate interventions on inputs such as price-controls e.g. Fertilizer subsidies. This is to allow for free-market economics to dictate price and supply, which will eventually lead to the sufficient supply for the expansion of farmers' yields and outputs similar to the herbicides supply market. ▪ Coordinate MDAs to develop complete and holistic set of policy measures to scale-up competitiveness and self-sufficiency in each agric value-chain. E.g. cassava to starch. <ul style="list-style-type: none"> ○ Relevant MDAs cut across agriculture, industry, trade, finance, exports, transport and investment. ▪ Implement policies where existent e.g. tomato policy. ▪ Formulate policies for the utilisation of 10% of local raw materials in food processing by global food manufacturers operating within the Country. ▪ Intervention roles of government should be made clear to the private sector. ▪ Ensure modest changes in governance/institutions e.g. NIRSAL as an institution, if it achieves 10% of its objectives, will result in huge transformations in the agric value-chain. | | <ul style="list-style-type: none"> ▪ Ensure that NIRSAL achieves the objectives for which it was established. |



Date:

Wednesday, October 22, 2018

Session:

\$196 Billion Investments by 2020 – Investing in Nigeria: From Opportunities to Realities

Time:

2:00 – 4:00 p.m.

Panelists/Co-Chairs:

- Mr. Ike Chioke; CEO, Afrinvest West Africa Limited
- Dr. Adeyemi Dipeolu; Special Adviser to the President on Economic Matters
- Mrs. Toyin Sanni; Group Chief Executive Officer, Emerging Africa Capital Limited
- Mr. Jubril Enakele; CEO, Zenith Capital Limited
-

Moderated by:

- Mr. Kunle Kuku – Executive Director, Lakewood Investor Services
- Mrs Nnenna Uche – Senior Manager, KPMG Professional Services

Session Objectives

- Identify steps Nigeria must take to scale up investments in the country; and,
- How best to convert investment opportunities to realities?

Background

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

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

Nigeria.

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

Issues and Challenges

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

- » These sectors are plagued with issues of policy inconsistency, poor liquidity, subsidy/non-competitive pricing, insecurity/ vandalism, etc. and are therefore unable to attract much-needed domestic and foreign direct investment.

Inadequate investor-friendly policies.

- » Ensure a free and fair electioneering process that enables political stability.
- » Enable stable economic policies as investors need to know that policies will be applied even-handedly, and that profits and capital can be repatriated safely.
- » Enable rule of law and ability to enforce contracts

Lack of clear strategic positioning as a country

- » Need to identify and pursue our strategic positioning as a country i.e. do we want to be a regional logistics hub, financial centre, tourist centre, etc.
- » Defining and pursuing this strategic positioning will enable Nigeria to attract capital in the specified areas.

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

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

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

- » The Nigerian government must focus on the most important role which is to create a safe and secure physical and business environment that enables enterprise and attracts investment.
- » Government agencies and regulators' actions have far-reaching implications on how existing and potential investors perceive the Nigerian business environment. Thus, whilst discharging their duties as regulators, they should ensure that issues are raised in a manner that builds investors' confidence in Nigeria.
- » Government Ministries, Departments and Agencies (MDAs) need to ensure accuracy, clarity, accessibility and diversity of information provided to investors (especially on their websites). To attract diverse investors from disparate countries, information should be presented in multiple languages including French and Mandarin, in addition to English.

Recommendations

- Adopt power, agriculture, creative industry, technology and logistics as Nigeria's priority areas.
- Set up a committee comprising regulators, industry players and experts to identify the binding constraints inhibiting the inflow of capital to the above areas.
- Ensure appropriate interface between agencies and regulatory authorities.
- Incentivise smart power and off-grid solutions and implement a cost-reflective tariff in the power sector.
- Address policy inconsistencies in the logistics sector. E.g. the Nigeria Customs Service.
- Ensure accuracy, clarity, accessibility and diversity of information provided to investors (i.e. aside from English, information should be provided in French and Mandarin).
- Decentralise electricity distribution and generation in the country.

Key Priorities, Action Steps, Responsibilities and KPIs

| Key Priorities | Government Driven | | Private Sector Driven | |
|---|--|---|-----------------------|----------------------|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| Strategic positioning | <ul style="list-style-type: none"> Federal and State Governments PEBEC NIPC Regulatory authorities | <ul style="list-style-type: none"> Adopt Power, Agriculture, Creative Industries, Technology and Logistics as Nigeria's priority areas. Set up a committee comprising regulators, industry players and experts to identify the binding constraints inhibiting the inflow of capital to the above areas. Ensure appropriate interface between agencies and regulatory authorities | | |
| De-risking of priority sectors | <ul style="list-style-type: none"> Federal and State Governments PEBEC NIPC Regulatory authorities | <ul style="list-style-type: none"> Deliberately de-risk priority sectors with appropriate government policies, as a way to boost attractiveness to domestic and foreign investors | | |
| Reposition the power sector to attract new investments | <ul style="list-style-type: none"> Federal Executive Council National Assembly Minister of Power, Works and Housing | <ul style="list-style-type: none"> Incentivise smart power and off-grid solutions and implement a cost-reflective tariff in the power sector Effect the necessary legislative and administrative changes required to decentralize electricity distribution and generation in the country. | | |



Date:

Wednesday, October 22, 2018

Session:

**\$196 Billion Investments
by 2020 – Enhancing the
Absorptive Capacity of Nigeria’s
Financial System”**

Time:

2:00 – 4:00 p.m.

Panelists/Co-Chairs:

- Mr. Urum Eke – GMD, FBN Holdings PLC
- Mr. Akin Dawodu – Citibank Nigeria Limited

Moderated by:

- Mr. Kunle Kuku – Executive Director, Lakewood Investor Services
- Mrs Nnenna Uche – Senior Manager, KPMG Professional Services

Session Objectives

- Identify factors that affect the depth and liquidity of the financial markets;
- Explore opportunities for inducing a more enabling investment climate; and,
- Articulate initiatives that can bolster the capacity of the Nigerian financial system in a sustainable manner.

Background

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

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

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

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

Issues and Challenges

Infrastructural deficit in the Nigerian Financial Industry

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

- » There is a need to redefine our business model, which has since defined the structure of the Nigerian financial system, to recognise the value of new and existing information, as well as absorb and exploit it for growth. This is particularly essential given the changes in terms of both size and complexity in the operating landscape of the global financial system.
- » Lack of policy stability with regards to financial market regulation which has hindered efforts geared towards attracting foreign investment and the listing of big local companies on the Nigerian stock exchange.
- » Insufficient technical capacity among even the major financial institutions in the country to handle and structure complex transactions and compete effectively with global institutions.

The Depth and Liquidity of Local Financial Markets

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

- » Despite the significant improvement in the fixed income market base on the activities of the Debt Management Office (DMO), the Nigerian equities market has been struggling to attain full recovery since the global stock market shock in 2008, while the foreign exchange market has been in despair since the fall in oil prices in 2014 which has left the country with poorly functioning financial markets.

Leveraging industries with the most potential for valuable exports

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

- » Other industries, such as Entertainment and Arts & Culture, have experienced impressive growth and have produced content with high export value.
- » Need to properly leverage other industries in positioning the country as a haven of bountiful investment opportunities.

Recommendations

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

- » One of these areas should be agriculture, given Nigeria's inherent advantage in it, as well as its established impact on job creation and other elements of economic development. The government can evaluate, based on available data, the crops we have the most advantage in cultivating and have that guide the nature of investments in agriculture.
- » Build mutually beneficial relationships with partners who are strategically identified based on their expertise in either the identified priority areas for investment or complementary areas that will enhance the value of the investments.

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

- » This will provide the financial system with sufficient capacity to effectively absorb huge capital inflows and properly channel funds towards sector specific investment.
- » Potential sectors include construction, power, transportation, and infrastructure.

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

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

Key Priorities, Action Steps, Responsibilities and KPIs

| Key Priorities | Government Driven | | Private Sector Driven | |
|--------------------------|--|--|-----------------------|----------------------------------|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| Agriculture | <ul style="list-style-type: none"> Ministry of Trade and Investments Ministry of Agriculture | <ul style="list-style-type: none"> Identify crops for which we have inherent advantages in cultivating and guide investment towards them to catalyse the growth of the agricultural sector | | |
| Financial markets | Government/CBN | <ul style="list-style-type: none"> Incentivise the listing of big local companies on the financial markets Establish specialised banks across core capital intensive sectors Reform the process for issuance of CCI | NESG | Provide input into policy of CCI |



Date:

Wednesday, October 22, 2018

Session:

Optimizing Business
Opportunities in the Talent
Economy -
Unlocking the Untapped
Potential for Growth in the
Creative Industry

Time:

2:00 – 4:00 p.m.

Panelists/Co-Chairs:

- Ms. Ojoma Ochai - Director, Arts and Creative Industries (West Africa), British Council

Discussants

- Mr. Paul Nwulu - Programme Officer, Ford Foundation
- Mr. Chike Maduegbuna – Founder & CEO Afrinolly Creative Hub
- Ms. Ugochi Nwosu – (representing the Permanent Secretary of Federal Ministry of Information and Culture)

Moderated by:

- Dr. Ikenna Nwosu - CEO Mooregate Limited

Session Objectives

- To identify investment potential of the industry and articulate possible investment models.
- To outline governance and institutional strategies to deliver on immediate milestones.
- To articulate key action points to leapfrog / spur the Creative Industry.

Background

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

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

Issues and Challenges

Continuing menace of piracy and copyright infringement.

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

- » Policies for managing this problem have been document but the government has encountered difficulties with implementation.
- » The private copyright levy Bill still remains unpassed even after 20 years of deliberation.

Lack of capacity:

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

Content available in Nigeria does not meet International Standard.

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

Lack of policies to support and promote the Creative Industry.

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

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

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

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

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

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

Limited funding available to the sector.

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

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

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

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

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

Recommendations

Address Copyright issues.

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

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

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

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

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

Match industry players / experts with policy makers.

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

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

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

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

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

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

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

Develop and democratize Creative Hubs.

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

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

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

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

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

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

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

Key Priorities, Action Steps, Responsibilities and KPIs

| Key Priorities | Government Driven | | Private Sector Driven | |
|------------------------------------|--|--|--|--|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| Piracy and Copyright | <ul style="list-style-type: none"> Ministry of Information and Culture Copyright Commission Ministry of Justice | <ul style="list-style-type: none"> Fight piracy Enter MoUs and bilateral agreements to fight piracy Push for the private copyright levy | | |
| Policy Development | <ul style="list-style-type: none"> Ministry of Information and Culture Ministry of Information and Culture | <ul style="list-style-type: none"> Hold policy dialogue Begin discussions to revise the ERGP policy objectives for the creative industry | <ul style="list-style-type: none"> Private stakeholders Private stakeholders | <ul style="list-style-type: none"> Hold Policy dialogue Identify relevant policies in similar countries that could be adopted in Nigeria |
| Understand the Industry | <ul style="list-style-type: none"> Ministry of Information and Culture | <ul style="list-style-type: none"> Conduct value chain analysis and estimate the size of the industry | <ul style="list-style-type: none"> Private stakeholders | <ul style="list-style-type: none"> Conduct value chain analysis and estimate the size of the industry |
| Incentive Summit | <ul style="list-style-type: none"> NIPC NESG | <ul style="list-style-type: none"> Conduct incentive summit | | |
| Create sub-themes | <ul style="list-style-type: none"> NESG Ministry of Information and Culture | <ul style="list-style-type: none"> Create sub-themes for thematic discussions Compile list of industry experts | | |
| Financing | <ul style="list-style-type: none"> NEXIM BoI | <ul style="list-style-type: none"> Develop multiple financing options for the sector | | |
| Creative Hubs | <ul style="list-style-type: none"> Ministry of Information and Culture | <ul style="list-style-type: none"> Establish Multiple Creative Hubs across the country | <ul style="list-style-type: none"> Private stakeholders | <ul style="list-style-type: none"> Establish Multiple Creative Hubs across the country |
| Free Zone / Industrial Park | <ul style="list-style-type: none"> Ministry of Information and Culture | <ul style="list-style-type: none"> Establish a free zone for the sector | | |
| Educational Curriculum | <ul style="list-style-type: none"> Ministry of Education Ministry of Information and Culture | <ul style="list-style-type: none"> Include relevant elements pertaining to the industry in the educational curriculum | | |



Date:

Wednesday, October 22, 2018

Session:

Optimizing Business Opportunities in the Talent Economy - Maximising the Value of Sports as a Business

Time:

2:00 – 4:00 p.m.

Panelists/Co-Chairs:

- Ms Nkechi Obi; MD/CEO, Premium Sports Management Services Limited
- Mr Leonard M. Kange; General Manager, Large Enterprises, Bank of Industry
- Mr Stanley Okebugu; Deputy Director Sports, Federal Ministry of Youths & Sports
- Professor Seun Omotayo representing 1st Vice President, Nigeria Basketball Federation (NBF)

Moderated/Facilitated by:

- Dr Ikenna Nwosu; CEO, Mooregate Limited

Session Objectives

- Identify the strategies that the stakeholders can devise to monetise the passion people have for sports.
- Drive inclusion in sports to accommodate more people to play especially people at the bottom of the pyramid.
- Understand the potentials of the industry in terms of low hanging fruits.
- Identify how to position sports using these drivers (education, tourism, fitness & health and media), to drive demand for goods and services.
- Share intelligence and actionable insights and provide opportunity for people to dialogue to create demand for goods and services in sports and add economic value
- Identify and articulate possible investment potentials and models, and outline governance and institutional strategies to deliver immediate milestones.
- Articulate action plans for immediate action as well as medium(6-18months), to long term (18months – 4 years) action.

Background

The sports industry is the fastest growing economy, even during recession. With a growing youth population, high interest in sports and the need to move from a mono-economy to a more diversified economy, it is quite clear that there is an opportunity for sports to contribute significantly to Nigeria's economic growth. It is therefore imperative for stakeholders to articulate strategies, models, policies to create more engagement by stakeholders and generate demand to maximise economic value for sports given the youthful population of the country and need to diversify the economy. The sports industry value chain has potential to drive economic growth as other ancillary sectors (tourism, entertainment, real estate, manufacturing, content development, broadcasting, marketing,

fashion, information technology etc) are linked to it to drive economic development and business interest in the sports talent economy. Nigeria must leverage on a working public-private partnership framework to effectively harness the full potential of sports as a contributor to the economy and a platform for social and community development. To harness the potentials of the sports sector, government must create the right policies and adequately fund the sector in order to address the underperformance of sports industry as a business and maximise the potentials of the sector while attracting private partnership collaboration drive demand in the sector.

Issues and Challenges

Capacity dearth at the grassroots level for sports mobilization

Limited number of sports administrators and coaches are available, and most of them are not willing to go down to the grassroots level to train the children. This is a major constraint for the Federations in driving inclusion and ensuring that the people at the bottom of the pyramid is brought on board and out of school children are reached.

- » Most high-flying coaches are not able to work at the grassroots, due to dearth of supporting structure to encourage them train athletes from secondary and primary school
- » Some coaches go into sports to find employment and not because of passion
- » There is also lack of education and capacity building on sports. Sector operators need to be trained to adopt and adhere to international standards
- » Need to focus on and target schools and out of school children
- » Children cannot access these facilities due to lack of funds and/or fear(timidity)

Lack of access to sports infrastructure

There are limited number of sports infrastructures in Nigeria to encourage participation in the sector. Where they exist, most of the infrastructures suffer from chronic lack of maintenance as various stadia and

sports centres suffer from lack of maintenance and functional decay

Local Content

There is need to encourage the production of quality local content as all sports equipment currently being used are imported. Government needs to put effective policies in place to encourage local manufacturing of these equipment

Sustainable synergy between sports and education

There is need to harmonise education and sports calendar and this will drive more people to play sports. There has been an unhealthy emphasis on the cognitive domain of learning with the other domains forming the tripod of education – psychomotor & affective motor being abandoned. Deliberate initiatives must be put in place to ensure that out of school children are brought on board. For instance, the US & Jamaican model where all participants in age grade competitions are required to be students in order to participate may be adopted. Currently, Lagos State Sports Commission has adopted this model as well as a few other states and private operators. This helps drive inclusion and private sector engagement

Need to review the current structure of regulatory agencies

The current regulatory structure is not fit for purpose and therefore needs to be revamped. The current ministry structure needs to be jettisoned for the sports commission model. This will encourage professionalism amongst the administrators and encourage

private sector engagement. Also, there is a need for a paradigm shift in the approach/perception of young adults in sport. Intervention addressed to them should not be seen as a favour.

Government Tax Incentives

There is failure of the private sector players to fully take advantage of various tax incentives provided by Government for private sector involvement in sport funding/sponsorship. Accordingly, sports funding has been left to government alone.

Creative funding

There is need to explore and develop an innovative funding model that is suitable and cognizant of the peculiarities of the sports industry, as current funding models are inadequate.

Recommendations

Convene stakeholder session between sports sector and BOI

The stakeholders within the sports sector need to hold session with the Bank of Industry to determine a suitable financing model for the sector

Undertake value chain study of the sports sector

To understand the real value of the sports sector, there is need to conduct an in-depth value chain study of sports as a business in Nigeria

Adopt the cluster/hub systems

Establishment and adoption of cluster or hub systems where schools that have sports facilities are paired with others without facilities and government provide technical expertise for sports development and training

Review the current structure of regulatory agency

Movement from the ministry structure to the sports commission model, as this will encourage professionalism amongst administrators and encourage private sector engagement and participation. The commissions are better positioned to effectively to support development of the sports sector and the running of sports as a business

Synergy between sports and education

The ministry of education and sports ministry must work hand in hand to achieve the desired development at grassroot level. It was suggested that sports facilities and other complementary factors should be part of considerations for licensing private schools. Also, it was suggested that the Education and Sports ministry calendar needs to be harmonized.

Infrastructure Development

As part of long-term plan to address infrastructure gap and encourage sports inclusion, it was suggested that mini-stadia should be built in each local govern in the country. This will increase participation by the target group of people, increase demand for sports and services, create enabling environment for manufacturers and private operators and ensure that out of school children are brought back to school. This will also encourage the ancillary industries to thrive as sports wears, equipment etc will need to be regularly supplied.

Adoption of tripod of education (three domains of education).

The tripod of education, comprising the cognitive, psychomotor and affective aspects of education/learning, should be adopted at the primary and secondary school level. Government and parents (relevant stakeholders) need to encourage the psychomotor and affective domains and not focus solely on the cognitive as the three should go hand in hand to build a totally educated individual.

Incentives Summit

NESG to work with the Nigeria Investments Promotion Council (NIPC) to hold incentives summit to highlight available incentives across economic sectors and facilitate policy dialogues with a view to adopting modern sports policy. Also, Creation of list of experts to work with sports thematic groups for the development of business-friendly regulatory documents

Establish Freezones

Using the agri-model, there is need to design and implement freezones where sector players and entrepreneurs have access basic infrastructures to support production of sports goods and services with minimal disruption in a freezone. There is also a need to create industrial parks and put in place policies to discourage importation

Special Funding Window

Establish a special funding window working together with Bankers Committee as promised by CBN.

Organize regular sports events/festivals

Regular hosting of sports events will drive the value of sports through tourism and also encourage private sector participation, particularly when the calendar is adhered to strictly.

Key Priorities, Action Steps, Responsibilities and KPIs

| Key Priorities | Government Driven | | Private Sector Driven | |
|---|---|---|--|---|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| Sports Inclusion | Ministry of Sports | Design policies that support inclusion of the people at the bottom of the pyramid <ul style="list-style-type: none"> Cluster facilities for schools Build a stadium in each of the 774 LGAs | <ul style="list-style-type: none"> Federation/ Private Sector Operators | <ul style="list-style-type: none"> Ensure people at the grassroots are included in sports participation by reaching out of school children |
| | Ministry of Sports & NIPC | Carry out incentives summit <ul style="list-style-type: none"> Educate the private sector of available incentives Share success stories of companies that have accessed incentives | <ul style="list-style-type: none"> NESG | <ul style="list-style-type: none"> Facilitate the summit and dialogues Share report for implementation |
| Stakeholders sessions & Policy Dialogue | Sports Policy Thematic Group & Ministry of Sports | Take part in stakeholder sessions <ul style="list-style-type: none"> Implement recommendations on financing model with BOI | <ul style="list-style-type: none"> Bank of Industry NESG | <ul style="list-style-type: none"> Engagement session to fashion a financing model for sports Work with government to create the thematic sub-group |
| | Government/Ministry of Sports | Government to pass enabling law that will ensure the establishment of freezones | <ul style="list-style-type: none"> NESG/Private Sector | <ul style="list-style-type: none"> Facilitate action through report Policy change actions |
| Synergy between Sports & Education Ministry/ Policy Change | Ministry of Sports & Ministry of Education | <ul style="list-style-type: none"> Ensure handshake and collaboration between the two ministries Work together in communication rules for establishing schools/infrastructure | <ul style="list-style-type: none"> Private Sector/ NESG | <ul style="list-style-type: none"> The Sports policy group to take active part in ensuring this synergy NESG to support through policy crafting and pointing all to the right direction |
| | Government/Ministry of Sports | Effect policy change from the ministry structure to Sports Commission model | <ul style="list-style-type: none"> Private Sector/ NESG | <ul style="list-style-type: none"> Follow through and advocate for implementation through open sessions/summits |



Date:

Wednesday, October 22, 2018

Session:

New Frontiers for Business and Economic Growth - Innovation, Growth and Environmental Sustainability: Turning Constraints to Opportunities

Time:

2:00 – 4:00 p.m.

Discussion Leader

- Mr. Abubakar Suleiman; CEO, Sterling Bank Plc

Discussants

- Mr. George Polymenakos; CEO, Nigerian Bottling Company Plc
- Mr. Bashir Jamoh; Director Finance and Administration, Nigerian Maritime Administration and Safety Agency (NIMASA)

Moderated by:

- Dr Uzo Egbuche – CEO, CERASE Environmental Services Limited

Session Objectives

- To highlight the opportunities to integrate sustainability into business through lower energy consumption, reduction in waste, reduction in emissions, increase recycling, and shift to renewable energy.
- To discuss the opportunities and importance of green solutions for core societal problems such as power and poor waste management.

Background

Most businesses now operate in countries with growing populations and economic prosperity that puts a heavy demand on the earth's resources such as water, arable land, fossil fuels, minerals, and fish stocks. This leads to environmental constraints for companies and makes it more difficult for them to remain profitable without causing further environmental degradation. A sustainability imperative requires companies to often adopt measures in their business operations that will utilize of cost-saving technologies to improve their production processes and financial performance while "staying green".

Companies are now devoting time and resources to the effort to reduce waste, restrict or clean up emissions, decrease energy consumption, increase recycling, and shift to renewable energy. The large amount of waste in the agricultural sector, e-waste from items such as mobile phones and batteries, also compete with food and land resources for organic alternatives.

Can businesses turn these constraints to opportunities? Some of key points identified include:

- » The emergence of renewable energy solutions as an alternative to power crisis in Nigeria, which has hitherto been solved through use of fossil fuels
- » The pervasive awareness of environmental issues such as oil spillage, but impact of waste from daily activities is less known
- » Commitment to sustainability is driven from the top; and impact is improved through partnerships.
- » Government effort on the grid may be a more long-term approach to resolving Nigeria's energy gap, immediate action must thus be taken to transition to alternatives

Issues and Challenges

The emergence of renewable energy solutions as an alternative to power crisis in Nigeria, which has hitherto been fossil fuels

Nigeria's power crisis has necessitated three options to close the energy gap. First, and most widely used, are fossil fuels. The second is nuclear energy; the third and widely considered best of all options, is the use of less expensive renewable sources such as solar, wind and hydro power due to benefits to the environment.

- » The discord that arise in discussions on economic growth, environmental sustainability and government are quite unfortunate. Those who call for environmental sustainability are seen as activists, those (businesses) who drive economic growth are seen as capitalists and others, such as the government, are seen to be playing a game of convenience.
- » There is however urgent need to remove this division, as sustainability is pertinent to all and is in fact, important to keeping businesses viable in the long run.
- » Notably, technology solutions for solar power have improved tremendously and have become cheaper over time, making it the right time to begin transition to renewable energy.

Government effort on the grid may be a more long-term approach to resolving Nigeria's energy gap, immediate action must thus be taken to transition to alternatives

Today the grid is unable to transmit power in excess of 5000 MW. This is less than 5% of national requirement. The timeline and path to resolving this issue is not expected to be short term, considering vested interests in the sector from generation companies (Gencos) and electricity distribution companies (Discos), who have made large investments in the sector. Overall, the key issue is to decide if we are going to remain in darkness or continue to utilise fuel generators that are costly and damaging to the environment?

