

---

**REPORT ON THE**

---

**ELEVENTH  
NIGERIAN  
ECONOMIC  
SUMMIT**

**2005**



**Report on the Eleventh Nigerian  
Economic Summit 2005**

**1 - 3 June, 2005  
Abuja**

**Published by**

The Nigerian Economic Summit Group Ltd./Gte.

ICON House (8th Floor), Plot 999F, Idejo Street, off Adeola Odeku Street,  
Victoria Island, Lagos. Tel: 234 (01) 2632963

Fax: 2636356 E-mail:

All correspondence should be sent to the Editor, at the above address.

**Reproduction**

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, electrostatic, magnetic tape, photocopying or otherwise without the prior consent of the copyright owner.

© The Nigerian Economic Summit Group Ltd./Gte

ISBN: 978-37849-3-5

# Contents

## Pages

<b>Introduction</b>	9
---------------------	---

### SECTION 1

#### **Wednesday, June 1, 2005**

##### **Formal Opening Ceremony**

Welcome Remarks - <i>Mohammed Hayatu-Deen, Chairman, NESG</i>	16
Remarks - <i>Professor Ode Ojowu, Economic Adviser to the President</i>	18
Opening Address – <i>Chief Olusegun Obasanjo, President, Federal Republic of Nigeria</i>	19
Opening Presentation - <i>Myles Wickstead, Secretariat, The Commission for Africa</i>	21
Vote of Thanks – <i>Professor Mike Kwanashie, Special Adviser to the Vice-President</i>	24
<b>Summit Dinner</b>	24
Special Dinner Presentation - <i>Professor Wole Soboyejo, Department of Mechanical &amp; Aerospace Engineering, Princeton University, USA</i>	25

#### **Thursday, June 2, 2005**

##### **Summit Closing Dinner**

Welcome Remarks - <i>Mohammed Hayatu-Deen, Chairman, NESG</i>	27
Sponsor's Welcome Remarks – <i>Erastus Akingbola, Managing Director, Intercontinental Bank Plc</i>	27
Goodwill Message – <i>Nasir el-Rufai, Minister, Federal Capital Territory.</i>	27
Dinner Speech - <i>Basil Omiyi, Managing Director, Shell Petroleum Development Company</i>	28
Closing Dinner Speech - <i>Alhaji Atiku Abubakar, Vice President of the Federal Republic of Nigeria</i>	29
Vote of Thanks – <i>Tokunboh Adeola, Senior Special Assistant to the Vice President</i>	29



<b>SECTION 2</b>	31
<b>Special Summit Events</b>	
<b>Open (Parallel) Forum 1:</b> Governance and Institutions	31
<b>Open (Parallel) Forum 2–</b> Private Sector Competitiveness	37
<b>Open (Parallel) Forum 3 -</b> Human Development Agenda	47
<b>Open (Parallel) Forum 4:</b> Fiscal Management and Financing	51
<b>Luncheon Mini Dialogue I:</b> Gas – Fuel For Rapid Economic Diversification	55
<b>Luncheon Mini Dialogue II:</b> The Commission for Africa – Will the Private Sector Deliver?	59
<b>Corporate Breakfast Meeting</b>	
Part 1 – ICASA	62
Part 2 - The Pension Reform Act 2004	64
<b>SECTION 3:</b>	67
<b>Reports of the Policy Commissions</b>	
1. Agriculture and Food Security	67
2. Banking & Finance	69
3. Budget and Macroeconomic Framework	75
4. Human Capital, Youth Development and Quality of Life	78
5. Infrastructure	82
6. NEPAD	88
7. New Investment Strategies	93
8. Oil and Gas	97
9. Privatization and Liberalization	101
10. Rebuilding Institutions	108
11. Science and Technology	112
12. SMEs, Informal Sector and Wealth Creation	119
13. Solid Minerals	123
14. Trade Policy & Competitive Industrialization	129
<b>SECTION 4:</b>	133
<b>Summary of Recommendations of the Eleventh Nigerian Economic Summit</b>	
Introduction	133
Achievements of NES #10	133
Theme for NES #11	136
Recommendations of NES #11	136
Details of the Recommendations	137
Sector Specific Recommendations	138

A Final Word	143
Private Sector Commitment	143
<b>Appendices</b>	143
<b>Appendix I: Schedule of Activities/Programme of Events</b>	144
<b>Appendix II: Summit Speeches &amp; Presentations</b>	147
Opening Ceremony	148
Parallel Open Forum I	169
Parallel Open Forum 2	209
Mini Sessions	221
Breakfast Meetings/Summit Dinners	231
Parallel Open Forum 3	252
Parallel Open Forum 4	263
Update on Seeds by <i>Ode Ojowu, E.A to the President/CEO     National Planning Commission</i>	294
<b>Appendix III: Feedback Presentations</b>	301
Workgroup Final Presentations	302
Final Presentation	331
<b>Appendix IV</b>	340
Members of the Joint Planning Committee	341
Speakers & Technical Support Team	343
Lists of Participants	345
List of Media	362
List of Sponsors	364
<b>List of Tables:</b>	
<b>Table 1:</b> New Investment Strategy - Key Goals	93
<b>Table 2:</b> New Investment Strategy - Action Plan	94
<b>Table 3:</b> Privitytization and Liberalization - Privitytization Process	102
<b>Table 4:</b> Privitytization and Liberalization - Progress made so far	105
<b>Table 5:</b> Privitytization and Liberalization - Action Plan	107
<b>Table 6:</b> Rebuilding Institutions - Action Plan	111
<b>Table 7:</b> Science & Technology - Action Plan	118
<b>Table 8:</b> Solid Minerals - Action Plan	124
<b>Acronyms</b>	365



## **Introduction**

### ***Theme: Building Momentum for Economic Transformation and Growth.***

The Eleventh Nigerian Economic Summit was held in Abuja from June 1 -3, 2005. The summit, coming up one year after the launch of the Federal Government's new economic reform agenda - National Economic Empowerment and Development Strategy (NEEDS), adopted a new 'format' that marked a watershed in the public-private sector partnership that had been established since the inception of the 'Summit Process' in 1993.

Coming in June 2005, the summit was unique in three significant respects. Firstly, it occurred at the mid-term of Olusegun Obasanjo's second term in office as President of the Federal Republic of Nigeria and after publicly declaring that the economy and agriculture would be his main focus. It held in June, just before the process of articulating the Federal Government's Budget 2006, which typically commences in July of every year. Secondly, the Federal Government's economic reform package, NEEDS, provided the 'context' for determining the content and style for the summit, creating a unique platform for a participatory process of formal review of the reform policy by all stakeholders. Thirdly, it provided an opportuned platform for sustaining the transformation of the Workgroups to more permanent Policy Commissions.

It will be recalled that during the Tenth Nigerian Economic Summit in September 2003, a common ground for collaborative partnership was struck by stakeholders, leading to strong commitment by the private sector to participate in the process of developing the NEEDS document. The private sector fulfilled this commitment through various nationwide stakeholder meetings and it was remarkable and reassuring that the Federal Government subsequently launched the NEEDS document on May 29, 2004.

Since then the goals of the NEEDS had been vigorously pursued by all stakeholders. One year after, it was thought necessary (by the organizers of the annual Nigerian Economic Summit) to put in perspective efforts by all stakeholders to contribute to the achievement of the goals of the NEEDS.

The consensus amongst stakeholders was that since the Federal Government had documented and publicized its economic reform agenda with clear goals and strategies for implementation and financing, the format of the annual summit should necessarily be adjusted to provide an appropriate framework for enunciating some kind of peer review mechanism whereby significant stakeholders would articulate and present highlights of their respective efforts towards achieving the goals of the NEEDS.

The objective of this exercise was to reinforce stakeholder commitment to the NEEDS, motivate participation and active pursuit of the goals of NEEDS, provide a basis for periodic review of collective efforts at sustaining the reform agenda which was collectively articulated, and finally ensure that gaps, weaknesses and developments, not initially considered, were collectively reviewed and incorporated into the implementation process.

Therefore the structure of the summit this year was essentially geared towards establishing a 'peer review, implementation, and monitoring' framework. To ensure that this orientation is achieved within the summit process, the summit this year was structured as a programme of three components, namely:

- i. Working/Business Sessions (described as Parallel Forum and Breakout Sessions)
- ii. Plenary Sessions (general sessions for all participants including the opening and closing sessions)
- iii. Special Networking Sessions (cocktails, business luncheons, special dinner sessions which provided for business networking)

Furthermore, since it was generally agreed that the articulation of the NEEDS with significant stakeholder participation signaled the end of the era of 'problem analysis', 'prescriptive agenda' and 'crafting an action agenda' characteristic of previous summits, much emphasis was now going to be placed on the 'implementation and support for the implementation process' by all stakeholders.

To achieve this objective, an important implementation oriented '*between summits*' work programme, which devolved from previous summits and is based on the NEEDS, was articulated and vigorously pursued by the private sector (in partnership with the public sector) through the active support and collaboration of

the Nigerian Economic Summit Group, the National Planning Commission, the African Institute For Applied Economics Research (AIAE), Development Partners and the Presidency.

The work programme was at three levels. First, were the work programmes under the AIAE, an independent, though related effort at understanding and ascertaining constraints to national competitiveness which needed to be addressed for the private sector to 'drive' the process of achieving the goals of NEEDS. Five sector specific work programmes, coordinated by the AIAE and funded by the consortium of donor agencies were each managed by different institutions, namely:

- i. Manufacturers Association of Nigeria for the 'Infrastructure Workgroup'
- ii. The Nigerian Economic Summit Group (NESG) for the 'Agriculture Workgroup'
- iii. The Lagos Business School for the 'SME Workgroup'
- iv. The Huri-Laws Institute for the 'Institutions and Judicial Workgroup'
- v. The AIAE for the 'Trade and Macroeconomic Policy Workgroup'

Second, the work programmes of the 'Policy Commissions' (the 14 Workgroups at the Tenth Nigerian Economic Summit transformed into Policy Commissions) were set up and are actively managed by the NESG. These workgroups had membership drawn from the public and private sectors and included other significant stakeholders like the media, the academia, labour, NGOs and development partners.

Each of the five sector workgroups described above undertook specific research and advocacy programmes designed to facilitate the implementation of agreed policy reforms, which would lead to the attainment of the NEEDS goals through: enhancing the national competitiveness of the Nigerian private sector, deregulating and liberalizing of the Nigerian economy, reforming the public sector and providing appropriate incentives for the private sector to take the initiative as the 'engine of growth'.

Finally, there were sector specific 'mini-summits', which focused more elaborately on important sectors of the economy considered to be the agents or drivers of economic growth in Nigeria. Three of such mini-summits were held, namely:

- i Summit on Private Sector Participation in Infrastructure Development
- ii Oil and Gas Summit
- iii Agriculture Summit.

There was also a National Competitiveness Forum where the AIAE led programme was first disseminated.

These ‘*between summits*’ activities provided increased advocacy and interactive dialogue activities between all stakeholders and made a peer review mechanism imperative at the Eleventh Nigerian Economic Summit. These largely informed the structure and format of the summit this year.

In retrospect, it was perhaps crucial that the Eleventh Nigerian Economic Summit did not hold last year (2004) as previously scheduled. The time between the Tenth and the Eleventh Summit provided the necessary time for the various ‘*between summits*’ activities to take place and for enough time to lapse for a useful review of the NEEDS benchmarked against clearly identified goals and actions of stakeholders, especially the government, the private sector and development partners.

It was in this context that the theme of the Eleventh Nigerian Economic Summit (NES #11) was developed as: “Nigeria: Building Momentum for Economic Transformation and Growth”.

### **Objectives of the NES # 11**

As earlier indicated, the specific objectives of the NES# 11 were as follows:

- i Sustain the public-private sector dialogue in the context of the NEEDS
- ii Initiate the ‘peer review mechanism’ in line with the goals of NEEDS
- iii Develop a work programme for the Policy Commissions towards realizing the goals of NEEDS
- iv Ascertain and, where necessary, recommend for incorporation into the NEEDS implementation process, adjustments to specific policy reforms.

The summit theme was further subdivided into four generic sub themes (organized as open parallel fora) namely,

- a. Governance and Institutions

- b. Private Sector Competitiveness
- c. Human Development Agenda
- d. Fiscal Management and Financing

During each forum, which lasted about two hours, presentations were made (and subsequently discussed by the participants) by carefully chosen representatives of selected stakeholders namely; the public sector, the private sector, civil society and development partners.

Important contributions to 'goal attainment' support for the 'implementation process' and demonstration of commitment to the NEEDS process largely dominated presentations with speakers sharing valued experience with participants.

There were two Plenary Sessions: the Opening and Closing Plenary. President Olusegun Obasanjo was represented by Obong Ufot Ekaette, Secretary to the Government of the Federation, at the opening ceremony. During the plenary, the president's speech set the tone for the rest of the summit. This was followed by the welcome remarks by Mohammed Hayatu-Deen, NESG Chairman, which put in perspective the organization and arrangement of the eleventh summit and captured the linkage between this year's summit and the previous ones, especially the tenth summit.

Mr. Hayatu-Deen reiterated the private sector's commitment to, and support for the implementation of N.E.E.D.S, stressing that the various components of the summit this year were intended to facilitate a thorough review of the efforts so far and, where necessary, come up with suggestions on how to improve the process of implementation and/or adjustment.

After the first plenary session, participants joined different 'policy commissions' (workgroups) of their choice during the breakout session for further dialogue along sector specific lines. This year there were fourteen policy commissions, namely: Agriculture and Food security, Science and Technology, Trade and Competitive Industrialization, Banking and Finance, Oil and Gas, Human Capital and Youth Development, NEPAD, Rebuilding Institutions, New Investment Strategies, SME, Informal Sector and Wealth Creation, Budget and Macroeconomic Framework, Privatization, Solid Minerals and Infrastructure. The Policy Commission reports are contained elsewhere in this Report.



No doubt, the dinnertime presentation made by the special guest speaker, Professor Wole Soboyejo (a Nigerian born American-based scientist) was quite illuminating as it graphically illustrated how science and technology could be used to 'drive' economic growth and development in Nigeria.

During the closing presentation various recommendations of the policy commissions were codified and presented as predicated on the achievements of NES # 10 and capturing the progress made since NES# 10, while concluding with sector specific recommendations of the eleventh summit. These too are contained elsewhere in this Report.

It must be acknowledged however that participants were generally agreed that there had been improvements in the level of political commitment to reform by President Obasanjo's administration. This is evidenced by the bold measures taken to improve fiscal discipline, reform the civil service, institute due process in government's procurements to achieve value for money, reform the pensions and power sectors through enactment of the necessary and appropriate laws and the various anti-corruption measures. This, the summit noted, had led to improvements in macroeconomic stability, greater transparency in governance, and the changing language of government towards service delivery.

The eleventh summit further recommended that going forward, there is need to focus on a 'core group of issues' which includes gas and power, food security, financial and macroeconomic stability and security of life and property. A further deepening of the public and private sector partnership was also recommended amongst other specific sector based recommendations.

Vice President Atiku Abubakar represented President Obasanjo at the closing ceremony during which the summit recommendations were read.

In his closing speech, President Obasanjo acknowledged that the public private sector partnership was growing in strength and corrected the impression that the NEEDS would terminate in 2007, stressing that the phase one would notionally end in 2007. As a matter of fact, he said NEEDS phase two would soon be articulated. He subsequently encouraged the private sector to continue to support the NEEDS programme as this was in the best interest of the nation.

This year's summit was very well attended and, due to the participatory nature of the open fora and breakout sessions, recorded quite a high level of participation. Although there were some reservations as to the quantum of progress made, participants generally agreed that there had been progress especially in the fight against corruption, the entronement of fiscal discipline, and institutional reforms.

## SECTION 1

**Day 1 – Wednesday, June 1, 2005**

### **Formal Opening Ceremony**

Prior to the formal opening of the 11<sup>th</sup> Nigerian Economic Summit, four special events were organized. The first two were Parallel (Open) Fora on: “Governance and Institutions” and “Private Sector Competitiveness”. The other two were simultaneous Mini-Dialogue Luncheons on: “Gas” and “The Commission for Africa”. These four events are reported in the Special Summit Event section of this report.

### **Welcome Remarks - *Mohammed Hayatu-Deen, Chairman, NESG***

The formal opening of the summit commenced with welcome remarks by Mohammed Hayatu-Deen- Chairman NESG. In it, he welcomed President Olusegun Obasanjo - represented by Obong Ufot Ekaette, the Secretary to the Government of the Federation - to the Summit. He then gave a quick review of the developments in the economy since NES #10 in 2003, covering four major areas.

Most fundamental was the general global march towards democratic governance, liberalized market economies, regional alliances and trade blocs, as well as the increasing focus on Africa and its challenges - for example, the British government is mobilizing support vigorously for Africa, while the NEPAD has created another window for international cooperation on Africa. He stated that these were all happening in the midst of growing global security concerns.

Continuing, Mr. Hayatu-Deen said democratic institutions were being nurtured, while economic reforms remained dominant in the government’s agenda. In spite of these changes, he said a lot of work still remained to be done. He noted that the National Economic Empowerment and Development Strategy (NEEDS) and the State Economic Empowerment and Development Strategy (SEEDS) had been launched and their implementation had commenced, adding that these developments should make Nigeria prosperous and globally competitive, properly place the private sector as a growth driver and promote values that would lead to social progress and stability in the country. He also noted that public-private sector

partnership had continued to thrive, thus giving hopes of more robust policies and stronger impetus for their implementation.

The NESG chairman gave a scorecard of NEEDS covering macroeconomic issues, pension reform, governance, private sector empowerment, infrastructure, real sector, law and order, and investment flows. He said a sound and stable macroeconomic climate was being achieved through sound fiscal policies that were professionally packaged, and that were being implemented religiously. The successes, he said, were due to budgetary discipline, better resource allocation, matching revenues with expenditure, timely release of capital votes targeted at critical areas of need, low deficit, counter-cyclical policy stance, effective debt management, and tax reform.

From these have evolved stable interest and exchange rates, and moderate inflation. Although high oil revenues have been helpful, he noted that fiscal discipline was key to these achievements. He believed that the gains could be expanded further if the Fiscal Responsibility Pact was negotiated quickly enough to evolve into an Act, and the private sector geared up to take the advantage created by the rapid growth of the GDP.

Mr. Hayatu-Deen described pension reform as the epicentre of the rejuvenation of the Nigerian economy, with its potential to create a large pool of the much-needed long-term funds through the mobilization of savings, adding that it would empower the working class and also generate far reaching multiplier effects in the economy. Other evidence of progress in the country includes the transformation of governance through professionalization of the public service, monetization of benefits, right sizing, due process and better information flow. In particular, he singled out the 'Due Process Office' for mention given the significant savings achieved since it was introduced, stressing that it had done a remarkable job and saved the nation a lot of funds. Also considered progressive was government's effort to empower the private sector through a cocktail of policies that included privatization, deregulation and liberalization. In this case, the only remaining outstanding issue was to have the regulatory and institutional framework properly set up to entice the right investors.

Mr. Hayatu-Deen identified infrastructure as perhaps the greatest challenge facing businesses in Nigeria today. While acknowledging that some encouraging steps

had been taken in respect of power, roads, water, education and health, he said that more work would still need to be done, such as paying greater attention to the real sector. Thus, improvements in manufacturer's capacity utilization would brighten the prospects for that sector in the medium term, while the establishment of nucleus clusters for agriculture and manufacturing was vital to the rejuvenation of the real sector, along with robust support from the financial services sector - but, however, cautioned that care must be taken to energize the SMEs.

He also noted that considerable effort had been made on law and order. The summit, he said, also appreciated the high level of commitment of the government to security, the anti-corruption crusade and judicial reforms. These, invariably, should brighten the investment climate. He also acknowledged that these successes had facilitated increasing investment inflows to the country over the past six years. For example, he said that in 2004, investments in the oil and gas sector totalled about US \$6.3 billion, while another \$1 billion new investments were recorded in the non-oil sector.

According to him, the goals of NES#11 are basically to evaluate the NEEDS, especially its comprehension and acceptance by the public towards fashioning strategies for greater public acceptance. It will also measure the variance between the set goals and achievements, evolve strategies for taking corrective action, and identify unfinished business going by the 2007 timeline, especially with the intent of enhancing the public/private sector capacity for implementation.

In rounding up, Mr. Hayatu-Deen announced the improvement being made on the summit process, which involves the conversion of sector-specific workgroups into policy commissions, which will work throughout the year to ensure that discussions continue between summits. They will focus on peer review of sector developments and emphasize evidence-based advocacy. Also, he canvassed the view that the summit be held on a particular date each year, suggesting the first week of October, and announced that a Board of Patrons had been appointed for the NESG to strengthen its intervention capability.

### **Remarks - Professor Ode Ojowu, Economic Adviser to the President**

Before inviting the President's representative- Ufot Ekaette, to give his keynote address, the Economic Adviser to the President, Ode Ojowu, remarked that the

focus of the government was on the implementation of the NEEDS and not the plan itself. This notwithstanding, he said the plan was undergoing review, and would be effected according to the dictates of the economy.

He said about 92% of the capital budget proposed for this year had been released - which was quite an achievement, and inflation rate had dropped to 10.9% in December 2004, though it rose to 13% by March 2005.

Mr. Ojowu also said that all the 36 states of the federation have accepted the SEEDS framework for their economic planning and that 29 of the states were willing to be assessed on the benchmarks agreed on - policy, budget and fiscal operations, service charter, and communication/transparency. Also, he said the new direction was to move from federal character to performance character.

He said the economy was on the right track, adding that this was the result of both expertise and luck. He also said that discipline and commitment had been demonstrated by a higher level of fiscal prudence and pointed out that, for the first time, there was coordination of economic policy at the federal and state levels.

He commended the Nigerian Economic Summit Group for its initiative and sustenance of the momentum of the last eleven years.

### ***Opening Address – Chief Olusegun Obasanjo, President, Federal Republic of Nigeria***

The President started by expressing his delight to be at the formal opening of the NES#11, which happened to be the sixth edition held since the rebirth of democracy in the country.

He acknowledged the theme, which was “**Building Momentum for Economic Transformation and Growth**” as apt. He pointed out that already, the government had momentum and that what was required was additional momentum that would bring all stakeholders on board.

He then pointed out the relationship between the economic and the political issues in the administration’s reform agenda. While both were intrinsically related, he said, the politics must be right before the country could get its economy right. This explained the importance of political reform in the holistic reform agenda. He

therefore, urged the summiteers not to be fixated on economic issues only but to also look at the totality of the factors that were critical to economic progress and overall growth and development. He advised them to also show interest in political matters.

President Obasanjo said the government was convinced that cooperation between all stakeholders would enable the country to overcome the challenges of creating a friendly environment that would attract new investments. These challenges included an uncompromising fight against corruption, mismanagement, inefficiency, ineffectiveness, and all unpatriotic disposition and conduct.

Towards this, he said the government had done quite a lot in stabilizing the polity and economy through critical policy reforms and programmes. This, he said, would continue until all traditional and unacceptable obstacles to investment and business were eliminated.

Crucial to the transformation goal is the need to eliminate all image eroders, and all the structures and attitudes that give a wrong impression about Nigeria and Nigerians. This, the president said, would enable the government to create a business climate that would ensure mutual prosperity in Nigeria. He noted that companies that were doing very well had been advocating positively for Nigeria and providing evidence that Nigeria was the preferred investment destination in Africa. The development of SEEDS for the states through the collaboration of the National Planning Commission and the country's development partners would involve benchmarks in the four key areas of fiscal management, namely: budget process, service delivery, communication and transparency. The NEEDS-SEEDS policy framework, he said, would deepen and add value to the totality of the government's reform programme.

The President then reiterated that the aim of government was to properly position Nigeria to fully realize its potentials under globalization. Towards this, he said all Nigerians would be empowered to be more creative, more productive, more innovative and more dedicated to reaching the highest points of their abilities.

He also said that the government was addressing the issue of the cost of doing business in Nigeria occasioned by poor and inadequate infrastructure, corruption, and excessive bureaucracy, adding that things were generally changing for the



better.

The president explained that the business environment in Nigeria was being transformed by a combination of policies and sector reforms which included the banking reforms, budgetary discipline and prudent fiscal management, control of inflation and stable exchange rate, investment in security, rapid rehabilitation of roads, on-going efforts on independent power provision and the communications revolution. One of the important benefits of the improved fiscal management is the high levels of reserves, which give over 18 months import cover and provide an anchor for stability of the naira and a strong measure against currency speculation.

He said incentives were being given to manufacturers to stimulate the industrial sector and empower the private sector, adding that fiscal reforms, revamping and restoration of the Export Expansion Grant, ban on importation of certain agricultural and manufactured products, among other measures, were all designed to encourage local producers, strengthen the market, ensure quality products, create jobs and build necessary infrastructure.

President Obasanjo also made a strong case for debt relief for Nigeria in order to enhance the country's struggle against poverty. Without debt relief, he said it would be difficult for the country to attain the Millennium Development Goals (MDGs) or support an agenda for job and wealth creation. He said the resources saved from debt relief and stolen funds recovered would be deployed to pro-people policies and programmes. In this respect, the president expressed appreciation of the efforts of President Jacques Chirac of France and Prime Minister Tony Blair in the campaign for debt relief for Nigeria, urging other creditor nations to support this campaign as expressed in the report of the Commission for Africa. He concluded the address by encouraging all stakeholders to work together and collectively to build the Nigeria of our dreams.

### **Opening Presentation - Myles Wickstead, Secretariat, The Commission for Africa**

Myles Wickstead started by giving a brief overview of the Commission for Africa (CFA), whose report was released on March 11, 2005, and was subsequently launched in London and Addis Ababa, where it was warmly received. Since then, outreaches have been made in Africa, G8 countries, Europe and beyond. The



goal was to keep its recommendations high on international political agenda during this critical year – G8 Summit in Gleneagles, UN Millennium Review Summit in New York and WTO Ministerial Meeting in Hong Kong.

He stated the main findings of the report include the need for urgent action to support the progress already being made and limit irreparable damage, poverty and stagnation that were ravaging Africa. Although the crisis of underdevelopment in Africa emanated from a complex set of causes, he believed countries in Africa might not meet the MDGs unless the developed world changed their lukewarm attitude to development in the continent.

Mr. Wickstead said the report proposed a significant increase in resource inflow to assist African countries, totalling an additional sum of US\$75 billion per year by 2015, and a 100% debt relief for the poor African countries amongst others. The report also expressed the view that no meaningful development would be recorded on the continent if Africa and the developed world continued with the development assistance arrangement currently in place. It therefore recommended doubling of aid, but noted that the quality of aid provided by the donors and the standards of governance in Africa were of crucial importance to development.

According to him, good governance was a high priority to all stakeholders and as such, the report advocated peace and security as foundations on which all other actions to promote development must be founded. Good governance in this case is defined as “effective states”, which are able to deliver and represent all citizens. This relies on sound constitution, which separates powers of the judiciary and legislature from the executive, good framework for private sector to generate growth, maintain peace and security, and protect the freedom and rights of citizens.

Mr. Wickstead said the Commission also recommended the following action points that would support good governance in Africa:

- *Capacity building*: This involves support for pan-African institutions, getting behind national strategies for capacity building, support for development of professional skills through strong and sustained investment in higher education institutions and creation of centres of excellence in science and technology.
- *Accountability*: This involves broadening of participation and strengthening of institutions that improve accountability, encouraging good economic and

financial management, training and mentoring parliamentarians, strengthening justice systems and local authorities, encouraging development of free and independent media, and strengthening civil society.

- *Transparency:* This involves transparency in revenues and budgets, especially for countries that are rich in natural resources, setting and getting companies to adhere to codes and standards, which the rich countries should implement.
- *Corruption:* Corruption should be tackled at both the state and everyday levels. All countries should ratify UNCAC, and ensure transparency in all procurements and repatriation of stolen state assets.
- *Developed countries:* Developed countries should improve governance processes in their dealings with Africa.

According to him: the report recognizes the private sector as the primary driver of economic growth, with the state providing a favourable investment climate; it also calls for massive investment in infrastructure - to facilitate growth and increased trade, as well as delivery of services – up to \$20 billion; and it notes that subsidies in Europe limit the competitiveness of African farm produce and the capacity of African countries to trade. Thus, there is an obvious need for public-private partnership on infrastructure development, and the Business Action for Africa is an obvious response to that.

Mr. Wickstead also believed the strong argument for improvements in governance was underway, with the AU policy of “non-indifference” and NEPAD representing a fundamental shift. He also gave several examples of improvements in governance across Africa- considered significant by the World Bank. Furthermore, there were improvements in public finance management across the continent, as indicated by the World Bank report that 15 African countries (out of 50) scored well in 2003 as against only 10 in 2002. However, there were still lots of room for improvement. Most importantly, there was need for an arms trade treaty that would regulate the supply of arms to African countries.

Continuing, he noted there were sure signs of progress on corruption, with the outspoken and strong leadership of President Obasanjo being a major reference. However, he said the challenge was for Nigeria to encourage other African countries to follow its example and adopt the Peer Review Mechanism (PRM). On their part, he said, donors would need to shift from the perception that corruption

“is still very rife,” and begin to see the improvements recorded. He said donors would need to work together to build on what Canada, France and the USA had all done at different times in the past. Mr. Wickstead told the summiteers that “2005 can be the year of Africa”, as France, Canada, Japan and Germany had all indicated their commitment to double their support for Africa over the next three years

### ***Vote of Thanks – Professor Mike Kwanashie, Special Adviser to the Vice-President***

On behalf of the Joint Planning Committee, the Nigerian Economic Summit Group and the National Planning Commission, Mike Kwanashie thanked the President for his support and goodwill, especially in the quest for public-private sector partnership, and the Secretary to the Government of the Federation for ably representing the President. He then thanked Myles Wickstead for his lucid presentation, and requested the Secretariat of the Commission for Africa to support Nigeria in her quest for debt relief.

He also thanked the CBN Governor, Charles Soludo and Minister for the Federal Capital Territory, Nasir El-Rufai, for their private sector perspective to shaping government policies. Finally, he expressed his appreciation to all summiteers and the media representatives in attendance.

### **Summit Dinner**

The Chairman of the summit dinner, the Secretary to the Government of the Federation, Chief Ufot Ekaette expressed his profound gratitude to the Nigerian Economic Summit Group for successfully hosting the Summit annually for the past decade. He noted that the Nigerian Economic Summit has become the flagship of the nation’s public-private sector partnership where critical economic challenges that confront the nation were not only dissected and concrete solutions proffered, but also where many business alliances and partnerships were conceived and consummated for the growth of the economy.

He reiterated the Federal Government’s determination to consolidate and build on the achievements recorded so far. He stated the resolve of the government to continue to empower Nigerians to become more economically productive, by

providing a level playing field and enabling environment, while strengthening the private sector to become the engine of growth and wealth creation.

He concluded by noting that his assignment was to ensure that the events of the evening were properly coordinated, that everyone was relaxed and comfortable and enjoyed their meal.

**Special Dinner Presentation - Professor Wole Soboyejo, Department of Mechanical & Aerospace Engineering, Princeton University, USA**

Wole Soboyejo's presentation during the dinner centered on "Science Technology and Innovation: Nigeria's Hope for Transformation".

Mr. Soboyejo began by illustrating the disproportionate exchange rate between the 'whiteman's technology' and the natural endowment of Africa, noting that in order to overcome this challenge, Africa would need to be committed to the development of science, technology and innovation within Africa.

He noted that typically, there were three levels of production in an economy: Primary (Minerals and Agriculture), Secondary (Materials Processing and Innovation) and Tertiary (distribution). Africa he said remained predominantly at the primary level while the emphasis should be on the second level. To achieve this transformation he said that Africa could adopt a two phased approach that would lead to the overall development and growth of the nation based on the short/medium term (2 – 10 years) – phase one, and long term (10 – 20 years) – phase two. Over the period, he explained that the process should be hinged on four key components, namely: Education, Research/Development, Innovation and Entrepreneurship.

To transform Nigeria technologically, Mr. Soboyejo recommended the implementation of the following specific actions:

- 2% of GDP must be spent on research and development
- There must be a Nigerian Science and Technology Foundation
- There should be agencies to manage the technology into applicability
- There must be private sector funding for product development.

Elaborating on the approach he explained that the Phase I of the technological

development which is on the short term (2 – 10 years) should feature development in the following areas: Petrochemical Industry, Pharmaceutical Industry, Information Technology, Design and Fabrication, Fabrication of Electronic Components, and Food Processing and Preservation.

The Phase II he explained would prepare Nigeria to become a player in the global market system through competitive knowledge based industrial enterprise. The key components for the agenda he said should be hinged on: the establishment of first rate educational institutions, development of research on niche areas, entrepreneurship and anticipating the future, 10 – 20 years.

Mr. Soboyejo explained that potential opportunities that existed within the phase included: biotechnology (agriculture, crop science, tropical food, flowers), organic electronics, organic solar cell and organic light emitting devices (OLED). He stated that the framework for a Nigerian research and development in biotechnology should be based on education (human capacity development), which must be combined with manufacturing and IT based initiatives (e.g. Abuja AIST/ATV) that could enable the expansion from local/national to global level - leading to the establishment of world class institutions that emphasize biotechnological development.

According to him, this could be achieved by stimulating science and technology institutions and entrepreneurship that could transform ideas and resources into reliable products. While stressing that this could lead to employment generation and, thus, poverty reduction, he encouraged existing private sector organizations like the NESG, MAN and others to help promote the initiatives.

Mr. Soboyejo concluded by re-emphasizing that economic growth and development for Africa should be based on the above-mentioned five planks: Education, Research and Development, Innovation and Entrepreneurship.

## **Day 2 – Thursday, June 2, 2005**

### **Summit Closing Dinner**

The summit closing dinner was attended by the Vice President, Alhaji Atiku Abubakar, the Minister for the Federal Capital Territory, Mallam Nasir El-Rufai and many dignitaries.

## **Welcome Remarks - *Mohammed Hayatu-Deen, Chairman, NESG***

In his remarks Mohammed Hayatu-Deen expressed his delight at the presence of the Vice President, Alhaji Atiku Abubakar and many other dignitaries at the dinner.

He thanked President Olusegun Obasanjo and Vice President Atiku Abubakar for their leadership's support and collaboration with the summit process. He appreciated the commitment of the Secretary to the Government of the Federation and the Economic Adviser to the President, as well as the efforts of the chairperson of the organizing committee, the team and the management and staff of the NESG and indeed all the participants.

While announcing the inauguration of a Board of Patrons for the NESG, he requested the Presidency to approve the first week of October of every year as the annual calendar of the summit, to help planning and allow external participants, at least, six months for preparation. Members of the Board of Patrons include Chief Philip Asiodu (Chairman), Alhaji Ahmed Joda and Alhaji Bamanga Tukur. Others are Mr. Brian Anderson and past Chairmen of the NESG.

Commenting on the economy, he said that reform must not be abandoned even though many of the benefits would only be seen in the long run. He tasked the present generation of Nigerians to see the reforms as a sacrifice to secure the future of coming generations.

## **Sponsor's Welcome Remarks – *Erastus Akingbola, Managing Director, Intercontinental Bank Plc***

In his remarks, Erastus Akingbola said his bank sponsored the event to demonstrate the banking industry's social responsibility and commitment in spite of the challenges of financial consolidation.

## **Goodwill Message – *Nasir el-Rufai, Minister, Federal Capital Territory.***

Nasir el-Rufai welcomed participants to the Federal Capital Territory, which he described as a growing project, and asked for their understanding and support.



## **Dinner Speech - Basil Omiyi, Managing Director, Shell Petroleum Development Company**

Basil Omiyi delivered the dinner speech titled “The Challenges of Managing a Multinational Company”. He explained that the economy had benefited from huge capital inflows and that with strong physical presence in many countries a lot of Nigerian companies were becoming multinationals.

Mr. Omiyi described the role of business as that of looking for opportunities for investment and making returns to shareholders. Business would typically look at the commercial and legal factors in any economy, as well as recognize that though it uses local resources and staff, it is foreign and open to the host country’s conditions. Therefore, it must consider the following factor: host country stability - its economic growth trend, per capita income and the political risks existing (this can be nebulous though and could lead a business to change the basis of investment). There is also the factor of social trend, such as: the gap between the rich and the poor, security of life and property, and political governance—existence or otherwise of a strong, cohesive leadership, rule of law and political and economic openness, as well as opinions of people and institutions, such as the EU and UN.

He pointed out that some investment judgment scenarios that influenced investment decisions could flow from pessimism to optimism, while considering world view, local country situations and the company’s capacity/staying power. He said the funds available internationally were ethical funds that could only be invested in ethical companies (companies with high standard of ethics, corporate governance, accountability and transparency rating, as well as volunteer principles in terms of social investment into their local or host environment). According to him, another test of a company would include its role in advocacy for good governance and democracy/freedom.

Mr. Omiyi concluded that globally, stakeholders such as non-governmental organisations (NGOs) had now become both the judge and jury of multinational companies and, so, companies needed to be open as values created would precipitate actions in different parts of the world.

## **Closing Dinner Speech - *Alhaji Atiku Abubakar, Vice President of the Federal Republic of Nigeria***

Vice President Atiku Abubakar in his address noted that the summit process had helped the national economic planning and engendered confidence between the public and private sectors to operate as partners-in-progress.

He explained that the reforms embarked upon by the government (such as anti-corruption campaign, public service, fiscal/monetary and privatization) were necessitated by the socio-economic and infrastructure decay that manifested in insecurity and low capacity utilization, and that the reforms had in the last five years made tremendous progress and would therefore be pursued in spite of opposition.

The Vice President reminded the audience that the prime objective of the reforms was to 'recharge' the engine of growth, fight inflation, budget deficits, price and exchange rate distortions - stressing that the expected gains would include good economic governance, equity, justice and the rule of law, all of which would ensure security and property rights and the enthronement of a truly democratic society with a high standard of living.

Vice President Abubakar described as challenging: the task of managing economic restructuring and consolidation, and cautioned that reforms could become protracted and stretch the populace; nevertheless, it must continue to enjoy political support for the end to be achieved. This is why the government has tried to carry along all stakeholders, including the legislature and the judiciary. He hoped for a stronger collaboration with the private sector for the growth and development of the country.

## **Vote of Thanks – *Tokunboh Adeola, Senior Special Assistant to the Vice President***

In her vote of thanks, Tokunboh Adeola thanked all the special guests and participants for their time and presence and wished everyone a pleasant time thereafter.



## **Feedback Reports by Policy Commissions**

The 14 policy commissions presented their reports to the final plenary session. The policy commissions are as follows:

- Agriculture and Food Security
- Banking and Finance
- Budget and Macroeconomic Framework
- Human Capital and Quality of Life
- Infrastructure
- NEPAD
- New Investment Strategies
- Oil and Gas
- Privatization/Liberalization
- Rebuilding Institutions
- Science & Technology
- SMEs, Informal Sector and Wealth Creation.
- Solid Mineral
- Trade Policy & Competitive Industrialization

## SECTION 2

### Special Summit Events

#### Open (Parallel) Forum 1: Governance and Institutions

The Open Forum one was one of the events that preceded the formal opening of NES 11. This forum concentrated on governance and institutions, while its sub-themes were corruption, markets and regulatory framework, reforming public institutions and corporate governance. Justice Mustapha Akanbi of the Independent Corrupt Practices Commission chaired the session. Speakers at the forum were drawn from the public sector, private sector, non-governmental organizations and development partners. In all, six papers were presented at the open forum.

The first speaker, Professor Adebayo Adedeji, spoke on “Peer Review Mechanisms as a Tool Towards the Rebirth of Institutions of Governance”. He described peer review mechanism as a major tool for the reform of institutions. He said institutions were very important because they secured the future and destiny of a nation. Governance, he said, meant governance through institutions, which dictated the level of probity, openness and good environment for business, while institutional framework determined the running of a country.

Mr. Adedeji said corruption and other vices of society reflected on the state of the institutions of the country. He drew a correlation between institutional capacity and corruption. According to him, “where corruption is prevalent in a country, it can be traced to the institutions because institutional capacity affects the overall setting for national development and when institutional capacity is high, it impacts positively on national development”. He believed that if institutions were untainted by corruption and arbitrariness, the rate of development would accelerate and this would reflect in the increased level of efficiency, competitiveness, social discipline, peace, law and order in the country. In the African competitiveness index, Nigeria ranks 20<sup>th</sup> out of 24 countries assessed, a poor ranking indeed for the giant of Africa.

The challenges, he said, included how to remove the deficiency out of institutional infrastructure in Africa and how to use the African Peer Review Mechanism (APRM)

to end policy inconsistencies and poverty in Africa.

On the functions of the APRM, Mr. Adedeji described APRM as the centrepiece of NEPAD, an instrument designed to monitor adherence to the objective of NEPAD and the key changes in the attitude of governance on the continent. APRM, he said, aimed at fostering the adoption of policies, standards and practices that would lead to political stability, good governance and rapid improvement in economic management in Africa. He said that the APRM should not be perceived as a sanction device or conditionality for debt forgiveness but should be seen as an instrument for promoting the economies of participating companies.

He noted that peer review mechanism would serve as an indigenous African tool for promoting the rebirth of institutions of African economies, as a means for holding leaders responsible and accountable, and as a way of seeking solutions to common problems. Peer review mechanism, he said, would seek to achieve a re-orientation towards African values and ensuring political and economic independence from the northern hemisphere.

On APRM organisation and process, the speaker said the MOU on APRM was based on four legs, namely: democracy and political governance, economic governance and management, corporate governance, and socio-economic development. He said the organization and process of the APRM, made up of objectives, standards, criteria and indicators for the APRM, as well as an outline of the MOU on technical assessment and country review visit, provided the marching orders for the operationalization of the APRM at both continental and individual levels.

He said that Nigeria was in the process of being reviewed and that the APRM documents should be made compulsory reading materials for Nigerians. He called on Nigerians to internalize the APRM so that other countries could look up to it in the area of corporate governance. He also said that Nigerians should learn about best practices in similar African countries and emulate them, and vice versa.

On the benefits of APRM, Mr. Adedeji described the peer review mechanism as an architectural framework for good governance in the entire continent. In putting the mechanism into operation, he said technical cooperation and best practices should no longer be dependent on the Northern hemisphere. Rather, there should be a new partnership forged among all relevant stakeholders. He also described

the peer review mechanism as an exercise for collective national assessment and windows of opportunities for collectively tackling problems of Africa by Africans. This, would help in sharing experiences and in constructive review dialogue towards developing mutual trust and inter dependence. It would help to form, at the national level new partnership with the private sector and civil society on governance. It would stimulate collective national self-assessment and build a culture of accountability.

Mr. Adedeji said the APRM indicators and benchmark included: commitment of the participating countries, adoption of appropriate laws, policies and standards, and building the necessary human/institutional capacity; adoption of specific objectives, standards, criteria and indicators for assessing/monitoring progress in key areas on a regular basis; and application of the objectives, standards, criteria and indicators, in each review, in the four key areas of the NEPAD declaration.

The second presentation was by Ahmadu Adamu Mu'azu, Governor Bauchi State. It was titled, "Governance and Institutions: Issues and Challenges in NEEDS Implementation". Governor Mu'azu believed governance entailed creating new jobs, new businesses, growing the private sector, changing the way government work, fighting diseases, and putting in place transparency and accountability, justice and fair play.

He went on to identify the roles of NEEDS as the willingness to create "hope", in view of "where we are going in the future". He said that Nigeria had the best opportunity for far reaching reforms and that the answer to the kind of reform which Nigeria needed would be found in the NEEDS document. The Governor described the document as an example of commitment to sound economic policy; and the ability to respond flexibly to key constituencies, while meeting the needs and aspiration of the people. The document, he said, also promoted the achievement of high performance culture in government, while holding public officers accountable.

On the challenges in NEEDS implementation, Governor Mu'azu said leaders in the country must conduct continuous assessment based on identified benchmarks; delivery of electoral promises and meeting budgetary provisions. Leaders too must reform themselves by looking inwards because most problems were man-made and would require man-made solutions. He said Nigerians should expose

non-performing leaders and that genuine reforms should be dynamic and responsive to the peoples' needs.

The Governor said that the implementation of reforms could be harsh, sometimes, but there was a need to carry the people along. Towards this end, he said public enlightenment would go a long way in educating the people on the reforms.

Governor Mu'azu also said that reforms could be marred by two factors, namely, time consumed in politicking and the endemic corruption in the system. He recommended that politicians should learn to be patient while reform minded people should be given the mandate to get into office to preserve continuity. He concluded by recommending that leaders should adopt an informal and personal approach rather than depending solely on aides for information on project implementation. In addition, he said leaders must be transparent and not engage in self-enrichment.

The third speaker was Dr. Oby Ezekwesili, Senior Special Assistant to the President on Budget Monitoring and Due Process. Her paper was titled, "Due Process as Core Aspect of Institutional Reforms". She said governance was improving the quality of lives of the people and that the public sector was the fundamental institution for delivering quality service through three core activities, namely: visioning, articulating the policies and putting in place the right strategies to meet peoples' needs. The fourth activity, she said, involved transactions, which were mainly procurements of services and goods.

Mrs Ezekwisili described procurement as challenging because it had enticed the elite class into public service with a view to becoming rich. She said corruption thrived because of the absence of institutions to monitor procurement activities and that since government resources were not efficiently utilized; procurements were made at twice the value of projects without regard to competition and principle of openness.

On the way forward, the speaker called for the installation of a mechanism to bring people to be guided by rules of openness, cost accuracy, competitiveness and transparency. She also called for the establishment of clear rules that would govern procurement in the public sector. The rules, she said, must be known to all and they must affect advertising, pre-qualification process, evaluation, and pa-

rameters on how winners would emerge in a competitive bidding process.

Mrs Ezekwesili also spoke on the success recorded so far. This include enforcement of due process through the instrument of certification and non-certification, which had modified the behaviour of the public service in relation to procurement. The certificate of due process is an incentive for doing the right thing. In the new dispensation, she said that competitive bidding had been reintroduced in the public sector - a phenomenon which she said had been thriving almost exclusively in the private sector.

According to her, procurement now passes through the Budget Monitoring and Price Intelligence Unit for compliance before going to the Federal Executive Council for approval. She said that the cost of procurement had been significantly reduced. For example, NEPA's procurement was as high as 250% of cost but this had reduced drastically. Also, she said a Public Procurement Bill was already receiving positive attention in the national assembly.

Alhaji Yayale Ahmed, Head of Service of the Federation spoke next. In his presentation titled, "Public Service Reform", he said that a critical path to public service renewal was through public sector institutional reforms. According to him, the public service needed reforms of public institutions, line ministries, national assembly, judiciary, armed forces, and the presidency. He said that major government institutions were already privatized or in the process of being privatized, adding that there should be complementary reform in the private sector in order to achieve a successful public and private sector partnership.

Mr Ahmed identified the key elements of the public sector reform as budget reforms, introduction of due process and constitutional reforms, zero tolerance for corruption and corrupt practices by the Obasanjo administration. He said the size of the civil service would be reduced by about 20% to 25%; furthermore it would be restructured to incorporate the use of ICT and e-governance, adoption and implementation of a reporting and appraisal systems for effective and efficient service delivery. He said the reform had started with five pilot ministries and would be extended to all ministries between now and December 2005, and would also involve the introduction of a service compact (servicom) to deliver efficient services to the client.

Mr Yayale assured that the pension reform would bring about positive changes in pension administration and stop delays in the payment of pension. In conclusion, he said the strategy for carrying out the civil service reform was anchored on the NEEDS document and that the current institutional reforms were irreversible.

Prof. Pat Utomi, in his presentation titled 'Private Sector Corporate Governance', said corporate governance was about ensuring the long term good health of the nation and meeting stakeholders' expectations. It also involved consideration of the diverse interests of stakeholders and the larger society.

Mr Utomi said issues of governance frequently challenged businesses. These included: accountability, compliance with laws and regulations, building a corporate culture that internalizes a caring attitude towards other stakeholders, and laying down values of social responsibility and sustaining them. The corporation should also strive to put in place a learning board that would create a climate for gaining new knowledge that would enable the people to respond to expectations of stakeholders and plot long-term successes.

Among the challenges identified were the weakness of certain market mechanisms and players (such as institutional investors) who could effectively monitor the activities of the board. This is important because small shareholders do not have a voice. In conclusion, he believed that the challenge was how to install a learning board that would help the corporation to be more accountable.

The next speaker - Patrick Fleuret, in his presentation titled: "Support for Reforms", said USAID's intervention in terms of programme delivery in Nigeria was anchored on the objectives and strategies of NEEDS and SEEDS and that the agency would also support the private and public sector partnership in leveraging on additional resources, technical assistance, increased cooperation and access to markets. He emphasized the participation by all stakeholders in policy formulation and implementation in order to ensure ownership and sustainability.

On challenges, Mr Fleuret said there was a need to deepen participation in policy dialogue and monitor implementation of NEEDS and SEEDS, empower the people at the community level and strengthen public sector capacity to undertake analysis and oversight functions.

In conclusion, he called for participatory reform which he described as more challenging but capable of building more consensus, capacity, efficiency, technical capabilities, enterprise development and responsiveness. It would also ensure that people bought into the reform process and patronized private and public institutions that they trusted and believed would meet their expectations.

## **Open Forum 2– Private Sector Competitiveness**

The panelists at this forum were drawn from the public and private sectors, as well as from development partners. They included Irene Chigbue- Director General Bureau of Public Enterprises; Ibukun Awosika- Chief Executive Officer Sokoja Chair Centre; Murtala Nyako- Executive Chairman Sebore Farms; and David Tommy- UNIDO's Country Representative in Nigeria. Basil Omiyi- Managing Director Shell Petroleum Development Company, chaired the forum.

In his remarks, Basil Omiyi commended the Federal Government for initiating the NEEDS programme. He spoke on the need for the government to start preparing for the second phase of NEEDS in order to institutionalize it. The private sector, he said, would like to see improved management of opportunities and risks in the economy. He called for better policy stability, safety of lives and property, rule of law, sanctity of contracts and improved infrastructure, such as power, water and telecommunications. He said these factors were necessary prerequisites for local and global competitiveness of private sector operators in the Nigerian economy.

In the first presentation titled, "Infrastructure and Competitiveness", the speaker- Irene Chigbue, examined government's economic reforms, the cost of doing business in Nigeria, infrastructure reform, BPE's roles in the reforms, among others. She said the privatization process fitted well into the overall objectives as set out in the Millennium Development Goals (MDGs) and the National Economic Empowerment and Development Strategy (NEEDS). In particular, both programmes have given special attention to infrastructure as one of the key areas requiring massive investment.

According to Mrs Chigbue, investments in infrastructure would ensure consistent harnessing of sectoral linkages in the economy for efficient resource utilization. She quoted from the work of Clive Harris (World Bank working paper No. 5, 2003) who found that annual losses from infrastructure inefficiencies were nearly



equal to annual investments in infrastructure.

Again, due to the poor state of infrastructure, each business unit is compelled to provide its own facilities. Thus, over 60% of the cost of doing business in the country has been ascribed to poor infrastructure facilities (World Development Report, 2005). This makes Nigerian businesses uncompetitive. If anything, they are caught in a vicious circle of high cost of production, higher prices of goods and services, low demand (in the light of low disposable income), high inventory of goods, low capacity utilization, low profit margins and low investments. In most cases, she said businesses struggled just to survive, not even to compete.

On the importance of competition to the country's economy, she opined that the basic infrastructure required for competitive development usually included power/energy, distribution (transport), telecommunications, development and application of basic technology, education and research infrastructure. Others were legal environment, property rights enforcement and health infrastructure. Mrs Chigbue said that these facilities when available would increase the competitiveness of national products in the international market.

On infrastructure reforms, the BPE Chief Executive said private involvement in utilities and transport had positive effects on GDP per capita by decreasing government's recurrent expenditure. She said that the attainment of the MDGs and the objectives of NEEDS (such as halving poverty by 2015) required at least a 7% annual GDP growth rate. She believed that an efficient, reliable and effective power supply, reliable and affordable telecom facilities and good distribution and safe transport system were necessary for the attainment of the above targets. Unfortunately, she pointed out that Nigeria's infrastructure was in an appalling state, with a poorly managed telecom sector and pitiable road network

Mrs Chigbue said the power sector reform had become necessary to improve the efficiency and affordability of power supply (current electricity generation is at about 3000 MW), encourage private sector participation and competition, attract investment, establish an independent regulatory agency to ensure level playing field for all market participants and provide conducive environment for long-term development of the sector.

She disclosed that the implementation of the Power Sector Reform Act was pro-

gressing well and highlighted the following milestones:

- Power Holding Company of Nigeria Plc (PHCN) with its own board was inaugurated on 31st May, 2005.
- The National Electric Regulatory Commission (NERC) would be established soon. PHCN would be licensed by the NERC for a period of eighteen (18) months and eighteen (18) successor companies would be formed and prepared for the sector reform and privatization. Also, six (6) generation companies, one (1) transmission company and eleven (11) distribution companies would be privatized or concessioned.
- Private sector participation in the Transysco would commence by December 2005.
- Two generation companies and three distribution companies would be privatized between February and December 2006.
- NEPA's transferable debts to the successor companies would be passed to a special vehicle entity.
- Access to electricity by rural communities would be enhanced through the Rural Electrification Agency, and poor consumers would be assisted through the Power Consumers Assistance Fund.

On the privatization of NITEL, the core investor sale would be concluded by September 2005; selection of advisers for core-investor sale had already been completed (BNP/Paribas), while the Initial Public Offering to sell up to 49% of Nitel shares to the Nigerian public would come later.

On port reform, she said the reforms and privatization would entail a new institutional framework including:

- the introduction of the ports landlord concept,
- a decentralized and unbundled Nigerian Ports Authority,
- separation of responsibilities between the major actors in the system, and
- a new legal and regulatory framework.

Mrs Chigbue stressed that the promotion of private sector participation and safe guarding of the public interests were the guiding principles in all the ports reforms. She further explained that the 'landlord' concept did not mean selling out valuable assets such as land, water and infrastructure to the private sector; instead, the government remained the owner of those strategic assets and would only concession them out to private sector operators for a limited period of time. In the

arrangement, she said that the private sector would be responsible for port operations and services, provision of port labour and port investments and their maintenance. Meanwhile, two new draft bills, namely: the Nigerian Ports Harbour Authority Bill and the Nigerian Transport Commission Bill would soon be ready for passage into law by the National Assembly.

More specifically on the port reforms, Mrs Chigbue noted that the transaction, negotiations on Terminals C & D, Apapa with ENL had been concluded, negotiations with AP Moller were at the final stages, evaluation of technical proposals for Apapa Terminals A & B and Terminal E were at advanced stages, technical evaluation for Port Harcourt port had also been concluded, with its financial bid opening scheduled for 3rd June, 2005. On Tin Can Island Port, she said data room process had been concluded, with submission of proposals expected by the end of June 2005.

Similarly, other notable achievements had been made in other sectors, such as Oil and Gas where a draft National Policy on Oil and Gas was being finalized for approval by the National Council on Privatization and the Federal Executive Council. In this sector, she said, structural reforms, and the legal and regulatory framework would be reviewed in line with the new policy. Continuing, she revealed that work on the unbundling and privatization of PPMC facilities was underway, and the privatization of Port Harcourt refinery had reached an advanced stage, to be followed by the Kaduna Refinery.

On the Nigerian Railway, Mrs Chigbue said its privatization would take the concessioning model, of which work was at an advanced stage. The preferred model would be vertical integrated concession with access only to a single operator.

To ensure competition, she said the BPE would ensure the establishment of regulatory bodies, and institute anti-trust legislation. The BPE Director General expressed optimism that the infrastructure reform would lead to the creation of the competitive edge for business in Nigeria by ensuring a predictable business environment, accessible/available, stable and efficient infrastructure. She said the rules governing businesses would be clearer, implementable, speedy and strengthened to engender confidence. Also, new laws that jettisoned government monopoly would be enacted and anti-trust provisions and effective regulation would be fash-

ioned out to curtail the excesses of private monopolies.

On the way forward, Mrs Chigbue called for closer support of the private sector for the reform/privatization programs, enhanced private sector participation in the advisory, lending and equity aspects of the PFI, better and informed interaction with federal government agencies, particularly BPE to mitigate against non-market risks, intensive marketing of Nigeria and PFI opportunities, self reliance and the need for NGO's advocacy to stop being anti-government and instead to support and encourage programs that would benefit Nigerians.

She concluded by restating BPE's commitment to economic reform and the attainment of NEEDS goals, and its on-going reengineering to create a centre of excellence with focus on transparency and due process in all its activities.

The second presentation by Ibukun Awosika was titled, "Achieving Competitiveness in SME (manufacturing sector) – An Operator's Perspective." Mrs Awosika started by stating the objectives of developing Small and Medium Scale Enterprises (SMEs). She said SMEs stimulate economic growth, develop local technology, generate employment, engender value-added production, facilitate the flow of funds for the establishment of new SMI projects, and engage in the reactivation, expansion, modernization and restructuring of on-going projects, as well as rapid industrialization.

She identified the myriads of challenges facing the competitiveness of SMEs. These include limited market information, insufficient human resource development program (entrepreneurial and technical skills), difficulties in building coalitions and business linkages, macro economic instability (exchange rate, interest rate and inflation), unstable socio-political environment and corruption. Others include changes in government policies without reasonable time frame for adjustment, multiplicity of taxation, overbearing regulatory and operational environment, trade and investment liberalization (globalization), and the inadequacies of the Nigerian brand.

To mitigate these challenges Mrs. Awosika said SMEs would need fiscal incentives and support: tax rebates/holidays, harmonization of tax charges to eradicate multiplication of taxes paid to different levels of government, provision of basic infrastructure, especially power and good transportation network, cluster formation to encourage networking and sharing of costs among SME operators, macro

economic management that ensures stability, provision of effective marketing and distribution channels for SME products to penetrate sub-regional and global markets. She also recommended friendly regulatory and operational environment, amendments to the policies establishing the SMIEIS to favour manufacturers, capacity building through specialization and development of support industries.

She reasoned that local SMEs must first take advantage of the local market, which is about 150 million. Then, they can move into the West African sub-regional market which is about 260 million before capturing the over 900 million African market. To succeed in this, she said, SMEs must have comparative advantage in the market. These advantages should also be used to attract joint venture partners into Nigeria.

The third presenter, Vice Admiral Murtala Nyako (rtd) spoke on the "Imperatives for Meeting the Challenge of Productivity and Competitiveness of Nigerian Agriculture." He said Nigeria's good fortune in agriculture was legendary, and included availability of labour, big ECOWAS market, large land mass and good top soil with adequate minerals and trace elements for improving the quality of the products; and a favourable climate that permits the production of commodities for appropriate market supplies. Others include abundant rainfall for rain fed production, water storage for irrigated agricultural production and abundant sunshine all year round for optimal food production.

Notwithstanding these natural endowments, Nigeria was incapable of effectively exploiting the potential to make agricultural production a low cost affair and boost production and competitiveness. More especially, if we remembered that before the advent of oil, the country's main exports were cocoa, cotton, groundnut, oil palm and palm kernels; adding that food imports in the pre-oil era were negligible.

He noted that in spite of the various government efforts and programmes in the agricultural sector since the oil boom era - such as National Food Production Programme, [NAFPP], Agricultural Development Programmes [ADPs], Operation Feed the Nation [OFN], River Basin Development Authorities, the Directorate for Food, Roads and Rural Infrastructure [DFRRI] and National Agricultural Land Development Authority [NALDA], the advent of oil has led to the neglect of agriculture.

He said that while agriculture had continued to suffer in the country, the rest of the world has continued to apply new technology to agricultural production and were getting higher yields and better quality products. For example, Nigeria's maize produces 1.2 tonnes per hectare, while yields in other countries is as high as 12 tonnes per hectare; sorghum in Nigeria is 500 kilogram per hectare as opposed to 7 tonnes per hectare in other countries; rice in Nigeria is 1.5 tonnes per hectare as opposed to 20 tonnes per hectare in Thailand (from multiple cultivation); potato in Nigeria produces 4 tonnes per hectare as against 60 to 80 tonnes per hectare in U.S.A and Ireland; cocoa in Nigeria produces 150 kilograms per hectare as against 2,000 kilograms in Cote d'Ivoire, Ghana, Malaysia and Brazil; cows in Nigeria produce 200 litres per lactation as against the world average of 8,000 litres per lactation.

Mr Nyako then enumerated the challenges for Nigeria in achieving competitiveness in agriculture. These include:

- Enhancement of professional education and training of our farmers through effective public and private agricultural extension delivery. Production must be demand driven.
- Enhancement of creativity and risk management of our farmers.
- Availability of quality leadership that shows by example, and the imperatives of self-discipline and productivity at all appropriate farming levels.
- Increasing the yields and qualities of selected agricultural products substantially and quickly should be a priority.
- Availability of adequate funds to mitigate prevailing deficiencies in research capabilities, technological know-how and human resources development.
- Efficient private sector farms' input delivery system.
- Discontinuation of actions that result in policy and institutional instability and perennial policy and programme implementation failures.
- Substantial improvement of energy (electricity and AGO) availability, railways, feeder roads and port systems, and bodies of water for irrigation.

Mr Nyako further enumerated lucrative areas of agriculture for would-be farmers in the meantime. These are:

- Production of food and other agricultural products currently being imported amounting to about \$3 billion annually. He commended recent government efforts to encourage home production of these products through the various presidential initiatives.



- Intensification of selected commodities for the export market.
- Judicious application of new technology including biotechnology for increased agricultural production and competitiveness.

The next presentation by Okey Enelamah titled: “Establishing Avenues for Provision of Long Term Financing – Challenges and Opportunities,” began with an overview of long-term finance in the country. He listed the various types of long term financing as equity and equity-related risk capital, debt or fixed income instruments and mezzanine or blended instruments. Others were aid, development capital, and so on. In his estimation the choices before entrepreneurs included local versus international sources, private versus government /quasi- government, private markets versus public/capital markets and foreign direct investment versus financial investors. He also enumerated the use of long-term capital to include the following:

- Infrastructure/Project finance
- Industry
- Real Estate
- Services
- Basic and applied research
- Social development, healthcare and education

Mr Enelamah then listed the benefits of long term capital as longer term planning and impetus for sustainable economic development and expansion. Also it helped to deepen capital markets, create a modern economy and foster other specialized markets such as venture capital, mortgage finance, consumer finance, project/ infrastructure finance, insurance and underwriting. In attracting long-term capital, there must be macro economic stability (stable and predictable policy environment, tamed inflation, stable exchange rates and low/attractive interest rates), rule of law, property rights and tax incentives. Others included free flow of capital, security of persons and property, integrity, transparency and accountability, and other hard and soft infrastructure.

Mr Enelamah noted that there were emerging opportunities for attracting long-term finance in the country. Among such opportunities were:

- The Pension Reform Act
- Deregulation and liberalization of key sectors of the economy
  - Telecom



- Power
- Oil and gas
- Ongoing tax reforms
- Banks 10% PBT SMIEIS Fund which creates a source of venture capital
- Increasing presence of international DFIs including ADB, IFC, CDC, FMO, DEG, FinnFund, USExim and Afrexim
- Deepening of private equity financing in Nigeria, pioneered by ACA through CAPE and subsequent funds
- Recapitalization of the banking sector
- Diligent implementation of economic reforms (such as NEEDS) to improve the macro-economic environment and foster longer term business planning
- Privatization of major utilities and oil sector public corporations to attract substantial long-term capital
- Increasing sophistication of the capital markets

However, Mr Enelamah said the availability of long term funds in the economy would be contingent upon such factors as sustainability and institutionalization of reforms, implementation of pension reforms, macro economic stability, proper take-off and efficient functioning of the government-owned DFIs – BOI, SMEDAN. Other factors included review and rationalization of regulatory framework and institutions in the financial sector, general infrastructure upgrade (power, transport, aviation, legal systems and security), reforms of the Land Use Act, adequate legal, judicial and law enforcement, cost of operating in Nigerian capital markets, liquidity of capital markets and improvement in the capital market transparency and corporate governance practices.

The last presentation titled “Competitiveness: Lesson from other Countries” was made by Dr David Tommy. According to him, competitiveness had become a central preoccupation of both advanced and developing economies in an increasingly open and integrated world economy. He said the country’s wealth was created at the microeconomic level and based on the sophistication of firms’ strategies.

Mr Tommy said the need for competitiveness stretched beyond the front-line enterprises that faced international rivals. Genuine competitiveness should be measured by productivity, which would allow a nation to support high wages, a strong currency and attractive returns to capital, not by domestic or foreign orientation of

firms within a country.

Furthermore, he said that competition was constantly taking new dimensions, forcing companies to adopt low costs, innovation, flexibility, reliability and quality, adding that while economy was not a zero-sum game, competitiveness was. He believed that every economy must intervene to influence the final market outcome in its favour.

Mr Tommy categorized the sophistication and competitiveness of firms into three, namely: low, middle and high-income countries. He stated that it was difficult for small enterprises to embark on production for the export market because of the sophistication and funds required to do so; but he however believed that SMEs competitiveness could be improved through the formation of business clusters in the country, necessitated by improved business environment. According to him, clusters affect competitiveness in three broad ways - by: increasing the productivity of constituent firms, improving the capacity for innovation, and stimulating new business formation that supports cluster expansion.

On the right policy mix, the UNIDO representative said macroeconomic policies fostering high rate of capital investment would translate into rising productivity when forms of investment were appropriate. He believed that high rates of public investment in human capital would not likely pay off unless a nation's microeconomic circumstances created demand for skills in firms; and further cautioned that privatization would not boost prosperity unless firms could improve efficiency. He therefore called for sound macroeconomic policies and the removal of distortions in exchange rates and other prices to eliminate impediments to productivity. He however said that microeconomic fundamentals must be in place in order to increase productivity.

On the key to Nigeria's international competitiveness, Mr Tommy said Nigerians must develop and maintain knowledge and skills as assets that could lead to the development and commercialization of a wide variety of products that could meet the demands of international markets, adding that competitiveness at the level of the enterprise was of utmost importance. He believed that access to cheap raw materials, access to proprietary production technology and privileged access to markets could drive competitiveness.

Mr Tommy enumerated the new drivers to international competitiveness as ownership of designs and brands, excellence of marketing skills, focus on consumer demands, smart production processes, management of technology, innovation and information, marketing of relevant skills and research results. Others included mainstreaming of key industries (mostly oil related), food processing, textiles and clothing, leather industry (upgrading the efficiency of leather value chain), rubber industry (revitalizing an industry in decline) and competitiveness facilitating industries (with an emphasis on agro-related engineering industries).

### **Open Forum 3 - Human Development Agenda**

Senator Jubril Aminu, Chairman Senate Committee on Foreign Relations, chaired the forum. Other facilitators included Osagie Okunbor- General Manager, Human Resources, Shell Petroleum; Chimaroke Nnamani- Executive Governor, Enugu State; Amina Ibrahim- National Coordinator, Education for All, Federal Ministry of Education; Ndidi Nwuneli- LEAP Africa; and William Kingsmill- Head, DFID, Nigeria.

The three sub-themes for the forum were Education, Health, and Youth and Gender.

In his opening remarks, Jubril Aminu congratulated the Nigerian Economic Summit Group for all their policy initiatives over the years, and stated that there was no way the country could succeed without human capital development.

Governor Chimaroke Nnamani in his presentation stated that governance was a social obligation to deliver to the people. According to him, government without welfare to the people was no government; and so having realized quite early that all the restiveness was about poverty, Enugu State quickly developed its poverty alleviation program. However, there was no national consensus on reducing poverty despite several attempts made in that direction. According to him, poverty had risen from about 16% in the 1960s to the current level of about 60%, and Nigeria is currently ranked about 176<sup>th</sup> in the world on the recent Human Development Index.

Having examined the various definitions of poverty based on monetary approach,

social exclusion and participatory approach, Enugu State government adopted the participatory approach and mapped out its strategies even before NEEDS and SEEDS. The Governor highlighted some of the millennium development goals and stated that his state's reform process was guided by them. Consequently, it viewed health from a multi-sectoral approach, like the interplay between health and education and wealth creation.

The outline of Osagie Okunbor's presentation included NEEDS, the role of the private sector, challenges and , strategic objectives for enhancing private sector participation. Mr Okunbor stated that NEEDS was a strategy for wealth and value creation, but that his main thrust was on education. On the roles for private sector in education, he categorized the following aspects:

- Providing funding in areas of research, endowment, scholarships, infrastructure and support for ITF.
- Increasing the call for private ownership of schools.
- Designing curriculum requirement to fit the needs of industry.

