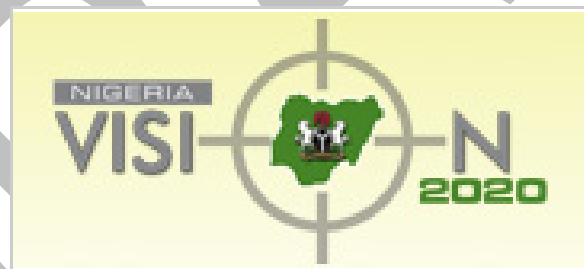




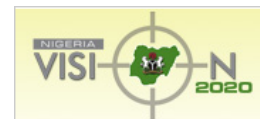
## **Nigeria Vision 20: 2020**

### **Economic Transformation Blueprint**



October 2009

**DRAFT: NOT FOR CIRCULATION**



## TABLE OF CONTENTS

INTRODUCTION .....	7
EXECUTIVE SUMMARY.....	9
<b>1.1 SECTION 1 – THE VISION AND DEVELOPMENT PRIORITIES.....</b>	<b>19</b>
<b>1.1. Defining NV20:2020.....</b>	<b>19</b>
1.1.1. <i>The Vision and National Aspirations.....</i>	19
<b>1.2. The Strategic Framework for NV20:2020 .....</b>	<b>21</b>
<b>1.3. Imperatives for Nigeria’s Economic Transformation .....</b>	<b>24</b>
1.3.1. <i>The Burning Platform for Change .....</i>	24
1.3.2. <i>The Economic Growth Challenge.....</i>	25
1.3.3. <i>Domestic Constraints to Growth and Development .....</i>	27
1.3.4. <i>The Challenge of Growth in the Emerging Global Landscape.....</i>	30
<b>1.4. The Dream Economy – Our Economic Aspirations .....</b>	<b>35</b>
1.4.1. <i>Envisioned Economic Size &amp; Structure .....</i>	35
1.4.2. <i>Macroeconomic Strategies and Policy Thrusts .....</i>	37
1.4.3. <i>Key Growth Drivers &amp; Sectors of Strategic Focus.....</i>	41
<b>1.5. Critical Policy Priorities.....</b>	<b>44</b>
<b>2.1 SECTION 2 – GUARANTEEING THE WELL-BEING AND PRODUCTIVITY OF THE PEOPLE.....</b>	<b>51</b>
2.1. <i>Eradicate extreme hunger and poverty .....</i>	54
2.2. <i>Enhance access to quality and affordable healthcare .....</i>	58
2.3. <i>Provide sustainable access to potable water and basic sanitation .....</i>	61
2.4. <i>Provide accessible and affordable housing.....</i>	62
2.5. <i>Build human capacity for sustainable livelihoods and national development.....</i>	65
2.6. <i>Promote gender equality and empower women .....</i>	77
2.7. <i>Improve access to micro-credit.....</i>	79
2.8. <i>Foster a culture of entertainment and recreation for enhanced productivity .....</i>	82
<b>3.1 SECTION 3 – OPTIMISING THE KEY SOURCES OF ECONOMIC GROWTH .....</b>	<b>88</b>
3.1. <i>Stimulate primary production to enhance the competitiveness of Nigeria’s real sector .....</i>	89
3.2. <i>Significantly increase production of processed and manufactured goods for export.....</i>	97
3.3. <i>Stimulate domestic and foreign trade in value-adding products and services .....</i>	111
3.4. <i>Strengthen linkages between key sectors of the economy.....</i>	119
<b>4.1 SECTION 4 – FOSTERING SUSTAINABLE SOCIAL AND ECONOMIC DEVELOPMENT .....</b>	<b>126</b>