Slow take-off of renewable energy solutions (particularly solar solutions) due to significant financing requirements

Renewable energy, specifically solar power is yet to gain wide reach due to the comparatively large capital investment required upfront to set up the infrastructure. This is a major deterrent for many intending to transition to or invest in solar power.

Lack of trust in renewable energy solutions

Perceived unreliability and lack of technical expertise have also slowed down shift to solar power. This is largely due to negative experience with solar companies who lacked technical expertise to deliver quality service.

Leadership commitment to sustainability and environmental-friendly solutions.

Commitment to sustainability is driven from the top, that is, by leaders, business executives and top management of companies. There is a great need for more people in leadership positions to lead by example and this is evidenced by Companies such as the Nigerian Bottling Company (NBC) that have demonstrated that their continuing 'green' efforts are a product of strong commitment by global leadership.

More companies need to collaborate to improve impact of sustainability initiatives

Companies usually do not pool resources to make an impact but recent activities have shown that collaboration between companies, otherwise deemed as competitors, and alliances with government is a key part of transitioning to "green" practices.

- » For instance, the Nigerian Bottling Company (NBC)'s Food & Beverage Recycling Alliance, which seeks to rid Nigerian waterways of plastic waste, is an initiative formed between competitors including Nigerian Breweries Plc, Seven-Up Bottling and Nestle Nigeria Plc.
- » Also, the NBC recently partnered with the Lagos State government to collect and recycle plastic waste in its waterways.

Recommendations

Share experiences, success stories, and sensitise consumers on benefits of renewable energy solutions and environment-friendly practices.

Companies already undertaking green solutions, such as Sterling Bank, must share their experience with the public to set an example for other companies and encourage consumers to improve environment-friendly behaviour.

Private sector players must take the lead in the transition to better sustainability practices

Companies must take the lead by disconnecting from the national grid and moving to renewable energy; thereby allowing unused capacity to be supplied to less-privileged communities.

Connect remote off-grid communities, where energy demand is low, to renewable energy solutions.

Transition areas, such as industrial hubs or SME clusters, to renewable energy sources to demonstrate scalability and drive investment therein.

Businesses and SMEs clustered in urban areas can pursue 'communal' solar solutions. This will likely improve efficiency and make a good use case for scalability of renewable energy.

Incentivise recycling by implementing regulation that promotes backward integration in plastics manufacturing industry

Regulation and policy should be implemented to compel plastics manufacturers to offtake waste collected by the Food and Beverage Recycling Alliance.

Renewable energy solutions should be provided to tertiary institutions and health facilities where power costs have great impact on welfare.

Key Priorities, Action Steps, Responsibilities and KPIs

| Key Priorities | Government Driven | | Private Sector Driven | |
|---|-----------------------|---|-----------------------|--|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| Pursue collaboration | NIMASA | Engage with NBC on how to partner for cleaning waterways and waste recycling | | |
| Information dissemination | FGN/State Government | Town halls meetings and sensitization programs | Sterling Bank | <ul style="list-style-type: none"> Share experience to drive move to solar power in the financial services industry Also, provide finance to companies looking to invest in renewable energy solutions |
| Regulation Implementation | FGN/NIMASA | Include plastic producers as off-takers of waste from the Food and Beverage Recycling Alliance | NBC | <ul style="list-style-type: none"> Improve lobbying for enactment of regulation |
| Transition to renewable energy sources | Government of Nigeria | <ul style="list-style-type: none"> Identify areas to transition to renewable energy Develop implementation roadmap Document experience and develop case study of the project | | |
| Deployment of renewable energy solutions to tertiary institutions and health | Government of Nigeria | <ul style="list-style-type: none"> Develop investment case and rationale for the initiative Identify universities and health facilities, and select pilot institutions | | |

**Date:**

Wednesday, October 22, 2018

Session:

New Frontiers for Business
and Economic Growth - v's
Sustainability Champions

Time:

2:00 – 4:00 p.m.

Discussion Leader

- Mr. Yaw Nsarkoh - CEO, Unilever Nigeria Plc

Discussants

- Mr. Lawrence Anukam - DG/CEO, National Environmental Standards, & Regulations Enforcement Agency (NESRA)
- Mr. Bashir Jimoh – Director, Admin and Finance, NIMASA
- Dr Felicia Omugwo – Director, NIMASA

Moderated/facilitated by:

- Dr Uzo Egbuche – CEO, CERASE Environmental Services Limited
- Dr Tayo Aduloju – Senior Fellow, Public Policy and Institutional Development, Nigerian Economic Summit Group

Session Objectives

- Identify incentives and pinpoint regulatory frameworks to encourage green efforts of corporations and businesses

Background

The over-exploitation of the earth's resources by the production and consumption activities of organisations is threatening the environment. Ensuring sustainable business practices is now a top agenda for business leaders, world leaders, environmental activists and other key stakeholders. However, business entities

require support and incentives from regulators. This is to encourage the inculcation of innovation in business operations and to promote environmentally friendly practices that achieves sustainable profitable business growth.

Issues and Challenges

Protective regulatory interventions facilitating business inefficiencies

The core of government incentives and policies is to drive healthy market competitiveness that improves business efficiency and enhances service delivery. Current regulatory interventions however promote inefficiencies rather than support innovative business practices in such areas as materials sourcing, production and even financing. Such protectionist policies and/or incentives favour a small group of the population, reap off the system and make development and growth elude majority of the populace. For instance, in Rwanda, government policies effectively eliminated deadweight loss associated with goods transport by shortening transit time of containers from Mombasa to Kigali from 22 days to 5 days. Similarly, Singaporean port discharges 118 ships in 14 hours whereas Nigerian port discharges 64 ships in 39 hours. The instances provided indicate the power of enacting the right policies to facilitate ease of doing business.

Fragmented approach to tackling sustainability challenges

Environmental protection is a holistic endeavour requiring stakeholder collaboration. However, a dichotomy presently exists between the State and the Private Sector. The former and latter sit on opposite sides of the table with the regulator acting as the hunter and the businesses as the hunted. Business owners do not openly collaborate with the government to address the issue of sustainability holistically. Also, collaboration amongst businesses are limited.

Limited public education and buy-in on environmental issues

Public enlightenment on ecosystem preservation and sustainable resource exploitation is almost non-existent. Hence, the populace are ignorant on the impact of their activities on the environment.

Over-regulation

Bio resources are not fully exploited in Nigeria because of over-regulation. Large population of sweet tuna exist within Nigeria's marine resources but multiplicity of regulator registration and compliance cause stumbling blocks for willing investors in the sector.

Recommendations

Introduce robust regulatory and legislative frameworks

Incentives and/ or policies introduced by the government should be premised on driving innovation to achieve cost optimization and drive market competitiveness. This engenders external economies of scale for firms. However, government must be invisible while enforcing regulations. Some legislations required are:

- » A key legislation is the standardization of the adoption of light weight plastics for food and beverage manufacturers to ensure a level playing ground for competitors.
- » Alternatives to synthetic detergent packaging needs to be developed.
- » Complete eradication of the use of plastics in certain spaces such as retail stores can be explored.

- » Streamlining of regulatory requirements and permits from multiple environmental institutions for potential investors interested in renewable energy.
- » A law that enables the exploitation of the blue economy beyond the Economic Exclusive Zone (EEZ) should be enacted. The blue economy has deposits of huge mineral resources that poses huge business benefits for organizations to tap into.

Holistic approach to environmental protection

Conversations between the regulator and the regulated is paramount to addressing environmental challenges. Discussions should agree the role of regulators, the role of facilitators and the role of players to address environmental challenges that will benefit communities. A use case is Coca-Cola partnering with 7UP to form alliances on plastic recycling.

Provision of critical enablers and elimination of bottlenecks to promote sustainable practices

- » Infrastructure provision: Provision of enablers such as electricity, good roads and security of lives and property on land and at sea provide great incentives for business organizations to consider and explore the huge investment outlay required in pursuing renewable energy choices. Availability of enablers reduce the cost of production for manufacturers allowing them to divert funds to investment in innovative renewable energy sources and research & development.
- » Good governance: Good governance eliminates operational inefficiencies within the industry
- » Benchmark public institutional processes and close investment to address gap: Bottlenecks exist in government processes and institutions hence, discouraging investors. Benchmarking identifies gaps and areas of improvement. Public institutions need to benchmark themselves to achieve efficiencies. Investment should be directed to gap areas. A case in point of required investment that can improve operational efficiencies are Nigerian Ports

Community engagement in marine and beach clean-up

Prior to engaging the community in sustainability efforts, enlightenment and capacity development of locals is the critical step. Public education of individuals in communities along the coastal areas should be conducted. Joint clean ups with communities through training of unemployed youths on environmental conservation efforts and provision of employment as Marine Environment Marshals should be encouraged. Marshals will be tasked with ensuring the protection and respect of the environment and raise alarms when threat of exploitation is discovered

Engage innovation hubs and start-ups on recycling marine waste

Nigeria is blessed with over 853km of coastlines. However, waterways are clogged with ship wreckages, water hyacinths, and other marine litter. These marine litter are valuable resources which could serve as input or raw materials in another production process. Start-ups or innovation hubs are encouraged to identify the use of marine waste and conversion into value. Such ventures will be happily supported by the government.

Encourage new ways of doing business

Consideration of other methods of doing business such as:

- » Extended Producer Responsibility (EPR): Every industry should imbue sustainable practices throughout a product lifecycle. Production activities should be mindfully of environmental considerations through design to end of life of products
- » Adopt the use of non-polluting technology by business owners. Government look to support such innovations
- » Circular economy: The end of a product life should serve as an input into the manufacture of another product.
- » Common but differentiated responsibility: Organisations should commit to supporting sustainability efforts. However, contribution per industry player should be proportional to the size of market share controlled.

» Sustainable banking: Commercial banks prior to the provision of a big facility, should inculcate considerations for environmental factors while evaluating financing requests and ensure they support organisations that operate sustainably.

» Blue economy: Develop local capabilities to explore blue economy rich in resources such as manganese and copper to drive pressure off terrestrial resources. Blue economy means having respect of the huger resources in the oceans across the coastlines, sandy beaches, mangrove trees and other aquatic resources.

Key Priorities, Action Steps, Responsibilities and KPIs

| Key Priorities | Government Driven | | Private Sector Driven | |
|---|-------------------|--|--|---|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| Provision of regulatory and legislative frameworks to promote sustainable business practices | NERSA | <ul style="list-style-type: none"> Standardise the use of light-weight plastics Introduce alternatives to detergents packaging | <ul style="list-style-type: none"> CERASE NESG | Drive the execution of identified priorities |
| | National Assembly | Introduce legislation to eliminate the use of plastics | <ul style="list-style-type: none"> CERASE NESG | Drive the execution of identified priorities |
| Forge alliances and partnerships | NIMASA NERSA | Develop joint task force to clean up beaches and waterways between the private sector and regulators | <ul style="list-style-type: none"> Manufacturers Business owners | Collaborate with industry peers to drive sustainability efforts |



Date:

Wednesday, October 22, 2018

Session: Plenary II
Effective Public Institutions
– The Unfinished Business of Reforms

Time:

4:00 – 6:00pm

Discussion Leader

- Mrs. Winifred Oyo-Ita - Head of the Civil Service of the Federation
- Mr. Aigboje Aig-Imoukhuede - Founder/Chairman, Africa Initiative for Governance
- Dr. Jennifer Musisi - Executive Director, Kampala Capital City Authority, Uganda
- Dr. Tunji Olaopa - Executive Vice Chairman, Ibadan-School of Government and Public Policy
- Mrs. Ifueko Omogui-Okauru - Managing Partner, Compliance Professionals PLC
-

Moderated by:

- Dr. Tayo Aduloju - NESG Senior Fellow, Public Policy and Institutional Development

Session Objectives

- Highlight the importance of public service as a key factor in accelerating poverty reduction in Nigeria
- Discuss the challenges to the effectiveness of public institutions in Nigeria
- Articulate solutions to addressing the identified challenges

Background

Nigerian public institution is the centre of government power. Globally, democratic governance is measured by the capacity of the state to generate enough service delivery efficiency that citizens can associate with. Public Institutions' maturity is measured by the capacity of the state to provide its citizens access to basic amenities. Although Public institutions do not formulate policies, they implement them. They play critical role in determining what will get done and ensure through execution that policy decisions are translated to impact. However, effective public institutions have failed to emerge in Nigeria and the consequences of well-intended policies are absent. How do we reverse the trend?

The Nigerian government has developed the Federal Civil Service Strategic Plan (2016-2020), which was

internally generated by key stakeholders in the sector. It is tailored towards ensuring that the public service is efficient, productive, incorruptible and citizen centred. The plan identifies the following four goals:

- » To develop an institutionalised and ethical civil service
- » To develop and institutionalise an enterprise content management system
- » To change the orientation of the service
- » To develop an entrepreneurial culture within the service

Issues and Challenges

Correlation between Economic Performance and Quality of Governance

There is a correlation between high quality public institutions and the proper functioning of the economy. The poor state of the public service in Nigeria affects the economy because empirical evidence have shown that there is a direct link between the efficiency and effectiveness of the civil service and the productivity of the economy.

Decline in the Quality and Effectiveness of Public Service

In the 1960s, Nigeria had a reputation for high quality of governance among the Commonwealth Nations. However, the quality and effectiveness of public service and public institutions of Nigeria have significantly declined. This can be attributed to several factors including:

- » Massive underinvestment in the public sector and talent from the 1970s.
- » The bureaucratic model of Public Service adopted in Nigeria is inefficient and ineffective. It was introduced during the colonial era and was designed to prevent fraud and control politicians. It does not ensure effective service delivery. Britain, which we inherited this civil service model from, has since moved to more contemporary models for their public-sector businesses.

- » The performance management systems are ineffective – focused on inputs and activities, rather than output and outcomes. An effective Performance Management process establishes the groundwork for excellence and the absence of such within the public service has hindered performance. The previous systems used subjective assessment criteria and promoted loyalty and compliance, rather than impact and productivity.
- » The public service has been a laggard in the adoption of technology, and this has negatively impacted on productivity as well as quality of information for decision-making and monitoring.
- » There is a general poor perception of the public service as a result of negative experiences including provision of poor quality services, deeply enshrined corruption, lack of productivity, and lack of citizen-centred interventions.

Challenges Impeding Successful Reform of Public Service

Progress has been made in reforming the Public Service with the development of the Federal Civil Service Strategic Plan (2016-2020). There have, however, been prior attempts at reforming the public service, including the 1972 Udoji Public Service Review Commission and Steve Oronsaye Committee 2007 Report, which failed.

The lack of success with the previous attempts at reform of the Nigerian Public Service could be attributed to the following:

- » The cost of implementing reforms in the public service is significantly high.
- » Reform recommendations lacked buy-in from critical stakeholders including the executive and legislative branches of government, civil

servants and labour unions.

- » There was a lack of political will to execute reforms as well as lack of continuity in execution of reforms across political dispensations and regimes. Instead, various governments created parallel institutions to implement their programmes and policies, which resulted in an increase in the size of the civil service.

Recommendations

A. Develop, roll-out and implement comprehensive Public Service Transformation Plan

Conduct holistic human capital assessment across All MDAs

- » The human capital assessment should include the following:
- » Skills audit to identify available skills as well as skills gaps.
- » Capability review to identify hindrances to productivity.
- » Job evaluation, design and grading
- » Culture review and realignment
- » People management process
- » Compensation and benefits

Enhance the quality of human capital within the Civil Service

- » Recruit quality professionals to lead the reforms.
- » Invest in targeted and role-relevant capacity building/ training.

Adopt an effective performance management system to improve accountability and productivity in the Civil Service

Develop and implement a Culture Transformation and Change Management Programme

Culture change requires a shift from viewing performance as loyalty and compliance to impact, measurable results and productivity.

A culture transformation will influence behaviour and ensure that the employees of public institutions adopt the desired culture. Change management will enable effective communication with stakeholders, as well as stakeholders' understanding and buy in of the necessary changes required by the reform.

Rebrand the Civil Service to improve perception

This cannot be achieved through just the use of jingles and adverts alone. It would require rethinking and change in the civil service and the performance management system in a process that must be seen by all citizens.

B. Enhance Government Approach to Articulating, Implementing and Monitoring Reforms

Adopt an effective approach to executing and managing reforms

- » Advocate for the funding required to undertake/implement reforms through
- » Implement value-driven resource allocation.
- » Leverage on knowledge and experience of past office holders.
- » Elicit support and buy-in for execution of reforms across key stakeholders
- » Obtain Executive support for the change/reforms.
- » Dialogue with labour union on the required reforms within the public institutions.

Ensure key policies on reforms are passed as Laws to avoid policy summersault as a result of a change in government

Leverage Public-Private Sector Collaboration to Drive Transformation in the Civil Service

Develop platform for private sector to support transformation of the civil service

- » Expand partnership between Private Sector/ NESG and Federal Civil Service to enhance the implementation civil service reforms. The partnership will help to deepen set of skills and talents and ensure a more responsive work culture into public sector organisations, along with innovative thinking and creativity.
- » Leverage on benchmark studies and best practices already documented including private sector learnings to improve the quality of governance.
- » Organise a forum/platform to further discuss the issues of governance and effectiveness of public institutions in Nigeria.

Key Priorities, Action Steps, Responsibilities and KPIs

| Key Priorities | Government Driven | | Private Sector Driven | |
|--|--|--|--|--|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| Develop, roll-out and implement comprehensive Public Service Transformation Plan | <ul style="list-style-type: none"> Office of the Head of Civil Service State Governments | <ul style="list-style-type: none"> Conduct skills audit of all staff in MDAs Conduct current state review of operating model of the Nigeria Civil Service to identify hindrances to productivity and service delivery Conduct job evaluation, design and re-grading for all MDAs Re-evaluate compensation and benefits framework | <ul style="list-style-type: none"> Private Sector NESG | <ul style="list-style-type: none"> Support the Federal Civil Service with best practices for the following: <ul style="list-style-type: none"> Job evaluation, design and regrading Conducting skills audit for organisations Compensation and benefits |
| | <ul style="list-style-type: none"> Office of the Head of Civil Service State Governments | <ul style="list-style-type: none"> Develop and roll-out an effective performance management system focussed on outputs and outcomes | | |
| | <ul style="list-style-type: none"> Office of the Head of Civil Service State Governments | <ul style="list-style-type: none"> Develop and Implement a Culture Transformation and Change Management Programme across federal and state Civil Service | | |
| | <ul style="list-style-type: none"> Office of the Head of Civil Service State Governments | <ul style="list-style-type: none"> Recruit quality professionals to lead the reforms. | <ul style="list-style-type: none"> Private Sector NESG | <ul style="list-style-type: none"> Provide support (resources, capacity building, secondment etc) to the Civil Service |

| Key Priorities | Government Driven | | Private Sector Driven | |
|---|--|---|--|---|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| <p>Enhance Government Approach to Articulating, Implementing and Monitoring Reforms</p> | <ul style="list-style-type: none"> Office of the Head of Civil Service | <ul style="list-style-type: none"> Invest in targeted and role-relevant capacity building/training. Develop and roll-out an integrated rebranding initiative for the Civil Service | | |
| <p>Leverage Public-Private Sector Collaboration to Drive Transformation in the Civil Service</p> | <ul style="list-style-type: none"> Federal & State MDAs Office of the Head of Civil Service State Governments | <ul style="list-style-type: none"> Develop and pass legislation on key policies on reforms of governments Fast track the passage of pending bills Participate in dialogue sessions with Private Sector Consolidate learnings and best practices from private sector | <ul style="list-style-type: none"> NESG | <ul style="list-style-type: none"> Identify and advocate for the enactment and passage of key reform initiatives as laws Develop a comprehensive private-sector led initiative to facilitate transformation of the Civil Service Set up platform for interaction between Federal Civil Service and State Civil Services and Private Sector Participate in dialogue sessions with the Federal Civil Service Provide support to fund as well as facilitate the implementation of Civil Service reforms |



TEUSDAY
October 23

Poverty to Prosperity:
Making Governance
and Institutions Work



Date:

Tuesday, October 23rd 2018

Session: Plenary III
Sustainable Economic
Opportunities – Ending the
Vicious Cycle

Time:

9:00 – 11:00am

Panelists:

- Mrs Zainab Ahmed - Honourable Minister of Finance
- Prof. Peter Lewis - Director, African Studies; John Hopkins University
- Dr, Doyin Salami - Chair, NESG Board Committee on Research

Moderated by:

- Ms Bronwyn Nielsen - Editor-at-Large, CNBC Africa

Session Objectives

- Discuss the challenges to creating broad-based economic opportunities and achieving inclusive economic growth in Nigeria
- Identify actionable initiatives to create sustainable opportunities and achieve inclusive growth in Nigeria.

Background

In 2016, the World Bank identified that Nigeria needs about 40 million jobs to cater for the new market entrants by 2030. Yet, combined total for unemployment and underemployment increased from 37.2% in Q2 2017 to 40.0% in Q3 2017 (NBS). Since 1999, successive governments have formulated numerous development initiatives geared at delivering sustainable economic opportunities and growth, yet none of them have fully delivered on their objectives. These past economic plans have not fully yielded positive fruit in accelerating development and accruing the dividends of economic growth. The challenge lies in governance

– execution and implementation.

Nigeria's population is growing exponentially. Over 1.5 million candidates seek admission to Nigerian universities, with about 33% success rate annually. Nigeria churns out approximately 500,000 graduates annually to add to the growing numbers of job seekers. Within two decades, Brazil and China achieved tangible economic growth. What can we learn from their experience and what must we put in place to achieve our economic goals?

Issues and Challenges

Insufficient Private Capital to Drive Economic Growth

Foreign direct investments (FDI) in infrastructure are very essential to market access, job creations, knowledge and technology transfer, increasing wages, and external capital contributions. However, Nigeria has not attracted sufficient foreign direct investments to accelerate our economic growth. In fact, FDI inflows are declining and Nigeria's \$3.5 billion FDI inflows in 2017 is negligible compared to total inflows of \$13.3 billion attracted by Egypt in the same year.

Entrepreneurship has the potential to create several jobs in Nigeria and supplement existing jobs by both public and private sectors thereby closing the unemployment gap. However, a combination of limited access to finance and high interest rates of available finance have constrained the ability of entrepreneurs to grow their businesses and expand employment opportunities.

Poor Economic Policies and Strategies

Successive governments have developed and launched various economic plans including National Economic Empowerment and Development Strategy (NEEDS), Vision 20:2020, Transformation Agenda, and the recent Economic Recovery and Growth Plan (ERGP), aimed at delivering sustainable economic opportunities for the Nigeria population. However, these plans and strategies have failed to translate into improved access to economic opportunities and reduction in poverty.

This persistent gap between economic policies and strategies and economic development can be attributed to three key points: Inadequate understanding of Nigeria's economic problems by policy-makers, poor implementation of economic policies and strategies

and lack of collective action of critical stakeholders to drive economic growth and development.

- » The poor implementation of economic policies and strategies by the public sector can be attributed to lack of skilled public policy resources within the civil service. This skill gap is further worsened by inability of civil service to attract public policy talent due to its poor reward system.
- » Collective action is the ability of large groups of people to begin a movement for a common good. This was demonstrated during the fight against the outbreak of Ebola as well as in transition into a democratic government. However, this concerted efforts across various strata of Nigerian society in working for sustainable economic growth and poverty alleviation is absent.

Hostile Business and Investment Environment

Employment in Nigeria is distributed among the public sector (10% of workers), formal private sector (~3%) and the informal sector (88%). Entrepreneurs in the informal sector have the potential to create the jobs of the future. However, the business and investment environment in Nigeria has deterred the realisation of the growth potential and viability of businesses in the informal sector.

- » Three key factors limiting the attractiveness of Nigeria's economic environment are high cost of doing business, high-risk investment climate and distortion of market mechanism through government's interventions.

- » The cost of doing business is raised by inadequate infrastructure, especially electricity and transportation. It has been noted that Nigeria loses 4% of GDP growth because of infrastructure challenges.
- » Nigeria is also considered a high-risk investment climate, owing to political instability, volatile macroeconomic environment and high level of corruption.

- » Government interference in the market system has created distortion in the price mechanism across key sectors/ products. This is reflected in uncompetitive pricing of some goods and services, which deters private sector investment.

Human Development Challenges

Nigeria Population growth rate remains high and is currently faster than economic growth.