He noted that over the years, the state of education has decayed due to poor funding, inadequate infrastructure, brain drain, corruption (examination malpractices), social responsibility imbalance and ineffectiveness of government policy and legislation. Furthermore, Mr Okunbor stated that the private sector was the major user of tertiary graduates, but has little or no input in the design of their curriculum and that most elites tended to send their children and wards to schools abroad. Thus, he posited that in order to attain the twin objectives of improved quality of education and lower cost of entry-level training, the following should be done:

- Private sector should play a more active role in organizations like the Education Trust Fund
- Private sector should establish educational bodies
- Government should introduce a regime of incentives like tax rebate
- There should be phased reduction of government involvement in secondary and tertiary education
- Government should encourage the establishment of tertiary institutions by the private sector
- Government should involve private sector in curriculum development
- Government should encourage workplace learning initiative by making SIWES/ NYSC more business oriented

- Government and private sector organizations should encourage more sabbatical opportunities

Amina Ibrahim in her presentation highlighted some of the things that the Ministry of Education (through Education for All) has achieved since 1999. She enumerated some of the key challenges and problems of education as follows:

- Planning has always been done on short term and ad-hoc basis
- The need to plan from grass root level
- Lack of timely and credible data
- Low capacity of human resources
- Inadequate funding of education
- Need to look at the curriculum of teacher education
- Inadequate infrastructure for number of students
- Need for partnerships between federal and state governments
- Socio-economic and cultural traditions which keep some children at home instead of in school
- Need to harmonize donor funding

Mrs Ibrahim reiterated that despite the above problems and challenges, a lot of opportunities to improve education existed in the NEEDS/SEEDS programme, Universal Basic Education programme and the Education Trust Fund, and said there was need to harmonize the NEEDS and SEEDS programmes and for civil society to act as a watchdog. Furthermore, she called for Girl Education Project supervision at both the federal and state levels - hoping at the same time that debt relief would lead to increased funding of education. In conclusion, Mrs Amina opined that if nothing was urgently done to revamp the nation's educational system, the country faced the risk of having a generation that could not govern or be governed.

Ndidi Nwuneli in her presentation agreed with the view that youths constituted a large segment of Nigeria's population, and they faced tremendous challenges. She said youths were poorly educated and had limited skills. Thus, efforts at addressing these problems must focus on the 4 Es namely: employability, equal opportunity, entrepreneurship and employment creation.

With respect to the Nigerian private sector, Mrs Nwuneli stated that there were a few successes yet to be replicated. She called on the private sector to consider

strategic partnership for results, while supporting the need to revamp the education curriculum in Nigeria.

William Kingsmill in his presentation noted that the DFID saw Nigeria as a premier country in Sub-Saharan Africa and that any strategy for tackling poverty could only be effective by working with strategic thinkers. Furthermore, he stated that Nigeria had negative flows from ODA and thus needed debt relief desperately. On the human development agenda, he categorized his paper into four: vicious cycle between primary education growth and unemployment, sector wide approaches, accountability and few specifics.

Furthermore Mr Kingsmill identified three (3) specific issues of interest to the DFID as follows:

**Sector-wide Approaches.** Being that Nigeria as a large country, besides the three tiers of government, required NGOs and faith-based organisations to play a role. However, the important thing is not what donor agencies and NGOs can do, but how well government plays its role so that complementary efforts are not substituted for the role of government. He believed that NEEDS already had roles for donors, NGOs, the private sector and government and each stakeholder should pursue its role vigorously.

**Accountability:** In this case, donor agencies that fund projects would always demand accountability; hence, the civil society should also demand high level of accountability. He queried why no Local Government Chairman for example had been asked to explain how much it had spent on education and health. He concluded by stating that a lot of people in Nigeria still didn't know how to protect themselves from contracting HIV/AIDS.

Similarly, Ondo Sikala of the African Development Bank (ADB) in his presentation stated that the ADB was in the process of finalizing strategies to extend assistance to Nigeria. According to him, despite some disappointments, Nigeria had been making some progress since 1999. Furthermore, he said that in spite of oil revenue, Nigeria still had funding problem and significant challenges; hence the ADB was willing to support human capital development in Nigeria by stimulating investment.

The ensuing discussions, questions and answers, during the forum covered the



need to:

- Replicate what Governor Nnamani is doing for education and health in Enugu State
- Review the country's academic curriculum
- Clearly specify the role of women in the NEEDS document
- Check the population growth rate
- Convene a forum of state governors and executives by NESG for peer review
- Give more assistance to universities, especially equipment, by multi-nationals.
- Reduce funding burden on government by allowing public institutions to charge fees like their private sector counterparts
- Integrate federal and state efforts towards improving education
- Increase the number of scholarships by the Ministry of Education
- Adequately fund existing universities before giving licences to new ones
- Tackle moral decadence
- Give HIV / AIDS more attention

#### **Open Forum 4: Fiscal Management and Financing**

The forum was moderated by Ifueko Omoigui- Chairman, Federal Inland Revenue Service. Speakers included Gbenga Daniel- Executive Governor Ogun State; Nenadi Usman- Minister of State for Finance; O.J. Nnanna- Director of Research, CBN; Menachem Katz- IMF; Lindsey Whyte- Advisor IMF/World Bank; and Ogungbesan- Federal Inland Revenue Service.

Governor Gbenga Daniel spoke first on developing and implementing SEEDS within the context of fiscal responsibility. According to him, the objectives of SEEDS in Ogun State included:

- Setting goals for improved management of the state's resources
- Harnessing the resources of the state to promote prosperity and a self reliant economy
- Promoting transparency and accountability

He outlined the thrust of the strategy to include amongst other things: the development of medium term plans to encourage private sector participation - given that internally generated revenue was inadequate for sustainable development, and to establish a budgetary planning process.



According to the Governor, the imperative for SEEDS in Ogun State included a medium term view of economic development; focus on critical sections of the economy, private sector participation in development initiatives, and the setting of definable criteria for project selection and implementation.

The achievements of SEEDS in Ogun State, included the establishment of a contract bidding process, financial prudence in project execution, streamlining of the salary system, debt management, programmes and projects based on SEEDS. He then stated that the next step for Ogun state was the LEEDS (Local Economic Empowerment and Development Strategy). As a rational step towards fiscal responsibility, Governor Daniel suggested a peer review and mentoring system for state governments.

Nenadi Usman's presentation focused on the proposed fiscal responsibility legislation. According to her, the legislation was to enhance transparency, macro-fiscal stability, economic growth and protection of the economy from the effect of oil revenue volatility. Thus, the Federal Government controlled less than 50% of the revenue but was saddled with the responsibility for macro- economic stability, which was clearly an untenable situation and underscored the need for policy co-ordination.

Mrs Usman stated that one of the key elements of the proposed law was the preparation of a medium term fiscal framework, which commenced with the preparation of a macro economic projection and an evaluation and analysis of the macro economic performance of the preceding three fiscal years. It conceived budgeting as more than a yearly plan, but basically reconciling needs with available resources.

According to the Minister, the proposed legislation contained rules for proper execution of the budget by all tiers of government, and the essence was to ensure that public expenditure was de-linked from developments in the oil market.

As part of the NEEDS agenda, Mrs Usman highlighted the Public Procurement Bill currently before the National Assembly. Another achievement was Nigeria's bold and voluntary membership of the Extractive Industries Transparency Initiative (EITI).

In his own presentation, O. J. Nnanna espoused that fiscal responsibility entailed

guaranteed macroeconomic stability and engendered market confidence. Thus the CBN desired a fiscal management that smoothened out consumption and expenditure profiles, generated savings and avoided lumpy injections of liquidity into the economy. He highlighted the need for greater coordination between monetary and fiscal policies.

Mr Nnanna stated that the CBN had agreed on an MOU with the Federal Government such that the Ways and Means borrowing for 2005 would not exceed 50% of the budget, and reiterated the fact that CBN did not lend for development projects.

Speaking next on: "Nigeria - Challenges for Fiscal Management", Menachem Katz recapped Nigeria's fiscal management over the last few years and commended the achievements recorded in 2004 in respect of the strengthening of macroeconomic stability, enhancement of policies' predictability and transparency, and reduction of the economy's vulnerability to oil price shocks.

During the same period, he said important strides were made in improving transparency, fighting corruption, and structural reforms aimed at addressing deep-rooted macroeconomic and structural problems. According to Mr Katz, government commitment and fiscal discipline may achieve credibility and improvements in the policy stance, but adopting laws and establishing institutions would even make it harder to reverse such reforms.

For example, he said that the 2005 Appropriation Act suggested that the prudence shown in 2004 had not become a permanent feature of fiscal policy. He identified the budget as the government's most important policy tool to support macroeconomic stability and reflect national priorities (as formulated in NEEDS).

Lindsey Whyte, who spoke from the donors' perspective, reiterated the DFID's support for the NEEDS and SEEDS. She highlighted the increase in aid provided to Nigeria by the UK government, which would soon reach about £100 million, stating that there was a World Bank/DFID strategy to support Nigeria - going forward. She commended the Federal Government for adopting the EITI, which was regarded as exemplary and inspirational.

Mr Ogungbesan's presentation identified some of the obstacles to implementing proper taxation laws as poor infrastructural facilities, office equipment, poor fund-

ing, inadequate training and lack of capacity building, protracted litigation process, lack of awareness and unwillingness to pay tax.

He gave the reasons for tax reform as:

- The low revenue yield of taxation, which is a consequence of poor tax compliance culture due to lack of proper enforcement of tax provisions, either on account of the inability of the administration to cope with the laws or outright corruption.
- The need to obtain maximum revenue and exploit fully the taxation potentials of the country.
- The need to treat taxpayers well so as to obtain their trust and confidence, thereby recognizing them as partners in the task of nation-building, subject to their full compliance with tax laws.

Mr Ogunbesan identified the key elements of the reform as follows:

- Adoption of a National Tax Policy that clearly specifies duties of the citizenry and responsibilities of government to the people.
- A simple tax system with low tax burden and comprising a few broad-based taxes.
- Increasing shift in emphasis from direct to indirect taxes.
- Elimination of multiple taxation at all levels of government.
- Statutes/Laws.
- Elimination of obsolete and unrealistic provisions in the tax laws.
- Strengthening of sanctions and upward review of the various penalties imposed in the event of default.

Ayo Teriba spoke on “Fiscal Responsibility and the Private Sector”. He highlighted some of the panaceas for growth as:

- Medium term capital commitments – the government should put all its reserves into projects that will generate income, a good example being the LNG project.
- Medium term focus for PPP schemes.
- Mandatory/Discretionary budgets.

Lastly, to ensure stability he proposed:

- ‘Traffic Lights’ system
- Responsibility

- Accountability
- Transparency
- Predictability
- Symmetry

### **Luncheon Mini Dialogue 1: Gas – Fuel For Rapid Economic Diversification**

Funso Kupolokun, Group Managing Director, NNPC chaired the luncheon mini dialogue. The guest speaker was Demola Adeyemi-Bero- Director, New Business Development, Africa Shell International Exploration and Production BV. He noted that in 1999 President Olusegun Obasanjo remarked that gas should earn the same revenue as oil by the end of the decade. The remark looked like a tall order then, but the country was already on the road towards achieving it, he said. He also said that the country must strategically focus on the development of gas in order to build momentum for economic transformation and growth. He asserted that diversification and building of momentum for economic development would not take place if such a fundamental natural resource as gas remained marginalized.

Mr. Adeyemi-Bero's presentation focused on the following:

- Value stream of gas
- Nigeria's current position in the global gas play
- Unlocking gas for economic growth
- Challenges for the nation
- Shell's contribution

In the case of value stream of gas, the presenter categorized the potential for gas development into four broad parts as follows:

- Gas-to-Liquids (GtL, LPG, LNG, etc.)
- Gas-to-Fuel (CNG, Industrial Feed, etc)
- Gas-to-Wire (Power, IPPs, etc.)
- Gas -to-Petrochemical (Methanol, Fertilizer, etc.)

Looking at the various uses of gas and the various ways it had touched human existence through electricity, fertilizers, industrial feedstock, fuel, and much more, he believed that gas could be the new fuel of choice for the 21<sup>st</sup> century. Technology, he said had eliminated the stagnancy of gas; making it more mobile and portable. Nigeria, he said, had abundant power/fuel sources such as oil, gas, coal,

solar and wind. He believed that Nigeria would need to take a stand on what proportion of her fuel sourcing should constitute gas. He said that Nigeria was doing well in some sectors, but had not been doing so well in Gas-to-Fuel and Gas-to-Petrochemicals.

Mr Adeyemi-Bero described gas as a driver of economic growth because of its versatility in the following areas:

- Reducing the cost of doing business. It has been identified that gas fired power could reduce manufacturing costs in Nigeria by 7-33%. Also, reliable electric power reduces factory downtime.
- It opens up opportunities in several sub-sectors such as petrochemicals, export LNG, LPG and GTL.
- Gas provides multiple linkages in the domestic economy.
- Backward linkages include financial services, education and skills acquisition, technical services and fabrication yards.
- Forward linkages include construction, transportation equipment, food and beverages, plastics and rubber, textiles and clothing.
- In addition, he said, gas would open up a huge export market with a growth rate estimated at 150% between now and 2020.

On the issue of Nigeria's current position in the global gas value chain, Mr Adeyemi-Bero reiterated Nigeria's rich endowment with gas, and said the country was one of the top ten gas resource holders in the world. In Africa only two countries had ATCF above 100 and Nigeria was one of them. Thus, Nigeria was playing an increasingly key role in the Atlantic Basin because of her proximity to key markets in that region.

In utilization, however, he said Nigeria lagged behind her peers. He said a significant amount of gas was flared by Nigeria, but domestic gas demand was growing. He gave the target as 16,000 cfpd and would require US\$2.6 billion worth of investments.

Major integrated gas projects that had been launched included: Olokola, Escravos, GtL Gbaram, CPF, Bonny LNG Trains 1-8, Brass LNG T1&2, Mobil LNG T1, Mobil LNG 1&2. He said exports of gas were promising and that while Nigeria was doing well in the Gas-to-Liquid and Gas-to-Wire segments of the value chain, there was still room for improvements in the Gas-to-Petrochemicals and Gas-to-

Fuel sectors.

The presenter identified the following seven key elements for a successful gas business that would foster economic and industrial growth in the country:

- Major gas resource base
- Sustained market demand growth (domestic and global)
  - Linkages which open multiple opportunity options
  - Integration with power
- Attractive (stable) gas price (domestic and international)
  - Pricing mechanism that ensures sustained investment without destroying demand across the various value chains
- Attractive & competitive investment business environment (fiscal and legislative)
- Capacity for sustainable development (people)
- Participation of all the key stakeholders in the economy
- Proactive and competent regulators

In addition to these key elements being in place, he said the following steps would also need to be taken for the development and commercialization of the gas industry:

- National gas policy and gas master plan. A gas policy is currently in place but not the gas master plan
- Regulatory and legislative framework.
- Infrastructure development and capacity building
- Dynamic gas management model
- Liberalization and privatization
- Industrial market, EPZ, industrial parks, linkages
- Retail market subsidies, target pricing

According to him, the first four must effectively be in place, as a pre-requisite to the achievement of the last three.

Continuing, Mr. Adeyemi-Bero said there were challenges ahead in the Nigerian gas sector especially when viewed against the following experiences from Trinidad and Malaysia. These included:

- Ownership and Control: where despite ownership by government of NGC (Trinidad) and Petronas (Malaysia), both had been allowed to operate as independent commercial entities; Infrastructure: where both countries' governments undertook the initial infrastructure investment in purpose built indus-

trial parks and EPZ zones as islands of excellence;

- Gas Master Plan: in which the two countries had energy and gas master plan where the key priorities were identified, and key trade-offs were made subject to periodic review (For example, Malaysia has shifted strategy to building more coal-powered plant and releasing more gas for LNG export);
- Pricing: In both countries the pricing mechanism was defined to ensure sustained investment by participants while not cratering demand.
- Transparency: Petronas and NGC publish on an annual basis audited reports, which show their operational and business performance and could be benchmarked.
- Linkages: Forward and backward linkages are somewhat limited and Malaysia is trying to push into the LNG vessel building market and Trinidad is now focusing on local content.
- Product portfolio: Trinidad has a more diverse portfolio of gas based exports while Malaysia is essentially focused on LNG exports and the use of gas for power.

Mr Adeyemi-Bero pointed out that there were gaps to be filled before the Nigerian gas industry could achieve the desired growth potential. The most critical gap was how to fund and finance the sector over a short window in an unattractive environment. Other gaps include:

- Design of a gas master plan linked to economic development and revenue aspirations.
- Development of national & regional gas infrastructure.
- Mature gas resource base.
- Growth of domestic gas demand.
- Creation of a more attractive investment climate for local gas commercialization.

In summary, he said a balanced, gas driven Nigerian economy must be based on successful integration of the following:

- solid domestic demand
- efficient gas-driven industrial and power sector
- strong export market position



## **Luncheon Mini Dialogue II: The Commission for Africa – Will the Private Sector Deliver?**

The session titled - *“The Commission for Africa – Will the Private Sector Deliver?”* was moderated by Myles Wickstead- Executive Secretary Commission for Africa, and Fola Adeola- Commissioner Commission for Africa.

Fola Adeola opened the session by stating that the Commission for Africa - an initiative of the British Prime Minister, Tony Blair - was established in February 2004. According to him, the Commission was made up of 17 independent Commissioners, nine of who were selected from African countries. (The term “independent” implies that the Commissioners are neither part of the British government nor the governments of their home states, but will be acting in their individual capacities).

He said the Commission’s primary mandate was to produce a report on challenges facing Africa and the role the international community could play - in partnership with Africa - in addressing these challenges. Key opportunity areas included extending practical support to African governments and initiatives, providing support for the NEPAD program and AU, and ensuring that the international community fulfilled its various commitments to Africa. Furthermore, the Commission aimed to promote Africa’s responsibility for its future, placing a huge premium on the role of good governance and focusing on a partnership between the international community and African countries based on common humanity, solidarity and mutual respect.

Mr Adeola said the Commissioners, charged with presenting a report on the Commission’s mandate and agenda, engaged in extensive research and consultation, including gathering information across all spectra of the African society. The process culminated in the CFA report “Our Common Interest”, which was released on 11th March 2005. He believed that the CFA report would drive the agenda for several meetings and discussions taking place in 2005 and beyond, including the G8 Summit to be held in July in Scotland, the UN Millennium Review Summit scheduled for September, and the WTO ministerial meeting holding in Hong Kong.

According to Mr Adeola, Africa has become the subject of a developmental effort

of this scale based on recognition of the progress it had made in recent times, and in appreciation of the benefit of supporting the progress. He cited areas where significant progress had been made to include the following:

- Stronger trend towards democracy – two-thirds of sub-Saharan African countries have held multi-party elections.
- Growth of new, credible Pan African institutions such as NEPAD, the transition to the African Union and the African Peer Review Mechanism (APRM). The AU's present policy, for instance, is "non-indifference" as against its predecessors' "non-interference".
- 16 countries have maintained GDP growth rate of 4% and above over the last decade; and in 2003, 24 countries had a growth rate of over 5%.

Notwithstanding this progress, however, major challenges still persisted such as the fact that:

- Sub-Saharan Africa is the only region to be eluded by the global prosperity trend over the past 3 decades.
- Life expectancy has fallen significantly below 1980 levels due to the scourge of HIV/AIDS.
- There is a high risk that Sub-Saharan Africa may not meet the United Nations Millennium Development Goals (MDGs) by 2015. For instance, based on current trends the MDG objective to halve poverty rate by 2015 will not be met until 2150.
- Progress made so far has been fragile and uneven; there is however an opportunity to veer the pattern towards success.
- There is more or less a consensus in the global political arena that the consequences of not taking action will be devastating. Any delay in acting now will magnify the crises and exacerbate economic marginalization with dire consequences for future generations.

Having set the background, Myles Wickstead continued the discussion and highlighted the root causes of current crisis in many African countries as follows:

- Political – poor governance; high incidence of civil conflict (31 civil wars in the 1980s, 43 in 1990s).
- Structural – weak investment into Africa (both domestic and foreign); an over-dependence on primary commodities; Africa's late entry into manufacturing; resulting from high transport costs (twice that of Asia on average); small populations and hence small markets; various colonial legacies.

- Environment – low agricultural productivity (Asia irrigates 10 times as much as Africa – 40% versus 4% of arable land); vulnerability to climate change and Africa's fragile environment.
- Human – impact of poor health (malaria kills up to 3 million people and 1 million children every year) and education (40 million children out of school); population growth and urbanization (Africa will be mainly urban in 2025).

Mr Wickstead emphasized that these problems were inter-related, thus generating the semblance of a vicious cycle. Peace, for instance, was a prerequisite for development and vice-versa. Poor health and education meant weak workforce; weak workforce produced low growth and less funding available to provide health and education. Therefore, the CFA action framework promoted a simultaneous push across several fronts to achieve the desired results.

Mr Wickstead further summarized the key objectives of the CFA as follows:

- Promotion of African culture: Creating homegrown, customised solutions for African problems.
- Governance and Capacity Building: Creating and strengthening institutions that engender transparent and accountable leadership.
- Peace and Security: Supporting peace programs and agenda such as the arms proliferation treaty and the Africa Union, which has emerged as effective peace machinery in recent times.
- Human Capital Development: Includes education, social development, basic healthcare, and elimination of preventable diseases.
- Growth and Poverty Reduction: Taking measures to accelerate economic growth and poverty reduction.
- Promotion of Trade (More trade and fairer trade): Need to improve capacity to trade and remove trade barriers.

The implementation approach was based on four key principles:

- Partnership among African institutions such as African Union, NEPAD, African Development Bank and Economic Commission for Africa, i.e. African people, African ideas.
- Strengthening institutions within and outside Africa.
- Stronger African influence in multilateral organizations such as the WTO.
- Independent mechanism for monitoring and reporting implementation progress.

Fola Adeola proceeded to talk about the role of the business sector in realizing the CFA objectives; during which he summarized the role of the business community under three key perspectives namely: contribution to economic growth (through employment, value-creation and taxes), the way they do business (ethics and governance), and corporate responsibility through community development programs.

He urged businesses to sign up to leading codes of conduct, including those on transparency and corruption, engage in coordinated action to tackle poverty and work in partnership amongst themselves. In addition, he emphasized the early positive outcome from the private sector perspective through the establishment of the Business Action for Africa initiative. He urged participants to sign-up for the initiative.

Continuing, Mr Adeola said a key prerequisite to funding was a continued demonstration of progress on the part of the African continent. Subsequently, aid will be doubled from \$25 billion/year to \$50 billion/per year by 2005 and another \$25 billion by 2010. A 100% debt cancellation was being promoted as an alternative source of funding. Others included the launching of an international finance facility, and the development of other innovative financing proposals.

Mr Adeola concluded by reminding everyone present that their submission was merely a very brief overview of the CFA report, its main findings, and its implications for business. He urged participants to visit the Commission's website [www.commissionforafrica.org](http://www.commissionforafrica.org) and take action within their various capacities to support the CFA agenda.

### **Corporate Breakfast Meeting**

The corporate breakfast addressed two critical issues affecting the present and future growth of Nigerian and, indeed, African economies. The first was the International Conference on AIDS and Sexually Transmitted Infections in Africa - ICASA; and the second issue was the pensions reform.

#### **Part 1 – ICASA**

Professor Femi Soyinka, President of the International Conference on AIDS and Sexually Transmitted Infections in Africa (ICASA) made this presentation. He started by expressing gratitude for the opportunity to speak at the 11th Nigerian Economic Summit, stating that the work of ICASA had implications for the economic development of Nigeria.

He gave the background of ICASA as an organization that was established in 1986 by a small group of African scientists who opposed the idea of holding African conferences in Europe. The number of scientists involved had since grown and the group had continued to focus on managing and reversing the spread of HIV/AIDS by developing a home grown African solution to the problem, with the participation of the public and private sectors. He also emphasized the role of the family in the fight against HIV/AIDS as it was the unit that bore the brunt of the impact of the disease.

Mr Soyinka informed the audience that ICASA conferences were alternated between Anglophone and Francophone countries. However, the last conference was held in Nairobi, Kenya (an Anglophone country) and Nigeria had been granted special permission to hold the next conference. This was in recognition of the country's commitment to social and economic development on the continent. The commitment to the fight against HIV/AIDS was evidenced in the setting up of a 21-man task force on the disease and its related problems. The conference will be in Abuja from 4<sup>th</sup> – 9<sup>th</sup> December 2005 at the International Conference Center.

According to him, one objective of the conference would be to look at the values the family could contribute to the efforts to control the spread of HIV/AIDS. Another objective was to consider ways of applying science and technology more effectively in the bid to overcome the impact/spread of the disease. The ICASA was doing all it could to ensure effective participation of African leadership across board, including political, cultural, youth and religion. Plans were underway to guarantee attendance of former President Bill Clinton and the Presidents of Botswana and Morocco to share their experiences and give accounts on what they had done in their various countries to fight the spread of HIV/AIDS.

Mr Soyinka said the conference would come up with innovative ideas through scientific sessions and sponsored satellite sessions, skill building workshops, youth programs and leadership fora. Also President Olusegun Obasanjo would host the Nigerian Economic Summit Group in a special session to hear what contributions the Organized Private Sector would be willing to make in the effort to mitigate the impact and spread of the disease.

On funding, he said that ICASA had approached local donor bodies and was

trying to secure the participation of international organizations. He warned that HIV/AIDS was spreading. Initially, in 1986, there was only one patient living with HIV/AIDS but the number had increased substantially due to negligence and lack of action. According to him, only 1.9% of the Nigerian population was infected with HIV/AIDS in 1993; this had grown to 5.4% by 2003. So far, 2.3 million people had died from the disease, majority of the people living with HIV/AIDS were between the ages of 15 and 49. He made reference to the 2004 HIV Sentinel Survey by the Federal Ministry of Health, which revealed the prevalence of the disease and its virus to be highest in the Middle Belt region and lowest in Osun and Ogun States.

Mr Soyinka assured that the focus of the conference would be on the impact of HIV/AIDS on economic development. While it was difficult to measure accurately the impact of the disease on GDP, it had an impact on the quality of life, which could not be separated from productivity, he said.

## **Part 2 - The Pension Reform Act 2004**

At the Corporate Breakfast, M. K. Ahmad - Director General National Pension Commission, made a presentation on the Pension Reform Act 2004. He started by justifying the reform of the pensions system by highlighting the existing problems of the previous scheme. These problems include inefficient administration, absence of funds or insufficient funding in the private, as well as the public sectors. For instance, the old scheme required a pensioner to work for over 35 years and sign several documents before claiming entitlements and retirement benefits. This style would not be sustainable in view of the demographic shifts and growing number of pensioners. In the near future, he explained, there would be more pensioners than people in the working class.

Mr Ahmad buttressed his point with reference to a report on the management of retirement benefits of African countries between 1990-1999, which showed that Nigerians contributed 1.3% of their pensions. In Mauritius and Cameroun, the contributory rates were 60% and 17%, respectively.

He commended the fact that the 2005 budget addressed those issues as it expressed the government's wish to establish a sustainable and transparent pension system that would ensure contributors received benefits as and when due. It would



also guarantee security after retirement, as beneficiaries would not collect all their entitlements at once. Also, the employer would be unable to place a lien on the account of the employee without due clearance from the court.

The Director General of Pension Reform mentioned that initially, there were two options on how to tackle the issues on pension reform. The first was to increase the retirement age/amount contributed by the employee and the second to develop a sustainable scheme that would require both the employer and employee to contribute to the scheme. The second was adopted, hence the contributory scheme where each worker had a retirement savings account that was privately managed by a pension fund administrator of his choice. Regulations would be strict and the contributions would be tax-exempt. It would also require the contributors to take up a life assurance policy.

Mr Ahmad said the approval of licenses supervision of PFAs (some of which are expected to take off by first week in July, 2005), Pension Fund Custodians (requires an asset base of N125 billion to be registered) and other institutions relating to pension matters was part of the affairs of the Commission. He informed the audience that provisions had been made to guarantee that accrued pension rights and benefits would be actuarially determined for each of the employees transiting to the new scheme. He said the Federal Government would establish a Retirement Benefit Bond Redemption Fund at CBN and pay 5% of monthly wages into the fund until the redemption of the last retirement bond issued. At the employees' retirement, the bond redeemed from RBBRF will be added to the Retirement Savings Account. A transitional pension department to handle the transition had been put in place.

He said the private sector employers wishing to continue with their previous schemes could do so provided they met the requirements. The NSITF would establish an agency to undertake the business of a Pension Fund Administrator and offer other social security services as well. Employers were required to compute the accrued pension rights for past service and create a nominal Retirement Service Account for each employee. Where there were shortfalls, the employer would communicate to the National Pension Commission, when and how they would make up for those shortfalls.

Mr Ahmad said contributions from government would be a first charge on Con-



solidated Revenue Fund of the federation. Also, the assets in custody with any PFC would not be used to meet the claim of any custodian's creditors in event of liquidation of the custodian. Such assets would not be seized or subjected to execution of judgment debt or stopped from being transferred to another custodian. They could not be sold or used as collateral for loans. In this instance, the NPC as the regulatory body had been mandated to formulate, direct and oversee the overall policy on pension matters in Nigeria. To ensure the success of the scheme, measures had been put in place to streamline duties and ensure effective operations and compliance from all stakeholders.

He expressed the belief that the pension reform would largely reduce the cost of pensions for the government in the long run. He also said the reforms would engender an increase in the nation's savings and deepen the capital market. The reform would also have strong positive implications for insurance, mortgage and housing.

With respect to the social dimension, he said the reform would improve the quality of life of Nigerians by providing financial security, and would also enlarge the labour market by encouraging workers to put more time in service.

Mr. Ahmad gave a progress report which stated that the Commission had already collected contributions to the tune of over N24 billion from the public sector since July 2004. The private sector was expected to start January 1, 2005; however, the response from corporate organizations had been poor. He also pointed out that a lot of applications for licensing had been received and some were being processed, while some state governments had commenced arrangements for the implementation of the pension reform.

In concluding, Mr Ahmad noted that the Commission was faced with the challenges of an unpredictable macroeconomic environment, underdevelopment and lack of transparency in the capital market. He therefore called for an improvement in corporate governance and regulations in the financial services industry.

## SECTION 3:

### Reports of the Policy Commissions

#### 1. Agriculture and Food Security

##### Introduction

The Policy Commission began by situating its discussion into the context of NES 11 theme - "Building the Momentum for Economic Transformation and Growth". It highlighted the total commitment of all stakeholders to NEEDS programme as a prerequisite to moving agriculture forward and increasing productivity in the sector. In this case, efforts should be geared towards supporting and actualizing the implementation of NEEDS by all stakeholders. All stakeholders should also accept the Nucleus Estate Initiative as a major pillar of implementation of NEEDS in agriculture.

##### **The Commission noted the following recommendations of NES # 10:**

- Adopt the Nucleus Estate Initiative
- Implement Credit Guarantee Scheme
- Provide infrastructure relief to Nucleus Estates
- Involve stakeholders in policy formulation
- Provide incentives/subsidy as % of output value and interest rate reduction
- Involve private sector in the proposed ADF

It noted that in spite of the government ban on the importation of certain agricultural goods, many of the banned items were still in the markets, access to credit remained a bottleneck, SMIEIS fund was still being implemented as a credit rather than as equity investment by the banks, cost of production was still high in the sector due to poor infrastructure, while lack of access to energy and high cost of input persist. Most states' Agricultural Development Programmes, though close to the farmers, were not carrying sufficient market information to the farmers, especially those in the rural areas. Also, the Nigerian Agriculture Research institute (NARI) was not reaching out to the private sector.

On the constraints to the sector, it noted that processing and storage facilities for agricultural products were still inadequate. Also, there were inefficiencies in input supplies and distribution, absence of a price support mechanism, and distortion of

macroeconomic and sectoral policies. The group also noted the continued dependence on rain-fed agriculture in many parts of the country and the lack of economies of scale in the sector. Also, the existing land tenure system still inhibited the acquisition of land for mechanized farming, while there were inadequate agricultural extension services and lack of indigenous technologies.

On the way forward, it recommended that the NEI be used as a model for the implementation of NEEDS in agriculture. It called for support and implementation of the initiative by both the public and private sectors. It also said that the strategic grains reserve should only buy agricultural products from the estate as opposed to buying from commissioned agents to encourage transparency.

The Commission predicated its bias for the NEI on the fact that it demonstrates the private sector commitment to agriculture, moves the nation away from the usual talk shop, ensures real partnership with the government on agriculture, while also ensuring demonstrable benefits. Already, some companies that had adopted the initiative had recorded successes. This included: Best Foods Limited, Olam Nigeria Limited, Afcot Nigeria limited, Stanmark Nigeria limited, among others. It believed that adoption of the initiative would give farmers guaranteed market and remunerative prices, while they would also be able to concentrate on their farming. It would also reduce post harvest losses and guarantee better extension services. In addition, farmers would be more empowered than before because of increased productivity arising from their access to improved seedlings and better funding.

For the processors and manufacturers in the sector, the group said that adoption of NEI would guarantee and improve the quality of raw material supplies, bring the suppliers closer to the sources of their inputs and facilitate corporate social responsibility. It said that the economy would also gain from the initiative in that more role models would emerge, which would have multiplier effects on the economy. It would enhance productivity, reduce spoilage of agricultural products, achieve competitiveness in the sector and lead to less dependence on oil for foreign exchange. Also, food security would be guaranteed, rural-urban drift would be checked, and there would be increased employment generation and poverty reduction in the economy.

It said that the Nucleus Estate Initiative should be seen as one of the machineries

for implementing NEEDS and, as such, should be supported and popularized by the government. In addition, government should rehabilitate the irrigation facilities in all the zones and strengthen Private Public Sector Partnership (PPP) in rural infrastructure. It should also involve the private sector more in the formulation and implementation of presidential initiatives on agricultural products.

The Commission then recommended wider participation of the private sector in the multi-commodity development and marketing companies and listed priority areas as cassava, rice, vegetable oil, tree crops, fisheries and livestock.

An implementation timetable was drawn up for the next one year as follows:

Market NEI using five representative estates, one for each sub sector/crop	-	July 2005
Document achievements and constraints	-	July-October, 2005
Extend to other sub sectors/crops	-	2006

In conclusion, the Commission believed that the following benefits could be realised if NEI was well implemented:

- It would improve the quality of agricultural products in the country.
- It would help in standardizing agricultural raw materials and effectively support domestic industrialization through provision of raw materials.
- It will accelerate rural development as more agriculture based industries, infrastructure and markets would spring up.
- It would help in the development of competitiveness across the chains, which in turn would reduce unemployment and poverty in the country.
- It will attract more domestic and private investments into the sector and check rural-urban drift.

## **2. Banking & Finance**

The financial sector should provide for the efficient allocation of the nation's resources amongst various competing needs and facilitate wealth creation. For the sector to function effectively, it requires the operators to be professional and earn the confidence and trust of investors. Essentially, the nation needs an environment conducive for an effective financial system to engender economic growth and improve the standard and quality of services.

Again, several challenges confront the financial system in Nigeria, such as: dwindling confidence in the sector, dearth of long-term funds, inconsistency in fiscal and monetary policies and the banks' distress syndrome. These challenges formed the basis of the Banking and Finance Policy Commission's discussions, which also included an assessment of the implementation of previous summits recommendations.

### **Where We Are**

The Commission noted that macroeconomic stability was recorded in 2004; and inflation had been stable in the past six months. The CBN put it at 11% - thus meeting the 10-11% targeted for the year, even as some estimates suggest higher figures (for instance, the IMF estimates inflation at 19%). The foreign exchange regime maintained relative stability at N130/\$ in September 2003 to N139/\$ in 2004.

The Commission commended the strong fiscal discipline in the country - fiscal deficit to GDP ratio was 1.5% by end September 2004 and well within the 2.1% target for 2004; budget deficit for 2005 was 2.9%; but final budget targeted a surplus after factoring in the saved 50% excess crude funds. The group expressed concern about this year's budget implementation. It said that the dearth of long-term funds remained a major challenge (the insurance sub sector was still operating at less than optimal level while leasing lacked enabling legislation). It noted that the NEEDS had been introduced along with banking and pension reforms. It said that the success recorded by banks that went to the capital market to source funds showed that the capital market depth might not be as shallow as earlier believed, adding that the banks domination had made the market bearish and occasioned investor fatigue.

The Commission noted that even though the bank consolidation was making progress, there were concerns over post consolidation issues that could arise - such as implications of shotgun marriages between some banks. It noted the controversy over the forgiveness of some banks' debts by the CBN, and the fact that CBN was reforming itself to achieve a more proactive management with its project 'Eagles'.

It also noted that the Pension Reform Bill had been passed into law and substantial progress had been made in terms of implementation. It said that the PFA and PFC were billed to be licensed by June 2005, while the private sector would open

appropriate accounts by January 2006. Also, the Pension Commission's office had been set up and public enlightenment started; while some N15 billion in public sector pension funds collected was already deposited in an account with the CBN.

The Commission said that despite the progress with the introduction of Visa, Valuecard and Mastercard into the market, Nigeria was still largely a cash economy with an estimated N400 billion outside the banking sector. This it attributed to infrastructural and transaction settlement challenges.

### **Burning Issues**

The Commission identified 11 major burning issues that must be addressed. These are:

- Dearth of long term funds
- High cost of credit
- Review of SMEs guidelines by the Bankers' Committee and adoption of the review
- Low savings base with low per capita savings and poor saving culture
- Challenges of banks consolidation
- Low foreign direct investments, particularly in non oil sectors
- CBN dominant player in management of foreign exchange
- Insurance capitalization challenges, among other issues
- Robust regulatory framework for the finance industry
- Undercapitalization of capital market operators

### **Issues in NEEDS**

- Banking and finance issues in the NEEDS document were identified as follows:
  - Banking capitalization and consolidation
  - Role of the banking sector in financing NEEDS
  - Real sector/tourism funding
  - Emphasis on SMEs
  - Common currency for the sub region
  - Pension Reform Act
  - Deepening of the capital market
  - Attracting FDI
  - Building insurance capacity (local insurance content in the oil industry to be addressed)



## **Recommendations**

The Commission critically examined the burning issues and NEEDS signposts for the banking and finance sector and made several recommendations. Under the challenge of continued dearth of long term funds the Commission addressed five issues concerning pension funds, life insurance, venture capital/SMEs, bond market and development banks.

**Long-Term Funds:** It noted that the bond market was virtually unavailable due to lack of long-term funds. It said that government had to introduce benchmark issues of various maturities and securitize debts/trade offs. It believed that there was an urgent need to reduce costs of secondary market transactions and establish discount window and Repo facilities at the CBN. Also the pension reform act implementation was on course and should be completed before the end of the third quarter of the year.

The Commission noted that the last capitalization in the insurance sector should be verified and called for adequate re-capitalization and consolidation of insurance companies to get the sector functioning as a provider of long-term funds. Also it said that insurance companies should be more innovative, create new products and work with banks to use their distribution networks. They also needed to grow organically and to consolidate in order to be attractive to the market. It recommended that the industry rules and regulations, in particular, the local content insurance in the oil industry be enforced while the Group Life component (for companies) of the Pension Reform Act should be implemented.

The Commission recommended that Unit trusts should be encouraged and that the impact of withholding taxes on their operations critically examined. The government, it said, should also encourage all types of venture capital investments from finance and non-finance sectors and provide tax incentives as well as investment insurance before the last quarter of 2005, while SMEs support should not be limited to the finance sector but replicated in other sectors of the economy and supported with tax incentives.

Towards boosting long-term financing, it recommended that funding of development banks be enhanced. Development banks require other sources of funds (eg. multilateral funds) beside the government and budget. Also, skills supervision and



detailed support needed to run development banks were inadequate and must be put in place.

**High Credit Cost:** The Commission noted the causes of high credit costs to include: inflation, high transaction costs, poor credit culture and weak legal framework. To contain inflation, it called for fiscal prudence and discipline on the part of government, the institutionalization of the due process in all facets and tiers of government, and the passage of the fiscal responsibility bill into law to be fast tracked- until then, the fiscal responsibility bill should be implemented as a pact. Furthermore, it asked that inflation be addressed by reducing transaction costs through provision of better infrastructure – power, transportation and communication. It saw the legal reform as imperative to strengthening the credit system and called for the introduction of a credit bureau.

**Low Savings Base:** The Commission believed that reasons for low savings were low income, unattractive saving rates and difficult requirements for opening account. It believed that growing the economy through implementing the national economic reform agenda could address the problem of low income. To attract small savers, it recommended that banks should liberalize their account opening procedures without compromising the “know your customer” principle. This should involve broadening acceptable identification requirement - such as allowing identification by trade groups, while the national identity programme should be accelerated.

**Banks Consolidation Challenges:** On the challenges of the ongoing bank consolidation, the Commission foresaw post merger trauma issues that must be addressed proactively, such as integration challenges and stress that might arise from shotgun marriages between some banks. There was also the challenge of generating commensurate returns on banks new large capital without dropping asset returns. It believed that banks would now have the capacity to service SMEs. Importantly, there would be need to look at inflexible assets such as treasury bills sitting on banks’ balance sheets. It emphasized the need to increase the securitized assets in banks risk asset portfolio for flexibility as this would also help with debt factoring and trading of securitized assets to get out of illiquidity. Banks would need to have an asset management company that could acquire bad assets and provide for failure resolution.

The Commission noted that though the CBN had embarked on internal reform, it would still need to adopt risk based regulation to: change the regulatory framework, invest in technology to be able to effect offsite regulation and be more proactive in assisting and anticipating problems in the finance industry. It also said that banks, on their part, should increase self-discipline and regulation and adopt stricter self-policing.

**Insurance:** On the insurance sector, it believed that there was an image problem, high level of receivables, low patronage - particularly by the oil industry - and doubtful compliance during its last re-capitalization exercise. It therefore called for better enforcement of rules and regulations in the industry, introduction of prudential guidelines, and enforcement of the law on local insurance of all assets in the country. It also noted that currently, offshore companies reinsured 95% of insurance business in the oil industry resulting in low capacity of the local insurance industry. It recommended that a credit bureau for premium defaulters should be established, while compliance with re-capitalization must be enforced. Local companies needed to grow capacity through their relationships with reinsurance companies if they were to get business and grow.

**Leasing:** The Commission noted the absence of any legislation on leasing in the country (a legislation on hire purchase exits). It also noted that consumer banking relies on leasing as a financing vehicle for SMEs and for financing durable consumer goods. The Commission called for the recognition of lease purchase, as well as setting up of standards for operating and financing leases.

**Discount Houses:** The Commission noted that discount houses were the fastest moving and largest settlement system in the country. However, it said discount houses would need to open up their operations and allow for better understanding and participation of the investing public in their business. This, it said, should be done by providing relevant information, such as how much commercial papers and treasury bills were traded. It also suggested that the sector should adopt affordable screen based trading and provide a retail network.

It noted that the financial sector would require a conducive environment, as well as contend with several challenges that confronted the system in Nigeria. These were: dwindling confidence in the sector, dearth of long-term funds, inconsistency in fiscal and monetary policies and the distress syndrome. These challenges formed

the basis of the Banking & Finance Policy Commission's discussions with the key consideration being the dearth of long-term funds that ought to be the engine room of economic growth.

The Commission assessed the implementation of the recommendations of previous summits. In spite of the framework of a market determined exchange rate, it noted the continued dominance of the CBN in the management of foreign exchange; introduction of a new capital base of N25 billion for banks towards banks consolidation by end December 2005; greater collaboration between banks to reduce overhead by sharing infrastructure; encouragement of manpower development training in banks and other financial institutions; and abrogation of uncomplimentary legislation/regulations of taxes, as well as pension funds.

### **Recommendations**

The Commission recommended that the challenge of the dearth of long term funds be addressed through the faithful implementation of pension reform act, while tax incentives were required to develop the venture capital market. It said that the government should float benchmark issues of various maturities in the capital market as well as National Savings Certificate. Also the capacity of development banks should be enhanced while government should implement the revised SMEIES guidelines adopted by the Bankers Committee.

It called for the recapitalization in the insurance industry and sought for the enforcement of the law on local insurance of all assets (particularly in the oil and gas industry) in Nigeria. Also leasing should be legislated and updated to enhance current practice.

## **3. Budget and Macroeconomic Framework**

### **Introduction**

The Commission started its deliberations by reviewing the recommendations made at NES #10, with a view to comparing what has been achieved with the targets set. To do this efficiently, it invited brief presentations from government functionaries in key decision making positions on: the efforts being made, the challenges faced and realistic expectations.

The first speaker- Prof. Ode Ojowu, Economic Adviser to the President, updated

the group on the State Economic Empowerment and Development Strategy (SEEDS), which he described as a necessary counterpart to the National Economic Empowerment and Development Strategy (NEEDS). He explained that states were not equally endowed in their capacity to develop this strategy and that the federal government was helping them with the support of a number of international development partners, particularly UNDP, World Bank, DFID, CIDA and European Commission. He said that some states had finished drafting their SEEDS documents and others were at various levels with theirs.

The Economic Adviser said the National Planning Commission and the joint group of donors working to support SEEDS had elaborated a framework for the joint assessment of SEEDS. He also said that the performance of the state governments would be compared against a set of international standard benchmarks. The benchmarks are meant to promote fiscal responsibility and good governance at the state level, to identify general progress towards improved public financial management, service delivery, transparency and tackling of corruption.

Bode Augusto- Director General Budget Office, addressed the group next. He informed the group about government's effort to improve the budgeting process through the Medium-Term Expenditure Framework (MTEF). He described the framework as an integrated top-down and bottom-up system of public expenditure management designed to:

- Achieve macro-economic stability without compromising economic development
- Direct the bulk of public spending to the nation's strategic priorities as articulated in the NEEDS and for the attainment of the Millennium Development Goals
- Assure predictability of funding
- Improve the value of federal spending

Mr. Augusto said implementation of the MTEF remained challenged by lack of political buy-in and non-adherence to agreed framework, especially on the part of the National Assembly. In going forward, he said the executive arm of the government was trying to better manage the approval process with the National Assembly. They would also break the process into smaller manageable components - each agreed on, separately and sequentially, with the National Assembly. All commitments made would be made available to the public.

Clement Ofuani- Commissioner for Economic Planning, Delta State, spoke next. He asserted the position of the Delta State Government on a number issues. The first was the Fiscal Responsibility Bill, which, as currently drafted, was perceived to be unitary in approach and sought to put control of public funds of all tiers of government in the hands of federal agencies. He said the draft bill, examined by each section, revealed several incursions into the executive and legislative powers of states and local governments thereby violating the enshrined principles of federalism as contained in the constitution. Mr. Ofuani emphasised that the Delta State Government's position was not just one of legalism but that the principle of federalism remained the best political arrangement for the orderly, peaceful and just development of the country. According to him, the Delta State Government shared the concerns for accountability and transparency in fiscal operations, but the methods of addressing these concerns must be effective, efficient and consistent with the provisions of the constitution of the federation as recently reaffirmed by the decision of the Supreme Court of Nigeria in a matter brought before it in that respect.

With respect to macroeconomic stability, the commissioner said that it was the quality and nature of public expenditure rather than its quantum that had been a contributor to macroeconomic instability. Given the level of unemployment and idle productive capacity in our economy, he said increased public sector spending should be a necessary injection to create a multiplier effect on the national economy.

During its deliberations, the Commission concluded that there was an urgent need to adopt a common code of fiscal responsibility to which all tiers of government should subscribe. However, there was no agreement on how to arrive at the code, but the group recommended the immediate adoption of a pact, while following through on the process for the enactment of Fiscal Responsibility Act.

On development strategies, it asked that every state that had not completed the blueprint of their SEEDS document should urgently do so and endeavour to meet the benchmarks. On its part, the federal government should also openly demonstrate that NEEDS is subjected to the same benchmarks. The group also commended the progress made so far with the drafting of a Medium Term Economic Framework and recommended that states should adopt the same approach. At the same time, it reiterated its call for urgent action on a budget process law that would stipulate timetable for budget preparation, presentation and enactment. It agreed that there should be greater collaboration and understanding, as opposed

to suspicion, among all tiers and levels of government.

#### **4. Human Capital, Youth Development and Quality of Life**

##### **Introduction**

The Policy Commission was chaired by Sunny Kuku- Managing Director, Eko-Corp Plc. In his opening comments, Mr Kuku reiterated the relevance of the Commission. He described human resource development as part of national development and that the development of the human being would make all other things fall into place. He said the anchor of the Policy Commission would be the various components of human resources. These were identified as Education, Youth Development and Health.

The Commission noted that the problem of the country could be traced to leadership and followership and that the solution lay in improving the standard of education, the quality of life and moral/ ethical values. Statistics show that the poverty rate in Nigeria increased from 27% in 1980 to 66% in 1996. However, by 1999 it was estimated that more than 70% of Nigerians lived in poverty. Allocation to education over the years had not been very encouraging. In the 2005 budget, education received an allocation of 9.3% - down from 10.5% in 2004, while health received 5.1% - down from 6.7% in 2004. Over the years there had been declining federal budgetary allocation to schools. In 2001, the allocation to schools was 7% - which was a reduction from 17.59% in 1997, while UNESCO standard is 26%. In 2002, budgetary allocation was less than 10%.

Compared with other African nations, government spending on education as a percentage of GNP had been grossly inadequate. As a percentage of GNP, South Africa spends 7.6%, Ghana 4.2%, while Nigeria spends 0.7%. These figures revealed that education was not top on the priorities of government.

Beyond financial figures, other indices painted a dismal picture. With about 43% of the populace illiterate, it was clear that the educational system lacked capacity. In primary and secondary schools, there was a student:teacher ratio of 200:1. The tertiary institutions did not seem to fare any better with only about 13,760 academic staff meeting the academic needs of over 382,299 students in Nigerian universities. There were also issues of lack of quality academic programs as about 72% of academic programs in Nigerian universities had only interim accreditation.



## Progress to Date

Progress to date on some of the recommendations of NES #10 were as follows:

- **Budget Transparency:** It was recommended that the budget be made accessible. The budget has been published and is accessible.
- **Education Funding:** It was recommended that the budgetary allocation to the educational sector be at least 12% of the federal budget. However, instead of budgetary allocation to the educational sector increasing, the reverse has been the case. Less than 10.5% of the federal budget was allocated to education in 2004, while it dipped to 9.3% in 2005.
- **Review of Curriculum of Tertiary Institutions:** At NES# 10, it was recommended that the curriculum of tertiary institutions be reviewed and aligned with the country's economic and development needs. There has been no progress on this to date.
- **Deployment of Information & Communications Technology for Teaching:** It was recommended that teaching skills be enhanced to cope with the requirements of modern technology. Efforts have been made to create awareness on use of ICT in teaching with the result that some state governments are catching on fast.
- **Private Sector Endowment to Tertiary Institutions:** On funding of education at the tertiary level, it was recommended that there should be active collaboration with the private sector. This is being implemented.

## Focus for NES #11

The following were identified as priority areas for the Commission:

- **Funding of Education:** Issues examined here by the Commission included the roles of both government and the private sector on education funding. Other issues examined were the granting of autonomy to universities and ensuring that government expenditure was on priority areas.
- **Standard of Education:** The need for curricula of tertiary institutions to align with the nation's economic and development needs was emphasized. The need for developing technical and vocational education was also emphasized. Also, the dearth of managerial capability in the educational sector and insufficient role models posed concern to the group.
- **Ethical Values:** The Commission discussed issues of values and ethics in society and stressed the need for ethical absolutes to clearly define right and wrong as against maintaining relative positions.
- **Health:** The Commission examined health issues with a view to improving



legislation and policy formation on health matters, fostering effective collaboration of all players in the health sector, and providing minimum basic health services to the entire citizenry.

### **Plan of Action**

The following action steps were enumerated:

- ***Funding of Education***
  - Need to redefine government's role in the funding of education
  - Revisit practice and culture of scholarship, grants, and awards to students
  - Determine extent of support by private sector vis-à-vis use of Education Tax Fund (ETF)
  
- ***Standard of Education***
  - Improve the content and relevance of educational curricula
  - Focus on entrepreneurship as against dependency-type education
  - Re-introduce civic and moral education in schools
  - Define professional standards for teachers to ensure quality manpower
  - Skill acquisition and building programs for tradesmen and artisans
  
- ***Health***
  - Ensure that the National Health Act is passed
  - Establish a National Hospital Services Commission to improve quality of healthcare delivery
  - Establish a national blood transfusion system
  - Develop and implement a strategy to improve health workers' attitude, morals and commitment.
  - Institutionalize government policy on Public Private Sector Partnership for health
  - Expand scope of National Health Insurance Scheme to the rest of the population
  - Fully implement the Micro Nutrient Supplementation Policy and National Plan on Food and Nutrition

### **Recommendations**

The group made the following recommendations after deliberating on issues raised: On the funding of education, it recommended that the Presidency and the National

Assembly Appropriation's committee work towards ensuring the educational sector received a minimum of 12% of federal budgetary allocation in 2006. It also recommended that the Ministry of Education reduce the allocation to tertiary institutions while increasing that of non-tertiary institutions in the 2006 budget. While encouraging private sector participation in the provision of hostels and municipal services, the Commission recommended an increase in the ETF allocation to primary and secondary schools by a minimum of 10% and also that endowments in universities should be actively promoted.

On educational structure, the Commission recommended that the Federal Ministry of Education should work with professional bodies and other relevant organs of government to establish independent agencies for accreditation for different professions, vocational schools etc, before the end of the first quarter of 2006. It urged the Federal Ministry of Education to incorporate entrepreneurship education into the curriculum of secondary schools and review the curriculum of polytechnics to provide middle level manpower before the end of the first quarter of 2006. And in the light of the importance of science and technology to development, it recommended that incentives be provided for science education and science teachers. It also stressed the need to revive and equip trade schools and instructors to produce professional artisans.

On youth development, the Commission recommended that the private sector should establish/adopt youth centers at the state and local government level. It also urged the Ministry of Intergovernmental Affairs and Youth Development to restructure and revamp the National Youth Service Corps Scheme (NYSC). It also called for the re-introduction of community and regional youth centers for the development of entrepreneurship and leadership skills.

On health, the Commission recommended that the National Assembly and the Federal Ministry of Health should work towards the passage of the National Health Act and the establishment of a National Hospital Services Commission before the end of the 3<sup>rd</sup> quarter of 2005. It further recommended that the scope of the National Health Insurance Scheme (NHIS) be expanded to include the rest of the population. Also the Federal Ministry of Health was urged to construct and institutionalize the 'National Health Accounts'. Finally, it recommended that the National Agency for Food and Drugs Administration and Control (NAFDAC) and other relevant agencies should fully implement the macronutrients supplementation

policy and the national plan of action on food and nutrition.

## **5. Infrastructure**

The Commission's deliberation was presided over by Co-Chairman- Kunle Elebute, Managing Partner KPMG.

The Chairman provided an overview of the agenda for the session's proceedings, emphasizing that the presentation was an output of two (2) dry-runs and five (5) meetings hosted by the Co-Chairmen, including a meeting in Abuja hosted by the Federal Ministry of Works.

Briefly reviewing the overall economic outlook and the progress made thus far as a nation, he stated that infrastructure continues to be the key driver for the nation's economic growth. Specifically, significant progress and positive impact have been recorded in the telecommunications sector, which has also produced significant multiplier effect on the overall national economy. However, the need for the country to leapfrog in the development of the power sector cannot be over emphasized. The group unanimously agreed that special focus should be accorded the power sector, as this sector is significantly under-performing.

The feedback from the previous workgroup sessions were then presented using the following outline:

- overall policy thrusts
- targets
- strategies / action plans
- implementation status
- key areas of emphasis

The scope of the presentation covered the following key elements of infrastructure:

- Power
- Transport – Roads, Aviation/Air Transport, Seaports/Inland Waterways, Rail
- Potable Water
- ICT

The presentation was hinged on the following four (4) key policy thrusts/impera-

tives for the sector:

- privatize key infrastructure services to ensure effective service provision;
- enhance and enforce relevant laws to improve competition and protect consumer welfare;
- encourage private sector participation through methods such as BOT, BOOT, ROT and concession; and
- provide counterpart funding for major infrastructure projects for which either the resource requirements are too high or the incentive too low for private sector participation.

It emphasized the fact that due to enormous funding requirements to upgrade the existing infrastructure of the country, active partnership and collaboration of both the public and private sectors is inevitable. The highlights of the detailed deliberations, agreed action steps, and recommendations on the various infrastructure elements are documented as follows:

## **Power**

### ***Targets / Implementation Status***

- Electricity and Power Sector Reform Act already signed into law
- Generation Capacity
  - Target :- 10,000 MW
  - Actual :- 4,200 MW; but peak actual generation of 3,479 MW achieved in August 2003.
- Unbundle NEPA and create semi-autonomous business units: which have largely been completed.
  - 11 distribution units
  - 1 transmission company (Transyco)
  - 6 generation companies

### ***Key Issues/ Constraints/ Action Steps for NES #11***

The group agreed that the key step to transforming the power sector will be the effective implementation of the Electric and Power Sector Reform (EPSR) Act, 2005. Consequently, the critical steps in the implementation timetable were reviewed for clarity and common understanding by the participants. In addition, the following issues and constraints were raised by the participants for detailed deliberations.

- Social vulnerability factor – how do we as a nation cater for the less advanta-

geous population. Also lay emphasis on rural development

- Need for the resolution of the prevailing distribution and tariff collection problems
- Absence of provisions and structure to monitor the set targets for NEPA
- Need to set aggressive targets to cushion the excess capacity requirement
- Need to ensure effective implementation of the EPSR Act. Also ensuring adherence to the implementation timetable should be the priority of the Nigerian Economic Summit Group and Federal Government.

### ***Key Recommendation***

In conclusion, the Commission agreed that power sector should be the priority of the Federal Government to ensure national development and rapid economic industrialization. Consequently, the group stated the need to ensure proper and effective implementation of the EPSR Act. It was further agreed that the NESG should set up a private-public sector pressure group to monitor and report adherence to set implementation timetable in the immediate and short term frame.

## **Transport**

### ***Targets / Implementation Status***

- Rehabilitate and upgrade the railways with a view to restoring their relevance in the bulk haulage transportation – no progress.
- Achieve total radar coverage of the Nigerian airspace – limited progress
- Construct 3,000 km network of roads and rehabilitate 500 roads – almost full completion
- Seaport Development
  - Concession process for Apapa Port on a pilot basis has commenced
  - Required regulatory / legal framework ongoing
  - Draft Nigerian Ports Bill prepared
  - Draft National Transport Commission Bill prepared
- Public-Private Partnership (PPP) in Infrastructure Provision Bill:
  - Draft Bill developed, but has several loopholes / gaps and very limited in scope
- Need to expand framework to cover PPP in all elements of infrastructure

### ***Key Issues / Constraints / Action Steps for NES #II***

The following issues and developments in the transport sector were discussed and reviewed by the group:

- The issue of policy development in the transport sector should precede setting of targets. There is need for NESG to make inputs into the policy development process and relook the policy formulation framework due to the proliferation of the sector.
- Draft master plan for an integrated transportation infrastructure has been developed. However, there is the need to get buy-in of all relevant stakeholders.
- Draft National Transport Policy has been developed; overall a good document. However, there is need to deepen aviation policy area by obtaining inputs from the industry practitioners.
- Private funding of the road rehabilitation and construction (e.g. 2<sup>nd</sup> Niger Bridge) needs to be encouraged as government funding of this sector via budgetary allocation is not sustainable.
- Need for complete liberalization and designation of the secondary and primary routes in the aviation sector.
- NCAA needs to be autonomous and consequently strive to attain FAA Category 1 for Nigeria, through safe, clean and passenger friendly airports.
- Need for significant and tangible progress in transforming Lagos Airport into the hub of West African Air Transport System.
- Railways – The group reviewed the status of the rail sector and concluded that the Nigerian Railway Corporation (NRC) is on the brink of collapse. It is financially bankrupt and its operational capabilities exhausted as its revenues have become inadequate to meet its operating costs.
- Current condition of the tracks is deplorable. The tracks which are largely a heritage of the colonial administration were constructed at a minimum cost; avoiding deep cutting, high embankments and long bridge spans.
- Of the 3,987 wagons available, 2,294 (57%) were defective and not in use; 115 were beyond economic repair.
- NRC fleet have outlived their life span; which is further aggravated by lack of spare parts and maintenance equipments.
- The group concluded that issues confronting the rail sector were enormous and the best option was to increase private sector participation via grants of concessions in various areas of services, including provision of rail services and infrastructure maintenance.

### ***Key Recommendations***

The group agreed on two (2) key thrusts to the transformation of the transportation sector:

- Public – Private Partnership participatory approach to ensure increased private sector participation.
- Integrated approach to the transportation dilemma; in order to ensure complementary network development – railways and inland waterways to complement over-reliance on acute road networks. In addition, some selected airports need to play the role of commercial/ regional hubs.

In conclusion, the following recommendations were made for the transport sector by the workgroup:

- Ensure prompt passage of the PPP Bill; to cover all aspects of infrastructure including railway and water in the medium term timeframe. Responsibility: Inter-ministerial committee of infrastructure related ministries.
- Develop Lagos Airport into the hub of West African Air Transport System through private sector concession in the medium term timeframe.
- Bureau of Public Enterprises (BPE) to ensure concession of the railway system.

## **Potable Water**

### ***Targets / Implementation Status***

- Create an institutional framework for public– private partnership participatory approach - yet to be fully addressed
- Need to develop and implement a system of quality assurance consistent with WHO standards – already in place
- Reactivation of River Basin Development Authorities (RBDAs) and other urban water development schemes – new emphasis on RBDAs and implementation is in progress
- Construction of waterworks in every urban city and within 5km radius in rural areas – in progress but comprehensive plan needs to be developed.

### ***Key Issues / Constraints / Action Steps for NES #11***

In addition to the above enumerated status, which were extensively discussed and validated by the workgroup; the following issues and action steps were discussed:

- Need to ensure inclusion and adequate coverage of water production and distribution in the PPP Bill
- Need to allow private water operators to operate both in the rural and urban areas. This will involve collaboration with Water Boards and amendment of relevant legislations
- Private sector to provide basic infrastructure and funding



- Need to encourage local production of pumps and pipes

### ***Key Recommendations***

In conclusion, the workgroup concluded that the singular recommendation that would ensure significant improvement in potable water production and distribution was to:

- Ensure inclusion and adequate coverage of water production and distribution in the PPP Bill; in order to ensure adequate participation of the private sector.

## **ICT**

### ***Targets / Implementation Status***

The targets from NES #10 and their implementation status were enumerated as follows:

- reduction in import duty for ICT related equipment from 5% to 0%
- inclusion of ICT as part of UBE curriculum
- creation of ICT villages in the country

The group acknowledged the fact that significant progress had been made in the telecommunications sector. However, there were some potential areas of legislative overlaps and multiple taxation in the telecommunication sector. Furthermore, there was need to ensure improved progress was made in the data access sub sector, in order to ensure effective bridging of the current ICT digital divide in the country.

### ***Key Issues/ Constraints / Action Steps for NES #11***

The following issues and action steps were discussed by the workgroup:

- Need to review the propose NITDA Bill and ensure it does not constitute a duplication of the current Communications Act. Specifically, the following areas were identified for review:
  - Proposed levy of 2% of the profit before tax of companies and enterprises with annual turnover of N100 million and above; runs counter to the policy thrust and reform agenda to eliminate multiple taxes and engender a business friendly environment.
  - Section 1(g) and 7 (f) of the NITDA Bill needs to be expunged.
  - Section 1 (g) empowers NITDA to provide 'universal access' for information technology penetration including rural and underserved ar-

cas. This is an infringement of Section 122 (2) of the Communications Act, 2003 which vests responsibility for universal access on the Nigerian Communications Commission (NCC).

- Section 7 (f) assumes responsibility for regulation of standards including type approval for IT equipment to be used in the country. IT is defined in the Bill as ICT, which includes telecommunication. This provision infringes on Section 130 of the Communications act which gives NCC such responsibility.
- Need to implement Government's policy on e-government as key component of the NEEDS programme.
- Need to ensure consistency in the application of fiscal measures / tax incentives; especially in the areas of pioneer status, tariff reductions and harmonization of taxes at the three (3) tiers of government – Federal, State and Local.
- The workgroup was also presented with the Joint Economic Development Document produced by the GSM operators. This document has been produced as a strategic development policy document to assist in the rapid development of the telecommunication sector with specific analysis of the various challenges and relevant strategies to address such challenges.

### ***Key Recommendations***

The Commission agreed on the following key recommendations for the ICT sector:

- Incorporate ICT as part of UBE curriculum in the immediate/ short term timeframe. Responsibility – Federal Ministry of Education
- Review NITDA Bill and amend various clauses that could result in multiple taxation and duplication of NCC responsibilities in the immediate/short term timeframe. Responsibility – Federal Ministry of Science and Technology.

## **6. NEPAD**

The Commission began by reviewing NES #10 recommendations and expressed satisfaction that a number of them had been implemented by the government. These included the establishment of the NEPAD Business Group in Nigeria to stimulate private sector participation in NEPAD programmes, steps taken by government in 2004 to strengthen ICPC and EFCC, and the commencement of the implementation of the African Peer Review Mechanism (APRM) process in Nigeria, including the establishment of a secretariat for that purpose.

## **Policy/Institutional Gaps**

The Commission noted the following policy/institutional gaps in the implementation of NEPAD in Nigeria:

- ***Lack of sufficient awareness about NEPAD programmes in Nigeria.*** This requires a well coordinated and orchestrated publicity and awareness campaign at the federal, state and local government levels. The group observed that the recent appointment of desk officers at federal government ministries/agencies, NEPAD state coordinators and NEPAD local government coordinators (in some states) will help to fill in the knowledge gap. It said that the NEPAD Nigeria office and the APRM focal point should publish periodic news bulletins about their activities and make their occasional reports and publications more readily available. The complementary effort of NEPAD Business Group Nigeria in publishing a newsletter and the proceedings of its international Business Forum was also noted.
- ***Lack of adequate coordination between various NEPAD arms in Nigeria.*** While noting that it would not be practicable to consolidate all NEPAD activities at one point in Nigeria, the Commission believed that there should be sufficient and regular communication, cooperation, consultation and collaboration among the various arms, namely NEPAD Nigeria Office, the APRM Focal Point in the office of the Secretary to the Federal Government and the NEPAD Business Group Nigeria.
- ***Lack of adequate funds to implement NEPAD programmes.*** In order to ensure maximum success, the Commission called for financial support for NEPAD programmes and activities. It also recommended that federal and state government budgets should provide for both recurrent and capital budget headings for specific NEPAD programmes and activities in annual budgets. It also called for external financial assistance for NEPAD programmes in Nigeria.

## **Recommendations**

- The Commission examined the key areas of the NEPAD programme, namely;
- The African Peer Review Mechanism
- Poverty Eradication
- Capacity Building
- Increased Capital Flows and Debt Reduction
- Comprehensive African Agricultural Development Programme.

- The NEPAD Africa e-Learning Programme and
- Peace and Security

It recommended as follows:

**General Observation:** It was noted that African leaders and their peoples would need to place greater emphasis on harnessing local resources in order to be more self-reliant in the implementation of NEPAD programmes while greater attention should be directed at tax reform for an effective and more robust tax administration and revenue generation, and the development of the local capital market in every African country. At the same time, the Commission said good political and economic governance should be ensured so as to attract more external funding for NEPAD programmes. It observed the need for greater public and private sector collaboration in implementing NEPAD in Nigeria. It said that beyond setting up NEPAD Business Group in Nigeria, government should identify specific major NEPAD programmes where private sector participation was crucial for their realization.

**African Peer Review Mechanism:** While lauding government for committing to the APRM early, the Commission called for adequate funding of the process to ensure its success. It said that in view of the size, population and political structure of Nigeria, greater efforts should be made to create awareness and that as many stakeholders in the public and private sectors and civil society as possible should be involved in the process.

**Comprehensive African Agricultural Development Programme (CAADP):** The Commission observed that the Comprehensive African Agricultural Development Programme (CAADP) was an ambitious continent-wide programme designed to raise the agriculture budget of every African government to a minimum 10% and raise agricultural productivity by 6% per annum. It noted that already, the government had sought the assistance of the Food and Agricultural Organisation (FAO) of the United Nations in the implementation of CAADP in Nigeria and a Technical Cooperation Programme (TCP) has been instituted as a result.

The objective of the TCP assistance is two-fold, namely: (a) to prepare a National Medium – Term Investment Programme (NMTIP), and (b) to formulate a portfolio of ‘Bankable Investment Project Profiles’ (BIPP). While the group was encouraged by government’s commitment to implementing the CAADP, it recom-

mended that government should mobilize the necessary political will to ensure that a minimum of 10% of the budget was allocated to agriculture not only at the federal government level but also at the state government and local government levels.

Furthermore, it said that a larger number of agribusiness entrepreneurs including the operators of the Nucleus Estate Initiative (NEI) and banks and agricultural research institutes should be involved.

**Poverty Eradication:** The Commission also observed that poverty eradication being a key policy objective in NEPAD, NEEDS and MDGs, it has become necessary and imperative that the poverty reduction programmes of key government agencies like National Poverty Eradication Programme (NAPEP), The National Directorate for Employment (NDE) and the Small and Medium Enterprises Development Authority of Nigeria (SMEDAN) be harmonized and streamlined for synergy, maximum impact and cost effectiveness.

It said that these organisations should not be merged or restructured into one entity, but that they should regularly consult with each other, cooperate and collaborate to jointly achieve their common goal of reducing poverty through skills acquisition, employment generation, enterprise development and wealth creation.

In order to enable many small business people in the informal sector have access to finance, the group called for a national micro-finance scheme. The scheme, which should operate under the aegis of the Central Bank of Nigeria, should coordinate and support all micro-credit schemes in the country and facilitate access of small business people and cottage industries to finance so as to fight poverty.

To further fight poverty and reduce graduate unemployment, the group recommended the establishment of an Entrepreneurship Development Institute for young graduates. This is a business development and incubation institution where young graduates, post-NYSC, will spend a period of three to six months to develop entrepreneurial skills and business ideas that are bankable.

**Capacity Building:** In order to surmount the daunting economic and technological development challenges facing Africa in general and Nigeria in particular, the group recommended strengthening of the executive capacities in both the public and private sectors. Particular emphasis should be placed on vocational techni-

cal education, science and engineering technology education, information and communication technology (ICT) and entrepreneurship development education.

**Increased Capital Flows:** Having earlier made a case for more effective harnessing of local resources, it is equally important to keep the doors open for increased flows of both development assistance and investment capital. The Commission therefore recommended the creation of an improved environment for business and investment through enhanced political and economic governance in line with the objectives of the APRM.

**E-Learning Programme:** The Commission in lauding the e-governance initiative of the government, also welcomed the NEPAD e-learning initiative and its transformation into an ambitious e-learning programme in Nigeria. This should involve all stakeholders in information technology in Nigeria, including the National Information Technology Development Authority (NITDA), the Nigeria Computer Society, the Nigeria Internet Group, etc - in collaboration with the Federal Ministry of Education and the Federal Ministry of Science and Technology. The objective should be to design accelerated e-learning programmes for primary, secondary and tertiary schools in collaboration with NEPAD and the Nigerian e-Governance Agency. Funding should come from the three tiers of government and international development partners, including the World Bank.

**Peace and Security:** The Commission lauded the successful efforts by government in promoting peace and security efforts, both at home and in the West African sub-region as well as the Darfur region of Sudan. It recommended the promotion of sustainable peace and security through enhanced democratization process, good governance, justice and equity. It also recommended an increase in the strength of the Nigerian Police Force to 500,000 well-trained and adequately equipped men and women.

**Post Summit Activities:** The Commission recommended the following as post-summit activities by the NEPAD Policy Commission:

- Organize a stakeholder's summit in collaboration with key NEPAD organs in Nigeria with the aim of sensitizing the general public.
- Organize a NEPAD Nigeria Investment Forum.
- Organize a forum on NEPAD e-Learning Initiative.



## 7. New Investment Strategies

### Introduction

The Commission observed that Nigeria required a fast growth of the non-oil economy in order to transform and promote rapid economic development. This, it noted, could only happen with massive investments, which the government alone could not do in a competitive manner.

It noted that investment accelerated free enterprise, which drove economic growth and development and ultimately raised the quality of life. To achieve this, domestic investment should be further activated to create momentum on the growth fly-wheel. It further noted that the systemic change it would trigger would facilitate economic activities. The Commission also noted the need to undertake targeted marketing of Foreign Direct Investment (FDI). Focusing on these two investment sources should produce measurable improvement in the Human Development Index (HDI).

### Key Goals

The Commission examined the NEEDS document which set aggregate investment projections for 2003 to 2007, and the expected relative contributions of the private sector and federal/state governments as follows:

**Table 1: New Investment Strategy - Key Goals**

Investment (N' billion)	2003	2004	2005	2006	2007
Gross	1155.0	2071.2	2672.0	3456.4	4663.7
Private fixed	776.7	1497.3	2672.0	3456.4	3272.3
- As % of Gross	67.2%	72.3%	67.9%	71.0%	70.2%
Government fixed	378.3	573.9	857.6	1001.5	1391.4
- Federal	188.0	349.0	433.0	511.0	634.0
- State	190.3	224.9	424.6	490.5	757.4

NEEDS envisages that about US\$1.5 billion a year would be attracted into manufacturing, steel, construction, solid minerals, and large-scale farming through FDI.

The key goals of new investment strategies are in four major areas:

1. Delight existing investors, who have been found to be effective advertisements for Nigeria and would play that role more actively if the cost disadvantage of their Nigerian operation is removed.
2. Seriously court new investors, making them appreciate that there are lots



of “diamonds” in Nigeria.

3. Join the global supply chain circuit by giving active encouragement to local manufacture for regional and international markets.
4. Create jobs and wealth.

### Prerequisites

There are four prerequisites to new investments in Nigeria at present:

1. Infrastructure upgrade
2. Security
3. Governance and stability
4. Strong anti-corruption stance, signposted by zero tolerance.

### Action Plan

The action plan is tabulated in three planks - action required, responsibility and timeline - as follows:

**Table 2: New Investment Strategy - Action Plan**

Action Required	Responsibility	Timeline
Improve security		
(i) Re-orientate and properly fund the Nigeria Police, and ensure that funds provided are judiciously utilized.	Federal Government.	Monitor achievement in 2005 and reflect in 2006 budget.
(ii) Contribute materially and financially to strengthening the Nigeria Police.	Private sector.	Start now.
(iii) Provide timely information to the Police.	Private sector and general public.	Start now.

Improve rule of law and timely enforcement of contracts.

- |                                                                   |                                                   |                        |
|-------------------------------------------------------------------|---------------------------------------------------|------------------------|
| (i) Properly fund the judiciary.                                  | Federal Government.                               | Start now              |
| (ii) Ensure an independent judiciary.                             | Federal Government.                               | Start now              |
| (iii) Obey court rulings and advices.                             | Federal Government.                               | Start now              |
| (iv) Simplify court procedures through process reengineering.     | State Governments.                                | Start now              |
| (v) Provide working tools for the Courts.                         | Federal/State Governments.<br>Federal Government. | Start now<br>Start now |
| (vi) Review Nigerian commercial laws, most of which are outdated. |                                                   |                        |

**Table 2: New Investment Strategy Action Plan (cont)**

Action Required	Responsibility	Timeline
<b>Strengthen anti-corruption activities.</b>		
(i) Fund adequately and revisit the enabling law of the Independent Corrupt Practices and Other Related Crimes Commission (ICPC).	Federal, State and Local Governments	2005
(ii) Continue to deal decisively with obvious cases of corruption in Government.	Federal, State and Local Governments Private sector and general public	Immediate Immediate
(iii) Discourage corruptive tendencies by refusing to give/take and/or report such to the ICPC.		
<b>Reduce red tape and administrative barriers to businesses.</b>		
(i) Disclose service charter of Government ministries, departments and agencies.	Federal/State Governments.	Immediate
(ii) Enforce sanctions for non-compliance.	Federal Government.	Immediate
(iii) Continue civil service reform.	Federal/State Governments.	2005
(iv) Streamline access to and transfer of land.	Federal Government.	Start now
(v) Make immigration procedures investor friendly.	Federal Government.	Start now
(vi) Rationalize the number of agencies involved in goods clearing at the ports.	Federal Government.	Immediate
(vii) Implement due process at the State and Local Government levels.	State/Local Governments	Immediate
<b>Invest heavily in infrastructure.</b>		
(i) Expedite passing into law the Public-Private Partnership in Infrastructure Provision Bill.	Federal Government/private sector to lobby. Federal Government.	2005 2006
(ii) Privatize or concession the Nigerian Railways.	Federal Government.	2005
(iii) Put additional momentum to the unbundling of NEPA and privatize the business units emerging from that process.	Federal Government.	2006
(iv) Develop a blue print, showing definite strategy for renewing infrastructure.		

**Table 2: New Investment Action Plan (cont)**

Action Required	Responsibility	Timeline
Cultivate the culture of investment in Nigerians.	Government and Private Sector	Start now
(i) Educate young Nigerians.		
(ii) Include business education in school curriculum.		
(iii) Encourage financial education for adults.		
Intensify investment promotion.		
(i) Conclude codification of investment laws.	NIPC	2005
(ii) Actions/utterances of Government functionaries should be guarded to avoid sending wrong signals.	Federal Government	Immediate
(iii) Provide incentives for Nigerians in the Diaspora to invest in Nigeria.	Federal Government	Immediate
(iv) Build capacity for new product development (especially bonds) in the Nigerian capital market.	SEC/NSE/Operators	Start now
(v) Review the transaction costs in the capital market in line with global best practices.	SEC/NSE	Start now
Encourage patronage of made-in-Nigeria goods.		
(i) Inaugurate Council of high net-worth Nigerians to promote locally made products	Federal Government	2005
(ii) Constantly review the list of products for which Nigeria has comparative advantage.	Federal/State Governments	Start now 2006 Immediate
(iii) Encourage top government officials to use Nigeria made products.	Federal/State Governments	
Improve availability and access to long-term and cheap funds.		
(i) National Pensions Commission should do more road shows on the Pension Reform Act 2004.	Federal Government.	2005/2006
(ii) Continue banking and financial system reform, and avoid contradictions in policies.	Central Bank of Nigeria	Immediate

**Table 2: New Investment Action Plan (cont)**

Action Required	Responsibility	Timeline
Promote economic zones, industrial and science and technology parks, and industrial clusters.		
(i) Revive existing industrial estates.	State Governments.	2006
(ii) Allocate land for industrial parks and make basic infrastructure easily accessible.	Federal Government.	2006
(iii) Provide incentives (especially tax holidays/breaks) for ventures located within them.	Federal Government.	2006
Expedite action on passing into law the Tax Reform Bill.		
(i) Streamline taxes.	Federal Government	2005
(ii) Eliminate multiple taxation.	Federal Government	2005
(iii) Provide tax incentives for pioneer ventures.	Federal Government	2005

**Expected Impact**

The Commission envisaged that if the recommendations were implemented meticulously, Nigeria would be able to achieve the following:

- Reduce significantly the scope for government to compete with the private sector in direct production.
- Reduce the cost of doing business in Nigeria.
- Make Nigeria more competitive for global investment funds.
- Enhance local productive capacity
- Engender faster GDP growth and expand the opportunity for pro-poor growth and development.

**8. Oil and Gas****Introduction**

The Commission started its deliberations by putting oil and gas issues in the NEEDS context, which 'seeks to leverage oil and gas as an engine of growth for the rest of the economy by implementing the local content policy and growing the gas sector for domestic use and export.' It also aims to diversify the economy to reduce the dominance of the oil and gas sector, bring the informal sector into the mainstream while strengthening its links to the rest of the real sector, increase local value added and the share of manufactured goods in total export, and create incentives for a vibrant competitive private sector.

The group also noted some of the key targets set for the industry, which included:

- a. Increase in Nigeria's share of OPEC production from about 7% to 10% by 2008;
- b. Make Nigeria a dominant player in the expanding world of LNG trade;

- c. Design and facilitate implementation of a national gas grid by 2006;
- d. Complete deregulation and liberalization of the downstream including products distribution;
- e. Unbundle NNPC and privatize its downstream subsidiaries;
- f. Enable NPDC to operate like other successful national oil companies like Petronas, Petrobras, etc;
- g. Increase local content in the oil and gas services sector from an estimated 13% presently to about 50% by 2008; and
- h. Review and codify incentives in the oil and gas industry.

### **Upstream**

The Commission observed that sustainability of funding and OPEC production quota were the key issues in the upstream oil and gas sector. With respect to funding, it noted that Nigeria needed increased income from a growing oil and gas sector to fund development of social infrastructure and poverty reduction programmes. Similarly, more than 80% of oil production presently comes from Joint Ventures (JV) with government's share being about 57% on the average, while the JVs estimated funding requirement is in the range of \$7-\$8 billion per year of which about \$4- \$5 billion would come from the government. Thus, given the financial burden on the government, the group believed that there was a need to demonstrate to government that reduction in its share of JV operations might not necessarily lead to reduction in income.

On OPEC production quota, the group noted that income from oil accounted for about 40% of GDP, 80% of federal government's revenue and more than 90% of foreign exchange receipts. It believed that with Nigeria's share of OPEC production standing between 7% and 8% for years, in order to maintain investor confidence, Nigeria needed increased quota to accommodate new production from major investments, especially deep water. It believed that the country had a strong case for increased OPEC quota given her poverty level and large population.

### **Downstream**

The focus of the Commission was on the deregulation of products pricing, supply / distribution, standards and refineries. The group noted that there was a need to allow import parity pricing so as to encourage competition and also intensify awareness campaign to make deregulation acceptable to Nigerians. On supply and distribution, it identified the need to provide improved infrastructure (roads, pipelines,

power) and implement transparent / efficient tariff mechanism for PPMC in the short term and to commercialize the distribution network to promote efficiency in the medium term.

Similarly, the group discussed the need to establish and enforce minimum standards for storage depots, bulk vehicles and sites and enforce international/industry shipping standards for importation/ coastal movement of products. It also discussed the need to develop attractive terms for privatization to attract credible bidders for the country's refineries and to encourage licensed private refineries that are yet to begin operations.

In the downstream gas, the issues discussed included the framework for improved downstream gas investment, utilization of natural gas to stimulate industrialization and the reliability of LPG supply and distribution. On the framework for improved downstream gas investment, the Commission noted that the Natural Gas Policy ought to be an integral part of the National Energy Policy. It also brought into fore the need to implement the Gas Act, establish a Gas Regulatory Agency, and introduce gas pricing and gas fiscal reforms. On how to stimulate industrialization using natural gas, it noted that the country had no national gas transmission grid and industrial parks that could be supplied with natural gas. It then discussed the reliability of LPG supply and distribution and noted the key issues as being: how to address the LPG market failure to enable improved supplies, LPG safety regulations and monitoring, and incentives to encourage investments in LPG production and distribution facilities.

#### Other Key Issues

**National Energy Policy.** The Commission noted that energy was a pre-requisite for economic growth and development; however, the country lacked energy sufficiency, security and sustainability. There is a draft National Energy Policy that is yet to be given wide circulation among all stakeholders. On institutional framework and capacity building, it was observed that there was a need to strengthen regulatory and supervisory agencies to ensure a level playing field.

**Peace and Security Issues.** The group observed the criminality and proliferation of arms in the Niger Delta - where oil theft by well armed militia was estimated at about \$2.8 million daily, in addition to a large number of educated but unemployed youths, which was seen as a recipe for conflict.

**Environmental Issues.** It was agreed that gas flaring remained an issue despite the 2008 flare-out date and that there was a need to clean up the Niger Delta, prevent vandalization of oil facilities and regulate air pollution from combustion of industrial and transport fuels.

### **Action Agenda**

**Funding for Growth.** In order to meet the national aspirations with respect to funding, the group recommended that government should reconsider reducing her current equity interest in the JV. It was also recommended that government should transform NNPC to a financially independent entity like PETRONAS.

**OPEC Quota.** The Commission agreed that the country should remain in OPEC, but fight for higher quota in view of expanding production capacity and huge population. Also Nigeria should make a case for its deep-water production to be excluded from the OPEC quota.

**Local Content.** The Commission recommended that foreign companies with niche competences should establish in Nigeria through strategic alliances with Nigerian companies. In addition, the local content development policy should be vigorously implemented and a policy to attract competent Nigerian engineers in diaspora should be initiated.

**Downstream Petroleum.** The Commission canvassed the conclusion of the deregulation process by the government. It recommended that attractive terms should be developed to attract credible bidders for the privatization of the refineries. It further recommended that government should avoid selling to bidders that had little international experience.

**Gas.** The Commission advised government to get its gas pricing right, build national gas grid for industries and LPG / electricity for domestic consumption.

**Peace and Security in the Niger Delta.** The Commission agreed that there had been a long history of neglect leading to a large number of unemployed youths in the region and advised that the 13% derivation fund should be utilized transparently. It also recommended the establishment of a trust fund, and called on stakeholders to adopt the NDDC blueprint, and states and local governments to live up to their obligations.



## 9. Privatization and Liberalization

### Introduction

The Co-Chairman from the private sector- Albert Okumagba, presided over the session. He spoke briefly on the activities of the Commission prior to the summit including the contributions of the BPE (through its Director General), whom he noted was also the public sector Co-chairperson.

The Commission started by making a presentation which highlighted the pre-NEEDS realities and remarked that the BPE had put the groundwork for reform in place. It noted that the unfunded pension liabilities of government monopolies were growing just as the companies were increasingly operating at a loss. This had caused considerable drain on government's limited resources - noting that the level of infrastructure decay, excessive bureaucratic control, obsolete technology and gross incompetence on the part of government officials were features of the pre-NEEDS realities.

Based on the NEEDS document, the main objectives of the privatization programme were to encourage a rapid withdrawal of government from business and simultaneously grow the private sector. Others were the deregulation and liberalization of the sectors hitherto monopolized by government enterprises, and improvement of private sector efficiency and competitiveness - leading to long-term sustainability.

In view of the previous recommendation at NES 10, the following observations were noted:

- a. The power sector bill has been passed and is now known as the Electricity Power Sector Act 2005
- b. There has been recent presidential commitment to the implementation of the privatization programme
- c. There has been no change in the process of restructuring the sale process to emphasize long-term value-added
- d. The standing committee has been reconstituted to accommodate experts.
- e. BPE has engaged in other forms of privatization like IPO, concessioning, liquidation, e.t.c.
- f. The Pension Reform Act was enacted in 2004
- g. There was no evidence of investing privatization proceeds in capital projects.

The presentation analyzed the NEEDS target with respect to the privatization process and reported as follows (see table below):

**Table 3: Privitization and Liberalization - Privitization Process**

Electricity network	Mid term (2005 – 2007)	<ul style="list-style-type: none"> <li>- A new Power sector act.</li> <li>- Unbundling of NEPA</li> <li>- General power sector reforms.</li> <li>- Separate funds for rural electricity</li> <li>- Privatization of successor companies</li> </ul>	<p>Bill passed. New Electric Power Sector Act:</p> <ul style="list-style-type: none"> <li>Provides legal backing for the unbundling of NEPA</li> <li>Fresh capital investment and managerial expertise expected</li> <li>Competitive pricing expected</li> <li>Alternative energy source</li> <li>NCP is expected to fast track the composition of various bodies established in the Act.</li> </ul>
Nigeria Ports Authority (NPA)	Mid term 2005 - 2006	<ul style="list-style-type: none"> <li>-Concessioneing all operational services to private operators</li> <li>Create an independent regulator in the sector</li> <li>-Restructure NPA in line with the land lord model</li> <li>- Social action plan to take care of labor matters</li> </ul>	<ul style="list-style-type: none"> <li>-Landlord model adopted</li> <li>-Phased concessioneing of various ports in progress</li> <li>-Increase efficiency in port administration expected after concessioneing</li> <li>-New carbotage act raise issues yet to be resolved e. g. FDI Inflows</li> <li>-Efforts at port reforms in high gear e. g. Presidential task force on port efficiency in action.</li> <li>-Draft bill finalized by FederalExcecutive Council.</li> </ul>
Nigerian Railway Corporation (NRC)	2005 -2006	Concessioneing	<ul style="list-style-type: none"> <li>-Initial consultation in progress</li> <li>-Final Concessioneing expected in 2006</li> </ul>
Oil sector 4 Refineries	Medium Term 2005 – 2006	Complete liberalization of pricing and marketing of petroleum products	<ul style="list-style-type: none"> <li>- Price liberalization target partly met</li> <li>- Refineries presently in operation.</li> <li>- Sale of at least two expected before end of year</li> <li>- Oil majors still not interested in the refineries -- law considered to encourage them to refine their crude</li> <li>- Process needs fast tracking.</li> </ul>
11 Oil servicing companies.		Private placement	

**Table 3: Privitization and Liberalization - Privitization Process (cont)**

Eleme Petrochemical Plant	2007	Move to market determined exchange rate for NNPC Products Privatization of refineries	<ul style="list-style-type: none"> <li>- Lien, by creditors results in slow pace. Action required by Govt. Indication exists that rift has been settled.</li> <li>- Needs fast-tracking</li> </ul>
PPMC		Ditto	
Gas sector Nigeria Gas Company (NGC)	2005 -2007	Ditto	<ul style="list-style-type: none"> <li>- Gas reform/pricing policy bill undergoing harmonization by the executive.</li> <li>- Process needs fast-tracking</li> <li>- Delay may affect:               <ul style="list-style-type: none"> <li>- Investment in IPP</li> <li>- May affect the directive on gas flaring and running their plants with gas.</li> <li>- Delay the process of unbundling the gas company into transport and marketing.</li> </ul> </li> </ul>
Nigerian Telecommunicator s Limited	Rescheduled for 2005-2006	IPO/Core investor	<ul style="list-style-type: none"> <li>- In progress.</li> <li>- Labor issues and Pension fund deficit needs resolution.</li> <li>- Extra care should be taken in the selection process to avoid the pitfalls of the past</li> </ul>
-3 paper mills.  - Nigerian Trucks Manu Kano  5 vehicles (VAP) Assembly Plants.  2 fertilizer Plants  5-sugar companies	2005 – 2006	Privatization	<ul style="list-style-type: none"> <li>- Lack of interest due to huge liabilities and obsolete machinery.</li> <li>- Fresh strategies required.</li> <li>- NTM privatized</li> <li>- Process slow</li> <li>- Not presently sustainable</li> <li>- Fresh strategies required to encourage investors</li> </ul>
Nigeria Wood Ind/ Chem. Company Ltd - Alskon		Liquidation /privatization  Ditto	<ul style="list-style-type: none"> <li>- NAFCON being liquidated</li> <li>- Savannah sugar privatized rest in liquidation</li> <li>- Partly met target.</li> </ul>
			- Transaction still inconclusive

**Table 3: Privatization and Liberalization - Privatization Process (cont)**

NAHCO		IPO	Work in progress
Nigeria Unity Line.		Core investor sale	
Nigeria Airways			-Target met.
Afribank Nigeria Plc			Afribank's recapitalization just concluded and FGN's equity holding diluted shares now on the floor of NSE
NICON Hilton Abuja International Hotel	2005 -2006	Privatization	- Action just resumed
New Nigeria Newspaper (NNN)			- Core investor and financier squabbles over control. BPE making conciliatory moves.
Daily Times Plc Etc.			Gains of privatization process on hold.
NANS NigeriaFilm Corp. NTA NSITF Stadia (Enugu)		- Commercialization	Target met

Some of the challenges identified in the privatization exercise included: the problem of high and unrealistic pricing, accessing capital credit to conclude the transaction, labour squabbles and litigations in some cases. These have resulted in delayed implementation of the process, decrease in foreign direct investment (FDI) and so on. The paper identified some critical issues for deliberation by the Commission to include: efforts at optimizing government's role in the privatization process, post privatization performance appraisal and monitoring, attracting FDI's to the process and improving communication in the process.

These were expected to impact the society by:

- Deepening the capital market
- Increasing employment creation
- Ensuring ownership structure involves the people
- Ensuring equitable income distribution

It identified areas where the Commission could assist the privatization process to include:

**Advocacy Issues.** Organize workshops and summits to assess the impact of the process, dialogue with stakeholders and different arms of government and engage in enlightenment of the citizens on the various aspects of privatization.

**Communication.** Inform Nigerians on the need to ensure stakeholder buy-in at all levels.

**Research.** Carry out detailed research on areas of interest in the course of the process to assist the privatization exercise.

On its part, the government is expected to play its part in the following areas:

- Accelerate the reform process and fast track implementation timetable
- Partner with the civil society and NGOs on impact assessment
- Create an enabling environment by providing security, good governance, anti-corruption e.t.c.

Donor agencies and other private sector stakeholders are expected to:

- Partner with civil society and government on action plan
- Facilitate skills improvement and training of long-term advisors/staff secondment.

Also making her contribution, Irene Chigbue- Director General BPE, commended the high level of collaboration between the Commission and BPE. In terms of progress made so far, she presented as follows (see table below):

**Table 4: Privatization and Liberalization Progress made so far**

S/N	Company	Comment
1	Power	<ul style="list-style-type: none"><li>- Initial problems led to World Bank withdrawal of funds</li><li>- Begun the process of transfer of assets and liabilities of NEPA</li><li>- Commissioners for the regulatory commission are being screened and may take off by third quarter</li><li>- Government will continue funding of key sectors like transmission, infrastructure and generating capacity</li><li>- Twin process of looking at the short-term problem and long-term solutions to power problems and actual Privatization</li></ul>
2	Oil and Gas	<ul style="list-style-type: none"><li>- Advisers are preparing documents</li><li>- Investors for refineries are reviewing the documents and the Privatization may be completed before the end of the year.</li><li>- Working with NNPC to compel the oil majors to refine internally.</li><li>- Gas policy approved but being reviewed by the committee with respect to huge tax issues.</li><li>- Law for unbundling the gas sector in view.</li></ul>

**Table 4: Privatization and Liberalization Progress made so far (cont)**

3	Nigerian Telecommunications Limited	<ul style="list-style-type: none"> <li>- Timetable is stable and being followed</li> <li>- Quality of investors are good</li> <li>- Pressures from "bad" investors/merchant investors affecting the work. A lot of blackmail being used to foil the process</li> </ul>
4	Paper Mills	<ul style="list-style-type: none"> <li>- Government to reduce expectation on financial returns due to poor value of the plants.</li> </ul>
5	ALSCON	<ul style="list-style-type: none"> <li>- Preferred bidder could not meet with the bid and the reserved bidder lacked technical capacity</li> </ul>
6	NICON Hilton Hotel	<ul style="list-style-type: none"> <li>- Due diligence in progress.</li> <li>- Hotel acquired real value and improved facilities</li> <li>- 49% to be sold through Initial Public Offering (IPO)</li> </ul>
	Sheraton Hotel and Towers	<ul style="list-style-type: none"> <li>- Low interest expressed. Though not performing at full capacity, generally has improved but has huge debt</li> </ul>
	Meridien Hotel	
7	Ports	<ul style="list-style-type: none"> <li>- PH bid will open June 4, 2005</li> <li>- The entire concessioning may be completed by September 2005</li> <li>- Two bills being proposed for ports authority and transport sector (roads, rails, land)</li> </ul>
8	NAFCON	<ul style="list-style-type: none"> <li>- Kaduna fertilizer plant slowed down to ensure proper investigation</li> </ul>
9	Nigerian Airways	<ul style="list-style-type: none"> <li>- Liquidation almost completed</li> </ul>
10	Afribank Nigeria Plc	<ul style="list-style-type: none"> <li>- Sale of shares almost completed. Remaining shares to be sold in Abuja and Yola Stock exchanges.</li> </ul>
11	Abuja International Airport	<ul style="list-style-type: none"> <li>- Slow pace of work by IFC</li> </ul>
12	Daily Times Nigeria Plc	<ul style="list-style-type: none"> <li>- Progress made with resolving issues on loans between investors and financiers</li> </ul>
13	Nigerian Railways	<ul style="list-style-type: none"> <li>- Will follow the same pattern as the ports</li> <li>- Roadmap designed.</li> </ul>

Mr. Okumagba, commended the input by the DG of BPE and added that:

- a. Emphasis should be on getting the regulatory commission in place as soon as possible pointing out how Nigerian Communications Commission (NCC) has helped the telecom industry
- b. Government should create a level playing field for all interested in the power sector

### **Deliberations/Recommendations**

The group deliberated on the presentations and noted that:

- a. The process is not only a political one but has social and economic impact and hence should focus on achieving macroeconomic impact.

- b. The power sector issue should consider the social impact especially with pricing for people in the rural areas.
- c. The timing for expression of interest is usually too short to get quality foreign partners.
- d. The hitches experienced with members of NASS are the same with some states, hence the need to devise a means to accommodate that.
- e. There is shortage of capacity in the rural areas and BPE should assist in capacity building in rural areas to ensure total buy-in into the process.
- f. Nigerian brand is not acceptable outside hence the low FDI
- g. Some problems were previously experienced where preferred bidders were not able to meet the bid price and were invited to negotiate and improve on their price. BPE should make the reserved price known from the outset to enable prospective investors take decisions.

Subsequently, the group recommended that BPE should:

- improve communication of the process and the private sector should support it
- strengthen its management capacity to cope with the current challenges
- assess technical and financial bids simultaneously to make the process more transparent and efficient
- make known the reserved price to prospective bidders
- increase alliance with financial services companies to promote and attract quality investors
- engage in stakeholders' forum like summits, workshops e.t.c.
- fast track the setting up of power sector regulatory commission

To achieve some of these recommendations, the Commission agreed on an action plan as shown below:

**Table 5: Privatization and Liberalization Action Plan**

Activity	Timeline
Advocacy/ Communication	Continuous
Policy statements and sensitization	Regular/monthly
Dialogue sessions with stakeholders	Quarterly
Impact assessment	Semi-annually
Workgroup meetings	<ul style="list-style-type: none"> <li>- Every other month -August 30, October 25 and December 13, 2005</li> <li>- Venue - alternated between Lagos and Abuja</li> </ul>



## 10. Rebuilding Institutions

### Introduction

In his opening remarks to kick start the group's proceedings, the private sector Co-Chairman - Adedotun Sulaiman, Chairman Accenture, described the issue of rebuilding institutions as unique and challenging because the subject matter is intangible. He emphasized the fact that institutions were the key determinants of a nation's successes or failures and that their roles were fundamental to any legitimate claim to civilization. He said that issues bordering on values were "the unseen" but, nonetheless, extremely vital pillars upon which societies were built, and should not be taken for granted. He stated that it was the total neglect of our key institutions that had brought Nigeria to its current state.

He cast the audience's mind back to the period when positive values were held in high regard in the Nigerian society; but overtime values had degenerated, behavioural standards had fallen drastically, and a significant component of this change could be attributed to weak institutions. He believed that if we did not strengthen our institutions, the country would be unable to reap the full benefits of the current reform process, especially, in the implementation of NEEDS. This is reiterated by the following statement extracted from the NEEDS document:

"... more so as experience has shown that the successful pursuit of a national vision has often been engendered by the inculcation of correct moral and ethical values - NEEDS 1st draft - Page 59

Mr. Sulaiman also acknowledged that significant progress had been made in key areas based on the ongoing reforms, in concert with agencies such as: the Independent Corrupt Practices Commission (ICPC), Economic and Financial Crimes Commission (EFCC), Budget Implementation and Price Unit. Other areas include pension reforms, monetization, restructuring and strengthening of the FOS. In addition, the police force has doubled in size since 1999.

He gave examples of foreigners, who had come to Nigeria to do business, but had to leave because of insecurity; as such several business opportunities had bypassed the country because people did not feel attracted to doing business in the environment. He attributed this bad trend to the weakness of our public institutions (the security services, the judiciary, the civil service, etc) who did not subscribe to acceptable standards in carrying out their assignments, with its attendant

consequences. This ugly trend had also crept into the conduct of the private sector with many of its members seemingly reluctant to subscribe to basic standards in doing business and cohabitation.

On how to groom Nigerians to act rightly, Mr. Sulaiman said it would involve strengthening our value system by focusing more on the soft, intangible side of things. A lot of reform initiatives did not succeed because of what people had termed the 'Nigerian factor'. This was obviously a drawback and constituted an erosion of the value-base of the people.

In conclusion, he said the core members of the group had, prior to the summit, discussed the subject and made several recommendations, which would form the basis for the group's deliberations.

### **Group Deliberations**

During the deliberations that followed, the following points were made:

- a) Reacting to a comment made in the course of the presentation that Nigerians, when abroad, act differently and conform to rules and regulations: it was argued that the people were just the same abroad as in Nigeria. Therefore, the problem was not the environment but the value orientation of the average Nigerian.
- b) The Commission mentioned the need to distinguish between person and behaviour, stating that when Nigerians enter into an orderly environment they change their attitude to conform accordingly. It then traced the root cause of the problem to the prevailing infrastructure decay in the country that made it extremely difficult to behave and act in a proper manner.
- c) It observed the existence of codes and standards of conduct in the private sector and public sector, but these are not well understood and enforced. As such, public servants could not distinguish between their personal and professional interests and obligations. Any behavioural foundation must be solidified at childhood.
- d) The Commission went further to state that the environment and institutions determine the eventual conduct of the human being. For example, if the police force properly enforces the law there would definitely be a reduction in crime

rate. In this case, there should be a genuine recognition of the roles, responsibilities, obligations of each person and group.

- e) Referring specifically to the public service, the group blamed the poor standards in public services on over bloated personnel, most of them without specific functions. Furthermore, workers are poorly trained, remunerated and motivated - apart from working under unpleasant conditions - and these have direct impact on their productivity.

### **Recommendations**

Based on the consensus reached during the deliberations, the Commission agreed on specific recommendations that covered five broad areas regarded as major institutional challenges currently facing Nigeria. Thereafter, a 'practical action plan' for addressing these challenges was drawn up which included responsibility for implementation as well as implementation timelines.

The institutional issues were identified as follows:

1. Weakened sense of community
2. Substance over form – lack of simplicity and humility
3. Lack of respect for the rule of law
4. Lack of respect for good order
5. Lack of honesty and integrity

Recommendations fell into two categories, dealing with:

- Broad reforms that the government and its agencies needed to carry out, some of which are currently being addressed in NEEDS
- Specific actions that the Commission and the NESG could carry out in supporting the various programmes of the government.

The summary of recommendations is presented in the table below:

**Table 6: Rebuilding Institutions - Action Plan**

Issues	Suggested Actions	Responsibility	Timeline
<p><b>Weakened sense of community</b></p>	Design and implement a grassroots orientation package	<ul style="list-style-type: none"> <li>•Private sector</li> <li>•Public sector</li> </ul>	0-6 months
	Articulate and Review criteria for conferment of national awards	<ul style="list-style-type: none"> <li>•Civil Groups</li> <li>•Public Sector</li> </ul>	0-6 months
	Promote policy on mandatory teaching of civics in schools in collaboration with NERC	<ul style="list-style-type: none"> <li>•Education</li> <li>•Ministry</li> <li>•Civil Groups</li> </ul>	0-6 months
	Review criteria for conferment of national awards and make recommendations to government	<ul style="list-style-type: none"> <li>•Federal Government</li> <li>•NESG</li> </ul>	0-6 months
	Propose policy guidelines on eligibility of political office holders to chieftaincy titles	<ul style="list-style-type: none"> <li>Civil Groups</li> </ul>	12-24 months
<p><b>Substance over form- simplicity, humility</b></p>	Review Pubic Service Protocol and make recommendations	<ul style="list-style-type: none"> <li>•Civil Society</li> <li>•Public Sector</li> </ul>	0-6 months
	Develop live television program where political office holders benchmark their performance (Peer review mechanism)	<ul style="list-style-type: none"> <li>•Public Sector</li> <li>•Private Sector</li> <li>•Civil Society</li> </ul>	12-24 months
	Introduce standardized performance indicators, rank performance of public officers and publicize	<ul style="list-style-type: none"> <li>•Civil Society</li> </ul>	12-24 months
<p><b>Lack of Respect for the Rule of Law</b></p>	Public education through sponsored programmes (documentaries, paid advertisements)	<ul style="list-style-type: none"> <li>•Private sector</li> <li>•Public sector</li> </ul>	12-24 months
	Facilitate completion of National Identity Card Scheme	<ul style="list-style-type: none"> <li>•Private Sector</li> <li>•Public Sector</li> </ul>	12-24 months
	Facilitate national crime databank leveraging National Identity Card information	<ul style="list-style-type: none"> <li>•Private Sector</li> <li>•Law Enforcement</li> </ul>	Above 24 months
	Promote Effective Law Enforcement based on improved working conditions of security operatives	<ul style="list-style-type: none"> <li>•Private Sector</li> <li>•Federal Government</li> </ul>	0-6 months

**Table 6: Rebuilding Institutions - Action Plan (cont)**

Issues	Suggested Actions	Responsibility	Timeline
<b>Lack of Respect for Good Order</b>	Design Public/Private partnership for developing public facilities e.g. toilets, wastepaper bins, traffic signs	•Private Sector •Public Sector •Civil Groups	12-24 months
	Support Public Sector enlightenment of Civil Servants on Code of Conduct Implementation (e.g. through support from Private Sector funds)	•NESG •Private Sector •Public Sector	12-24 months
	Survey and rank public services on performance against code of conduct; publicize outcome	•Public Sector •NESG •Private Sector	12 -24 months
<b>Honesty and Integrity</b>	Orientate Public Officers about their responsibilities under the Code of Conduct	Federal Government Code of Conduct Bureau Private sector	12-24 months
	Partner with Servcomm to communicate the service charter to the public; Promote <u>public</u> declaration of assets	Federal Government	12-24 months
	Conduct periodic surveys to assess performance of government ministries and agencies; rank and publicize performance	Private Sector NESG, Rating Agencies, Media, Others	0-6 months

## Conclusion

In conclusion, the Commission said rebuilding institutions - especially within its chosen context - could be a daunting task, as the term "institutions" could be broad and complex. However, the group articulated some of the key institutional issues along a clearly defined scope, and defined a framework for addressing the problems. The framework emphasized the role of institutions in moulding and reinforcing values through the use of outcomes (sanctions and rewards).

The Commission also recommended remedial actions within the action plan framework. This effort, it is believed, would form the foundation of its activities throughout the next one-year.

## 11. Science and Technology

### Introduction

In today's closely integrated and competitive world, knowledge or the lack of it is

decisive in separating winners from losers, be it at individual, firm or national levels, as it expands the achievement possibilities of those who have it and diminishes the potentials of those who do not. Hence, the Commission affirmed that a credible national Science and Technology (S&T) capability is imperative for competitive advantage and for sustainable progress under NEEDS.

Apart from being a particularly dominant force in shaping development outcomes, the tremendous impact of breakthroughs in scientific and technological innovations, agriculture, biotechnology and biomedical science, and information and communications technology in the industrialized nations indicate that S&T achievements in the areas of innovation and diffusion have become a source of exclusion. It cited Japan, with little natural/material resources, but high proportion of manpower trained in S&T as a good example of its massive impact on economic transformation. It noted that countries like China and India, which have used S&T as a platform for spurring development, have now moved into the economic big league and threatening the leadership and dominance of the industrialized West.

In contrast, countries that do not have access to these technologies face a serious threat to their development possibilities, be it in terms of employment generation, ensuring food security, poverty alleviation and improved livelihood, delivery of basic services, and improvement in the efficiency and effectiveness of government. Hence, Nigeria must aim at joining the league of winners rather than just being technological diffusers.

### **Where are we?**

The Commission reviewed the development of Nigeria's knowledge resources in Science and Technology Development Strategy and found that S&T was a relative newcomer. Even then, it said S&T had a critical role to play in creating a deeper understanding of the country's development crises and their possible solutions. Evidence of S&T's tremendous impact on socio-economic development include: productivity revolution in crop and livestock production, medical diagnosis and treatment, and quantum reductions in transaction costs arising from unprecedented access to information.

The Commission observed that at independence, Nigeria had only a few secondary schools with good science laboratories. Technology education was also only available in a few locations: NCAST, YCT, etc. Forty years on, Nigeria has a



well-articulated policy on S&T; but the sector is characterized by:

- Severe lack of capacity for learning and teaching of S&T. This is in spite of a 60:40 stipulation in favour of S&T education;
- Brain-drain of trained personnel arising from dilapidation of infrastructure in universities, polytechnics and research institutes – lack of facilities for self-actualization;
- Students Industrial Work Experience Scheme (SIWES) has become difficult to implement as a consequence of trends in the economy;
- By 1990, average number of R&D Scientists and Technologists with advanced degrees in the developed countries was 3690/million. Africa had 75/million.

### **Key Issues in Building a Credible National S&T Capability**

To bridge the gap between the rich and poor countries, the group said S&T must become a core part of the national development strategy as it has the potential to effectively leverage human development and facilitate technological progress. It believed that the starting point would be for the country to create and sustain the necessary development dynamics. For this to happen, it said four elements were critical, namely:

- a. Education and training.*** Both innovation and technological diffusion are functions of the level and quality of education, with emphasis on mathematics and science. To achieve the goal of building a strong national S&T capability, there is need for a constant and unrestrained flow of ideas; the recognition of what humanity has achieved so far in the areas of agriculture, manufacturing, communication, medicine, etc with the aid of S&T; and recognition of the development possibilities that technology offers to developing countries.
- b. Good infrastructure base.*** Because the next phase of the country's development will depend to a great extent on the country's ability to leverage on S&T, it is important to investigate and address the links between S&T and infrastructure development.
- c. Trade and investment policy:*** It is not enough for the country to focus on good governance, market reforms, etc. Technology is often embodied in goods and services. Thus, appropriate trade and investment policies, which encourage economic diversification and private sector development; development of research and innovations systems; development of an ICT framework; and



the enhancement of human freedoms, should form part of the government's agenda.

- d. Environmental protection:* There is need to ensure that the pursuit of development through the application of S&T does not run counter to environmental protection. This is because the ultimate end of S&T is the improvement in the multiplicity of goods that enhance the future well being of the country's citizens and how well the country can compete in the global market place.

The Commission observed that Nigeria's recent development record, which had been characterized by rapid and sustained growth, was attributed to oil wealth, a disciplined approach to macroeconomic management, democracy and good governance and international goodwill. It said there was a strong need to strengthen the economy by diversifying it away from oil and gas mining, finding a solution to the HIV/AIDS problem and other human development challenges - such as the persisting inequality, unemployment, poverty and excessive dependence on the state, as well as addressing the slow pace of citizen economic empowerment. This is crucial if the impressive gains of the last few years must continue and be consolidated.

The Commission strongly believed that S&T had an important role to play in facilitating all these. It also recognised that the problems of health, globalization and the threat of digital exclusion and environmental sustainability could be addressed and that S&T backed by the appropriate policy and implementation strategy was best placed to play such a catalytic role.

### **The Vision - Where we want to be?**

The Commission recommended as follows:

- Increase in domestic S&T jobs
- Increase in domestic S&T (knowledge-base and wealth creation) activities, with associated multiplier benefits
- Focus on location of activities in Nigeria and not necessarily ownership by Nigerians - in the spirit of NEPAD and globalization.
- Development of local science and technology capacity for activities in biotechnology and manufacturing, agricultural production and processing, information technology and telecommunications, oil and gas (design, fabrication and processing).

## **Obstacles to realizing the Vision**

The Commission noted that in spite of a well-articulated policy on S&T, Nigeria still belonged to the large group of developing countries that were neither involved in significant S&T innovation nor its diffusion at any significant level. As indicated earlier, the capacity to innovate and diffuse technology is a product of the quality of physical and institutional infrastructure; the quality of education and educational attainment by the citizenry; the size and maturity of markets; as well as the level of integration into the world economy through trade and investment.

It believed that Nigeria could meet the basic requirements for developing a strong S&T capability and capacity. It also noted that Nigeria had research institutions that were well resourced to carry out significant research, but outputs to date had not been reflective of that potential due to:

- Absence of an enabling environment for the recruitment and retention of well-trained, highly skilled, motivated and dedicated professionals;
- Lack of focus in funding, incentive structures and institutional framework that facilitate value addition in S&T research and development.

## **The Way Forward**

As part of the policy response, the Commission recommended the strengthening of expertise in applied Research and Development (R&D). The government, in implementing this policy, should consider developing the research capacity at tertiary institutions and embark on a rationalization of the number of research institutions after necessary legislative amendments.

It recommended a shift from the current input-funding model to an outcome based 'Incentive Funding Investment Model' (IFIM). With this new focus, it said government funding for research should be based on identified outcomes by the research provider to enhance the intellectual property developed in the country.

In order to achieve the desired strides, Nigeria must embark on the development of an educational policy framework that progressively affords ICT education. It also recommended that school children and youths should have access to ICT infrastructure. But beyond this, Nigeria must form part of the quest for life-long learning by all educated citizens.

In charting the way forward the group recommended a framework that would

permeate government, industry and civil society, with space for people to apply their innate and acquired assets, as a strategic development objective. Here, the thrust is for the articulation of an S&T policy that is:

- Anchored on the national development blueprint of eliminating poverty and improving living conditions of our people. (There was, until now, no explicit reference to the strategic importance of S&T in fast-tracking our growth and development in the 'NEEDS' document. The group believed that this may have been an oversight).
- Backed by appropriate enactments by the parliament and adequately funded.
- Coordinated, demand-driven and involving active private sector participation.
- Result-oriented – leveraging the advances in S&T to resolve development challenges facing the country.
- Set benchmarks for capacity building and institutional strengthening; as well as ensuring active and well-coordinated participation of the private sector through collaborations/ partnerships (several blueprints exist in the international arena. We should not attempt to reinvent the wheel.).

### **Specific Action Agenda**

The Commission also recommended the following specific action agenda to boost the contribution of S & T to the development of the country:

- a. Commence, immediately, a review of existing national policy of S&T with active involvement of the private sector. This would include a review of existing S&T policy documents: AIST & ARCT, etc;
- b. Consult with stakeholder groups - academia, industries and other service providers, etc to build consensus from all - including arms and tiers of government;
- c. Increase and sustain allocation to R&D institutions/departments in public and private sectors;
- d. Amend existing policy on R&D to be relevant to society's needs and the private sector based on outcome driven model;
- e. Establish a competitive Research Grant system through PPP;
- f. Provide adequate infrastructure at all R&D institutions/departments;
- g. Ensure that a certain percentage of private sector R&D budget is expended locally - establish R&D stabilization fund and encourage private sector funding of R&D through PPP;
- h. Allocate 1% of GDP in line with the recommendation of Lagos Plan of

- Action;
- i. Implement & sustain an aggressive human capital development policy in S&T;
  - j. Encourage S&T institutions to collaborate with global partners;
  - k. Promote the commercialization of R & D outputs; and
  - l. Base recruitment criteria on competence and reward on performance.

**Table 7: Science & Technology - Action Plan**

Intended Output	Output Targets by Yr	Responsible Party
•Revise Science & Technology Policy and Legislation	<ul style="list-style-type: none"> <li>• Inauguration of the NESG S&amp;T Policy Commission;</li> <li>• Consultative Forum Summit on role of S&amp;T in Nigeria's development agenda.</li> </ul>	<ul style="list-style-type: none"> <li>• Relevant Ministries &amp; Parastatals: S&amp;T, NPC, Education, Industry, Health, Defence, Water Resources &amp; Agriculture;</li> <li>• Legislature;</li> <li>• Research institutes: NISER, IITA, NIPSS, RMRDC, SHESTCO, etc;</li> <li>• OPS (MAN, NACCIMA, NASSI, etc)</li> </ul>
•Improved Competitiveness in Science & Technology Education, Technical manpower training, development and utilization	<ul style="list-style-type: none"> <li>•Provide effective coordination and linkages of activities to avoid duplication;</li> <li>•Make ICT education compulsory at all levels;</li> <li>•Initiate process for upgrading/rebuilding institutional capacity for the attainment of S&amp;T development goals</li> </ul>	•Ministries of: Science & Technology, NPC, Education, Industry, Health & Agriculture;
<ul style="list-style-type: none"> <li>• Commercialization of research results &amp; inventions;</li> <li>• Coordinated S&amp;T portal for information exchange, e.g. initiatives like the "COPINE" Project – a satellite based UN Initiative aimed at redressing the state of isolation of African scientists.</li> </ul>	<ul style="list-style-type: none"> <li>• Improved database of S&amp;T research results &amp; inventions through ICT networking of institutions involved in S&amp;T Research</li> <li>• Initiate process for the establishment of S&amp;T Parks/Technology Incubation Centres;</li> <li>• Institute competitive grants to encourage S&amp;T Research</li> </ul>	Ministries and agencies with scientific data bases, with the collaboration of development partners.

**Table 7: Science & Technology - Action Plan (cont)**

Intended Output	Output Targets by Yr	Responsible Party
<ul style="list-style-type: none"> <li>• Adequate Funding for Science and Technology education, research, innovation &amp; entrepreneurship</li> </ul>	<ul style="list-style-type: none"> <li>• Institute fiscal incentives to encourage grants for S&amp;T Education &amp; Research,</li> <li>• Ensure timely release of budgetary allocations to the S&amp;T sector,</li> <li>• Promote venture capital, and risk funds for S &amp; T activities</li> </ul>	Presidency/Federal Executive Council

## 12. SMEs, Informal Sector and Wealth Creation

The session was co-chaired by Folu Ayeni and Fabian Ajogwu. Ayeni presented the Commission's year-long work to members. He stated that interest in SMEs had been growing with widespread consensus on their vital role in Nigeria's economic development. He also mentioned that since NES #10, the SME group had collaborated with various multilateral agencies to garner institutional support for SMEs' capacity building. These included the World Bank SME department, UNESCO, etc. The group also had joint efforts with the Federal Ministry of Industry, Lagos Chamber of Commerce and Industry, and the Manufacturers Association of Nigeria, among others.

Ajogwu on his part, also highlighted new vistas of opportunities that opened for SMEs in non-traditional sectors like the oil and gas sector (through the new local content drive), as well as in government's privatization programme. Other highpoints of the presentation included entrepreneurship and SMEs, a recap of NES #10 recommendations, progress report since last summit, recent developments in the SME sub-sector and other outstanding issues.

He identified the needs of SME sub-sector as incentives, access to finance, infrastructure, capacity building and critical support services. He noted that the registration process at the Corporate Affairs Commission (CAC) had improved significantly partly because of its collaboration with the SME group. This has resulted in the introduction of the CAC "Fast Track" (one-day) company incorporation procedure which involves the payment of an additional N50, 000.00 for registra-

tion. He also commended the Central Bank of Nigeria (CBN) for removing real estate from benefiting from SMIEIS because of abuse.

On capacity building and services, he said there had been increased support for SME specific capacity building in business development by the World Bank, Lagos Business School/EDS, FATE Foundation, LEAP Africa, etc. Also, various workshops were held to create awareness on franchising and increased partnerships for value added initiatives. However, there had been no action on other identified SME needs as listed below:

**Taxation.** The group had recommended a lower tax rate for SMEs (i.e. no corporate tax if SME annual turnover is less than N5 million; increase of minimum personal income tax from N30,000 to N500,000, etc). But, there has been no action from the relevant agency - Federal Inland Revenue Service (FIRS).

**Access to finance.** Incentives for SMIEIS participants are yet to be institutionalized. Also, the 5-year tax holiday recommended for SMEs in the programme has not been implemented, as well as the 1% of SME funds that should be set aside for capacity building support.

**The Small, Medium Industry Equity Investment Scheme (SMIEIS).** Though there has been a gradual increase of awareness on equity investment by banks and SMEs since NES #10, only N9 billion had been invested out of N31 billion accumulated in the fund. Also, 121 projects in the real sector were funded with N6 billion, accounting for 65% of all disbursements. The balance was invested in the service sector. Of the 180 projects supported so far, 116 were located in Lagos and 64 in other states. Thirteen states did not benefit at all.

**The Bank of Industry (BOI).** Available data shows that only a sum of N5.8 billion had been disbursed by BOI for the implementation of 53 projects since 2002 .

## **Discussion**

The Commission identified taxation, capacity building, access to finance and the proper implementation of SMIEIS as the major challenges facing SMEs. Members noted that SME tax refund had not been adequately addressed and suggested that the group should engage the FIRS in constant dialogue as it success-



fully did with the CAC. On access to finance, it was agreed that the group should work with relevant government agencies first to ensure that SMEs willing to migrate from the informal sector to the formal were encouraged to do so, as this would enhance their chances to access available funds. Thus, SMEs must be shown that there were more benefits derivable from migrating to the formal sector. It believed that SMEs must be encouraged to have well defined structures as required by most banks under the SMIEIS. From a banker's perspective, it was suggested that the government should put alternate dispute resolution mechanisms in place to tackle disputes arising from banks' transactions with unstructured or semi-structured SMEs.

Other suggestions on access to finance included the strengthening and proper regulation of activities of Micro Finance Institutions (MFIs). The group acknowledged the CBN's ongoing work on this and recommended collaboration with the SME group to implement the 10% set aside for micro finance. It noted that building capacity in SMEs had remained a major issue as its recommendation that 1% of SME funds be set aside for capacity building support had not been implemented. It noted that SMEDAN's role in this had not been properly defined.

The Commission suggested that the agency's mandate should be made clearer and capacity building should be primarily for SMEs. Particularly, it proposed that SMEs should be exposed to capacity building courses and they should practice good corporate governance to enhance their access to finance at both pre- and post-investment. It suggested that acquisition of specific technical, commercial and managerial skills should be targeted to achieve this. SMEs should be encouraged to utilize research and development data and technology to boost their competitiveness. Also, early introduction of secondary school students and undergraduates to entrepreneurial training would facilitate more competitive SMEs.

Infrastructure was another issue identified as a major setback for SMEs. The group noted that the high cost and inadequacy of infrastructure remained a burden for SMEs. To address this, it suggested the establishment of industrial parks and SME clusters, with SMEDAN as the relevant government agency to do this.

The Commission's discussion was summarized under six 'Cs', namely: Competence, Catalysts, Coattails, Clusters, Cooperatives and Consolidation. The group believed that SMEs' competence must be developed through capacity building



with adequate infrastructure as catalysts. By building alliances with big industries in their sectors, it pointed out that SMEs could ride on the coattails of such companies to access finance and other resources. It also noted that forming SME clusters and cooperatives could be another route to accessing finance and addressing infrastructure problems. Finally, it suggested a consolidation of the SMIEIS fund (approx. N20 billion) with the BOI (approx. N5 billion) to form a SME Bank.

### **Recommendations**

The group made the following recommendations:

- a. NES# 10 Recommendations: Implement all outstanding recommendations.
- b. On Taxation: FIRS to review tax rates for SMEs
- c. SMIEIS: Bankers' Committee should review the scheme to incorporate acceptance of preference shares, create mechanism for 1% of SMIEIS funds to be channelled into business support. CBN should establish a credit bureau for SMEs.
- d. Capacity building: SMEDAN should provide pre-investment and post-investment training in new technology, best practices, marketing, pricing, distribution, accounting, and corporate governance, among others.
- e. Micro Credit: SME group should constitute a committee to work with CBN on the micro credit guidelines.

## **13. Solid Minerals**

### **Introduction**

A background paper on the state of Solid Minerals development in Nigeria vis a vis government targets and strategies showed that Nigeria had enormous potential in solid minerals and that the sector contributed significantly to GDP especially before 1960. Some of the notable solid minerals at that time were coal, tin, columbite, lead and zinc. It is on record however, that Nigeria has the following solid minerals:

- *Metallic*: Iron ore, Lead, Zinc, Tin, Manganese, Copper, Silver, etc;
- *Specialty Metals*: Tantalite and Columbite;
- *Radioactive Metals*: Chromite and Uranium;
- *Precious Metals*: Gold;
- *Non-Metallic or Industrial Minerals*: Gypsum, Mica Kaolin, Talc, Clay, Sand, Limestone, Granite, Marble, Phosphate, Salt etc;

- *Mineral Fuels or Energy Minerals*: Coal and Bitumen;
- *Gemstones*: Sapphire, Tourmaline, Topaz Aquamarine, Emerald, etc.

### **Sector Challenges**

Some of the key challenges of Nigeria's solid mineral sector were identified as:

- Lack of comprehensive geological survey of solid mineral deposits
- Absence of information on proven deposits and inadequate capacities in mining and processing / lack of infrastructural facilities
- Unfavourable fiscal regime
- Uncompetitive legal and regulatory framework
- Prevalence of informal and illegal activities

All of these have resulted in:

- Environmental degradation - creation of shallow ponds, abandoned pits, pollution of river systems and exposure to radioactive/hazardous products
- Social problems - child labour and poor working and living conditions especially at mine sites
- National security risk – sites migration of foreign, registered/unregistered titles
- Low productivity and waste - poor ore and mineral recovery, inefficient production and processing capacity inadequacy, disregard for health and safety issues, revenue loss to government - smuggling and haphazard sale of products

### **Key Targets**

The key targets enumerated in the NEEDS document for the sector are to:

- Promote vigorously the exploration and exploitation of solid minerals to provide inputs for local industries and exports
- Make mining fields attractive to investors and formalize informal and artisanal mining activities to contribute to exports
- Increase opportunities for self-employment through mining
- Increase revenue to government
- Reduced degradation
- Diminish social and health problems – child labour and the spread of HIV/AIDS.

### **Strategies**

All of these would be implemented by:

- Enforcing existing legal framework for small operators and artisans;
- Completing sector upgrading - empowering the Geological Survey Agency as the industry regulator to provide a comprehensive database of mineral locations and estimated reserves;
- Ensuring a systematic and orderly allocation of bitumen and tar sand blocks in the bitumen belt (from Edo to Lagos States);
- Compiling a cadastral register of all available mining rights, licenses and leases of known minerals;
- Codifying a system of incentives to attract private sector investment;
- Simplifying the process of issuing licenses; and
- Reviewing the Land Use Act to facilitate entry into the sector.

### **Consensus**

Based on the foregoing discussion, the Commission recommended that the government should sponsor and release fund for the conduct of a national geological survey of the whole country within the year. Also, the strategy of setting aside proceeds of certain amount of daily crude production for the development of solid minerals should be resumed.

It called for presidential intervention to make the Ministry of Solid Minerals more open and interested in carrying stakeholders along in all its activities, and that states should intensify their facilitative role to enhance private sector exploitation of minerals in Nigeria while industry operators in the sector should be approached to help fund the Policy Commission's activities.

**Table 8: Solid Minerals - Action Plan**

Responsibility	Result	Timeline	Action Taken	Next Steps
Conduct geological survey of entire country, using remote sensing (landsat/ adarsat). Also, begin to digitalize existing maps	Attract private Investment	2004	<p><i>Government:</i></p> <ul style="list-style-type: none"> <li>i. Already set up the Geological Survey of Nigeria Agency (GSNA), which has embarked on reviewing and updating the geological map of Nigeria.</li> <li>ii. Also, Airborne Geophysical Survey of Ogun State, completed as pilot for Nigeria. Next level(to cover entire country), already in progress.</li> </ul>	<ul style="list-style-type: none"> <li>✓ FG to ensure prompt release of 2005 &amp; 2006 budgets allocations as appropriated.</li> </ul>
Take inventory of miners, environmental status, market structure, licensing & other features of artisanal small - scale mining activities in Nigeria	Will sanitize minefields presently characterized by: small dormant leases & difficulty in acquiring mining titles; Subsequently increase revenue accruing to Government	2004	<p><i>Government:</i></p> <ul style="list-style-type: none"> <li>i. Revoked 543 dormant mining titles</li> <li>ii. Artesanal &amp; Small Scale Mining Project Addressing Issue of cooperative formation &amp; licensing</li> </ul> <p><i>Private Sector:</i></p> <ul style="list-style-type: none"> <li>i. Already acquiring leases on mine fields</li> </ul>	<ul style="list-style-type: none"> <li>✓ Full enforcement of revocation of titles</li> <li>✓ Private sector operators with new licenses must develop the mineral promptly</li> <li>✓ Better funding &amp; promotion of the Artesanal &amp; Small Scale Mining Project</li> </ul>

**Table 8: Solid Minerals - Action Plan (cont)**

Responsibility	Result	Timeline	Action Taken	Next Steps
Establish and Enforce Environmental Standards for mining activities	Improved environmental Management	On going	<p><i>Government:</i></p> <ul style="list-style-type: none"> <li>✓ Minister of Solid Minerals is continually visiting host communities / Stakeholders to solicit cooperation in the environmentally compatible exploitation of minerals</li> <li>✓ Working with National Security Organizations to review regulations especially on the use of explosives</li> <li>✓ Mining environmental management audit undertaken by Ministry with World Bank support</li> </ul>	<ul style="list-style-type: none"> <li>✓ MSMD to ensure proactive enforcement of environmental standards</li> <li>✓ Embark on aggressive campaign to promote environmental management in host communities as in oil industry</li> </ul>
Promote training in environmentally acceptable mining & processing methods	Improved skills & Competence. Also, reduced health risks of miners & their dependants & of environmental degradation to mine lands	On going	<p><i>Government:</i></p> <ul style="list-style-type: none"> <li>✓ GSNA recently completed specialized training for its staff in the use of Oasis Montag &amp; GM-SYS – 2 world Standard software for implementing &amp; interpreting geophysical data</li> <li>✓ About to set up a Computer – based cadastral system for accelerated &amp; transparent processing &amp; granting of titles</li> <li>✓ MSMD's Artesanal &amp; Small Scale Mining Project has a Significant Mining methods Training component with emphasis in environmental management</li> </ul>	<ul style="list-style-type: none"> <li>✓ Private Sector to ensure knowledge, sensitization &amp; application</li> <li>✓ FG to continue with enforcement</li> </ul>

**Table 8: Solid Minerals - Action Plan (cont)**

Responsibility	Result	Timeline	Action Taken	Next Steps
Stimulate & enhance access to financial assistance for artisanal & Small Scale Miners	Enhance their Productivity	2005	<p><i>Government:</i></p> <ul style="list-style-type: none"> <li>✓ Secured World Bank facility (\$80 million) to establish a Sustainable Management of Mineral Resources Project (SMMRP).</li> <li>\$600, 000 released already as project preparation facility</li> <li>✓ Provided fiscal incentives - tax holidays, low royalties, repatriation of capital, etc</li> <li>✓ Approval process of resident/work permits for expatriates now easy</li> <li>✓ Full capitalization of exploration &amp; pre-developmental expenses in place</li> <li>✓ MSMD reviewed Mineral Act</li> </ul>	<ul style="list-style-type: none"> <li>✓ MSMD should link the artesanal cooperatives with banks for credit facility</li> </ul>
Review current Legislation through consultative process with mining communities, to ensure that public interests (social, econ. & environmental) as well as community interests (cultural, social & economic) are considered	A legislation, which would be inclusive of stakeholder interests, and ensure industry transparency & compliance with international standards & best practice	2005	<p><i>Government:</i></p> <ul style="list-style-type: none"> <li>✓ Bill to make the Geological Survey of Nigeria Agency (GSNA) a juristic body, already receiving attention at the NASS</li> <li>✓ Minerals &amp; Mining Act 1999, currently being reviewed to make it private - investor friendly &amp; entrenched security of tenure, in line with best practices</li> <li>✓ Act establishing Nat. Bitumen Dev. Corporation already in place.</li> </ul>	<ul style="list-style-type: none"> <li>✓ MSMD to expedite completion &amp; submission of the new Minerals Act (Amendment) Bill</li> <li>✓ NASS should expedite passage of Solid Minerals Dev. Commission Bill</li> </ul>

**Table 8: Solid Minerals - Action Plan (cont)**

Responsibility	Result	Timeline	Action Taken	Next Steps
Establish licensed buying centers as procurement interface between mining cooperatives & licensed miners on one side and local users & export markets on the other	Will ease problems associated with marketing products & enable miners to earn premiums on sales of products near operational sites. Also, help to reduce smuggling & enable effective collection of revenues	2005	<ul style="list-style-type: none"> <li>✓MSMD advertised &amp; received bids for the establishment of buying centers nationwide</li> <li>✓Abuja Securities &amp; Commodities Exchange has minerals marketing as one of its core responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>✓MSMD should encourage private sector to establish buying centers</li> <li>✓FG to strengthen MSMD's regulatory role &amp; capacity</li> <li>✓Abuja Securities &amp; Commodity Exchange should be funded to take off in earnest</li> </ul>
Promote mining cooperatives and association of miners	Simplify control & assistance and guarantee sustainability of mining	2005	<ul style="list-style-type: none"> <li>✓MSMD's Artesanal &amp; Small Scale Mining project provides for assisting artisanal miners in cooperative formation</li> </ul>	<ul style="list-style-type: none"> <li>✓MSMD need to be proactive especially in facilitating cooperative formation</li> <li>✓Corporate Affairs Commission (CAC) need to make expedited registration of business names accessible/affordable to all stakeholders</li> </ul>
Promote transparency & participation at all levels of government as well as management of Small - Scale mining activity	Would ensure openness & business trust, remove corruption & reduce cost of doing business	Always	<ul style="list-style-type: none"> <li>✓ Call for bids now advertised in MSMD</li> <li>✓ Open tender system</li> <li>✓ FG has approved Due Process Office to be set up in all ministries &amp; agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Strengthen transparency drive through strong Due Process Mechanism</li> <li>• Empower Due Process Offices in every establishment</li> </ul>
Promote Establishment of central mineral processing centers	To enhance local content & add export value to Minerals & commodities	Immediate	<ul style="list-style-type: none"> <li>✓ Currently driven by the private sector at extremely small scale</li> </ul>	<ul style="list-style-type: none"> <li>✓ Private sector must intensify efforts to improve processing standards especially in accordance with international standards &amp; best practice</li> <li>✓ FG/MSMD should regulate &amp; enforce standards for international competitiveness</li> </ul>



**Table 8: Solid Minerals - Action Plan (cont)**

Responsibility	Result	Timeline	Action Taken	Next Steps
Create extension services	To enhance mineral productivity; Also, to sustain operations	2005	✓MSMD has concluded plans to provide extension services under the World Bank project	✓MSMD should expedite action on the extension services sub-project
Privatization of NMC & NCC	To improve mineral productivity & enhance sector competitiveness, while government focuses on regulation	2005	✓Consultancy adviser for the privatization of NMC & NCC / other subsidiaries selected. Privatization slated for 2005	✓Expedite privatization process ✓Ensure transparency in privatization process

## 14. Trade Policy & Competitive Industrialization

### Introduction

The Commission's deliberations started with a presentation by the consultant, Hani Okoroafor. Thereafter, discussions commenced, with the chairman noting that the group had done a lot of work at previous meetings prior to NES #11. He highlighted issues affecting trade policy and competitive industrialization as similar to those contained in the NEEDS document.

### Key Issues on Trade Policy and Competitive Industrialization

The key issues discussed were in the context of NEEDS document; vis-à-vis the goals and targets of NEEDS and its implementation. The relevant trade policy issues in this context are those aimed at reducing the relative high cost of doing business in Nigeria while competitive industrialization issues are those relating to the acceleration of the pace of industrial development.

### Goals and Targets of NEEDS on Trade Policy and Competitive Industrialization

The specific goals are to:

- Create a framework for fully exploiting Nigeria's global trade potential.
- Enable Nigeria assume the status of gateway to West and Central Africa.

- Facilitate the development of an internationally competitive industrial sector.
- Enable Nigeria's industrial sector to process the abundant resources for local consumption and export.

**The key targets are:**

- Industrial capacity utilization to reach 70% by 2007
- Annual GDP growth rate to reach 6% in 2005 and 7% in 2007
- Non-oil sector to grow by 8.5% in 2005 and 9.5% in 2007
- Inflation rate to drop to 9.5% in 2005 and 9.0% in 2007
- Private sector's share of investment in industry to reach 70% by 2007
- 48-hour target for clearing goods from Nigerian ports by 2007
- Join ECOWAS monetary union by 2005

In order to achieve the above goals and targets, the group recommended the adoption of the following strategies by the federal government:

***Institutional and administrative reforms***

- a. Government should withdraw from business, strengthen its role of umpire and facilitator of level-playing-field
- b. Streamline and simplify the tax administration to reduce double taxation and crude enforcement.
- c. Replace duty concessions for individual companies with industry or sector-wide concessions
- d. Streamline and simplify expatriate quota approval procedure
- e. Rationalize the number of government agencies in the import clearance chain
- f. Institute fast-track system for protecting rights and enforcing contracts
- g. Simplify and harmonize the processes for land title acquisition and transfers

***International / Regional initiatives***

- a. Adopt a harmonized ECOWAS tariff by 2007 to seize regional market opportunities
- b. Promote ECOWAS trade awareness in Nigeria
- c. Empower regional trade associations such as the Federation of West African Manufacturers Association
- d. Protect Nigeria's interest in WTO negotiations through the pursuit of regional positions

- e. Strive to meet the ECOWAS monetary zone's currencies convergence criteria.

### ***Other issues***

- a. Encourage the learning of french language by all Nigerians
- b. Focus industrialization on agro-based industries, chemicals, electronics, biotech and energy sectors
- c. Implement and report quarterly on achievement of local content of government procurement policy.

### **Specific Recommendations**

The Commission identified four constraints that should be addressed and made specific recommendations in that respect as follows:

***Formalizing export.*** The Commission observed that about 60% of the country's non-oil export was done by the informal sector, which could not be captured by the government agencies due to inaccurate data collection. The challenge was to migrate the informal export to formal export. The group agreed that government should simplify the documentation required for export and the Nigerian Export Promotion Council should have a relationship with the shipping lines in order to collect their manifest and capture every item exported out of the country.

***Policy consistency and overlap.*** The Commission observed that inconsistency in government's trade policy was, in part, responsible for the high cost of doing business in Nigeria. It noted that counter policies were formulated before the implementation of the subsisting policies (e.g. Vision 2010 was abandoned mid-way to its implementation and NEEDS was formulated). Products that were registered under the ECOWAS trade liberalization scheme were also banned by the federal government; even though this had been rectified, it affected a lot of businesses and should not have happened in the first place. Other inconsistencies identified included the suspension of the Export Expansion Grant (EEG) blanket ban on some raw materials or products with no local substitute e.g. nylon needed for the production of tyres, fabric for furniture, and raw materials for diaper. The major reasons for these inconsistencies were identified as lack of adequate information to guide the decision makers.