Recommendations

Enhance Nigeria's Economic Strategies and Strengthen Implementation Capabilities

- » Establish a strong economic team and strong long-term economic goals post-2019 election. This should extend beyond federal government to all levels of government.
- » Set up consultative industry groups to drive innovation in specific sectors. These groups should tackle industry-specific and cross-cutting challenges and produce innovative solutions to boost the economy.
- » Revise Nigeria's regulatory philosophy to focus on the urgency of long-term economic growth rather than immediate revenue generation.
- » Ensure continuity of working economic policies and plans.
- » Develop policies to boost private capital inflow.
- » Leverage social and religious institutions to deliver governments economic and development plans.
- » Conduct holistic review of performance and reward system for the civil service. The incentives need to be competitive to enable the public institutions attract talent with the desired competency levels

Continued investment in Infrastructure to Enhance Productivity and Improve Rural Economic Climate

- » Focus on improving power supply to rapidly boost developments to the business environment.
- » Improve economic climate in rural areas by investing in micro-grids for electricity supply and feeder roads for access to markets.

Strengthen Entrepreneurship & Informal Businesses by improving Access to Affordable Finance & Access to Markets

- » Improve access to affordable financing for SMEs and businesses in the informal sector. Increase credit facilities for small businesses, especially those in the agriculture sector.
- » Facilitate dialogues between large corporations and SMEs to drive growth in SME segment.

Define Policies to Address Nigeria's Unsustainable Population Growth & Reposition the Nigeria's Education Sector

- » Review and implement national policy on population to address rapid population growth.
- » Reform education sector to address the skills challenge and ensure that Nigeria has workforce fit for the jobs of the future.

Key Priorities, Action Steps, Responsibilities and KPIs

| Key Priorities | Government Driven | | Private Sector Driven | |
|---|---|---|--|----------------------|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| Enhance Nigeria's Economic Strategies and Strengthen Implementation Capabilities | <ul style="list-style-type: none"> Minister of Finance | <ul style="list-style-type: none"> Establish a strong economic team KPI: GDP Growth Rate | | |
| | <ul style="list-style-type: none"> Minister of Trade and Investment Minister of Finance | <ul style="list-style-type: none"> Set up industry consultative group across six geopolitical zones KPI: Innovation Hubs Growth Rate | <p>NESSG</p> <ul style="list-style-type: none"> Facilitate constitution of industry consultative group KPI: Terms of reference for industry consultative group | |
| Continued investment in Infrastructure to Enhance Productivity and Improve Rural Economic Climate | Federal Civil Service Commission | <ul style="list-style-type: none"> Review remuneration and benefits package for civil service | | |
| | Minister of Power, Works and Housing | <ul style="list-style-type: none"> Expand access to rural infrastructure <ul style="list-style-type: none"> Improve rural electrification Open up rural communities road network KPI: Number of rural households with electricity supply KPI: Number of new feeder roads in rural areas | <p>Financial Institutions</p> <ul style="list-style-type: none"> Allocate and disburse funds for investment in infrastructural solutions in rural communities (electricity, roads) KPI: Percentage of loan book to finance rural infrastructure investment | |
| Strengthen Entrepreneurship & Informal Businesses by improving Access to | <ul style="list-style-type: none"> Minister of Finance Central Bank of Nigeria | <ul style="list-style-type: none"> Provide collateral guarantees for MSMEs | <p>NESSG</p> <ul style="list-style-type: none"> Facilitate dialogues between large corporations | |

| Key Priorities | Government Driven | | Private Sector Driven | |
|---|---|--|--|---|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| Affordable Finance & Access to Markets | <ul style="list-style-type: none"> ▪ Bank of Industry | <ul style="list-style-type: none"> ▪ Sponsor research on status of MSME financing across geopolitical zones ▪ KPI: Report on MSME financing gap in Nigeria | | <ul style="list-style-type: none"> ▪ and SMEs to drive growth in SME segment ▪ Conduct research on barriers to MSME financing ▪ KPI: Number of roundtables organised ▪ KPI: Report on MSME financing challenges |
| Define Policies to Address Nigeria's Unsustainable Population Growth & Reposition the Nigeria's Education Sector | <ul style="list-style-type: none"> ▪ National Assembly ▪ Ministry of Health | <ul style="list-style-type: none"> ▪ Introduce population control policy ▪ Intensify awareness campaign on population control ▪ KPI: Reduction in fertility rates | <ul style="list-style-type: none"> ▪ NESG ▪ NGOs | <ul style="list-style-type: none"> ▪ Facilitate dialogues with religious and community leaders on population control ▪ KPI: Number of focus group discussions organised |

**Date:**

Tuesday, October 23rd 2018

Session: Plenary IV
Participation & Citizens' Rights –
Citizens Dividend as a Measure
of Good Governance

Time:

11:00 – 1:00 pm

Panelists:

- Mr. Gabriel T. Aduda; Permanent Secretary, Office of the Secretary to the Government of the Federation
- Dr. Hussaini Abdu; Country Director, Plan International Nigeria
- Ms. Yemi Adamolekun; Executive Director, Enough is Enough, Nigeria
- Ms. Cynthia Mbamalu; Programme Manager, YIAGA Africa.

Moderated by:

- Ms. Ijeoma Ndukwe; Anchor, BBC Africa
- Mrs. Chisom Mbonu-Eseoke; Anchor, DSTV Africa
-

Session Objectives

- To examine the role of effective citizen's participation in ensuring good governance.
- To discuss current citizen engagement platforms and mechanisms
- To discuss the effectiveness of current engagement platforms
- To highlight additional initiatives and action points to improve citizens engagement and participation

Background

There has been a huge gap in citizen participation especially in developing countries. Today, Governments all over the world are utilising the internet (World Wide Web) to engage citizens. In the same way, citizens are using social media platforms to exercise their rights and demand for the dividends of democracy. In Nigeria, despite being the 8th largest country in the world in terms of internet penetration, citizen participation in the country remains low. This is evident in a 2018 ranking of countries on e-government development in which Nigeria was ranked 143 out of 193 on the

E-Government Development Index, which measures countries' use of information and communications technologies to deliver public services. For a society that is getting more interconnected through technology, Nigerians are often disconnected from policy decisions that shape and impact their lives. To achieve improved citizen participation and engagement, Nigeria requires an informed citizenry, an organised civil society and collaboration between the public and private sector and civil societies.

Issues and Challenges

Lack of awareness on existing Government platforms and initiatives that support citizen's participation and lack of citizen engagement in developing these platforms and initiatives.

The Federal Government has developed some platforms to engage citizens such as the e-participation portal, launched in May 2018 by the Office of the Secretary to the Government of the Federation. However, awareness/publicity and the extent of Government engagement with citizens for their input before developing such platforms has been poor.

- » A quick survey of the panellists and participants at the plenary session revealed little or no awareness of the e-participation platform (www.osg.gov.ng or www.eparticipation.gov.ng) recently launched.
- » The information on usage statistics (17 users) available on the portal also corroborated discussions on poor publicity, awareness and citizen engagement.
- » Lack of engagement with citizens on their needs and the lack of collaboration with State and Local Government in the design and development of any citizen engagement platform also contributes to poor awareness and publicity.
- » In addition, MDAs unawareness on the existence of such platforms and the inability to hold persons responsible in cases of non-response to complaints and requests inhibits the likelihood of success of such platforms.

Inadequate demands from citizens for their rights.

Nigerian citizens are not doing enough in demanding for their right and holding public officials and civil servants accountable.

- » Citizens neither know nor understand their rights making them unable to demand for what is rightfully theirs. This was corroborated by a recent poll which revealed that only very few Nigerians have read the constitution.
- » The system is also unaccountable to either itself or the people making it easier for citizens to engage in informal settings than through formal settings.
- » However, citizens have begun to engage the government through social media but the level of engagement and virality is still low.

Citizens lack of trust in Government and its initiatives.

Nigerian citizens have lost all form of trust in the Government and have become unreceptive to citizen engagement platforms/initiatives.

- » The vicious cycle of poor governance and/or failure of governance (e.g. failure to honour campaign promises) has resulted in cynicism about government programmes/initiatives and outright distrust for the system.
- » Non-functionality of existing platforms aimed at improving citizen participation such as Servicom has further increased citizen's skepticism and lack of trust in the system.

- » The dearth of relevant skills and expertise among public officers on citizen engagement and management also contributes to the poor services experienced by citizens and citizen's pessimism of government initiatives.

Lack of a holistic approach to citizens engagement.

The Government is not seen to take a holistic approach to citizen engagement, giving the apparent non-inclusiveness of its initiatives and lack of collaboration with other cadres of government.

- » The Government does not have engagement platforms targeted at various citizen class,

making it impossible to properly capture general public opinion.

- » The Government is also in the habit of establishing new initiatives for citizen engagement despite its huge overhead costs instead of leveraging existing initiatives and platforms.
- » In addition, there seems to be a lack of collaboration between all levels of governments and MDAs in developing these initiatives, resulting in pockets of ineffective initiatives across the country.

Recommendations

Increase collaboration between government, private sector and civil society organisation

- » Expand partnership between Civil Society Organisations, Private Sector and Government to enhance the use of engagement platforms by citizens. The partnership will help to deepen government knowledge of citizens knowledge, ideas and ability to provide oversight. This is also a key component of the open governance partnership.
- » Leverage on existing citizen engagement platforms already established by Government including private sector platforms to improve citizens' participation in governance.
- » Organise a forum/platform with the Civil Society organisation and Private Sector to further discuss the best ways for Government to engage citizens in the governance process.

Government need to deliver on basic social services

One of the fundamental responsibility of every government is the provision of basic social services like roads, health care, electricity, water, among others. This is the most common interface between citizens and government, the citizens' sense of trust lies in the ability of government to provide functioning basic social services. The government need to deliver on basic social services to build citizens trust which will further enhance citizen's participation in Governance.

Government should make existing citizens engagement platforms functional and share success stories of existing initiatives to build trust

- » The current citizens engagement platform housed by the Office of the Secretary General of the Federation does not have the adequate structure to promote participation at the grassroots level. Government should utilize existing structures and institutions for citizen engagement rather than creating new ones and duplicating agencies, thereby increasing overhead and cost of governance. Agencies like the National Orientation Agency, which has offices in all the 774 local Governments in Nigeria, is the best platform for citizens' engagement because it already has the structure to engage citizens at the grassroots level.
- » Sharing success stories on some of governments' initiatives and how it has helped benefited users will not only assist in raising awareness, appreciation and use of the platform but will also build trust of citizens by knowing these initiatives do actually work.

Citizens need to demand and hold the Government accountable

It is no secret that citizens need information to hold their government accountable. The open government partnership (OGP) is a global platform that was launched to reduce corruption within government and to provide citizens with the necessary information to hold government accountable. An example of such as the open budgeting process which is led by the Ministry of Budget and National Planning has improved the transparency of the budgeting process. This has led to budgets being simplified in a form that Nigerians can digest and understand. The next step is for citizens to demand for real time Government spending through the introduction of legislation for citizens to track and hold government accountable. In order to ensure success, there is need to deepen participation on the side of the citizens.

Improved/increased accountability on the part of governments

It is an obligation for the government, its agencies and public officials to make information available to citizens about their decisions and actions and provide justifications for such actions. Improved/increased accountability on the part of government is one of the cornerstones for good governance to flourish in the country.

Ensure engagement platforms are user friendly and accessible through the search engine optimization

A key factor in ensuring citizen participation in governance is to provide a user friendly platforms which can also be accessible through the search engine optimisation. The Government need to recognise that only about 41% of the citizens have access to the internet and less than 15% have broadband access. The government need to blend both offline and online platforms to co-create with all their citizens.

Government should utilize social media as an engagement tool

The growing influence of social media in today's digital world needs to be recognised by policymakers. The government must actively participate on social media to disseminate information and influence public conversation.

Government policy should be demand driven not supply driven

In order for the government to provide effective governance, which meets the needs of the citizens, policy development should be demand driven and not supply driven. The government needs to involve

the civic society in the development of policies to ensure the right initiatives are deployed, to provide transparency in the policy making process and to keep citizens adequately informed of government activities that will inherently impact their way of life. Policy development should be decentralised and substantial participation and co-resolution from citizens of the country should be encouraged, this in turn will reduce the gap between the government and people and subsequently produce a stronger relationship.

Government should make existing citizens engagement platforms functional

- » A major factor in encouraging citizen participation in governance is to provide channels, to enable citizens relay their opinions, complaints, suggestions and appreciation directly to the government. Lessons should be learnt from past mistakes and used to develop improved engagement platforms in the future.
- » A thorough review of existing citizen engagement platforms should be conducted and immediate changes should be made to render the platforms more user friendly and accessible to citizens.

Involve citizens in the design of engagement platforms

User involvement in the design of any system is critical to the success of the entire project. Citizens across all classes in the county should play a significant role in the design of any engagement platform. The government should engage citizens in the development process to understand their exact requirements and then create a platform that meets their expectations. For example, citizens with limited internet connectivity may prefer an offline engagement platform. There should be a balance between online and offline engagement platforms to cater for the needs of all citizens who would wish to use the platform. This design approach will lead to the creation of a user-friendly system, higher usability rate and an all-round appreciation of the engagement platform.

Include civic education in the current education curriculum

A major issue identified with citizen participation in Nigeria was the average citizen's lack of knowledge about their civic rights and responsibilities of their government. The majority of Nigerians are yet to read the constitution and therefore do not hold the government accountable. The issue is born from the absence of civic education in the current curriculum used by educational institutions in Nigeria.

The government must ensure citizens are taught about their rights and civic duty during their formative years in the educational system to produce enlightened citizens who will be more inclined to hold their government to account.

Provision of local funding support for CSOs

Civil Society Organisations (CSO) play a critical role to help shape policies and monitor government initiatives, and hold governments accountable for their duty to fulfil the rights of the citizens. Presently, foreign individuals and organisations fund the majority of CSOs, which is unsustainable. There is an urgent need for local funding support to ensure CSOs have adequate means to acquire essential resources needed to strengthen their capacity to function effectively and enhance the quality, availability and coverage of the civil services they provide.

Core competencies need to be built in the Public Service. All Public Servants need to be trained to communicate to the citizens including use of social media

Communication is vital in developing strong relationships with citizens in the country. Public servants should be thoroughly trained to communicate effectively with citizens through a variety of channels.

Core competencies in communication through digital technologies such as social media should be built in the public service.

Government should leverage on existing platforms used by the private sector for citizens' engagements

The private sector in Nigeria currently provides various mediums, which the government can leverage on to promote citizen engagement. The government should collaborate with private sector organisations with communications channels that can effectively enable citizen engagement. Partnering with privately run radio stations can provide a big opportunity to communicate with citizens through a conversant medium.

Invest in rebuilding the educational system

The current education structure cannot produce the right people who can actively participate in governance. The government needs to develop a Nigerian education system that prepares its youths for governance and national development. Education content and delivery needs to be reviewed to take into cognizance the emergence of a technology driven global economy and adequately prepare youths with the right competencies to compete with their peers on the global standards.

Key Priorities, Action Steps, Responsibilities and KPIs

| Key Priorities | Government Driven | | Private Sector Driven | |
|----------------------------|--|--|--|--|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| Collaboration | Office of the Secretary of the Government of the Federation (OSGF) | <ul style="list-style-type: none"> Participate in dialogue sessions with Civil Society Organisations (CSOs) and Private Sector Consolidate learnings and best practices from CSOs and private sector | <ul style="list-style-type: none"> NESG CSOs Private Sector | <ul style="list-style-type: none"> Set up platform for interaction between OSGF and Private Sector Participate in dialogue sessions with the OSGF Provide support |
| Human Capital | OSGF | <ul style="list-style-type: none"> Conduct capacity building for public servants on ways to communicate effectively with citizens through a variety of channels | <ul style="list-style-type: none"> CSOs | <ul style="list-style-type: none"> Support the Government with best practices for effective communication |
| Curriculum Revision | Ministry of Education | <ul style="list-style-type: none"> Revise the current education curriculum to include civic education | <ul style="list-style-type: none"> CSOs | <ul style="list-style-type: none"> Contribute to the revision of the education curriculum |
| Legislation | National Assembly | <ul style="list-style-type: none"> Pass legislation mandating Government to provide real time budget spending for citizens to track and hold them accountable. | <ul style="list-style-type: none"> NESG | <ul style="list-style-type: none"> Push for enactment and passage of bill through NASSBER |

**Date:**

Tuesday, October 23rd 2018

Session: Plenary V

Human Development - Investing
in Our People

Time:

11:00 – 1:00 pm

Panelists:

- Mr. Rachid Benmessaoud - Country Director (Nigeria), World Bank
- Dr. Paulin Basinga - Country Director (Nigeria), Bill & Melinda Gates Foundation
- Mr. Abubakar A. Suleiman - CEO, Sterling Bank Plc
- H.E Mrs. Toyin Saraki - Founder, Wellbeing Foundation Africa

Moderated by:

- Mr Charles Aniagolu – Senior Editor, Arise News London

Session Objectives

- Investigate issues which contribute to the deterioration of the quality of healthcare and education in the country
- Identify potential opportunities for channelling proper investment towards the development of infrastructure in health and education.
- Deliberate on approaches through which private-public partnerships can be sustainably harnessed in improving Nigeria's human capital index.

Background

The challenges of developing human capital in Nigeria relative to global competitiveness continues to remain far from appreciable. As of 2017, Nigeria was ranked 152 among the 188 UN member states in the Human Development Index, HDI. Prior to the decline in global oil prices, Nigeria was growing at a CAGR of 5.3% post rebasing, yet this growth did not translate into sustainable human development. Today, Nigeria ranks as one of the countries with the highest number of maternal, infant and child mortality; this is to the extent of losing 1 in every 13 expectant mothers, which is partly driven by inadequate manpower. To complement the statistics Nigeria also ranks as the country with one of the highest malnourished children globally. According to UNICEF, Nigeria has the highest number of out of school youth in the world: over ten million Nigerian youth do not go to school.

The country's infrastructure gap is wide and continues to expand as the population increases. It is also estimated that there are presently only 30 million seats available in Nigeria's primary and secondary schools to accommodate its 90 million youth under the age of 17 and a mere 1% of the population is currently enrolled in the tertiary system. While this is reflective in the rising level of food insecurity, income poverty and insecurity in the country, it further stresses the urgency to tackle the deficits, not in natural resources, but human resources and its management. With the right institutional framework, social consciousness for the citizenry and an empowered social population, Nigeria's social problems can be tackled. Why has inclusive growth failed despite the intent and what are the new solutions to ensure that every development investment delivers for the people?

Issues and Challenges

Population growth currently outpaces economic growth which has undermined several poverty reduction efforts

By virtue of its burgeoning population, which has been estimated to grow at an annual rate of 2.6%, the slow pace of Nigeria's economic growth has placed a huge strain on the limited resources available to cater to the welfare of the populace. This has also crippled the impact of several poverty alleviation measures and initiatives which have been implemented by the government and international development organizations over the past few years.

Nigeria's low score on the Human Capital Index

Nigeria's human capital index score which was measured across survival, schooling and health, is highly revealing of the country's deficiency in providing quality health care and education to its citizens. This is of particular concern, as the quality of services provided by the government in this regard play a critical role in ensuring the social welfare of its citizens, as well engendering inclusive economic development.

Massive backlog of investment in health and education infrastructure

The channeling of sufficient investment in developing proper health and education infrastructure by the government is long overdue. Despite several initiatives which have been undertaken to ensure that both

sectors attract significant capital inflows from both public and private sector, there is still a significant gap between infrastructural needs of the sectors and current infrastructural capacity.

Nigeria has the largest number of out-of-school children in the world

The rate of pupil enrollment in primary and secondary schools in Nigeria has not been impressive. This poor rate of enrollment have been exacerbated by a host of factors including poor quality of available physical infrastructure within several rural communities as well as the absence of initiatives that effectively address the perception of relevance of education - particularly among girls in the northern states.

The proportion of fiscal capital expenditure to GDP is insufficient to address existing problems in health and education

The ratio of fiscal capital expenditure to GDP in Nigeria - which serves as a measure of the quality of investment in core sectors that a critical to the socio-economic development and welfare of the populace - is estimated to be low relative to developed countries with functional systems and infrastructure. This has resulted in huge deficiency of capital investment in infrastructure that are critical to solving existing challenges faced in both the health and education sectors.

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

Alongside the absence of sufficient physical infrastructure in the education sector, there are

noticeable gaps in terms of the technical capacity of teachers and educators. This is a crucial factor which undermines the quality of learning at both primary and secondary schools, and invariably impacts the academic ability and performance of students.

Recommendations

A. Implement key policy reforms & adopt home-grown solutions to addressing Nigeria's development challenges

Exploit specific reforms targeted at improvement in health and education outcomes

To improve the human capital index of Nigeria, government and private sector/development experts must focus on initiatives, policies and reforms that enhance human capital advancement. For instance, development reforms must prioritize the Health, Education and Economic growth.

Foster the development of home-grown solutions that are adaptable to local socio-economic environment

To solve Nigeria problems, we must develop solutions that is suitable for the Nigerian context and peculiarities. For instance, we need to design school curricula that addresses our current labour gaps and realities. The vocational education system should be enhanced to close this gap.

Document successful development strategies and adopt across similar context

There is need to deliberately document the various development wins and strategies already being celebrated and replicate same across states/parastatals. For example, the recorded wins in some states by the Wellbeing Foundation Africa could be articulated and modelled in some other similar states to replicate same results.

B. Improve funding for critical development infrastructure to improve health and education outcomes as well as employment

Implement initiatives that attract private sector capital

Efforts must be geared towards attracting private local and foreign capital. This can be achieved by making deliberate effort to dampen the risk of business failure for these investments.

Ensure Infrastructural Funding is linked to Performance

To reduce the incidence of inefficiencies, funding towards infrastructure projects should be given out on the basis on the performance on past projects.

Accelerate Investment in technological infrastructure to bolster digital economy

With spate of technological advancement in the world coupled with Nigeria's teeming youthful population, there is a need to accelerate investments in technology infrastructure to grow the digital economy in Nigeria.

C. Improve health and education outcomes especially vulnerable children and pregnant mothers

Continued intervention in immunization & nutrition

To develop the human sector, in particular the vulnerable children, Nigeria must ensure that all children are immunized, pregnant/nursing mothers are nourished and children are fed and have access to education. In addition, government must ensure that children stay in school and learn.

Enhance technical capacity for primary and early secondary education

Government should consider leveraging highly skilled and experienced retired teachers to bridge the technical capacity gaps in our primary and secondary schools. In addition, refresher programmes can be introduced for these retired teachers that will equip them and get them ready to go back to classrooms.

Key Priorities, Action Steps, Responsibilities and KPIs

| Key Priorities | Government Driven | | Private Sector Driven | |
|--|---|--|--|--|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| Implement key policy reforms & adopt home-grown solutions to addressing Nigeria's development challenges | Federal and State Governments | Define and implement a framework for institutionalising and replicating key lessons from successful projects/initiatives | Development Advocacy Organisations/Private Organisations /NESG | <ul style="list-style-type: none"> Engage government and development stakeholders to initiative policy dialogues on achieve key education and health outcomes Build a private-sector development advocacy initiative to drive the implementation of critical development reforms |
| | Federal and State Government - Ministries of Health and Education | Institute reforms in policies to achieve improved health, education and economic wellbeing outcomes of the vulnerable population | Development Advocacy Organisations/Private Organisations /NESG | |
| Improve health and education outcomes especially vulnerable | Ministry of Education | <ul style="list-style-type: none"> Review and reform vocation education policies in Nigeria Revamp and realign education curricula to reflect our local challenges and peculiarities | | |
| | Ministry of Education | <ul style="list-style-type: none"> Define and implement initiatives that utilize retired teachers in filling education | | |

| Key Priorities | Government Driven | | Private Sector Driven | |
|--|--|---|-------------------------------|--|
| | Responsibility | Action Step and KPIs | Responsibility | Action Step and KPIs |
| <p>children and pregnant mothers</p> <p>Improve funding for critical development infrastructure to improve health and education outcomes as well as employment</p> | gaps especially in primary and secondary schools | <ul style="list-style-type: none"> Define and implement policies targeted at encouraging private sector capital investments in critical development infrastructure | Private Organisations | <ul style="list-style-type: none"> Actively leverage the NESG to advocate for relevant policies geared at attracting private investment into development infrastructure |
| | Federal Government | <ul style="list-style-type: none"> Define and implement development projects monitoring framework with focus on linking project completion performance to funding | Federal and State Governments | |

**Date:**

Tuesday, October 23rd 2018

Session:

“Summit Closing”

Functionaries:

- Ms. Misan Rewane; CEO, West African Vocational Education (WAVE)
- Mr. Olajide Odewale; Permanent Secretary, Federal Ministry of Budget and National Planning

Start-ups Pitching Event:

- » The event was designed to connect new ventures seeking to raise funds with potential investors and to this end, The portal was opened on August 1st, 2018 and out of 734 applicants, Nine (9) of the applicants were invited to make presentations to the judges on Sunday October 21, 2018 and four (4) were selected - Nicademia, Jand2Gidi, Gero Care and Cold Hubs
- » At the closing ceremony the winning order was announced with:
 - Gero care won the sum of \$15,000;
 - Cold Hubs was first runner-up with \$10,000;
 - Nicademia was second runner-up with \$5,000; and
 - Jand2Gidi Worldwide services was third runner up with \$2,500.