The Commission agreed that the federal government should respect the ECOWAS treaty and that the Nigerian civil society should be the watchdog in ensuring that the government does not go against the treaty. It called for wider consultation with the stakeholders before policy formulation, and the proposed policy could be

circulated through the media while reasonable time frame should be given for feedback from the stakeholders. It suggested that there should be public hearing on proposed policies to avoid policy somersault. It said that the EEG procedure should be simplified and action fast tracked, while all rules and policies relating to trade and industrialization should be harmonized to avoid contradictions in policies. The regulations affecting free trade zone should be enforced in order to avoid leakages in the system.

The Commission further suggested that the government should guarantee valid claims of private companies taking up the privatized companies in order to ensure that such companies deliver better value and convenience, while government should avoid over protection of industries as this could make them uncompetitive in the future.

**Infrastructure.** It was observed that lack of adequate infrastructure such as transportation, power, water and communication has significantly increased the cost of doing business and reduced the competitiveness of Nigerian companies. The group suggested that the government should give appropriate incentives to enable the private sector to participate in the provision of infrastructure. Also different industry groups should be encouraged to form clusters and alliances for the purpose of providing some infrastructural facilities on a shared basis such as generation of power and provision of water.

**Taxation.** The group observed that double taxation could cripple businesses and recommended that government should streamline the tax system and address the issue of double taxation such as VAT on duty.

## **SECTION 4:**

### **Summary of Recommendations of the Eleventh Nigerian Economic Summit**

#### **Introduction**

Segun Olujobi, Accenture, and Sena Anthony, Group General Manager Legal, NNPC presented the recommendations of the Eleventh Nigerian Economic Summit to President Olusegun Obasanjo, during the closing plenary session on Friday June 3, 2005.

The presentation was in four parts as follows:

1. Achievements of NES #10
2. Progress since NES #10
3. Recommendations of NES #11
4. Final Word

#### **Achievements of NES #10**

It was clearly acknowledged that the most significant achievement of NES #10 was the seamless integration of the shared vision of the enduring public-private sector partnership - which the first NES engendered in 1993 - into the NEEDS vision.

This provided the basis for private sector participation in the articulation of the NEEDS document and its final launch on May 29, 2004. Participants acknowledged the fact that NEEDS represented a major departure from the past by providing a well documented and publicized economic agenda, thus providing a basis for understanding and evaluating government's action especially in the immediate future.

Having participated in the process of development of the NEEDS, it was imperative for all stakeholders to contribute to the implementation process. In particular, the private sector, development partners and civil society organizations were expected to undertake deliberate actions to help achieve the targets set in the NEEDS.

Conducting a 'peer review exercise' - one year after the launch of NEEDS - at the summit was therefore a welcome departure from the typical format of the previous summits and provided a unique opportunity for developing the process of stakeholder consciousness and commitment to a shared agenda of economic reform

indexed on the political will of the administration.

Viewed from this perspective, the essence of the peer review was therefore essentially to acknowledge specific actions taken by the government and, in particular, the significant effects of such actions, identify core focus areas critical to the attainment of the set goals in the NEEDS including specifying the private sector commitment towards realizing the goals of the NEEDS, going forward.

### **Government's Policy Actions**

The summit identified and commended certain actions of government which had encouraged growing conducive business and investment environment - noting, in particular, the following:

**Improved fiscal management.** The summit noted that government had demonstrated a strong desire to achieve improved fiscal discipline through an improved fiscal operations strategy, which resulted in:

- Reduced deficit (2% of GDP) at the end of the fiscal year December 31, 2004.
- Countering cyclical fiscal policy by 'saving' excess proceeds from crude oil sales.
- Effective cash flow management, which contributed to the reduction in Ways and Means financing, as well as the level of deficit.

**Civil service reforms.** Government's commitment to civil service reforms especially in terms of:

- Professionalism - training and utilizing appropriately qualified employees in the right offices.
- Right-sizing - ensuring that government's workforce is appropriate and optimally utilized.
- Information flow - improving communication between all arms of government, and also between government and all stakeholders.
- Servicom commenced - emphasizing a new orientation of 'service' pertaining to: government set up and evaluation of government actions, and achievement of set targets.

**Due process in procurement.** Government's desire to achieve value for money had been demonstrated by the establishment of the Due Process Unit at the Presidency and within the Ministries and, in particular, a 'Procurement bill' had been



articulated by the Federal Government and submitted to the National Assembly for enactment.

***Pension reform.*** The enactment of the Pensions Reform Act 2004 and the subsequent establishment of the National Pensions Commission clearly demonstrated government's concern about the huge and rising pensions liability and its desire to arrest the situation.

***Electric power sector reform.*** The eventual enactment of the Electric Power Sector Reform Act 2005 perceived by the private sector as an important milestone towards resolving the problems of the power sector.

***Capacity building and implementation support.*** Participants noted that there had been improved support for the implementation process through the increase in the frequency of interaction between the public and private sector, and especially through capacity building support by the private sector and development partners.

The summit commended these actions of government and further noted that they had helped to lay the foundation for a number of important positive developments - ongoing and expected - in the economy in the near future. For example, the pensions reform would strengthen the pensions arrangements by ensuring more sustainable funding from private and public sector for the purpose. Also, it would help build the hitherto non-existent pool of long-term funds. Already, about N125 billion had been accumulated.

The power sector reform law would facilitate the development of a competitive electric power market in Nigeria through its provision of legal, regulatory and institutional framework, provision for the unbundling of NEPA and subsequent privatization of its business units, provision for the Independent Power Producers (IPPs) and improving international credibility for the government programmes by, specially, making the power sector very attractive to foreign investment.

The impact of all these on the Nigerian economy and business environment had been macroeconomic stability - faster growth rate, lower price inflation, and greater transparency in governance - publication of the federally allocated revenue to states and local governments, the Extractive Industry Transparency Initiative and



the Information Bills at the National Assembly, as well as the changing language of government reflected in the new concept of 'service delivery'. The summit therefore concluded that significant progress had already been made.

### **Theme for NES #11**

Based on this fact and in view of the need to sustain the growing level of commitment to the implementation of the NEEDS, this year's summit appropriately focused on the theme: "*Building Momentum for Economic Transformation and Growth,*" with specifically two main objectives namely:

1. Evaluation of progress made against the notional terminal date of phase one (of 2007) of NEEDS and where necessary make recommendations on how to:
  - Fast track implementation
  - Reprioritize programmes
2. Critically appraise capacity for, and efficacy of implementing agencies/institutions and, where necessary, recommend remedial action(s).

The NES #11 was considered very important, coming as it were, at the mid-term period of the administration's second term in office and one year after the NEEDS was launched. In addition the following were considered the highpoints of the summit:

1. Stakeholders' 'peer review' of the progress, challenges and prospects of achieving the goals set in the NEEDS.
2. Sustain the orderly transformation of workgroups into 'Policy Commissions', aligned with the National Planning Commission's Policy Forum programme and other national stakeholder advocacy schemes - designed to adduce evidence, track policy developments, undertake impact assessment and strengthen public-private sector partnership in policy making and implementation.
3. Acknowledgement of the vital role of science, technology and innovation in achieving economic transformation, growth and development.

### **Recommendations of NES #11**

Clearly, participants were generally agreed on the fact that the NEEDS provides a broad foundation for transformation, a necessary precondition for inducing economic growth and development in the Nigerian economy.

However, to build momentum in necessary and sufficient quantum to sustain and

improve upon the progress achieved so far, and to facilitate greater impact of the on-going reforms, the summit recommended that there was need to:

1. Focus around a core group of *growth platforms or growth drivers, namely:*
  - i. Gas and power sector
  - ii. Food security issues
  - iii. Financial and macro-economic stability
  - iv. Security of life and property
2. Adopt a cross-sectoral approach to addressing growth platforms or growth drivers
3. Deepen the public-private sector partnership
4. Take some sector-specific actions

### **Details of the Recommendations**

Further details of the recommendations are provided under each subheading as follows:

#### ***Deepen Public-Private Partnership***

To further strengthen and deepen the public-private sector partnership, the summit recommended as follows:

- Institutionalize the “*peer review mechanism*” currently being developed, based on international best practices and the specific targets set out in the NEEDS document.
- Engage in periodic reviews against set out targets by the National Planning Commission, development partners, and civil society under the aegis of the policy commissions coordinated by the National Planning Commission, the NEEDS secretariat and the Nigerian Economic Summit Group, amongst others.
- Systematically harmonize and incorporate significant public-private dialogue processes into the public policy processing framework by taking outputs from these policy commissions into the public policy processes apparatus of the government through the National Planning Commission and designated ministries.
- Increase implementation support and capacity building for all arms of government – secondments, funding, training, etc.
- Private sector should provide greater support for selling difficult reforms, for example:
  - The Public Procurement Bill

- The ongoing deregulation of the downstream petroleum sector
- Private sector should commit to raising corporate governance standards to international levels by:
  - Improving on and adhering to disclosure rules
  - Strengthening mechanisms that ensure compliance, especially sanctions

### **Sector Specific Recommendations**

Both at the parallel forums and the breakout session (during which participants discussed in greater details), the various constraints to the implementation of NEEDS were discussed and based on this, the following specific recommendations were offered for each sector. It would also be relevant in the course of the various interactive dialogues that would precede the next 'peer review' work at the next summit in 2006, and also inform the second phase of NEEDS.

The sector specific recommendations are as set out below:

#### ***Budget and Macro-Economic Framework***

Participants recommended that the following should be urgently addressed:

*Fiscal Responsibility Pact as the Basis for an Act.:* To facilitate the enactment of a Fiscal Responsibility Act, the federal and state governments should enter into a fiscal responsibility pact, which would provide a strong basis for an Act of Parliament on the matter later. The National Economic Council and the Federal Allocation Committee should be a suitable mechanism for developing the form and content of the pact and the National Planning Commission should coordinate this effort.

*Sustenance of on-going collaboration:* It was suggested that ongoing collaboration between the National Planning Commission, the states, local governments, the private sector and development partners on NEEDS, SEEDS and LEEDS should be stepped up and sustained.

*Adoption of medium term framework for budgeting:* States and local governments should as a matter of urgency embrace the concept of a Medium Term Framework for their respective budget process. This would be consistent with the desire to achieve harmony at the federal and state levels and in conformity with the imperatives of fiscal responsibility process.

## **Agriculture Sector**

In respect of agriculture, the following were recommended:

- The private sector initiative on productivity improvement, christened 'Nucleus Estate Initiative' (NEI) should be expanded to include more farms (holdings) and firms. This would go a long way in helping to achieve and even surpass the projected 7% growth rate in the sector.
- Funding for the various research institutes in the sector should be sustained. The private sector should significantly improve its research and general funding support, also, for these institutes.
- Government should quickly privatize the supply and efficient delivery system of essential farm inputs to farmers. This would inject private sector orientation and efficiency into the process and ultimately improve productivity.
- A scheme of incentives similar to the 'pioneer status' scheme should be worked out and offered to the private sector to facilitate increased investment in the agro-processing and preservation sub-sector.
- The federal government should encourage commercial farming through liberalized access to land and duty free factor inputs.

## **NEPAD**

- The NEPAD Business Group Nigeria should encourage increased participation by the private sector in its activities.

## **Infrastructure**

- The Infrastructure Concession and Regulatory Commission Bill (ICRC bill) should be (urgently) enacted.
- Given the potential impact that the Electric Power Sector Act would have on the economy, and based on the experience of the telecommunications sector, the summit recommended that 'backward integration' process should become the next logical focus as we make progress in the utilities sector reforms. This would ensure conservation of foreign exchange, development of local expertise and experience towards local manufacture of spares and components for the sector, and generation of employment towards wealth creation and poverty eradication.
- The same level of perseverance, determination and rigour applied to the power sector reform should be applied to the other sub-sectors of infrastructure to achieve completeness and complementarities in effect and outcome of reforms.

## **Oil and Gas**

Participants generally agreed that the following recommendations should be adopted for the future of the oil and gas sector:

- NNPC should transform into a financially autonomous entity (adopting, for example, the PETRONAS model).
- Foreign companies with niche competencies should be encouraged to establish and do business in Nigeria through strategic alliances with Nigerian companies.
- Deliberate efforts should be undertaken by the NNPC and other relevant authorities to foster backward integration to produce oil sector inputs.
- Nigeria should argue for her deep water oil production to be excluded from the OPEC quota.
- Government should build a national gas backbone for the country to facilitate gas transportation and utilization.
- The deregulation process in the downstream sector should be expeditiously concluded.

## **New Investment Strategies**

- The summit recommended that the private sector should undertake the development of industrial clusters, encouraged by government incentives.

## **Banking and Finance**

Three important recommendations were proffered, namely:

- Reforms should be extended to cover the other sub-sectors of the financial services sector.
- Deliberate efforts should be undertaken by the authorities to reduce transaction cost to achieve and maintain international competitiveness.
- The capacities of regulatory authorities should be strengthened.

## **Solid Minerals**

The summit agreed that the following should be done urgently:

- Conduct a solid minerals geological survey
- Categorize 'deposit areas' for issuance of MPL by competitive bidding.

## **SME, Informal Sector**

- The summit recommended that the CBN and Bankers' Committee should urgently issue guidelines for micro credit to facilitate access to 10% micro

credit funds of SMIEIS.

### **Privatization**

- In respect of the privatization programme the summit recommended that the Bureau of Public Enterprises (BPE) should improve on the depth and scope of communication of the process to all stakeholders. This would encourage sustained interest and support for the programme.
- Furthermore, the management capacity of the BPE should be strengthened to enable it cope with current challenges especially in terms of the volume of transactions proposed for the near future and management of related post privatization issues.

### **Trade Policy and Competitive Industrialization**

- The summit recommended that the Nigeria Export Promotion Council should review the documentation required for export to further simplify it.
- Also, it was agreed that Government should hold broad-based consultation with stakeholders on trade and industrialization issues before the final policy is issued.

### **Science and Technology**

- The summit agreed that science and technology is an important element in the process of implementing the NEEDS and should therefore be given adequate attention.
- It recommended that strategic research and development programmes should be vigorously pursued. These should however be aligned to national priorities which are identified as follows:
  - i. Raw materials
  - ii. Systems development
  - iii. Health
  - iv. Agriculture
  - v. Security
  - vi. Environment
  - vii. Shelter
  - viii. Energy
  - ix. Water (basic and applied)

Local experts, Nigerians in the diaspora and foreign experts should be involved in

this process (including training Nigerians in key areas).

## **Social Sectors**

Each sub-sector recommended as follows:

### ***Education***

- a. The summit commended the increased allocation to education in the federal government's budget. However, it said that there was an urgent need to re-structure the utilization of education funding in favour of primary and secondary education. At present it is skewed in favour of the tertiary education.
- b. The supervising ministry should urgently harmonize private sector financial contributions in terms of grants and sponsorship of public education programmes with a view to reducing or eliminating duplication and to streamline and adequately channel resources towards industrial and national economic priorities that were earlier identified.

### ***Youth Development***

It was agreed that the government should encourage (through a package of incentives) the private sector to adopt existing youth centres and upgrade them to provide entrepreneurship and leadership skills development and training.

### ***Health***

The recommendations in this sector were as follows:

- Future actions of government and the private sector should be focused on improving the primary health care capacity especially in terms of:
  - Maternal and Child Health,
  - Malaria, and
  - Tuberculosis.

The summit, in making these recommendations acknowledged the significant progress achieved in terms of policy reforms under the NEEDS programme and hoped that the incorporation of these recommendations into the NEEDS implementation process would facilitate the achievement of the targets set out in the programme and, in particular, encourage greater support and 'buy in' by the citizenry.



## **A Final Word**

Participants noted that the NEEDS was central to an effective mobilization of support for government's actions and suggested that in terms of building sufficient momentum for transformation and growth in the economy:

- Stakeholders should continually recognize and re-enforce what we have done well, clearly and relentlessly.
- Much effort and attention should be given to the *growth platforms* as identified.
- As stakeholders, we should all keep faith with the future despite the daunting challenges.

## **Private Sector Commitment**

On its part, the private sector reiterated its commitment to, and unflinching and complementary support for, the reforms in the NEEDS programme by:

- Channelling resources to priority sectors/areas
- Providing support for implementation and capacity building
- Adopting international best practice in corporate governance

Participants agreed that through these measures the private sector would be complementing the efforts of government to enthrone due process, ethical conduct, professionalism and good business practices within the Nigerian economy, and ultimately engender the right business and investment climate that would be conducive to increased inflow of investments, employment generation, wealth creation and therefore poverty reduction.

this process (including training Nigerians in key areas).

### **Social Sectors**

Each sub-sector recommended as follows:

## **Appendices**

## Appendix I: Schedule of Activities / Programme of Events



Masters of Ceremony - Frank Aigbogun, Aniekpeno Mkpangang

### Schedule of Activities

#### Day 0, Tuesday, 31<sup>st</sup> May, 2005

9.00am - Midnight	Registration	All Participants
9.00pm	Group Leaders' Dinner Meeting	All Co-Chairmen, Speakers, Rapporteurs, and Members of the Joint Planning Committee.

#### Day 1, Wednesday, 1<sup>st</sup> June, 2005

9.30am-12.30pm	<p><b>Suggested Speakers:</b>  <b>Parallel (Open) Forum 1 - Governance &amp; Institutions - Facilitators</b>                      Forum Chair - Justice Mustapha Akanbi, <i>Chairman Independent Corrupt Practices Commission</i>                      Private Sector - Professor Pat Ulomi - <i>Director Pan African University</i>                      Professor Adebayo Adedeji - <i>NPRC</i>                      Public Sector - Alh. Yayale Ahmed, <i>Head, Civil Service of the Federal Republic of Nigeria</i>                      H.E., Alh. Adamu Mu'azu, <i>Executive Governor, Bauchi State</i>                      Dr. Oby Ezekwesili, <i>Snr. Special Asst to President on Budget Monitoring &amp; Due Process</i>                      NGO / Development Partners - Patrick Fleuret, <i>Mission Director, USAID Nigeria.</i></p>	
9.30am-12.30pm	<p><b>Parallel (Open) Forum 2 - Private Sector Competitiveness - Facilitators</b>                      Forum Chair - Stella Okroli, <i>CEO, Emzor Pharmaceuticals</i>                      Private Sector - Ibukun Awosika - <i>CEO Sokoa Chair Centre</i>                      Olkey Enelamah, <i>CEO, Capital Alliance</i>                      Admiral Murtala Nyako - <i>Executive Chairman, Sebore Farms</i>                      Public Sector - H.E., Dr. Bukola Saraki, <i>Executive Governor, Kwara State</i>                      Irene Chigbug, <i>DG, BPE</i>                      NGO / Development Partners - Dr David Tommy, <i>Resident Representative, UNIDO</i></p>	
12.30pm - 2.00pm	<p><b>Luncheon (Mini-dialogue) Session:</b>  <i>Venue 1 - Gas: Fuel for Rapid Economic Diversification - Demola Adajemi-Bero, Director, New Business in Africa, Shell International (sponsorship provided by Shell); Chair - Funsho Kupolokun, GMD, NNPC.</i>  <i>Venue 2 - The Commission for Africa - Will the Private Sector Deliver? - Mr. Myles Wickstead, Executive Secretary The Commission for Africa; Moderator: Fola Adeola, Commissioner, The Commission for Africa.</i></p>	
3.00pm-5.00pm	<p><b>Formal Opening Ceremony</b></p> <p>Welcome Address                      Mohammed Hayatu-Daen, <i>Chairman, The NESG</i></p> <p>Remarks                      Prof. Ode Ojowu, <i>Economic Adviser to the President</i></p> <p>Formal Opening of the Summit                      His Excellency, <b>President Olusegun Obasanjo, GCFR</b></p> <p><i>The Commission for Africa: Key Challenges &amp; Realistic Prospects - Opportunities for 2005 &amp; Beyond</i>                      Myles Wickstead, <i>Executive Secretary, The Commission for Africa</i></p> <p>Vote of Thanks                      Prof. Milka Kwanashie, <i>Special Adviser to the Vice President</i></p>	
7.00pm	<p><b>Cocktails / Summit Dinner</b></p> <p>Chairman                      Obong Ufot Ekaette, <i>Secretary to the Government of the Federation</i></p> <p>Special Guest of Honour                      Justice Mohammed L. Uwais, <i>Chief Justice, Federal Republic of Nigeria</i></p> <p>Guest Speaker                      Prof. Wole Soboyejo, <i>Princeton University, USA; Science, Technology &amp; Innovation System: Nigeria's Hope for Transformation (To be introduced by Mr. Sola Oyinola, M.D. Schlumberger)</i></p> <p>Vote of Thanks                      Sifso Dabenga, <i>CEO, MTN</i></p>	

\* Registration Desk opens at 9.00am on Tuesday May, 2005




---

Day 2, Thursday, 2<sup>nd</sup> June 2005

---

7.30am-8.45am	Corporate Breakfast Meeting- 2005 International Conference on AIDS & STI's in Africa, Prof. Femi Soyinka, ICASA The Pension Reform Act 2004, M.K. Ahmad, DG/CEO, National Pension Commission	
9.30am-12.30pm	<b>Parallel (Open) Forum 3- Human Development Agenda - Facilitators</b> Forum Chair - Senator Jubril Aminu, Chair Senate Committee on Foreign Relations Private Sector - Osagie Okunbor, GM Human Resources, Shell Petroleum Public Sector - Dr. Chimaroke Nnamani, Executive Governor, Enugu State Amina Ibrahim, National Coordinator, Education for All, Fed. Min. of Education NGO / Development Partners - William Kingsmill, Head, DFID, Nigeria	
9.30am-12.30pm	<b>Parallel (Open) Forum 4 - Fiscal Management &amp; Financing - Facilitators</b> Forum Chair - Ms. Ituelo Omoigui, Chairman FIRS Private Sector - Dr. Ayo O. Teriba, CEO Economic Associates Public Sector - Dr. Ngozi Okonjo-Iweala, Hon. Minister of Finance Prof. Charles Solodu - Governor, CBN H.E. Otunba Gbenga Daniel, Executive Governor, Ogun State NGO / Development Partners - Meroakem Katz, International Monetary Fund Lindsey Whyte, Advisor, IMF/World Bank	
1.45pm-6.00pm	Workgroup Session (14 Workgroups)	All Participants to proceed to designated meeting rooms for discussions
7.30pm	<b>Closing Dinner</b> Chairman Chief Host Guest Speaker  Special Guest of Honour Sponsor's Remarks Vote of Thanks <b>* Dress Code: Black Tie or Full National Dress</b>	H.E. Hon. Aminu Bello Masari, Speaker, House of Representatives Mallam Nasir El-Rufai, Hon. Minister, FCT Basil Oniyi, CEO, Shell Pet. Dev. Co. (Challenges of Leading a Multinational Enterprise) <b>His Excellency, Vice President Atiku Abubakar, GCON</b> Erastus Akingbola, CEO, Intercontinental Bank Plc Tokunbo Adeola, Snr. Special Asst. to the Vice President

---

Day 3, Friday, 3 June, 2005

---

8.15am	Feedback Plenary Session (All Participants)	<b>Presenters:</b>
8.30am-9.00am	i. Parallel Forum ii. Mini Dialogue iii. Workgroup	Asue Ighodalo, Barwo & Ighodalo H. Y. Abubakar, CEO, PTDF/Chris Oriyemenam, Zenith Bank All Workgroup Nominees
11.30am	<b>Arrival of His Excellency, President Olusegun Obasanjo, GCFR</b>	
11.35am	Presentation of Summit Summary	Chief Sena Anthony (NNPC) / Olusegun Olujobi (Accenture)
12.35pm	Closing Address	His Excellency, President Olusegun Obasanjo, GCFR
1.10pm	Vote of Thanks	Omobola Johnson, - Co-Chairman, Joint Planning Committee

---



## **Appendix II: Summit Speeches & Presentations**



## Appendix A:

**Opening Address** by His Excellency, Chief Olusegun Obasanjo, GCFR.

### Protocol

I am delighted to be here today at the formal opening of the 11<sup>th</sup> Nigerian Economic Summit. This is the sixth edition held since the rebirth of democracy in Nigeria. It is also the second since the inception of the second term of this administration.

The theme of this year's Summit, which is "Building Momentum for Economic Growth and Transformation", is very relevant and in consonance with the government's reform programme as contained in the National Economic Empowerment and Development Strategy (NEEDS). However, let me correct an impression upfront. We already have momentum, what we should be working on is building *additional* momentum in order to bring skeptics, bystanders, and all those currently outside the mainstream of the reform process on board. As a holistic programme designed to address all socio-economic and political aspects of our society in order to reposition our political economy for peace, stability, growth, development, and democracy, we cannot afford to leave anyone or institution out.

Another issue that I think should be very important to this summit is the relationship between the *economic* and the *political*. While both are intrinsically related, I belong to the school of thought that believes that if the politics is not right, the economy cannot be right. This is why our holistic reform agenda contains political aspects in addition to our efforts at reforming the ruling political party, local governments and why we believe that the national Political Reform Conference will provide opportunities for new discourses that will address all lingering political disputations and contestations. For many of you in this gathering, I urge you not to be pathologically fixated on purely economic analysis, conclusions, and prescriptions. Peace, stability, good governance, rights and obligations, constitutionalism, the rule of law and peaceful political engagements are critical to economic progress and overall growth and development. You must therefore show interest in political matters.

We are convinced that if we work together, plan together, act together, and build together, we can, within a short time, re-energize and re-invigorate the Nigerian society and economy for sustainable poverty reduction, employment generation, wealth creation and value-reorientation of the people. This momentum and unified spirit of action is necessary to cope with the cumulative effects of the poor economic performance of the past and unsustainable poverty level characterized by unemployment, dysfunctional public infrastructure, low industrial production and institutionalization of corruption.

Now that we are turning the corner and the results of our reform are beginning to show, we must not rest on our oars. Rather, we must work even harder, be more vigilant, and be more uncompromising in our fight against corruption, mismanagement, inefficiency, ineffectiveness, and all unpatriotic disposition and conduct.

In order to address the observed inadequacies, this administration has done quite a lot to enhance the business environment in the country especially in the areas of the stabilization of the polity and the economy, through critical policy reforms and programmes to stimulate and fast-track economic growth and transformation of the economy. We also intend to continue in this wise until we eliminate all traditional and unacceptable obstacles to investment and business.

As part of our larger reform process, we are also working very hard on how we see ourselves and how others see us. It is unfortunate that past administrations fostered a culture of corruption and mistrust and thus encouraged undeserved stereotypes, misinformation and inaccurate judgments about us as a people and nation. We are committed to creating a culture of integrity, dignity, confidence and trust. We are determined to eliminate all images eroders and to dismantle all structures and attitudes that give wrong impressions about us. We are creating a business environment that attracts foreign direct investment just as we are actively encouraging our brothers and sisters in the diaspora to invest at home.

As others see their vote of confidence in Nigeria they will also invest their human and financial capital in Nigeria's future. We are creating a framework

for a new Nigerian business climate that will provide opportunities for a new mutual prosperity. I am pleased to note that companies that are doing very well have been advocating positively for Nigeria and providing evidence that our country has become the preferred investor destination in Africa.

It is no longer news that we are implementing a comprehensive reform agenda known as National Economic Empowerment and Development Strategy (NEEDS) with a new philosophy and value orientation aimed at increasing confidence in the economy and boosting the flow of trade and investments in the country. The agenda seeks to reduce poverty, generate employment, create wealth, reform the public sector, entrench due process, transparency and good governance, tackle corruption in all its manifestations, enhance the technology base of the public and civil services, and lay the foundation for a private sector-led economy.

In like manner, considering the fact that the Nigerian economy is one, the Federal Government has encouraged the state governments to imbibe the homegrown development strategy. Consequently, just like the NEEDS, the state governments have embarked on articulating their own development strategy known as State Economic Empowerment and Development Strategy (SEEDS). In addition, a set of benchmarks for assessing the implementation of SEEDS has been developed by the National Planning Commission in collaboration with the development partners. The benchmarks cover four key areas, namely: fiscal management, budget process, service delivery, communication and transparency.

With the NEEDS-SEEDS synergies being put in place, the opportunity for policy coordination between the federal and state governments is enhanced. NEEDS-SEEDS relationship is being developed in recognition of the fact that though we have different levels of government we have just one economy to run and manage for the welfare of our people. The NEEDS-SEEDS policy framework will deepen and add value to the totality of our reform programme, be it economic, social or political.

You will agree with me that if we must move forward as a nation and build a society that we and future generations can be proud of, these reforms are not only necessary but also require effective implementation. I assure you that

we are resolute in our commitment to these reforms to ensure meaningful and sustainable results. We do not intend to yield to unnecessary pressure, blackmail, intimidation, and misdirected criticisms from any quarters as far as our commitment to making life better for all Nigerians is concerned.

We must, however, also admit that we are not yet where we would like to be or where we know we can get to in terms of the goals of our reform programme. Our aim is to properly position Nigeria to fully realize its potentials under globalization. While globalization has many drawbacks, limitations, contradictions, and policies that do not favour developing nations, it is a reality that we must deal with individually and collectively. Globalization has meant greater interdependence between countries as goods, services, capital, labour, knowledge and information now move increasingly faster if not entirely freely around the world. We plan to empower all Nigerians, in their respective callings, to be more creative, more productive, more innovative and more dedicated to reaching the highest points of their abilities. We also plan to set higher standards for ourselves as we are convinced that as hard working people, excellence will remain our watchword. Our war against corruption is an integral part of this objective.

Distinguished ladies and gentlemen, let me assure you that this administration is doing everything possible to address the cost of doing business in Nigeria occasioned by poor and inadequate infrastructure, corruption, and excessive bureaucracy. With institutions such as the Bureau for Public Enterprise and the Nigerian Investment Promotion Commission, as well as the role of our Due Process Office, and the excellent work of the Corporate Affairs Commission, and more, things are changing for the better.

The banking reforms, our emphasis on budgetary discipline and prudent fiscal management, control of inflation and the stable exchange rate regime, our investment in security, the rapid rehabilitation of our roads, and the ongoing-efforts by independent power providers, as well as the communications revolutions in the country, the business environment has definitely changed. Add to the above the unprecedented high level of reserves which gives over eighteen months import cover as against the minimum requirement of three months; serves as anchor for the stability of the naira and a strong measure against currency speculation. Even some of our international

critics that habitually place Nigeria on a low rating have begun to acknowledge our fight against corruption and the viability and effectiveness of our reform agenda.

In our effort to stimulate and sustain industrial production and consequently empower the private sector to drive the economy, this administration has embarked upon various fiscal reform measures in order to give incentive to local manufacturers. It is in recognition of this that government has revamped and restored the Export Expansion Grant among other measures. Similarly, the placement of a ban on the importation of some agricultural products as well as manufactured goods is designed to encourage local producers, strengthen the market, ensure quality products, create jobs, and build necessary infrastructure. The Custom Service is also being reformed with a view to making the organization more internationally competitive and service oriented. We plan to continue with reform as well as effective monitoring to ensure sustainability, quality and effective service delivery.

To break the shackles of underdevelopment, support sustainable infrastructure development, consolidate the gains of our reform agenda, deepen the structure and practice of democracy and accountability and further enhance our struggle against poverty, we need debt relief. Without debt relief we cannot guarantee that we can do much at meeting the Millennium Development Goals (MDGs) or supporting an agenda for job and wealth creation. This has implications for national cohesion, poverty reduction, stability and democratic consolidation.

We have already declared publicly that resources saved from debt relief and returned stolen funds will be deployed to pro-people policies and programmes. The debt overhang is a direct obstacle to peace and development and erodes the gains of democratic practice. We appreciate the leadership of President Jacques Chirac of France and Prime Minister Tony Blair in the campaign for debt relief for Nigeria and urge other creditor nations to lend their support to this campaign as expressed through the report of the UK Commission for Africa.

Distinguished ladies and gentlemen, we do not intend to let our people down. I call on friends of Nigeria to continue to support our efforts, advocate for

Nigeria, campaign for debt relief and intensify their investment processes. I urge all Nigerians to join hands as we turned the corner and cannot afford any backsliding on reform. Working collectively, we can build the Nigeria of our dreams. I know that it is possible and that we can do it with your support.

Permit me at this point to formally declare open the 11<sup>th</sup> Nigerian Economic Summit. I wish you very fruitful deliberations.

Thank you and may God continue to bless Nigeria.



## Appendix B:

### **What does the Commission for Africa Report Say About Governance and Corruption?** *by Myles Wickstead, Head of the Secretariat to the Commission for Africa*

#### **Brief Overview: The Commission for Africa (CFA)**

CFA – creation; composition; task; process

Report released 11 March 2005; launched in London and Addis; warmly received. Since then – outreach in Africa, G8, Europe and beyond. Commissioners and Secretariat; civil society, private sector, governments working to keep report and its recommendations high on international political agenda during this crucial year: G8 summit Gleneagles, UN Millennium Review summit New York, WTO Ministerial Hong Kong.

#### **Main findings**

Urgent action required now – to support progress already underway and to limit irreparable damage. African poverty and stagnation greatest tragedy of our time; Africa will not meet MDGs. Current crisis is result of complex set of inter-related causes, interlocking cycles. Thus action required in several areas at same time. Commission proposes a Big Push on governance; peace and security; investing in people through health and education; growth and opportunity to participate in growth; more trade and fairer trade; a significant increase in resources; and above all, Africa and the developed world working in partnership. [Discussed in more detail during lunchtime presentation by Fola and MW].

This package of actions will require strong increase in resources. A two-stage increase in external aid, plus increase in resources generated within Africa, for a total additional resource of \$75billion by 2015. In addition, 100% debt relief for poor countries.

Significantly, report argues that doubling aid while Africa and developed world continue exactly as before, will *not* deliver results. Increased resources are conditional on two things: dramatic improvement in quality of aid provided by donors; and continued improvement in standards of governance in Africa.



This brings us to the main theme of today's presentation: the priority attached to good governance in the Commission's action plan.

### **Good Governance and the Commission's Report**

Identified early on in consultations as being of crucial importance. Many Africans and those in the developed world concerned with Africa's development place governance at the top of their list of concerns. African leaders, with creation of new AU and prominence given to APRM, have signalled that governance is a high priority for them as well.

This is reflected in the Report. Opening paragraph recognizes that greater improvement in governance will be needed for Africa to make serious inroads into poverty. Theme of good governance runs through whole report, with specific mentions in Chapter 2, Chapter 5 and Chapter 7, while the whole of Chapter 4 is devoted to the subject.

Commissioners identified history of poor governance as one of the main political causes of the current crisis facing many African countries. Post-independence period, particularly 1970s onwards, marked by undemocratic governments, widespread corruption and ineffectual states. Report acknowledges that international community played large role, particularly through Cold War-era support for corrupt dictators.

As for the future, one of the report's key messages is that governance and peace and security are foundations on which all other actions to promote development must be founded. Without good governance, investments in people and efforts to promote growth, including aid, trade and debt relief, will not be effective.

- In Chapter 4, Commissioners explain how they interpreted concept of governance: "good governance" refers to 'effective states', able to deliver; with effective institutions which represent and include all citizens.
- Report describes an effective state as:
  - one with a sound constitution, which separates powers of judiciary and legislature from executive;

- able to create framework in which private sector can operate to generate growth;
- able to maintain peace and security, and protect the freedom and human rights of citizens;
- and capable of designing policies that will enable ordinary people to build a better life, and of delivering public services that citizens require.
- Commission's treatment of effective states extends to whole realm in which state operates, including areas like parliament, the judiciary and media.

Report identifies two crucial components of effective states and effective institutions:

- i) **capacity** - the ability to design and deliver policies; and
- ii) **accountability** – how the state and its institutions answer to its people for its policies and actions.

Transparency – being open about policies and actions – is an essential tool to strengthen capacity and accountability, while corruption, a manifestation of weak governance, undermines them. Lastly, there is an explicit acknowledgement that reliable and readily available data are needed to improve accountability and capacity, and to monitor and measure results.

### **How to support good governance? Action points/ recommendations**

This chapter has whole raft of recommendations on how to improve governance:

**Capacity:** supporting pan-African institutions (APRM singled out for specific support); getting fully behind national strategies for capacity-building; and providing strong support for development of professional skills, through strong and sustained investment to revitalise higher education institutions and the creation of centres of excellence in science and technology.

**Accountability:** broadening participation and strengthening institutions that improve accountability; encouraging good economic and financial management systems; training and mentoring for parliamentarians; strengthening justice systems and local authorities; encouraging development of free and independent media and providing them with training; and strengthening civil

society through capacity building and funding.

Increasing 'transparency' of revenues and budgets, especially in countries rich in natural resources. Companies should adhere to codes and standards; shareholders, consumers and civil society should keep pressure on companies to behave ethically; resource-rich countries should implement EITI; transparency principles should be expanded to forestry and fisheries; support timber certification schemes and import only legal timber.

Tackling 'corruption', at the state level as well as petty every-day corruption. Export Credit Agencies should be more transparent and require more transparency in projects they support; all countries should ratify UNCAC; encourage greater transparency in construction/engineering/public procurement sectors; and several measures aimed at repatriation of stolen state assets.

The report emphasizes that 'developed countries' also have a responsibility for improving governance in their dealings with Africa. Particularly in the area of corruption, many of the recommendations are aimed at rich countries and rich country agents – this includes multinational companies, export credit agencies, the multilateral donor organizations and developed country governments. Repatriation of stolen assets in particular is an area where the developed world should demonstrate its commitment to supporting Africa's development.

### ***Governance in the rest of the report***

Good economic governance also features prominently in the chapter on 'growth'. Commissioners identify private sector as primary driver of economic growth, with the state's role to provide a favourable investment climate, provide infrastructure and to facilitate investment in people. (The role of the private sector was discussed in more detail at lunchtime presentation)

Recommend a massive investment in 'infrastructure', to facilitate growth and increased trade as well as delivery of services – up to \$20 million investment. But bearing in mind public procurement and construction/engineering are particularly badly hit by corruption, report is clear that increased investment MUST be accompanied by improved transparency and better governance.

Acknowledging that corruption involves a bribe giver and a bribe taker, re-

port also places strong emphasis on codes of good practice and urges companies to sign up to these – in fact, it calls for a ‘complete sea change’ in the way business does business in Africa.

This call has not fallen on deaf ears – private sector has already responded to Commission’s call with the Business Action for Africa initiative. Made presentation about this at lunchtime, and will not repeat it all here; it suffices to say BAA is an international coalition of businesses committed to ending poverty in Africa. Under this initiative, businesses from Africa and elsewhere are coming together to build on the momentum of the CFA and the 2005 G8, to drive positive change for Africa and its people.

Would be happy to provide more information should anyone require it – also have some materials available for companies here that are interested in signing up to this very promising initiative.

### **Why is Good Governance such a High Priority?**

CFA argues strongly that ‘improvements’ in governance underway already in Africa makes this a crucial time to be getting behind Africa’s efforts, and to support them – else fragile progress may be reversed. AU with its policy of “non-indifference” and NEPAD indicate a fundamental shift in priorities of African leaders. African commitments are set out clearly in the NEPAD Declaration on Democracy, Political Economic and Corporate Governance; and in the Constitutive Act of the AU (11 July 2000).

Promotion of good political, economic and corporate governance is a founding principle of the innovative APRM. 23 countries have signed up (with 2 more under discussion), of which 4 are nearing the end of the review process. Ghana and Rwanda are close to completion; by the end of 2005 a further 6 countries (including Nigeria and Senegal) should have started the review process.

There are many examples of improvements in governance across Africa. Progress might not be across the board, but World Bank performance reports confirm that it is still significant. For example, electoral reforms have been underway in several countries, with positive results: elections have been

declared free and fair in Ghana (2004), Algeria (2002), South Africa (1994, 1999, 2004), and Ethiopia (2005). Tanzania will hold its third democratic election in October 2005. Egypt has elections planned for later in 2005.

Public Financial Management has also been improving. World Bank Country Policy and Institution Assessment (CPIA) showed that 15 African countries scored well in 2003, compared with only 10 in 2002. In one country, Tanzania, improved PFM has led to an increase in revenue collection from 8% of GDP in 1995, to 14% in 2005. Improvements are patchy across countries – and for only 15 out of over 50 countries to score well in the Bank's CPIA indicates how much room there still is for improvement - but the overall direction of change is significant.

On corruption, there are also clear signs of progress. President Obasanjo's outspoken and strong leadership in the fight against corruption is widely recognised. High-profile prosecutions by the Independent Corrupt Practices Commission have demonstrated how seriously this matter is taken. Nigeria is at the forefront of the drive to greater transparency as a participant in the G8 Transparency Compacts entered into at the Sea Island summit. Nigeria is also leading the way as one of the first countries fully to implement the Extractive Industries Transparency Initiative, which aims to improve governance of oil revenues.

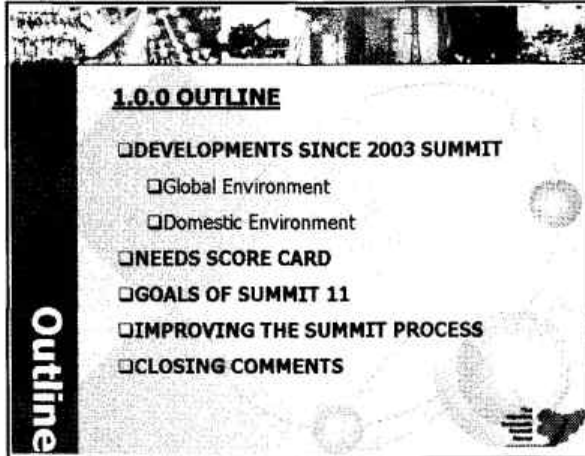
As Africa's most populous country and a powerful regional political and economic force, Nigeria is in a unique position to encourage other African countries to follow its example, and make clear and credible commitments to improved governance. Africans need to make strong statement that governance is improving across the continent. By doing this, Africa is showing that it is keeping its side of the bargain. It will then be up to Africa's development partners, in the spirit of partnership, to also keep theirs.

The Commission for Africa sets out a strong package of actions across a range of areas, which together could go a long way in supporting Africa's development efforts. But the resources needed to finance the additional aid, trade reform and debt relief which the CFA recommends, and all the other actions outlined in the report, will only materialize if the necessary political will can be mobilized among the leaders of the rich countries. And it will be

so much easier to mobilize that political will if Africa shows how far it has come already in addressing governance problems. Ongoing improvements in governance in Africa mean that it will no longer be possible to use governance as an excuse for inaction.

## Appendix C:

### Opening Presentation: Setting the Stage *by Mohammed Hayatu-Deen, Chairman, NESG*



**Outline**

**1.0.0 OUTLINE**

- DEVELOPMENTS SINCE 2003 SUMMIT
  - Global Environment
  - Domestic Environment
- NEEDS SCORE CARD
- GOALS OF SUMMIT 11
- IMPROVING THE SUMMIT PROCESS
- CLOSING COMMENTS

The slide features a background image of a summit and a network diagram with nodes and connecting lines.



**2.0.0 SINCE WE LAST MET**

- Rapid pace of change around the globe
- Economic reform has dominated Government's agenda
- NEEDS Launched with Implementation in high gear
- Public Private Partnership continues to thrive.

The slide features a background image of a summit and a logo in the bottom right corner that reads "Nigeria Economic Summit Group".






### 2.1.6 GLOBAL OVERVIEW

- ↳ Global march towards Democratic Governance
- ↳ Increased gravitation of countries towards liberalized and market economies
- ↳ Stronger pull towards regional alliances and trade blocs
- ↳ Global focus on Africa and its challenges

**Drop of ...!!!**

The Nigerian Economic Summit Group



### 2.1.8 NIGERIA OVERVIEW

- Democratic institutions continue to be nurtured
- Economic reform at the front burner

**... ahead!!!**


The Nigerian Economic Summit Group



### 2.2.8 NIGERIA OVERVIEW

- Raise quality of life for all Nigerians
- Make Nigeria prosperous and globally competitive
- Place private sector at the front end of economic development/growth
- Promote values which lead to social progress and stability

The Nigerian Economic Summit Group





**3.0.0 NEEDS REPORT CARD**

3.1.0 Sound and Stable macroeconomic policies

3.1.1 Achieving a sound Fiscal Position

- Budgetary Discipline
- Matching Revenues and Expenditures
- Timely Release of Capital Votes
- Low Deficit
- Better Resource Allocation
- Counter-Cyclical Fiscal Policy Stance
- Debt Management
- Tax Reform

*...and a solid foundation by application of the instruments and mechanisms!!!*

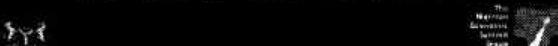

**3.0.0 NEEDS REPORT CARD contd'**

3.1.2 Monetary Stability

3.1.3 Price Stability

Thus a solid foundation for:

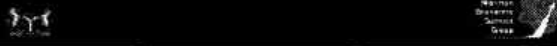
- Business to plan and invest
- Households to plan their financial affairs

**3.0.0 NEEDS REPORT CARD contd'**

**BUT**

- ❑ Hefty oil revenues have been a big help!!!
- ❑ Average lending rates have been higher, although heading south recently
- ❑ Fiscal Responsibility Pact should be negotiated between 3 tiers as a prelude to the Act
- ❑ With GDP growing twice as fast over the last 5 years compared to the previous five years, private sector operators can no longer remain reticent and complacent






**3.0.0 NEEDS REPORT CARD contd'**

3.2.0 Pension Reform

- ┆Lies at the epicenter of economic reform
- ┆A powerful tool for economic empowerment of the working class
- ┆Significant potential for revolutionizing financial system
- ┆Will create a market for long term funds
- ┆Huge multiplier effects throughout the economy








**3.0.0 NEEDS REPORT CARD contd'**

3.3.0 Governance

- ┆Professionalization of the public service
- ┆Monetization
- ┆Right-Sizing
- ┆Due Process
- ┆Better information flow:
  - Budgeting
  - EITI







**3.0.0 NEEDS REPORT CARD contd'**

3.4.0 Improving the Private Sector

3.4.1 Privatization

- ┆Privatization program at its most critical milestone
- ┆Utilities slated for sale should be handled with skill, competence and conviction




**3.0.0 NEEDS REPORT CARD contd'**

3.4.2 Deregulation and Liberalization

- Liberalization of downstream petroleum
- Entrenchment of local content policy
- Telecomm continues to lead deregulation of economy
- Port concessions now the flavor of the month
- Licensing of private refineries
- Indigenous airlines given wider access to international routes
- Virgin Nigeria deal will transform aviation industry
- Various PPP schemes in progress







**3.0.0 NEEDS REPORT CARD contd'**

**HOWEVER**

- Regulatory laws/institutions guiding post privatization/deregulation must be in place
- Licences must be awarded to only genuine entrepreneurs with technical and financial capacity
- Privatization of power sector must ensure investment safety coupled with fair and adequate returns to attract serious investors






**3.0.0 NEEDS REPORT CARD contd'**

3.5.0 Infrastructure

- Power
- Roads
- Water
- Education
- Health




**3.0.0 NEEDS REPORT CARD contd'**

**3.0.0 AREA: GOVERNANCE**

**3.0.0.1 GOVERNANCE**

- ↳ Presidential Initiatives
- ↳ Revitalization of Research Institutes
- ↳ Robust Support for Farmers
- ↳ Nucleus Estate Initiative
- ↳ Capacity Utilization constrained by:
  - Cost of doing Business
  - Purchasing Power
  - Low exports
- ↳ Medium term prospects good

The Ministry of Economic Affairs

**3.0.0 NEEDS REPORT CARD contd'**

**3.0.0 AREA: PRIVATE SECTOR**

**3.0.0.1 PRIVATE SECTOR**

- ↳ SMEs
- ↳ Financial Services

The Ministry of Economic Affairs

**3.0.0 NEEDS REPORT CARD contd'**

**3.0.0 AREA: POLITICAL AND SOCIAL**

**3.0.0.1 POLITICAL AND SOCIAL**

- ↳ Security
- ↳ Tackling Corruption
- ↳ Judicial Reforms

The Ministry of Economic Affairs




**3.0.0 NEEDS REPORT CARD cont'd**

**2.5.0 INVESTMENT FLOWS (2004)**

- ↳ \$6.3Bn New Investments-Oil & Gas Sector
- ↳ \$1.0Bn New Investments-Non-Oil Sector:
  - Fossil
  - Chemicals
  - Leasing/Construction
  - Power Generation
  - Pipelines/Other
  - Transportation
  - Other



 




**4.0.0 GOALS OF THIS SUMMIT**

**4.1.0 NES 11 Designed to evaluate NEEDS and:**

- Test its comprehension and acceptance by the public
- Devise new strategies/programs for getting broader public support
- Assess the continuing relevance of the various policy thrusts of NEEDS
- Measure the variance between set goals/targets and achievements
- Recommend corrective measures/actions



**Goals**  



**4.0.0 GOALS OF THIS SUMMIT**

**4.1.0 NES 11 Designed to evaluate NEEDS and:**

- Evaluate unfinished business against terminal date of 2007 and:
  - Fast track implementation
  - Reprioritize programs
- Critically appraise capacity and efficacy of implementing agencies/institutions and recommend remedial actions


**Goals**  



**5.0.0 IMPROVEMENT OF THE SUMMIT PROCESS**




**5.1.0 Summit continues to be revitalized and renewed:**

- Conversion of sector-specific workgroups into Policy Commissions
- Features of Policy Commissions:
  - Membership drawn from National Planning Commission & Private sector
  - Live, breathe and work throughout the year
  - Peer review of sector developments
  - Evidence based Advocacy to influence direction of private & public policy



**5.0.0 IMPROVEMENT OF THE SUMMIT PROCESS**  
**contd'**

- For better order and planning, need to establish a firm calendar for the Summit. We recommend 1<sup>st</sup> Week in October each year
- A board of patrons appointed for NESG to expand its breadth and depth
- Continuing need for expanding the depth and frontiers of partnership





## Appendix D:

**Reforming Public Institutions** by *Mahmud Yayale Ahmed, CFR, Head of the Civil Service of the Federation .*

### Introduction

Let me express my appreciation to the Nigerian Economic Summit Group for inviting me to share our experience on the reform programme of the present administration, as it relates to the Public Service, within the context of NEEDS. The eleventh summit with the theme “Building Momentum for Economic Growth and Transformation”, could not have been convened at a more appropriate time than now that the reform is approaching its mid-term and its implementation calls for knowledge and experience sharing, especially amongst all stakeholders, in order to evolve a collaborative strategy not only to fast track it but to also ensure that it is appropriately guided and sustained.

Permit me to state at the outset that reform is a global phenomenon which every nation constantly embarks upon to renew itself in response to the dynamics of rapid political, social, economic and technological changes occurring all over the world. In the case of the public service, the critical challenge before us is to re-configure the service so that it can be at par with its counterparts in terms of global standards of excellence. This demands a quick re-energization of its systems and procedures in line with universal best practices. On this condition alone will the public service, and by extension our nation, be a player in a globalizing world that is nurtured and re-enforced through constant change.

For those of you who are Human Resource (HR) practitioners, you will observe that the evolution of public administration theory over the last 100 years has moved from:

- (i) the minimalist state; to
- (ii) extending the ladder state; to
- (iii) the welfare state; and now to
- (iv) the plurals state viz: performance management and good governance.

In this connection, therefore, it can be said that this is the first time where

there has been a concerted effort by the government to look critically at the structure and manning level of the public service. In other words, the critical path to public service renewal is performance and service delivery through innovation and creativity. Hence, the official policies, which help to shape, the public service reform agenda are set out in the following key initiatives encapsulated under NEEDS:

- Focusing Government on its core functions of policy and delivery of public services, and withdrawal from commercial activities;
- Transformation in the effectiveness of customer service delivery;
- Fiscal and budgetary reforms involving a medium-term expenditure framework and a move towards a performance budgeting regime;
- Enthroning a focused public service that specifically encourages and supports the private sector as the engine of growth and provider of job opportunities;
- A determined and sustained drive to eliminate waste in the public expenditure (through e.g. monetization of fringe benefits for political office holders and public servants); and
- An intensive campaign to strengthen transparency and accountability in the conduct of government business and to fight corruption across the entire spectrum of the public sector.

### **NEEDS as Framework for Reform**

The context of the federal government reform agenda has been elaborated in the National Economic Empowerment Strategy (NEEDS), which forms the core of the implementation modality of what is evolving into a medium-term development strategy. The strategy is novel in being holistic i.e. it presents an integrated framework for policy and institutional reforms.

The broad emphases are economic growth, poverty reduction, human capital development and governance and institutional strengthening. Its benchmarks are critically aligned not only to major national and sectoral strategies including the fundamental objectives and principles of state policy as stated in the 1999 Constitution, but to continental challenges outlined in the NEPAD strategies as well as the Millennium Development Goals (MDGs)

In very specific manner one of the challenges that the reform poses is one of how institutions of governance, be they civil service bureaucracy, institu-

tions of higher learning, knowledge networks responsible for research and development and science and technology can be made more effective and growth-oriented. For reforms, designs and innovations are required on how values like quality, innovativeness, accountability, customer-orientation and professionalism can be the drivers of our national institutions.

### **Over-arching Vision**

The national vision contained in NEEDS as adopted from the Kuru Declaration of 2001 revolve around:

- (i) The building of a truly African democratic country that is politically united and stable
- (ii) A Nigeria that is economically prosperous and that creates equal opportunity for all
- (iii) A country with a strong economy and at that, is the catalyst of African renaissance, and making adequate contributions sub-regionally, regionally and globally.

### **Strategy**

In order to achieve this vision, the NEEDS has been elaborated into four critical components namely:

- Macro-economic stability and accelerated privatization and liberalization of the economy.
- Public service reform, including reform of public expenditure, budgeting and the CSR
- Strengthening service delivery through governance and institutional reforms
- Reinvigorated accountability, transparency and anti-corruption drive.

In the civil service, the strategic focus of reforms is as follows:

- Reprofessionalize the service to create a new generation of officers and technocrats with sufficient skills, knowledge and motivation to innovate and make sure as applicable to government operation and the management of institutions;
- The conduct of vigorous and systematic evaluation and reporting of professional performance to make policy matters accountable for resources

used and for results.

- Getting it to focus on its core functions by withdrawing from commercial activities.
- Modernize its operations and systems using ICT.
- Reorientate the public sector to service the public and clients in a strong, accountable and responsible manner.
- Creation of a number of more specialized cadres;
- A system of capacity utilization wherein core skills are better matched with jobs.
- Injection of high-skills and competencies available in other sectors of the economy into the public service using a range of incentives.
- Strengthening policy and research synergies through enhanced collaborative projects including public-private partnerships.
- Spirited statistical reform to bridge knowledge and information gaps.
- Review of current national policy for generation, application and exploitation of knowledge and intellectual property.

### **The Underlying Principles**

The underlying principles guiding the strategy of reforming the public service involve:

- Reprofessionalization of the service to create a new generation of officers and technocrats with sufficient skills, knowledge and motivation to innovate and make same applicable to government operations and the management of institutions;
- Monetization of fringe benefits and reduction of waste and inefficiency, within an incentive structure that support competitive private sector development;
- A fiscal rule and budgetary reforms operated in the context of a move towards a medium-term public expenditure frame work that is linked to a properly functioning stabilization account with set budget envelopes within which agencies will have to operate;
- Setting clearly the organizational and personal objectives within a concern with results rather than process and expenditure;
- The conduct of rigorous and systematic evaluation and reporting of programme performance to make policy makers accountable for resources used and for results;



- Getting government to focus its core functions by withdrawing from commercial activities;
- Re-engineering existing processes to make them faster, modernized using of ICT and, therefore, more efficient;
- Striking the appropriate balance between direction, control and autonomous energy of department and public managers through reforms of central agencies;
- Creating a process in policy work to encourage decision makers to periodically look at the longer and wider issues, and to draw the right people and the best information available to the various points of decisions;
- Changing the mind-set of officers so that they are conditioned by strong professional code of ethics. An orientation to the needs of citizens as customers rather than the interest of the organization or bureaucrats.

### **Strategic Focus of Reforms**

The civil service reform activities action plans, in a very broad sense, are designed to focus the core functions of government namely: policy making, service delivery, value reorientation and accountability with four major domains of public administration system emphasized in the action plan as follows:

- Policy Management Reform, to:
  - Create an enabling environment for faster private sector growth and poverty reduction.
- Review of Federal Executive Council (FEC) operations to strengthen policy analysis as well as policy coordination, monitoring and evaluating mechanisms.
- Building of ministries capacities to prepare sector strategies and plans.
- A new policy orientation that emphasizes how a sequence of inputs, outputs and information flows contribute to the success or failure of programmes/ projects.
- Greater focus on systems and decision analysis that utilize quantitative models.
- Stakeholder analysis, and greater emphasis on participatory planning, inter-governmental and inter-departmental synergy.
- Operation of MDA within mandate framework that distinguishes delivery of services and production of services.
- Improved budget management and fiscal responsibility with goals and ob-

jectives to:

- Improve expenditure control
  - Revenue cultivation and growth
  - Grow capital expenditure
  - Reduce debt stock
  - Improve service delivery
  - Ensure continuity and projects sustainability
  - Improve quality of staff
- Culture change, starting with a focus on leadership efforts in providing incentives to encourage a ‘culture of performance’, through changes in operations and systems that govern the way we conduct government business and the installation of a new performance management scheme that clearly elaborates:
    - Ministry’s vision, mission, objectives and key strategies
  - Core businesses, business plan and strategies on how organization structure and HR can support them.
  - Performance measures for core businesses, programmes and people.
  - Changes proposed to enable enhanced service delivery and policy intelligence.
  - Plans for modernizing operations and reengineering process.
  - Better people management through a mix of reprofessionalization of solutions and the strengthening of M&E of HR management practices, M&E of programme performance measures within a process that is tied to a new system of reward and sanctions.
  - Clean up of payroll and personnel records and subsequent computerization.
  - Review of staff cadres through extensive reprofessionalization scheme.
  - Remodeling of recruitment and promotion processes for greater sensitivity to performance, the new recruitment policy is being designed to attract, obtain, harness, deploy and motivate the best talent through a competency-based competitive HR Policy.
  - Installation of stronger HR planning policy and mechanics.
  - Installation of a new performance management scheme that clearly elaborates:
    - Pay reform, to evolve a new strategy that balances the objectives of providing adequate incentives to staff capable of attracting young talents and experts that have made their marks on other walks of life,

and ensures medium-term affordability.

- Capacity development and training focusing on the following:
  - Reappraise government commitment to the training and development of its staff and to institutionalize training and retraining on regular basis, in the service.
  - Revise the training policy so that its implementation could take the benefit of multi-media, distance and other cost-effective strategies to training.
  - Establish a format, procedure and mechanism for monitoring and evaluation of training, policy implementation to institutionalize the move towards creation of learning organizations in the civil service.
  - Rehabilitate infrastructure, expand facilities, review curricula, retrain staff of the training institutions and expose them to modern methods and techniques of skill building training, inject more competent skills into them while networking them with high performing institutions within and outside the shores so they could take the benefit of best practices and innovations.
  - Properly focus the mandate of the upcoming civil service college so that it does not duplicate those of existing institution.
  - Rationalize the training institutions.
  - Redefine their legal instruments so that they could be more autonomous, made to conform to market principles and thereby, be less budget dependent.

### **Accountability Reforms**

Getting government departments to manage for results also demands strong devices for assuring that promised results are achieved through enforcement of contractual relationships. The concept of 'service charter' is already in place. The charter specifies the powers, rights and obligations of both the service providers and the clients. Accountability is then enforced through specified required performance levels by each party, as well as the monitoring of compliance through oversight, public expenditure and customer surveys, audit reports, performance reporting, independent project verification reports and legislative oversight.



There is the reinvigorated accountability measures with regard to due process, transparency in the flow of funds and other resources, service charter/contract with the Nigerian public as customers, and strict compliance enforcement, to:

- Strengthen performance orientation by moving beyond compliance to results;
- Clarify roles, responsibilities and performance expectations of the parties to the accountability relationship;
- Redesigning services through 'collaborative' or participatory approaches that involve customers, outside experts, policy makers and professional providers.
- Training staff in customer service and service competence.
- Introducing reward systems that intensify delivery and service.
- Strengthening the role of regulatory agencies.
- Have services and customer satisfaction independently monitored.
- Independent units receive feedback information/reports, evaluate and propose interventions.

### **Fighting Corruption, Improving Transparency and Governance**

One of the key focus of the reform agenda of the present administration is the fight against corruption, lack of transparency in government accounts and poor governance. Several steps have therefore been taken to address these problems:

#### ***a) Procurement Reforms***

Public procurement has been identified as one visible area for corruption. There is strong evidence that procurement in all tiers of government in Nigeria has been made a convenient channel for making quick money. Studies have also proved that government procurement has been non-transparent, uncompetitive and not cost effective. The procurement reform of this administration is therefore aimed at improving transparency and efficiency in due process, for better tendering and contract management, increased value for money, timely delivery of goods and completion of works, as well as enhanced oversight through prior and post-procurement reviews.

The Budget Monitoring and Price Intelligence Unit (BMPIU) which was

established to oversee the procedures for competitive bidding, contract review and award in all federal establishments has recorded remarkable success in the last few years by saving government over N65 billion through its certification and unit cost verification process.

In order to institutionalize and expand the scope of the “due process mechanism”, government has presented to the National Assembly, a bill for an Act to establish the Bureau of Public Procurement, which will be responsible for public procurement regulations, price indexing, etc. In addition, a procurement cadre has been created in the Federal Civil Service. This is aimed at attracting procurement specialists from within and outside the public service to manage procurements in line with internationally acceptable practices and standards. To this end, each MDA is to have a procurement unit, which will regulate all transactions within such MDA.

These Units will further relate with the Bureau of Public Procurement when established on matters above their threshold. Recently some state governments expressed interest in the federal government public procurement reforms by sending their personnel to understudy the BMPIU. This I must stress is a welcomed development, indicative that very soon all the tiers of government in Nigeria will adopt transparent and credible means of transacting their procurement business.

The federal government, through the BMPIU, has initiated the Greater Transparency in the Oil and Gas accounts and in NNPC. This is aimed at tackling the problem of paucity of information on its oil accounts and further introduces transparency in the extractive industries. To facilitate the process, Nigeria is participating in the Extractive Industries Transparency Initiative (EITI).

#### ***b) Tackling Economic and Financial Crimes***

Between May 1999 to date, government has created institutions to tackle the problems of corruption, economic and financial crimes. These include, amongst others:

- Establishment of the Independent Corrupt Practices and Prosecution Commission (ICPC) in 2000. Despite the initial set backs recorded, the commission is positioning itself and collaborating with other law en-

forcement organizations of government in tackling the issues of corruption. The ICPC has successfully prosecuted over 55 cases in court. Recent efforts of the commission at bringing some high visibility prosecution cases are manifestly clear. This we hope will send very clear signals at the commitment of government to stamp out corruption.

- The existence of so-called “419” and other scams for which Nigeria has become known internationally has proved to be a major obstacle in attracting investment. This therefore led to the promulgation of the Economic and Financial Crimes Commission (EFCC) Act 2002. The Act was re-enacted in 2004 to ensure coordination and enforcement of varied but related economic and financial crimes. The EFCC has performed spectacularly well by the arrest and persecution of known “419” kingpins. Its recent moves have given credence to the determination of this administration to establish a corrupt free society. In addition to its achievement in cleansing the business environment, fighting corruption, ensuring accountability in government, sanitizing and stabilizing the banking sector through loan recoveries. The EFCC also enjoys collaborative assistance from international law enforcement agencies in the US and across Europe, such as INTERPOL, FBI, UNODC and FATF.

### ***c) Strengthening the Police and other Para-military Force***

In recognition of the strategic importance of security to the economic well being of our nation, the Obasanjo administration had from inception in 1999 committed more resources to building the capacity of the Nigerian Police Force than any previous administration. The strength of the force is gradually being increased to meet the challenges of security maintenance as well as to bring it close to the United Nations acceptable police/citizens ratio. Logistical requirements, including modern communication gadgets and sophisticated firearms have also been provided to the police to make it more pro-active.

The welfare and social security packages of the force have been improved upon by this administration so as to boost the morale of officers and men of the force. In order to curb trans-border crimes, the Nigerian Police has established joint border patrol teams with Benin Republic, Niger Republic, Chad and Cameroon. Government is quite hopeful that these teams will effectively check the negative experience of past years where business concerns

felt unsafe to invest due to crimes perpetrated from neighbouring countries.

In the same vein, the Nigeria Customs Service has also pursued its reform programme, which is aimed at stamping out corruption and checking the illegal importation of goods, which has contributed to the grounding of our local industries. The import prohibition list has been reviewed to encourage the resuscitation of local industries. The service has equally increased its presence, not only at the seaports, but also in land borders and airports. The service has established a very strong mechanism to check corruption. Professionalization of the service is also being pursued through intensive training and re-training of officers and men.

A reform of the Nigeria Prison Service is being pursued side by side with the reform of the legal and judicial system. Government has continued the rehabilitation of prisons, improved logistical supplies such as operational vehicles, communication gadgets. Government is exploring other alternative punitive measures so as to minimize the congestion of prisons.

In line with the ECOWAS free movement policy, the Nigeria Immigration Services has put in place measures which will facilitate the free movement of citizens of member states in and out of Nigeria so as to boost trade relationships within the region.

### **Success So Far**

The implementation of the public service reform programme is still largely in its early phases but some significant successes have been recorded. Some of these are highlighted as follows:

- Personnel record and payroll clean-up, now to be followed by an IT-enabled integrated human resources database system for the entire service;
- Streamlining of functions within MDAs and between MDAs and their parastatals and rationalization/merger of parastatals;
- Organizational re-structuring of pilot MDAs for more effective and efficient operation.
- New approach to capacity building in pilot MDAs, through re-orientation and skills development, training, process re-engineering and provi-

- sion of modern working facilities;
- Progressive computerization of systems;
  - Institutionalization of service delivery principles, including the introduction of service charter with the public/customer;
  - Modernization of the financial management system, including the budget/funds management process, accounting system and financial reporting;
  - Acceptance and progressive entrenchment of transparency and due process in tender and contract award processes, with considerable savings in cost;
  - Rightsizing of the service including the on-going staff severance to be followed by the injection of bright and competent personnel into the system and re-skilling of the remaining.

These positive changes are expected to be applied to other agencies within the Public Service over the next couple of years, in addition to other planned innovations in the programme.

The initiative for the reforms was that of the President. However, the programme has been helped by innovative ideas from various quarters. For example, the Economic Group, which is the forum of ministers and other top government officials in economic and allied establishments, had advanced suggestions for the fast tracking of reforms in the bureaucracy as part of the enabling environment for the wider reforms of the economy. Since the civil service is a system that is governed by rules and regulations it was necessary to modify the system to enable the new innovations take root.

The Presidency therefore, in February 2005, took a timely step by appointing a high-powered Committee for the Review and Revision of Public Service Rules, Regulations and Procedures. The committee recently submitted its interim report, which embodied proposed transitional arrangements for fast-tracking the reforms, including the right sizing of the civil service. This proposal and its subsequent implementation guidelines have received the President's approval. The implementation process is now in progress.

It is pertinent to mention that the service had earlier taken the initiative of setting up a machinery for reforming itself, in the form of the public service



Reform Implementation Committee (PSRIC), which is a body composed of the Head of the Civil Service and selected permanent secretaries and other officers of high seniority. The committee recently took bold steps to address various facets of the reform programme by appointing six teams on the following issues:

Team A - Retention and Re-skilling of Existing Staff Service wide

Team B - Determination of the Executive Officer Cadre

Team C - Fall-out, Redeployment and Redundancy Management

Team D - Financial Implication of the Reform Implementation

Team E - Succession Planning, including Service Renewal and Rejuvenation

Team F - Change Management and Communicating the Reforms.

These teams are currently progressing on their assignments, which when concluded, will serve as basis for a launch into the full-scale service-wide reforms process.

### **Expected Outcome of Successful Reforms**

The expected outcome of the reforms is highlighted as follows:

- An organization that is not just staffed with competent professionals but is well managed;
- New generation of managers that is courteous, friendly, receptive and helpful in its relationship with the public;
- Eager and proactive in offering information to the public within a framework that generates strong feedback and effective follow-up actions;
- Transparent, honest and averse to corruption, fraud and extortion of the public in official dealings;
- Exemplary standards of efficiency in production and rendition of services, with minimal waste;
- Punctuality and time conscious in all official business;
- Well planned programmes with activity schedules and calendars that are firm and respected;
- Prompt response to problems and complaints of the public that are seen to be conclusively attended to;
- Objective, professional, fair and patriotic standards in the treatment of matters of public interest or cases entailing competition among persons

or organizations;

- Render service and products that are almost of cutting-edge standard and provided with minimal need for members of the public to leave their homes to visit the office concerned or to spend substantial amounts of money or provide copious documents and passport photographs;
- Charges and billing systems that are reasonably affordable and convenient to the public;
- Public infrastructure facilities that are built to unblemished standards, regularly maintained and promptly repaired;
- Continuous improvement in service mix and methods based on communication and feedback from the public.

## **Conclusion**

Nigeria has no choice than to join the rest of the progressive world in good governance and quality public service delivery. As the government has put its hands on the plough of public service reforms towards these laudable objectives, there is no looking back. The exercise has begun and is proceeding positively with good prospects of success. I have the unflinching faith in the programme and urge you all to join us in the Civil Service in realizing this dream by 2007. I thank you all.