Ms. Misan Rewane, CEO, West African Vocational Education (WAVE), made a presentation during which, she emphasized on the need to change the narrative

of youth on employment, corruption and dearth of skills in Nigeria. She maintained the need for us to secure our long-term self-interest on nation building by investing in our people. She hammered on the fact that 'modest changes will produce significant results.'

Finally, the closing remark was given by the Permanent Secretary, Ministry of Budget and National Planning, Mr. Olajide Adewale. In his remark, he appreciated the President of the Federal Republic of Nigeria for his continuous commitment to the NES, which he noted as a demonstration of government's readiness to work with the private sector on national development and moving the nation forward. He commended the Executives of the NESG and for choosing such a relevant theme for NES 24. In addition, his appreciation was also extended to the sponsors, speakers, participant sand the media who all played a part in ensuring the success of the summit.

Side Events

To enrich the deliberations at the Summit, the Nigerian Economic Summit Group collaborated with its partners to host side events at the 24th Nigerian Economic Summit to discuss several platform issues that will accentuate the core objectives of the NESG #24 and deepen the focus areas with which the NESG can work with those partners during the year.

The side events were held as Breakfast Meetings and Parallel Roundtables and the focus areas were financial inclusion, renewable energy, education & youth unemployment, domestic resource mobilization, health care, humanitarian development, wealth creation and sustainability. The various sessions are listed below:

Breakfast Meetings

1. Breaking Barriers to Financial Inclusion (hosted in partnership with Business Day Media)
2. Financing Off-Grid Energy Projects (hosted in partnership with Nigerian Renewable Energy Roundtable/Heinrich Böll Stiftung Nigeria.)
3. Mind the Gap: Education to Employment (hosted in partnership with Nigerian Universities Commission)

Parallel Roundtables

1. Leveraging Domestic Resource Mobilisation for Sustainable Development (hosted with support from Bill & Melinda Gates Foundation)
2. Incentivising Investment in the HealthCare Sector in Nigeria (hosted in partnership with DAI)
3. Humanitarian Development Peace Nexus: Leaving No One Behind
4. Pioneering New Models: Systemic Human Capacity Development and Wealth Creation – Lessons from the Niger Delta (hosted with the Partnership Initiatives in the Niger Delta)
5. Powering Economic Transformation in Businesses through Sustainability: The Coca-Cola Story (hosted with Coca-Cola Nigeria)

It is expected that key outcomes of these sessions will drive the work of the NESG with these partners in governance and institution reforms to move Nigeria from poverty to prosperity.

Breaking the Financial Inclusion Barrier

Financial Inclusion is a national priority, but Nigeria seems to be lagging. In July 2018, the Central Bank of Nigeria (CBN) reported that Nigeria was not on track to meet the 2020 targets set out in the National Financial Inclusion Strategy (NFIS) of 2012. The impediments to achieving this target have been ascribed to economic constraints, insecurity issues in the northern part of Nigeria, obsolete strategies, among others. In order to bridge the financial inclusion gap, several interventions were initiated such as reducing the Know Your Customer (KYC) barriers to opening and operating a bank account, creating a conducive environment for businesses to flourish and enabling the rapid growth of agent networks with nationwide reach. Despite these efforts, Nigeria still lags at 58.4% rate (EFInA, 2016) of adult financial inclusion. The CBN said in the refreshed NFIS, that priorities have been defined based on a new approach that is deliberately more 'future-proof' in its focus on first principles, instead of specific approaches that have the potential to become obsolete. This Refresh and Halt in the 80% financial inclusion goal has stakeholders concerned about the way forward.

The Breakfast Meeting on "Breaking the Financial Inclusion Barrier" was co-hosted with BusinessDay Media. The event was moderated by the Publisher of BusinessDay, Mr. Frank Aigbogun while the Guest Speaker was Dr. Obadiah Mailafia (former Deputy Governor, Central Bank of Nigeria). The Meeting Anchor was Ms. Lehle Balde; Editor, BusinessDay Media. It convened to review current state of financial inclusion in Nigeria, review Central Bank of Nigeria's efforts in achieving a financial inclusion target of 80% by 2020, identify the barriers to financial inclusion, explore practices from other African countries making progress with financial inclusion and proffer solutions for Nigeria, and examine how financial technology, banks and telecommunication companies can boost financial inclusion.

Participants identified several issues and challenges that have been barriers to achieving financial inclusion in Nigeria. One of such issues is the low level of literacy. A huge number of the Nigerian population is illiterate and cannot read or even write their names. This poses a big challenge for attaining set target for financial inclusion, as many are not able to operate their bank accounts effectively. Most market women save their moneys under their mattress. Another challenge is high inflation rates which has made keeping money in the bank no longer attractive to many Nigerians at the lower income level as it is believed that money kept in deposit banks will be devalued due to inflation. Added

to this is the credit access barrier. Charges levied by financial institutions and commercial banks such as hidden charges, ATM withdrawal charges, email alert fees continue to discourage or prevent optimal access to financial services. One of the primary roles of a bank should be to provide credit and loans to customers while other functions should be secondary.

The Microfinance Banks were expected to ameliorate these challenges, but the recent review of their capital requirement has become a huge challenge. The current policy of the Central Bank of Nigeria for the increase of the capital base of Microfinance Banks (MFBs) might have adverse effects on financial inclusion. In a recent directive to be fully complied with by April 2020, the CBN reviewed the minimum capital requirement for Microfinance Banks to N200 million for Unit MFBs, N1 billion for State MFBs, and N5 billion for National MFBs. Microfinance banks are primary agents to financial inclusion but are also looking for return on investment and equity, return on assets, efficiency and profitability. Such policy may cause MFBs to increase their debt services, which will be very counter-productive to financial inclusion. Most MFBs depend on small deposits and as such may shut down because they won't be able to make profit.

There is also the challenge of high poverty levels in Nigeria. According to the World Poverty Clock, there are about 86.9 million Nigerians living below the poverty line. The income of this demographic barely covers their basic needs and hence do not have disposable income to deposit in bank accounts. Participants also identified the country's infrastructure deficit as a significant barrier. The dearth of infrastructure such as lack of electricity and good roads; low broadband penetration contributes immensely to low financial inclusion in Nigeria. It is very expensive to set up bank branches all over the country particularly in rural areas. Most banks source for power outside the National Grid, which makes the cost of doing business very high. These have led to another barrier to financial inclusion: geopolitical uncertainty. Rural to urban migration is happening on a massive scale due to population pressure and lack of resources and security in rural areas. This trend has had adverse effects on commercial activities within the rural areas, which has had unfavourable impact on financial inclusion. Finally, participants agreed that misguided government policies and implementation of some policies lead to uncertainty in the sector, which discourage many from accessing or using financial services.

To break these barriers to financial inclusion, the participants proposed several action pointers for all stakeholders. These actions are expected to unlock the constraints and open the financial space to more Nigerians, especially in the rural areas. One of such actions is the expansion of Digital Financial Services (DFS) because they have proven to be a low-cost approach to reaching unserved and underserved customers across the world. Advancement of DFS goes hand in hand with financial inclusion improvements. This will also include adoption of mobile money systems, which can provide mobile phone-based money transfer services, financing and micro-financing services (such as what is being used in countries like Kenya and Tanzania). While some progress has been made towards financial inclusion, there is need to do much more as millions of Nigerians are still outside the financial loop. Technology can be leveraged as a catalyst to fast track financial inclusion. It is also very important to accelerate rapid growth of agent networks by leveraging the nationwide reach of telecommunication agents and the Nigerian Postal Service (NIPOST) offices and staff to facilitate the crucial conversion between cash and digital money. These agents can act as entry point for financial inclusion. The country needs to ensure a more efficient and functional national identity database of Nigerians as this data will guide development and implementation of interventions targeted at bridging existing financial inclusion gaps. Despite the challenges, achieving the set financial inclusion targets is possible with credible and accurate data of Nigerians.

For the participants, the banking system should review the Know Your Customer (KYC) requirements for socially and financially disadvantaged persons so as not to be precluded from opening bank accounts and accessing other financial services. It has been observed that many people in the informal sector engage in business deals that are beyond the tier-one KYC compliance requirements. In addition to this, there is an urgent need to provide incentives for financial institutions operating in rural areas to encourage the drive for financial inclusion in rural areas and for the informal sector. The absence of these incentives may result in financial institutions migrating away from rural areas to focus on more urban and established markets. Finally, the government must formulate policies that will encourage financial inclusion. The Central Bank of Nigeria's directive of increasing the minimum capital requirement of Microfinance Banks may be counterproductive to the financial inclusion as this could lead to the closure of these banks that are closest to rural areas and to socially and financially disadvantaged people. Though well intentioned, some public policies have adverse effects on financial inclusion.

Financing Off-Grid Energy Projects

Over 10 megawatts of commercially-operated off-grid solar projects are currently operational across Nigeria, and the market is ready to scale and absorb an additional 10,000 solar-based mini-grid projects of 100 kilowatts each. Such projects can generate about 4.4 gigawatts per year over the next 10 years, which can potentially satisfy about 30% of Nigeria's electricity demand. Various Development Finance Institutions and Multilateral Agencies suggest that over US\$250 million (NGN90 billion) is currently available in development finance, to fund commercially-viable off-grid electrification projects in Nigeria. Off-grid market is rapidly moving away from humanitarian interventions towards private debt and equity capital, and Nigeria has enormous market potential to support such growth.

Today, over 90 million Nigerians are without access to electricity, with less than 40% rural electrification rate. Mini-grids circumvent many of the problems associated with electricity from the centralised grid, while also providing clean and reliable power. Additionally, mini-grids provide a cost-effective solution to the demand for rural electrification which could help businesses tap into a revenue opportunity of up to NGN2.8 trillion (US\$8 billion) per year.

The NESG and Rocky Mountain Institute co-authored a Report entitled 'Mini-grid Investment Report: Scaling the Nigerian Market', which illuminates the current state of the Nigerian mini-grid market and the opportunities for investment as well as the current opportunities and challenges to scaling the market. The report equally offers recommended best practices, that when incorporated into future projects further ensures commercial success both from a business and developmental perspective.

The Mini-Grid Investment Report was launched at a Breakfast Meeting on "Financing Off-Grid Energy Projects" by the Permanent Secretary (Power) in the Federal Ministry of Power, Works and Housing, Mr. Louis Edozien (on behalf of the Federal Government of Nigeria) and a Member of the Board of Nigerian Economic Summit Group and Chairman of Phillips Consulting Limited, Mr. Foluso Phillips (on behalf of the Nigerian Economic Summit Group). The Rocky Mountain Institute (RMI) was represented by Mr. James Sherwood. The event was organized with support from Heinrich Böll Stiftung (HBS) Nigeria for the Nigerian Renewable Energy Roundtable (NiRER). Other lead discussants at the event which was facilitated by Mr. Patrick Okigbo III (Principal Partner, Nextier Power) were Mr. Segun Adaju (President,

Renewable Energy Association of Nigeria), Mrs. Ify Malo (CEO and Co-Founder, Clean Tech Hub and Energy Innovation Centre) and Mr. Bolade Soremekun (Owner, Rubitec Nigeria Limited).

The participants highlighted several issues and challenges to financing off-grid energy projects such as the ease of doing business in the renewable energy space. Import duties and customs delays increase the cost and time required to construct mini-grid systems and this is the experience of most developers. While the Nigerian Customs Service has clear guidelines on import duties for different categories of products, they have been inconsistently implemented and are subject to sudden change, impacting the effective cost of hardware components. The Customs services only implement the tariff prescribed by the Federal Ministry of Finance and the Federal Economic Council. The Renewable energy space is already threatened by this imposed import duty and most investors prefer investing in other countries, for example Kenya and Ghana, rather than investing in Nigeria.

Another challenge is the lack of tax support incentives and import duty exemption by the Federal Government. Tax and duty exemptions on mini-grid components can lower up-front cost for developers. Consistent enforcement of such exemptions would enable more accurate pricing of mini-grid systems and increase investor confidence. Port operations should also allow speedy and reliable processing of energy system components, which would lower the cost of delays and unexpected holding fees. The Federal Ministry of Finance has not aligned itself with public and private sector actors to facilitate tax breaks and expedite customs processes.

There are also litigation challenges between stakeholders due to a lack of communication between Discos and the mini-grid operators on the appropriate entity with the license to provide electricity to the community. This has affected the market because both banks and investors are scared to invest in a sector where they do not know the true players in the sector.

In addition, there is insufficient synergy between agriculture and renewable energy. Conversations on renewable energy are usually limited to solar, but there is also bioenergy, biogas and biomass and there is also a lot of opportunity for captive energy especially for agricultural processors in Nigeria. Today, a lot of agricultural waste which can be used as fuel is being thrown away.

There needs to be a stronger cooperation between the agriculture sector and renewable energy sectors because it will transform the economy and the environment. For the participants, insufficient education of the sector by the local banks is a huge challenge. Since most local banks are not players in the renewable energy, they have minimal or no knowledge about the sector, hence afraid to lend to it. Despite these challenges, participants were optimistic about the sector and prospects for financing off-grid energy projects. They called on the Federal Government to implement intervention incentives in the renewable energy space while the state and local governments were called upon to scale up their involvement through sensitization. It is also important to review the Environmental and Social Impact Assessment process for renewable energy projects. Local banks were also encouraged to be educated about the renewable energy sector to allay their fears about the sector.

This will enhance the financial viability of the sector in addition to increase in access to affordable finance, partial grant and operational subsidies as well as the creation of a mini-grid finance consortium. However, it is important to co-ordinate a cross-sectoral implementation to stimulate demand. On its part, the Federal Government must clarify current regulations, implement additional enabling policies, develop a data sharing platform, improve collaboration and dialogues between stakeholders and encourage or build Distribution Companies/Developer relationships. In conclusion, Nigeria should create a mini-grid business community consortium e.g. build a synergy between the agricultural sector and the renewable energy space, design standardized modular mini-grid systems, improve telecom service reliability, improve customer engagement strategies and implement cost-reduction strategies.

Mind the Gap: Education to Employment

The reason for current high levels of unemployment in Nigeria is mostly attributed to the outdated curriculum in the education system, which does not equip youth with the skills required by employers. There is therefore an urgent need to revamp the curriculum so those currently within the school system are appropriately skilled for the labour market and to reskill the large pool of youth who are already out of the school system and do not possess the required skills. A parallel line of engagement seeks to expand the economy, to create opportunities for absorbing new entrants into the labour market, focused on the demand side. A crucial challenge, however, is the lack of a framework to facilitate a holistic engagement, which seeks to ensure seamless coordination between the various pillars, which facilitate job creation on scale. As the Nigerian Economic Summit Group is uniquely positioned to be the bridge between the activities on both the supply and demand sides through its convening power on various platforms, this Session sought to facilitate integration and a collaborative approach between academia, government, the private sector and development partners to develop sustainable solutions to tackle unemployment and underemployment in Nigeria.

The Breakfast Meeting on “Mind the Gap: Education to Employment” hosted in partnership with the Nigerian Universities Commission (NUC) was at facilitating an integrated and collaborative approach between academia, government, the private sector and development partners to develop sustainable solutions to tackle unemployment and underemployment in Nigeria. The Meeting was also convened to formalise the collaboration between the public and private sector on skills development through a Memorandum of Understanding between the NESG and the NUC. Among the participants were Senator (Dr.) Chris Ngige (Honourable Minister for Labour and Employment), Mr. Roti Balogun (Chief Organisation, Talent and Learning Officer, GE Africa), Mr. Laté D. Lawson-Zankli (Country Operations Officer, African Development Bank), Dr. Olatunde Adekola (Senior Education Specialist, Africa Region, World Bank), Mr. Sambou Coly (Programme Manager, Mastercard Foundation), Mr. Peter Bamkole (Director, Enterprise Development Centre).

The CEO of Siemens Nigeria Limited, Mrs. Onyeche Tifase was represented by Inna Belozerskikh. The Meeting was facilitated by the Facilitator of NESG Human Capital Development Policy Commission and CEO of Cognity Advisory Limited, Mr. Tope Toogun,

During the Meeting, and there were presentations of good practice and private sector supported development interventions on youth employment and skills development. The African Development Bank recognises that youth unemployment is one of the biggest challenges facing Africa and Nigeria with unemployment rate in the country at 18.8%. Among the youth (15-35 years), the figure is significantly higher as combined unemployment and underemployment rate gross 22.64 million individuals, translating to 52.65% of the entire youth labour force. It is in this regard that the Bank has therefore developed its ‘Jobs for Youth in Africa’ Strategy to create 25 million new jobs and empower 50 million youth in Africa within 10 years (2016-2025). The Bank in partnership with key stakeholders has initiated projects in Nigeria that are designed to address the challenge of youth unemployment in Nigeria. Amongst these projects are the ‘Coding for Employment’ program designed to provide digital skills training in identified universities across Nigeria; and the ‘Staple Crop Processing Zone’ project.

These projects cut across technology and agriculture respectively. The Bank seeks to work with and collaborate with private sector through program design, incubation and knowledge generation, resource mobilisation, job linkages and advisory support. In order to support the private sector, the Bank provides varied forms of financing such as debts, guarantees and equity investments. The Bank also works with governments to improve the enabling environment and increase the ease of doing business in Nigeria. On its part, GE Nigeria believes in developing the skills of young Nigerians and has undertaken two programs that support its agenda of youth development. The first is the Business Entrepreneurship Program which targets university students to simulate business situations and train their teachers on elements to observe and support students with. Also, in partnership with the International Labour Organisation (ILO), GE funded the ‘Start and Improve your Business program’.

These programmes train National Youth Service Corps (NYSC) members, who go on to train young entrepreneurs in developing their businesses. The Mastercard Foundation is one of the largest foundations in the world with an endowment of \$20 billion. The Foundation has a focus on youth employment and financial inclusion.

The Foundation has a goal to create jobs for 30 million young Africans. In Nigeria, the goal is to create five to six million jobs with a focus on agriculture and creative industries. The Foundation seeks to work in collaboration with all partners to achieve this goal. Siemens Nigeria Limited has been conducting massive training interventions for youth in Nigeria around the fields / subject of Science, Technology, Engineering and Mathematics (STEM). Siemens Nigeria Limited is willing to engage and partner with the NUC and the Federal Ministry of Education on scaling up its skills development interventions.

During the discussions, participants noted the limited industry experience within the academia or knowledge society. Many of the lecturers in different fields of study in the university have never worked outside the class room hence they lack the required knowledge of the industry. As a result, they do not possess the necessary capacity to prepare the labour force for that sector. Most members of the Academia spend their yearlong sabbatical leave in another class room instead of taking the opportunity to gain some experiential knowledge from the private sector thus limiting their capacity to prepare students for the labour market. This leaves a huge gap between graduate capacity and employability.

There is also inadequate capacity of the Nigerian University System to absorb aspiring university applicants. Nigeria currently has 164 universities, 75 of which are private institutions. Total enrolment in the universities is about 2 million students, with a graduation rate of 400,000 students per year. Given the national population of 190m, the ratio of students to the national population is too minimal. Annually, about 1.7m – 1.9m young people write the Joint Administration Matriculation Board (JAMB) examinations hoping to gain admission into these Universities. Out of this number only about 500,000 gain admission – this is based on the capacity of the universities and not due to failure rates. This means that every year over 1m applicants from ages 16-25 years are disappointed and frustrated as they did not get into universities.

Another major challenge is that Nigerian graduates are ill-prepared for the labour market and are not globally competitive due to low standard of education as many leave the university system half-baked, not ready for the labour market because current university curriculum is outdated and not adequately linked to industry requirements so Nigerian graduates cannot compete with their counterparts in the rest of the world due to the low standard of education. Nigeria currently runs a deficit model where the system only

guarantees investment in graduates after they leave the universities system. The private sector invests in at least six months on the job training for new entrants into the labour force. Such investment can be re-channelled into some months of training of students in the university system before their graduation and thereby reduce the cost of recruitment and on the job training. Worse still, different stakeholders are currently implementing interventions in silos leading to a lack of collaboration and synergy in the development of solutions for skills development. Presently, we lack a collaborative model between Academia, Government and Private sector to develop solutions to bridge knowledge and skills gaps. The urgency to support job creation in Nigeria must be accompanied with the right synergies, as these problems cannot be solved in silos. As a result, Nigeria is currently experiencing symptoms of the effects of youth unemployment through security challenges such as separatist movements, insurgencies, militancy attacks and farmer/herdsmen clashes.

The good news is that the NUC has initiated an ambitious reform agenda to review the education system. The reform agenda consists of about 10 -11 important votes most important of which are the issues of widening access to higher education for young people, deepening the quality of education system, and re-engineering the curriculum of universities to align to the needs of the industries. However, the NUC should collaborate with the private sector to ensure there is input from industries in shaping the reform agenda.

It is the view of participants that issues around unemployment and unavailability of certain skill set in the labour market cannot be resolved without addressing accountability, leadership and incentives. The issues of accountability as it relates to the lack of data to justify level of accountability is required to create synergy between the demand side and the supply from the university, thus there is a large disconnect linking the product of the overall plan of the economy which is to drive the non-oil sector growth. People should be held accountable for their responsibilities and actions. However, there is limited data to understand performance, or hold people accountable. When there is no data, it is difficult to track performance. Also, leadership of the universities and Governing Councils ought to be those who can create jobs and ensure productivity of human capital development while incentives for the universities and academia should be top priority to get the best out of the system by linking resources to result.

The participants also proposed the deployment of a Triple Helix model to urgently reform the Nigerian Education System and revamp the academic curriculum of our tertiary institution so that those currently in school system will be equipped with skills relevant to the labour market demands and also reskill the large pool of youth who are already out of school who do not possess the required skillset needed. The NUC was urged to review the obsolete educational curriculum in the university system to a scale that meets the demands of industries in a 21st century economy. There is also a need to adopt a radical approach to change the narratives of the education system in Nigeria to ensure that young people become globally competitive and obtain relevant education. If all actors in the space require change, there is a need to work together to address issues in a comprehensive way. We need to form a coalition and collaboration of interested parties that would bring both government and private sector to work together in changing the status-quo.

It was also recommended that a team be constituted immediately consisting of NUC and NESG representatives to review the Report of the 20th Nigerian Economic Summit held in year 2014 that was devoted to “Transforming Education through Partnerships for Global Competitiveness” and NESG was requested to lead a team to mobilize needed private sector resources for successful execution of skills development and job creation projects identified during the Meeting. In this regard, Nigeria must develop a road map that will identify a set of long-term interventions to tackle issues on unemployment. This should be done through a tripartite partnership between NESG, Federal Ministry of Labour and Employment and the African Development Bank (AfDB). The participants committed to convene a dedicated Job Creation Summit in 2019 subsequently annually thereafter with target audience consisting of graduates, the academia, government and the private sector.

A key outcome of the Meeting was Memorandum of Understanding (MoU) signed between the Nigerian Economic Summit Group and the National Universities Commission. It was signed by Prof. Abubakar Adamu Rasheed mni (Executive Secretary, National Universities Commission) and Mr. ‘Laoye Jaiyeola (CEO, Nigerian Economic Summit Group). The MoU creates a collaborative framework for the design of solutions that strategically drive effective development of a productive university system that guarantees quality and relevant education for national development and a globally competitive economy.

The agreed focus of the collaboration between NESG and NUC are to deploy the ‘Triple Helix Model’ of Academia-Industry-Government to develop a university education reform agenda that will deliver a productive university system that guarantees quality and relevant tertiary education for national development and global competitiveness; mobilize private sector support and resources to develop and fund solutions on issues such as building employability and entrepreneurial skills of university students, skills development, job creation, and business development for Nigerian Universities; design a new Nigerian University System model that closes the gap between theoretical and the experiential learning, making higher education more demand-led; and create a Roundtable/Platform at the annual Nigerian Economic Summits, which will be dedicated to the academia for useful interactions between the government, academia and the private sector. The establishment of synergy or collaborative framework between stakeholders in the private and public sector in the development of sustainable solutions through this Memorandum of Understanding (MOU) a welcome development.

Incentivising Investment in the Health Care Sector in Nigeria

The National Policy on Incentivizing Health Care Investment was developed by the Federal Ministry of Health in 2016. The principle of the policy is to promote and facilitate domestic and international investment in the healthcare sector in Nigeria to make quality healthcare services and products available to more Nigerians. To this end, the focus of this Roundtable on “Incentivising Investment in the Health Care Sector in Nigeria” hosted in partnership with Development Alternatives Incorporated (DAI) was on overcoming economic barriers in investing in the healthcare sector to promote universal health care and comprehensive quality services to all citizens that would make a positive impact in their lives and promote Nigerian economy. The objective was to promote and foster both domestic and international investments in the Nigerian healthcare sector, increase the capacity to deliver more quality services in Nigeria and deliberate on ways to improve the healthcare business environment.