## Appendix E:

### **Government and Institutions: Issues and Challenges in NEEDS Implementation** *by Ahmadu Adamu Mu'azu, Governor Bauchi State.*

It is a great pleasure and honour for me to be part of this year's Nigerian Economic Summit. For me it is always a great delight to participate at this annual event. This is a very important effort that the Nigerian Economic Summit Group has been undertaking. Out of the NES discussions emanate some wonderful subjects, ideas and life time experience that inspire and re-invigorate not only those at the summits but policy makers, who get the outcomes of these summits as inputs to their decisions in the pursuit of the vision of ensuring Nigeria's greatness, and the improvement of the quality of life and standard of living of the Nigerian people. I must at this juncture pay glowing tribute to the founders of this summit group and to all those that have kept it alive over the years.

I welcome this opportunity to share some thoughts with you on the issue of Governance and Institutions with particular emphasis on Corruption, Markets and Regulatory Framework, Corporate Governance and Reforming Public Institutions. I consider the choice of the theme and sub themes as very apt as we collectively embark on this great but difficult journey of transforming not only the Nigerian economy but also the Nigerian society, as articulated in this all-important document of the National Economic Empowerment and Development Strategy (NEEDS). I see NEEDS as a lesson from our willingness to create a better future for our country, a willingness to create a vision of where we hope to go in the future, as a nation.

I do believe that Nigeria with democracy, and Nigeria with NEEDS in place, has the best opportunity now, in almost half a century, to achieve prosperity.

Governance today is about a strong, prosperous and democratic Nigeria. It is about creating jobs, putting people at work, new business blossoming, entrepreneurial energy unleashed. It is about growing the private sector and changing the way Government does its work. It is about increased effort to protect the environment, fighting diseases, empowering our people with sound education, economic means and good health. It is about transparency and accountability in governance, justice and fair play. And all these are what

NEEDS and the State Economic Empowerment and Development Strategy (SEEDS) are all about.

My interpretation of NEEDS and SEEDS suggests that both are primarily calling for far reaching reforms in all sectors, and most facets of our lives. It is therefore a great opportunity offered to me by this Summit to make a contribution on a topic on which ignorance too often abounds and the truth is too rarely perceived – yet it is the most important topic of our time.

To start with, there are fundamental questions that we must answer; such as what kind of reform do we really seek? The answer to this question has been established by the NEEDS document, but I see it as basically all about a commitment to sound economic policy and a tangible efficiency drive. I see it as being able to respond flexibly and effectively to our constituents – to our people - ; about holding each and every one of us with a public office accountable; about measuring the performance of each one of us against some measurable, identified targets; and finally about achieving high performance government. A government that is characterized by its strong performance culture, a commitment to continually improving its service offering, an ability to improve the value it brings to its citizens and high quality counsel for all of its stakeholders.

Reform is a continuous controlling function of any plan, good or bad. It is a necessary rational end of rational men. But in Nigerian, some say that it is useless to speak of reforms – and that it will be useless until our leaders begin to reform themselves and adopt a more enlightened attitude. I partially agree with this assertion and I hope we, as leaders, would actually reform ourselves. But I also believe that these people can help us do it by exposing us when we go against the reforms we are preaching and championing. I will therefore call on every leader (be it at Federal, State or Local level), every thoughtful citizen who despairs of poverty and wishes to see prosperity and well-being, should begin by looking inward – by examining his own attitude toward the possibilities of reforms.

Too many of us think it is impossible. Many others think it is unreal. In my view, this is a very dangerous position to take, because it may lead to the conclusion that poverty is inevitable – that our nation is doomed – that we

are gripped by forces beyond our control. We must not accept this! Our problems are man made – therefore, they can be solved by man. And man can be as big as he wants. No problem of human destiny is beyond human beings. Man's reason and spirit have often solved the seemingly unsolvable – and I believe they can do it again. So let us persevere. To achieve better results however, it is paramount to define our goal more clearly to the understanding of the ordinary Nigerian. By making it seem more manageable and less remote, we can help our people to see it, to draw hope from it, and to move irresistibly towards it. Genuine reform is the product of many parties, the sum of many acts. It should be dynamic, not static, changing to meet the challenges of each time.

From my little experience in forging with the reform effort in my State, our efforts are being marred by two factors which if not tackled with full force may hamper the success of the reform drive. I am referring to Time and endemic Corruption in the system.

Starting with former, I would say that the countdown to 2007 has begun. No matter how hard we work from now till the end of our tenures, most especially we the second and last timers (who only have a year to mid 2006 of real work), inevitably we would have to leave behind an agenda of unfinished work that subsequent leaders may have to complete. All we have built, all we have worked for, would be destroyed within a short time if we fail to ensure that only reform-minded followers are the ones giving the mantle in order to continue with the reform strategies, policies and tasks. There is therefore the need to create a living legacy, inspiring legions of followers to carry on the mission long after we leave the scene. We must build new political movements and create cadres of loyal followers who would pick up the banner when we are gone.

The second factor of concern, which is even more serious than the first, is that of corruption. As some of us struggle hard to provide some semblance of good governance through the provision of basic infrastructure that will improve the lives of our people, we are most times frustrated by the stark confrontational reality of this monster.

Some true-life examples of what we see and hear may be appropriate here.



As a leader, for you to provide good governance in your territory you need to move around to see things for yourself, to get feed back from your masters, the people that elected you and brought you to office. And for these visits and inspections to be effective, one need to be down to earth and move without the paraphernalia of the office if one is to gather reliable data and information. The down to earth position enables you to get the actual facts and figures from the electorate and reveals the true picture.

I see women and children ferrying water from long distances simply because there is no electricity from NEPA to power the boreholes and the money for the diesel for the back-up generator has been pocketed by some government officials. In some areas, there is no water because of corruption by a builder of a community borehole which no longer worked. I go to homes that have food in their stores from their farms, but could not cook because fire wood required for the cooking is expensive as a result of illegal fines and levies imposed by forest guards, police and other supposedly law enforcement officers on our highways. I go to hospitals and I hear stories of patients being forced to offer bribes at hospitals in order to be treated. In the same hospitals, you hear stories of government drugs, purchased under the drug revolving fund, being carted away or sold at commercial rates without the subsidies.

We struggle hard to renovate our schools, provide teaching aids and to insist that parents send their children to school. But we hear stories of bribes being demanded and given during registration of children in schools, to enable pupils to pass exam, to enable students to obtain placement in secondary schools and colleges. Moreover, we hear true stories of teachers giving bribes in order to be promoted, to be transferred and to be given placements. These stories are unfortunately, typical, rather than isolated cases. Tragic as they may sound, they are part of a national phenomenon. These are not Bauchi State stories but Nigerian stories. The sad news about these stories is that it is the poorest in the society; those with limited or no possibilities to defend themselves that have to bear the brunt of this monster and yet our biggest goal as a nation is to fight and reduce poverty.

These bring me to the conclusion that for the implementation of NEEDS and SEEDS to be successful, there is no doubt that these two key issues must be

addressed head on. James Wolfensohn (former President of the World Bank) said and I quote:

*"we see in today's global economy countries that can move towards a market economy, can break up state monopolies, can reduce state subsidies, but if they do not fight corruption and put in place good governance, their development is endangered and will not last".*

Another interesting quote is:

*"Corruption in all its manifestation is the greatest single impediment to our national aspiration to enter the millennium with confidence. Corruption checkmates all vision for a morally strong and economically prosperous society"*

Distinguished ladies and gentlemen, these latter words are not my words, but the words of Mr President of the Federal Republic of Nigerian, said not yesterday, but in September 2000, that is less than a year after the inauguration of his administration.

Yet despite these sweeping observations on corruption as it relates to the Nigerian nation the NEEDS document seems to devote relatively insufficient material on the strategies of dealing with the monster. It only offers a small section in the document on the ICPC and the EFCC. The fact that the ICPC, EFCC and Budget Monitoring and Price Intelligence Unit have been set up is by far no mean achievement but we still need to do much more and much more quickly, most especially because time is against us. 2007 is just round the corner.

The challenge for fighting corruption in Nigeria is multi faceted. It is economic because it deepens poverty, exacerbates inequalities and makes for an economy whose very structure is skewed; it is political because it breeds impunity and undermines vital governance institutions such as the legislature, the judiciary, the civil service, the enforcement agencies, e.t.c. It is also social and cultural, because where impunity with regards to corruption prevails, one finds the corrupt transformed into later day heroes and the principles of honesty and hard work become less attractive.

We need to strengthen our Governance institutions to make them less vulnerable to corrupt practices. We need to make our public office holders accountable for their actions. We need to reinforce our regulatory institutions such that they can effectively carry out their functions of regulating the private institutions because 'it takes two to tango' We need to ensure strict application of the rule of law without fear or favour. We need to ensure that no one is above the law and also adding equality before the law. That is why I totally support the call that the immunity clause being enjoyed by certain categories of public office holders such as the President and the Governors should only be limited to matters of a civil nature. There must also be leadership by example in all the sectors.

This brings me to the issue of Corporate Governance and the fight against corruption, and inevitably the success or otherwise of NEEDS. While having no doubt that Governments have a formal responsibility to reform the national integrity system, the private sector has a unique input to make. It is the dominant engine of the economy and an effective anti-corruption campaign can hardly be sustained against the opposition of the corporate community. Business is not just about making sound investment decisions, taking and managing risks and dealing with economic uncertainties. Today, it is about social responsibility, putting all our actions under public scrutiny.

Large volumes of businesses are being won by companies through unethical behaviour, which in some sectors, has transformed competitive advantage into competitive bribery. In our part of the world 'connections' are everything; we have seen too many instances of cosy relationship between authorities and certain selected business groups. These relationships or connections might have been perfectly harmless except that many important deals have in the past been struck under circumstances perceived to be less than innocent.

Directors should understand and accept responsibility for keeping their companies within the laws. But how many company directors in Nigeria even know what is statutorily expected of them not to talk of general expectation of members of the public. Which is voluntary and not statutory?

To this regard, I will suggest mandatory special training courses for directors

of all large size corporations under the auspices of the Securities and Exchange Commission (SEC) and Corporate Affairs Commission (CAC). The emphasis should be on duties and legal responsibilities of directors. It is expected that the directors should set the tone for all employees and indicate to 3<sup>rd</sup> parties, customers and the public, generally, the standards to be expected from their company. I will again add that it should also be made mandatory for an annual or six monthly signature of the Chief Executive Officer to confirm that they have been observed in every respect. It goes with out saying that the business community must accept its responsibility in the fight against corruption.

Nothing much was mentioned in the NEEDS document on self-regulation by trade associations in tacking corruption. Voluntary acceptances by business enterprises will not only promote high standards of integrity in business transactions, but will also form a valuable defensive protection to those enterprises, which are subjected to attempts at extortion. The chamber of commerce and other trade association could be encouraged to enact their internal 'Rules of conduct to combat extortion'. A verifiable and independent monitoring mechanism should be put in place to check members' behaviours with stiff penalties for non-compliance. There also appears to be considerable scope for professional associations and federations to include a mandatory anti corruption clause in their codes of ethics, with expulsion from its membership as the sanction for non-observance.

### **Reforms and the Free Market System**

If we look around the world today, the nations with the highest standards of living, greatest security, and lowest poverty are the free market economies. Free market system implies a rational and transparent process to decide on the allocation of scarce resources, which support the delivery of economic, social and cultural rights. Corruption undermines this essential democratic transparency and makes otherwise free market system un-free. A good example is our past experience in the foreign exchange market where forces of supply and demand were expected to guide the market, but where enemies of progress initially made it very difficult for the system to work due to corruption.

Of recent, there is a strong movement of those that totally oppose our reform



efforts, oppose free markets and the attendant deregulation and liberalization policies, and oppose the fight on corruption. Just last week when we went to the Senate public hearing on the transfer of the Yankari National Park to the Bauchi State Government, there were submissions made and arguments proffered by those who are still insisting on State ownership and control, who were kicking against our proposed Public-Private Partnership for the development of the park, and against our proposed conservation for development and concessionary arrangements, I say to this movement that your thinking has been lost in the past. The arguments they put forward sounds like old records, long playing, left over from the seventies and eighties.

The debate of the seventies and eighties had its great significance and produced some manageable results, but it took place in a different world with different needs and different tasks. It is our responsibility today to live in our own world, and to identify the needs and discharge the tasks of the present time. If there is any current trend towards meeting present problems with old thoughts, this is the moment to stop it – before it lands us into inaction. The stereotypes I have been discussing distract our attention and divide our effort. These stereotypes do our nation a disservice, not just because they are exhausted and irrelevant, but above all because they are misleading – because they stand in the way of the solution of hard and complicated matters.

Distinguished ladies and gentlemen, the NEEDS document, a reform document, should be a living document. It should therefore give room for periodic amendments in the light of experiences in implementation and I believe this is what this summit should be about.

## **Conclusion**

Distinguished ladies and gentlemen, in conclusion, I would say that Nigeria has so much of what it takes to succeed as a nation, bringing prosperity and well being to the generality of its people; and with NEEDS in place and SEEDS in some States, all we need now is to stay on course and pick up speed as 2007 is fast approaching and round the corner. We must redouble our efforts and commitment in opening the economy, strengthening the rule of law, promoting civil society, protecting the free press, breaking the grip of corruption, enhancing good corporate governance and all the other reform measures that NEEDS entail. The battle is far from being won. If our chil-

dren are to live their dreams, NEEDS must win. So again I ask us not to give up. We have to keep on fighting. We must not give up.

There is a lot of work to be done, but I bet on our ability to do it and to do it effectively. Nigerians have been known to end up doing the 'right thing' after we have tried everything else first. NEEDS is that 'right thing', and with our collective support, I believe, NEEDS will prevail.

Mr Chairman, distinguished ladies and gentlemen, I thank you for listening and may God bless us all.

## Appendix F:

### **The Peer Review Mechanism as a Tool towards the Rebirth of Institutions of Governance** *by Professor Adebayo Adedeji, CFR, Member of the Nigerian Political Reform Conference (NPRC) & Member of the Panel of APRM Eminent Persons*

#### **Introduction**

I have been specifically assigned the task of making this presentation on the African Peer Review Mechanism as a tool towards the rebirth of institutions of governance under the general theme, which is **Governance and Institutions**. And I am allowed a maximum of 15 minutes to make the presentation. I am therefore obliged to make the assumption – and I hope it is not heroic – that we are all familiar with these institutions of governance whose rebirth is essential for achieving an increasing measure of good governance which is fundamental to building momentum for economic development and transformation.

Since it is highly unlikely that the majority of the distinguished participants here assembled are familiar with the African Peer Review Mechanism (APRM) of the New Partnership for Africa's Development (NEPAD), I shall focus on what APRM is about, its *modus operandi* and the role it is expected to play in promoting sustainable democracy and good political governance; economic governance and management; corporate governance; and socio-economic development.

But in achieving all these, institutions play a decisive role. They can be either accelerator or decelerator. Indeed, as Napoleon Bonaparte admitted some two hundred years ago: "Men are powerless to secure the future: institutions alone fix the destinies of nations" (**Imperial Séance, June 7, 1815**).

Without doubt, an appropriate and adequate institutional framework and infrastructure are the foundation on which national development is built. And when the institutional capability is very high and is untainted by corruption and arbitrariness, the rate of progress is accelerated. Institutional capability affects not just the environment for business but also the overall setting for national development. The provision of an effective guarantee of property

rights and of peace, law and order encourages efficient long-term investment and the optimal utilization of resources. In other words, efficiency, competitiveness and social discipline depend largely on institutional capability. The fact that Nigeria ranks low in competitiveness even among African countries is an indication of weak, deficient and corrupt institutional infrastructure. In the Africa Competitiveness Index of 2000, Nigeria ranked 20<sup>th</sup> out of 24 countries. The challenge facing Nigeria is how to remove the various deficiencies in its institutional infrastructure.

How can the newly established African Peer Review Mechanism (APRM) help in achieving this objective? How can it help in accelerating the process of achieving structural reform, diversification and transformation in the country? Finally, how can the APRM process contribute to putting an end to policy discontinuity, policy instability and inconsistency?

### **NEPAD and the APRM**

The APRM is the centrepin of NEPAD. The very fact that the African Heads of State agreed to introduce it, albeit on a voluntary basis, marks a sea change in attitude towards governance. It is the instrument designed to monitor the adherence to the four core and overarching objectives of NEPAD and to ensure that all the African states that join the APRM club are moving in tandem in the achievement of these objectives.

More specifically, the APRM aims to foster the adoption of policies, standards and practices that lead to political stability, peace and security, good governance and rapid economic management. It must be emphasized that APRM was never perceived as a sanctions-imposing device or conditionality or cross conditionality for debt relief and debt forgiveness. It was perceived as an African-made process of national and collective self-reliance and as instrument for promoting, in the economies of participating members, efficiency, competitiveness and social discipline.

The ultimate objective of the APRM is to serve as an indigenous African instrument for revitalizing the political, social and economic foundation of participating member states; as a tool for promoting the rebirth of institutions of political and economic governance; and as a means for holding the leaders accountable, for seeking collective sustainable and equitable solu-

tion to common problem and thus put in motion a strategic reorientation towards universal African values. Put bluntly, the APRM is an instrument for letting Africa loose from the noose of economic and political dependence and dispossession.

### **APRM Organization and Processes**

The Memorandum of Understanding (MOU) on the APRM; the Declaration on Democracy, Political, Economic and Corporate Governance; the African Peer Review Mechanism Base Document; the African Peer Review Mechanism: Organisation and Processes; Objectives, Standards, Criteria and Indicators for the Africa Peer Review Mechanism; and, the Outline of the Memorandum of Understanding on Technical Assessment and the Country Review Visit together provide the marching orders for the operationalization of the APRM both at the continental and individual country levels.

These historic seminal documents are compulsory reading materials for all those interested in the reconstruction and development of Africa. Together they constitute the architectural design of a new Africa in which the adoption of policies, standards and practices that lead to political stability, sustainable human development and accelerated regional and continental economic integration become the norm; and where the sharing of experiences and the reinforcement of successful and best practices, identification of deficiencies and the regular assessment of the needs for capacity building of participating countries become a habit.

An Africa whose countries and peoples cooperate with and assist each other by sharing best practices and rectifying and identifying shortcomings instead of always begging the North to come over to Macedonia and help is an Africa that is on the verge of achieving self-reliance and the confidence that goes with it. It is an Africa that sooner rather than later will drop the yoke of dispossession and dependence. Finally, constructive peer dialogue would foster both mutual trust and interdependence.

Above all, it is at the national level that the potentials of APRM are at their greatest. It will change the context of African governments' engagement with their citizens. It will forge a new partnership among all development stakeholders – the private sector, the civil society and the government. Indeed, the

APRM constitutes an institutional response in confronting the various global, continental and regional challenges facing Africa.

It is also an exercise in collective national self-assessment. Not only will this offer the long-sought after opportunity for positive engagements with the governments, it will also open windows of opportunity for joint tackling of problems and an inclusive policy-making process and the building of the culture of accountability. All these will give the institutions of governance a new birth, a new awakening.

While the APRM is the first of its kind in Africa, we must not forget that at micro-interorganizational levels there is a substructure of peer review of longstanding. For example, in the university system, individual scholars and researchers voluntarily submit their works for review by their peers before they are finalised and published. The external examiner system whereby academics are invited by universities other than their own to help in the process of moderating the examination is as old as the higher institutions of learning. Peer review has been taking place for years among OECD member states. However, the comprehensive peer review system that has been envisaged under NEPAD is unique. It has no parallel in other continents. And if it is successful, it will impact positively on all forms of governance – be they political, economic or corporate.

### **APRM Indicators and Benchmarks**

The basis on which peer reviews should take place is the commitment of the participating states to:

- Adopting appropriate laws, policies and standards as well as building the necessary human and institutional capacity.
- Adopting specific objectives, standards, criteria and indicators for assessing and monitoring progress in key areas on a regular basis.

The key objectives are those that have been prioritized in the NEPAD Framework Document and Declaration. The codes and standards that are referenced in the declaration are those agreed to by the African Union. However, many of these codes or standards include detailed tools, templates and methodologies for self-assessment.

In undertaking any review, this scheme of concepts – objectives, standards, criteria and indicators – is applied in each of the following four areas identified in the declaration:

- Democracy and Political Governance;
- Economic Governance and Management;
- Corporate Governance;
- Socio-economic Development.

### **Organization and Processes**

Let us now touch briefly on the organization and processes of the APRM. The Committee of Participating Heads of State and Government (the APRM Forum) is the highest decision-making authority while the Panel of Eminent Persons (*APR Panel*) is to ensure the integrity of the process, consider review reports and make recommendations to the APR Forum. The APRM Secretariat and the Country Review Team (*APR Team*) respectively provide technical support service and undertake visits to countries to review progress with each country's programme of action. At the national level, an all-inclusive APRM organization with a highly proficient country secretary and co-operating technical institutions are required.

There are five principal stages in the APR process which begins with the country support mission which negotiates the exact terms of the MOU on technical assessment and country review visit followed by the visit of the Country Review Team and the preparation of the team's report and its submission to the panel, which in turn submits its report to the APR Forum.

Four types of reviews are envisaged as follows:

- The first country review is the base review that is carried out within eighteen months of the country becoming a member of the APRM process;
- Then there is a periodic review that takes place every two to four years;
- In addition to these, a member country can, for its own reasons, ask for a review that is not part of the periodically mandated reviews; and
- Early signs of impending political or economic crisis in a member country would also be sufficient cause for instituting a review. Participating Heads of State and Government can call for such a review in a spirit of helpfulness to the government concerned.

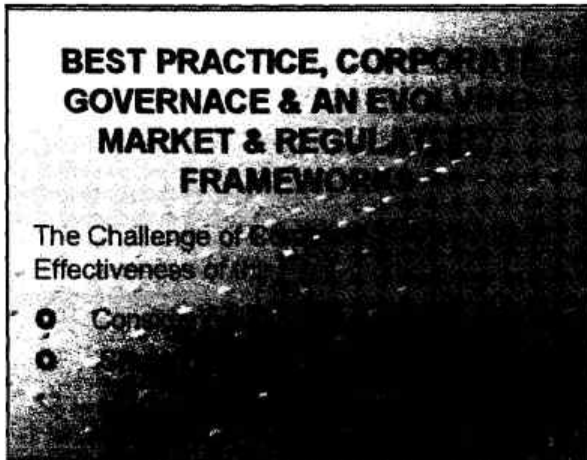
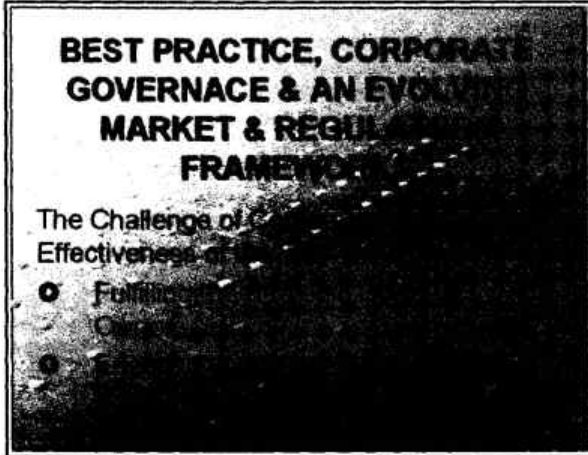


## **Progress so far**

- The reviews of Ghana and Rwanda are near completion. APR Panel will submit the two to the APR Forum in two weeks time.
- This will be followed by the reviews on Mauritius and Kenya.
- Already the review of two countries – Uganda and Kenya – has been embarked upon during the first quarter of this year, 2005.
- Before the end of the year, four more country reviews will be embarked upon.

Appendix G:

**Best Practice, Corporate Governance & an Evolving Market and Regulatory Frameworks** by *Pat Utomi, Director, Pan African University*



## **BEST PRACTICE, CORPORATE GOVERNANCE & AN EVOLVING MARKET & REGULATORY FRAMEWORKS**

The Challenge of Corporate Governance and Effectiveness of the Firm

- ◆ Ensuring Compliance with Regulations and the Law
- ◆ Reporting Corporate Governance and Accounting Information

## **BEST PRACTICE, CORPORATE GOVERNANCE & AN EVOLVING MARKET & REGULATORY FRAMEWORKS**

Corporate Culture, Accountability, Ethic and Effectiveness of Governance

## **BEST PRACTICE, CORPORATE GOVERNANCE & AN EVOLVING MARKET & REGULATORY FRAMEWORKS**

The Challenge of Best Practice

- ◆ The Environment & Problem of Accountability-Impact on Value
- ◆ The Problem of Non-Executive Boards



**BEST PRACTICE, CORPORATE  
GOVERNANCE & AN EVOLVING  
MARKET & REGULATORY  
FRAMEWORKS**

Our Values:

Respect

We treat others as we would  
be treated ourselves. We do not  
tolerate abusive or disrespectful  
treatment.

**BEST PRACTICE, CORPORATE  
GOVERNANCE & AN EVOLVING  
MARKET & REGULATORY  
FRAMEWORKS**

Our Values:

Integrity

We work with customers and  
partners openly, honestly, and  
straightforwardly. We do what  
we say we will do something  
it, when we say we will do  
something, then we do it.

**BEST PRACTICE, CORPORATE  
GOVERNANCE & AN EVOLVING  
MARKET & REGULATORY  
FRAMEWORKS**

Our Values:

Excellence

We are satisfied with nothing  
but the very best in everything we  
do. We will continue to raise the bar  
for everyone. The great thing  
is for all of us to develop and  
achieve the excellence we  
we can reach for.

## Appendix H:

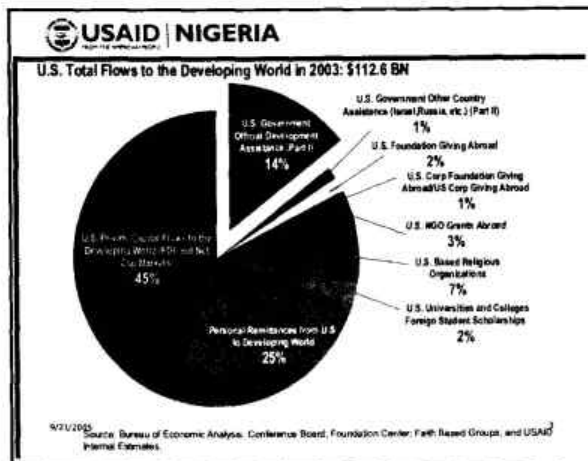
### Alliances, Participation and institution Building: Important Elements of Reform in Nigeria *by – Patrick Fleuret, Mission Director, USAID Nigeria*

**USAID | NIGERIA**

#### Presentation Overview

- Shifting composition of investment flows to developing countries
- USAID response to this shift: More focus on **partnerships**
- What is the partnership model?
- What partnerships contribute
- Increasing local **participation**
- Benefits of participatory policy reform
- The importance of **institutions**
- The difficulty of institutional reform
- Other country examples
- Lessons learned
- Conclusions and policy implications

9/22/2005 2



## Why Partnerships?

- Response to a changing global environment
- Increase in corporate social responsibility
- Leverage additional resources for development purposes
- Creates sustainability by building local capacity
- No single donor, government, or development organization can do it alone
- But not a substitute for building and using local resources

9/21/2005

4

## What is the Partnership Model?

- A public-private alliance is a relationship between a development organization and public and/or private entities which:
  - Jointly defines a development problem and proposes solutions/interventions
  - Shares resources, risks, and rewards
  - Engages new partners, and/or traditional partners
  - Uses new and innovative approaches to development work
  - Entails significant resource leveraging – such as money and in-kind contributions

9/21/2005

5

## What Partnerships Contribute

- Additional funding (At least one-to-one leveraging ratio)
- Access to markets
- Value added in activity design and implementation
- Technology transfer
- Skills, services, and expertise
- Synergies as a result of joint efforts
- Increased citizen participation and use of local human resources

9/21/2005

6



### Lessons Learned: Alliance Building

- True partnerships involve:
  - Shared development problem definition;
  - Joint project design and implementation with all stakeholders
- Involve partners from the start
- Alliances require work – outreach and relationship building
- Alliances take time

9/21/2005

7

### Securing Local Participation

- Fundamental principle of development assistance
- Generates broad domestic support for reform – involve a diverse mix of stakeholders
- Creates sustainable channels for citizens to engage in policy dialogue
- An active civil society can act as a vehicle for helping government improve service delivery and do its job better
- Civic and business advocacy organizations provide a voice and exercise oversight in the policy process
- NEEDS: Home grown and participatory
- USAID example: COMPASS

9/21/2005

8

### NEEDS: An Agenda for Reform

- The NEEDS reform imperative is widely recognized and supported among all levels of government
- **Participation** a key component of NEEDS
  - Government, private sector, and NGOs
- Policy areas now identified – next steps include strengthening institutions, implementation, and setting up monitoring mechanisms
- State-level complement – SEEDS

9/21/2005

9

## USAID Example: COMPASS

- Community Participation for Action in the Social Sectors ("COMPASS")
- Nine partner consortium – Four Nigerian organizations
- Working in four states and the FCT covering 51 local government areas (LGAs)
- 18 million men, women, adolescents, and children are expected to benefit from the program
- Over 600 grants worth \$250,000 to local community groups and NGOs
- Employs a participatory design and implementation strategy at the community level through the formation of Community Coalitions to increase access to primary health and education services

9/21/2005

10

## The Benefits of Participatory Policy Reform

- Boosts ownership, credibility and sustainability of the reform process
- Improves the design and implementation of growth-supporting policies
- Helps speed reforms through the legislative process

9/21/2005

11

## Lessons Learned: Participatory Policy Reform

- Participatory policy reforms are more challenging and take more time than a top down approach
- Conduct public education and communication campaigns to create buy-in and sustainability
- Capacity building for stakeholder groups to engage in constructive consultations
- Institutionalize mechanisms for consultation

9/21/2005

12

## The Importance of Institutions

- Laws and institutions shape the incentives and constraints people and firms face as they make choices/investment decisions
- Laws and institutions impact economic activity
- By reforming laws and institutions, countries can improve economic performance
  - Reduce transaction costs

9/21/2005

13

## But Reforming Institutions is Difficult

- Macroeconomic reform and stabilization tends to be the easier part of the reform process
- Rewriting and passing laws is also easy; implementation is much more challenging
- Civil society, business and industry groups, citizens and other groups must be brought more fully into the process
- Nigeria has the political will, but human and organizational change can be an obstacle
- Involves creating an enabling environment for private sector growth

9/21/2005

14

## Lessons Learned: Institution Building

- Writing a law does not accomplish reform
  - Enforcement, accountability, public acceptance matter
- Stakeholders matter
- What is the demand for reform?

9/21/2005

15

### Participatory Policymaking: Other Country Examples

- USAID Supported Economic Fora:
  - The Ugandan National Forum
  - The National Economic Forum (Ghana)
  - Goals of the fora: Consultation and negotiated outcomes
  - Types of policies addressed: Discrete aspects of fiscal policy and regulations

9/21/2005

16

### Impact of the Fora

- Improvements in policy formulation and implementation
- Improvements in the business investment climate
- Increased participation in the policy reform process
- Increased transparency and accountability
- More government and civil society interaction
- Policy dialogue connected with the legislative process
- Increased levels of trust between participating stakeholders and government
- Government now takes business concerns seriously

9/21/2005

17

### Conclusions/Policy Implications

- Strategic alliances are a way to leverage resources and bring more partners into the development process, but are not a substitute for building and using local resources and capacity.
- Participatory policy reform and consultation are more time consuming, but can have better results.
- Participatory policy reform requires deliberate capacity building and construction of mechanisms/institutions of interaction.
- Institutional reform is complex, difficult, takes time, and is more dependent on capacity building

9/21/2005

18

## Conclusions/Policy Implications

- Conditions for implementation and enforcement of reforms/rule of law need to be locked in place (sustainability)
- Tailor reforms to country conditions rather than to comply with "international standards"
- Again, the importance of generating broad domestic support for reform matters - Involving stakeholders cuts across all these themes

## Appendix I:

### **Imperatives of Successfully Meeting the Challenge of Productivity and Competitiveness of Nigerian Agriculture**

*by Vice Admiral Murtala Nyako (rtd), GCON.*

#### **Nigeria's Agricultural Production Potentials**

Nigeria's good fortunes in agricultural production are legendary and include:

- Availability of labour currently at over 70% of workforce.
- Big market for agricultural products for Nigeria's 130 million people, in ECOWAS and international markets.
- Large landmass and good topsoil with adequate minerals and trace elements for improving the quality of the products.
- Favourable climatic conditions permitting the production of commodities for appropriate markets and avoiding glut supplies.
- Abundant rainfall for rain-fed commodity production and water storage for irrigated agricultural production.
- Blessed sunshine everyday of every year for optimum production of quality products.

There is no doubt, that Nigeria is endowed with abundant natural resources and has lots of potentials for the production of all sort of agricultural products. The question is how effective have we been in exploiting these potentials to make agricultural production a low-cost, low wage affair, and thereby enhancing its production and competitiveness?

#### **Where were we?**

Agriculture was the leading sector in the Nigerian economy before the advent of oil exports in the 1970s as measured by its contribution to the GDP, export earning and government revenues. The groundnut pyramids, the sale of oil palm seedlings to Malaysia in 1963, the cocoa export boom and the impressive growth in exports of palm oil, palm kernels, rubber and cotton constituted evidence on the pre-eminent position of agriculture in the Nigerian economy in the pre-oil era. Food imports in the pre-oil era were negligible. With little population pressure, rotational fallow periods were suffi-

ciently long enough to permit soil nutrient replenishment with little application of inorganic fertilizers.

Government support for agriculture was confined mostly to commodity research and genetic plant and animal improvement through the development of new varieties, agricultural extension services of regional and state governments and organized marketing of agricultural exports through the Produce Marketing Boards (pre 1954) and the Regional Marketing Boards (post 1954).

### **Where are we?**

Government programmes in the post-oil era included the launching of initiatives such as National Food Production Programme (NAFPP) to support a phased adoption by small-scale farmers of new varieties of maize, rice, sorghum and cassava and the Agricultural Development Programmes (ADPs) that sought to provide integrated agricultural extension services and rural infrastructures for small scale farmers. Others were “Operation Feed the Nation”, a food production sensitizing programme, River Basin Development Authorities (RBDs) to develop irrigation facilities, the Green Revolution Programme, the Directorate of Food, Roads and Rural Infrastructures (DFRRI), and the National Agricultural Land Development Authority (NALDA), to name but just a few.

In spite of these and other programmes, the advent of oil has in real terms resulted in the gross neglect of agriculture. From the leading export earner in the 1940-70 period, agriculture currently contributes less than 5% of Nigeria’s export earnings, compared with over 95% of total export earnings in the pre-oil era. The contribution of agriculture to GDP stood at 41% in 2004. With the massive drift of rural youth to the urban areas in search of non-existent jobs, the farm population left behind is rapidly aging (modal age bracket of 50-60 years).

The rapid population increase means that the rural farming household is expected to feed more urban mouths. This challenge has become more daunting in the face of very low productivity and farm yields caused by reduced rotational fallow periods and the application of low-productivity farm



inputs. Meanwhile, the rest of the world has been continually applying new technology to agricultural production and getting higher yields and better quality products. Ours have, at best, remained stagnant with some yields remaining the same as were being obtained by grandpa. Current farm yields of selected farm produce in Nigeria vis-à-vis those of other countries are given below in Table 1.

These are signs of inefficiency of production, which in turn breeds low competitiveness of products in the markets. Also, the fact that less than 3% of the population of the USA is directly involved in agricultural production, yet they produce enough to adequately feed their people and export large quantities of agricultural products to other nations to the tune of \$63 billion in year 2004, whereas here over 70% of the workforce are involved in farming but Nigerians live from hand-to-mouth and Nigeria imports food to a tune of 25% of the national budget, speaks volume of our low agricultural production, productivity and its level of competitiveness.

### **Key Challenges in achieving competitiveness.**

Key challenges in achieving competitiveness in Nigerian agriculture include the following:

- Enhancement of professional education and training of our farmers through effective public and private agricultural extension delivery. Production must be demand-driven.
- Enhancement of creativity and risk management of our farmers.
- Availability of quality leadership, which shows by example the imperatives of self-discipline and productivity at all appropriate, farming levels.
- Increasing the yields and qualities of selected agricultural products substantially and quickly should be given highest priority.
- Availability of adequate funds to mitigate prevailing serious deficiencies in basic economic and social infrastructure especially physical, capital, research capacities, technological know-how and human resources development.
- Efficient private sector farms' inputs delivery system should be in place.
- Putting a stop to policy and institutional instability and discontinuity and perennial policy and programme implementation failures.

- Introduction of efficient harvesting technique, storage and preservation of products, value-addition and delivery methods.
- Substantial improvement of energy (electricity and AGO) availability, railways, feeder roads and ports systems, and bodies of water for irrigation.
- Substantial improvement of our under-developed market system for agricultural products by commissioning and take-off of Commodity Exchange and its warehouses and storage system and the networking of consumers.
- Control of environmental degradation and pests and eradication of killer livestock diseases.
- Support to the commodity associations/co-operatives for improvement of productivity and to the farmers' association (AFAN) for enhancement of its managerial and liaison roles.
- Take other actions required to enhance efficiency of production and the competitiveness of our products at the international market.

Obviously we cannot wait until these imperatives are met before we pick up the fight to make Nigerian agricultural development productive and competitive. There are a number of areas where it is very paying to go into. Our approach to this should be measured and well focused:

- We should substantially produce the entire foodstuff and other agricultural products we are now importing into the country, the import bills of which now stand at over \$3 billion annually. The recent effort by the federal government - tagged 'Presidential Initiatives', is a step in the right direction. One only cautions that even these limited objectives would require mobilization and commitment of appropriate human and material resources. This foreign exchange must be saved for the empowerment of our farmers and further development of agriculture.
- We should urgently intensify the production of selected commodities for export. This could be very rewarding because of our low cost production capability due to our natural endowment. Our climatic condition permits the production of products for the international market at will, avoiding arriving in the market at glut periods. Such export commodities include horticultural products such as fruits and vegetables and botanical products. We can produce catfish and numerous shellfish for the international market. We need to earn big monies from agricultural exports

to build our national cake.

- With the judicious application of new technology including biotechnology we can make our agricultural production productive and competitive.

I am so glad we are now talking virtually every day about this matter. This was not the case until recently. We should now put our money (and single mindedness to achieve results) where our mouth is!

Thank you for listening.

**Table 1: Current Farm Yields of selected farm produce in Nigeria, compared with those of other countries**

Farm Produce	Average farmer's Yield	Yields in other countries
Maize	1.2 tonnes/ha	12 tonnes/ha world average
Sorghum	500 kg/ha	7 tonnes/ha developed agriculture
Millet	300 kg/ha	5 tonnes/ha
Rice	1.5 tonnes/ha	20 tonnes/ha in Thailand from multiple cultivation
Yam	15 tonnes/ha	
Cassava	26 tonnes/ha	
Onions	4 tonnes/ha	120 tonnes/ha in Yemen
Potatoes	4 tonnes/ha	60-80 tonnes/ha in USA/Ireland
Cocoa	150 kg/ha	2,000 kg/ha in Cote d'Ivoire, Ghana, Malaysia Brazil, etc
Palm oil	10-12 tonnes/ha	26 tonnes/ha in Malaysia
Cow	200 litres/lactation	8,000 litres/lactation world average
	First calving at 4-5 years	22-23 months world average
	Carcass weight at 3 years 100 kg	Carcass weight 1,000 kg from exotic stocks
	Calving rate : 2 years interval	Annually
	Precocity of bull: 6 years	2 years

## **Appendix J:**

### **Improving Nigeria's International Competitiveness: Lesson from other Countries.**

*by Dr. David Tommy, UNIDO Representative and Director RIDC in Nigeria*

#### **Rekindled Interest in Competitiveness**

- Competitiveness has become a central preoccupation of both advanced and developing economies in an increasingly open and integrated world economy.
- Sector/activity specific competitiveness cropped-up as much discussion on competitiveness has focused on macroeconomic component of it.
- Country's wealth is created in the microeconomic level of the economy, rooted in the sophistication of firms strategies.

#### **The Metaphor of Direct Market Competition and Competitiveness**

- The misleading metaphor of direct market competition gave a wrong view of competitiveness and acting on it works against national economic progress.
- The need for low wages reveals a lack of competitiveness and holds down prosperity.
- The needs for competitiveness stretch beyond the front-line enterprises that face international rivals.

#### **Understanding Competitiveness-1**

- Genuine competitiveness is measured by productivity.
- Productivity allows a nation to support high wages, a strong currency and attractive returns to capital.
- Domestic or foreign firms are neither good nor bad for competitiveness per-se; what matters is the productivity of their activities in a country.

#### **Understanding Competitiveness-2**

- Competition is constantly taking new forms: low costs are important – but so are innovation, flexibility, reliability and quality.
- International experience shows that the world economy is not a zero-sum game, but competitiveness is.
- Every economy must therefore intervene to influence the final market

outcome in its favour.

#### **Low Income Countries**

- Competitive advantage beyond cheap inputs
- Production process sophistication
- Extent of marketing
- Degree of customer orientation
- High Income Countries
- Capacity of innovation
- Extent of incentive compensation
- Breath of international markets
- Willingness to delegate authority

#### **Middle income countries**

- Broad value chain presence
- Extent of staff training
- Extent of branding
- Company spending on R & D

#### **Improving SME Competitiveness through Cluster Development**

- Improved business environment give rise to the formation of clusters.
- Clusters affect competitiveness in three broad ways: by increasing the productivity of constituent firms, the capacity for innovation and stimulating new business formation that supports innovation and expand the cluster.

#### **Putting the Right Policy Mix-1**

- Macroeconomic policies fostering high rate of capital investment will only translate into rising productivity when forms of investment are appropriate.
- Prudence in foreign debt levels depends on exactly what the foreign capital is invested in, together with the microeconomic fundamentals surrounding its deployment and governance.

#### **Putting the Right Policy Mix-2**

- High rates of public investment in human capital is not likely to pay off unless a nation's microeconomic circumstances create demand for skills in firms.
- Privatization will not boost prosperity unless firms can improve efficiency and are pressured to do so by local competition.



### **Putting the Right Policy Mix-3**

- Sound macroeconomic policies and the removal of distortions in exchange rates and other prices will eliminate impediments to productivity, but microeconomic fundamentals must be in place if productivity is to actually increase.
- Market opening is desirable, but its benefits in terms of prosperity depend on microeconomic progress.

### **Key to Nigeria's International Competitiveness**

- Developing and maintaining knowledge and skills as assets that can lead to the development and commercialization of a wide variety of products that can meet the demands of international markets.
- Competitiveness at the level of the enterprise is of utmost importance.
- Access to cheap raw materials, access to proprietary production technology and privileged access to markets can drive competitiveness.

### **New Drivers to International Competitiveness.**

- Ownership of designs and brands.
- The excellence of marketing skills.
- Focus on consumer demands.
- Smart production processes.
- Management of technology, innovation and information.
- Marketing of relevance skills and research results.

### **Nigeria and International Competitiveness: The Way Forward**

- Mainstreaming key industries (oil-related, food processing, e.t.c).
- Textiles and clothing (rehabilitation and new market opportunities).
- Leather industry (upgrading efficiency of leather value chain).
- Rubber industry (revitalizing an industry in decline).
- Competitiveness facilitating industries (with an emphasis on agro-related engineering industries)

## Appendix K:

### **Establishing Avenues for Provision of Long Term Financing - Challenges and Opportunities** *by Okey Enelamah, African Capital Alliance*

#### **Presentation Outline**

---

- 1. Overview**
- 2. Conditions**
- 3. Opportunities**
- 4. Challenges**
- 5. Concluding Remarks**

#### **1. Overview of Long Term Finance**

---

##### **1.1 Types of Long Term Financing**

- **Equity and equity-related risk capital**
- **Debt or fixed income instruments**
- **Mezzanine or blended instruments**
- **Others: Aid, development capital etc.**



## **1. Overview of Long Term Finance** cont'd

### **1.2 Sources of Long Term Capital**

- Local sources vs. International sources
- Private sector vs. government/quasi-government
- Private markets vs. public/Capital markets
- Foreign Direct Investment vs. Financial investors

## **1. Overview of Long Term Finance** cont'd

### **1.3 Uses of Long Term Capital**

- Infrastructure/Project Finance
- Industry
- Real Estate
- Services
- Basic & Applied Research
- Social Development, healthcare, education etc.

## **1. Overview of Long Term Finance** cont'd

### **1.4 Benefits of Long Term Capital**

- Allows for longer term planning
- Impetus for sustainable economic development and expansion
- Helps deepen capital markets
- Needed to create a modern economy
- Helps foster other specialized markets
  - Venture capital
  - Mortgage finance
  - Consumer finance
  - Project/Infrastructure Finance
  - Insurance and Underwriting

## **2. Conditions for Attracting Long Term Capital**

- **Macro economic stability**
  - Stable and predictable policy environment
  - Tame inflation
  - Stable exchange rates
  - Low/attractive interest rates
- **Rule of Law and Property Rights**
- **Tax Incentives**
- **Free flow of capital**
- **Security of persons and property**
- **Integrity, transparency and accountability**
- **Other hard and soft infrastructure**

## **3. Opportunities**

- **The Pension Reform Act represents a major opportunity**
  - Will provide long term investible funds within the Nigerian economy
- **Deregulation and liberalization of key sectors of economy**
  - Telecoms
  - Power
  - Oil and gas
- **Ongoing Tax Reforms**
- **Banks 10% PBT SMIEIS Fund creates a source of venture capital**

## **3. Opportunities cont'd**

- **Increasing presence of International DFIs including ADB, IFC, CDC, FMO, DEG, FinnFund, USExim, Afroexim etc.**
- **Private equity financing is beginning to take root in Nigeria pioneered by ACA through CAPE and subsequent funds**
- **Recapitalization of the banking sector**

### **3. Opportunities**

---

- **The Pension Reform Act represents a major opportunity**
  - Will provide long term investible funds within the Nigerian economy
- **Deregulation and liberalization of key sectors of economy**
  - Telecoms
  - Power
  - Oil and gas
- **Ongoing Tax Reforms**
- **Banks 10% PBT SMIEIS Fund creates a source of venture capital**

### **4. Challenges**

---

- **Sustainability and institutionalization of reforms**
- **Slow implementation of Pension Reforms**
- **History of Macro Economic Instability**
- **Proper take-off and efficient functioning of the government-owned DFIs - BOI, SMEDAN etc.**
- **Review and rationalization of regulatory framework and institutions in the financial sector**
- **General infrastructure upgrade**
  - power, transport, aviation
  - legal systems and security

### **4. Challenges cont's**


---

- **Land Use Act Reforms needed**
- **Inadequate Legal, Judicial and Law enforcement**
- **High cost of operating in Nigerian capital markets**
- **Illiquidity of capital markets**
- **Improving capital market transparency and corporate governance practices**

## Appendix L:

### Report on the Commission for Africa


by Fola Adeola, Commissioner & Myles Wickstead, Head of Secretariat


  
Commission for Africa

11<sup>th</sup> Nigeria Economic Summit  
Abuja, 1 June 2005

**"Our Common Interest"**  
Report of the  
Commission for Africa


Fola Adeola, Commissioner  
Myles Wickstead, Head of Secretariat




  
Commission for Africa

**Commission for Africa: Introduction**

- Established in February 2004
- 17 independent Commissioners, 9 from Africa
- Report released 11 March 2005

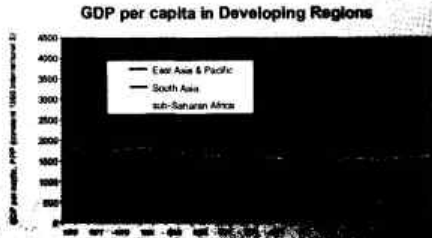


  
Commission for Africa

**Why Now?**

- Africa is making major progress
  - Governance (more democracy, fewer wars)
  - New pan-African institutions
  - Growth (16 countries maintained >4% growth for decade)
- But major challenges remain

## SSA only region to grow poorer



## Why Now?

- On current trends, will not meet MDGs
- Poverty halved by **2150**, not 2015
- Progress is still fragile
- Consequences of *not* acting: **devastating**

⇒ It is in **Our Common Interest**

## Possible outcomes

If the Recommendations are delivered:

- Africa = more equal partner
- Growth of 7%
- Strong progress towards meeting **Millennium Development Goals**

### Framework for action

- Comprehensive plan, covering range of areas
- Foundations: good governance, peace & security
- Investing in people
- Growth, opportunity and trade
- Financing and implementation
- Partnership

**A BIG PUSH  
STRONG, INTEGRATED AND EFFECTIVE**

### Possible outcomes

If the Recommendations are delivered:

- Africa = more equal partner
- Growth of 7%
- Strong progress towards meeting Millennium Development Goals

### Through African eyes: Culture

- Africa's great diversity – between and within countries
- Broad definition of culture
- Culture is dynamic and reactive
- Vital to recognize impact on development policy
- Understand values, norms and allegiance
- Be flexible, open-minded, willing to learn



## **Governance and Capacity Building**

First and foremost Africa's own responsibility.

- Revitalize higher education
- Strengthen institutions that improve accountability
- Transparency of revenues and budgets
- Tackling corruption, including repatriation of stolen assets
- Support for pan-African and regional organisations, particularly the AU and NEPAD
- Changes in donor behaviour



## **The Need for Peace and Security**

Investing in development is investing in peace.

- Structural causes of conflict: arms trade, conflict goods
- African leadership & capacity in prevention and resolution of conflict:
  - AU Peace Fund
  - creation of UN Peacebuilding Commission
- Better use of aid to prevent conflict
- Better coordination and financing of post-conflict



## **Leaving No-One out: Investing in People**

Education and health: individual rights and drivers of growth.

- Education for All.
- Free basic health care; elimination of preventable diseases; train one million health-workers by 2015.
- Social protection for orphans and vulnerable children.
- HIV and AIDS prevention, treatment and care.
- Costed and comprehensive strategies for health systems.



## Growth and Poverty Reduction

Accelerated growth key to poverty reduction.

- Promoting Growth: infrastructure, agriculture, NEPAD Investment Climate Facility.
- Participation of Poor People: Enterprise Challenge Fund. Youth employment.
- Role of Business. Private sector responsible driver of growth.
- Environment Sustainability: including impacts of climate change.

» **Achieve and sustain growth rates of 7% by 2010**

## More Trade and Fairer Trade

More trade vital to growth and poverty reduction.

- Challenge is 2-fold: limited capacity to trade & limited market access
- Support African-owned strategies to build Africa's capacity to trade
- Improved market access through dismantling developed country trade barriers. Only an ambitious Doha Round will benefit Africa
- Transitional support required to help Africa adjust to a new trading regime

## Where will the money come from?

In the short run, no credible alternative to aid and debt relief.

- Double aid over 3-5 years. Radically improve quality
- Launch International Finance Facility. Develop other proposals
- Money used to deliver development, growth and poverty reduction for countries actively promoting good governance
- 100% debt cancellation for poor countries
- Compact to cancel debt stock and debt service by up to 100%, and cover multilateral and bilateral debt



Commission for Africa

## Making it happen

Partnership based on solidarity and respect, and supported by mutual accountability.

- A global partnership around African leadership, with support for AU and NEPAD, ADB, and ECA
- Strengthening institutions inside and outside Africa
- Stronger African influence in multilateral organisations
- Effective independent mechanisms to monitor progress on implementation



Commission for Africa

## The Role of Business

- Business' primary contribution to poverty reduction is through generating economic growth (jobs, goods & services, taxes)
- But *the way businesses do business can have a further powerful impact*
- Commission urges a sea change in the way business community engages in development process in Africa



Commission for Africa

## What should business do?

- Sign up to leading codes of conduct, including on transparency and corruption
- Co-ordinated action to tackle poverty
- Work in partnership
- Reciprocal commitments from governments, and from donors
- An early positive outcome from private sector on the **Business Action for Africa** initiative

AFRICA

### Business Action for Africa

- A high-profile "banner" under which business – African and international – can mobilize in support of Africa
- Not a new institution: a flexible framework
- A business-led effort
- Building on 2005 momentum of Commission for Africa and G8 Africa focus.

➔ Participants sign up to **Business Action for Africa**

### Business Action for Africa: Objectives

- To influence G8 / African government policy in favour of African development, by presenting a clear (African and international) business voice
- To promote a more positive, balanced view of Africa;
- To develop and showcase good business practice.

### Business Action for Africa: Why join?

- One voice, more influence.
  - Clear private sector voice on policies needed to generate growth and reduce poverty in Africa.
- One banner, more impact.
  - Opportunity to develop and showcase good business practice, and to work together for greater impact.
- One framework, many options.
  - Flexible framework to allow a variety of activities for businesses with shared objectives, and support for new partnerships

[www.BusinessActionforAfrica.org](http://www.BusinessActionforAfrica.org)



## **2005: A Real Opportunity for Change**

- To achieve report's goals, it needs to be acted on
- Commissioners are presenting and debating report
- Key landmarks:
  - G8 Summit in Gleneagles (July)
  - UN Millennium Review Summit in New York (September)
  - Hong Kong Trade Meeting (December)
- Details of debates will be on our web site  
[www.commissionforafrica.org](http://www.commissionforafrica.org)
- Action is required from everyone with an interest in Africa

**Luncheon Mini Dialogue:  
Gas- Fuel for rapid Economic  
diversification**

**Presenter: Demola Adeyemi-  
Bero**

**Chairman: Funso Kupolokun**

**Potential for Gas Development**

- Gas-to-Liquids (GtL, LPG, LNG, etc..)
- Gas-to-Fuel (CNG, Industrial Feed, etc)
- Gas-to-Wire (Power, IPPs, etc..)
- Gas -to-Petrochemical (Methanol, Fertiliser, etc..)
  - Gas-fuel and Gas-Petrochemicals are areas of needed development

**The Gas industry provides**

- Forward Linkages to Electricity, Transportation, Textile and Clothing, Plastics and Rubber, etc.
- Backward linkages to Fabrication, Financial Services, Technical services, etc

**A Nigeria balanced Gas-Driven Economy should be based on**

- Solid Domestic Demand / Market
- Efficient Gas-Driven Power & Industrial Base
- Strong Export Market Position

#### Nigeria's current position in the Gas value chain

- Nigeria and Algeria are the big players in Africa
- Increasing role of Nigeria LNG in the Atlantic basin
- Major integrated gas growth projects (NLNG, Brass LNG, Olokola LNG etc)
- Significant amount of produced gas is flared
- But Nigeria lags peers in domestic utilization

#### Unlocking Gas For Economic Growth: 7 Key Elements

- Major Gas Resource Base (already available)
- Sustained Market Demand Growth (Global we are there; Domestic not yet there)
- Attractive (Stable) Gas Price (Domestic & International)
- Attractive & competitive Investment Business environment (Fiscal & Legislative)
- Capable of Sustainable Development (People, Planet & Profit; 120M people but not all can work in the industry)
- Participation of all the key stakeholders in the economy
- Proactive and competent regulators; (Gas policy in place but no Gas master plan yet)

#### Seven Steps to Gas Development and Commercialisation

1. National Gas Policy and Gas Master plan
2. Regulatory and Legislative Framework *Pricing,*
3. Infrastructure development & Capacity Buildin
4. Dynamic Gas Management Model
5. Liberalization and Privatization
6. Industrial Market EPZ, *Industrial parks, Linkages*
7. Retail Market *Subsidies, target pricing*


#### Gaps to be filled

- Gas Master Plan linked to economic development and revenue aspirations
- Develop a National & Regional Gas Infrastructure.
- Mature Gas Resource Base.
- Grow Domestic Gas Demand.
- Create a more attractive investment climate for local gas commercialization

## Appendix N:

*2005 International Conference on AIDS & STIs in Africa* by Prof. Femi Soyinka,  
ICASA

# ICASA 2005




A presentation to the

## 11<sup>th</sup> Nigerian Economic Summit

Thursday, June 2, 2005

# About ICASA



- ICASA is about Africa, for Africa, by Africans
- Organized/owned by the Society for AIDS in Africa (SAA)
- Set up in 1986 by a group of African scientists
- Held biennially among African countries
- A gathering of African scientists, social/political leaders, FBOs, public/private sector orgs., communities, etc.
- One of Africa's largest events on HIV/AIDS



## About ICASA

### Our focus:

- To discuss & recommend ways of managing & reversing the impact of HIV/AIDS & other STIs in Africa
- To build homegrown solutions for the HIV problem in Africa
- To encourage the participation of African scientists in the develop. of solutions to the HIV/AIDS pandemic
- To make the fight against HIV/AIDS inclusive, with participation of the private/public sector



## The Last ICASA

### • ICASA 2003

- The 13<sup>th</sup> edition
- Held in Nairobi, Kenya
- In September 2003
- Over 7,500 participants attended



## The 14<sup>th</sup> ICASA

- To be held in Abuja, Nigeria on December 4 – 9, 2005
- Nigeria was given the right to host ICASA 2005 in September 2003 based on:
  - Govt's commitment to fight HIV/AIDS
  - Nigeria's leadership role in spearheading regional, continental, social, economic, scientific & political initiatives
- Expected to attract over 12,000 participants mainly from Africa
- A 21-man National Task Force set up by President Olusegun Obasanjo



## Conference theme

### HIV/AIDS and the Family

#### Rational

- The family is the bedrock of African societies
- It brings value & all that is needed
- It provides an avenue and source of values, protection, survival, security, love and support
- The family bears the brunt of the HIV/AIDS infections, economically, socially & cultural
- Neglect of the importance of the family's role in HIV/AIDS prevention, care & support of infected & affected people



## Conference theme

### HIV/AIDS and the Family

#### Focus

- How families in Africa will be better empowered and involved to respond to AIDS in Africa
- How science will better serve humanity to overcome HIV/AIDS
- Focus on youths, gender, human rights, traditional family values, HIV impact, mitigation and support issues
- Role of the private sector in combating HIV/AIDS
- Role of African leaders in their commitment to combat HIV/AIDS



## Conference Program

- Opening/Closing ceremonies
- Plenary sessions
- ICASA President meets Economic Group
- Scientific sessions
- Satellite sessions
- Skills building workshops
- Exhibitions
- Community forum
- OVC forum
- Youth program
- Leadership forum
- Corridor projects



## Conference Program



- **Scientific program**  
Accountability, Political Processes, HIV/AIDS, Prevention, Control, Treatment, etc.
- **Plenary sessions**  
The African Family and HIV/AIDS, Recent Advances in HIV/AIDS Response, Human Rights, etc.
- **Community Program**
  - ? A joint framework for involvement of regional community networks
  - ? Involvement/active participation of community groups/networks e.g. PLWHA, Women, Youth, FBOs, Human Rights Activists, etc.



## Conference Program



- **Leadership Forum**
  - ? Mobilizing leadership for commitment and action to reduce the impact of HIV/AIDS on the African family highlighting Women, Youth and Children
  - ? Accountability for international, regional & national declarations & commitments
  - ? Meeting the challenges of poverty in HIV/AIDS control
  - ? Promoting universal access to care & treatment
  - ? HIV/AIDS, resource mobilization & coordination
  - ? Human resources (recruitment, development of appropriate human capacity, etc.)

## Conference Program



- **Youth Program**
  - ? Strengthen participation/responsibility of youth leadership in implementing national/international declarations (ECOWAS, SADC, AU, UN)
  - ? Highlight role of the youth in the family, (focus on best practices against HIV/AIDS)
- **Children's Program**
  - ? Developed by the International HIV/AIDS Alliance, VSO Nig. & ICASA secretariat
  - ? Will provide an opportunity for discussions on the increasing impact of HIV/AIDS on women/children, in terms of risk, & other psychosocial aspects.





## Progress

- **Fundraising on 2 levels:**

- Local:

- Produced a sponsorship/marketing document
    - Marketing visits in progress

- ? International:

ICASA team embarked on a US trip in April 2005

- Visited International AIDS Vaccine Initiative, Global Business Coalition on HIV/AIDS, Catholic Medical Mission Board, UNFPA, UNICEF, UNAIDS, UNIFEM, UNDP, USAID, The World Bank, Office of the U.S. Global AIDS Coordinator, etc.



## Progress

- An International Steering Committee (ISC)
- A National Task Force
- An 11-member FCT committee on ICASA 2005
- Partnership with govt. agencies: Ministries of Health, Information/National Orientation, FCDA, Intergovernmental Affairs, Youth/Special Duties, Education, & Women Affairs
- Partnership with NACA, the UN Theme Group, NGOs, etc.
- Participated at the Commonwealth Tourism Ministers' Meeting



## Prevalence Rates of HIV/AIDS

### Sub-Saharan Africa:

- Most affected by HIV/AIDS
- An estimated 25.4 million people living with HIV
- Approximately 3.1 million new infections in 2004

### Nigeria: the most populous in sub-Saharan Africa

- HIV/AIDS grew slowly from 1.9% in 1993 to 5.4% in 2003
- An estimated 3.8 million Nigerians infected with HIV
- 2.3 million died from AIDS
- A majority of PLWHA are between 15 & 49 - in the prime of their working lives
- Over 300,000 AIDS cases
- Over 80,000 infected newborn babies



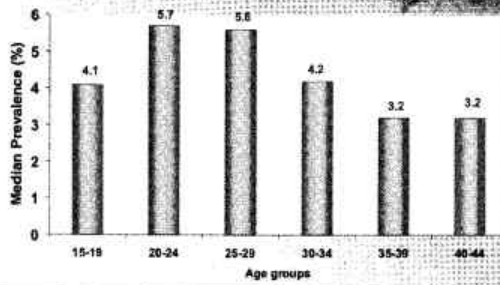
## Prevalence Rates of HIV/AIDS

•Prevalence rate: Nigeria



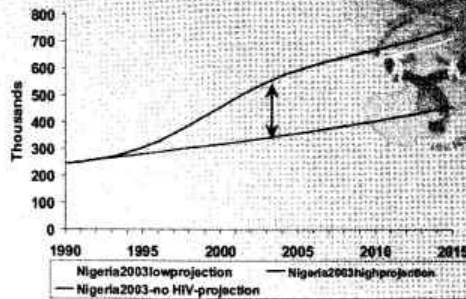
Source: FMOH 2004 Report on the HIV Sentinel Survey

•The Youth Are More Affected



## Prevalence Rates of HIV/AIDS

•Annual Number Of Deaths To Young Adults



## Impact of HIV/AIDS

- Hindrance of economic growth and development
- Labor affected setting back economic and social progress.
- Affects those in the prime of their lives – people between 15 – 49
- High staff turn over due to replacements
- Higher training budgets for staff replacements
- Loss of revenue
- Poorer service delivery
- Strains political and social systems
- Increased Poverty deepening
- Threatened Food security
- Collapsed education systems
- Family disintegration
- Increased orphaned children



## Impact of HIV/AIDS on Africa

- More than 25% of working age adults are infected with HIV
- Annual rate of 2 million infections in sub-Saharan Africa
- Economic repercussions in families/communities
- Caring for a family member living with AIDS depletes monetary resources



## Impact of HIV/AIDS on Africa

### Result of AIDS deaths:

- Loss of financial support
- Burden on families to care for those left behind
- Burden on communities that must carry the burden of those left behind in most African countries
- Diminishing pool of trained/talented workers
- Perpetual interdependency
- Costs of care of orphans/elderly are not registered on govt. balance sheets
- Families quietly shoulder childcare
- Migration leading to loss of manpower at country level





## Impact of HIV/AIDS on Africa

The paradox of HIV/AIDS on the GDP (for now):

- No noticeable change on the GDP of many countries
- Decline on population growth caused by AIDS offsets the decline in economic growth caused
- Workers LWHA are removed from the workforce
- Standard criteria of the economic impact of the epidemic e.g. use of GDP per capita or growth are not true assessment
- Impact needs to be seen at a larger context of human welfare
- GDP growth do NOT capture the dimension of welfare loss – especially lost welfare to the dead
- Consider the impact on revising years of investment in human capita to understand the impact of HIV on the economy



## Impact of HIV/AIDS on Africa

Social effects of HIV/AIDS in the family:

Widows & their families

- Become entrenched in poverty
- Stigmatized/ostracized/abandoned
- Loose family home/husband's property/inheritance
- Become head of the family
- May never re-marry
- Often sole-responsibility of the orphans
- Standard of living/nutritional status declines
- Accused of infecting/killing husband
- Education of children discontinue
- Adolescent girls resort to prostitution to feed family
- The cycle of infection is put in place



## The way forward

"The solutions to the AIDS crisis in Africa must come primarily from Africa itself, with support from the wider international community."

- Kofi Annan,  
Secretary-General of the  
United Nations



## A Large Multisectoral Response



## Partnership opportunities

### • Learning from others:

**Private sector orgs. in Nigeria to learn from the private sector orgs. from other African countries**

- They have felt the negative impact of HIV/AIDS in their businesses & economy
- They have been able to overcome these challenges



## Partnership opportunities

### • The Pan African Business Coalition Against HIV/AIDS:

**A great business opportunity to participate in the launch of this historic event**

- Currently has a membership of 17 countries
- About 8 countries expected to join the coalition before the conference
- CEOs from all over the continent will be present
- This is being facilitated by the World Bank
- President Obasanjo is the Chair of the Nigerian Business Coalition Against HIV/AIDS



## Partnership opportunities

### • The Leadership Forum:

ICASA 2005 will be the first to have such a program

- ? A continuation of the leadership forum that took place during the last World conference on HIV/AIDS in Bangkok in 2004
- ? Where world/regional leaders will continue deliberations on issues concerning HIV/AIDS
- ? Proffering solutions on how to tackle the pandemic



## Partnership opportunities

### • Economic benefits:

Partnerships with orgs. E.g. banks, airlines, food & beverage companies, etc.

- ? Through service and sponsorships
- ? To over 12,000 delegates from Africa/other continents



## The Gaps

- IT/AV equipment
- Tents
- Venues
- Telecommunications equipment
- Monitoring equipment
- Transportation services
- Publicity



## Donors/Partners

Donors/Partners	
Nigerian Federal Government	
Society for AIDS in Africa	
National Action Committee on AIDS	
Swedish International Development Agency	
UNFPA	
UNDP	
UNAIDS	
WHO	
World Bank	
Plan International	
Anticipated Conference Income (registration fees, exhibitions, satellite meetings, etc)	



## ICASA 2005 Website

[www.icasa2005.org.ng](http://www.icasa2005.org.ng)

- On line registration
- Abstract submission
- Accommodation bookings
- Application forms for satellite sessions, round tables, special meetings
- Media registration
- Book exhibition booths/space
- Scholarship applications
- Information/enquiries



## Our location

ICASA 2005 Secretariat  
 Plot 823, Ralph Shodeinde Street  
 (Inside NACA Premises)  
 Central Business District  
 Abuja, Nigeria  
 Tel: +234-9-672 0215  
 Email: [infor@icasa2005.org.ng](mailto:infor@icasa2005.org.ng)  
 Website: [www.icasa2005.org.ng](http://www.icasa2005.org.ng)



## **Appendix O:**

### **An Overview of the Pension Reform Act 2004**

*by M.K. Ahmad, National Pension Commission.*

#### **Agenda**

- What are the rationale & objectives of Pension Reform?
- What is the nature of the scheme?
- What are the Transitional Arrangements?
- National Pension Commission
- What are the safeguards for the scheme?
- Economic & Social impact of the pension reform
- Implementation update
- Implementation Challenges
- Interim Actions

#### **Why the Pension Reform?**

- Most schemes were under or unfunded
- Unsustainable outstanding pension liabilities estimated at N2 trillion
- Weak and inefficient administration
- Demographic shifts and aging make defined benefit scheme unsustainable
- Most workers not covered by any form of retirement benefit arrangements

#### **What are the Objectives of Pension Reform?**

- Ensure that every worker receives his retirement benefits as and when due
- Assist workers to save in order to cater for their livelihood during old age
- Establish a sustainable, simple & transparent pension system
- Empower the worker
- Establish strong regulatory & supervisory framework
- Secure compliance & promote wider coverage

#### **What is the Nature of the Scheme?**

- Contributory & Fully Funded
- Individual Retirement Savings Accounts
- Privately Managed & third party custody of pension assets

- Strictly regulated and supervised
- Contributions and retirement benefits are tax-exempt
- Withdrawal from Retirement Savings Account
- Life Insurance Policy

### **Transitional Arrangements for Public Sector**

- Accrued pension rights ( gratuity & pension) are guaranteed & will be actuarially determined for each employee transiting to the new scheme at the cut-off date
- Fed. Govt to establish a Retirement Benefit Bond Redemption Fund (RBBRF) at CBN & pay 5% of monthly wage into the Fund until last retirement bond issued is redeemed
- Bond redeemed from RBBRF upon employee's retirement and added to RSA
- Transitional Pension Departments

### **Transitional Arrangements for Private Sector & Self-funded Public Sector**

- Employer can be allowed to continue with its Pension Schemes provided that it meet certain conditions
- An employer may apply, through a wholly owned subsidiary for a closed PFA licence, to manage own scheme if it meets certain conditions
- The NSITF shall establish a company to undertake the business of a PFA and could offer social security services

### **Transitional Arrangements for Private Sector & Self-funded public sector**

- The employer is required to compute accrued pension rights for past service and create nominal RSA for each employee
- In event of shortfall, employer shall issue written undertaking and notify PenCom of steps taken to meet it
- Upon retirement, employees can access their accrued pension rights under the old scheme rules

### **National Pension Commission**

- Apex body to regulate and supervise pension schemes
- Formulate direct and oversee the overall policy on pension matters in

## Nigeria

- Approve, licence and supervise PFA, PFC and other institutions relating to pension matters
- Maintain National Data Bank on pension matters
- Receive and investigate complaints against PFC, PFA and Employer
- Membership include NLC, NECA & National Union of Pensioners, SEC, CBN, MOF & HOSF

## **Safeguards for the Scheme**

- Separation of functions of PFA and PAC
- Pension Assets Custodian Guarantee
- Risk Rating of Investment Instruments & Compliance Officers
- Government contribution shall be a first charge on Consolidated Revenue Fund of the Federation
- Pension assets held by a Custodian shall not be used to meet the claim of any Custodian's creditors in event of liquidation of the Custodian
- Pension assets held by a Custodian shall not be seized or subject to execution of judgment debt or stopped from transfer to another Custodian
- Sale of pension assets, grant of loan or use as collateral is prohibited

## **Macroeconomic Prospects of the Reform**

- Reduction in fiscal costs of pension
- National Savings would significantly increase
- Growth & Development of the Capital Market
- Growth of the Insurance Market
- Development of the mortgage industry and the housing market

## **Expected Social Impact of the Reform**

- Improves living standards of the elderly
- Secures financial autonomy & independence of retirees
- Pensioner no longer at the mercy of employer and is assured of regular payment of retirement benefits
- Improves Labour market
  - Reduces incentives for early retirement and increases supply of labour
  - Reduces unemployment due to GDP growth
  - Increases coverage of pension scheme
  - Promotes labour mobility as retirement savings accounts are portable



### **Implementation Update**

- Collection of contributions in the public service of the federation commenced in July 2004
- Contributions lodged in CBN pending licensing of PFAs & PFCs
- Operational take-off date for private sector – January 1st 2005
- Regulations transitional arrangements issued but low response from large corporate organisations
- Licensing requirements issued and applications being processed
- Some state governments commenced arrangements for implementation

### **Implementation Challenges**

- Stable & predictable macroeconomic environment
- Development of capital markets & government bond market
- Improved corporate governance
- Flexible, responsive & robust regulation and supervision for financial services industry
- Tax incentives
- Legal framework
- Public education & financial literacy

### **Interim Actions**

- Understand the Pension Reform Act and the guidelines issued
- Undertake actuarial valuation of accrued pension rights
- Nominally credit retirement savings accounts of employees with their accrued rights
- Obtain/update status of the pension fund from fund managers / insurance companies
- Inform PenCom on how to meet shortfall if any and extent of compliance with guidelines issued
- Decide what to do with existing scheme
- Commence pension contribution

## Appendix P:

### An Overview of the Pension Reform Act by M. K. Ahmad, National Planning Commission

#### **Agenda**

- What are the rationale & objectives of Pension Reform?
- What is the nature of the scheme?
- What are the Transitional Arrangements?
- National Pension Commission
- What are the safeguards for the scheme?
- Economic & Social impact of the pension reform
- Implementation update
- Implementation Challenges
- Interim Actions

October 13, 2005

Eleventh Nigerian Economy  
Summit

2

#### **Why the Pension Reform?**

- Most schemes were under or unfunded
- Unsustainable outstanding pension liabilities estimated at N2 trillion
- Weak and inefficient administration
- Demographic shifts and aging make defined benefit scheme unsustainable
- Most workers not covered by any form of retirement benefit arrangements

October 13, 2005

Eleventh Nigerian Economy  
Summit

3

### What are the Objectives of Pension Reform?

- Ensure that every worker receives his retirement benefits as and when due
- Assist workers to save in order to cater for their livelihood during old age
- Establish a sustainable, simple & transparent pension system
- Empower the worker
- Establish strong regulatory & supervisory framework
- Secure compliance & promote wider coverage

December 1, 2005

Eleventh Nigerian Economy Summit

4

### What is the Nature of the Scheme

- Contributory & Fully Funded
- Individual Retirement Savings Accounts
- Privately Managed & third party custody of pension assets
- Strictly regulated and supervised
- Contributions and retirement benefits are tax-exempt
- Withdrawal from Retirement Savings Account
- Life Insurance Policy

October 13, 2005

Eleventh Nigerian Economy Summit

5

### Transitional Arrangements for Public Sector

- Accrued pension rights ( gratuity & pension) are guaranteed & will be actuarially determined for each employee transiting to the new scheme at the cut-off date
- Fed. Govt to establish a Retirement Benefit Bond Redemption Fund (RBBRF) at CBN & pay 5% of monthly wage into the Fund until last retirement bond issued is redeemed
- Bond redeemed from RBBRF upon employee's retirement and added to RSA
- Transitional Pension Departments

October 13, 2005

Eleventh Nigerian Economy Summit

6

Transitional Arrangements for Private Sector & Self-Funded Public Sector

- Employer can be allowed to continue with its Pension Schemes provided that it meets certain conditions
- An employer may apply, through a wholly owned subsidiary for a closed PFA licence, to manage own scheme if it meets certain conditions
- The NSITF shall establish a company to undertake the business of a PFA and could offer social security services

December 1, 2005

Eleventh Nigerian Economy Summit

7

Transitional Arrangements for Private Sector & Self-Funded Public Sector

- The employer is required to compute accrued pension rights for past service and create nominal RSA for each employee
- In event of shortfall, employer shall issue written undertaking and notify PenCom of steps taken to meet it
- Upon retirement, employees can access their accrued pension rights under the old scheme rules

October 13, 2005

Eleventh Nigerian Economy Summit

8

National Pension Commission

- Apex body to regulate and supervise pension schemes
- Formulate, direct and oversee the overall policy on pension matters in Nigeria
- Approve, licence and supervise PFA, PFC and other institutions relating to pension matters
- Maintain National Data Bank on pension matters
- Receive and investigate complaints against PFC, PFA and Employer
- Membership include NLC, NECA & National Union of Pensioners, SEC, CBN, MOF & HOSF

October 13, 2005

Eleventh Nigerian Economy Summit

9

## Safeguards for the Scheme

- Separation of functions of PFA and PAC
- Pension Assets Custodian Guarantee
- Risk Rating of Investment Instruments & Compliance Officers
- Government contribution shall be a first charge on Consolidated Revenue Fund of the Federation
- Pension assets held by a Custodian shall not be used to meet the claim of any Custodian's creditors in event of liquidation of the Custodian
- Pension assets held by a Custodian shall not be seized or subject to execution of judgment debt or stopped from transfer to another Custodian
- Sale of pension assets, grant of loan or use as collateral is prohibited

October 13, 2005

Eleventh Nigerian Economy Summit

10

## Macroeconomic Prospects of the Reform

- Reduction in fiscal costs of pension
- National Savings would significantly increase
- Growth & Development of the Capital Market
- Growth of the Insurance Market
- Development of the mortgage industry and the housing market

October 13, 2005

Eleventh Nigerian Economy Summit

11

## Expected Social Impact of the Reform

- Improves living standards of the elderly
- Secures financial autonomy & independence of retirees
- Pensioner no longer at the mercy of employer and is assured of regular payment of retirement benefits
- Improves Labor market
  - Reduces incentives for early retirement and increases supply of labor
  - Reduces unemployment due to GDP growth
  - Increases coverage of pension scheme
  - Promotes labor mobility as retirement savings accounts are portable

December 1, 2005

Eleventh Nigerian Economy Summit

12

## Implementation Update

- Collection of contributions in the public service of the federation commenced in July 2004
- Contributions lodged in CBN pending licensing of PFAs & PFCs
- Operational take-off date for private sector – January 1<sup>st</sup> 2005
- Regulations transitional arrangements issued but low response from large corporate organizations
- Licensing requirements issued and applications being processed
- Some state governments commenced arrangements for implementation

December 1, 2005

Eleventh Nigerian Economy Summit

13

## Implementation Challenges

- Stable & predictable macroeconomic environment
- Development of capital markets & government bond market
- Improved corporate governance
- Flexible, responsive & robust regulation and supervision for financial services industry
- Tax incentives
- Legal framework
- Public Education & Financial Literacy

October 13, 2005

Eleventh Nigerian Economy Summit

14

## Interim Actions

- Understand the Pension Reform Act and the guidelines issued
- Undertake actuarial valuation of accrued pension rights
- Nominally credit retirement savings accounts of employees with their accrued rights
- Obtain/update status of the pension fund from fund managers / insurance companies
- Inform PenCom on how to meet shortfall if any & extent of compliance with guidelines issued
- Decide what to do with existing scheme
- Commence pension contribution

October 13, 2005

Eleventh Nigerian Economy Summit

15

## Appendix Q:

### **Primary & Secondary Education as a Foundation for Development: Challenges & Opportunities in Nigeria** *by Amina J Ibrahim, National Coordinator EFA, Federal Ministry of Education*

#### **Outline**

- What Nigeria has done since 1999 in respect of the provision of Primary & Secondary Education at all tiers
- Key Challenges
- Opportunities

#### **Food for Thought...**

*1999-2005 Education, a right and the bedrock for any socio-economic reform and sustainable development*

- 1999 launch of UBE
- ETF
- 2000 recommitment to EFA by 2015
- 2000 UN Millennium Summit produces 8MDGs (2 goals from EFA)
- 2002 EFA/ESA Planning processes begin
- 2003-5 NEEDS/SEEDS
- 2003 National Policy on Education (revised)
- 2004 law free compulsory basic education (9yrs)
- 2004 Child Rights law
- 2004 TRC sets 2006 deadline for minimum teaching qualification (NCE)/Teacher Corp/PTTP

#### **Key Challenges**

- Planning (policy/harmonization/tiers)
- Data Issues (credibility/national)
- Capacity (public sector/cs)
- Funding (Federation issues/scale)
- Access
- Quality (Teachers/curriculum)



- Relevance (curriculum)
- Infrastructure
- Reforms (action/States)
- Linkages plans/budget processes
- Partnerships (community/NGOs/PS)
- Socio-cultural/economic (poverty) barriers to BE (esp. girls)
- Donor harmonization

### **Opportunities**

- UBE (matching grants)
- Debt relief increased domestic resources for education
- GEP (going to scale with good practice)
- NEEDS/SEEDS (empowering people)
- Private Sector (Voc/ETF)
- Civil Society
- Cash transfers/School feeding

### **Food for Thought...**

- 11 million school aged children out of school (NW only 42% in pri sch & 15% in sec sch compared SW83%/61% resp) over 50% girls
- Class sizes: teacher/pupil ratio 1: 80-210
- Average 292 pupils to a toilet (cases of 1500:1)
- Over 40% teaching pop not qualified
- Over 50million citizens illiterate maj women
- Less than 50% children able to read and add up having completed cycle school
- 34% children 6-16 who have never attended school because their labour is needed.
- 2004 4 times spent on Debt servicing as on Education

Urgency, as we run the risk of producing a generation that will be unable to govern or be governed in a democratic environment. For without a quality, relevant and functional basic education, to which every citizen has a right, Nigeria and Nigerians will not achieve our immediate goals talk less our vast potentials.

Education for All is the responsibility of all.

## Appendix R:

**Speech** by Dr. Chimaroke Nnamani, The Executive Governor, Enugu State on Human Development Agenda.

### Protocols

For some time now the Economic Summit has been trying to invite *me* for this dialogue - Summit of Economists. But having looked through the programme and seeing the *Human Development Agenda* which seems to me is a poverty issue. I believe I have a lot to do here this morning. That is why I am here.

For me it is all about poverty so *what I will do this morning*. I am going to take you on a journey, on an excursion in poverty dialogue in Enugu State. You can then see and imagine how this reform would apply and extrapolate accordingly. For us in government, we believe that government is about the social contract before those who lead and those they lead, a contract to deliver to the people. Governance without the welfare of the people is nullity. That was why we started talking about dividends of democracy. Dividends and democracy means *what* people derive from their investment in democracy.

Because what will make democracy last in Africa / Nigeria is what people see in concrete terms that democracy means to them – food, water, shelter and infrastructure proving enabling environment for the private sector to thrive and - in common parlance - poverty reduction. For us in Enugu State we have talked about the dividends of democracy; we believe that we delivered dividends of democracy through aggressive infrastructure and through community development projects. That is what we did for the first four years.

It suddenly struck us that it was all about poverty. We suddenly realized that the restiveness, aggression in the land is all about poverty. The aggressive anger in the society is all about poverty, it is all about struggles. I may be the one who is poor and struggling for the few available resources. We then started our journey on poverty. As you clearly know, though many attempts have been made to eradicate or reduce poverty there is little consensus on its definition. We have looked at poverty in Nigeria starting at about 16% in

1962 when the economy of the Eastern Nigeria was comparable to the so called Asian Tigers - Malaysia, Indonesia, Singapore and other South East Asian countries.

Going from 16% in 1962 to 28% in the 80's and somewhere around 67% in the 80's and somewhere around 67% in the 90's. It appears as if there is no consensus on what poverty level is at this time. You had figures ranging from 70% to 87%. But in any case if you look at the human development index, you see that Nigeria is somewhere around 177 out of 186 countries. We looked at the definition of poverty because by understanding the definition of poverty you have an idea of how to tackle the problems. We looked at the definitions based on monetary, based on capability, social exclusion and participatory approaches.

The monetary definition was based on data provided by government of East London and Ralton in New York, looking at those earning less than a dollar a day as being poor. The capability approach pioneered by Russell looking at a situation where the society or government has failed to provide the milieu for people to achieve their capabilities. We looked at the social definition, social exclusion is where the society has by its policy excluded many people based on age, based on handicap, based on race or other stigma like social classes and it causes the participatory approach pioneered by chambers. That is where those who are poor get together and decide the definition of poverty; that is where poverty is inextricably defined by those who are poor as common stakeholders.

In defining poverty, we went the next step through our poverty reduction strategy stakeholders meeting that is a participatory approach where all the stakeholders in Enugu State met and defined poverty and decided on the mechanism to reduce poverty in the state. We went through our stakeholders meetings involving traditional rulers, legislators, members of councils, society organizations and traders and we mapped out our own poverty reduction strategies even before the appearance of NEEDS and SEEDS. We now looked at the specific reforms, that can be applied nationally looking at the Millennium Development Goals (MDGs) which you know is as a result of the Millennium Declaration by 149 countries at the UN General Assembly in September 2000.

The MDGs is looking at the reduction of poverty by half by 2015, reduction of hunger by half by 2015, looking at provision of Universal Basic Education to all by 2015, looking at gender equality and women empowerment - that is making sure that there is parity in the education of young girls and young boys by 2015, and of course, women empowerment reflecting those in the parliament and employment in the agricultural sector.

MDGs also talked about 3/4 decrease in infant mortality by 2015 to 2/3 decrease in maternal mortality by 2015, halving of HIV and possibly reversal or stoppage of malaria surge. It also looks at environmental sustainability and that is basically environmental sustainability and protection and, of course, global partnership.

So, when you look at the reform process in Enugu State as we discussed, you can now plug it in to the relevant MDGs. Other reform process looked basically at health and human services. For health and human services, we have the school meal plus programme, we have the early childhood learning centres and of course we have health reforms in terms of our health district system through PATHS and health procurement programme – a programme we have with DFID.

Basically the School Meal Plus Programme can be described as something more than a meal. It is a system that allows the index child to have not just a meal a day but to get into the system where you provide annual health checkups, check for growth assessment, attention deficit disorder for colour blindness, and follow the siblings to make sure they are in school, follow the mother to make sure she is in the health care system, if she is pregnant, whether she has a prenatal care, and of course going along with that is the early childhood learning system (i.e. a system of nursery schools system within the public schools so that when the big ones are going, they will go with their younger ones).

The important thing in health and human services is to establish a synergy between health and education - a multi-sectoral approach to health, because when you are talking about education of the child, you are also talking about health because that child in the kindergarten and elementary school is more

likely to receive health services within the educational system either in terms of immunization, in times of malaria prophylaxis, data collection, etc. So this is interplay between health and education and other sectors in health and human services.

Of course to do that, we have our Ministry of Poverty Reduction and Human Development to help coordinate this synergy. In the area of wealth creation, we have our neighborhood associations. This is a formalized system of neighborhood associations we have that uses micro credit security surveillance including community policing. In the area of criminal justice system, we have what we call the Enugu State Justice Reform Team, headed by the Chief Justice and others.

Using the Justice Reform Team, we have been able to refine our rules for civil procedures; we have reviewed our customary court judges. We have also been able to provide alternative dispute resolution/conflict resolution seminars for our traditional rulers and help them with data collection and documentation. Using the Justice Reform to gain access to justice through the Security Justice and Growth, we were able to provide our Citizenship's Rights and Mediation Centre; also Justice Reform in Ministry of Lands is looking at land registration.

We have also automated our criminal justice system in the office of the Director of Public Prosecution (DPP) and also done prisons reform. Also, in the area of wealth creation, we embarked on projects such as: Ideas to Enterprise- a competition for young entrepreneurs, SME Advisory Centre and Business Park.

Looking at public sector reforms, some of our parastatals, including the Fire Service were also evaluated in terms of setting standards for service delivery in terms of internal revenue generation, in terms of expenditure management in the areas of right sizing, human capacity building and general response time to fire calls.

Also, looking at reforms, we have our community policing, public expenditure management reform i.e. through our budget evaluation and monitoring. The idea is that of reverse pyramid. What this means is that over 90% of



health fund or education fund goes into operating cost such as paying salaries and emoluments and paying for seminars and big conferences in 5-star hotels like we are this morning. So the actual money that goes down to the people in terms of drugs, service or equipment is minimal - maybe less than 2-5%. So, by public expenditure reform, we are able to get our priorities right and track the money, so it can actually get to the people.

The Public Expenditure Management Committee will have members of NGOs, other civil society groups to track our expenditure management. Also in the process of reforms, we have the SLGP i.e. State and Local Government Programme and also the LEEMP programme. The idea is to provide rural infrastructure with the people as stakeholders. So, if you have health and human services where you provide school meals to the school children using SLGP & LEEMP, you can also provide boreholes within that area; you can repair roads and you can provide rural electrification and health services; so that is integrated development. You can now extrapolate how this reform process can be applied nationally.

Then of course, looking at one specific area of reform that one can propose to be applied nationally is the health reform in Enugu State. The idea of health reform is to bring health much more closely to other people. The Almatel declaration of 1978 talked about health for all by the year 2000. We have gone past that. So, what we are doing in Enugu State is District Health System for Primary & Secondary Health areas. How does this apply to Nigeria?

We propose a reform process based on health and human services, where the Federal Ministry of Health will have its health components to do what they are doing now, and also take care of the parastatal like NAFDAC and others and then have the human services.

The human services will have two components: one is the National Health Agency and the other is for inter sectoral services like the proposed National Health Agency that will provide health care for all, which is similar to UBE with contribution from local, states and federal government. This is health service for the people (90%), who cannot afford or those who need subsidized services.

The NHA should be headed by a Surgeon-General at the top pinnacle in the health care. Of course, the inter-sectoral programme will now take care of the synergy, taking care of the early childhood learning system, the School Meal Plus Programme and other ancillary services like the NPI and others.

It's been a privilege and honour to be here. Thank you and God Bless.



## Appendix S:

### Imperatives for Youth Development Policy in a Global World *by Ndidi*

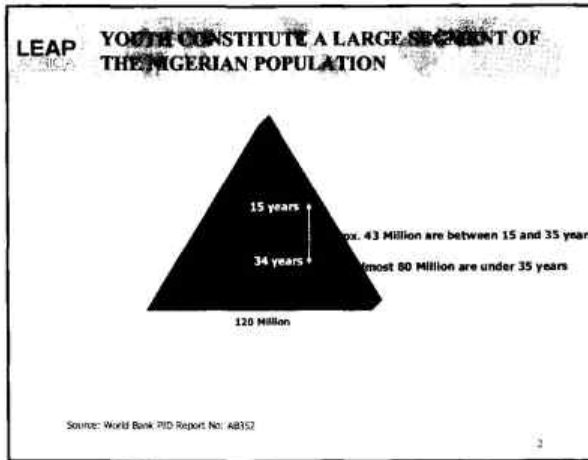
*Nwuneli, Founder/CEO, Leap Africa*

**LEAP AGENDA**

→

- Address the youth development challenges in Nigeria
- Address the global development challenges
- Build a platform for professional youth leaders policy makers

1



## LEAP YOUTH FACE IN AN INORDINATE AMOUNT OF CHALLENGES IN NIGERIA



## LEAP MOST NIGERIAN YOUTH ARE UNSKILLED OR SEMI-SKILLED

1. Significant attrition between the primary, secondary, post secondary and tertiary levels. Apparent neglect of those lost to attrition.
2. Public schools remain under-funded and continue to utilize outdated curriculum, with little to no emphasis on technical and life skills or entrepreneurship.
3. Weak/no career counseling or job placement centers in local communities and public schools
4. Weak/no youth or recreational centers through which youth can gain life or leadership skills
5. Teachers remain under-skilled and disoriented
6. No monitoring or accreditation process in place for private schools or after school programmes

## LEAP A SIGNIFICANT PERCENTAGE OF YOUTH ARE UNEMPLOYED OR UNDEREMPLOYED

### Drivers of Unemployment

- Short-termistic growth
- Poor education
- Limited institutional structures (vocational training)
- Government's failure to create enough job opportunities
- No access to networks
- Discrimination against youth
- A highly-fragile economy leaves the youth

The unemployment rate is estimated at 17% in the metropolitan areas:

Primary school leavers account for 20% of unemployed youth

Secondary school leavers constitute 55% of unemployed youth

**LEAP** **II AND PERSPECTIVES ON THE CHALLENGES OF YOUTH UNEMPLOYMENT**

The image contains a large, dark, illegible rectangular area in the center, likely representing a missing or obscured image or text.

Source: Youth Pathways to Decent Work, International Labour Organization, 93 - Geneva, 2005

6

**LEAP** **AGENDA**


The image contains a large, dark, illegible rectangular area in the center, likely representing a missing or obscured image or text.

→

8


## Appendix T:

### Developing & Implementing SEEDS within the context of Fiscal Responsibility by Otunba Gbenga Daniel, Governor Ogun State



**FISCAL RESPONSIBILITY AIMS:**

- Set Goals for improved Management of Nation's Finances
- Harnessing the Resources of the Nation/State to promote national prosperity, efficient, dynamic and self reliant economy
- Streamline National Expenditure pattern
- Promotion of planned and balanced economic development strategy
- Promotion of Transparency and Accountability in the Management of resources of the Nation/State



**Fiscal Responsibility: Thrust:**

- Development of a Medium Term Economic Plan, which shall form the basis for preparing Projects and Programs
- Establishing a Budgetary Planning Process, which sets out development targets covering a four year budgetary period.
- Submission of Appropriation Bill, predicated on the Medium Term Economic Plan

## **IMPERATIVES FOR SEEDS:**

- Medium Term View of Economic Development
- Focus on Critical Sectors of Economy
- Private Sector Participation in development initiatives
- Set Criteria for Projects Selection and Implementation
- Optimal Resource Allocation
- Prioritization of Investment Capital

## **OGUN STATE EXPERIENCE**

## **Fiscal Responsibility and SEEDS in Ogun State**

- Establishment of Contract Bidding Process
- Due Process in Award of Contracts
- Financial Prudence in Projects Execution e.g. OGROMA
- Salary (Streamlining)
- Debt Management
- Preparation of Medium Term Development Strategy
- Adoption of SEEDS
- Inclusion in Budgetary Process
- Programs and Projects based on SEEDS

## **Benchmarks for Assessment of OGUN SEEDS:**

- ✓ Reduced level of poverty
- ✓ Improved fiscal policy
- ✓ Good Infrastructure and friendly Investment Environment
- ✓ Improved public institutions and human resource capacity
- ✓ Zero-tolerance on corruption

## **Critical Areas of Focus:**

- Social Welfare Development
- Infrastructural Development
- Reform of Government Business
- Public Private Sector Partnership
- Creation of New Investment Opportunities
- Value reorientation


## **LEEDS at Local Govt. Levels and Community Participation.**

- Sensitization for the Development of LEEDS
- Establishment of Ministry of Community Development and Cooperatives to anchor establishment of Community Development Societies and ensure Participatory Governance.

## Appendix U:

### Tax Administration in the Context of Fiscal Responsibility


by Federal Inland Revenue Service



#### Content

- 1.0 Introduction**
  - Definition
  - Relationship and Types
- 2.0 Tax Administration System**
  - Policy
  - Administration
  - Laws
- 3.0 Status Report on the on-going tax reform Agenda**
- 4.0 Fiscal Objectives and Stakeholders' Responsibility**
  - Government
  - Revenue Agencies
  - Taxpayers
- 5.0 Conclusion**

2



#### 1.0 Introduction

- The Sub-theme of this presentation is "Tax Administration in the context of fiscal responsibility". I understand this to imply the role and importance of taxation within a country's fiscal administration system. Fiscal responsibility is nothing but the way and manner in which public monies are applied to finance government programmes for the welfare of the citizenry. In this context, there is a tripartite arrangement of responsibility on:
  - Taxpayers who should contribute to the revenue basket.
  - Tax Authorities who should strive to collect revenue for Government.
  - Government, whose duty is to appropriate taxes to finance welfare programmes for the benefits of the citizens.

3



Introduction cont...

- **FIRS/Stakeholders Relationship**

this is a relationship that needs constant nurturing for sustainability. We probably do not appreciate this fact but the Tax administrator needs the cooperation of taxpayers to impress Government of his capability to deliver, while taxpayers also need the understanding of the Tax Administrator in the conduct of their tax affairs. Experience has shown that every group in the relationship has a duty to perform.

- Tax Administrator, often loosely referred to as Revenue Collectors. They are in two categories
  - civilized, liberal and firm
  - beastly and incorrigible. Taxpayers will live with them no matter how good or bad they behave.
- Taxpayers, regarded as the hens that lay the eggs. They are in the category of those "Who will Pay, (rightly or less than right)", who cannot pay, and who will not pay.
- Government, the Custodian of the revenue collected.
  - people-oriented administration.
  - self-serving administration.

4

## 2.0 Tax Administration System

- There can be no meaningful discussion on Tax Administration without an examination of the tripartite elements of which it is comprised.

These are:

- Tax Policy
- Tax Laws
- Tax Administration
- Any reform, in relation to Tax administration system should always aim at securing a sustainable high level of tax compliance. All other benefits are derived from compliance.
- **Tax Policy** – general statements of intention, which guide the thinking and action of all concerned towards the realization of the set objectives. Since 1992, government has operated within the following policy framework:
  - pursuit of a low tax regime, with the aim of reducing tax burden, thereby encouraging savings and investment;

5

Tax Administration System cont...

- deliberate shift of emphasis from income tax to consumption tax, which is less prone to tax evasion;
- introduction of the self-assessment scheme to encourage taxpayers participation in the tax assessment process, being more democratic in nature and realistic in approach;
- movement from the traditional coercive method of taxation to voluntary compliance; and
- using the due process of law and mechanism of an efficient tax system to curb tax evasion and avoidance.
- **Tax Laws** – legal authority relied upon to implement tax policies and administer tax rules. Notable among the tax legislations in use are:
  - Petroleum Profit Tax Act (PPTA)
  - Personal Income Tax Act (PITA)
  - Companies Income Tax Act (CITA)

6



Tax Administration System cont...

- Value Added Tax Act (VATA)
- Education Tax Act (ETA)
- Stamp Duties Act (SDA)
- Capital Gains Tax Act (CGTA)
- **Tax Administration** – this refers to the entire administrative machinery put in place by the Revenue authority to achieve the set policy objectives. It encompasses
  - human resources development
  - capacity building
  - research and statistics
  - assessment and collection
  - systems and procedures
  - legal and debt arrears recovery

7



Tax Administration System cont...

- The task facing the Nigerian Revenue administrators today is "what to do in order to be able to achieve an efficient tax administration system", in spite of obvious enormous obstacles which are capable of limiting the efforts of Revenue authorities in the African sub region, among which are:
  - poor infrastructural facilities and office equipment
  - poor funding
  - inadequate training and lack of capacity building
  - protracted litigation process
  - unawareness and unwillingness to pay tax.
- All these problems could disappear with a gradual change in orientation on the side of all parties.
- The three tiers of Government namely, Federal, States and Local Councils are charged with tax administration in Nigeria. The tax authorities of these three tiers derive their creation from Federal Laws and include:

8



Tax Administration by tier

- Federal Board of Inland Revenue (FBIR)
- State Internal Revenue Boards (SIREB)
- Local Government Revenue Boards
- The statutes also prescribe taxes to be collected by each tier of government in order to avoid conflict of interests. All Revenue authorities in Nigeria have come together under the umbrella of the Joint Tax Board to discuss common issues bordering on harmonization of taxes and also to serve in advisory capacity to the Federal Government.

9

### 3.0 Status of the On-going Tax Reform Agenda

#### ? Why the Reform?

- The low revenue yield of taxation is a consequence of poor tax compliance culture due to:
  - lack of proper enforcement of tax provisions, either on account of the inability of the administration to cope with the laws or outright corruption.
- The need to obtain maximum revenue and exploit fully the taxation potentials of the country.
- The need to treat taxpayers well and recognize them as kings so as to obtain their trust and confidence, thereby recognizing them as partners in the task of nation-building, subject to their full compliance with tax laws.

10

Status of the On-going Tax Reform Agenda cont. .

- The need to ensure that Government manages the Nigerian society well through fiscal or budgetary discipline and accountability.

#### ? Key elements of the Reform

- **Policy**
  - Adoption of a National Tax Policy that clearly specifies duties of the citizenry and responsibilities of Government to the people.
  - A simple tax system with low tax burden and comprising of a few broad-based taxes.
  - Increasing shift in emphasis from direct to indirect taxes.
  - Elimination of multiple taxation at all levels of government.
- **Statutes/Laws**
  - Eliminate obsolete and unrealistic provisions in the tax laws.
  - Strengthen sanctions and review upwards, the various penalties impossible in the event of default.

11

Status of the On-going Tax Reform Agenda cont. .

- Amendment to the various tax laws.
- Constitutional amendment to place VAT on the Exclusive Legislative List.

#### • Administration

##### ? Finance

- adequate fund provision to empower the FIRS
- provision of infrastructural facilities and office equipment, vehicles and accommodation
- Instal adequate reward system

##### ? Human Resources

- capacity building and utilization
- training and skill acquisition
- recruitment of competent and experienced staff

12

Status of the On-going Tax Reform Agenda cont..

**? Operation**

- development of tax-related data base on taxpayers.
- Adoption of a Tax Identification Numbering (TIN) system to track all taxpayers.
- Review of Bank Collection System and consequently reducing the number of collecting banks.
- adoption of integrated tax services to be performed in all FIRS tax offices nationwide.
- repleting Head Office functions at the Tax offices level for quick disposal of grievances.

**? Legal Services**

- liaison with the National Assembly for quick passage of Tax Bills presented to them.
- setting up of Revenue Courts for quick disposal of cases

13

Status of the On-going Tax Reform Agenda cont..

- continuous review of tax laws.
- prosecute offenders; may be compelled to dance to our "music"

**? Policy proposals**

- increase in VAT rate to 10%
- abrogation of education tax
- elimination of nuisance levies/taxes
- limiting tax concessions/tax holidays
- authority granted to oil companies to deduct VAT from both residents and non-resident contractors in the oil industry
- new income tax regime for the taxation of employment income
- exported goods now to be zero-rated
- interfacing with other Agencies for cooperation and information sharing.

14

Status of the On-going Tax Reform Agenda cont..

**? Where are we Now?**

- Emerging positive orientation,
  - mission to operate a transparent and efficient tax system that optimizes revenue collection and voluntary compliance.
  - values are professionalism, integrity and efficiency.
  - Goal is to triple our 2004 target by the year 2007 with respect to domestic (non-oil) taxes.
- We are already improving our systems and procedures, employing information communication technology (ICT)
- We are engaged in capacity building
- Tax bills are presently being discussed by National Assembly members
- Established new organisational structures comprising of five(5) Large Taxpayers offices, Ninety (90) Integrated Tax offices, and

15

Status of the On-going Tax Reform Agenda cont...

- six (6) support units among which are:
- Corporate Communications and Taxpayers Education Services
  - Investigation and Intelligence Unit
  - Legal Services
  - Quality Assurance Unit
- Integrated Tax Offices now perform tax functions as "Stop Shops" for taxpayers benefit.
  - We have strengthened the Audit, Collection, Accounting including Research and Statistics functions.
  - Already secured approval to retain 4% of revenue collection in any year as cost of administration.
  - Established Units to handle dispute resolution matters as well as arrears and collection enforcement function.
  - Bank collection system is now being critically reviewed for efficiency (Project FACT).

16

#### 4.0 Fiscal Objectives and Stakeholders' Responsibility

? Fiscal discipline has imposed duties and responsibility on all stakeholders in this tripartite relationship.

- **Government**
  - to ensure that taxpayers' money is spent well, through provision of security, social amenities and create conducive environment for businesses.
  - responsible for managing the Nigerian Society well
  - to invest adequately in the Revenue system in order to ensure that both the taxpayers and tax administrators are fairly treated.
- **Tax Administrator**
  - treat taxpayers with courtesy and respect
  - simplify tax laws and procedures
  - recognize taxpayers and their agents as partners in progress
  - ensure optimal revenue collection and accounting for same.

17

Status of the On-going Tax Reform Agenda cont...

- **Tax payers/Agents**
  - ensure that right and appropriate tax amount is contributed towards economic development
  - ensure compliance with tax statutes and regulations.

18



## 5.0 Conclusions

- In the final analysis, a country's ability to collect taxes will depend not only on the enactment of appropriate tax legislations or reform programmes but more importantly on the efficiency and integrity of the tax authorities who must implement these laws. No system of tax laws, however carefully conceived, is proof against collusion between the tax administrators and taxpayers. There is a need therefore for a positive change of attitude.
- The most important requirement for obtaining maximum revenue and exploiting fully the taxation potential of a country is an efficient tax administration consisting of persons of high integrity. Governments at all levels must, necessarily continue to support Revenue authorities.
- Revenue authorities on the other hand, require the cooperation of the:
  - Citizens, including Chief Executive and Captains of the various industries,

19



Conclusion cont.

- Government understanding.
- 7 in our efforts to build an enduring and sustainable tax legacy for the country. The Revenue Authorities urge all stakeholders to:
  - support the on-going tax reform agenda
  - support the code of Ethics on Tax Compliance
  - pay your taxes fully and on time
  - report deviations from established Code of Ethics
  - report all cases of corrupt practices within FIRS or between FIRS Staff and taxpayers promptly to our Anti Corruption and Transparency Unit within the organization.
  - contact the FIRS for our whistleblower telephone numbers and e-mail address.

20

## Appendix V:

### Fiscal Responsibility and the Private Sector

by Ayodele Teriba, CEO, Economic Associates

#### I. Current Fiscal Concerns (3 – 6)

- Oil Price and Production (Slides 3 – 4)
- External Reserves and Fiscal Shifts (Slides 5 – 6)

#### II. The Fiscal Process and the Private Sector (7)

*...Required Clear Rules of the Game*

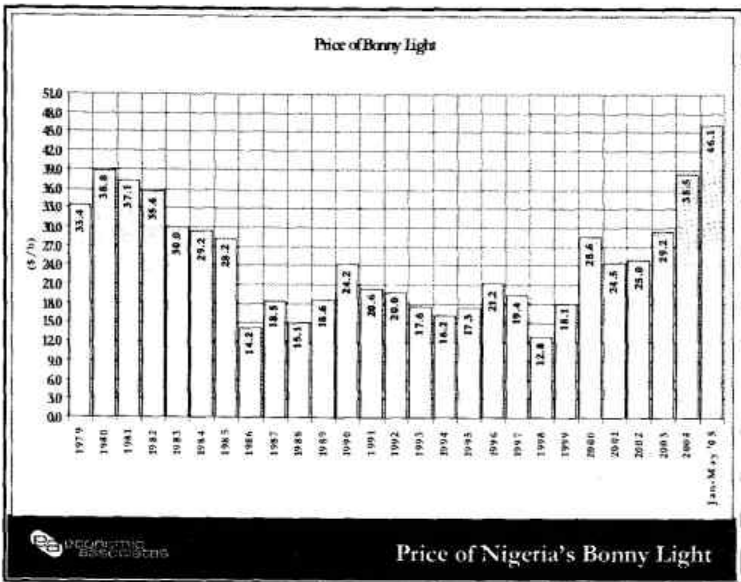
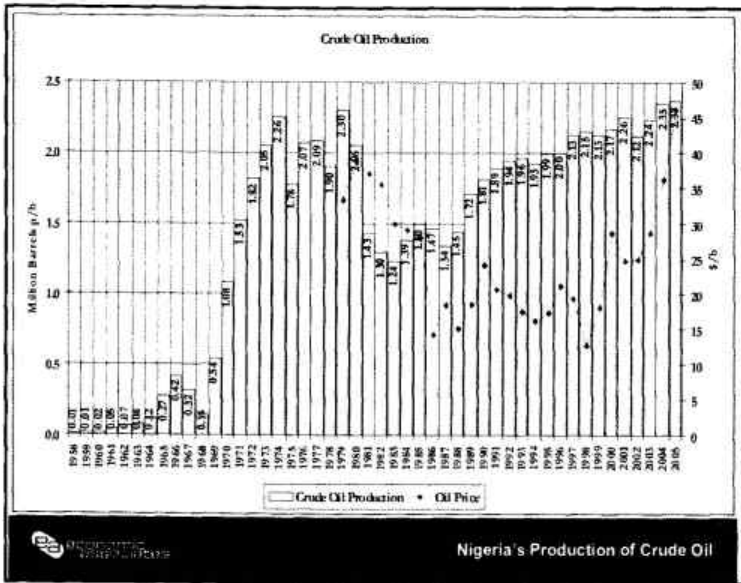
*...For Growth*

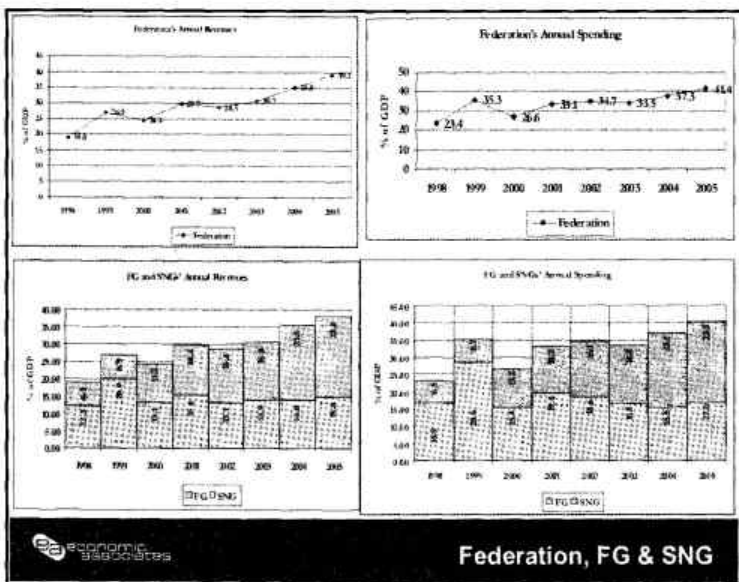
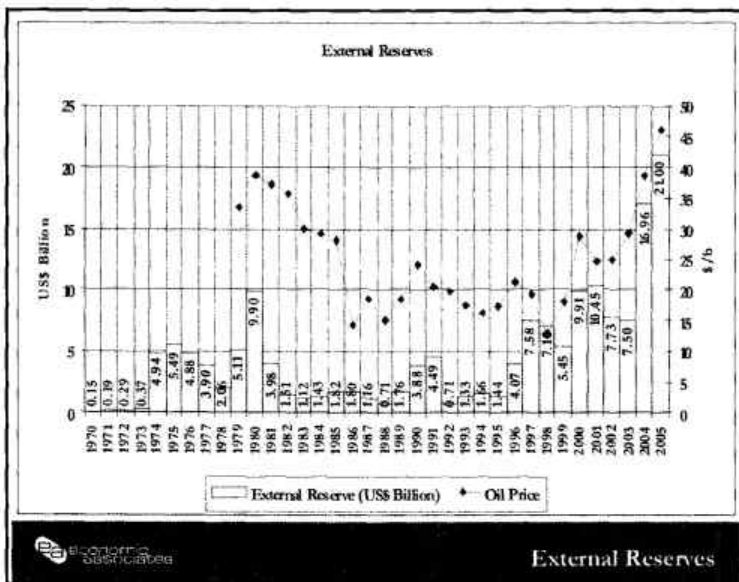
- Medium Term Capital Commitments
- Medium Term Focus for PPP Schemes
- Mandatory/Discretionary Budgets

*...For Stability*

- 'Traffic Lights' System
- Responsibility
- Accountability
- Transparency
- Predictability
- Symmetry







## The Fiscal Process and Interactions with the Private Sector

...Required Clear Rules of the Game

...For Growth

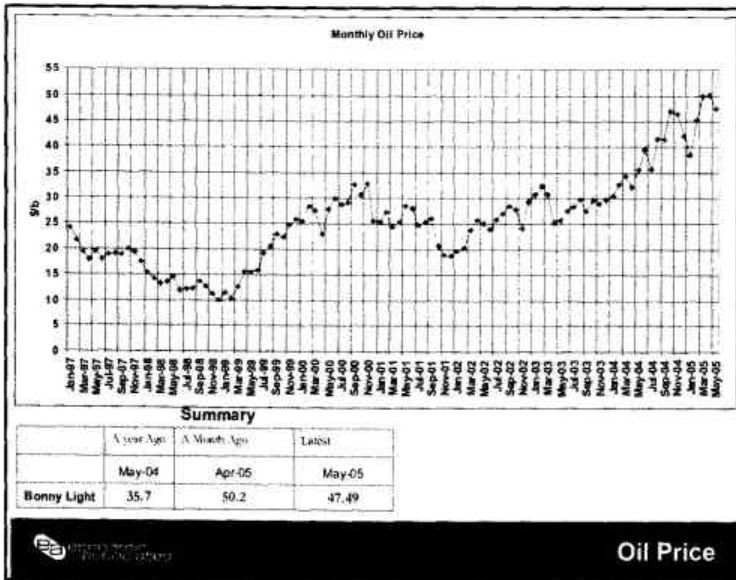
- Medium Term Capital Commitments
- Medium Term Focus for PPP Schemes
- Mandatory/Discretionary Budgets

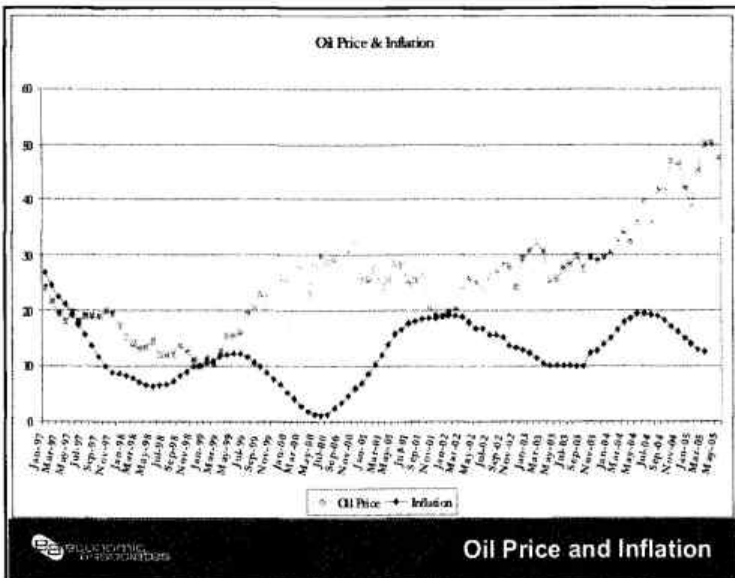
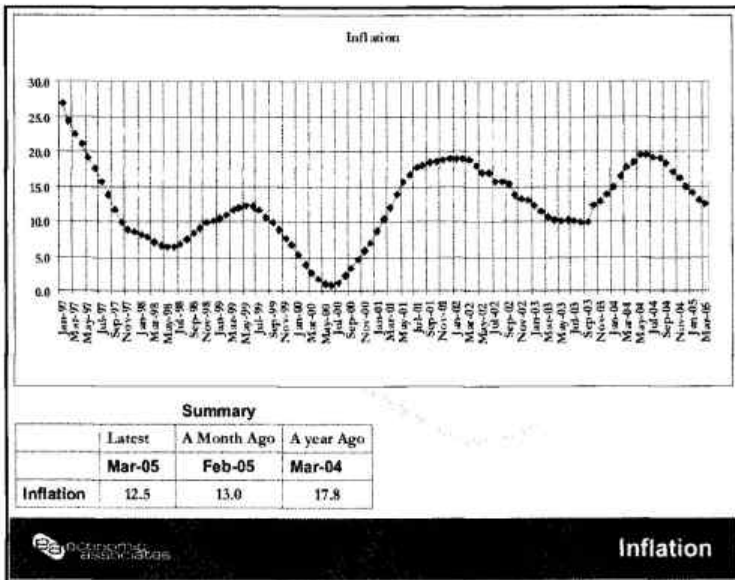
...For Stability

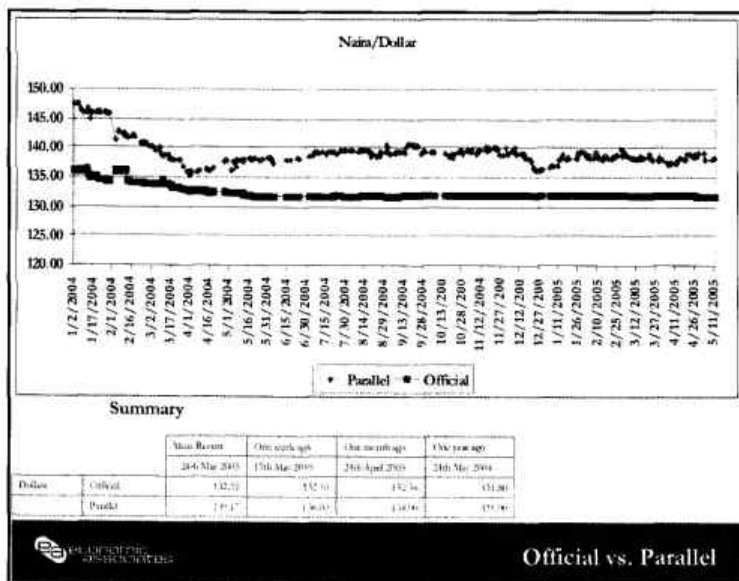
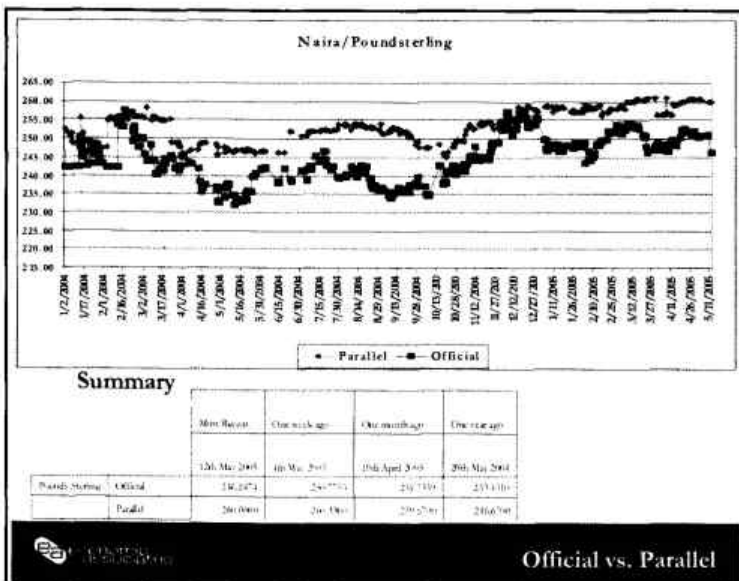
- 'Traffic Lights' System
- Responsibility
- Accountability
- Transparency
- Predictability
- Symmetry

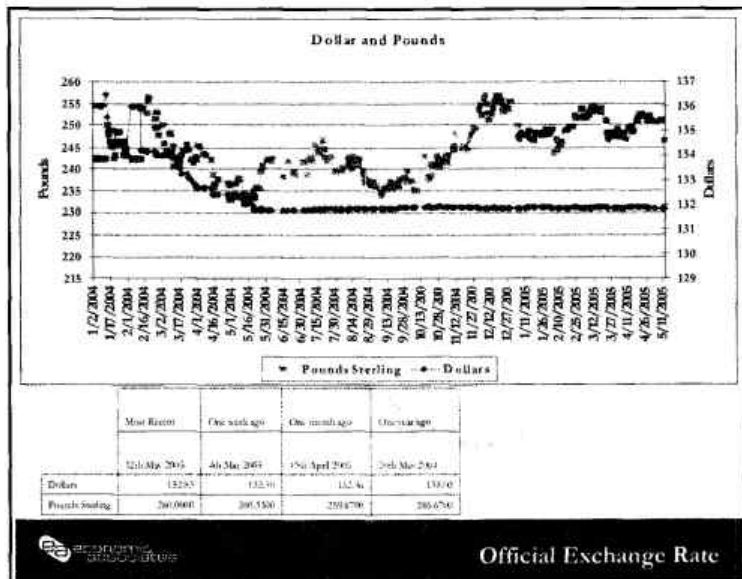


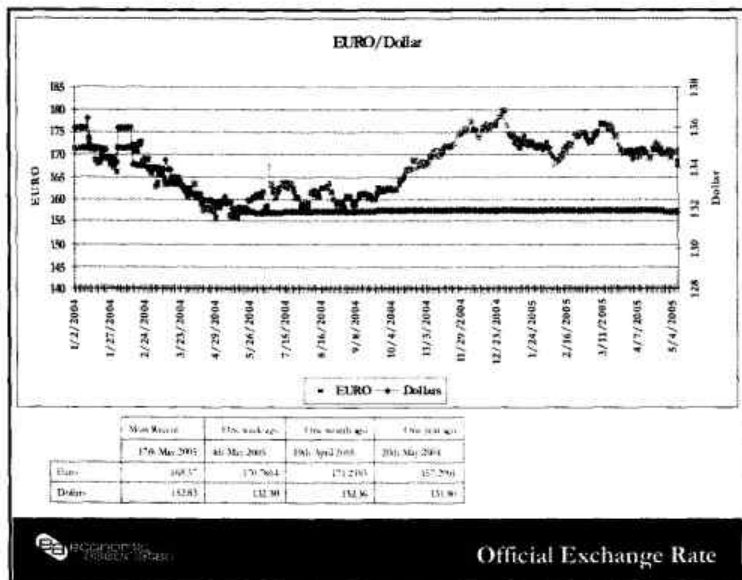
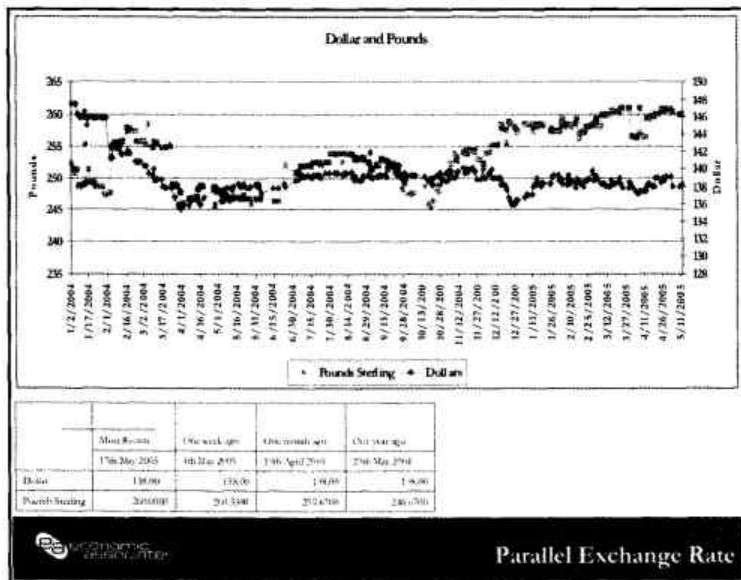
The Fiscal Process and the Private Sector



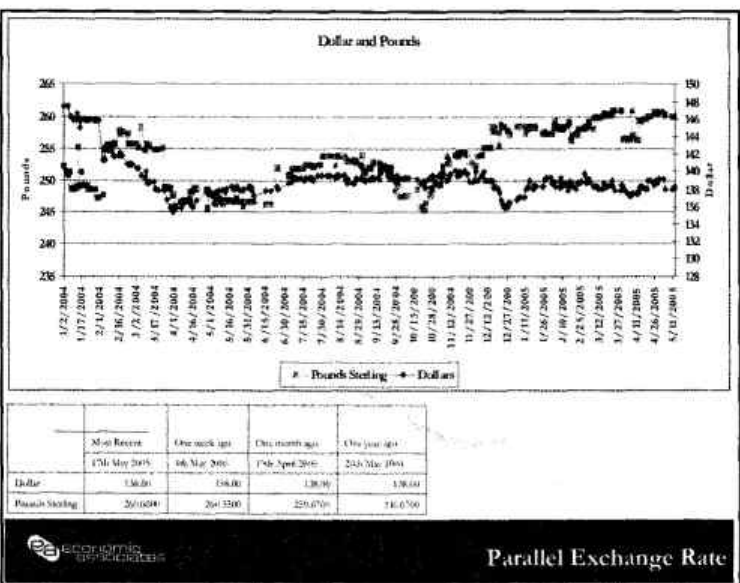
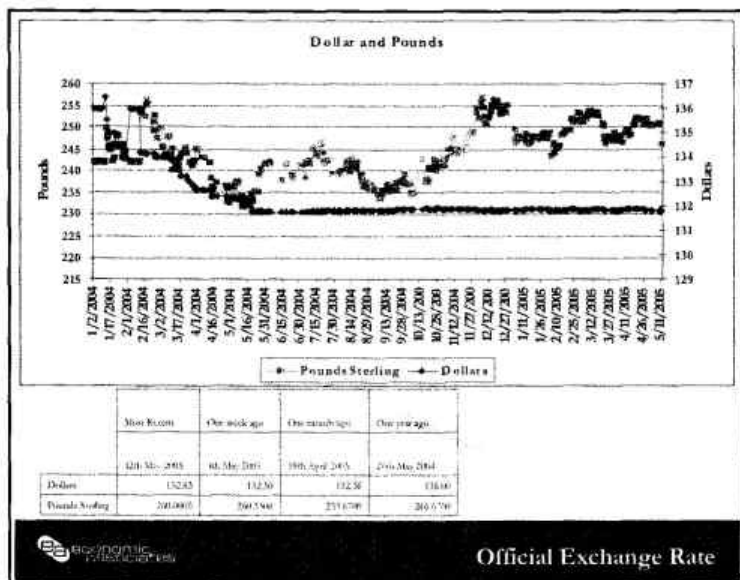












## Appendix W:

### **Fiscal Responsibility: The Challenges for Monetary & Exchange Rate Policy Management** by Dr O.J. Nnanna, Director, Research & Statistics, Central Bank of Nigeria

**Outline**

- Introduction
- Fiscal Responsibility: What It Entails
- Monetary and Exchange Rate Policy Management in Nigeria
- Fiscal Dominance and Monetary Growth
- Fiscal Dominance and the Naira exchange rate
- Fiscal Responsibility: The Challenge for Monetary and Exchange rate Stability
- Concluding Remarks

**Introduction**

- Core mandate of CBN
  - Monetary and exchange rate stability, etc
- Monetary Stability aims at:
  - Price stability
  - Safe, sound and stable financial system
  - positive real interest rate structure
- Efficient external reserve management aims at:
  - Exchange Rate Stability

## Fiscal Responsibility: What It Entails

- Oil price-based fiscal rule
- Fiscal policy that:
  - guarantees good macroeconomic stability
  - engenders Market confidence
- Fiscal management that:
  - smoothen out consumption and expenditure profiles
  - generates savings
  - Avoids lumpy injections of liquidity into the economy

## Monetary Policy Management in Nigeria

- Monetary management focuses on:
  - Price and exchange rate stability
    - Inflation-Is it a monetary phenomenon in Nigeria?
    - Exchange rate as a facet of monetary management
    - Choice of exchange rate regime-trade-offs among credibility, flexibility and stability
    - The DAS (Retail)
    - Looking forward-Migration to Wholesale DAS (2006)
  - Monetary Targeting is the overriding framework
    - Broad monetary targeting within medium-term framework
    - The MRR As Nominal Anchor-The Transmission Mechanism (MRR, Prime Lending rate, Inter-bank rate, etc)
    - Current targets consistent with NEEDS

## Fiscal Dominance and Monetary Growth

- The Fiscal dominance
  - instantaneous monetization of crude oil receipts
  - borrowing from the CBN (Ways and Means)
  - Crowding out the private sector
  - Main reason for excessive monetary growth

## Fiscal Dominance and the naira Exchange Rate

### • Fiscal Expansion:

- Accentuates liquidity surfeit
- engenders high inflation rate
- Engenders interest rate volatility
- Misaligns the naira exchange rate

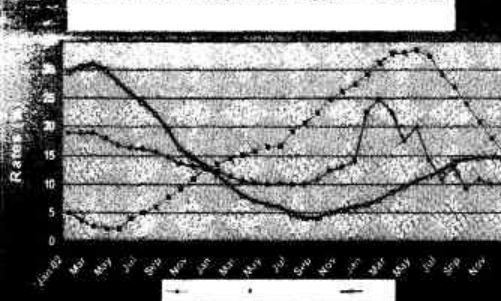
### • Liquidity surfeit:

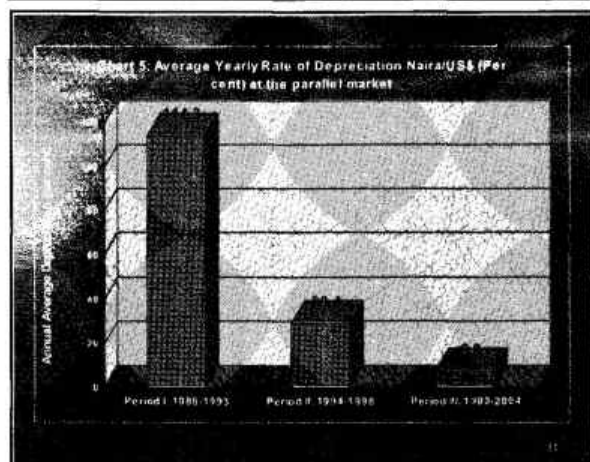
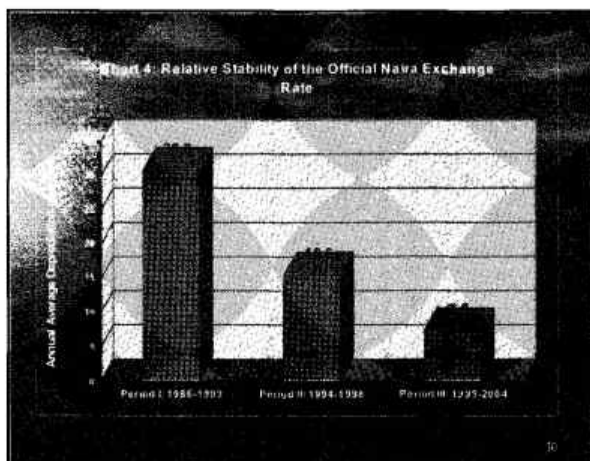
- Heightens demand pressure at the foreign exchange market
- Leads to Naira exchange rate depreciation.

Quarterly Aggregates, 1992-2004

Variables	1992	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>Money Supply (TZ)</b>												
Performance	44.2	25.7	15.4	10.7	10.6	12.1	17	25	21	27.4	24.7	14
Target	43	11.8	10.1	10.8	15	15.6	10	14.6	14.2	15.3	15	15
<b>Money Supply (US\$)</b>												
Performance	35.7	45.7	76.7	94	112	128	171	222	16.7	15.1	21.4	21.6
Target	26	21.4	9.4	11.5	15.4	10.2	4.9	9.4	4.3	12.4	12.4	10.8
<b>Aggregate Credit (TZ)</b>												
Performance	77.4	52.4	74	107.4	110	147.9	153.5	177.9	177.9	227	227	15
Target	17.5	9.4	11.2	12	24.8	21.5	18.1	27.8	15.8	57.9	25.7	24.5
<b>Credit to Govt (TZ)</b>												
Performance	77.6	47	69.3	91.6	112.8	147.7	171	167.7	191.7	170.4	40.4	117.4
Target	14.5	0	5.6	0	0	0	10.2	17.4	7.6	46.4	159.1	23.32
<b>Private Sector Credit</b>												
Performance	11.4	31.7	40	21.4	23.4	77.4	79.7	23.4	46.7	10.7	21.1	26.4
Target	20	12	21.2	29.5	45.4	10.4	19.4	24.8	22.8	24.9	32.1	30
<b>Fiscal Deficit (% of GDP)</b>												
Performance	-15.2	7.7	17	7.4	-9.2	-7	-0.4	-5.9	4	-4.5	-1.7	-1.7
Target							5.9	5.9	4.0	4.0	3.0	2.1

Chart 2: Inflation Rates (12 Month Avg.) Jan 2002-Dec 2004





### Fiscal Responsibility: Challenge for Monetary and Exchange Rate Stability

- Fiscal Responsibility may guarantee non-inflationary monetary policy
  - Fiscal discipline as an optimal policy tool
  - Dealing with dynamic inconsistency and inflation bias
- Inflationary pressures may persist due to:
  - Weak productive base
  - Weak physical and social infrastructure
  - Lack of long-term plans
- The re-determination of independence will change views on the fiscal-monetary relationship
  - Trade-off between interest and exchange rates
  - External reserve buildup due to oil price shocks
  - Growth of risk-free and attractive domestic assets
  - Capital flight
- Need for greater coordination between monetary and fiscal policies

## Concluding Remarks

### • Monetary and Exchange Rate Stability in Nigeria Contingent on:

- A diversified productive and export base
- Improvement of physical and social infrastructure
- Sustainable pool of long term funds
- Risk free and attractive domestic assets
- Favourable external sector indices
- Adequately capitalised Banks

• I sincerely thank you for your kind attention.

12

## Appendix X:

### Nigeria: Challenge for Fiscal Management

by Menachem Katz, IMF Representative

Overall macroeconomic performance in 2004 was commendable -- a break from the imprudent macroeconomic policies of the past.

- ▶ Macroeconomic stability was strengthened, predictability and transparency of policies enhanced, and the economy's vulnerability to oil price shocks reduced.
- ▶ Important strides were made in improving transparency, fighting corruption, and structural reforms aimed at addressing deep-seated macroeconomic and structural problems.

How was 2004 different from the past?

- ▶ The consolidated government fiscal stance was prudent.
  - All three tiers of government adhered to a conservative oil-price-based fiscal rule, thereby achieving improved fiscal discipline.
  - Public spending was kept in check, as evidenced by developments in non-oil primary spending relative to non-oil GDP.
  - The consolidated government's overall surplus increased to 10 percent of GDP.
  - The non-oil oil revenue of about US\$6 billion was set aside.



## Is 2004 the beginning of a new era in policy making in Nigeria?

- Government commitment and a fiscal rule may achieve credibility and improvements in the policy stance, but adopting laws and establishing institutions will make it harder to reverse reforms.
- The 2007 Appropriations Act suggests that the prudence shown in 2004 has not necessarily become a permanent feature of fiscal policy.

## What is needed to make sure 2004 was not a one-off event?

- The 2007 budget process shows the need to establish institutions and practices that ensure prudent fiscal conduct.
  - The Nigerian authorities have prepared a number of proposals for legislation to establish institutions, including the Fiscal Responsibility Bill, the Extractive Industries Transparency Bill, and the Procurement Bill.
- Financial and technical assistance to build capacity.

## Macroeconomic challenges in an oil-dependent economy

- Higher spending of oil revenue is inflationary.
- Volatility of spending leads to boom-bust cycles.
- Because the government does not have to rely on taxes, lack of accountability and governance problems often exist.

## What are the features of a 'good' budget?

- The budget is the government's most important policy tool. It needs to
  - support macroeconomic stability; and
  - reflect national priorities (as formulated in NEEDS).
- The government also needs to ensure that it obtains value for money in spending.

## What is needed to maintain macroeconomic stability?

- Delink government spending from oil price volatility.
  - An oil price-based fiscal rule can anchor fiscal policy.
  - Under such a rule, the revenue calculated at the reference price determines fiscal spending; a higher or lower actual oil price leads to a higher or lower overall surplus, and 'excess' revenue is deposited in the Central Bank.
  - A federal structure requires improvements in intergovernmental fiscal relations; participation of all three tiers of government in the fiscal rule.

## What is needed to ensure that the budget reflects national priorities?

- Formulation of a medium-term expenditure framework.
  - Aggregate expenditure ceilings and line ministries formulate their objectives in line with NEEDS and link spending programs to these objectives.
- Cost/benefit analyses of large investment projects to increase capacity to assess, prioritize, and manage public investment.

## What is needed to ensure that the government obtains value for money in spending?

- Strengthen public expenditure management
  - Introduction of unitary financial budget classification
    - The new Chart of Accounts introduced in 200+ provides the basis.
    - Will aid qualitative review of central government, health, track, private and MPO-related spending.
  - Automation of budget implementation
    - Rollout of the new IT systems for budget and reporting to the Treasury in 2005.

## What is the international experience with fiscal rules in federal systems?

- A number of countries have:
  - Formal fiscal rules, including Fiscal Rules (FRS) and Fiscal Rules 2.
  - The absence of a separate central financial authority, possibly leading to less discipline in the public sector, and/or more borrowing.

## What are the 'best practice' features of FRS?

- A general framework for budgetary planning, execution, and reporting that is applied to all levels of government.
- Generally means an explicit, legally defined set of indicators.
- Generally restricts and/or limits a specific aspect of the budget or fiscal policy, such as the total amount of debt.
- High level of transparency in reporting and links.
- New Zealand was the pioneer (1976). More recently, FRS have been implemented by emerging market economies in Latin America (e.g., Brazil, Peru, Ecuador, Ecuador) and Asia (Sri Lanka). Brazil's FRS set the standards.

## Brazil's Fiscal Responsibility Law

- \* Brazil enacted a Fiscal Responsibility Law in May 2000. It has stabilized the economy after a long period of imprudent budgets.
- \* Brazil has a federal structure similar to Nigeria's.
- \* Lack of intergovernmental coordination of fiscal policies has been given most of the blame for macroeconomic instability prior to early 2000.

## Brazil's FRL

- = Brazil's FRL calls for transparent fiscal reporting:
  - preparation of a fiscal policy annex to the government's multi-year plan with multi-year fiscal targets
  - preparation of a fiscal targets' annex to the Annual Budget Guidelines Law with targets for the primary balance and projections for revenues, expenditures, nominal balances, and public debt for the subsequent three fiscal years
  - preparation of an annual annex describing fiscal risks with an assessment of contingent fiscal liabilities.

## Brazil's FRL

- = Fiscal results have to be disseminated through reports on bi-monthly budget execution, four-month reports on compliance with the FRL targets.
- = Municipalities have to report to the MoF the fiscal results of the previous year by end-April and states by end-May.
- = MoF has to publish consolidated public finances of the previous year by end-June.

## Nigeria's draft Fiscal Responsibility Bill (FRB)

- Fiscal rule to anchor spending of all three tiers of government.
  - Requires the government to set a reference of initial revenue from oil prices (to be the reference for all the fiscal).
- Creation of an oil stabilization fund for windfall revenue and to finance deficits when oil prices fall unexpectedly.

## Fiscal Responsibility Laws

- The lessons from experience suggest that there is a role for FRLs on which countries may build to contain fiscal deficits and wage inflation, especially in times of low oil prices and output contraction, and to ensure that the government is not over-indebted.
- However, the main challenge in developing countries is how to ensure that the government is not over-indebted, especially in times of low oil prices and output contraction, and to ensure that the government is not over-indebted.
  - The FRLs should be designed to ensure that the government is not over-indebted, especially in times of low oil prices and output contraction, and to ensure that the government is not over-indebted.

## Transparency and accountability of Nigeria's budgets still need improvements

- The federal government budget document lacks a comparison of the current year's budget proposal with last year's implementation.
- Budget execution data are not easily reconciled with banking data on the government's financial position.
- Most state and local governments do not publish budget documents and budget execution reports.

## State and local governments have an important role to play in social service delivery

- Extension of PEM reforms to state and local governments.
  - States already have or will have their own development strategies – SEDS – which reflect or related with NEEDS.
  - Some states implement procurement reforms similar to the one process requirements implemented in the Federal Government (use of competitive bidding and value-for-money evaluation of bids).