The panellists included Prof. Isaac Adewole (Honourable Minister for Health), H.E. Mrs. Toyin Saraki (Founder/President, Wellbeing Foundation Africa), Dr. Olumide Okunola (Senior Health Specialist, International Finance Corporation) and Dr. Kanyinsola Oyeyinka (Healthcare Investment Adviser, Nigeria Sovereign Investments Authority) and it was moderated by a Public Health Specialist, Mr. Ben Iyanle.

The panellists and participants agreed that it is not the government’s best use of funds to build infrastructure but rather to create an enabling environment for the private sector to build and monitor. Unfortunately, there are little or no incentives available to encourage the private sector. The financial institutions require incentives to grant loan facilities as the healthcare sector as it is currently set up, does not bring quick returns on investment. Also, the Federal and State Ministries of Health should enforce healthcare rules and guidelines on standardization for hospitals and all healthcare centres in Nigeria. There is a lack of standardization of healthcare professionals - for instance, there is no distinction between a nurse and a midwife. There is a lack of continuation when there is an administrative change, and this hinders the development of the sector. The National Healthcare Act of 2014 states that healthcare facilities must be classified and possess certificates of practice to

continue operation and these requirements must be fulfilled on or before October 31, 2016 but there is no evidence that any compliance audit has been carried out to ensure this.

It was also noted that the Federal Government of Nigeria (FGN) has little control over the quality and standardization of healthcare facilities as it is the state governments that register them and the FGN cannot legislate over them. This makes monitoring of health standards a concurrent risk. The state governments are neither investing in healthcare nor employing doctors and nurses. The original plan with incentives was that the FGN formulates and initially funds incentives and then the state governments take over, but this has not been the case thus far. Unfortunately, both the state and local governments have not adequately played their constitutional roles in implementing these incentives. Another major challenge is the inadequacies in the capacity development of healthcare professionals. Healthcare professionals require constant training and capacity building to keep up with the ever-increasing demand and advancements in healthcare. For instance, in the nursing profession, there is a generalist approach instead of having nurses specialized in key areas of medicine and thereby reducing the pressure on doctors and subsequently lead to a demand for nurses. We also have a disproportionate distribution of healthcare professionals and facilities in the country. Majority of both healthcare professionals and facilities are in urban areas rather than the rural areas where the demand for these services is greater. Even in the urban areas, there is a greater concentration in Lagos State and Abuja than any other location. This has also led to an increase in the cost of treatment and mortality rate. A key factor in the disparity is the security threat medical personnel face in certain areas. The wave of insecurity currently gripping the nation has rendered some states in the country virtually isolated from primary healthcare. Finally, the Roundtable panellists and participants pointed out the lack of comprehensive database as critical. A lot of Nigerians are unaware that certain services are rendered in the country and this is because health information is available in silos and due to the Medical and Dental Association’s by-law of its members not advertising.

To incentivize investment in the health care sector in Nigeria, government-led incentives were proposed. The Nigerian government lacks the capacity to holistically cater for the sector and it should not keep spending money just building infrastructures. However, it can take the lead by providing a favourable environment for investors to participate in the provision of healthcare services.

One such consideration is tiered geographical incentives, based on the Indian model in which the government increases the incentives based on vulnerability of the region. In other words, the worse off a community is, the better the incentive to help such a community gets. Another is public private partnerships. Like the power and transportation sectors, the government would need to create profitable public-private partnerships to attract investors. The Roundtable also called for better alignment between the three tiers of government in areas such as standardization and regulation. It was noted that since the state and local governments are responsible for regulating healthcare facilities in their respective sub-nationals, so it is necessary for both governments to work together and ensure the regulations as stated in the National Health Care Act are strictly enforced. It is also important for all tiers of government to work together to combat insecurity in the country to create an enabling environment for healthcare sector

Another key recommendation is a focus on non-communicable diseases (NCDs) as part of the primary healthcare framework. Primary health care has primarily focused on communicable diseases such

as malaria, cholera and so on. With the increase in mortality rates in non-communicable diseases such as heart disease, renal disease and cancer, it has become necessary to expand healthcare to accommodate these health issues. As follow-up to this there should also be a focus on preventive healthcare rather than curative or emergency healthcare. Due to increasing health costs, Nigerians do not engage in preventive healthcare and rather resort to emergency healthcare. For instance, proper antenatal care will help to reduce child and mother mortality rates.

To promote faith in the sector which will in turn lead to more investment in the sector, the Roundtable called on governments to facilitate proper database management and information dissemination because there needs to be consolidated information of the services available, locations and the success stories of the sector. In addition, there is the need to ensure continuation of policies from previous administrations that were effective and the conversations around improving the sector need to be taken out of Lagos and Abuja to other States in the form of town hall meetings and dialogues. This will ensure that the concerns of all the citizenry are adequately captured.

In concluding, panellists and participants recommended a reform of the National Health Insurance Scheme (NHIS). The NHIS was designed to initially attain a coverage of 300,000 civil servants within a four-year period. The Scheme was primarily designed as a point of care service to cater for 3 million Nigerians. It must undergo significant reform and transformation to take into consideration the needs of a growing population.

Leveraging Domestic Resource Mobilisation for Sustainable Development

Nigeria's revenues have historically been low and overly dependent on the oil sector. The International Monetary Fund (IMF) estimates that revenue collected in 2016 across all tiers of government was only about 6% of GDP. Historically, more than 70% of those revenues have come from the oil sector while the non-oil sectors, which account for more than 90% of GDP has historically contributed about 30% to revenues. This limits Nigeria's ability to credibly execute its development plans, and results in the economy being vulnerable to macroeconomic shocks from oil price volatility. This underscores the need for the country to seek ways to mobilise more domestic resources to fund Nigeria's development needs.

The Roundtable on "Leveraging Domestic Resource Mobilisation for Sustainable Development" discussed the concept of fiscal governance, identified Nigeria's fiscal issues and challenges (from the revenue and expenditure side), assessed the extent of public enlightenment and compliance in revenue mobilisation, proffered global perspectives for comparative analysis on revenue mobilisation strategies, and made recommendations on optimising fiscal governance and revenue mobilisation.

The CEO of Proshare, Mr. Olufemi Awoyemi, moderated the panel discussion that included Dr. Doyin Salami (Resident Commissioner, NESG Fiscal Policy Roundtable), Dr. Salamatu Isah (Adviser on Economic & Investment matters to the Governor of Kaduna State), Mr. Amine Mati (Mission Chief, IMF/ Senior Resident Representative), Dr. Neil McCulloch (Principal, The Policy Practice) and Prof. Teju Somorin (Coordinating Dean of Chartered Institute of Taxation of Nigeria Tax Faculties).

The Roundtable acknowledged that emerging economies like Nigeria have generated insufficient internal resources, such as tax, to fund developmental needs. Low revenue mobilisation and high spending needs with large overall fiscal deficit place pressure on debt service and strain on the allocation of resources toward social and infrastructural development projects. This strain has been further compounded by inflationary pressure and rising population growth placing burden on existing social and physical infrastructure in the country. One major challenge that was also identified is the lack of fidelity to rules and procedures on fiscal governance. There is growing evidence that strict adherence to the

rules and procedures surrounding fiscal governance impact the effective allocation of resources. such as provisions of the Public Procurement Act and the Fiscal Responsibility Act. The participants also highlighted the lack of effectiveness of the budget planning process. It was their view that the current budget planning process (presentation of budget, parliamentary approval etc.) is not optimal for effective revenue mobilisation and this is compounded by the over-reliance on macro-data for budgetary planning as well as budget cycle misalignments vis-à-vis the Medium-Term Expenditure Framework (MTEF). There is also the challenge of inadequate funding of the collection exercise including tools for cross-checking taxpayer declarations by the national and sub-national governments. Ultimately, this has led to low tax collection rates. In addition, the lack of financial and administrative autonomy of tax administrators (except for the FIRS and LIRS) hence tax administrators are not allowed to allocate funding to tax administration from the tax revenues.

Domestic resource mobilization also suffers a lack of education and awareness of tax payers on tax laws. As a result, eligible taxpayers, particularly those in the informal sector, are not aware of their roles and responsibilities regarding tax compliance while overall, tax payers are not well-informed or enlightened on the various tax laws and relevance to the fiscal role of the government in addition to low active taxpayer population, inaccurate taxpayer registration database and under-developed compliance/ risk management methods further worsened by the existence of irrelevant tax incentives and failed application of relevant ones to motivate tax payers. The same lack of education is true for tax officials as a significant number of them operating across national and sub-national level, lack adequate knowledge of the various tax laws and codes that exist in the country. This is further hampered by the lack of accountability and transparency of tax administrators.

Specifically, it was noted that current Value-Added Tax (VAT) system is archaic because it operates like a sales tax and disallows input credit on capital goods/ services (taxing investments, and abuse of VAT exemptions and other tax incentives under the CIT system). It does not have any registration threshold (all companies and persons that make supplies of goods and services are subject to VAT) and the tax base is further weakened by large exemptions.

At 5%, VAT in Nigeria is one of the lowest rates internationally so VAT revenues in Nigeria average 0.8% of GDP as against the 3.8% of GDP collected by ECOWAS peers. 97% of the VAT filers represent only 3% of the VAT revenue, the current low tax payer population is a direct reflection of the perception of weak service delivery by taxpayers, further exacerbated by weaknesses in revenue administration.

Participants at the Roundtable largely decried the multiplicity of taxes across national and sub-nationals. There are currently over sixty-six (66) different tax charges levied by national and sub-nationals on corporate organisations. This has impacted significantly the revenues and income generated by businesses hampering much-needed funds for growth and expansion. At the individual level, about 94% of the poor pay more taxes combined than the rich, which is uncharacteristic when compared with other countries whereas, in the United States, South Africa and United Kingdom, the top 1% pay more taxes combined than the bottom 99%, 90% and 75% respectively.

With this myriad of issues and challenges, a number of measures were proposed for Nigeria to leveraging domestic resource mobilisation for sustainable development. We have to create growth-stimulating micro-economic incentives through fiscal (tax) policy by identifying incentives that would stimulate industrial growth and ultimately revenue growth through the implementation of tax policies. Nigeria must also strictly adhere to rules and procedures surrounding fiscal governance (for example, in the aspects of procurement) is important in achieving effective revenue allocation. It is also important to emphasise the role of private capital in plugging resource shortfalls and provide an enabling platform for active private sector participation in driving capital mobilisation to compensate for the resource shortfalls arising from low tax yields. Other key recommendations include increase in public enlightenment campaigns on tax compliance, particularly players in the informal

sector (there is a need to inform eligible taxpayers of how tax compliance contributes to the country's tax revenue and ultimately economic development), align budget implementation with the MTEF (and develop a mechanism for resolving budget cycle misalignments), shore up revenues to drive government expenditures that stimulate growth and developmental outcomes, and identify the developmental needs and the level of expenditure required and the corresponding optimal revenue generation activities.

The Roundtable also called for a reform of the VAT Act to broaden the tax base, remove VAT exemptions (or use only a few, very well-targeted exemptions), introduce registration threshold to limit application only to larger tax payers (individuals and companies), revise tax design, allow input tax credits for intermediary inputs and capital expenditures to limit tax cascading effect as well as single VAT rate with zero-rate applied to exports, and double VAT from 5% to 10% which would result in about 2.5% of GDP in additional revenue. However, it is important to note that increasing VAT rate will lead to an increase in poverty rate but to keep poverty rate constant, the government must introduce social programs, transfers to the poor, which are expected to cost about 0.7% of GDP resulting in a net revenue gain. It is expected that these reforms will increase compliance levels from 25% to 60% which could double current revenue collection.

The government should also improve tax and customs administration and continue to seek to strengthen revenue collection by expanding the number of registered taxpayers and leveraging information technology. Key priorities should be to improve taxpayer register (unique TIN, use of ITAS), improve filing and payment compliance through outreach initiatives, data analysis, and cross-matching/ data exchange between agencies, increase the tax filing base by making use of third-party information and manage collection of arrears.

Humanitarian Development Peace Nexus: Leaving No One Behind

Over the past decade, North-Eastern Nigeria has been marred by violent conflict and untold human suffering that has attracted global attention leading to a lot of humanitarian aid. Nigeria is foraging a new model of nationally led coordination efforts to promote better coherence and coordinated support to the recovery and peace consolidation in the country, in line with the national vision and development priorities as set out in the Economic Recovery and Growth Plan. Central to the last conversation on the Humanitarian Development Peace Nexus in June 2018 was the importance of humanitarian issues not being considered in isolation but in conjunction with development and peace. Another key message was the significant contribution the private sector can provide to these efforts. One key objective of this Roundtable on “Humanitarian Development Peace Nexus: Leaving No One Behind” was to align on future partnerships that is essential to Nigeria’s development and prosperity. It was also convened to explore ways to address issues in the North East region by defining collaborative roles of the public and private stakeholders as well as developing and implementing recovery strategies for economic growth and development.

The discussions were moderated by Dr. Ayoade Alakija (Nexus Coordinator) and the lead discussants were Mrs. Zainab Ahmed (Honourable Minister of Finance), His Excellency W Stuart Symington (US Ambassador to the Federal Republic of Nigeria), Mr. Asue Ighodalo (Chairman, Nigerian Economic Summit Group), Mrs. Eme Essie Lore (Country Manager, International Finance Corporation), Ms. Myrta Kaulard (representative of the World Food Programme), Mr. Stephen Haykin (Mission Director, USAID) and Ketil Karlsen (Head of Delegation, EU Delegation to Nigeria). The participants identified a misalignment of efforts by partners (Federal, States, and Humanitarian organisations) as major challenge.

Although the government and humanitarian aid organisations collaborate in providing basic aids to the North East, there is need for a more integrated and coordinated approach to address the humanitarian and development needs in the region. Government agencies and most humanitarian organisations are working in silos and, as a result of this, there is the fear that rebuilding of the North East region will take a long time to actualise. In addition to this, there is a weak collaboration between the private and public sectors in the provision of humanitarian aid. This may be attributable to inadequate communication to/with the private sector which has led to a seeming apathy on the part of Nigerians. This calls for a multi-sectoral

approach to humanitarian assistance to achieve the Sustainable Development Goals. Another issue is the sustainability of recovery strategies. Nigeria has received millions in humanitarian aid, however, there is need for more practical and durable solutions to ensure sustainability. Vulnerable populations need to be provided with enabling factors to stand on their own. Sustainability of the peace in the North East has been a major issue due to the pockets of violent attacks in the region and there is the possibility of acts of retaliation in areas that have been rehabilitated and the challenge of protecting the displaced in the IDPs camps due to possible attacks. The inadequate security hinders access to the vulnerable population and this high operational risk due to poor security and weak institutional presence inhibits meaningful private sector participation.

Other challenges discussed at the Roundtable were lack of financial inclusion in the North-East region (livelihood development is a recurring theme for reconstruction in this region) and a trust deficit between local and international stakeholders (the influx of foreign aid workers into an otherwise isolated region and poor engagement of local members of the community may have led to scepticism within the community while the lack of transparency in use of funding has also contributed to the trust deficit, particularly in the private sector.

The Roundtable recommended an integrated approach and conscious collaboration between the government and humanitarian agencies. There should be a culture of collaboration between the Government at all levels and humanitarian agencies in the provision of development need to prevent overlapping activities. This would mean taking an integrated approach in all fronts: politics, security, and development.

The Federal Government should engage more with international partners for resources and expertise in peace building. Government needs to provide leadership in the Nexus and development opportunity while innovation and value chain development can be delivered by the international community. Participants also urged the government and humanitarian agencies to collaborate with the private sector to provide essential services. Engagement with the private sector is necessary for sustainable recovery. This concerted partnership between the public and private sector will ensure that the vulnerable people are not left behind.

Key areas of potential collaboration with the private sector includes: low housing scheme, transportation, local production of nutritious food, mobile money, digital registration systems, solar energy and fuel-efficient stoves. By rebranding the North East as a profitable investment opportunity, investors will be attracted in expanding their business in this region. The focus should be on human capital investment by providing basic education and skill acquisition training. Government should provide waivers and incentives to encourage private sector investment in human capital development to provide the people of the region with jobs and livelihoods, such as smart subsidies for investors with long term investment outlook.

NESG is well positioned to enhance the collaboration of private, public and humanitarian aid and has committed to communicate the message to its private sector partners. In addition, there should be a government-led security strategy to enhance delivery of humanitarian aid to the vulnerable population. Reconstruction is dependent on the security and the ability to deliver humanitarian aid. Operational risks should be broken down, this would create a path for sustainability. The private sector and citizens should ensure safe and prosperous communities by providing timely information to assist Government in the fight against insurgency and other criminal activities in the country. Without security and peace, humanitarian

assistance and investments can neither be provided nor achieve its objectives. The Government should provide a secure condition for human capital to function. Businesses cannot price for security tasks. It was suggested that the IFC, possibly in conjunction with the NDIC and other relevant government agencies, should consider provision of wrap around insurance arrangement for those who want to do business in the region.

It is also very important that all partners mobilize increased response from Nigerians generally in the redevelopment of the North-East region and other regions of the nation. A good starting point is engaging with people who are heavily invested, for example, captains of industry that are indigenes of the area, to invest in the region. This will foster deeper community engagement and improve the Nigerian brand. In addition, humanitarian programs should reach out to local members of the community to support implementation and scale up strategy. In concluding, the Roundtable proposed an engagement with the Central Bank of Nigeria to provide financial intervention arrangement for the region. The CBN can provide incentives to banks to provide robust financial services to those living in the North East region. This will contribute to the sustainability of livelihood development.



Powering Economic Transformation in Business through Sustainability: The Coca-Cola Story

The Coca-Cola Company was named World Sustainability Leader in the Beverage Industry for the third consecutive year by Dow Jones Sustainability Index, for its global sustainability commitments, including its ambitious goals such as deriving 40% of its total energy used from renewable and clean energy sources by 2020, engaging young people on new growth and economic opportunities and its vision in which 40% of packaging globally is recycled and put back into the system for reuse. Coca-Cola operates under the fundamental philosophy that “Our business is only as sustainable as the communities in which we operate” and are investing in programmes and partnerships with industry, government and civil society to help build better communities around the world, through inclusive and sustainable development. This Roundtable focused on discussing sustainability principles and practices support businesses to improve their triple bottom line, i.e. maximizing profits, supporting people and protecting the environment.

The sustainability practices and vision of the Coca-Cola Company were discussed in view of the Federal Government of Nigeria’s plans to promote the capture and use of gas as a cleaner energy source for businesses. Participants also discussed the un-competitiveness and high cost of doing business in Nigeria and its impact on value-chains as well as accelerating the adoption of cleaner energy resources and promoting energy access for productive uses to drive economic growth. There is a commitment to ending gas flaring under the Nigerian Gas Flare Commercialisation Programme as well as promoting the expansion and utilisation of gas resources with the aim of achieving its 20% climate change mitigation targets as well as promoting the use of cleaner energy resources to drive economic growth, employment and wealth creation. The Coca-Cola sustainability initiatives focus on four areas: water, women and youth, wellbeing, and waste management.

The lead discussant was Mr. Bhupendra Suri (Managing Director, Coca-Cola Nigeria). Other discussants were Mr. Justice Derefaka (Programme Manager, Nigerian Gas Flare Commercialization Programme) and Mr. Dayo Adeshina (Programme Manager, National LPG Expansion Plan, Office of the Vice President of the Federal Republic of Nigeria). The Roundtable was moderated by Dr. Uzo Egbuche, (CEO, CERASE Environmental Services Limited).

Participants highlighted the need for a veritable continuous cross-sectoral dialogue platform for continuous public and private sector dialogue to promote effective communication, brainstorming and creation of synergies amongst stakeholders in the plan, design and executive sustainable development strategies. The NESG was commended for hosting the Roundtable and participants advocated for a continuous dialogue and engagement on key sustainability issues. Another issue that caught the attention of the participants is the high cost of doing business and un-competitiveness of manufacturing in Nigeria. The huge infrastructure deficit in Nigeria such as unreliable electricity supply, poor transport network, unstable regulatory environment and poor implementation of policies all lead to a higher cost of doing business in Nigeria because all the production costs are eventually transferred to the end-consumers. Nigeria and India are both high population and low-income countries. However, the higher cost of doing business in Nigeria makes the country a very tight market to play-in, especially because of our low-buying power.

The Roundtable also identified energy poverty and energy security challenges in view of climate change protection. In harnessing Nigeria’s Flare Gas towards affordable, clean and sustainable energy for businesses and society, the Nigerian Government has put various policies and programs in place such as; the Nigerian Gas Master Plan, the Nigerian Gas Flare Commercialisation Programme (NGFCP) and the Gas Expansion Project with the aim of monetising domestic gas resources, while promoting access to more environmentally friendly energy services using clean and renewable technologies. The 324 billion cubic feet (BCF) of gas flared from 178 flare locations in 2017 alone could have generated about 3GW of electricity, mitigated 22 million tons of CO₂ emissions and avoided revenue loss more than US\$1 billion and another US\$500 million in carbon credits. Yet, about 100 million Nigerian’s are without grid-power and self-generate about 14GW using petrol and diesel power generating sets to fill the electricity deficit. The growing population of Nigeria at 3% per annum may reach about 398 million people by 2050, which means, there will be increased demand for energy services.

To address these issues, the Roundtable participants emphasized partnership with industry, government, local communities, NGOs and peers to encourage continuous dialogue with relevant stakeholders. This will lead to increased participation of cross-sectoral stakeholders especially the Ministries, Department and Agencies of government (MDAs). It is also important to streamline the application process for accessing the NGFCP and the representative of the Office of the Vice President of Nigeria made a commitment to look out for opportunities for synergy with other fast-moving consumer goods companies (FMCG). Nigerians should also move away from dirty fuels towards cleaner alternatives, across transportation, domestic cooking and heating and electricity services while government ought to increase access of independent oil producers to oil wells as well as provide access to affordable finance, partial grant and operational subsidies to develop our gas infrastructure. To achieve this, efforts must be made to coordinate a cross-sectoral implementation to stimulate demand as LPG can be used to displace other low-pour fuels.

This will create opportunities for small and medium scale businesses to develop or procure hybridised energy systems using gas and Solar PV (for example) to meet their energy needs. We should also assess the entire agriculture/product value-chain as opportunities for implementing sustainable practices and participants requested the government to disseminate the NGFCP on-going Report that provides data on the kind of fuels that will be displaced by these gas interventions.

To improve the un-competitiveness and cost of doing business in Nigeria, the government has to clarify current regulations and implement additional enabling policies by ensuring all factors are in place to promote sustainability as well as improve collaboration and communication on sustainable initiatives. The Nigerian Investment Promotion Commission (NIPC) can prepare investment friendly deck for small businesses that require investments in their projects. At the Roundtable, the Coca-Cola Company agreed to draw-up a set of criteria to be met that significantly improves the Ease of Doing Business in Nigeria.

The role of government in creating an enabling business environment can never be overemphasised. Fortunately, the government is committed to facilitating the adoption of renewable energy and gas resources to meet Nigeria's insufficient and growing energy demand.

The priority for government is to develop gas infrastructure, facilitate gas revolution projects, promote domestic utilisation of Liquefied Petroleum Gas (LPG) and Compressed Natural Gas (CNG), reduce gas flaring; create a gas commercialisation framework for implementation, and promote gas-to-power projects. The key focus areas are policy and regulation; enabling business environment and investment; gas revolution; refineries and local production capacity; Niger Delta Militancy issues; and stabilising production; transparency and efficiency; stakeholder management; and international coordination. About US\$3.5 billion worth of inward-investments is required to achieve the gas flare commercialisation targets by year 2020. Turnkey systems that are scalable and proven technologies are available to convert flare gas into high-value fuels and chemicals to be developed by competent third-party investors.

In conclusion, 80% of businesses cite lack of electricity as the biggest constraint to doing business in Nigeria. Yet over 14GW of expensive self-generation exists in Nigeria. The Coca-Cola Company generates about 28.8MW operated off-grid in 'island mode' that exceeds its daily factory consumption more than 30%. This leads to high cost of production and subsequently high cost of products for end-consumers. Increasingly, Small and Medium Scale businesses and industrial clusters are adopting the use of hybrid technologies with solar PV and other power systems to further reduce their cost of electricity services. The National LPG Expansion Plan seeks to support interested private sector players for the adoption and utilisation of gas for productive uses while industries are now collaborating with power producers to efficiently achieve it.

Pioneering New Models: Systemic Human Capacity Development and Wealth Creation – Lessons from the Niger Delta.