## Conclusions

- Nigeria needs to build on the successes of 2004.
- For fiscal policy, this means:
  - Reducing spending (mainly volatile oil revenue).
  - Ensuring a more transparent, predictable, and efficient use of public resources.
  - Reducing all levels of government to reforms with the Fiscal Responsibility Bill, and the significant impact of PEM reforms.
- Fiscal policy needs to be supported by structural reforms that reduce the costs of doing business.

## Appendix Y:

### Update on SEEDS (State Economic Empowerment & Development Strategy) Process

by Prof. Ode Ojowu, Economic Adviser to the President/CEO, National Planning Commission

#### WHAT IS SEEDS

- \* SEEDS represent a broad State owned and led strategies for growth and poverty reduction; and build on existing state level strategies where these are already in place.

- \* NPC in collaboration with our development partners provided technical assistance to States to formulate and develop their respective SEEDS document

- \* The SEEDS process was launched in early 2004 and a SEEDS Manual was designed by the NPC to assist the States in preparing their SEEDS to be consistent with the strategies and objectives of NEEDS.



- NPC in collaboration with our development partners provided technical assistance to States to formulate and develop their respective SEEDS document
- The SEEDS process was launched in early 2004 and a SEEDS Manual was designed by the NPC to assist the States in preparing their SEEDS to be consistent with the strategies and objectives of NEEDS.

- Six zonal workshops involving representatives of government, civil society and the private sector were held in:
  - Abeokuta in the South West;
  - Benin City in the South-South;
  - Enugu in the South East;
  - Minna in the North Central;
  - Kaduna in the North West; and
  - Yola in the North East between March 1st and April 7th, 2004.
- Subsequently, technical teams comprising an average of 5 consultants were offered to all States to support the development of their SEEDS.

- **All the 36 States have by now embarked on the preparation of State Economic Empowerment Strategies (or SEEDS), in line with the National Economic Empowerment and Development Strategy (NEEDS).**

- **The National Planning Commission, Federal Ministry of Finance (FMF) and our Development Partners agreed that additional resources should be directed to those States which develop and implement the most effective SEEDS (and supporting changes in governance, transparency and accountability).**

- **The NPC and the joint group of donors working to support SEEDS have elaborated a framework for the joint assessment of SEEDS. The performance of the state governments will be compared against a set of international standard benchmarks.**

## **SEEDS BENCHMARKING PROCESS**

A set of key benchmarks by which States can be assessed cover four key areas and these are:

- a. **POLICY:** To ensure that the state government develops, publishes and implements a strategy that advances its policy targets

b. **BUDGET and FISCAL MANAGEMENT:** To ensure responsible and prudent fiscal management that effectively contains the negative impacts of revenue fluctuation, and to establish the budget as a comprehensive, transparent and binding tool for the implementation of government priorities.

c. **SERVICE DELIVERY:** To ensure that government strategies to improve service delivery, both in terms of quality and in terms of reach, is developed and can be implemented.

d. **COMMUNICATION AND TRANSPARENCY:** *To ascertain that policies are planned and implemented in a transparent and accountable manner.*

## INCENTIVE FOR STATES BENCHMARKING

- ▶ The Federal Government and Development Partners agreed that additional resources should be directed to those States which develop and implement the most effective SEEDS. None of the participating will loose out from the benchmarking exercise.
- ▶ Other States that perform less will continue to receive technical assistance particularly in capacity building that will directly contribute to an improved performance in the subsequent rounds of benchmarking.

## WHY BENCHMARKING

- ▶ These benchmarks are meant to promote fiscal responsibility and good governance at the state level.

## OBJECTIVES OF BENCHMARKING

- ▶ To assess progress made in taking forward a SEEDS process against the agreed set of SEEDS benchmarks
- ▶ To identify general progress towards improved public financial management, service delivery, transparency and tackling of corruption.

## DEVELOPMENT OF BENCHMARKING

- Two pre-tests were carried out in Kwara and Enugu states, and as a result of these pre-tests, the benchmarks and methodology were amended.
- The revised benchmarks were discussed by stakeholders including the states at a workshop hosted by the Commission in March 2005.

## ASSESSMENT PROCEDURE

- The exercise is scheduled to commence on June 6, 2005 to be completed by July 4, 2005
- The assessment will take 2 weeks in each state.
- The assessment team consist of 3 assessors and observers

- The exercise will be coordinated and monitored by an oversight firm, African Institute for Applied Economics recruited for that purpose.
- An oversight panel set-up will adjudicate on concerns expressed by states.

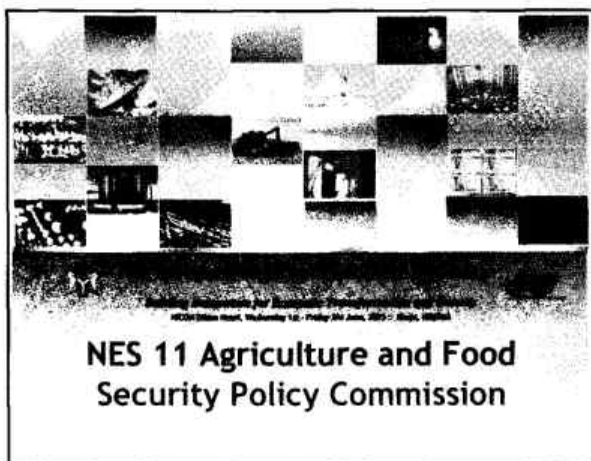
- The appeals or concerns are to be expressed within one week at the end of the assessment visit
- The panel comprises of heads of the participating Development partners, representatives of the Federal Government and non-voting media observers.

LIST OF STATES WILLING TO PARTICIPATE IN SEEDS BENCHMARKS ASSESSMENT

STATES		
1. AG	16	11375
2. AN	17	1881
3. BA	18	1711
4. BE	19	14190
5. BR	20	14544
6. BU	21	14544
7. CA	22	14544
8. CB	23	14544
9. CD	24	14544
10. CE	25	14544
11. CF	26	14544
12. CG	27	14544
13. CH	28	14544
14. CI	29	14544
15. CJ	30	14544
16. CK	31	14544
17. CL	32	14544
18. CM	33	14544
19. CN	34	14544
20. CO	35	14544
21. CP	36	14544
22. CQ	37	14544
23. CR	38	14544
24. CS	39	14544
25. CT	40	14544
26. CU	41	14544
27. CV	42	14544
28. CW	43	14544
29. CX	44	14544
30. CY	45	14544
31. CZ	46	14544
32. DA	47	14544
33. DB	48	14544
34. DC	49	14544
35. DD	50	14544
36. DE	51	14544
37. DF	52	14544
38. DG	53	14544
39. DH	54	14544
40. DI	55	14544
41. DJ	56	14544
42. DK	57	14544
43. DL	58	14544
44. DM	59	14544
45. DN	60	14544
46. DO	61	14544
47. DP	62	14544
48. DQ	63	14544
49. DR	64	14544
50. DS	65	14544
51. DT	66	14544
52. DU	67	14544
53. DV	68	14544
54. DW	69	14544
55. DX	70	14544
56. DY	71	14544
57. DZ	72	14544
58. EA	73	14544
59. EB	74	14544
60. EC	75	14544
61. ED	76	14544
62. EE	77	14544
63. EF	78	14544
64. EG	79	14544
65. EH	80	14544
66. EI	81	14544
67. EJ	82	14544
68. EK	83	14544
69. EL	84	14544
70. EM	85	14544
71. EN	86	14544
72. EO	87	14544
73. EP	88	14544
74. EQ	89	14544
75. ER	90	14544
76. ES	91	14544
77. ET	92	14544
78. EU	93	14544
79. EV	94	14544
80. EW	95	14544
81. EX	96	14544
82. EY	97	14544
83. EZ	98	14544
84. FA	99	14544
85. FB	100	14544

## **Appendix III: Feedback Presentations**





**Way forward**

- Use Nucleus Estate Initiative as a Model for implementation of NEEDS in Agriculture
- Public and Private Sector should support and Implement Nucleus Estate Initiative
- Strategic Grain Reserve in the Ministry of Agriculture to buy from Nucleus Estate members only and not from commissioned agents, this is to encourage transparency
- Bank should upgrade their agriculture desks to improve their services to the sector

Through Nigerian Economic Summit (NES) Initiative, Wednesday 14 - Friday 16 June 2012 - 8:00am - 10:00pm

**Recommendations**

- The Nucleus Estate Initiative should be seen as one of the machinery for implementing NEEDS
- Government should support NEI
- Popularize NEI
- Rehabilitate Irrigation facilities in all zones
- Strengthen Private Public Partnership (PPP) in rural infrastructure
- Encourage more private sector in formulation and implementation of presidential initiative

Through Nigerian Economic Summit (NES) Initiative, Wednesday 14 - Friday 16 June 2012 - 8:00am - 10:00pm

## Recommendations Cont'd

- Encourage a wider participation of the private sector in the Multi-Commodity Development & Marketing Companies
- Priority Areas should be based on national interest and not on geopolitical zone as follows:
  - Cassava
  - Rice
  - Vegetable Oil
  - Tree Crops
  - Fisheries
  - Livestock



Eleventh Nigerian Economic Summit: AG2014 Abuja, Wednesday 10 - Friday 12 June, 2014 | Abuja, Nigeria



## Conclusion

- If the NEI is well implemented, would
  - Increase large pool of high quality and standardized agro-product raw materials base to support domestic industrialization
  - Accelerate rural development as more Agric based Industries, infrastructure and markets would spring up
  - Development of competitiveness across the chains will reduce unemployment and poverty
  - Attract more domestic and foreign investments into the sector
  - Rural - urban drift check



Eleventh Nigerian Economic Summit: AG2014 Abuja, Wednesday 10 - Friday 12 June, 2014 | Abuja, Nigeria



**Banking and Finance Policy Commission**

**Recommendations**

Eleventh Nigerian Economic Summit (NES) 11-13 June 2005 (AGU, NBS)

**Implementation schedule**

- **Lack of long term funds**  
**Penion funds, Life Insurance, SMEIS/Venture capital, Bond Market, Under-capitalization of capital market operators, Development Banks.**
  - Penion fund**  
**What to do:** Keep to Pension Reform Act implementation  
**Who:** National Pension Commission  
**When:** 3<sup>rd</sup> quarter of 2005
  - Life Insurance**  
**What to do:** Verify net capitalization exercise/ensure adequate re-capitalization/consolidation of insurance companies.  
 Industry needs to get more innovative. Implement Group Life Component (for companies) of Pension Reform Act  
**Who:** Encourage UNTRUST  
 Regulatory framework  
 NACCOM, PENCOM  
**When:** Last quarter 2005
  - SMEIS/Venture capital**  
**What to do:** Provide tax incentives. Provide investment insurance.  
 Encourage all types of venture capital investments  
 Replicate SMEIS for other sectors of the economy  
 Implement the revised SMEIS guidelines  
 Add tax incentives  
**Who:** Government, FTC, SMEDAN, CBN, CBN, ITF  
**When:** Last quarter, 2005

Eleventh Nigerian Economic Summit (NES) 11-13 June 2005 (AGU, NBS)

**Implementation schedule**

- What to do:** **Bond market (not available due to lack of long term savings)**  
 Reduce secondary market transaction costs. Establish secondary market mechanism through market making.  
 Government to introduce benchmark issues for various maturities.  
 Securitize debts and trade of it  
 Discount Window and Repo facilities at CBN  
 Reduce secondary market transaction costs  
 Create yield curve by providing the right benchmark issues  
**Who:** SEC, HSE, Discount houses, Government  
**When:** End 2005
- What to do:** **Undercapitalization of capital market operators**  
 Need to increase market operators capital. Enhance market making capacity for both equity and debts.  
 Greater transparency and efficiency in the capital market  
 A panel should be set up to review efficiency and transparency in the market  
 Increase self regulation by operators  
 The range of product and risk hedging processes must be enhanced  
**Who:** SEC, NEC, HSE, IMF  
**When:** 3<sup>rd</sup> Quarter 2005
- What to do:** **Development banks**  
 Ensure adequate capitalization and regular funding.  
 Enhance capacity to actualise mandate and access to multilateral funds  
 To leverage on/divest from matured projects  
 Government, Multilateral agencies, development banks  
**Who:** 2005 - 2006  
**When:**

Eleventh Nigerian Economic Summit (NES) 11-13 June 2005 (AGU, NBS)

**Implementation schedule**

- High Credit Cost**  
**Causes:** Inflation. High transaction costs. Poor credit culture. Weak legal framework.  
**Transaction Costs**  
**What to do:** Provide better infrastructure to reduce transaction costs. Banks consolidation and benefits of scale economies.  
 A legal reforms including arbitration conference  
 Encourage adoption of Lagos State legal reforms. Institute specialized courts for credits to deliver and dispose of cases within 90 days  
 For Poor Credit Culture, there is need to strengthen legal system  
 Credit bureau (discounted insurance for good credit culture is ongoing and finalize work on credit register)  
 In bringing down Inflation guard against negative real interest rate.  
 For inflation, reduce transaction costs (infrastructure)  
 - Need for fiscal prudence/discipline on part of govt.  
 - Institutionalize due process in all facets of governance (Fiscal Responsibility Act)  
**Who:** Banks/CBN, Government  
**When:** Credit Risk Management Association 2005/2006

Economic Summit 2005/2006, 1 - 3 June, 2005 | Abuja, NIGERIA

**Implementation schedule**


- Low Saving Base/Inefficient Money Market**  
**Causes:** Money Market Inefficiency due to opaqueness of transactions. Low income. Unattractive savings rate. Difficult account opening requirements.  
**What to do:** Grow the economy  
 Economic reform agenda implementation  
 Accelerate national identification programmes and broaden acceptable identification through trade groups and cooperatives  
 Simplify Account Opening procedures without compromising "Know Your Customer" principles  
 Discount houses to ensure introduction of affordable Screen based trading and settlement system  
**Who:** Government, Banks/CBN  
**When:** Now
- Consolidation Challenges**  
**Challenges:** Integration challenges  
 Generating commensurate returns without dropping asset quality  
 Ability of mega banks to service SMEs  
 Post consolidation regulation challenges  
**What to do:** Enhance CBN/NDIC capacity  
 Banks have to be more proactive  
 Encourage debt factoring & increase securitized assets on banks balance sheet for flexibility and liquidity  
 Encourage private sector driven asset management companies  
 Improve self regulation, discipline and self policing.  
**Who:** CBN, NDIC, SEC  
**When:** 2006/2007



Economic Summit 2005/2006, 1 - 3 June, 2005 | Abuja, NIGERIA

**Implementation schedule**


- Insurance**  
**Problems:** Image problem  
 High level of receivables  
 low patronage (oil industry not insuring locally)  
 Doubtful compliance during last re-capitalization  
**What to do:** Better enforcement of rules and regulation  
 Introduce prudential guidelines  
 Enforce the law on local insurance of all assets in Nigeria  
 Capacity development  
 Credit bureau for premium defaulters  
 Revisit compliance with last capitalization  
**Who:** NAICOM, CREMA, NIA/Operators, Government  
**When:** 3<sup>rd</sup> quarter, 2005
- Leasing**  
**Problems:** No leasing legislation (only a hire purchase law)  
**What to do:** New legislation: A formal leasing law  
 Leasing should be updated to enhance current practice  
 Cash flow finance factoring of receivables  
**Who:** National Assembly  
 ELAN (Equipment Leasing Association of Nigeria)  
**When:** Now

Economic Summit 2005/2006, 1 - 3 June, 2005 | Abuja, NIGERIA





 **The Eleventh Nigerian Economic Summit**   
*Building Momentum for Economic Transformation and Growth*  
11th Nigerian Economic Summit | 17-19 June 2015 | Abuja, Nigeria


**Budget and Macroeconomic Framework**



**Code of Fiscal Responsibility**



- We note that since NES 10, a fiscal responsibility bill has been sent to the National Assembly. There is a strong consensus on the urgent need to adopt a common code of fiscal responsibility to which all tiers of Government should subscribe.
- There is however no agreement on how to arrive at that code: an ACT or a PACT
- We recommend that a PACT be adopted immediately, while following through on the process for enactment.
- NESG should organize a national seminar on Fiscal Responsibility Pact to harmonize the position of stakeholders.
- NESG should also organize zonal interactive town hall meetings throughout the federation to educate civil society on the need to demand fiscal accountability from all tiers of government

 Eleventh Nigerian Economic Summit | 17-19 June 2015 | Abuja, Nigeria 

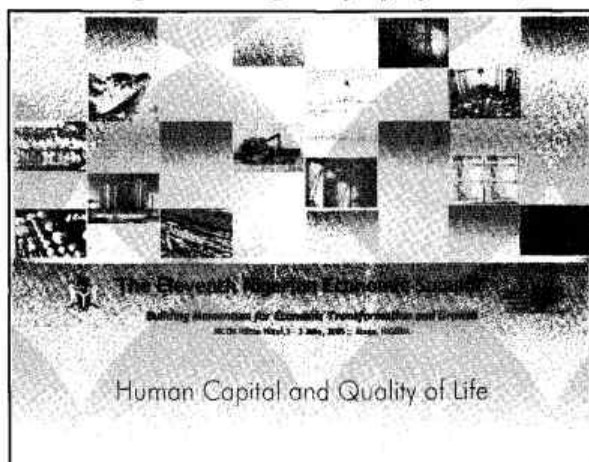


**NEEDS / SEEDS**

- Every state that has not yet completed the blue print of their SEEDS document should urgently do so.
- NPC has drawn up the following benchmarks: policy, budget and Fiscal Management, Service Delivery and Communication and transparency
- All states should endeavour to meet the benchmarks
- FGN should also openly demonstrate that NEEDS is subjected to the same benchmarks.

 Eleventh Nigerian Economic Summit | 17-19 June 2015 | Abuja, Nigeria 

## Appendix D: Human Capital and Quality of life Policy Commission



Recommendations - Education Funding		
What	When	Whom
<ul style="list-style-type: none"> <li>•Allocate a minimum of 15% of federal Budget to education</li> <li>•Primary and secondary education to be fully free</li> </ul>	2006 Budget	Ministry of Education; Budget Office; NASS
<ul style="list-style-type: none"> <li>•Tertiary education to be funded as follows; 20% subvention, 60% fees (funded through scholarship, bursary, loans by various tiers of government and private sector), 20% internal generated funds</li> <li>• Private sector participation to be encouraged to participate in all tiers of education under strict regulation</li> </ul>	2006 Budget	Various tiers of government/ Budget Office/ Private Sector
<ul style="list-style-type: none"> <li>•Encourage Universities to have Development Foundations, e.g. the UI case</li> <li>•Encourage Universities to use a proportion of their income for research; Government research grants to be on merit</li> </ul>	2006	Ministry of Education/NUC/ Private sector/ Donor Agencies

Economic Summit Economic Summit (Economic Summit) 1 Jan 2005 - 10 Jan 2005

Recommendations - Education Structure/ Youth Development		
What	When	Whom
<ul style="list-style-type: none"> <li>•Establish Independent Agencies for accreditation for different levels of education, professions, vocational school</li> </ul>	1 <sup>st</sup> Qtr 2006	Ministry of Education/Professional Bodies/NASS
<ul style="list-style-type: none"> <li>•Review polytechnic and secondary school curriculum towards entrepreneurship</li> <li>•Implement 6-3-3-2-3 system</li> <li>•Provide incentives for science education and science teachers</li> </ul>	1 <sup>st</sup> Qtr 2006	Ministry of Education/NBTE/ Professional Bodies/Private Sector
<ul style="list-style-type: none"> <li>•Establish/adopt Youth centers for entrepreneurship and leadership skills development at the State and local Govt Level.</li> </ul>	3 <sup>rd</sup> Qtr 2005	Public and Private Sector
<ul style="list-style-type: none"> <li>•Restructure and revamp NYSC.</li> </ul>	4 <sup>th</sup> Qtr 2005	Ministry of Youth development

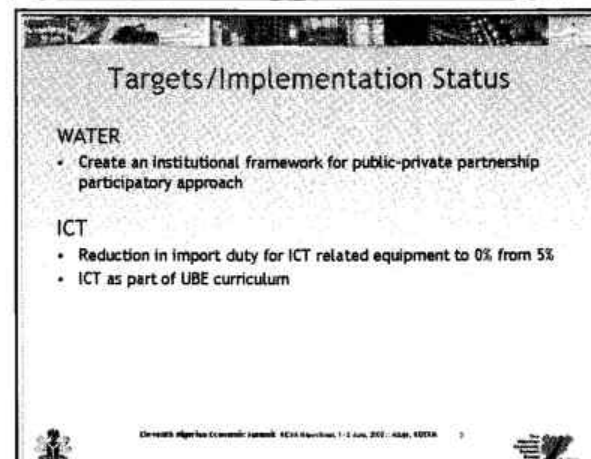
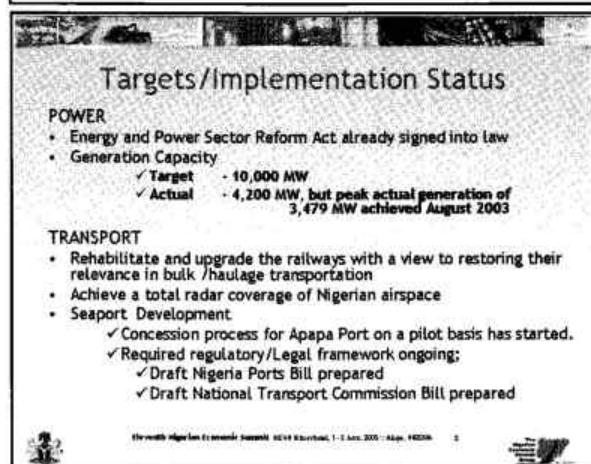
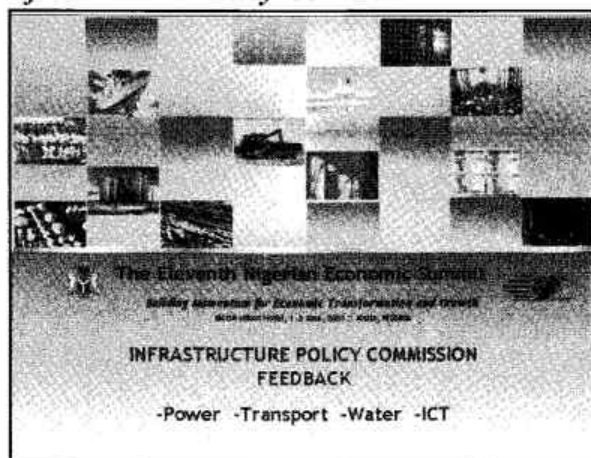
Economic Summit Economic Summit (Economic Summit) 1 Jan 2005 - 10 Jan 2005

### Recommendations- Health

Whom	When	Whom
•Pass the National Health Act and Institute a Federal government policy on PPP on health	3 <sup>rd</sup> Quarter 2005	Ministry of Health/National Assembly
•Strengthen local governments' capacity in primary health care management specifically in the areas of maternal and child health, malaria, TB, HIV/AIDS	4 <sup>th</sup> Qtr 2005	Federal Ministry of Health, NPHDA, NPI
•Establish a national hospital services commission and institutionalize the National Health Accounts	3 <sup>rd</sup> Quarter 2005	Fed. Min. of Health/NA
•Expand the scope of the NHIS to the rest of the Population	4 <sup>th</sup> Quarter 2005	Fed. Min. of Health/NPC/NHIS
•Fully implement the macro-nutrients supplementation policy and the national plan of action on food and nutrition	4 <sup>th</sup> Quarter 2005	NPC/NAFDAC/SON

Eleventh Nigerian Economic Summit: 2005 Year Book 1 | Jan. 2005 | Abuja, Nigeria

## Appendix E: Infrastructure Policy Commission





## Key Recommendations

### POWER

- Ensure proper implementation of the EPRS Act
  - ✓ NESG to set up a Private-Public Sector pressure group to monitor and report adherence to set implementation timetable (Short Term)

### TRANSPORT

- Ensure prompt passage of PPP Bill; to cover all aspects of infrastructure including water resources (Inter-Ministerial Committee of infrastructure related Ministries - Medium Term)
- Develop Lagos Airport into the Hub of West African Air Transport System (Private Sector Concession - Medium Term)
- Ensure concession of Railway System (BPE - Long Term)

© Federal Reserve Bank of Dallas, 2011. All rights reserved. 1-3 Jan, 2011. Page 10/25

## Targets/Implementation Status

### ICT

- Incorporate ICT as part of UBE curriculum (Fed Min of Education -Short Term)
- Review NITDA Bill and amend various clauses that could result in multiple taxation and duplication of NCC responsibilities (Fed Min of Science and Technology -Short Term)


© Federal Reserve Bank of Dallas, 2011. All rights reserved. 1-3 Jan, 2011. Page 10/25

## Appendix F: *New Investment Strategies Policy Commission*



**The Eleventh Nigerian Economic Summit**  
*Building Momentum for Economic Transformation and Growth*  
ACCOMMODATION HOTEL, WASHINGTON D.C. | Friday 27th April 2012 | Abuja, NIGERIA


### New Investment Strategies



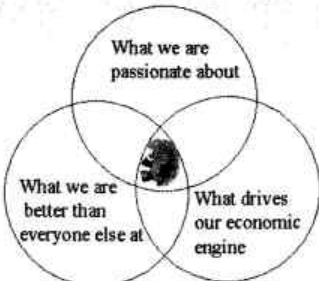
### Goals and Prerequisites

- Four Key Goals
  - Delight existing investors
    - They are the advert
    - Remove cost disadvantage
  - Seriously court new investors
    - Lots of "diamonds" here
  - Join the global supply chain circuit
    - Local manufacture for regional and international markets
  - Jobs and wealth creation
- Prerequisites
  - Infrastructure upgrade
  - Security
  - Governance and stability
  - Strong anti-corruption stance
    - Zero tolerance

The Eleventh Nigerian Economic Summit | ACCOMMODATION HOTEL, WASHINGTON D.C. | Friday 27th April 2012 | Abuja, NIGERIA



### The Power of Focus



### The hedgehog concept

The Eleventh Nigerian Economic Summit | ACCOMMODATION HOTEL, WASHINGTON D.C. | Friday 27th April 2012 | Abuja, NIGERIA

## Recommendations

Action Required	Responsibility	Timeline
Improve security	Federal Government / Private Sector / General Public	Achievement in 2005 / Budget 2006 / Start now
Improve rule of law and timely enforcement of contracts	Federal and State Governments	Achievement in 2005 / Budget 2006 / Start now
Strengthen anti-corruption activities	Federal, State and Local Governments / Private Sector / General Public	2005 / Immediate
Reduce red tape and administrative barriers to businesses	Federal / State / Local Governments	Immediate / Start Now / 2005



Executive Order: Economic Summit 2005 - 2006, November 17, 2005, 2005, 2005



## Recommendations

Action Required	Responsibility	Timeline
Invest heavily in infrastructure	Federal Government / Private Sector lobby for Bill	2005 / 2006
Cultivate the culture of investment in Nigerians.	Governments and Private Sector	Start Now
Intensify investment promotion	NIPC / Federal Government / SEC / NSE / Capital Market Operators	2005 / Immediate / Start Now
Encourage patronage of made-in-Nigeria goods	Federal / State Governments	2005 / Start Now / Immediate



Executive Order: Economic Summit 2005 - 2006, November 17, 2005, 2005, 2005



## Recommendations

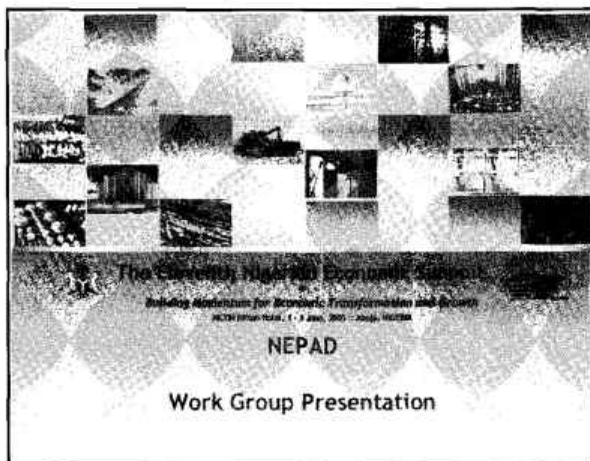
Action Required	Responsibility	Timeline
Improve availability and access to long-term and cheap funds	Federal Government / Central Bank of Nigeria	2005 / 2006 / Immediate
Promote economic zones, industrial and science and technology parks, and industrial clusters	State / Federal Governments	2006
Expedite action on passing into law the Tax Reform Bill	Federal Government	2005



Executive Order: Economic Summit 2005 - 2006, November 17, 2005, 2005, 2005



## Appendix G: NEPAD Policy Commission



### Policy/Institutional Gap

- Lack of sufficient awareness on NEPAD programme
- Lack of adequate co-ordination between various NEPAD arms in Nigeria
- Lack of adequate capital to implement NEPAD programmes,
- Poor funding

Economic Summit Nigerian Economic Summit 13-15 June 2005 Lagos, Nigeria

### Recommendations

- African Peer Review Mechanism (APRM)
  - Greater emphasis on harnessing local resources to be more self-reliant in implementing NEPAD
  - Need for greater public/private sector collaboration in implementing NEPAD Nigeria
  - Government should expedite APRM process and provide adequate fund for its implementation
- Comprehensive African Agric Development Prog (CAADP)
  - Expedite action on National Medium Term Investment Programme (NMTIP) and Bankable Investment Project Profiles (BIPP) to achieve the objectives of CAADP

Economic Summit Nigerian Economic Summit 13-15 June 2005 Lagos, Nigeria

## Recommendations

- **African Peer Review Mechanism (APRM)**
    - Greater emphasis on harnessing local resources to be more self-reliant in implementing NEPAD
    - Need for greater public/private sector collaboration in implementing NEPAD Nigeria
    - Government should expedite APRM process and provide adequate fund for its implementation
- Comprehensive African Agric Development Prog (CAADP)**  
Expedite action on National Medium Term Investment Programme (NMTIP) and Bankable Investment Project Profiles (BIPP) to achieve the objectives of CAADP

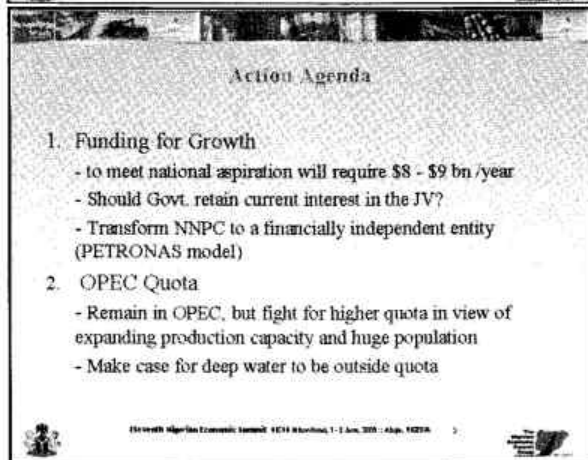
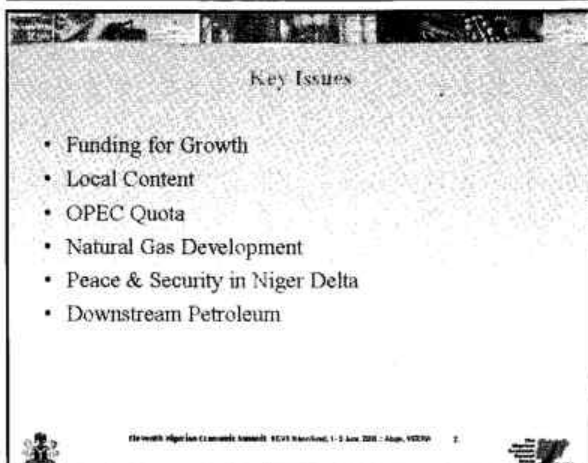
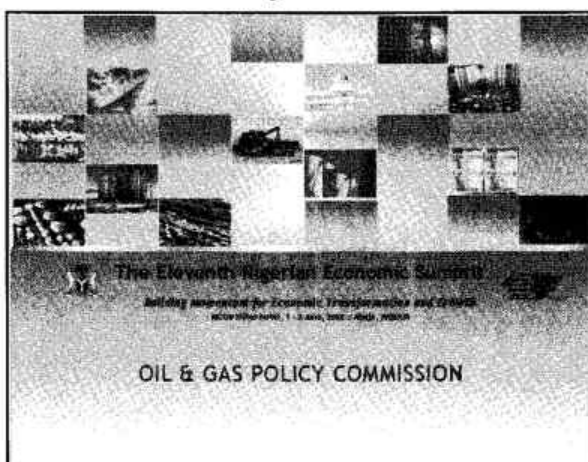
Eleventh Nigerian Economic Summit (NES) 2004-2005, 1-3 July 2004, Abuja, Nigeria

## Recommendations Cont'd

- Focus on increased FDI and ODA flows and also on effective mobilization and utilization of internal resources
- Vigorously pursue e-government with emphasis on e-learning.**  
**Promote peace and security through enhanced democratization process, good governance, justice and equity.**  
**Increase the strength of the Police Force to 500,000 and equip them**

Eleventh Nigerian Economic Summit (NES) 2004-2005, 1-3 July 2004, Abuja, Nigeria

## Appendix H: Oil and Gas Policy Commission



### Action Agenda (Cont'd)

#### 3. Local Content:

- Encourage Countries with niche competences to establish in Nigeria through strategic alliances with Nigerian companies
- Segmentation to identify immediate wins e.g. Off-shore catering
- Implement the LCD policy vigorously
- Policy to attract competent Nigerian Engineers in Diaspora

*All these will make Nigeria the best of service industry in oil & gas and have multiplier effect on the rest of the economy*

#### 4. Downstream Petroleum

- Conclude the Deregulation process
- Develop attractive terms for privatisation to attract credible bidders
- Avoid selling to bidders of little or no international experience

Through Nigerian Economic Summit (NES) 2014-2015, 1-3 June 2014, Abuja, Nigeria

### Action Agenda (Cont'd)

#### 4. Gas

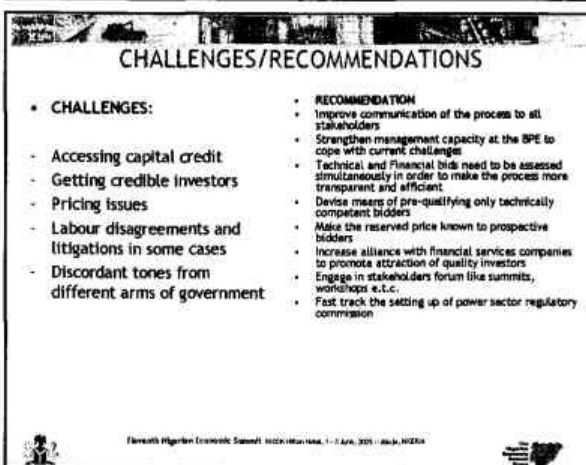
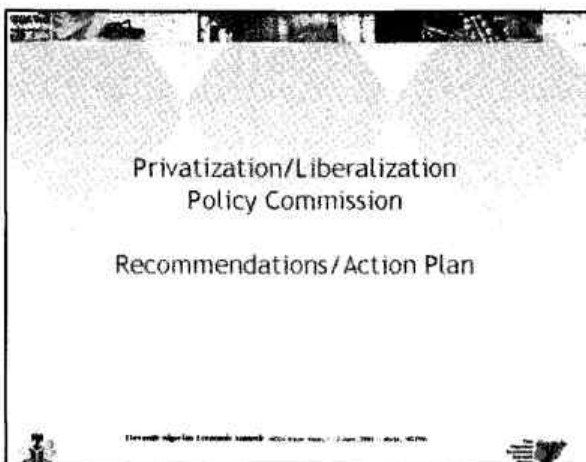
- Get gas pricing right
- National gas grid for industries; LPG for domestic

#### 5. Peace & Security in the Niger, Delta

- Long history of neglect and large number of unemployed youths
- Use of 13% derivative fund has not been transparent, Heritage Fund will be more effective
- Stakeholders to adopt NDDC blueprint
- States & LGs should live up to obligations



Through Nigerian Economic Summit (NES) 2014-2015, 1-3 June 2014, Abuja, Nigeria

## Appendix I: Privatization & Liberalization Policy Commission






ACTION PLAN	
ACTIVITY	TIMELINE
Advocacy/ Revised Communication strategy	Continuous
Policy statements and sensitization	Regular/monthly
Dialogue sessions with stakeholders	Bi-monthly
Impact assessment	Semi-annually
Workgroup meetings	-Every other month -August 30, October 25 and December 13, 2005 - Venue- alternated between Lagos and Abuja


 The 2005 Nigerian Economic Summit Group (NESG) Action Plan - 2005-2007  


## Appendix J: Rebuilding Institutions Policy Commission



**The Eleventh Nigerian Economic Summit**  
*Building Momentum for Economic Transformation and Growth*  
 HIGH LEVEL PANEL 1 - 3 June, 2011 - Abuja, NIGERIA

**Workgroup #10: Rebuilding Institutions**  
 - to keep to time, some recommendations have been omitted from this presentation  
 - all recommendations are contained in the final report

### Abridged Recommendations...

Issues	Suggested Actions	Responsibility	Timeline
Weakened Sense of Community	•Design and Implement a grassroots orientation package	•Private sector •Public sector	0-6 months
	•Articulate and promote policy on mandatory teaching of civics in schools in collaboration with NERC*	•Education Ministry •Civil Groups	0-6 months
	•Propose policy guidelines on eligibility of political office holders to chieftancy titles	•Civil Groups	12-24 months
	•Review criteria for conferment of national awards and make recommendations	•Federal Government •NESG	0-6 months

\*National Education and Research Council

Eleventh Nigerian Economic Summit HIGH LEVEL PANEL 1 - 3 June, 2011 - Abuja, NIGERIA

### Abridged Recommendations...

Issues	Suggested Actions	Responsibility	Timeline
Substance over form- simplicity, humility	•Review Public Service Protocol and make recommendations	•Civil Society •Public Sector	0-6 months
	•Develop live television program where political office holders benchmark their performance (Peer review mechanism)	•Public Sector •Private Sector •Civil Society	12-24 months
	•Introduce standardized performance indicators and rank performance of public officers	•Civil Society	12-24 months

Eleventh Nigerian Economic Summit HIGH LEVEL PANEL 1 - 3 June, 2011 - Abuja, NIGERIA

## Recommendations continued...

Issue	Suggested Actions	Responsibility	Timelines
Lack of Respect for the Rule of Law	•Public education through sponsored programmes (documentaries, paid advertisements)	•Private sector •Public sector	12-24 months
	•Facilitate completion of Identity Card Scheme	•Private Sector •Public Sector	12-24 months
	•Facilitate national crime databank leveraging National Identity Card information	•Private Sector •Law Enforcement	Above 24 months
	•Promote Effective Law Enforcement based on improved working conditions of security operatives	•Private Sector •Federal Government	0-6 months


Research Report on Economic Sanctions 2016 (June 2017) | 12 June 2017 | www.aidat.org


## Recommendations continued...

Issue	Suggested Actions	Responsibility	Timelines
Honesty and Integrity	•Orientate Public Officers about their responsibilities under the Code of Conduct	•Federal Government - Code of Conduct Bureau •Private sector	12-24 months
	•Partner with Servicomm to communicate the service charter to the public	•Federal Government	12-24 months
	•Conduct periodic surveys to assess performance of government ministries and agencies	•Private Sector - NESG, Rating Agencies, Media, Others	0-6 months


Research Report on Economic Sanctions 2016 (June 2017) | 12 June 2017 | www.aidat.org

## Appendix K: Science & Technology Policy Commission




 **The Eleventh Nigerian Economic Summit**  
*Building Momentum for Economic Transformation and Growth*  
MCCN Hilton Hotel, Wednesday 17 - Friday 20 June, 2003 :: Abuja, Nigeria


**SCIENCE AND TECHNOLOGY POLICY COMMISSION**



Outline of Presentation


- Baseline Scenario: History & Pre-NEEDS Realities.
- Fundamental Objective within the 'NEEDS' context.
- Key Challenges: Goals/Investment Opportunities.
- The Way Forward: Policy Thrust/ Recommendations.
- Key Targets/Strategies/Responsibility.
- Specific Schedule of Activities for 2005.

 Eleventh Nigerian Economic Summit MCCN Hilton Hotel, Wednesday 17 - Friday 20 June, 2003 :: Abuja, Nigeria



Pre-NEEDS (Baseline) Scenario

- S & T is a relative new-comer with tremendous impact on socio-economic development.
- Average number of R&D Scientists/Technologists with 2nd degrees per million in 1990: developed countries - 3690, Africa - 75, due to:
  1. Severe lack of capacity for learning and teaching of S&T, despite a 60:40 stipulation in favour of S&T;
  2. Brain-drain of trained personnel, &
  3. Lack of facilities for self-actualization.

 Eleventh Nigerian Economic Summit MCCN Hilton Hotel, Wednesday 17 - Friday 20 June, 2003 :: Abuja, Nigeria

### •WHERE DO WE WANT TO BE?

- Increase in domestic S&T (knowledge-based) jobs and activities, with associated multiplier benefits;
- Focus on location of activities in Nigeria and not necessarily ownership by Nigerians;
- Development of local S&T capacity for activities in: Biotechnology (agriculture & health), ICT, Materials, Space & Energy (Oil and Gas).



Third National Economic Summit: 40th Anniversary, November 12-17, 2010, Abuja, Nigeria



### Policy Thrust within 'NEEDS' context

1. Articulate an S&T Policy anchored on National Development Blueprint & backed with appropriate legislation;
2. Greater attention to sustainable R&D, Innovation & Entrepreneurship backed by active private sector partnership and adequate funding.
3. Set clear benchmarks for capacity building & Institutional strengthening;



Third National Economic Summit: 40th Anniversary, November 12-17, 2010, Abuja, Nigeria



### Way Forward

Intended Output	Output Targets by Yr	Responsible Party
<ul style="list-style-type: none"> <li>• Revised S &amp; T Policy and relevant legislation on: intellectual property rights protection, fiscal incentives for R&amp;D investments /expenditures</li> </ul>	<ul style="list-style-type: none"> <li>• Inauguration of the S&amp;T Policy Commission;</li> <li>• Consultative Summits on role of S&amp;T in Nigeria's development agenda.</li> <li>• Create S&amp;T Policy Planning Unit in NPC for effective coordination.</li> </ul>	<ul style="list-style-type: none"> <li>• Relevant Ministries &amp; Parastatals: S&amp;T, NPC, Education, Industry, Health, Defence, Water Resources &amp; Agriculture;</li> <li>• Legislature;</li> <li>• Research institutions in line ministries</li> <li>• OPS (MAN, NACCIMA, NASSI), etc.</li> </ul>



Third National Economic Summit: 40th Anniversary, November 12-17, 2010, Abuja, Nigeria



### Way Forward

Intended Output	Output Targets by Yr	Responsible Party
<ul style="list-style-type: none"> <li>• Attain improved competitiveness in S&amp;T education, technical training, development and utilization.</li> </ul>	<ul style="list-style-type: none"> <li>• Provide effective coordination and linkages of activities to avoid duplication;</li> <li>• Make ICT education compulsory at all levels;</li> <li>• Initiate process for upgrading/rebuilding institutional capacity for the attainment of S&amp;T development goals</li> </ul>	<ul style="list-style-type: none"> <li>• Ministries of: Science &amp; Technology, NPC, Education, Industry, Health &amp; Agriculture; Tertiary educational institutions &amp; Research Institutes</li> <li>• Nigerians in Diaspora</li> </ul>

### Way Forward

Intended Output	Output Targets by Yr	Responsible Party
<ul style="list-style-type: none"> <li>• Improved Framework for Competitiveness in S&amp;T</li> <li>• Adequate funding for S &amp; T education, research, innovation &amp; entrepreneurship</li> </ul>	<ul style="list-style-type: none"> <li>• Commence process of reforms in S&amp;T System to create a conducive environment for R&amp;D.</li> <li>• Institute fiscal incentives to encourage funding for S&amp;T education &amp; research.</li> <li>• Promote venture capital, and risk funds for S &amp; T activities.</li> </ul>	<ul style="list-style-type: none"> <li>Federal &amp; State governments.</li> <li>Public &amp; Private sectors.</li> </ul>

### Way Forward

Intended Output	Output Targets by Yr	Responsible Party
<ul style="list-style-type: none"> <li>• Commercialization of research results &amp; inventions;</li> <li>• Coordinated S&amp;T portal for information exchange, e.g. initiatives like the NITDA-COPINE Project.</li> </ul>	<ul style="list-style-type: none"> <li>• Improved databank of S&amp;T research results &amp; inventions thru' ICT networking of institutions involved in S&amp;T Research</li> <li>• Initiate process for the establishment of S&amp;T Parks/Technology Incubation Centres;</li> <li>• Institute competitive grants to encourage S&amp;T Research</li> </ul>	<ul style="list-style-type: none"> <li>Ministries and agencies with scientific databases, with the collaboration of Development Partners.</li> </ul>

## Appendix L: *SMEs, Informal Sector And Wealth Creation Policy Commission*



NES#10 RECOMMENDATIONS	
Key Recommendations	Action To Be
<p><b>1. Industrial sector</b></p> <ul style="list-style-type: none"> <li>• Re-evaluate taxes and levies</li> <li>• Actively provide services for entry into the formal sector</li> <li>• Streamline and simplify process of company registration</li> </ul>	<p><b>No action</b></p> <p>Increased support by NGOs and improved services by CAC (there are efforts to become more efficient)            Registration process studied and best practice identified            CAC has produced a description of services, and is still improving on this            CAC "Fast Track": Incorporation can be done the same day by paying an additional sum of NGN,000</p>
<p><b>2. Capacity Building</b></p> <ul style="list-style-type: none"> <li>• Provide enterprise support services, such as advisory, information, consulting and technology services</li> <li>• Establishment of SMEDAN</li> <li>• Encourage joint ventures, franchising and other arrangements with foreign firms</li> </ul> <p>Promote full implementation of ECOWAS treaty on free trade</p>	<p>Increased support for SME specific capacity building in Business Development by World Bank, EDS, FATE, LEAP etc.</p> <p>Mandate to initiate, articulate and facilitate development programmes in the SME sector</p> <p>Various workshops to create awareness on franchising. Increased partnerships for value added initiatives</p> <p>No action</p>

No Action on Other Recommendations

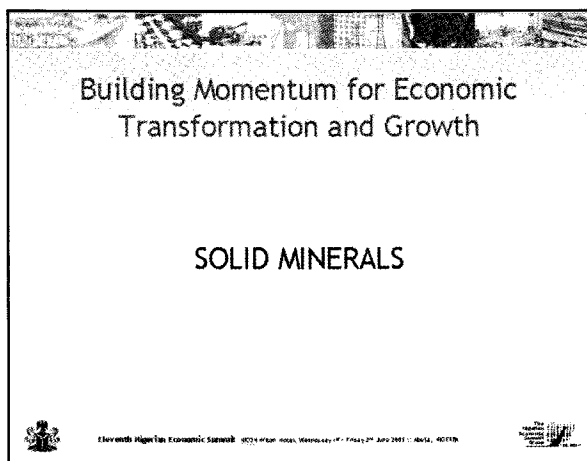
The World Bank Economic Summit 2014 Abuja, 14 Jun 2014 Abu, ECOWAS

RECOMMENDATIONS	
<ul style="list-style-type: none"> <li>• <b>Taxation</b> <ul style="list-style-type: none"> <li>• FIRS to review tax rates for SMEs</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>• <b>SMIEIS</b> <ul style="list-style-type: none"> <li>• Bankers' Committees should review to incorporate acceptance of Preference shares</li> <li>• Create mechanism for 1% of SMIEIS funds to be channeled into business support</li> </ul> </li> </ul>	
<ul style="list-style-type: none"> <li>• <b>Capacity Building</b> <ul style="list-style-type: none"> <li>• SMEDAN should provide Pre-Investment &amp; Post-Investment training               <ul style="list-style-type: none"> <li>• Technical</li> <li>• Commercial</li> <li>• Managerial</li> </ul> </li> </ul> </li> </ul>	

The World Bank Economic Summit 2014 Abuja, 12 Jun 2014 Abu, ECOWAS



## Appendix M: *Solid Minerals Policy Commission*

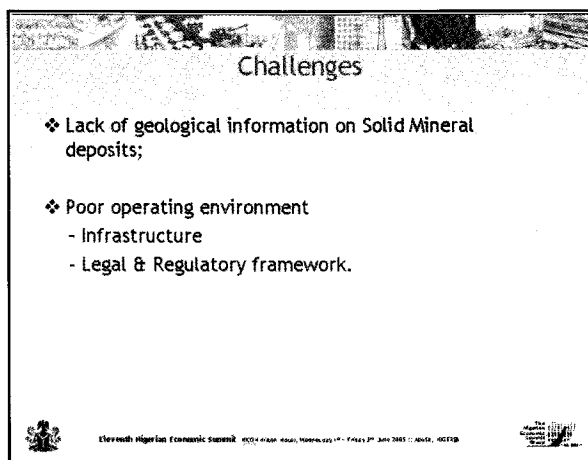


Building Momentum for Economic Transformation and Growth

SOLID MINERALS

Eleventh Nigerian Economic Summit (NES) 2011: Solid Minerals Policy Commission (SMPC) 27-28 June 2011, Abuja, Nigeria

This slide features a decorative header with a collage of images related to infrastructure and industry. The main title is centered at the top, followed by the sub-title 'SOLID MINERALS'. At the bottom, there is a small crest on the left and a logo on the right, with the event details in the center.

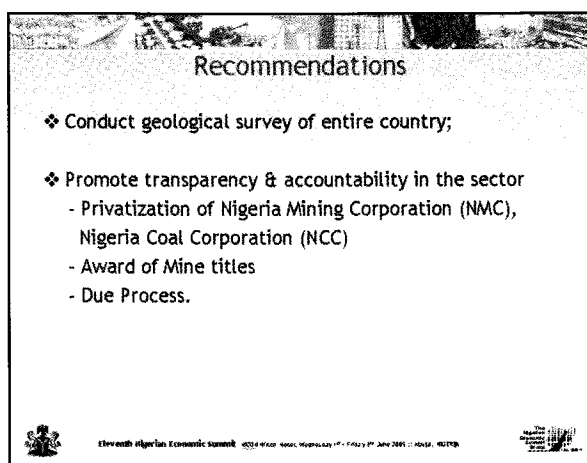


Challenges

- ❖ Lack of geological information on Solid Mineral deposits;
- ❖ Poor operating environment
  - Infrastructure
  - Legal & Regulatory framework.

Eleventh Nigerian Economic Summit (NES) 2011: Solid Minerals Policy Commission (SMPC) 27-28 June 2011, Abuja, Nigeria

This slide has the same header as Slide 1. The title 'Challenges' is centered. Below it, two bullet points are listed, each preceded by a diamond symbol. The second bullet point has two sub-bullets. The footer contains the same crest, logo, and event details as Slide 1.



Recommendations

- ❖ Conduct geological survey of entire country;
- ❖ Promote transparency & accountability in the sector
  - Privatization of Nigeria Mining Corporation (NMC), Nigeria Coal Corporation (NCC)
  - Award of Mine titles
  - Due Process.

Eleventh Nigerian Economic Summit (NES) 2011: Solid Minerals Policy Commission (SMPC) 27-28 June 2011, Abuja, Nigeria

This slide has the same header as Slide 1. The title 'Recommendations' is centered. Below it, two bullet points are listed, each preceded by a diamond symbol. The second bullet point has three sub-bullets. The footer contains the same crest, logo, and event details as Slide 1.

## Recommendations

- ❖ Conduct geological survey of entire country;
- ❖ Promote transparency & accountability in the sector
  - Privatization of Nigeria Mining Corporation (NMC), Nigeria Coal Corporation (NCC)
  - Award of Mine titles
  - Due Process.



Eleventh Nigerian Economic Summit 1522-1524, Abuja, November 17-19, 2005 (NESP)



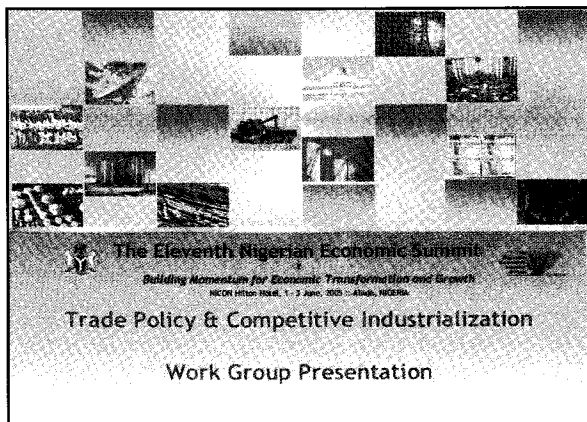
- ❖ Effectively fund Solid Mineral Sector
  - Set up Solid Minerals Development Fund
  - Dedicate at least 5% of oil proceeds to solid minerals development;
- ❖ Enforce environment standards in mining activities.



Eleventh Nigerian Economic Summit 1522-1524, Abuja, November 17-19, 2005 (NESP)



## Appendix N: Trade Policy & Competitive Industrialization Policy Commission



In the context of NEEDS .....

- Relevant Trade Policy issues are those reforms aimed at reducing the relative high cost of doing business in Nigeria
- Relevant Competitive Industrialization issues are those policies that will accelerate the pace of industrial development.

Eleventh Nigerian Economic Summit, NECON Hilton Hotel, 1 - 3 June, 2005 - Abuja, NIGERIA 2

The Goals & Targets of NEEDS...

- Create a framework for fully exploiting Nigeria's global trade potential
- Enable Nigeria assume the status of gateway to West and Central Africa.
- Facilitate the development of an internationally competitive industrial sector
- Enable Nigeria's industrial sector to process the abundant resources for local consumption and export
- Industrial capacity utilization to reach 70% by 2007
- Non-oil sector to grow 8.5% -2005 & 9.5% -2007
- Private sector's share of investment in industry to reach 70% by 2007
- Attain 48-hour target for clearing goods from Nigerian ports by 2007

Eleventh Nigerian Economic Summit, NECON Hilton Hotel, 1 - 3 June, 2005 - Abuja, NIGERIA 3

## The Strategies

- Streamline and simplify the tax administration to reduce double taxation & crude enforcement
- Replace duty concessions for individual companies with industry or sector-wide concessions
- Rationalize the number of Government agencies in the import clearance chain
- Institute fast-track system for protecting rights and enforcing contracts
- Simplify and Harmonize the processes for land title acquisition and transfers
- Adopt harmonized ECOWAS tariff by 2007 to seize regional market opportunities
- Promote ECOWAS trade awareness in Nigeria

Eleventh Nigerian Economic Summit: NEDS HEADLINE, 1-3 June 2005 | ABUJA, NIGERIA 4

## Strategies

- Empower regional trade associations such as the Federation of West African Manufacturers Association
- Protect Nigeria's interest in WTO negotiations through the pursuit of regional positions
- Strive to meet the ECOWAS monetary zone's currencies convergence criteria
- Encourage the learning of French by all Nigerians
- Focus industrialization on agro-based industries, chemicals, electronics, biotech and energy sectors
- Implement and report quarterly on achievement of local content government procurement policy

Eleventh Nigerian Economic Summit: NEDS HEADLINE, 1-3 June 2005 | ABUJA, NIGERIA 5

## Recommendations

Action Required	Responsibility	Timelines
<b><u>Policy Consistency</u></b>		
• Broad based consultation and public hearing with stakeholders in trade/industrialization policy formulation e.g. need to harmonize policies on CET, EPZ, EEG and CTLS etc.	• Federal Government	2005
• Pay up the export expansion grant (EEG)	• Federal Government	Immediate
• Streamline all the rules that pertain to trade (to avoid policy overlap)	• Federal Government	2005
• Enforce regulations affecting free trade zone to avoid leakages in the system	• Federal Government	2005

Eleventh Nigerian Economic Summit: NEDS HEADLINE, 1-3 June 2005 | ABUJA, NIGERIA 6

## Recommendations

Action Required	Responsibility	Timelines
<b>Infrastructure</b>		
•Provision of appropriate incentives to enable private sector to participate in the provision of infrastructure	•Federal Government	2005
•Different industry groups to organize themselves into clusters for shared infrastructure e.g. power, water etc.	•Private Sector	2005
•Overhaul the railway and waterways to reduce pressure on road transportation.	•Federal Government	2005

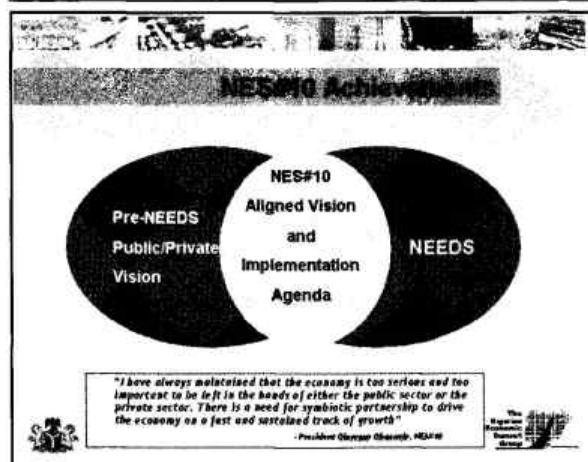
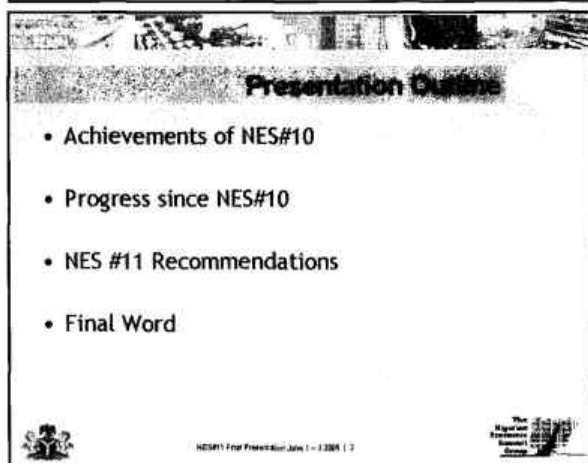
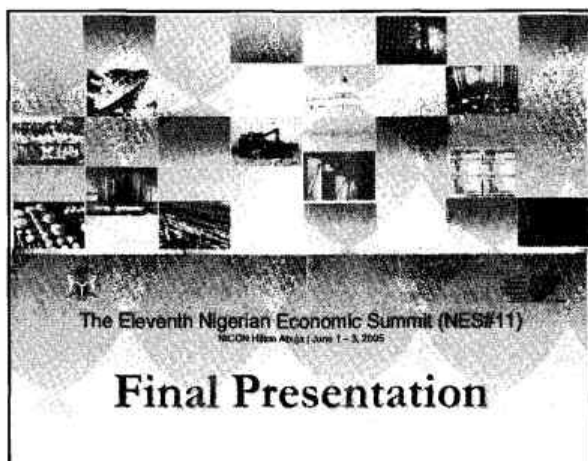
Eleventh Nigerian Economic Summit: NIGERIA 2005, 1-3 June 2005 - Abuja, NIGERIA

## Recommendations

Action Required	Responsibility	Timelines
<b>Migration to formal Export</b>		
•Simplify the documentation required for export	Federal Government	2005
•NEPC to work closely with shipping line to obtain manifest of exported items.	NEPC	2005
<b>Taxation</b>		
•Address the issue of double taxation e.g. VAT on duty payment	Federal Government	2005
<b>Education</b>		
•Provide appropriate education for the building of capacity and skills	•Federal Government	2005

Eleventh Nigerian Economic Summit: NIGERIA 2005, 1-3 June 2005 - Abuja, NIGERIA

## Appendix O: Final Presentation



## Progress since NES#10

- **Action**
  - Improved fiscal management
    - Reduced deficit
    - Counter cyclical fiscal policy
    - Effective cash flow management
  - Civil Service Reforms –
    - Professionalism
    - Right-sizing
    - Information flow
    - Servicem commenced



NES#11 Final Presentation June 1 – 3 2005 | 4



## Progress since NES#10

- **Action**
  - Due Process in Procurement
    - Procurement bill in process
  - Pension Reform
    - Pension Act passed
    - Implementation commenced
  - Electric Power Sector Reform
    - Reform Act passed
    - Commitment and mechanisms for the development of new generating plant
  - Capacity building and implementation support



NES#11 Final Presentation June 1 – 3 2005 | 5



## Progress since NES#10

- **Outcome**
  - Macro-economic Stability
    - Faster economic growth
    - Lower price inflation
  - Greater transparency in governance
    - Information bill in process
    - EITI bill in process
    - Publication of FAC disbursement
  - Changing language of government (service delivery targets)



NES#11 Final Presentation June 1 – 3 2005 | 6



## Progress since NES#10

### Outcome

- Strengthening pension arrangements
- Started building pool of long-term funds
  - N125billion already accrued
  - More reliable funding for private and public sector pension commitment
- Power reform in progress
  - Unbundling of NEPA
  - Independent Power Producers (IPPs)
- Improving international credibility

### SIGNIFICANT PROGRESS ALREADY MADE



NES#11 Final Presentation June 1 - 3 2005 | 7



## NES#11 Objectives

- Since Summit Theme is *"Building Momentum for Economic Transformation and Growth,"* the objectives include:
  - An evaluation of progress made against terminal date of 2007 and where necessary:
    - Fast track implementation
    - Reprioritize programs
  - Critically appraise capacity and efficacy of implementing agencies/institutions and recommend remedial action



NES#11 Final Presentation June 1 - 3 2005 | 9



## NES #11 - Major Highlights

- Stakeholder Peer Review of progress, challenges and prospects of NEEDS
- Transformation of work-groups into policy commissions
  - designed to adduce evidence, track policy and strengthen public-private sector partnership in policy making
- Acknowledgement of the vital role of science, technology and innovation in achieving economic transformation



NES#11 Final Presentation June 1 - 3 2005 | 9







# Recommendations



NEP/11 Final Presentation, June 1 - 3, 2005 | 10



## NEP/11 Recommendations

- NEEDS provides a broad foundation for transformation. Everything is important however, to build momentum, we need to:
  - Focus around a core group of *growth platforms*
    - Gas and Power
    - Food Security
    - Financial and Macro-economic stability
    - Security of life and property
  - Adopt cross-sectoral approach to addressing growth platforms
  - Deepen Public-Private Partnership
  - Take some sector-specific actions



NEP/11 Final Presentation, June 1 - 3, 2005 | 11



## Deepen Public-Private Partnership

- Institutionalize the *"peer review mechanism"* based on international best practices and targets set in the NEEDS document
  - Periodic reviews against targets by NPC, Development Partners, Working Policy commissions and civil society
- Harmonize and incorporate public-private dialogue processes into the public policy processing framework by taking outputs from Working Policy Commissions into the public policy processes (NPC and ministries)



NEP/11 Final Presentation, June 1 - 3, 2005 | 12



## NES#11 Recommendations

### Deepen Public-Private Partnership

- Increase implementation support and capacity building for all arms of government – secondments, funding, training, etc
- Greater support for selling difficult reforms
  - Public procurement bill
  - Ongoing downstream deregulation
- Raising corporate governance standards to international levels by
  - Improving disclosure rules
  - Strengthening mechanisms that ensure compliance



NES#11 Final Presentation, June 1 – 3 2005 | 13



## NES #11: Sector Specific Recommendations

- **Budget and Macro-Economic Framework**
  - Fiscal Responsibility Pact as the basis for an Act
  - Sustain ongoing collaboration between the National Planning Commission, the States, Local Governments, and Development Partners on NEEDS, SEEDS and LEEDS
  - States and Local Governments to adopt a Medium Term Framework for budget process



NES#11 Final Presentation, June 1 – 3 2005 | 14



### • **Agriculture Sector**

- Expand private sector Nucleus Estate Initiative (NEI) to include more farms and firms towards achievement of 7% growth rate in sector
- Sustain the funding of Research Institutes
- Privatize the supply and efficient delivery system of essential farm inputs to farmers.
- Provide 'pioneer status' for increased investment in agro-processing and preservation
- Encourage commercial farming through liberalized access to land and duty free factor inputs.



NES#11 Final Presentation, June 1 – 3 2005 | 15



## NES #11: Sector Specific Recommendations

### • NEPAD

- NEPAD Business Group Nigeria should encourage increased participation by the private sector in its activities

### • Infrastructure

- Speedily enact the Infrastructure Concession and Regulatory Commission Bill (ICRC bill)
- Backward integration should become the next logical focus as we make progress in utilities sector reforms.
- Same determination and rigour applied to power sector reform should be applied to other sub-sectors of infrastructure.



NEPAD Final Presentation June 1 - 3 2006 | 16



### • Oil and Gas

- Transform NNPC into a financially autonomous entity (PETRONAS Model)
- Encourage companies with niche competencies to establish in Nigeria through strategic alliances with Nigerian companies
- Foster backward integration to produce oil sector inputs
- Nigeria should make her deep water oil production to be outside the OPEC Quota
- Government should build a national gas backbone for the country
- Conclude the deregulation process



NEPAD Final Presentation June 1 - 3 2006 | 17



## NES #12: Finance Sector Recommendations

### • New Investment Strategies

- Private sector to promote industrial clusters encouraged by government incentives


### • Banking and Finance

- Extend reforms to cover the other sub-sectors
- Reduce transaction cost to achieve and maintain international competitiveness
- Strengthen the capacity of regulatory institutions




NEPAD Final Presentation June 1 - 3 2006 | 18







**NES #11: Sector Specific Recommendations**

- **Solid Minerals**
  - Conduct a solid minerals geological survey
  - Categorise 'deposit areas' for issuance of MPL by competitive bid
- **SME, Informal Sector**
  - CBN and Bankers Committee to urgently issue a guideline for micro credit to facilitate access to 10% micro credit funds of SMIEIS




NES#11 Final Presentation June 1 – 3 2005 | 18






**NES #11: Sector Specific Recommendations**

- **Privatization**
  - Improve communication of the process to all stakeholders
  - Strengthen management capacity at the BPE to cope with current challenges
- **Trade Policy and Competitive Industrialization**
  - NEPC to simplify export documentation
  - Government to hold broad based consultation with stakeholders on trade and industrialization issues




NES#11 Final Presentation June 1 – 3 2005 | 18





**NES #11: Sector Specific Recommendations**

- **Science and Technology**
  - Strategic research and development programmes should be aligned to national priorities –
    - raw materials, systems development, health, agriculture, security, environment, shelter, energy, water (basic and applied) -*
  - through the use of local experts, Nigerians in the Diaspora and foreign experts (including training Nigerians in key areas)



NES#11 Final Presentation June 1 – 3 2005 | 21





## • Social Sectors

### – Education

- In noting the increased allocation to education, an urgent need to reallocate education funding in favour of primary and secondary education
- Harmonise private sector financial contributions to sponsorship of public education programmes with a view to reducing duplication and adequately channel these resources



NSRF1 Final Presentation June 1 – 2 2009 | 22



## NSRF1: Sector Specific Recommendations

### – Youth Development

- Encourage private sector adoption of existing youth centres as a means to upgrading them to provide entrepreneurship and leadership skills

### – Health

- Focus primary health care capacity towards
  - Maternal and Child Health
  - Malaria and
  - Tuberculosis



NSRF1 Final Presentation June 1 – 2 2009 | 23



## Final Word

- **Building Momentum for Transformation and Growth requires:**
  - Recognising and re-enforcing what we have done well
  - Focusing on *growth platforms*
  - Keeping the faith despite daunting challenges
- **On its part, the private sector**
  - Commits to unflinching and complementary support for reform by:
    - Channelling resources to priority sectors/areas
    - Providing support for implementation and capacity building
    - Adopting international best practice in corporate governance



NSRF1 Final Presentation June 1 – 2 2009 | 24



**Appendix IV:**  
*Members of the Joint Planning Committee*  
*Speakers & Technical Support Team*  
*Lists of Participants*  
*List of Media*  
*List of Sponsors*

## Appendix A: Members of the Joint Planning Committee

S/N	Surname	Other Names	Title	Designation	Company
1	Abudu	Mo	Mrs	CEO/MD	Vic Lawrence & Associates
2	Adelayo	Wonuola	Mrs.	Managing Director/CEO	Soft Skills Mgt. Consulting
3	Agbola	O. A. O.	Mr.	Director (Macro)	National Planning Commission
4	Aigbogun	Frank	Mr.		Business Day
5	Akabueze	Ben	Mr.	MD/CEO	NAL Bank Plc
6	Chizea	Boniface I.	Dr.	Principal Consultant	Bic Consultancy Services
7	Ebajemito	J. O.	Mr.	Asst. Director	Central Bank of Nigeria
8	Eka	Maria	Mrs.	President	NASSI
9	Ighodalo	Asue	Mr.	Managing Partner	Banwo & Ighodalo (Solicitors)
10	Iyanya	Francis	Mr.	SA to the Economic Adviser	National Planning Commission
11	Jaiyeola	Laoye	Mr.	Head, Investment Services Group	Kakawa Discount House Limited
12	Jaiyesimi	Ronke	Mrs.	Facilities & Services Manager	Accentue
13	Johnson	Omobola	Mrs.		Accentue
14	Lawal	Babatunde	Mr.	Chief Planning Officer	National Planning Commission
15	Mabogunje	Toki	Mrs.		NASME
16	Mkpanang	Aniekpeno	Mr.	Special Asst. to the President	The Presidency
17	Modibo	Bashir			National Planning Commission
18	Nwadinobi	Ezinne	Dr.		National Planning Commission
19	Obaba	Moses Sunday	Mr.	P.A., National Economic Council to Vice President	Office of the Vice President
20	Ogeah	Chike C.	Mr.	SA to the Economic Adviser	National Planning Commission
21	Ohuche	Friday	Mr.		National Planning Commission
22	Ojowu	Ode	Prof.	Economic Adviser to the President	National Planning Commission
23	Okoroafor	Hani	Mr.	Managing Partner	KGBL Consultants Ltd.
24	Omotoso	E. A.	Mr.	Deputy Director	National Planning Commission
25	Onyemenam	Chris E.	Barr.	Chief Economic Strategist	Zenith Bank Plc
26	Osaremen	Raymond	Mr.	Legal Secretary/PA	Banwo & Ighodalo (Solicitors)
27	Oshodin	Phil	Mrs.	Head Information Unit	National Planning Commission
28	Salami	Doyin	Dr.	Director of Programmes	Lagos Business School
29	Sobandé	Ola	Mr.	Manager, Business Environment	Shell Nigeria
30	Ufot	Udeme			S O & U Saachi

## Appendix A: Members of the Joint Planning Committee (cont'd)

S/N	Surname	Other Names	Title	Designation	Company
31	Uvoh	Ezekiel			SRIN
32	Waziri	Sadiq	Mr.	Head, Research & Strat. Planning	Leadbank Pic
33	Adebola	Richard	Mr.		Nigerian Economic Summit Group
34	Adeoye	Kemil	Miss.		Nigerian Economic Summit Group
35	Agbanobi	Tega	Mrs.		Nigerian Economic Summit Group
36	Ahmed	Mansur	Engr.	Director General	Nigerian Economic Summit Group
37	Ajiboye	Seun	Miss.		Nigerian Economic Summit Group
38	Aiofoje	Ben	Mr.		Nigerian Economic Summit Group
39	Fajana	Oluwatoyin	Mr.		Nigerian Economic Summit Group
40	Hayatu-Deen	Mohammed	Alhaji	Chairman	Nigerian Economic Summit Group
41	Kalu-Ogba	Chizoba	Miss.		Nigerian Economic Summit Group
42	Mbakwe	Chukwudi	Mr.		Nigerian Economic Summit Group
43	Nwanze	Charles	Mr.		Nigerian Economic Summit Group
44	Ogbera	Felix	Mr.		Nigerian Economic Summit Group
45	Okafor	Deborah	Ms.		Nigerian Economic Summit Group
46	Okpoko	Chris	Mr.		Nigerian Economic Summit Group
47	Azih	Innocent	Mr.		Nigerian Economic Summit Group
48	Are	Rosa	Ms.		Nigerian Economic Summit Group
49	Yesufu	Dewunimi	Mr.		Nigerian Economic Summit Group
50	Kughegbe	Esse	Ms.		Nigerian Economic Summit Group
51	Afundu	Jane	Ms.		Nigerian Economic Summit Group
52	Alfred	Beauty	Ms.		Nigerian Economic Summit Group

### Editorial Team

Hani Okoroafor  
 Chris 'E Onyemenam  
 Dayo Onibile  
 Deborah Okafor  
 'Toyin Fajana  
 Sylvester Ukut



## Appendix B: List of speakers and members of the Technical support team

S/N	Surname	Other Names	Title	Designation	Company
1	Adedipe	Biodun	Dr.	Chief Consultant	B. Adedipe Associates Ltd.
2	Adekanye	Adewale	Mr.	Asst. Chief Planning Officer	National Planning Commission
3	Afundu	Jane	Ms.		NESG
4	Akinlade	Folake	Miss	Senior Analyst	Phillips Consulting Ltd.
5	Are	Rosa	Ms.		NESG
6	Atoh	Jude	Mr.	Consultant	INDEX Consulting
7	Azih	Innocent	Mr.		NESG
8	Bamidele	A.	Mr.	Principal Economist	Central Bank of Nigeria
9	Dina	Ayokunle	Mr.	Manager	Accenture
10	Ejofor	Philip			Bridge Water & Associates
11	Fajingbesi	Adeyemi	Dr.	Director	NCEMA
12	Fakulajo	Ayodele	Mr.	Consultant	Softskills Management Consulting
13	Igbinoba	Paul	Mr.		Prosenve Options Consulting
14	Iwuagwu	Obi	Dr.		Cectrep Ltd.
15	Ndidi	Nonye	Mrs.	Admin. Officer	Office of the SGF
16	Nrite	Chinwe	Miss		BGL
17	Nwachukwu	David	Mr.		Mezzanine Consl. Assoc.
18	Nwalupue	G. C.	Mr.	Deputy Director	National Planning Commission
19	Obasa	K. A.	Mr.		
20	Obilade	Mayowa	Mrs.	Economic Specialist	US Consulate General
21	Odunlami	Fahintola	Ms.	Head, Client Services	Economic Associates
22	Ofondu	Emecheta	Mr.	CEO	Coscharis Technologies
23	Ogbeite	E. I.	Mr.		National Planning Commission
24	Okpoko	Chris	Mr.		NESG
25	Omakor	Ben	Mr.		DEBS Consulting
26	Onibile	Dayo	Mr.		
27	Onyenkpa	Victor	Mr.	Corporate Tax Manager	Shell Petr. Dev. Col. Nig. Ltd.
28	Osakwe	Aisien	Mr.		Restral Consulting
29	Sanni	H. T.	Alhaji	Senior Economist	Central Bank of Nigeria
30	Tadofenua	Kenneth	Mr.	MD/CEO	Profound Impact Ltd.
31	Tegbe	Joseph	Mr.	Partner	KPMG Professional Services
32	Umar	Tijani	Mr.	Asst. Director	Office of the SGF
33	Wilson	Kemuel	Mr.	Senior Planning Officer	National Planning Commission

## Appendix B: List of speakers and members of the Technical support team (cont'd)

S/N	Surname	Other Names	Title	Designation	Company
1	Abubakar	Yusuf	Mr.		Petroleum Tech. Depl. Fund
2	Adedeji	Adebayo	Prof.		NPRC
3	Adeyemi-Bero	Demola	Mr.	Director, New Business in Africa	Shell International
4	Akanbi	Mustapha	Justice	Chairman	ICPC
5	Akingbola	Erastus	Mr.	CEO	Intercontinental Bank
6	Anthony	Sena			NNPC
7	Awosika	Ibukun	Mrs.	CEO	Sokoa Chiar Centre
8	Chigbue	Irene	Mrs.	Director General	BPE
9	Dabengwa	Sifiso	Mr.	Chief Executive Officer	MTN Nigeria Comm. Ltd
10	Daniel	Gbenga		Executive Governor, Ogun State	
11	Enelamah	Okey	Mr.	CEO	Capital Alliance
12	Fleuret	Patrick	Mr.	Mission Director	USAID
13	Ibrahim	Amina		National Coordinator, Education for all	Federal Ministry of Education
14	Katz	Menachem		Assistant Director	IMF
15	Kingsmill	William	Mr.	Head of Office	DFID Nigeria
16	Kupolokun	Funso	Engr.	Group Managing Director	NNPC
17	Nnamani	Chimaroke		Executive Governor, Enugu State	
18	Nwuneli	Ndidi	Mrs.	Founder / CEO	LEAP Africa
19	Nyako	Murtala	Vice Admiral		Farmers Association
20	Okunbor	Osagie	Mr.	GM Human Resources	Shell Petroleum
21	Omiyi	Basil Efoise	Mr.	Managing Director	Shell Petroleum Dev. Co. of Nig
22	Omoigui	Ifueko	Ms.	Chairman	Federal Inland Revenue Service
23	Oyinlola	H. A.	Mr.	Managing Director	Schlumberger
24	Soboyejo	Wole	Prof.		Princeton University
25	Soyinka	Femi	Prof.	President	ICASA 2005
26	Teriba	Ayodele	Dr.	MD/CEO	Economic Associates
27	Utomi	Pat	Prof.	Director	Pan African University
28	Whyte	Lindsey	Ms.		IMF & World Bank
29	Wickstead	Myes	Mr.	Executive Secretary	The Commission for Africa
30	Yayale	Ahmed	Alhaji	Head, Civil Service	Service of the Federation

## Appendix C: List of participants

S/N	Surname	Other Names	Title	Designation	Company
1	Abaka	Anthony	Mr	Protocol Officer to EAP	National Planning Commission
2	Abdullahi	Shehu Yerima	Alhaji	Special Adviser	Gombe State Govt.
3	Abdullahi	Abubakar	Dr.	Director General/CEO	Raw Materials Res. & Dev. Council
4	AbdulRahman	Shuaibu	Mr.	Managing Director	Frenchies Limited
5	Abdurahman		Hajia	General Manager (Investment)	N N P C
6	Abiola	Gbenga	Hon.	Exec. Asst. to Governor	Osun State Government
7	Abubakar	Shehu	Mr.	Group Head, Public Sector	FSB Int'l Bank., Plc.
8	Adaba	Margaret	Ms.	Communications Manager	ICASA
9	Adamolekun	Wole	Mr.	General Manager	Petroleum Products Pricing Regulatory Agency
10	Adamu	Yusuf	Mr	Director General	Citizenship & Leadership Training Centre
11	Adamu	Bashir H	Mr	Commissioner	Jigawa State
12	Adebayo	Oyeniya	Mr	Head of Strategy	Standard Trust Bank Plc
13	Adefala	Victoria	Mrs.		Michelin
14	Adegbite	Samuel I	Chief OFR	Chairman	Wema Securities & Finance Plc
15	Adelaja	Modupe Adenike	Mrs.	Director General	SMEDAN
16	Adeleke	Bayo	Mr.	MD/CEO	FBN (merchant Bankers) Ltd
17	Adeleke	Alade	Alhaji	MD/CEO	Wema Bank Plc.
18	Adenekan	Samuel	Dr.	Corporate Relations Manager	Nestle Nigeria Plc.
19	Adeneye	Taiabi	Engr.	Director (Engr)	Fed. Min. of Science & Technology
20	Adeola	Charles Dele	Mr.	Director	Federal Ministry of Transport
21	Adeola	Tokunbo	Mrs	Special Assitant	Presidency
22	Adenbigbe	J. O.	Mrs.	Deputy Director	Federal Ministry of Internal Affairs
23	Adesioye	H.O	Mr	Materials Manager	Stanmark Cocoa Proc. Co. Ltd
24	Adesiyakan	Samuel	Mr.	Chief International Coll. Officer	Nat. Directorate of Employment
25	Adesola	Boia	Mrs.	Managing Director / CEO	Kakawa Discount House
26	Adetiba	Sade	Mrs.	ED, Corporate & Legal Services	IGI
27	Adetunji	Yemi	Mr	Associate Director	Accenture
28	Adewale	Ope	Mr.	Executive Assistant to Group MD	OANDO
29	Adewunmi	Morenkie	Mrs	Comm. Bus. Relations Adviser	SHELL
30	Adewusi	Yomi	Mr.	Executive Director, Comm. Banking	Wema Bank Plc.
31	Adeyemi	Joseph O.	Mr.	Permanent Secretary	OSGF, The Presidency

## Appendix C: List of participants (cont'd)

S/N	Surname	Other Names	Title	Designation	Company
32	Adeyemo	Adenike	Mrs.	Permanent Secretary	Ministry of Finance and Budget
33	Adeyinka	Tunji	Mr.	Senior Manager, Business Marketing	MTN Nigeria Comm. Ltd
34	Afiakurue	Daniel	Mr	AGM (Operations and Production)	Petroleum Products Pricing Regulatory Agency
35	Agbeyegbe	Gideon	Mr.	Executive Director	Afrocommerce (W A) LTD
36	Aghaji	Martin Anthony	Prof.		Dept. of Cardiac Surgery
37	Agunwah	Ifeoma	Mrs.	Asst. Director	Federal Min. of Education
38	Ahmad	Muhammad K.	Mr.	Director General	National Pension Commission
39	Ahmadu	Saleh	Alh	Executive Director	IRS Airlines
40	Ahmed	M. T.	Engr.	Director, Technology Acquisition & Assessment	Federal Ministry of Science & Technology
41	Ahmed	Baba Yusuf	Alh.	Danmasani Wawa	Nigerian Export - Import Bank
42	Ahmed	Shuaib	Hon.	Honorable Commissioner	Ministry of Budget & Economic Planning
43	Aiyewumi	T. O.	Mr.	Director (Human Resources Management)	Federal Inland Revenue Service
44	Ajanaku	Adelani	Mr.	Economic Adviser	Osun State Government
45	Ajayi	M. F.	Mr.	Director	Federal Ministry of Transport
46	Ajayi	Akin	Mr.	Managing Director/CEO	Equity Bank of Nigeria Limited
47	Ajayi	Sefiat T.	Dr(Mrs)	Director- General	National Productivity Centre
48	Ajekigbe	Jacobs	Mr.	MD/Chief Executive	First Bank of Nigeria Plc
49	Ajekigbe	Nike	Mrs.		First Bank of Nigeria Plc
50	Aji	Umaru	Alhaji	Permanent Secretary	Fed. Min. of Information & Nat. Orientation
51	Ajibade	Taye	Mrs.	Director, Planning	Ekiti State Planning Commission
52	Ajisebutu	Dele	Mr.	Group Head, HR Outsourcing	XL Management Services Ltd.
53	Ajogwu	Fabian	Mr.	Managing Partner	Kenna & Associates
54	Ajoku	Kemijika B.	Mr.	Chief Scientific Officer	Raw Materials Research & Development Council
55	Ajuonuma	Levi	Dr.	General Manager (GPAD)	N N P C
56	Akande	Tajudeen	Mr.	Partner	Pannell Kerr Forster
57	Akande	J. A.	Engr.	Group General Manager	N N P C
58	Akande	Nike	Chief (Mrs.)	Executive Chairman	International Dev. Co. Limited

## Appendix C: List of participants (cont'd)

S/N	Surname	Other Names	Title	Designation	Company
59	Akande	Oyetunji S.	Prof.	Research Fellow	NISER
60	Akanmu	Olu	Mr.	GM, Consumer Market	MTN Nigeria Comm. Ltd
61	Akhuemonkhan	E.E.	Mr.	Group General Mgr. (Accounts)	N N P C
62	Akika	Anthony	Mr.	Managing Director/CEO	Greater Kanu (KAPDA)
63	Akilapa	Oluwagbemiga Gabriel	Mr.	Deputy Director	Federal Ministry of Internal Affairs
64	Akinbo	R. A	Mr.	Director of Planning	Min. of Finance & Planning Akure
65	Akinde	Abiodun	Mr.	Permanent Secretary	Ondo State Government
66	Akindede	A.M.	Mrs.	General Manager (ERID)	N N P C
67	Akingbade	I. A. B.	Mr.		Nigerian Breweries
68	Akinyemi	Muyiwa	Mr.	Head, Investments Banking	Standard Trust Bank Plc
69	Akodo	Tsetim	Mr.	Director	National Planning Commission
70	Akpablo	Uyim	Dr.	Director	CodeOf Conduct Bureau
71	Akpan	Rita	Mrs.	Hon. Minister of Women Affairs	Fed. Ministry of Women Affairs
72	Akpana	Iboroma T.	Mr.	Managing Partner	Solola & Akpana
73	Akpobasah	Moses	Mr.		ICL
74	Alabi	Mahmoud Lai	Mr.	Executive Director	Union Bank of Nigeria Plc
75	Aiao	Abiodun	Mr.	Deputy Director, Parastatals	Industrial & General Insurance. Co. Ltd.
76	Alasoadura	Tayo	Chief	Honorable Commissioner	Finance & Planning National Planning Commission
77	Alile	Friday	Mr.		National Planning Commission
78	Aliyu	Mansur	Mr.	Manager	Chevron Nigeria
79	Aliyu	Muazu Babangida	Dr.	Permanent Secretary	National Planning Commission
80	Aliyu	Abdullahi	Dr.	Permanent Secretary	Fed. Min. of Science & Technology
81	Alli	Adekunle	Mr.	Executive Director	Elf Petroleum
82	Aluko	B. A.	Mr.	Deputy Director	Raw Materials Res. & Dev. Council
83	Amachree	D.K.	Mr.	GM - Finance	Nigeria LNG Limited
84	Aminu	Jide	Mr.	Executive Secretary/CEO	Nigerian Council of Registered Insurance Brokers
85	Aminu	Adeboia	Pastor	Deputy Director	National Population Comm
86	Anchaver	Patrick	Mr.	Assistant Compt. Gen. of Immigration	Nigeria Immigration Service
87	Angell	David	Mr.		Canadian High Commission
88	Aniezue	Pius	Mr.	Senior Manager	Hallmark Bank Plc
89	Anjorin	Boye		Perm. Secretary	Ondo State Government
90	Anthony	Sena	Chief	Group General Mgr. (CSLD)	N N P C
91	Anya	Anya O.	Prof.	Director	Diamond Bank

## Appendix C: List of participants (cont'd)

S/N	Surname	Other Names	Title	Designation	Company
92	Anya	Inyang	Mrs.		Citizens Int'l Bank Ltd.
93	Apiafi	Kalada	Mr.	Managing Director	Wider Perspectives Ltd.
94	Arbisala	Lanre	Mr.	Permanent Secretary	Ekiti State Planning Commission
95	Asiodu	P. C.	Chief	Director	Medife Ltd.
96	Atata	Deborah Oroma	Ms.	Local Content Officer	Total Upstream
97	Atah	Valentine Imeh	Dr.	Permanent Secretary	Ministry of Economic Development
98	Atah	Joshua	Dr.	Consultant	Dynamic Research & Dev. Consultants/KSA
99	Atume	Felix	Engr.	Executive Secretary	The Nigerian Society of Engineers
100	Audu	T. T. Peter	Mr.	Executive Chairman	Adamawa State Planning Commission
101	Avbuere	Esther	Mrs.	Director Youth Dev.	Fed. Ministry of Int. Govt. Affairs, Youth Dev. & Special Duties
102	Awagu	Thomas	Arc.	Director	Ecobank Nig. Plc.
103	Awani	Femi	Dr.	Permanent Secretary	Min. of Commerce & Industry
104	Awodun	Murtala Olakitan	Mr.	Director/Managing Editor	Management Review Limited
105	Aworh	Tola	Mrs.	Commissioner for Commerce & Industry	Ondo State Government
106	Awosika	Ladi	Dr.	CEO	Total Health Trust Ltd
107	Awotorebo	Bashir	Engr.	Hon. Minister of State	Federal Min. of Water Resources
108	Ayeni	Yemisi	Mrs.	Managing Director	Shell Trustees (Nigeria) Ltd.
109	Ayeni	M.O	Mr.	Chairman	Tantalizers LTD
110	Ayeni-Balogun	Renua	Ms.	Asst. General Manager	Hallmark Bank Plc
111	Ayoola	E.O.	Chief	Group Exec. Director (E & P)	NNPC
112	Baba-Ahmed	Hakeem	Dr.	Permanent Secretary	Federal Ministry of Works
113	Babalola	Remi	Mr.	Managing Director / CEO	Wema Securities & Finance Plc
114	Badmus	Kudi	Ms.	Asst. General Manager	Bond Bank Limited
115	Baissa	Aboki Ali	Mr.	Hon. Commissioner	Ministry of Budget & Economic Planning
116	Bala	B. Y.	Mr.	Director	Nexim Bank
117	Bala	A. Muhammad	Mr.	Director General	Office of The Governor, Kano State
118	Balogun	Olamide	Mrs.	Associate Partner	Phillips Consulting Ltd.
119	Balogun	Ladi	Mr.	DMD	FCMB Plc
120	Balogun	Adeniyi Afolabi	Dr.	Director & Group Head	SMEDAN
121	Balogun	Lateef A.	Alhaji	Executive Director (Management Sec.)	Nigeria Export Import Bank
122	Bamalli	Ahmed	Mr.	Head, Ministries & Parastatals	FSB International Bank Plc.
123	Bamgboye	Dola	Mr.	Asst. Manager, SME	MTN Nigeria Comm. Ltd

## Appendix C: List of participants (cont'd)

S/N	Surname	Other Names	Title	Designation	Company
124	Bankole	Olusegun S.	Elder	Head of Service	Office of the Head of Service
125	Bello	Inusa	Mr	Regional Corp. Sales Manager	MTN, Abuja
126	Belo	Olaekan	Mr.	Hon. Commissioner of Finance	Ogun State Government
127	Belo-Osagie	Rilwan	Mr.	Managing Director	First Securities Discount House
128	Bintube	Mohammed	Mallam	Managing Director / CEO	JAIZ International Bank Plc
129	Bird	Kate	Dr	Consultant	DFID Nigeria
130	Biri	Dahiru Buba	Mr.	Hon. Commissioner	Ministry of Agric. & Cooperatives
131	Biu	A. A.	Capt.	Executive Secretary/CEO	Nigerian Shippers Council
132	Biu	Olubunmi		Group Head, Human Resources	Industrial & Gen Ins . Co.
133	Boakye	Kwame	A.	President/CEO	Backbone Connectivity Network
134	Bolarinwa	Michael K.	Mr.	Assistant Director	National Manpower Board
135	Brown	S . Chinedu	Mrs.	Permanent Secretary / Executive Sec.	Abia State Government
136	Bryant	Clarence Emmanuel	Mr.	Associate Partner	Phillips Consulting Ltd.
137	Bukar	Mustapha	Engr.	Director	Office of Head of Service
138	Chellaram	Suresh Murl	Mr.	MD/CEO	Chellarams Plc
139	Chessa	Ilaria	Ms.	Economic Adviser	DFID
140	Chikelu	Chukwuemeka	Hon.	Honorable Minister	Federal Ministry of Information
141	Chuke	Osy	Mr.	Director	Federal Inland Revenue Service
142	Chukwuka	Chike	Mr.	GM Special Project	NNPC
143	Chukwurah	O.	Mr.	Manager, Research & Strategy	Nigerian Export - Import Bank
144	Ciroma	Adamu	Mallam	Chairman	P.Z. Industries Plc
145	Dafinone	Ede Omueya	Mr.	Deputy Managing Partner	Horwath Dafinone
146	Dafinone	David Omueya	Chief	Chairman	Horwath Dafinone
147	Dafinone	Igho Omueya	Mr.	Partner	Horwath Dafinone
148	Damachi	N. A.	Dr.	Director	Federal Office of Statistics
149	Damba	Bema	Dr.	Special Asst. (Investment)	Gombe State Govt.
150	Danjuma	Mahmoud	Mr.	National Programme Officer	UNIDO
151	David-Borha	Sola	Mrs.	Executive Director	IBTC
152	Delano	Fisoye	Engr.	Group General Manager (CPDD)	N N P C

## Appendix C: List of participants (cont'd)

S/N	Surname	Other Names	Title	Designation	Company
153	Denenu	Emmanuel O	Dr.	Special Assistant to Honorable Minister	Ministry of Science & Technology
154	Desalu	Morin	Mrs	MD/CEO	Risk Watch Insurance Brokers Ltd
155	Dikki	Benjamin	Mr	Director	Bureau of Public Enterprise (BPE)
156	Dimfina	Paul	Wing Commander	CSO-AIR-HMOSD	Ministry of Defence HQ, Abuja
157	Dokubo	Alaliba C	Mrs	Permanent Secretary	Rivers State Ministry of Budget
158	Donli	J. G.	Dr.	Director	Nigeria Deposit Insurance Corp.
159	Dozie	Uzoma C.	Mr.	Head, Personal Banking	Diamondbank Limited
160	Durlong	Frederick	Mr.	Executive Director	NNDC
161	Duru	Innocent	Mr		NPC
162	Dutta	Binay Kumar	Mr.	Ag. MD/CEO	Eagle Bank Limited
163	Ebinum	Joe	Mr.	Chief Accountant	Shebah Exploration & Production Co. Ltd.
164	Eboh	Eric	Prof.	Executive Director	AI/AE
165	Ebong	Mary Asuquo	Mrs.		Akwa Ibom State Govt.
166	Edem	Bassey E. O.	Chief.	Managing Director/CEO	Pamol Nigeria Limited
167	Edozie	Ajam	Mr.	Chief Marketing & Strategy Officer	MTN Nigeria Comm. Ltd
168	Edozie	Chibundu	Mr.	Vice President	BGL Limited
169	Egbadon	Matthew	Mr.	Secretary to the Legal Adviser	National Maritime Authority
170	Egbiki	Henry Ehi	Mr	Managing Partner	Ernst & Young
171	Egbunike	Olisa	Mr		News Agency of Nigeria
172	Eghes	Eyisyein	Mr.	Chief Executive Officer	Pharez Limited
173	Egwu	John S. M.	Mr.	Comptroller of Immigration	Nigerian Immigration Service
174	Ejembi	Eche Peter	Mr.		National Planning Commission
175	Ejiofor	M. A. N.	Dr.	Director, Science & Technology Promotion	Ministry of Science & Technology
176	Ekese	Dominic	Engr.	Business Consultant	Better Living Ltd.
177	Ekuwem	Emmanuel	Dr.	CEO	Teledom Intl. Ltd.
178	Ekwe	Charles	Mr.		Imo State Government
179	Ekwegh	Charles	Mr.	Hon. Commissioner of Finance	Ministry of Finance
180	Ekwueme	Bartholomew	Prof.		Dept. of Geology
181	Elebute	Adekunle	Mr.	Partner & Head, Financial Advisory Services	KPMG Professional Services
182	Elegido	John	Prof.	Deputy Dean	Lagos Business School
183	Elias	John Babani	Mr.	Hon. Commissioner of Finance	Ministry of Finance and Budget
184	El-Khalil	Faysal	Mr.	Managing Director	Seven Up Bottling



## Appendix C: List of participants (cont'd)

S/N	Surname	Other Names	Title	Designation	Company
185	Elliott	Adeola Olatayo	Mr	Head, Enterprise Development	TOTAL Upstream
186	Elueni	Andrews	Dr.	Head, Economic Intelligence & Pub.	First Bank of Nigeria Plc
187	Elusakin	Sina	Mr.	Deputy Director, Special Risks	Industrial & General Insurance, Co. Ltd.
188	Emmanuel-Ate	M.N.	Ms.	Acting Manager ( A & P)	N N P C
189	Emuwa	Emeka	Mr.	Managing Director	Nig. International Bank (Citigroup)
190	Enanendran	Velavan		Economic Officer	British High Commission
191	Enedu	Ebele A	Mrs	Bulk Service Manager	Cenouxs Express
192	Enelamah	Okechukwu	Mr.	Chief Executive Officer	Capital Alliance Nigeria
193	Enuyibo	Mercy Imaeyen	Mrs	Manager	Bank of Industry Ltd
194	Erwukwe	Mike Ejims	Esq.	Hon. Commissioner, Budget & Economic Planning	Ministry of Budget & Economic Planning
195	Eresia-Eke	Kudo	Mr.	Manager, Ext. Relations (Govt)	Nigeria LNG Limited
196	Eruma-Gborie	Randolph	Prince	Special Assitant	NDDC
197	Esan	F.	Mr.	Deputy Director (RPA)	National Planning Commission
198	Esara	Eisie E	Mrs	Assistant Director	National Population Comm
199	Evolukwu	G. U	Chief	Vice Chairman	Travellex Retail Nigeria
200	Eyoma	Grace	Dr.	Legal Adviser	Federal Inland Revenue Service
201	Ezeala	Chinekwa	Mrs.	Director	National Maritime Authority
202	Fabunmi	Otukayode	Mr.	Partner	J. O. Fabunmi & Co.
203	Faluyi	Joseph	Mr.	SNR, Computer Programmer & Analyst	Fed. Min. of Science & Technology
204	Faola	Olaekan	Mr	Business Dev. Director	Linkserve Limited
205	Fashola	Rotimi	Mr.	Executive Director	Industrial & General Insurance, Co. Ltd.
206	Fatoki	Paul	Mr.	Permanent Secretary	National Planning Commission
207	Freeman	Natalie	Ms	Deputy Mission Director	USAID
208	Galadima	Labetek Eduk	Mr.	Commissioner	Ministry of Commerce, Industry and Tourism
209	Garba	Ajiya	Mr.	Director Planning	Ministry of Budget & Economic Planning
210	Garba	S. T.	Dr	OPS Desk Officer	Federal Ministry of Industry, Abuja
211	Garg	Maneesh	Mr.	MD/CEO	Nagode Group
212	Gbadamosi	Rasheed Abiogun	Chief	Chairman(Governing Council Board)	Petroleum Products Pricing Regulatory Agency
213	Ghanem	Hafez	Dr.	Country Director	World Bank
214	Gidado	Kassim	Dr.	Project Manager	Ministry of Culture & Tourism

## Appendix C: List of participants (cont'd)

S/N	Sumame	Other Names	Title	Designation	Company
215	Gidado	A. D.	Alhaji	Director, Finance & Supplies	Fed. Ministry of Information & National Orientation
216	Gozney	Richard	Mr.	High Commissioner	British High Commission
217	Gubbart	Jean- Pierre	Mr.	Group Chief Executive	Michelin Nigeria Limited
218	Hamza	Lami	Dr. Mrs	Permanent Secretary	Manpower Development Office
219	Harbor	Samuel	Mr.	Asst. Resident Representative	UNDP
220	Haynes	Chris	Dr.	MD	Nigeria LNG Limited
221	Ibekwe	Obi	Ms.	Senior Manager	Accenture
222	Iboko	I. I.	Dr. Engr	Director	Nexim Bank
223	Ibrahim	Musa	Dr.	Commissioner	National Pension Commission
224	Ibrahim	Aishatu	Hajia	Hon. Commissioner, Agric	Ministry of Agric. & Natural Resources
225	Ibru	Goodie Minabo	Mr.	Chairman	Ikeja Hotel Plc
226	Ibru	Cecilia	Mrs.	MD/CEO	Oceanic Bank Int'l Plc.
227	Idahosa	B. E.	Engr.	Managing Director	Warri Refining & Petrochemical Co. Ltd. (N N PC)
228	Idowu-Ominiyi	Iyabo	Mrs.	Director, Planning, Research & Statistics	Federal Min. of Water Resources
229	Ighor	Mackenzie	Mr	Permanent Secretary	Rivers State Government
230	Iheama-Chanma	Chidi	Mr.	Resident Consultant Abuja Area Office	Center for Management Development
231	Ihimu	Kobis Ari	Mr.		Ministry of Agriculture
232	Ihuoma	A. A	Dr	Director	Nat. Res. Inst. For Chem Tech
233	Ihyembe	Raymond	Chief	Chairman / CEO	Stonebridge Investment Limited
234	Ije	Jidenma	Dr.	Director	Leading Edge Consulting
235	Ijeruh	Jonathan	Mr.	Director	Federal Ministry of Transport
236	Ijewere	Emmanuel	Mr.	CEO	Best Foods Global Limited
237	Ikazoboh	Emmanuel	Mr.	Senior Partner	Akintola Williams Deloitte
238	Ikechukwu	Okey	Dr.	Special Asst. to Hon. Minister of Information	Fed. Ministry of Information & National Orientation
239	Ikpoki	Micheal	Mr	GM, Regulatory Affairs	MTN Nigeria Communications Ltd
240	Ilamah	Funmi	Mrs.	Director, Policy, Strategy & Risk	Debt Management Office
241	Iloba	Clement	Mr.	Public Affairs Manager	Julius Berger Nigeria Plc
242	Ilori	John Boye	Mr.	Ag Permanent Secretary	Economic Affairs Office
243	Iluobe	Godwin U.	Mr.	Assistant Director	Ass. Of Accountancy Bodes in W/A

## Appendix C: List of participants (cont'd)

S/N	Surname	Other Names	Title	Designation	Company
244	Imoloame	Sylvanus	Mr.	AGM	Valucard Nigeria Plc
245	Inyeinengi-Etomi	Sotonye	Barr.	SA to Hon. Minister of Transport	Federal Ministry of Transport
246	Iroche	Titilayo Oturemiekun	Mrs.	Director	The Presidency/OSGF
247	Isiaka	Adegboyega	Mr.	Managing Director	Gateway Holdings Limited
248	Isibor	Mavi S.	Mrs.	Programme Director / CEO	Poise nigeria Limited
249	Ita	Charles Eletim	Mr.	Abuja Branch Manager	Telecom International Limited
250	Ita	S. N	Mr	AGM (Finance and Administration)	Petroleum Products Pricing Regulatory Agency
251	Iwala	Dinatu Jerry	Mrs.	Hon. Commissioner (Commerce)	Nasarrawa State Govt.
252	Iwara	Patrick	Mr.	Director	OHCSF
253	James	Kingsley	Mr.	Head of Marketing	Digiprints International Ltd.
254	Jamiyal	Nathan Dari	Hon.	Economic Adviser	Gombe State Govt.
255	Jamodu	Kola	Chief	Chairman	Nutricima Ltd.
256	Jime	David Kile	Engr.	Director Federal Highways	Federal Ministry of Works
257	Joda	Ahmed	Alhaji	Chairman	Nigerian Communications Commission
258	John	Moses C.	Mr.	Assistant Director	National Population Commission
259	Kange	Leonard	Mr.	Deputy Gen. Manager	FSB Int'l Bank., Plc.
260	Kasali	Tunde K.	Mr.	Director	Office to the Secretary to the Govt. of the Federation
261	Kassim	Sadiq	Malam	General Manager	Kewalram/Chanrai Group Nigeria
262	Kazuare	Sani Said	Alhaji	Deputy Director (Business)	Federal Ministry of Internal Affairs
263	Khalifa	Yusuf	Mallam	Regional Manager	Intercity Bank Plc
264	Kidd	Andrew	Mr		D.F.I.D
265	Kingsmill	Williams	Mr		D.F.I.D Nigeria
266	Kokoricha	Paul	Mr.	Principal Partner	Capital Alliance Nigeria
267	Kwaji	Iliya Sini	Mr.	Director Planning	Adamawa State Planning Commission
268	Kwakwa	Victoria	Mrs.	Lead Economist	The World Bank
269	Kwanashie	Mike	Prof.	Special Adviser	Presidency
270	Kwujeli	Kenneth	Mr.	PA to Economic Adviser	National Planning Commission
271	Kyari	Bukar	Mr.	Managing Director	Valucard Nigeria Plc
272	Labiran	Adegboyega Augustine	Mr.	Public Relations Advisor	Heirs Alliance Company Ltd.
273	Ladan	Shetu	Alhaji	Group General Manager	N N P C

## Appendix C: List of participants (cont'd)

S/N	Surname	Other Names	Title	Designation Honourable	Company
274	Landi	James	Dr.	Commissioner	Ministry of Commerce & Industry
275	Lansdell	Ronald	Mr.	CPL	Nigeria LNG Limited
276	Lawal	Karamot Moronke	Ms.	Head of Needs Secretariat	National Planning Commission
277	Lawan	Halima	Mrs	Director	Federal Government
278	Lawson	Stanley	Mr.	Group Executive Director	N N P C
279	Lawson	Olubunmi	Mrs	Executive Director	Fate Foundation
280	Lawuyi	Dayo	Mr.	Group MD/CEO	Dunlop Nigeria Plc.
281	Laya	AbdulNasir Abba	Malam	Hon. Commissioner	Ministry of Rural Dev.
282	Le Raix	Hester		Analyst	Commission for Africa
283	Lessand	Joseph	Mr.	Private Sector Development	USAID
284	Lusigi	Angela	Dr.	Asst. Res. Representative	UNDP
285	Magashi	Ali. M	Mr	MD/CEO	Jigawa Savings & Loans Ltd
286	Magulike	E. I.	Mrs.	Permanent Secretary	Ministry of Finance and Budget
287	Mahmoud	M. B	Dr.	Prinpal Manager	Nigeria Deposit Insurance Corp.
288	Maigida	Shuaibu	Mr.	Executive Director	NEPA
289	Maiyaki	J. Y	Dr.	Director General	Centre for Management Development
290	Majoroh	Simpson O	Mr	Director	Office of Head ofr Civil Service
291	Makarafi	Awwalu	Alhaji	Director	National Maritime Authority
292	Makoju	J. O.	Engr.	Managing Director/Chief Executive	NEPA
293	Malize	Chizor	Ms.	Senior Manager	XL Management Services Ltd.
294	Mandara	Jumba	Mrs.	Ag. Director (PM)	Federal Ministry of Transport
295	Manz	Denga	Mr	Group Head, Treasury & Financial Services	Standard Trust Bank Plc
296	Matanmi	Olusegun Oluyemi	Prof.	Director/Executive Editor	Management Review Limited
297	Mayaki	Si	Mr	Director, Corp. Plng & Tech. Cord.	Federal Office of Statistics
298	Melefa	Femi	Mr.	Deputy Director	Education Trust Fund
299	Mez	Johnny A.	Dr.	Chief Executive Officer	Human Dev. & Leadership Initiative
300	Miachi	Tom	Dr.	Ag. Executive Secretary	National Manpower Board
301	Mmakwe	M. F.	Mrs.	Deputy Director	Economic Affairs Office (OSGF)
302	Mobolurin	Olutola	Mr.	MD/CEO	Capital Bancorp Limited
303	Mohammed	Ismaita	Hon.	Sepecial Adviser	Govt. House
304	Mohammed	S. A.		Principal Statistician	National Planning Commission
305	Mokwe	B.	Mrs.	General Manager, Gas	N N P C
306	Morris	Mathew	Mr		D.F.I.D

## Appendix C: List of participants (cont'd)

S/N	Surname	Other Names	Title	Designation	Company
307	Mou	Daniel	Dr.	Director	Ministry of Defence HQ, Abuja
308	Moukarim	Hasib	Chief	Managing Director	Mouka Ltd.
309	Moyela	Muyiwa	Mr.	Asst Manager, Marketing Comm.	Guaranty Trust Bank Plc
310	Moyo	Sipho	Dr	Country Economist	African Development Bank
311	Mrakpor	Igho	Mr	Chief Operating Officer	Linkserve Limited
312	Muhammad	Mai Aliyu		Federal Commissioner	Federal Character Commission
313	Muhammad	Safiya	Dr.	Permanent Secretary	
314	Muhammed	Ahmad Rufai	Malam	General Manager, Finance /Admin.	Nig. Export Proc. Zones Authority
315	Muhammed	Kabir Abubakar	Malam	Honourable commissioner (Finance)	Ministry of Finance
316	Muhtar	Mansur	Dr.	Director General	Debt Management Office
317	Mukoro	Voka	Engr.	Managing Director	Kaduna Ref. & Pet. Co. Limited
318	Musa	Mohammed Inuwa	Engr.	Hon. Minister of State	Federal Ministry of Transport
319	Musa	Shuaibu	Mr.	Programme Analyst	UNDP
320	Naraynan	Sankar	Mr.	Executive Director	Iniaks Computers Ltd.
321	Ndu	Emeka	Mr.	Managing Director	C & I Leasing Plc.
322	Ndukwe	Ernest C. A.	Engr.	Chief Executive Officer	Nigerian Communications Commission
323	Nejo	Ja'afaru Muhammed	Mr.	Deputy Permanent Secretary	Ministry of Budget & Economic Planning
324	Ngoka	Chidi			Citizens International Bank Ltd
325	Nijiddah	Ibrahim	Mr.	Director	Bureau of Public Enterprises (BPE)
326	Nmadu	P. S.	Dr.	Group General Manager (Medical)	N N P C
327	Nwali	Charles C.	Mr.	AGM	Nigerian Export - Import Bank
328	Nwanze	Emmanuel Chike	Mr.	Vice Chairman/Chief Executive	Icon Stockbrokers Ltd.
329	Nwaokoro	G. O	Mr	Senior Manager	Indo-Nigeria Bank Ltd
330	Nweke	Innocent I.	Mr.	Assistant Director	National Population Commission
331	Nwokoro	Osondu	Mr.	H.O.D Government Relations	Vmobile Nigeria
332	Nwosu	Uchenna	Ms.	Director	Restral Limited
333	Nwosu	Okey	Mr.	Managing Director/CEO	First Atlantic Bank Plc.
334	Obande	O. P.	Mr.	Director	Federal Ministry of Science & Technology
335	Obaseki	Godwin	Mr.	Managing Director	Securities Transactions & Trust Co. Ltd.

## Appendix C: List of participants (cont'd)

S/N	Surname	Other Names	Title	Designation	Company
336	Obayomi	Wole	Mr.	Partner	KPMG Professional Services
337	Obidike	Chris E.	Chief	Deputy Director	Fed. Ministry of Water Resources
338	Obigwe	Austen	Mr.	Managing Director/CEO	Broad Bank of Nigeria Limited
339	Obioha	Philip	Mr.	Chief Operating Officer	Computer Warehouse
340	Obioma	Emelogu Chimaraoke	Dr.	Assistant Director	NCEMA
341	Oboh	Osa Anthony	Dr.	MD/CEO	Unique Venture Capital
342	Obue	Joey	Mr.	Vice Chairman/CEO	Ascot Fabricators Ind.
343	Odeh	Fidelis	Mr.	Deputy Director	Federal Office of Statistics
344	Odeh	Fidelis	Mr.		Fed. Office of Statistics
345	Odibo	Charles	Mr.	Head, Corporate Communication	Platinum Bank Ltd.
346	Odujinrin	O	Senator	Partner	Odujinrin & Adefulu
347	Odufa	Adedoyin	Mrs.	Executive Director	Phillips Consulting Ltd.
348	Odunsanya	Adeyemi	Mr.		Ogun State Government
349	Ogba	Leo	Dr.	Group Head, Comm Banking	Citizens International Bank Ltd
350	Ogbeihe	E. I.	Mr.	Chief Planning Officer	National Planning Commission
351	Ogunbambi	Loia	Ms.	Executive Director	Citiserive Limited
352	Ogunbambi		Dr.	Permanent Secretary	Office of the Head of Service
353	Ogunbiyi	Theophilus	Prof.	Director	Diamond Bank
354	Ogungbesan	Sunday Samuel	Mr.	Deputy Director	Federal Inland Revenue Service
355	Ogunlwe	Adeseye Kingsley	Senator	Honorable Minister	Federal Ministry of Works
356	Ogunleye	G.A	Mr.	MD/CEO	Nigeria Deposit Insurance Corp.
357	Ogunnowo	Tomi	Miss	National Co-ordinator	Youth Empowerment Movement
358	Ogunsumi	Hezekiah Olu	Mr.	Executive Secretary	Central Eco. Planning Office
359	Ohaeri	I. N.	Dr.	General Manager (CPD)	NNPC
360	Ohuabunwa	Sam	Mr.	Chairman/CEO	Neimeth Int'l Pharm. Plc
361	Ohwahwa	Fred	Mr.	Media & Corp. Affairs Manager	Elf Petroleum
362	Ojo	Orlando	Mr.	General Manager, Bus. Values & Relation	Shell Petroleum Dev. Co. of Nig.
363	Ojobi	Matthew	Mr.	Executive Officer	National Planning Commission
364	Ojo-Osagie	Dipo	Mr.	Corporate Affairs Manager	Michelin Nigeria Limited
365	Ojukwu	Chinyelu F.	Dr.	SA/Cordinator Nepad/Seeds	Nepad/Seeds Govt House Awka
366	Okafor	G. U.	Mrs.	Director, Planning, Research & Statistics	Ministry of Defence HQ, Abuja
367	Okechukwu	Okey	Mr.		Fed. Ministry of Information

## Appendix C: List of participants (cont'd)

S/N	Surname	Other Names	Title	Designation	Company
368	Okeke	E. O.	Engr. Ms.	Permanent Secretary	Federal Ministry of Water Resources
369	Okeke	C. I.	Mr.	Director, Research & Consultancy	Centre For Management Development
370	Okeowo	Adesina Jimoh	Mr.	Executive Director	Spectrum Books Limited
371	Okere	Austin	Mr	Managing director	Computer Warehouse Group
372	Okeyode	Jacob	Mr	Permanent Secretary	Min. of Finance, Osun state
373	Okogu	Bright	Mr.	Special Adviser	Fed. Min of Finance
374	Okolo	Henry Chukwuma	Mr.	Vice Chairman/CEO	Doman Long
375	Okoye	C. Cyprian	Mr.	Permanent Secretary	Ministry of Finance , Owerri
376	Okpanachi	Usman Moses	Dr.		University of Jos
377	Okpareke	Catherine	Dr. (Mrs)	Vice President	ICAN
378	Okumagba	Albert Egba	Mr.	MD/CEO	BGL Limited
379	Okundia	Telcy	Mr.	Chief Financial Officer & Executive Director (XPONETIA)	Achievers' Consortium International
380	Okunola	Olumide	Mr.	National Co-ordinator	Fed. Min. of Health
381	Olabimtan	Olaolu	Mr.	Snr. Relationship Manager	Standard Chartered Bank
382	Oladele	Afolabi	Engr.	Vice President	Capital Alliance Nigeria
383	Oladipo	Tajudeen	A/h	Hon. Comm. For Osun State	Min. of Finance & Economic Dev.
384	Oladokun	Oye	Mr.	Corporate Sales Executive	MTN Nigeria Comm. Ltd
385	Oladunjoye	Felix	Mr.	Snr. Manager (Commercial Operations)	Stanmark Cocoa Processing Co. Ltd
386	Oladunmoye	B. A.	Mr.	Deputy Director	Federal Ministry of Transport
387	Olanlandu	Segun	Mr.	Marketing Specialist	ACCENTURE
388	Olaoluwa	Rasheed	Mr.	Ag. Managing Director/CEO	Universal Trust Bank Plc.
389	Olatunde	Samuel Folorunso	Mr.	Managing Director	U.I. Ventures Limited
390	Olih	Shirley Agboghoro	Mrs	Senior Economist	International Monetary Fund
391	Oloko	A. O.	Mr.	Business Development Director	R. T. Briscoe (Nig.) Ltd.
392	Olowo	Gabriel O.	Mr.	Executive Director	Bellview Airlines Limited
393	Olowu	Olugbenga	Mr	Research Officer	University of Ibadan
394	Olowude	Remi	Mr.	Executive Vice Chairman	IGI
395	Olujobi	Olusegun	Mr.	Director	Accenture
396	Oluleye	Oluwole	Dr	Executive Secretary	Petroleum Products Pricing Regulatory Agency
397	Omar	Musa	Dr.	Special Asst. to VP	VP's Office
398	Omiyi	Basil Efoise	Mr	Managing Director	Shell Petroleum Dev. Co. of Nig.
399	Omomo	J. A.	Barr.	Director	Corporate Affairs

## Appendix C: List of participants (cont'd)

S/N	Surname	Other Names	Title	Designation	Company
400	Omorogbe	Yinka	Prof.	HOD	Univeristy of Ibadan
401	Omotoso	Adeola	Mrs	Events Manager	First Bank of Nigeria Plc
402	Onajide	Seyi	Mr.	Finance Director	R. T. Briscoe (Nig.) Ltd.
403	Oni	Olotosin	Mr.	Student	Imperial College
404	Oni	Bankole	Prof.	Ag. Director General	NISER
405	Onibokun	Abimbola	Mr.	Controller (C P R & D)	Urban Dev. Bank of Nigeria Plc.
406	Onouha	Patrenia Werts	Mrs	Partner	Phillips Consulting Ltd
407	Onuoha	Nwadiuto Olamma	Miss	Research Specialist, Govt. Relations	Vmobile Nigeria Centre for Petroleum Information
408	Onwuka	Rosemary	Miss	Head Admin/ Marketing	Index Consulting
409	Onyenokwe	Ike	Engr.	Managing Partner	Hon. Minister of State for Defence
410	Oritsejafar	Roland	Chief		Ministry of Defence HQ, Abuja
411	Oroma	Atata Deborah			TOTAL UPSTREAM
412	Orya	Roberts Ungwaga	Mr.	Financial Services Advisor	Afribank Int'l Ltd.
413	Osagie	Bob	Prof.	Director (Special Projects)	Securities & Exchange Commission
414	Osakwe	Godwin	Engr.	Chief Operating Officer	NEPA
415	Osa-Oboh	Uwa	Ms.	C R O	Restral Limited
416	Oshiafi	Chris	Mr.	Executive Director	Citizens Int'l Bank Ltd.
417	Oshikoya	Temitope	Mr.	Manager	African Dev. Bank
418	Oshunpidan	Oluseye	Mr.	General Manager	ADC Airlines
419	Osibodu	Victor Gbolade	Mr.	CEO/MD	Vigeo Holdings Limited
420	Osibodu	Funke			Ecfobank
421	Osuagwu	Sunny	Mr.	Director (PRS)	Federal Ministry of Works
422	Osuntoki	Akin	Mr.	Executive Director	Vigeo Limited
423	Otiotio	Emmanuel	Amb		E.O.Otiotio Farms
424	Owoyemi	Abdul Lateef	Otunba	Vice President	I C A N
425	Owuallah	Sunday Ikechukwu	Dr.	Associate Professor	University of Lagos
426	Owunna	Clement	Mazi	Director	Diamond Bank
427	Owusu-Gyamfi	Mavis	Ms.	Pro-Poor Growth Team Leader	DFID
428	Oyagbola	Amina	Mrs.	Corp. Services Executive	MTN Nigeria Comm. Ltd
429	Oyekanmi	Rotimi	Mr.	CEO	SME Manager Limited
430	Oyenokwe	Ike	Engr.		INDEX Consulting
431	Oyetakin	William I.	Mr.	MD/CEO	Nicomtech Nigeria Ltd
432	Oyetunji	Femi	Dr.	Managing Director	Crusader Insurance Nigeria Plc
433	Oyewole	Michael Segun	Mr.	Managing Director	Stanmark Cocoa Processing Co. Ltd
434	Oyeyemi	Kolawole	Mr.	Manager, Business Market	MTN Nigeria Comm. Ltd
435	Dyibo	Chambers	Chief	Chairman	Prime Energy Resources
436	Oyinlola	Olaniyi	Dr.	Asst. Prof. & H.O.D. Economics	Dept. of Economics, University of Abuja
437	Oyinloye	A.	Engr.	Executive Director (TS)	NEPA
438	Perry	Robert	Mr.	Vice President	Corporate Council on Africa



## Appendix C: List of participants (cont'd)

S/N	Surname	Other Names	Title	Designation	Company
439	Peters	Ofubunmi	Engr.	Fmr. MD/CEO	Federal Roads Mtce Agency (FERMA)
440	Peterside	Atedo	Mr.	Chief Executive Officer	Investment Banking & Trust Co.Ltd
441	Phillips	Foluso	Mr.	CEO	Phillips Consulting Ltd.
442	Pisagih	James	Mr	Permanent Secretary	Governor's Office
443	Popoola-Mordi	Bunmi	Ms.	Head, Structured Finance	Leadbank Pic
444	Pryor	Jay	Mr	Managing director	Chevron Nigeria Ltd
445	Rabiu	I. Rabiu	Alhaji	Chairman/CEO	IRS Airlines Ltd.
446	Randle	J. K.	Bashorun	Chairman/Chief Executive	J. K. Randle & Co.
447	Ranjan	Sundaram S.	Mr.	MD/CEO	Indo-Nigerian Bank Limited
448	Ransome-Kuti	Yemisi	Ms.	Executive Director	Nigeria Network of NGOs
449	Rawane	Bismarck	Mr.		Financial Derivatives Co. Ltd.
450	Runsewe	Tosin	Mr.		Guaranty Trust Assurance
451	Ruwase	Babatunde Paul	Mr.	Executive Director	Panalpina Int. (Nig) Limited
452	Sadiku	Yewande	MS	Senior Manager	Investment Banking & Trust Co.Ltd
453	Sagoe	Kwesi	Mr.	MD/CEO	Express Discount Limited
454	Sambo	Ephraim Y	Engr	Vice-President	Backbone Connectivity Network Nig. Ltd
455	Sasore	G. M.	Mrs.	Special Adviser to the President/CEO	Nigerian Export Promotion Council
456	Savage	Babatunde	Mr.	Corporate Affairs Director	Guinness Nig. Pic.
457	Sekibo	Abiye	Dr.	Minister	Federal Ministry of Transport
458	Shaba	Jumai	Miss	Class President	London Middlesex University
459	Shaba	Shola	Miss	SA/IT Reforms	Min. of Information
460	Shagari	Mukhtari Shehu	Alhaji	Honorable Minister	Federal Ministry of Water Resources
461	Shaiyen	Elieen			H. Pierson Associates Ltd
462	Shehu	Maryam	Mrs.	Corporate Planning Officer	Elf Petroleum
463	Shehu	Saleh	Alhaji	Hon. Minister of State for Works	Federal Ministry of Works
464	Shie	Samuel S	Mr	Head Strategy Management	NUB international Bank Ltd
465	Shobayo	Adejare	Mr	Director	National Maritime Authority
466	Shobo	Vivien	Mrs.	MD/CEO	Agusto & Co. Limited
467	Shuabu	Musa	Alhaji	Director, Admin. & Finance	Centre for Management Dev.
468	Shuwa	U. J.	Malam	Director	Federal Ministry of Transport
469	Sobande	Kola	Mr.	Executive Director	Bellview Airlines Limited
470	Sobo	Olu	Mr.	Director, Economic Monitoring & Research	Office to the Secretary to the Govt. of the Federation

## Appendix C: List of participants (cont'd)

S/N	Surname	Other Names	Title	Designation	Company
471	Solarin	Adetokunbo B.	Mr.	General Manager (Audit)	NNPC
472	Solola	Tope	Mr.	Partner	Solola & Akpana (Legal Practitioners)
473	Sosanya	Modupe I.	Mrs.	Deputy Director	Federal Ministry of Internal Affairs
474	Sowande	Olubunmi	Mr.	Registrar / Chief Executive	ICAN
475	Soyewo	Feyi	Prince	President/Chairman of Board	Nig. Council of Registered Insurance Brokers
476	Soyombo	Omololu	Dr.		University of Lagos
477	Stoneham	Mariska	Mrs.	General Manager	Promoworld Ltd.
478	Sulaiman	Adedotun	Mr.	Country Managing Director	Accenture
479	Sulaiman	Ismaila Lawal	Mr.	Census Manager	National Population Commission
480	Sule	Dalhatu	Mr.	Deputy Director (Budget)	Federal Ministry of Internal Affairs
481	Sule	Abubakar	Mr.	Chief Operating Officer	Group One Dimension Ministry of Defence HQ, Abuja
482	Suleiman	Adamu Ali	Mr.	Deputy Director	
483	Sulu	Elias Aderemi	Mr.	Director	FIRS
484	Sunmonu	Bode	Mr.	Special Adviser on Investment & Financial Matters	Ondo State Govt.
485	Tafida	Bala Ahmed	Dr.	MD/CEO	ASO Savings & Loans Ltd
486	Taiwo	Abraham Aboidun	Mr.	Chief Planning Officer	National Planning Commission
487	Tebu	Mary Madina	Mrs.	Director	Federal Min. of Information & Nat. Ori
488	Thiam	Idrissa	Mr.	Senior Resident Rep. in Nigeria	International Monetary Fund
489	Thimnu	Kobis Ari	Mr.	Honourable Commissioner	Ministry of Agric.
490	Tijani	Mora Ahmed	Pharm.	Registrar / Chief Executive	Pharmacists Council of Nigeria
491	Tuedor-Mathew	Faith	Ms.	Executive Director, North	Standard Trust Bank Plc
492	Udenka	Emma	Mr.	Perm. Secretary (Econ. Planning)	Office of Economic Planning & Monitoring
493	Udofia	Elder A	Mr.	Director	Bureau of Public Enterprise (BPE)
494	Ufoeze	Michael	Engr.	Director	Diamond Bank
495	Ufot	Dorothy	Mrs.	Principal Partner	Dorothy Ufot & Co.
496	Ugbebor	G. O.	Mr.	Director	Office of Head of Service of the Federation
497	Ugochuku	Obi	Mr.	Seeds Adviser	DFID
498	Ugwu	Festus	Engr.	Director General	National Maritime Authority
499	Uijenhoed	Cees	Mr.	Vice President, Finance EP Africa	SPDC
500	Uka	Eke	Mr.	Macroeconomist	USAID
501	Uko	Peter	Engr.	General Manager (C P & S)	NEPA
502	Ukpoma	J.U.	Mr.	Managing Director/CEO	Regent Bank Plc

## Appendix C: List of participants (cont'd)

S/N	Surname	Other Names	Title	Designation	Company
503	Ukpong	Ebebe	Dr.		Akwa Ibom State Govt.
504	Ulvmoen	Knut	Mr.	Group MD/COO	Dangote Group
505	Umaru	Ahmadu	Alhaji	Director General	Federal Office of Statistics
506	Umeranyi	Ify	Mrs.	Director General	Consumer Protection Council
507	Umezunke	Tony	Hon.	Exec. Asst. Econ. Affairs	Imo State Government
508	Unuigbo	Charles	Engr.	Director (Highways) Planning & Design	Federal Ministry of Works
509	Usman	Rebo	Mr.	Special Adviser	Governor's office
510	Usman	Bagudu	Alh	Hon. Comm (Eco. Planning & Budget)	Nasarawa State Government
511	Usoro	Mfon Ekong	Mrs.	Managing Partner	Paul Usoro & Co.
512	Uzokwe	E. C.	Mr.	Perm. Secretary, Econs Affairs Bureau	Imo State Government
513	Verghese	Varkey	Mr.	MD/CEO	Jawa International Limited
514	Waziri	J. D.	Aih.	Group Exec. Director (E & A)	N N P C
515	Weeks	Milton	Mr.	MD/CEO	Stanbic Bank Nigeria Limited
516	Wehbe	Taial	Mr.	Managing Director	Digiprints International Ltd.
517	Williams	Ifeanyi Solomon	Dr.	Asst. Chief Res. Officer	NARICT
518	Williams	Mina	Mrs.	Nigerian Content Coordinator	Total
519	Wimaladharna	Jan	Mr.	Private Sector Advisor	DFID
520	Wright	Modupe Abiodun	Mrs.	Director	Bureau of Public Enterprises (BPE)
521	Wyatt	David	Mr.	Deputy High Commissioner	British Deputy High Commission
522	Yabo	Abubakar Aliyu	Engr	Director ( Finance & Supplies)	Federal Ministry Of Women Affairs
523	Yahaya	Sulaiman	Mr.	Director	Min. of Int. Govt. Affairs, Youth Dev. & Special Duties
524	Yahaya	Umar I	Mr.	Executive Director	First Bank of Nigeria Ptc
525	Yahaya	Muhammad I. Mohammed Inuwa	Alh.	Chairman / CEO	NUB International Bank Limited
526	Yahya	Robin Hamman	Alhaji	Commissioner of Finance	Gombe State Govt.
527	Ydhanha	Robin Hamman	Mr	General Manager	Nigerian Bank for Commerce & Industry
528	Zarewa	Abubakar	Mr.		Federal Office of Statistics
529	Zimburg	Albrecht	Dr.	Commercial Counsellor	Austrian Embassy

## Appendix D: List of members of the media

S/N	Surname	Other Names	Title	Designation	Company
1	Abdullahi	Kabir	Mr.	Journalist	Government House Bauchi
2	Adeniyi	Tunde	Mr.	Photo Journalist	BusinessDAY Newspaper
3	Adesina	Lara	Mrs.	Project Coordinator	Foreign Investment Network
4	Agba	David	Mr.	Reporter	Champion Newspapers
5	Aghaeze	Sunday	Mr.	Photo Editor	THISDAY
6	Ajayi	Dupe Cynthia	Ms.	Business Correspondent	Agent Franca Press (AFP)
7	Akinola	Oladokun	Mr.	Photo Journalist	Financial Standard
8	Akintunde	Oluayinka	Mr.	Chief Correspondent	Punch Nigeria Limited
9	Alumuna	I. K.	Mr.	Cameraman	Polystar
10	Anuforo	Emeka	Mr.	Reporter	The Guardian Newspapers
11	Anwaya	Cletus	Mr.	Business Editor (Abuja)	THISDAY
12	Badejo	Ademuyiwa	Mr.	Assistant Editor	BusinessDAY Newspaper
13	Balogun	Oia	Mr.	Film Director	Polystar
14	Dare	Boiodun	Mr.	Reporter	FRCN (Network)
15	Dubois	Camille	Miss	Journalist	World Report - The Independent
16	Duru	Innocent Uchechukwu	Mr.	National Planning Commission	NPC
17	Eboh	Camillus	Mr.	Reporter	Reuters Abuja
18	Echebiri	Ray	Mr.	Editor	Financial Standard
19	Egbochuku	Stanley	Mr.	Editor-in-Chief	BusinessDAY Media Ltd
20	Egbunike	Olisa	Mr.	Desk Editor	News Agency of Nigeria
21	Ekong	Joseph	Mr.	Publisher	Sweet World Magazine
22	Esan	Sunday	Mr.	Snr. Finance Correspondent	Daily Independent
23	Etefia	Godwin	Mr.	Head, Economic Desk	Voice of Nigeria
24	Ewulu	Bright	Mr.	Deputy Group Business Editor	Daily Trust Newspaper
25	Famakinwa	Samuel	Mr.		THISDAY
26	Haastруп	Folashade	Mrs.	Manager, News	NTA News Directorate
27	Heine	Luke	Mr.	Journalist	World Report - The Independent
28	Ilegbodu	Justin	Mr.	Press Cameraman	Office of the Economic Adviser
29	Inokotong	Joseph	Mr.	Business Editor	Abuja Inquirer Newspaper
30	Jibrin	Abubakar	Mr.	Publisher	Sweet World Magazine
31	Liman	Auwal	Mr.	Cameraman	Government House Bauchi
32	Nnadi	Chidi	Mr.	Chief Business Correspondent	The Sun Newspapers
33	Ogbu	Chijama	Mr.		Punch Lagos
34	Ogbu	Chijama	Mr.	Business Editor	Punch
35	Ogidan	Ade	Mr.	Business Editor	The Guardian Newspapers

## Appendix D: List of members of the media (cont'd)

36	Ogoegbulam	Simeon	Mr.	Head Northern Operations	Financial Standard, Abuja
37	Okoro	Ugo	Mr.		Voice of Nigeria
38	Okwe	Mathias	Mr.	Correspondent	The Guardian Newspapers
39	Oloko	Ogadegbor		Correspondent	Federal Ministry of Information
40	Opue	Tommy	Mr.	Photographer to the EA	Office of the Economic Adviser
41	Osula	Johnson	Mr.	Head Business Desk	AIT Lagos
42	Scarso	Federica	Miss	Jornalist - Project Coordinator	World Report - The Independent
43	Shibron	Estelle	Ms.		Reuters
44	Subair	Abass Dan	Mr.	Business Correspondent	Nigerian Tribune
45	Tiro	Maikori Amina	Miss	News Correspondent	Cool FM, 96.9
46	Turnwase	Busolami	Miss	Correspondent	AIT, Abuja
47	Uba	Yakubu	Mr.	Reporter	Government House Bauchi
48	Ujah	Emma	Mr.	Correspondent	Vanguard Newspapers
49	Umar	John	Mr.	Cameraman	Daar Communication, AIT/Ray Power
50	Umoren	Friday A.	Mr.	Economic Adviser's Office	NPC
51	Unokanjo	Anthony Uche	Mr.	Business Editor (Abuja)	Policy Magazine
52	Usman	Yusuf	Mr.	Reporter II	Kapital FM 92.9
53	Uzoh	Chuka	Mr.	Business Editor	F R C N
54	Uzuena	Pat	Mrs.	Editor	Business Outlook

## **Appendix E: Sponsorship**

Contributions were received from the following organizations:

### **Official Partners**

Shell Petroleum Development Company

MTN Nigeria

First Bank of Nigeria Plc

Seven-Up Plc

### **Event Sponsors**

Intercontinental Bank Plc

NAL Bank Plc

Guinness

Cadbury Plc

National Pensions Fund

NNPC

NLNG

Accenture

ChevronTexaco

IRS Airlines

Oando Plc

### **Support/Assistance in kind**

In addition , other organizations provided facilities, materials, equipment , seconded staff and also offered preferential discount rates for services rendered. These organizations include:

Bellview Airlines

CAP Plc

Ecobank

Banwo and Ighodalo

Zenith bank

Vigeo Ltd

Vic Lawrence Associates

Digi Prints International

Guarantee Trust Bank

DN Meyer

Nigerian Breweries

Chellarams

Schlumberger

IBTC

Phillips Consulting

We acknowledge their support and hereby express our gratitude to all of them for their contribution towards the success of NES #11.

## Acronyms

ADP	Agricultural Development Programme
AIEA	African Institute for Applied Economics Research
AIST	African Institute of Science and Technology
APRM	African Peer Review Mechanism
ATV	Abuja Technology Village
AU	African Union
BIPP	Bankable Investment Project Profiles
BIPPS	Bankable Investment Project Profiles
BOI	Bank of Industry
BPE	Bureau of Public Enterprises
CAADP	Comprehensive African Agricultural Development Programme
CAADP	Comprehensive African Agricultural Development Programme
CBN	Central Bank of Nigeria
CET	
CFA	Commission for Africa
CIBN	Chartered Institute of Bankers of Nigeria
DFPRI	Directorate for Food and Rural Infrastructure
DFID	Department for International Development
ECOWAS	Economic Community of West African States
EEG	Export Expansion Grant
EFCC	Economic and Financial Crimes Commission
EPSR Act	Energy and Power Sector Reform Act
EPSRA	Electric Power Sector Reform Act
EPZ	Export Processing Zone
ETF	Education Tax Fund
FDI	Foreign Direct Investment
FDI	Foreign Direct Investments
FITC	Financial Institution Training Center
FOS	Federal Office of Statistics
GDP	Gross Domestic Product
ICASA	International Conference on Aids and Sexually Transmitted Infections
inAfrica	
ICPC	Independent Corrupt Practice Commission
ICRC Bill	Infrastructure Concession and Regulatory Commission Bill
IFIM	Incentive Funding Investment Model
IPP	Independent Power Producers
ITF	Industrial Training Fund
LEEDS	Local Economic Empowerment and Development Strategy
LNG	Liquefied Natural Gas

LPG	Liquefied Petroleum Gas
MTEF	Medium – Term Expenditure Framework
MW	Mega Watts
NAFDAC	National Agency for Food Drug Administration and Control
NAFPP	National Food Production Programme
NAICOM	National Insurance Commission of Nigeria
NALDA	National Agricultural Land Development Authority
NAPEP	National Poverty Eradication Programme
NARI	Nigerian Agriculture Research Institute
NASS	National Assembly
NCC	Nigerian Communication Commission
NDDC	Niger Delta Development Commission
NDE	National Directorate Of Employment
NEC	Nigerian Exchange Commission
NEI	Nucleus Estate Initiative
NEPA	National Electric Power Authority
NEPAD	New Partnership for African Development
NEPC	Nigerian Export Promotion Council
NERC	National Electric Regulatory Commission
NES	Nigerian Economic Summit
NESG	Nigerian Economic Summit Group
NHIS	National Health Insurance Scheme
NHIS	National Health Insurance Scheme
NITDA	National Technology
NITEL	Nigeria Telecommunications Limited
NMITP	National Medium-Term Investment Programme
NMTIP	National Medium – Term Investment Programme
NNPC	Nigerian National Petroleum Corporation
NRC	Nigerian Railway Corporation
NSE	Nigerian Stock Exchange
NSITF	National Social Insurance Trust Fund
NYSC	National Youth Service Corps
ODI	Overseas Development Institute
OFN	Operation Feed the Nation
OLED	Organic Light Emitting Devices
PETRONAS	PETRONAS
PFC	Pension Fund Custodian
PHCN	Power Holding Company of Nigeria
PPMC	Petroleum Products Marketing Company
PPP	Public – Private Partnership



RBDA	River Basin Development Authority
S&T	Science and Technology
SEEDS	State Economic Empowerment and Development Strategy
Servicom	Service Compact
SMEDAN	Small and Medium Enterprises Development Agency of Nigeria
TCP	Technical Cooperation Programme
UBE	Universal Basic Education
UNCAC	United Nations Convention against Corruption
UNESCO	United Nations Educational, Scientific and Cultural Organisation
UNITRUST	
USAID	United States Agency for International Development
VAT	Value Added Tax
WTO	World Trade Organisation

The Report on the Eleventh Nigerian Economic Summit with the theme: "Building Momentum for Economic Transformation and Growth" was a clear consensus by public and private sector stakeholders on using the NEEDS programme to effectively mobilize support for government's actions in building sufficient momentum for transformation and growth in the economy.

The eleventh summit emphasizes the need to adopt cross-sectoral approach to growth platforms and deepen the public-private sector partnership, in order to build momentum in necessary and sufficient quantum to sustain and improve upon the progress achieved so far, and to facilitate greater impact of the on-going reforms.

It acknowledges as most significant the seamless integration of the shared vision of the enduring public-private sector partnership - which the first NES engendered in 1993 - into the NEEDS vision. In seeking to evaluate the progress made against the terminal date of phase one of NEEDS, NES #11 recommends the need to fast track implementation and Prioritize programmes.