In collaboration with Partnership Initiatives in the Niger Delta (PIND), this Roundtable brought together practitioners, businesses, government leaders, and citizens to explore this innovative human capacity development approach, which functions to increase the degree of autonomy and self-determination in the lives of people and communities, which enables them to represent their interests in a responsible, and self-determined way, acting on their own volition to achieve economic prosperity. Through its Niger Delta Youth Employment Pathways (NDYEP) program, PIND works to develop model pathways of workforce development and job-readiness that would provide employment and entrepreneurship for the region's unemployed young men and women.

The key objective was to share PIND's insight and lessons learned from using its model of human capacity development to foster sustainable economic opportunities in productive sectors, especially for the youth population and to enhance civil society's role in promoting good governance aimed at poverty reduction priorities in Nigeria's Niger Delta. It was expected that it will recommend ways of adapting the PIND model of human capacity development in different sectors: agricultural market system, MSMEs, skills development, civil society and peace ecosystem. There is an estimated 40% unemployment rate among Niger Delta youth. This is usually a result of key factors such as the lack of economic opportunity, a mismatch between skills and training delivery, and poor quality of training offered to the youths. The two states with the highest unemployment rate in Nigeria, are within the Niger Delta region and three sectors have been identified to be scalable sectors: ICT, agriculture and construction.

However, the unsustainability of most development interventions once a project ends is huge challenge. During a project's life-cycle there are positive results felt, however once the project ends, results are not sustained. The Systemic Human Capacity Development approach developed by PIND aims to develop a self-sustaining model which continues to deliver results after a project has ended because the traditional interventionist approach is often not sustainable as there is limited ownership from the participants.

This approach provides a system where beneficiaries are incentivized to investment in and participate. For example, it was observed by PIND that people engaged in key sectors such as farming and fishing in the Niger Delta region are often unable to thrive as a result of poor farming techniques and market practices. Farmers and fishermen in the region have limited human resource and technical capabilities, and as such PIND initiatives often focus on human and technical capability interventions and the creation of awareness within the eco-system. While several interventions in the area of capacity building have been employed by development partners and civil society organizations over the years, there is a disconnect between the trainings being offered and employment opportunities. Trainings offered often do not translate to jobs because there is limited synergy between institutions and the industry. PIND works towards providing interventions with specific focus on technical skills, soft skills and entrepreneurship and lessons from intervention. In the pre-intervention assessment phase, it is often observed that CSOs in the Niger Delta have weak processes and structures, which resulted in challenges when securing partnerships and funding from international development partners. Concurrently, CSOs in the region have limited collaboration and limited capacity and knowledge transfer among CSO partners. The quality of training offered by CSOs is often inadequate.

PIND works to ensure that results are sustained by empowering the participants to carry on their own projects. This can be done by ensuring that participants make some sort of investments in their capacity building. During the projects, ample training and capacity development is provided and a post training support is used to monitor reinforce progress. PIND also collaborates with several partners both locally and internationally. PIND engages in several partnerships such as: collaborative programs with government institutes, trainings and internships programs with universities in the region, and partnerships with private sector actors with commercial interest in the region. The Human Capital Development approach developed by PIND encourages partners utilizing the PIND model to consistently search for viable solutions and collaborative partnerships.

These are designed to ensure that the supply of human capital requirements meets the demand for services in the Niger Delta region through capacity building and continuous training across all development segments of PIND interventions in the Niger Delta Region. Projects should be demand driven interventions to promote employability of people in the Niger Delta region. There is also continuous promotion of youth innovative training programs with a focus on ICT, construction and agriculture because of the need to focus on providing employment opportunities and fostering employability among youth in the Niger Delta region.

This can be done by ensuring that synergy exists between training institutions and the requirements in the industry. Additionally, interventions with specific focus on technical skills, soft skills and entrepreneurship are critical to the development of a sustainable training program. It is argued that if the PIND model is working in the Niger Delta region, there is an opportunity for the process to be implemented in other regions and development sectors around the country. Some elements of the Systemic Human Development such as pre-intervention assessment and post-training support are key and must be adopted by other players in the development sectors. If the model is adopted, project results can be sustained. PIND has shared knowledge with partners outside the Niger Delta region such as the North-East Development Initiative.











22nd - 23rd October, 2018 | Transcorp Hilton, Abuja

Day 0: SUNDAY, October 21

PRE-SUMMIT EVENTS

All Day

Registrations

Lobby (in front of Capital Bar)

6:00pm –
8:00pm

Start-ups Pitching Event

Venue: Lagos/Osun Room

The Start-ups Pitching Event aims to connect new ventures seeking to raise funds with potential investors. Ten selected early-stage start-ups that are registered in Nigeria and have been doing business for no more than 5 years will be invited to pitch in front of a jury as well as venture capitalists and investors. Each start-up will pitch for 5 minutes.

Day 1: MONDAY, October 22

OPENING

Venue: Congress
Hall

9:00am – 9:15am

Welcome Remarks

- Mr. Asue Ighodalo; Chairman, Nigerian Economic Summit Group

9:15am – 9:30am

Opening Remarks

- Senator Udoma Udo Udoma, CON; Honourable Minister for Budget & National Planning

9:30am – 10:30am

Keynote Address

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

10:30am – 11:00am

Summit Opening Address

- His Excellency Muhammadu Buhari, GCFR; President of the Federal Republic of Nigeria

**PLENARY I:
CORRUPTION &
RULE OF LAW**

Zero Tolerance

Time: 11:00am – 12:30pm

Venue: Congress Hall

Corruption undermines the rule of law and erodes the effectiveness of public and private institutions and President Muhammadu Buhari has defined it as the greatest form of human rights violation. Corruption has also put Nigeria in a poverty trap. Despite initiatives of the past and present administrations, Nigeria still has a long way to go in addressing the key elements of corruption and the rule of law. The country currently ranks 148 out of 180 on Transparency International's 2017 Corruption Perception Index and at the UN Declaration of the High-Level Meeting on the Rule of Law, Member States recognized its negative impact such as the obstruction of economic growth and development as well as the erosion of public confidence, legitimacy and transparency thereby hindering the making, administration, enforcement and adjudication of fair and effective laws. Businesses thrive where laws are well defined and clearly applied. Nigeria must create a system that prevents the diversion of public funds, enforce public sector accountability, improve on access to justice, ensure expeditious conclusion of litigations and undertake comprehensive reform of police services. What are the effective methods of overcoming the challenges as done by other countries with high governance rating and how can we localize these methods to Nigeria?

This Opening Plenary will be a Presidential Dialogue with the Vice President of the Federal Republic of Nigeria, His Excellency Prof. Yemi Osinbajo, SAN, GCON.

Moderator

- Prof. Ngaire Woods (Founding Dean of the Blavatnik School of Government and Professor of Global Economic Governance, University of Oxford)

[🐦 JOIN THE CONVERSATION #NES24 #ZeroTolerance](#)

1:00pm – 2:00pm

Lunch

Venue: Congress Mezzanine

**SPECIAL
MEETING**

NGF/NESG Economic Roundtable

“Unlocking the Potential for Sub-National Economic Cooperation”

Time: 1:00pm – 2:00pm

Venue: Zuma Grill

Economic cooperation between states generates an equilibrium for cross-country growth trajectories and competitiveness by exploiting the economies of scale created by clusters and corridors. In the wake of dwindling federal revenues and current national challenges, states with specific endowments and comparative advantages can develop an economic cooperation framework. It is within this environment that states can scale up investments and create jobs, thereby reducing over-dependency on monthly federal allocations. The recent partnership between Lagos State and Kebbi State in rice production (LAKE Rice) and Lagos-Oyo Agricultural Initiative is a good example of partnership amongst states to offer their areas of strength to complement each other.

Lagos' huge population provides a huge market for rice production and the purchasing power to stimulate rice production in the country. Other benefits of the Lagos-Kebbi rice partnership are its capacity to renew investors' interest in agro-based industries and boost for agriculture related cooperative societies.

Recent pronouncements to complete the railway infrastructure connecting various trade corridors are encouraging because they will open jobs and opportunities for the informal sector. As an example, the LAKAJI Economic Corridor (a 1,225km corridor that runs from Lagos via Kano to Jibiya) is expected to create jobs and opportunities as well as improve delivery of goods and services within and across the 10 states from Lagos State to Katsina State. It will drive economic activities in agriculture, trade, transport, logistics, storage, etc. The backbone of the Corridor is an integrated transport network of ports [Apapa and Tin Can Island]; inland container depots [Ibadan and Kano]; roads [Lagos ports to the Lagos Metropolitan Area (25 km), Lagos Metropolitan Area to Ibadan (115 km), Ibadan to Ilorin (155 km), Ilorin to Kaduna (485 km), Kaduna to Kano (230 km) and Kano to Jibiya (215 km)] and rail [Lagos-Abeokuta-Ibadan-Osogbo-Ilorin-Minna-Kaduna-Kano Narrow Gauge Line]. A 2015 Study projected that investments in the LAKAJI Economic Corridor can create 67 million direct and indirect jobs. This is another example of economic development that can be unlocked through the creation of an economic corridor connecting states.

What is the private sector outlook for sub-national economic cooperation? How can states diagnose their economic strengths and challenges to identify realistic ways to shape their future through economic cooperation? What are the imperatives for developing economic and policy coordination and collaboration at the sub-national level with matching strategic agenda to build on it? What is the commitment on private sector investments?

This Working Lunch Meeting organized with the Nigerian Governors Forum will be held under the auspices of the NGF-NESG Economic Roundtable. It will be strictly on invitation.

Opening Remarks

- His Excellency Abdulazeez Yari; Executive Governor, Zamfara State and Chairman, Nigerian Governors Forum

Presentation

- Dr Doyin Salami; Board Member, Nigerian Economic Summit Group

Discussion Session

- Facilitated by Dr. Tayo Aduloju; NESG Senior Fellow; Public Policy & Institutional Development

Closing Remarks

- Mr. Asue Ighodalo; Chairman, Nigerian Economic Summit Group

A Workshop approach will be adopted at each Breakout Session with 2 Group Discussions facilitated by NESG Policy Commissions.

Infrastructure**Accelerating Infrastructure Investments**

Time: 2:00pm – 4:00pm

Venue: Osun Room

Session Chairs

- H.E. Babatunde Fashola; Honourable Minister for Power, Works & Housing
- H.E. Rotimi Amaechi; Honourable Minister for Transportation

Session Facilitators

- Mr. Nnanna Ude; CEO, Agon Continental Limited
- Mr. Abiola Lawal; CEO, Quorum Energy Limited

The value of Nigeria's total infrastructure stock represents only 35% of GDP, which is far below the level of peer emerging market countries where the average is 70%. Nigeria's gap has been widening in recent years owing partly to lack of capital expenditure in the national budget. Even as government makes promises and commitments towards tackling the infrastructure deficit, the government often does not and indeed cannot source the funds to follow through. The costs of developing physical infrastructure are enormous. Even the privatised power is presently mired in a liquidity crisis and is unable to attract new investments. The challenge is to turn infrastructure into a domestic political priority as well as a valuable business opportunity. This requires removing obstacles to maximizing the value of infrastructure investments, exploring alternative financing options and putting in place innovative models and partnerships that will accelerate investments in infrastructure. Long-term investors such as pension funds, insurance companies and sovereign wealth funds have expressed a desire to allocate capital in infrastructure but are unable to find bankable projects. Political leaders and private investors will have to take practical steps to accelerate investments in Nigeria's infrastructure sector for the public good.

The Infrastructure and Energy Policy Commissions will facilitate 2 Group Discussions during this Breakout Session.

Group Discussion I –Alternative Financing Options for Nigeria's Infrastructure

Across the globe, the landscape of infrastructure financing is changing. Governments are under severe economic pressure and are finding it difficult to fund infrastructure projects. A number of these countries have turned to Public-Private Partnerships to provide new and well-maintained roads, bridges, airports, railways, ports, waterways as well as in efficient water and sanitation infrastructure. However, the success of PPPs depends largely on putting place a clear PPP delivery framework. In the past few years, governments have explored alternative sources such as long-term bonds to finance infrastructure projects. Only recently, the Federal Government of Nigeria issued a N100 billion Sukuk Bond to fund the construction and rehabilitation of key economic infrastructure projects. Also, there is a growing indication that given the right conditions institutional investors are now considering infrastructure investment because the nature of certain infrastructure projects appears to complement the long-term liability needs of insurance companies and pension funds.

On its part, the Nigeria Sovereign Investment Authority (in collaboration with GuarantCo) established InfraCredit to provide guarantees to enhance the credit quality of local currency debt instruments issued to finance eligible infrastructure related assets in Nigeria. With dwindling resources from the state coffers, what are the alternative finance options to fund Nigeria's infrastructure development?

Discussion Leader

- Mr. Uche Orji; CEO, Nigeria Sovereign Investment Authority

Discussants

- Mr. Chinua Azubuike; CEO, Infrastructure Credit Guarantee Company Limited
- Mr. Dave Uduanu; CEO, Sigma Pensions Limited
- Mr. Akin Ajibola; Partner, Bola Ajibola & Co

Group Discussion II – Restoring the Financial Viability of the Nigerian Electricity Supply Industry

Despite the success of the power sector privatization programme raising expectations that private sector participation would lead to rapid improvements, not much has been achieved. The issues and challenges still plaguing the power sector are largely reflected in the liquidity crises in the Nigerian Electricity Supply Industry. The main causes of the liquidity crisis include: the inability of the distribution companies to finance infrastructure to expand sales, reduce collection losses, improve services and meter customers; lack of cost reflective tariffs contributing to significant cash deficits accumulating across the sector value chain; a failure to fully implement the Transitional Subsidy Programme; the decision to transfer the CBN-backed Nigeria Electricity Market Stabilisation Facility (NEMSF) to the balance sheets of the distribution companies which has made it difficult if not impossible for banks to advance them additional funds; volatility of key macroeconomic indicators; and an unstable regulatory environment. Even though, the Federal Government of Nigeria approved a Power Sector Recovery Programme (PSRP) in March 2017 aimed at, among other objectives, restoring the financial viability of Nigeria's power sector. Presently, the electricity market remains illiquid, running out of money and is failing to attract new investments. How can we reverse this situation and restore financial viability to the Nigerian Electricity Supply Industry?

Discussion Leader

- Mr. Ebipere Clark; Central Bank of Nigeria

Discussants

- Mr. U.G. Mohammed; MD, Transmission Company of Nigeria
- Mr. Adeoye Fadeyibi; CEO, Eko Electricity Distribution Company Limited
- Mr. Alonge Yusuf; CEO, Qua Iboe Power Limited

Youth/Education 23 Million Nigerian Youth: Turning Risk to Opportunity

Time: 2:00pm – 4:00pm

Venue: Congress Hall

Session Chairs

- Mallam Adamu Adamu; Honourable Minister for Education
- Mr. Adebayo Shittu; Honourable Minister for Communications

Session Facilitators

- Mr. Tope Toogun; CEO, Cognity Advisory
- Dr. Moji Olateru-Olagbegi; Managing Partner, The Workplace Centre

Nigeria's population is estimated by the National Population Commission to be 198 million and about half of that population comprises young people between the ages of 15 – 35. The National Bureau of Statistics reported in December 2017 that 22.64 million of our young people are either unemployed or underemployed and may not possess the relevant skills for global competitiveness. Business-driven education and skills development initiatives that are anchored on technology and innovation can transform the potential of our youth to become an engine of economic growth and development. Given the scale of the challenge, and the inherent weakness in the education and skills sector, it is apparent that we must look beyond traditional approaches, to find solutions to the problem. Technology, with its ability to reach millions of users and offer self-paced skills development as well as remote jobs and businesses online, provides a way out. As such e-learning may offer a cost-effective way of providing these skills in addition to upgrading the traditional methods. Two key issues pertinent to leveraging on-line learning and skills development are content and access.

The Human Capital Development and Science & Technology Policy Commissions will facilitate 2 Group Discussions during this Breakout Session.

Group Discussion I – E-Learning Content & Credentialing

E-Learning is arguably the best method with which to reach large numbers of learners without the constraints which space often imposes on physical training programmes. Secondly, traditional curricula and teaching methodologies do not result in the kind of skills demanded of today's work force (such as critical and analytical thinking, problem solving), whereas advances and innovations in the use of technology for learning has been shown to deliver expected results, particularly because the process of training via technology is dynamic, as opposed to the static nature of traditional methodology. Thirdly, the quality of trainers is low, which further compounds the challenge of delivering skills. Technology enabled learning can be self-directed, at least to enable learners gain basic proficiency. Courses need to be created or converted to ensure that the content is relevant. What are the guidelines, standards, credentialing and monitoring that needs to be considered to avoid proliferation by substandard and amoral entities?

Discussion Leader

- Mr. Gossy Ukanwoke; Founder, Beni American University

Discussants

- Mrs. Onyeche Tifase; CEO, Siemens Nigeria Limited
- Mr. Roti Balogun; Chief Learning Officer, GE Africa
- Dr. Tunji Adegbesan; CEO, Gidi Mobile Limited

Group Discussion II – Meeting the Demands for a Quality and Affordable Broadband Infrastructure

There has been an upsurge in the uptake of internet enabled mobile devices in Nigeria. The country currently has an estimated 103 million internet users, a significant percentage of this being the youth who use this primarily to facilitate their social interactions. There is a need to convert their use of the internet and technology devices to more productive uses that will aid learning, research, innovation, entrepreneurship etc. This would help develop the Science & Technology sector of the country which ultimately translate to higher numbers of gainfully employed youth and ultimately a reduction in social ills. Current internet penetration levels can be leveraged to aid learning and development. As the number of technology services users increase, the demand for data services for businesses, video streaming, social and academic use will all continue to increase significantly. To meet the demand, access, affordability and quality of service are key factors that need to be considered. Broadband penetration is currently at 22% which is below its target of 30% by the end of 2018 (National Broadband Plan). What are bottlenecks and gaps in the system that have slowed the pace of broadband penetration and affordability?

Discussion Leader

- Mr. Collins Onuegbu; Executive Vice Chairman, Signal Alliance Limited

Discussants

- Mr. Segun Ogunsanya CEO, Airtel
- Mr. Yusuf Kazaure; CEO, Galaxy Backbone Limited
- Mrs. Nkemdilim Begho; CEO, Future Soft Limited

Production**Exploiting the Potentials of Regional and Global Markets****Time: 2:00pm – 4:00pm****Venue: Niger/Enugu Room**

Despite huge arable land as well as agricultural and mineral resources, Nigeria is yet to capitalize on the competitive advantage in agriculture and solid minerals by upscaling production and processing capacity to feed a population of 180 million Nigerians and produce processed metals, for export to regional and global markets. It has become imperative to integrate our agriculture and solid minerals potentials with a production capacity that drives economic competitiveness. So far, the reform of the Nigerian economy that seeks to shift productive resources from agriculture and mining to manufacturing – which has helped many countries achieve greater prosperity – has eluded the country.

Nigeria needs is a rebirth of its manufacturing that will be driven by more local value-addition of agriculture and mining resources. This will not only insulate Nigeria from the volatility and shocks from commodities prices but greatly improve the country's potential to exploit regional and global markets with semi-finished and finished products.

The Manufacturing & Mining and Agriculture & Food Security Policy Commissions will facilitate 2 Group Discussions during this Breakout Session.

Session Chairs

- Chief Audu Ogbe; Honourable Minister for Agriculture
- Hon. Abubakar Bawa Bwari; Honourable Minister for Mines & Steel Development

Session Facilitators

- Prof. Gbenga Okunlola; Chairman, Mining Implementation Strategy Team
- Mr. Theo Onadeko; Vice President & Senior Investment Manager (Agribusiness), ARM

Group Discussion I: Mining Our Business

To achieve an effective growth of the mining sector it is important to de-risk the sector in such a way as to allow mining projects to be financed by investors. Clearly, the tough commercial environment translates directly into increased vulnerability to risk challenges thereby heightening the importance of sound risk strategies for bankability of investments in the sector. Despite our huge mineral resources, Nigeria is missing out in the global \$2 trillion mining market takes advantage of the value chain – from mining to processing. It is time to use to lay the foundation for the country's economic diversification by creating the right linkages with the manufacturing sector, which generates the strongest multipliers across the economy. Nigeria has a comparative advantage in developing and expanding mineral linkages: the large market offered by the local and regional mineral industries demand for inputs such as plant, equipment, machinery, consumables and services – economies of scale; feedstock advantage and security of supply for downstream mineral processing and beneficiation industries, such as refining, alloying, fabrication; and opportunities to develop the supplier industries for the extensive resource infrastructure requirements in transport, power and water (construction materials, rail and capital equipment). How can we improve the value chain in the mining business?

Discussion Leader

- Mr Ayedun Fasina; MD/CEO, Multiverse Mining & Exploration PLC

Discussants

- Mr. Tim Wither; CEO, Symbol Mining
- Mr. Femi Awofala; CEO Brickstone Africa

Group Discussion II – Local Production, Regional Trade and Global Markets

Millions of smallholder households/farmers and indigenous communities in Nigeria are working to improve their livelihoods in an environment characterized by dwindling government support and increased competition between producers, processing companies and Fast-Moving Consumer Goods Companies (FCMGs) within agricultural markets. Nigeria has huge arable land and recent government initiatives are aimed at boosting agricultural land and farm output.

Fortunately for the country it benefits from highly diversified climatic and soil conditions. Despite this, the sector still suffers low yields due to the lack of knowledge about agricultural best practices and limited access to inputs (e.g. seeds, crop protection, fertilizers, irrigation). However, there is a need to shift away from a focus on primary production towards achieving efficiency along the value chain. Nigeria's primary products are mainly sold in the fresh domestic market. The processing industry represents only a small fraction of the agribusiness value chain. In addition, better post-harvest transport and storage of crops is an important piece of the puzzle: a major proportion of losses in agricultural products occur during storage and transit. Improved back-end supply chain processes and better cold-chain facilities could reduce food loss and save up billions of naira annually, apart from securing billions of dollars in additional export revenue. In the value chain structure, several issues of vulnerabilities associated with bankability of investments in the sector, backward and forward linkages, environmental factors as well as supply chain peculiarities need to be considered and addressed. How can we create an integrated framework for ensuring that farmers can access new markets and develop business in a coherent and sustainable manner?

Discussion Leader

- Mr. Sadiq Usman; Deputy COO, Agro-Allied Division, Flour Mills of Nigeria PLC

Discussants

- Mrs. Yemisi Iranloye, CEO, Psaltry International Limited
- Mr. Aliyu Abdul Hameed; MD, Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL)
- Mr. Debo Abodunrin; CEO, AgroPlus Africa Systems Limited

Investment

\$196 Billion Investments By 2020

Time: 2:00pm – 4:00pm

Venue: Benue/Plateau Room

The Federal Government requires \$245 billion to fund the Economic Recovery and Growth Plan out of which about \$196 billion private sector investments are needed. Economic growth, improvements in macroeconomic stability, increase in external reserves and a better business environment should make Nigeria an attractive investment destination. Investments remain a key driver of economic growth. With the size of the Nigerian economy growing in recent years, traditional patterns and trends in investing have evolved. The challenge is to ensure that the right investment strategy is in place and that regulatory framework keep up to reflect the diversification in the economy: the growing shifts towards a digital economy, the rise of the services sector and the spread of evolution of agriculture and manufacturing in response to a growing population and global market. We therefore need to remove barriers to investments and create a strong financial system to deploy a robust strategy that will attract \$196 billion of private sector investments by 2020.

The Trade, Investments and Competitiveness and Finance, Financial Markets and Financial Inclusion Policy Commissions will facilitate 2 Group Discussions during this Breakout Session.

Session Chairs

- Dr. Okey Enelamah; Honourable Minister for Industry, Trade & Investments
- Dr. Adeyemi Dipeolu; Special Adviser to the President on Economic Matters

Session Facilitators

- Mr. Kunle Kuku; Executive Director, Lakewood Investor Services
- Mr. Goke Oyelami; Partner, KPMG Professional Services

Group Discussion I – Investing in Nigeria: From Opportunities to Realities

The Presidential Enabling Business Environment Council (PEBEC) is working hard to improve the Nigerian business environment. In addition, the efforts of the Nigerian Investment Promotion Council (NIPC) are encouraging. Yet, much more is required to realize a value-added national investment drive of \$196 billion as required by the ERGP. There is an urgent need for an intense focus on the actual tangibles that will turn investment opportunities to realities. Further, a wholistic thinking around investment climate policy advocacy, country FDI promotion strategy, image building/sector branding, investment targeting, facilitation (during investment decision-making process through provision of business information, and during investment set-up process through timely licensing and non-bureaucratic approvals), investor aftercare & reinvestment incentivizing, etc. needs to be mainstreamed into an integrative investment strategy that builds investors' confidence in the economy and serves as a good will for attracting substantial amount of long-term investments (both domestic and foreign). In April, the South African President, Cyril Ramaphosa launched an aggressive investment drive to hunt down \$100 billion investment for the country's economy. This is clearly an audacious move with far-reaching implications on the quality and quantity of foreign direct investments we can attract into Nigeria. What steps must be taken to scale up investments in Nigeria and turn investment opportunities to realities?

Discussion Leader

- Mr. Ike Chioke; CEO, Afrinvest West Africa Limited

Discussants

- Mr. Jubril Enakele; CEO, Zenith Capital Limited
- Mr. Samaila Zubairu; President/CEO, African Finance Corporation
- Mrs. Toyin Sanni; Group CEO, Emerging Africa Capital Group

Group Discussion II – Enhancing the Absorptive Capacity of Nigeria’s Financial System

A country’s capacity to absorb capital flows is greatly influenced by the depth and efficiency of the its financial system. The level of financial development will also determine the extent to which the country can benefit from capital flows in terms of spill-overs from targeted sectors to the rest of the economy as well as the overall growth effects. Capital flows between investors, governments (federal and state), businesses and consumers will depend on an efficient and inclusive financial structure. In 2007, Nigeria launched a Financial System Strategy 2020 to among others, develop and transform Nigeria’s financial sector into a growth catalyst and engineer Nigeria’s evolution into an international financial centre; strengthen and deepen the domestic markets; enhance integration with the external financial markets; and promote sustainable economic development. As Nigeria seeks \$196 billion private sector investments by 2020, it underscores the imperative to have strong financial system that performs other functions that are vital to the proper functioning of a market economy such as information production, price discovery, risk sharing, liquidity provision, promotion of contractual efficiency, promotion of corporate governance, and facilitating global integration. All in all, an efficient financial system leads to lower transactions costs and better information systems, all of which facilitate investment operations. How can we sustain (or enhance) the absorptive capacity of Nigeria’s financial system to receive huge capital flows and investments?

Discussion Leader

- Mr. Urum Eke; GMD, FBN Holdings PLC

Discussants

- Mr. Akin Dawodu; CEO, Citibank Nigeria Limited
- Mr. Winston Osuchukwu; Co-Founder/Managing Partner, Trans Sahara Investment Corporation

**Creative &
Sports
Industries**

Optimizing Business Opportunities in the Talent Economy

Time: 2:00pm – 4:00pm

Venue: Lagos/Kogi Room

Globally, industry has created an entire business around the talent economy especially the creative and sports industries and this is reflected in the high growth rate in revenues in these sectors. Nigeria’s creative industry has been growing in recent years while sports as a business is an emerging industry. The emergent prospects of creating enterprise from the business of talent and creativity has become dominant across the world contributing immensely to the GDP of developed countries. In 2016, the Arts, Entertainment and Recreation Sector contributed 2.3% (₦239billion) to Nigeria’s Gross Domestic Product (GDP). Nigerian film industry popularly referred to as Nollywood is reputed to be the second largest film producer in the world. And the Federal Government anticipates a \$1billion in export revenue by 2020.

On its part, the sports industry is serviced by other ancillary sectors such as tourism, entertainment, real estate, manufacturing, content development, broadcasting, marketing, IT, fashion, etc. As these businesses grow, new players became part of the industry: radio, television, commercial endorsers, licensees and sponsors. For sports as a business, the primary revenue source is no longer limited to just the fans that buy tickets and Nigeria is yet to tap these potentials. However, there are other factors beyond domestic consumption that can drive business interest in Nigeria's talent economy.

The Tourism, Hospitality, Entertainment, Creative and Sports Industries Policy Commission will facilitate 2 Group Discussions during this Breakout Session.

Session Chairs

- Mr. Lai Mohammed; Honourable Minister for Information, Culture & Tourism
- Mr. Solomon Dalung; Honourable Minister for Youth & Sports

Session Facilitator

- Dr. Ikenna Nwosu; CEO, Mooregate Limited

Group Discussion I – Unlocking the Untapped Potential for Growth in the Creative Industry

The Global Entertainment Industry accounts for approximately 2.5% of global GDP, compared to Pharmaceuticals (1.28%) and Hospitality (0.68%). The sector is expected to grow by an average of 5.5% annually to reach a market size of \$2.2trn by 2021. The entertainment industry continues to record astronomical growth and the sport business is gaining traction. Nigeria's national accounts rebasing in 2014 revealed that motion pictures, sound recording and music production alone, account for 1.42% of our GDP. In past two years, while the entire economy plunged into recession and slowdown, the Arts, Entertainment and Recreation Sector recorded a growth of 3.72% (2016) and 4.72% (2017). The industry contributed ₦152.63bn to Nigeria's GDP in 2017, comparable to Chemical and Pharmaceuticals (₦153bn), Oil Refining (₦148bn). According to the World Economic Forum, Nollywood's model of rapid production and home consumption is now being exported across the continent, with countries such as Cameroon, Ghana, Kenya, and Mali adopting this model over traditional American or European features. Even with its recorded success, there is a need to analyse progress to unlock the untapped potential for growth as the private sector provides market insight to the public sector to help shape public policies and measures to suit market conditions and realities. What must we do to achieve it?

Discussion Leader

- Ms. Ojoma Ochai; Director, Arts and Creative Industries (West Africa), British Council

Discussants

- Deaconess Grace Gekpe; Permanent Secretary, Federal Ministry of Information and Culture
- Mr. Paul Nwulu; Programme Officer, Ford Foundation
- Ms. Mo Abudu; Founder /CEO. EbonyLife Productions

Group Discussion II –Maximizing the Value of Sports as a Business

With a growing youth population, high interest in sports and the need to move from a mono-economy to a more diversified economy, it is quite clear that there is an opportunity for sports to contribute significantly to Nigeria’s economic growth. The prospects for the future with regard to the Global Sports Industry is predicated on greater engagement and participation by companies and investors, and commercial opportunities. These projections are driven by: continuous growth of youth participation in sports in the next 5-10 years; TV and Marketing that are still central to the growth of the industry, and will continue to experience increase in rights and media revenues; innovation as a factor in changing expectations due to changing fan behaviour; the phenomenal growth of social media engagement over the next 5-10 years, and the involvement of social media platforms in the sports rights market. In addition, technology is driving growth and development of sport and changing business models as the world increasingly witnesses the influence of mobile media in enabling the creation of virtual stadia to accommodate and engage fans far from the stadium environment. Asia Pacific is projected to be the next growth area while Africa and the Middle East are second in the reckoning ahead of Western Europe with its ageing population – *youth is the main driver of this trend*. Countries that have effectively harnessed the full potentials of sport as a contributor to the economy, and as a social and community development platform, achieved these objectives through a public-private partnership framework. The underperformance of the sports industry as a business in Nigeria arises from the country’s inability to harness the potentials of the sector and inadequate funding to maximize the value of these potentials. How can we reverse this?

Discussion Leader

- Ms. Nkechi Obi; MD/CEO, Premium Sports Management Services Limited

Discussants

- Mr Olukyode Pitan; MD/CEO; Bank of Industry
- Mr. Babatunde Ogunade; 1st Vice President, Nigeria Basketball Federation (NBBF)
- Mrs. Hauwa Akinyemi; Director (Planning, Monitoring & Information), Federal Ministry of Youth & Sports

New Frontiers for Business and Economic Growth

Time: 2:00pm – 4:00pm

Venue: Kano Room

Rapid economic growth has increased the pressure on the planet's ecosystem. As a result, businesses are expected to adopt innovative and profitable solutions that drives growth and create jobs while contributing positively to the environment. The challenge is for businesses to balance environmental and societal contributions while maintaining profitability. The World Economic Forum describes such companies as 'Sustainability Champions'. However, to sustain and attract new investments there is need for an institutional framework that navigates the multiple policies guiding Nigeria's Nationally Determined Contributions (NDC) for businesses to deliver outstanding financial performance while placing environmental sustainability at the core of their operations. Presently there are companies in Nigeria that are responding to this challenge and are turning the constraints imposed by the need to preserve the earth into opportunities through innovation thereby opening new frontiers – *going green while satisfying shareholders expectations*. They are Nigeria's 'Sustainability Champions' and some of them are also leveraging sustainability approaches for new commercial opportunities through re-use of products, creating new markets with good returns on investments and rethinking product designs to promote the three R's – reduce, reuse and recycle – to create a circular economy which aligns with the sustainable development goals (SDGs). The benefits of such a transition include new pathways to profitability and new jobs through substantial waste reduction and improved land productivity; mitigated supply risks and net material/cost savings; and innovations and creativity for long-term resilience. The private sector requires a combination of incentive pull and regulatory push to forge into this new frontier of business and economic growth.

The Sustainability and Governance and Institutions Policy Commissions will host 2 Group Discussions at this Breakout Session.

Session Chair

- Mallam Ibrahim Usman Jubril; Honourable Minister of State for Environment

Special Guest

- Mr. James Pennington; World Economic Forum

Session Facilitators

- Dr. Uzo Egbuche; CEO, CERASE Environmental Services Limited
- Dr. Tayo Aduloju; Senior Fellow; Public Policy and Institutional Development, Nigerian Economic Summit Group

Group Discussion I – Innovation, Growth and Environmental Sustainability: Turning Constraints to Opportunities

Most businesses now operate in countries with growing populations and economic prosperity that puts a heavy demand on the earth's resources such as water, arable land, fossil fuels, minerals, arable land and fish stocks. This leads to environmental constraints for companies and this makes it more difficult for them to remain profitable without causing further environmental degradation. A sustainability imperative requires companies to often adopt measures in their business operations that will utilize of cost-saving technologies to improve their production processes and financial performance while "staying green". Companies are now devoting time and resources to the effort to reduce waste, restrict or clean up emissions, decrease energy consumption, increase recycling, and shift to renewable energy. In agriculture, 30-40% of the food produced in Nigeria is wasted. Such increasing volumes of waste food presents an opportunity for innovative technologies and profitable business practices to address the utilisation of agricultural wastes, by-products and co-products. The country also produces around 500,000 tonnes of e-waste every year from many everyday objects such as car batteries to washing machines and mobile phones. An estimated 50,000 tonnes of mobile phones are discarded in Nigeria annually, which contain up to 5 tonnes of gold - a more than 100 times higher concentration than in gold ore. In a few years, there could be commercial production of alternatives to plastics from organic raw materials such as sugar cane however, this may not be sustainable as it would compete with food resources and land use. With the right technologies, they present opportunities for businesses in Nigeria simply by integrating sustainability into business. Can we turn the constraints to opportunities?

Discussion Leader

- Mr. Abubakar Suleiman; CEO, Sterling Bank PLC

Discussants

- Mr. George Polymenakos; CEO, Nigerian Bottling Company PLC
- Mr. Jide Jadesimi; ED, LADOL

Group Discussion II – Unlocking Incentives for Nigeria's 'Sustainability Champions'

It is the responsibility of the government to unlock incentives for companies that are investing in innovation, technology, research and processes aimed at protecting the environment as part of the business operations in Nigeria. This can be done through laws, taxes, subsidies, regulations, etc. Tax incentives might take the form of property tax reductions, sales tax exemptions, income tax credits, etc. Government can also provide discretionary grants, low-interest financing, or one or more of many other incentive programs. Nigeria's Nationally Determined Contributions (NDC) contains multiple policies for businesses it requires an institutional framework that enables companies navigate them. For these to happen, businesses must step up and engage with regulators and policy makers on the right incentive tools that can encourage them to protect our environment and maintain profitable financial performance.

The Federal Government of Nigeria can utilize a combination of incentive pull and regulatory push through several government agencies such as the Federal Inland Revenue Service, National Environmental Standards and Regulations Enforcement Agency, Nigerian Maritime Administration and Safety Agency, among others. However, these incentives do not apply to big businesses alone. Governments, financial institutions and businesses can also work together to support financing models that encourage SMEs to upgrade their production processes to comply with sustainability standards in global value chains. What are these incentives and who will provide them?

Discussion Leader

- Mr. Yaw Nsarkoh; CEO, Unilever Nigeria PLC

Discussants

- Dr. Chidi Anukam; DG/CEO, National Environmental Standards & Regulations Enforcement Agency
- Dr. Dakuku Peterside; DG/CEO, Nigerian Maritime Administration & Safety Agency

**PLENARY II:
EFFECTIVE
PUBLIC
INSTITUTIONS**

The Unfinished Business of Reforms

Time: 4:00pm – 6:00pm

Venue: Congress Hall

Why should the governance status of the public institution concern us within the context of the current socio-economic realities that underpin moving Nigeria from poverty to prosperity? The Nigerian public institution is the very centre of governmental power and legitimacy. All over the world today, democratic governance is measured in terms of the capacity of the state to generate enough service delivery efficiency in a manner that the citizens can associate with it. Whereas the public institutions do not initiate policies by themselves without the political class, they play critical role in determining what will get done, what would not and through execution, they ensure that policy decisions eventually culminate in concrete achievement of what the government wants for the people. The public institution is therefore the engine room that translates policy to impact. If the public institutions of government are so central to decision making processes and if good or bad decisions are significant to development, why has the emergence of effective public institutions evaded us? Why have Nigerians failed to see the true consequences of well-intended policies over in Nigeria since the 80s? What do we have to get done to reverse this trend?

Introductory Remarks by Mr. Aigboje Aig-Imoukhuede; Founder/Chairman, Africa Initiative for Governance

Opening Presentation by Mrs. Winifred Oyo-Ita (Head of the Civil Service of the Federation) to provide Background and Overview of the 2017 – 2020 Federal Civil Service Strategy and Implementation Plan).

Panellists

- Mrs. Winifred Oyo-Ita, Head of the Civil Service of the Federation
- Mr. Aigboje Aig-Imoukhuede; Founder/Chairman, Africa Initiative for Governance
- Dr. Jennifer Musisi; Executive Director, Kampala Capital City Authority, Uganda
- Dr. Tunji Olaopa; Executive Vice Chairman, Ibadan School of Government & Public Policy
- Mrs. Ifueko Omoigui-Okauru; Managing Partner, Compliance Professionals PLC

Moderator: Dr. Tayo Aduloju; NESG Senior Fellow; Public Policy & Institutional Development

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DINNER

8:00pm – 10:00pm

Venue: Congress Hall

National Assembly Business Environment Roundtable

“Progress & Impact: The Journey So Far”

The impact of specific economic priority bills identified by the National Assembly Business Environment Roundtable (NASSBER) is to improve the business environment, expand opportunities and create jobs. The bills are in the areas of markets & competition, access to finance for MSMEs, ease of regulations for businesses and investments and development of transport infrastructure. What is the progress on the passage of these bills? Is there any measurable impact of the legislations that are operational?

- His Excellency Dr. Bukola Saraki; President of the Senate
- His Excellency Right Honourable Yakubu Dogara; Speaker of the House of Representatives

Moderator: Mr. Boason Omofaye; Head (Business News) Channels TV

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Day 2: TUESDAY, October 23

SPECIAL MEETING

NESG European Business Policy Council

“Removing the Barriers to Trade Facilitation and Customs Operations”

Time: 7:30am – 9:00am

Venue: Kaduna Board Room

The inaugural meeting of the NESG European Business Council.

Several reforms have been put in place by the government to facilitate trade and improve custom procedures some of which include the Direct Trade Input (DTI) and the fast track clearing automated processes. These processes culminate in highly manualized bureaucracies and corruption. Port apparatus (such as scanners) are dysfunctional, single-window system is not quite working as adequately with several duplicated cargo clearing process across somewhat similar agencies (e.g. NAFDAC, SON, etc.). These have led to slow Customs response time, port congestion, towering demurrage costs, rising terminal charges, among others and have stifle FDI inflow and trade in the country. Other challenges are the difficulties of decision cascading down to the operational level of the Customs hierarchies, incompetence of clearing and forwarding agents (who do not have consistent interpretations of Harmonized Systems (HS) codes during physical examinations), opaqueness in duties and tariff charges and multiplicity of physical documentations which are sometimes misaligned and complicated.

The cost of demurrage paid to Authorized Economic Operators (AEOs) that operate foreign shipping lines goes out of the country and depletes available national foreign exchange. Persistent barriers caused by port bureaucracies and post-port cargo movements challenges make Nigeria an unattractive FDI destination. Anecdotal gatherings from investors have it that the cost of moving cargoes from Apapa Port is close to the cost of importing from Europe, thereby increasing the cost on importing raw materials and other inputs that are not locally available.

In promoting foreign direct investment inflows into the Nigerian economy and supporting the growth of European businesses in Nigeria, this meeting will deliberate on the challenges and actionable steps that will improve custom procedures and enhance trade volumes. The public and the private sectors have a shared responsibility of trade facilitation reform that will enhance a mutually symbiotic co-existence in the trade ecosystem and promote international economic relations, boost trade, integrate local companies into global supply chains, attract and cause foreign investment to flourish, as well as unlock sustainable economic growth.

Opening Remarks

- Mr. Asue Ighodalo; Chairman, Nigerian Economic Summit Group

Discussion Session

- Facilitated by Mrs. Linda Quaynor; Partner/West Africa Strategy and Operations Leader, Deloitte Africa

Closing Remarks

- Mrs Onyeché Tifase, CEO, Siemens Nigeria Limited

Breaking the Financial Inclusion Barrier

Time: 7:30am – 9:00am

Venue: Lagos Room

Co-hosted with BusinessDay Media

In July this year, the Central Bank of Nigeria (CBN) reported that Nigeria was not on track to meet the 2020 targets set out in the National Financial Inclusion Strategy (NFIS) of 2012. The impediments to achieving this target have been ascribed to economic constraints, insecurity issues in the northern part of Nigeria, obsolete strategies, among others. Initially, the NFIS defined 15 targets for channels and products as well as 22 key performance indicators (KPIs) related to these targets, but Nigeria still lags across all these measures. The National Financial Inclusion Strategy (NFIS) Redraft identified 5 crucial priorities to increasing financial inclusion in the country, with emphasis on creating a conducive environment for the expansion of DFS, enabling the rapid growth of agent networks with nationwide reach, reducing KYC hurdles to opening and operating a bank account, creating an environment conducive to serve the most excluded and driving adoption of cashless payment channels, particularly in government-to-person and person-to-government payments. The apex bank said in the refreshed NFIS, priorities have been defined based on a new approach that is deliberately more 'future-proof' in its focus on first principles, instead of specific approaches that have the potential to become obsolete. This Refresh and Halt in the 80% financial inclusion goal has stakeholders concerned about the way forward.

Financial Inclusion is a national priority, but Nigeria seems to be lagging. Where are we now? Where do we go from here? Business Day the leading media house on financial inclusion coverage supported by the Bill and Melinda Gates Foundation is co-hosting this Breakfast Meeting with the NESG to discuss the best way to move the needle on financial inclusion in Nigeria along with stakeholders from the Central Bank of Nigeria, Efina, Nigeria Inter-Bank Settlement System PLC, etc. The discussion will revolve around the current state of financial inclusion in Nigeria to seek answers to the following questions: What has worked and what has not? What is the role of financial technology companies (fintechs), banks and telecommunication companies in boosting financial inclusion? The Session will also review efforts of the Central Bank of Nigeria over the past year in achieving an inclusion target of 80% by 2020. Most countries that have succeeded in boosting financial inclusion have done so leveraging digital financial services and the panel will proffer solutions to unlocking the constraints in Nigeria.

Opening (5 minutes)

- Mr. Frank Aigbogun; Publisher, BusinessDay Media

Presentation (15 minutes)

- **BusinessDay Media/Deloitte**

Keynote Address (15 minutes)

- Mr. Obadaiah Mailafia; Former Deputy Governor, Central Bank of Nigeria

Discussion (45 minutes)

- Facilitated by BusinessDay Media

Wrap-Up/Next Steps (10 minutes)

Education to Employment: Mind the Gap

Time: 7:30am – 9:00am

Venue: Kogi Room

Co-hosted with the National Universities Commission

The current high levels of unemployment in Nigeria requires a new innovative and collaborative approach to address. Government, private sector and development partners must evolve new propositions to take interventions to scale. The reason most often adduced for the high levels of unemployment is the outdated curriculum in the education system, which does not equip youth with the skills required by employers. There is therefore an urgent need to revamp the curriculum so those currently within the school system are appropriately skilled for the labour market and to reskill the large pool of youth who are already out of the school system and do not possess the required skills. This speaks to the supply side.

There is a second line of engagement, running almost parallel to the first, which seeks to expand the economy, to create opportunities for absorbing new entrants into the labour market, focused on the demand side. A crucial challenge, however, is the lack of a framework to facilitate a holistic engagement which seeks to ensure seamless coordination between the various pillars which facilitate job creation on scale.

The Nigerian Economic Summit Group is uniquely positioned to be the bridge between the activities on both the supply and demand sides through its convening power on various platforms such as the platform of the Annual Nigerian Economic Summit. There are pockets of good work going on in silos and impacting limited numbers, whereas the scale of the need requires propositions to impact substantial numbers.

This Education to Employment Breakfast Meeting is the first of several dialogues designed to facilitate integration and a collaborative approach between government, the private sector and development partners. The focus of this first session is on tertiary and post college segments. Subsequent sessions will address technical and vocational education, post-secondary and artisanal routes to the labour market.

Welcome (5 minutes)

- Mr. Tope Toogun; Facilitator, NESG Human Capital Development Policy Commission

Opening

- Dr. Chris Ngige; Honourable Minister for Labour & Employment

Presentations (50 minutes)

TETFUND's Interventions in Improving Employability of HEI Students

- Dr. Abdullahi Bichi Baffa; Executive Secretary, Tertiary Education Trust Fund (TETFUND)

World Bank Programmes in Tertiary Education and Post-College Skills Development

- Ms Muna Meky; Nigeria Human Development Lead, World Bank

GE's programmes (GELAB, UBC, NYSC, STEM, National Employability Survey)

- Mr. Roti Balogun; Chief Organization, Talent & Learning Officer, GE Africa

Siemens programmes in tertiary education and post college skills development

- Mrs. Onyeche Tifase; CEO, Siemens Nigeria Limited

Report of Value Chain Analysis on five sectors of the economy (commissioned by MasterCard Foundation)

- Mr. Peter Bamkole; Director, Enterprise Development Centre:

Discussion (15 minutes)

Action Plan (15 minutes)

Next Steps (5 minutes)

- Mr. Tope Toogun; Facilitator, NESG Human Capital Development Policy Commission

Financing Off-Grid Energy Projects and Launch of the Mini-Grid Investment Report

Time: 7:30am – 9:00am

Venue: Niger/Enugu Room

Supported by HBS Nigeria for the Nigerian Renewable Energy Roundtable.

Over 10 MW of commercially-operated off-grid solar projects are currently operational across the country, and the Nigerian market is ready to scale and can absorb additional 10,000 solar-based mini-grid projects of 100 kilowatt each, generating about 4.4GWh/year over the next 10 years – while still satisfying only about 30% of the country's electricity demand. Various Development Finance Institutions and Multilateral Agencies suggests that "more than US\$250 million dollars (NGN90 billion) is currently available in development finance, to fund commercially-viable off-grid electrification projects in Nigeria". The off-grid market is rapidly moving away from humanitarian interventions towards private debt and equity capital, and Nigeria has enormous market potential to support such growth.

The Nigerian Economic Summit Group and Rocky Mountain Institute co-authored a report entitled 'Mini-grid Investment Report: Scaling the Nigerian Market' which shows the findings and success stories obtained from currently operating mini-grid projects across Nigeria and offers recommended best practices, that when incorporated into future projects further ensures commercial success both from a business and developmental perspective. Mini-grids circumvent many of the problems associated with electricity from the centralised grid, while also providing clean and reliable power. Today, over 90 million Nigerians are without access to electricity, with less than 40% rural electrification rate. This Report shows how a lack of access to electricity can hinder business productivity, profitability, and growth throughout Nigeria. Additionally, mini-grids provide a cost-effective solution to the demand for rural electrification which could help businesses tap into a revenue opportunity of up to NGN2.8 trillion (US\$8 billion) per year.

Opening (10 minutes)

- Mr. Segun Adaju; President, Renewable Energy Association of Nigeria

Presentation of the Mini-Grid Investment Report (10 minutes)

- Mr. James Sherwood; Manager, Rocky Mountain Institute

Launch of the Report (10 minutes)

- Mr. Loius Edozien; Permanent Secretary, Federal Ministry of Power
- Mr. Foluso Phillips; CEO, Phillips Consulting

Discussion Session (30 minutes)

- Facilitated by Mr. Patrick Okigbo III; Principal Partner, Nextier Power

Closing (5 minutes)

- Mrs. Ify Malo; CEO, Clean Tech Hub and Energy Innovation Centre

Ending the Vicious Cycle

Time: 9:30am – 11:00am

Venue: Congress Hall

In 2016, the World Bank pointed out that Nigeria needs an estimated 40 million jobs to cater for new market entrants by 2030. This is underscored by the National Bureau of Statistics data, which indicates that during that period of economic recovery, combined total for unemployment and underemployment increased from 37.2% in Q2 2017 to 40.0% in Q3 2017. Since 1999, successive governments have put in place four broad economic plans: National Economic Empowerment and Development Strategy (NEEDS); Vision 20:2020; Transformation Agenda; and lately, Economic Recovery and Growth Plan (ERGP). Each of them promised to deliver sustainable economic opportunities by creating a favourable investment climate; ensuring fair rules for market access and competition; fostering innovation-driven entrepreneurship; closing the infrastructure gap; ensuring a better business climate for the rural economy; and improving access to finance, especially for MSMEs. Most Nigerians will conclude that these past economic programmes have not fully delivered on their objectives and the challenge lies in governance: execution and implementation. Interestingly, within two decades, Brazil and China moved millions of their citizens from poverty to prosperity. How did these winning models turn governance into sustainable economic opportunities and why have we not been able to do it? What must we put in place to be on track?

Panellists

- His Excellency Godwin Obaseki; Executive Governor, Edo State
- Mrs. Zainab Ahmed; Honourable Minister for Finance
- Prof. Peter Lewis; Director, African Studies; Johns Hopkins University
- Dr. Doyin Salami; Chair, NESG Board Committee on Research

Moderator: Ms. Bronwyn Nielsen; Editor-at-Large; CNBC Africa

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Citizens Dividend as a Measure of Good Governance

Time: 11:00am – 1:00pm

Venue: Congress Hall

The entire purpose of governance is to deliver public goods. Therefore, to achieve good governance requires the effective participation of citizens, either directly or through institutions and representatives. Today, much of that engagement is enabled by the Internet as governments use the World Wide Web to reach citizens. Out of Nigeria's 180 million population, it is estimated that about 93 million are internet users (49% penetration) – the 8th largest in the world. But that is not the most interesting fact.

The International Telecommunications Union recently reported that Nigeria ranks No. 2 in the world in terms of internet growth between 2000 – 2017. Social media can be a platform for civic participation and engagement in the exercise of citizens' rights and demand for citizens' dividends. For a society that is getting more interconnected by technology, Nigerians are often disconnected from policy decisions that shape and impact their lives. However, citizen engagement is not just about technology. For instance, Public Affairs Centre (which started as a citizens group) in India uses Citizens Report Cards to rate the quality of public services and hold public officials to account. As these ratings were put on public display, government performance improved and customer satisfaction with public services increased. But to achieve this in Nigeria requires an informed citizenry and an organized civil society. How can we get Nigerians to participate and engage in ensuring that citizens' dividends become a measure of good governance?

Opening Presentation by Mr. Boss Mustapha (Secretary to the Government of the Federation) on the E-Participation Platform for citizen participation and engagement.

Panellists

- Mr. Boss Mustapha; Secretary to the Government of the Federation
- Dr. Hussaini Abdu; Country Director, Plan International Nigeria
- Ms. Yemi Adamolekun; Executive Director, Enough is Enough, Nigeria
- Ms. Cynthia Mbamalu; Programme Manager, YIAGA Africa
- Mr. Edetaen Ojo; Executive Director, The Media Rights Agenda

Panel Moderator: Ms. Ijeoma Ndukwe; Anchor, BBC Africa

Audience Moderator: Mrs. Chisom Mbonu-Ezeoke; Anchor, DSTv Africa

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1:00pm – 2:00pm

Lunch

Venue: Congress Mezzanine

1:00pm – 2:00pm

JA Nigeria Networking Meeting

Venue: Plateau Room

Leveraging Domestic Resource Mobilisation for Sustainable Development

Time: 2:00pm – 4:00pm

Venue: Congress Hall

Supported by Bill & Melinda Gates Foundation

Nigeria's revenues have historically been low and overly dependent on the oil sector. The International Monetary Fund (IMF) estimates that revenue collected in 2016 across all tiers of government was only about 6% of GDP. Historically, more than 70% of those revenues have come from the oil sector while the non-oil sectors which account for more than 90% of GDP has historically contributed about 30% to revenues. This limits Nigeria's ability to credibly execute its development plans and to fund critical social sector programs in health, education and infrastructure for example. It also leaves Nigeria very vulnerable to macro-economic shocks from low oil prices. The most recent fall in oil prices threw Nigeria into a fiscal crisis with spill-over effects on the economy resulting in a recession in 2016. Building a strong revenue base that is balanced between the oil and non-oil sector is therefore critical to sustainably finance Nigeria's development programs and long term macro-economic stability. The 2018-2020 Fiscal Strategy is focused on broadening revenue receipts by identifying and plugging revenue leakages, improving the efficiency and quality of capital spending, greater emphasis on critical infrastructure, rationalization of recurrent expenditure, and gradual fiscal consolidation to maintain the fiscal deficit below 3% of GDP as prescribed by the Fiscal Responsibility Act, 2007. This Roundtable is a convergence of a range of expert perspectives, research findings, analytics and diagnostics to provide cutting edge insights on some of the most formidable issues that Nigeria faces in leveraging Domestic Resource Mobilization (DRM) for driving its Sustainable Economic Growth and Development.

Opening Remarks by Chairman of Roundtable Session (10 minutes)

- Dr. Sarah Alade; Chairman of Gates Foundation supported NESG Fiscal Policy Roundtable and former Deputy Governor (Economic Policy), Central Bank of Nigeria

The Fiscal Roundtable Video Documentary: Citizens Perceptions About Fiscal Governance in Nigeria."

Presentations (30 minutes)

Fiscal Governance and Taxation – Where Are We Now and Where Can/Should We Go from Here?

- Dr. Doyin Salami; Co-Chair & Resident Commissioner, Fiscal Policy Roundtable

Mapping the Perspectives and Challenges of Domestic Resource Mobilization in Nigeria

- Mr. Amine Mati; Mission Chief/Senior Resident Representative

Tax Optimisation – Global Lessons for the Nigerian Context

- Dr. Neil McCulloch, Principal, The Policy Practice

High-Level Panel Discussion (60 minutes)

- His Excellency Nasir El-Rufai; Executive Governor of Kaduna State

- Dr. Doyin Salami, Co-Chair/Resident Commissioner, Fiscal Policy Roundtable
- Mr. Amine Mati, Mission Chief/Senior Resident Representative
- Dr. Neil McCulloch, Principal, The Policy Practice
- Prof. Teju Somorin, FCTI; Professor of Taxation Immediate Past President, Chartered Institute of Taxation of Nigeria (CITN) & Coordinating Dean of CITN Tax Faculties

Moderator: Mr. Olufemi Awoyemi; CEO, Proshare

Comments, Question and Answers (15 minutes)

Closing Remarks by Chairman of Roundtable Session (5 minutes)

- Dr. Sarah Alade, Chairman, NESG Fiscal Policy Roundtable

Incentivising Investment in the HealthCare Sector in Nigeria

Time: 2:00pm – 4:00pm

Venue: Plateau Room

To be co-hosted with Development Alternatives Incorporated (DAI)

The Federal Ministry of Health released the *National Policy on Incentivising Healthcare Investments* in January 2016. This document acknowledges that there are economic hurdles to be overcome by the Government of Nigeria in delivery universal healthcare and comprehensive quality services to all. Furthermore, Nigerians who can afford it spend an estimated up to USD1bn every year on specialist healthcare services outside of Nigeria. The premise is therefore promoting and facilitating domestic and international investment in the healthcare sector in Nigeria could make quality services and products available to more Nigerians.

The capacity to deliver more quality services in Nigeria could also represent a positive boost for the Nigerian economy, reflected in skilled jobs and government revenues.

Various key actors, including DFID and IFC have been engaged in analysing barriers in the business environment, and scoping and scanning opportunities for investment. The Nigerian Sovereign Wealth Fund have been actively seeking investment opportunities in the health sector, and the Nigerian National Investment Promotion (NIPC) have been pursuing similar initiatives. There is a host of Nigerian and international market players seeking investment to start or expand health business ventures in the healthcare sector in many service delivery areas (including hospitals, primary care facilities, laboratories, health insurance products, logistics and distribution, IT and tech solutions, and equipment maintenance) as well as manufacturing (including APIs, generic and other medicines, commodities).

Opening (5 minutes)

Presentation (15 minutes)

Panel Discussion (40 minutes)

- Prof. Isaac Adewole; Honourable Minister for Health
- H.E. Mrs. Toyin Saraki; Founder/President, Wellbeing Foundation Africa
- Mr. Uche Orji; CEO, Nigeria Sovereign Investments Authority
- Dr. Olumide Okunola; Senior Health Specialist, International Finance Corporation

Moderator: Mr. James McIntyre Brown; Health Practice Director, Global Health; DAI

Audience Participation (30 minutes)

Wrap-Up/Next Steps (25 minutes)

Closing (5 minutes)

Empowering Africa's Youth for the Future

Time: 2:00pm – 4:00pm

Venue: Benue Room

To be co-hosted with World Economic Forum

The United Nations Department of Economic and Social Affairs (UN DESA) forecasts that Africa will be the only region experiencing significant population growth, with its share of the global population expected to grow from 17% in 2017 to around 26% in 2050 and 40% in 2100. Significant population growth is expected in West Africa where the fertility rate continues to be relatively high at more than 5 children per woman. As a result, Africa's youth population is expected to double to over 830 million by 2050.

At the World Economic Forum on Africa 2017, themed "Achieving Inclusive Growth through Responsive and Responsible Leadership", it was noted that the majority of African youth are unemployed and unemployable. Youth unemployment remains elevated in large economies such as South Africa (32.4%) and Nigeria (33.1%), and in both countries, youth account for more than 60% of the unemployed. This is a daunting reality given that 70 percent of the continent's population is under the age of 30 years. Accordingly, the pressing issue for policymakers and businesses alike is to address the grand challenge of employability in Africa.

In the context of the Fourth Industrial Revolution, tackling unemployability calls for preparing Africa's youth for jobs of the future, as well as a re-skilling revolution. In a region with limited economic opportunities and a disenfranchised youth population with limited options other than migration or engaging in extremism and violent conflict, the focus should be on equipping young people with the appropriate skills and fostering talent, through education and social inclusion.

For companies, reskilling and upskilling strategies will be critical if they are to find the talent they need and to contribute to socially responsible approaches to the future of work. For policy-makers, reskilling and retraining the existing workforce are essential levers to fuel future economic growth, enhance societal resilience in the face of technological change and pave the way for future-ready education systems for the next generation of workers.

Welcome (8 minutes)

- Ms. Elsie Kanza; Head of Regional Strategies - Africa, Member of the Executive Committee (3 minutes)
- Mr. Jim Ovia; Chairman, Zenith Bank; Chair of the Africa Regional Business Council (5 minutes)

Opening Address (5 minutes)

- Mr. Jean-Claude Kassi Brou; President, Economic Community of West African States Commission

Keynote Address (7 minutes)

- Mallam Adamu Adamu; Honourable Minister for Education, Federal Republic of Nigeria

Firestarter (10 minutes)

- Mr. Theo Sibiya; Partner and Head of Africa, A.T. Kearney; Co-Chair of Africa Regional Business Council

Table Discussions (40 mins)

- **Table 1: Rapid Education Reform and Training Systems.**

From primary to secondary education, to vocational training and higher education, to prepare the youth for the Fourth Industrial Revolution - what measures need to be taken to ensure credentials, certificates and degrees from African institutions are internationally standardised and recognised?

Discussion Leader: Mr Emeka Emuwa, CEO, Union Bank of Nigeria PLC

- **Table 2: Closing the Gender Gap in Education so that No One is Left Behind.**

What policies should be implemented to ensure that Africa produces a diversified talent pool for jobs of the future?

Discussion Leader: Mr Uzoma Dozie, GMD/CEO, Diamond Bank PLC, Nigeria

- **Table 3: Rapid and enhanced digital access for SMART education.**

In what areas can the private sector collaborate with government to accelerate the integration of technology into education through SMART classrooms and provide quality education that will prepare Africa's youth for opportunities presented by the Fourth Industrial Revolution?

Discussion Leader: Mr Ade Ayeyemi, Group CEO, Ecobank Transnational

- **Table 4: Entrepreneurship-enabling Policy Framework.**

How can the public sector with the private sector collaborate to ensure rapid implementation of policies on the future of production such as learnerships and professional standards?

Discussion Leader: Mr Kennedy Uzoka, GMD/CEO, UBA Group

▪ **Table 5: Peacebuilding, Security and Education.**

What innovative emerging technology can be adopted to foster education for peacebuilding and integrate young people into the economy?

Discussion Leader: Mr Ambrose B. Orjiako, Chairman, Seplat Petroleum Development Company PLC, Nigeria

Plenary (15 minutes)

The Discussion Leaders will report back on the outcomes of the round table discussions. The report back will highlight youth skills development initiatives as well as education programmes that can be scaled up by the Africa RBC.

Closing Remarks (5 minutes)

- Mr Jim Ovia, Chairman, Zenith Bank; Chair of the Africa Regional Business Council

Pioneering New Models: Systemic Human Capacity Development and Wealth Creation – Lessons from the Niger Delta

Time: 2:00pm – 4:00pm

Venue: Kano Room

To be co-hosted with Partnership Initiatives in the Niger Delta (PIND)

Nigeria's economy has continually struggled to grow. The National Bureau of Statistics put the nation's unemployment and under-employment at 40% in the third quarter of 2017, with over 85 million persons living below the poverty line in the same year.

With a current population of 184 million people that is expected to grow to 310 million by 2035, more than half of Nigerians are under the age of 30. This youth bulge could be a boon for the economy as the workforce swells, but only if sufficient opportunities exist for youth to be gainfully employed. Yet Nigeria's national unemployment rate for youth aged 15-24 spiked to an all-time high of over 33% in the third quarter of 2017. This unemployment rate is generally high regardless of education, suggesting the link normally seen between education and employment is relatively weak in Nigeria.

Sectors that offer high economic opportunities that can take majority of the population remain constrained by several lingering factors. For example, while a 2011 economic opportunities survey by the Foundation for Partnership Initiatives in the Niger Delta (PIND) showed that the agricultural sector, particularly palm oil, aquaculture and cassava sub-sectors had high potentials to generate income and create jobs for a significant number of the poor in Nigeria's Niger Delta, PIND's follow-on value chain study of the three sectors by PIND in 2012 revealed that small holder farmers were still applying traditional methods of cultivation and processing. The study further revealed that amongst other constraints, they lacked access to new technologies, market, and finance thereby resulting in low productivity and income. This limits their growth potentials and keeps them in a circle of poverty.

Micro, Small and Medium-sized Enterprises (MSMEs) are the backbone of successful economies in the developing world as they accelerate the attainment of broader social-economic objectives such as poverty reduction, employment generation and wealth creation among others. In Nigeria, MSMEs face myriads of challenges that inhibit their ability to effectively play similar roles. These challenges include poor technical and business management skills, poor access to market information and to finance and inability to produce right quality and quantity to meet market demand among others. As a result, they are unable to compete, innovate, and scale to create jobs and meaningfully contribute to national poverty reduction.

A recent labour market assessment conducted by PIND in partnership with Development Alternatives Incorporated (DAI) that studied opportunities in both priority sectors (of ICT, construction and agriculture) and other emerging growth sectors showing potential for youth employment in three states of the Niger Delta (Rivers, Abia and Akwa Ibom) reported workforce development system challenges including skills gaps and mismatches, inadequate linkages between labour market needs and education, fragmented skills development marketplace, and lack of appropriate trainings/standards.

PIND projects focus on improving incomes of farmers and MSMEs and building the capacity of local communities to mitigate conflict, strengthen civil society and promote development through advocacy in the Delta region of Nigeria. Through its Niger Delta Youth Employment Pathways (NDYEP) program, PIND works to develop model pathways of workforce development and job-readiness that would provide employment and entrepreneurship for the region's unemployed young men and women

This Roundtable will bring together practitioners, businesses, government leaders, and citizens to explore this innovative human capacity development approach, which functions to increase the degree of autonomy and self-determination in the lives of people and communities, which enables them to represent their interests in a responsible, and self-determined way, acting on their own volition to achieve economic prosperity.

Opening (5 minutes)

Video Presentation (10 minutes)

- Why, how and outcome of PIND's human capacity development model

Expert Insight (15 minutes)

- Dr. Dara Akala; Executive Director, PIND Foundation

Discussion (60 minutes)

Wrap-Up/Next Steps (25 minutes)

Closing (5 minutes)

Powering Economic Transformation in Businesses through Sustainability: The Coca-Cola Story

Time: 2:00pm – 4:00pm

Venue: Niger/Enugu Room

To be co-hosted with Coca-Cola Nigeria

Few businesses have received as much recognition as The Coca-Cola Company and its leading Bottling Partner, Coca-Cola HBC – owners of Nigerian Bottling Company (NBC). In 2016, Coca-Cola Hellenic Bottling Company, a member of the Coca-Cola System, was named World Sustainability Leader in the Beverage Industry for the third consecutive year by Dow Jones Sustainability Index. It has put in place notably global sustainability commitments, including ambitious goals such as deriving 40% of the total energy used from renewable and clean energy sources by 2020, engaging young people on new growth and economic opportunities via its shared vision of a sustainable circular economy, in which 40% of packaging globally is recycled and put back into the system for re-use. Through its global Sustainable Agricultural Guiding Principles, Coca-Cola Enterprises acknowledge that Agriculture is at the heart of the sustainability challenge and so requires all its partners to adopt best-in-class sustainability practices across their value chains, with a view to ensuring that the system mitigates sourcing and manufacturing risk in a way that minimises the potential impact on environment and communities.

The Coca-Cola Company has pledged to invest \$17 billion in Africa in terms of manufacturing, sustainability and job creation – three critical components required for its success and socio-economic contribution to helping uplift African economies. In Nigeria the system, represented by Coca-Cola Nigeria, Nigerian Bottling Company, has already invested over \$1 billion over the last 5 years and made long-term commitments and investments in strategic interventions such as Recycling & circular economy, Healthcare, Women and Youth Empowerment, Water Stewardship and Energy. Through its investments, the Coca-Cola System demonstrates its vision of a circular economy in which Manufacturing and Recycling strategies are intertwined with empowerment strategies for women and youths, so as to deliver sustainable impact - over 1 billion bottles recycled, over 13,000 youth empowered and over 21,000 women's lives changed.

Opening (5 minutes)

Presentations (30 minutes)

Our Sustainability Commitment to Inspire a Better Future for Everyone

- Mr. Bhupendra Suri; Managing Director, Coca-Cola Nigeria

Harnessing Nigeria's Flare Gas Towards Affordable and Clean Energy for Businesses (or Coca-Cola/Green Financing) and Society

- Mr. Justice Derefaka; Nigerian Gas Flare Commercialization Project

Catalysing investments through Green Finance

- Mr. Olumide Lala; Climate Bonds Initiative

Discussion (60 minutes)

Wrap-Up/Next Steps (25 minutes)

Closing (5 minutes)

Humanitarian Development Peace Nexus: Leaving No One Behind

Time: 2:00pm – 4:00pm

Venue: Lagos/Kogi Room

Dialogue Partners: ECC, UNDP, WFP & WBG

Over the past decade, North-Eastern Nigeria has been marred by violent conflict and untold human suffering. Boko Haram raids and suicide bombings targeting civilian populations have destroyed vital infrastructure, prevented people from accessing essential services and caused widespread trauma, suffering and displacement. Understandably, the crisis in North East has attracted global attention but similar challenges are being faced in other parts of the country ravaged by violent clashes and atrocities inflicted by armed militias such as in North Central, across the South South and in the Niger Delta in particular; and between farmers and herders in the Middle Belt and in the North West. Recent floods devastating several states underscored the need for disaster preparedness and coordination.

Humanitarian actors are typically accustomed to operating unilaterally within settings without strong democratic government and institutions in place. Nigeria is forging a new model of nationally led coordination efforts having established the mechanism required to promote better coherence and coordination of support to recovery and peace consolidation throughout the country and across the HDP Nexus, in line with the national vision and development priorities as set out in the Economic Recovery and Growth Plan. Central to the last Nigeria led National Conversation on the Humanitarian-Development-Peace Nexus (HDPN) in June 2018, was the importance of humanitarian issues not being considered in isolation but in conjunction with development and peace – being cognisant of where these issues intersect. Another key message was the significant contribution the private sector has to a multi-sectoral response to both humanitarian assistance and achieving the Sustainable Development Goals, premised on the central principle of "*As local as possible; as international as necessary.*"

At the recently concluded United Nations General Assembly, Nigeria was recognised for being first country to move beyond conceptualising nationally led humanitarian-development-peace nexus coordination to actualising the idea and implementing coordination arrangements through a nationally led nexus coordination working group. In the context of dwindling global resources, new and innovative approaches to partnership between the private and public sector are an essential prerequisite to achieving the vision of a sustainable development in a more peaceful and prosperous world while ensuring that “no one is left behind.”

Welcome and Introduction (5 minutes)

Keynote (5 minutes)

- H.E. W. Stuart Symington US Ambassador to the Federal Republic of Nigeria

Key Stakeholder Briefing Notes (20 minutes)

The Humanitarian Coordination Imperative – An Inter-Ministerial Taskforce Review

- Mrs Zainab Ahmed; Honourable Minister for Finance

The International Community’s Humanitarian Response, Its Objectives, Workings and Applications Within a Broader National Framework

- Mr. Edward Kallon; United Nations Resident Coordinator and Humanitarian Coordinator in Nigeria

Report on the National Conversation Humanitarian-Development-Peace Nexus and Embedding ECC within the NESG

- Dr. Ayoade Alakija; Nexus Co-ordinator

Building Partnerships at the Humanitarian-Development-Peace Nexus

- Mr. Rachid Benmessaoud; Country Director (Nigeria), World Bank

High-Level Panel Discussion – Moderated by ECC (60 minutes)

- Alhaji Kashim Shettima; Executive Governor, Borno State
- His Excellency Godwin Obaseki; Executive Governor, Edo State
- Mr. Geoffrey Onyeama; Honourable Minister of Foreign Affairs
- Mr. Asue Ighodalo; Chairman, Nigerian Economic Summit Group
- Ms. Myrta Kaulard; Country Director, World Food Programme
- Ms. Eme Essien Lore; Country Manager, International Finance Corporation

Questions & Answers/Comments – Facilitated by ECC (15 minutes)

Session Summary and Conclusion (15 minutes)

Investing in Our People

Time: 4:00pm – 5:30pm

Venue: Congress Hall

The challenges of developing human capital in Nigeria relative to global competitiveness continues to remain far from appreciable. As of 2017 Nigeria was ranked 152 among the 188 UN member states in the Human Development Index, HDI. Prior to the decline in global oil prices, Nigeria was growing at a CAGR of 5.3% post rebasing, yet this growth did not translate into sustainable human development. Today, Nigeria ranks as one of the countries with the highest number of maternal, infant and child mortality; this is to the extent of losing 1 in every 13 expectant mothers, which is partly driven by inadequate manpower. To complement the statistics Nigeria also ranks as the country with one of the highest malnourished globally. According to UNICEF, Nigeria has the highest number of out of school youth in the world: over ten million Nigerian youth do not go to school. The country's school infrastructure gap is wide and continues to expand as the population increases. It is also estimated that there are presently only 30 million seats available in Nigeria's primary and secondary schools to accommodate its 90 million youth under the age of 17 and a mere 1% of the population is currently enrolled in the tertiary system. While this is reflective in the rising level of food insecurity, income poverty and insecurity in the country, it further stresses the urgency to tackle the deficits, not in natural resources, but human resources and its management. With the right institutional framework, social consciousness for the citizenry and an empowered social population, Nigeria's social problems can be tackled. Why has inclusive growth failed despite the intent and what are the new solutions to ensure that every development investment delivers for the people?

Panelists

- Prof. Isaac Adewole; Honourable Minister for Health
- Mr. Rachid Benmessaoud; Country Director (Nigeria), World Bank
- Dr. Paulin Basinga; Country Director (Nigeria), Bill & Melinda Gates Foundation
- Mr. Abubakar Suleiman; CEO, Sterling Bank PLC
- Ms. Zouera Youssoufou; MD/CEO, The Aliko Dangote Foundation

Moderator: Mr. Charles Aniagolu; Senior Editor, Anchor and Special Correspondent, Arise News, London

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CLOSING

Venue: Congress Hall

5:30pm – 5:40pm

Presentations to Start-ups Pitching Event Winners

6:00pm – 6:15pm

Summit Closing

6:15pm – 6:30pm

Vote of Thanks

- Mr. Olajide Odewale; Permanent Secretary, Federal Ministry of Budget and National Planning

**POST-SUMMIT
EVENTS**

7:00pm – 9:00pm

End-of-Summit Cocktail & Networking

Venue: Congress Hall Foyer

7:00pm – 7:30pm

Media Briefing

Venue: FCT Room



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