4.1. Develop efficient, accountable, transparent and participatory governance .....	129
4.2. <i>Establish a competitive, private sector led business environment characterized by sustained macroeconomic stability</i> 135	
4.3. <i>Enhance national security and improve the administration of justice</i> .....	137
4.4. <i>Promote unity in diversity, national pride, and the conservation of the nation’s cultural heritage</i> .....	140
4.5. <i>Develop sufficient and efficient infrastructure to support sustained economic growth</i> .....	142
4.6. <i>Preserve the environment for sustainable socio-economic development</i> .....	152
4.7. <i>Promote the sustainable development of Nigeria’s geo-political regions into economic growth poles</i> .....	154
<b>5.1 SECTION 5 – BUILDING THE FUTURE: MAKING THE VISION A REALITY .....</b>	<b>164</b>
<b>5.1. Translating Strategic Intent into Action and Results .....</b>	<b>164</b>
<b>5.2. Strategy Into Action: Nigeria’s Current Position .....</b>	<b>167</b>
5.2.1. <i>Strategy Into Action: Analysis of local capabilities against best practices</i> .....	167
5.2.2. <i>Review of Existing Planning &amp; Budgeting Arrangements</i> .....	170
5.2.3. <i>Review of Existing Monitoring &amp; Evaluation Arrangements</i> .....	171
5.2.4. <i>Strategy Into Action: Key Issues &amp; Associated Imperatives</i> .....	174
<b>5.3. Linking the Vision to the Instruments of Execution.....</b>	<b>176</b>
5.3.1. <i>Planning &amp; Budgeting Framework for Implementing NV20:2020</i> .....	176
<b>5.4. Institutionalizing Monitoring &amp; Evaluation in Nigeria .....</b>	<b>178</b>
5.4.1. <i>Institutionalizing M&amp;E in Nigeria: Overview &amp; Guiding Principles</i> .....	178
5.4.2. <i>Institutional Framework</i> .....	180
5.4.3. <i>Operational Framework</i> .....	185
5.4.4. <i>Legal Framework</i> .....	200
<b>5.5. Other Implementation Considerations for NV 20:2020.....</b>	<b>203</b>
5.5.1. <i>The Virtuous Circle</i> .....	203
5.5.2. <i>Legal Requirements for NV20:2020</i> .....	204
5.5.3. <i>Role of Public Service</i> .....	207
5.5.4. <i>Critical Capability Requirements</i> .....	208
<b>5.6. Forging Ahead and Next Steps.....</b>	<b>210</b>
<b>LIST OF ACRONYMS .....</b>	<b>211</b>
<b>SELECT REFERENCES.....</b>	<b>214</b>
<b>ANNEXES .....</b>	<b>216</b>
<i>Annex I: List of the National Technical Working Groups (NTWGs)</i> .....	217
<i>Annex II: List of the Special Interest Groups (SIG)</i> .....	218

**LIST OF TABLES**

Table 2-1 Human Development Index: Nigeria Vs. Other Countries ..... 13

Table 1-1 Economic Characteristics Of Nigeria And The Bottom Five Of The Top 20 Economies ..... 36

Table 1-2 Optimal Structure Of National Output By 2020 Versus Existing Structure ..... 37

Table 1-3 Sectoral Contributions To GDP, 1999-2008 ..... 41

Table 2-1 Human Development Index: Nigeria Vs. Other Countries ..... 51

Table 2-2 Human Development Index - Nutritional Status..... 54

Table 2-4 Areas Of Focus For Education Delivery At Different Levels ..... 69

Table 2-5 Areas Of Focus For Youths Development ..... 72

Table 2-6: Areas Of Focus For People With Disability (PWDs)..... 75

Table 3-1 Manufacturing In Nigeria Vs Benchmark Countries..... 98

Table 3-3 Priority Industries Within The Manufacturing Sector ..... 104

Table 3-4 Targeted Exports: Priority Manufacturing Subsectors, Products And Potential Markets..... 114

Table 5-1: Strategy Into Action: Assessment Of Current Capabilities In Nigeria ..... 168

DRAFT

**LIST OF FIGURES**

Figure 1-1 Strategic Framework for NV20:2020 ..... 21

Figure 1-2 GDP, Oil and Non-Oil Growth Rates at 1990 Constant Basic Prices ..... 26

Figure 1-3 GDP Growth Rates: Developed Vs. Emerging Countries..... 31

Figure 1-4 Sectoral Growth Drivers and Major Retarder ..... 42

Figure 1-5 Sectoral Distribution of Gross Domestic Product, 1999 - 2008 ..... 43

Figure 2-1 Strategic Framework for Guaranteeing the Productivity and Wellbeing of our people..... 53

Figure 2-4 Number of persons per household - Nigeria vs. other countries ..... 63

Figure 2-5 Progression from primary schooling to secondary schooling..... 66

Figure 2-6 Women participation in politics ..... 77

Figure 2-7 Total female enrolment in primary schools in comparison to male ..... 78

Figure 2-9 Percentage distribution of male versus female working population by employment status..... 79

Figure 2-10 Total number of microfinance banks by zone ..... 80

Figure 3-1 National Mineral Demand versus National Production ..... 90

Figure 3-2: Crop Yield in Nigeria versus Potential Yield (Metric Tons) ..... 92

Figure 3-3: Livestock Production Levels (Thousand Metric Tons) ..... 93

Figure 3-4: Fisheries Production (Million metric Tons)..... 93

Figure 3-5: Nigeria Trade Structure by Product Group – Exports (%) ..... 97

Figure 4-1 Strategic Framework for Fostering Sustainable Social and Economic Development ..... 128

Figure 4-2 Governance Indicator Rankings for Nigeria, 1996 and 2008 ..... 129

Figure 4-3 Challenges of Doing Business in Nigeria ..... 135

Figure 24-5: Framework for Regional Development in Nigeria ..... 158

Figure 5-1 Translating intent to results – key management processes ..... 165

Figure 5-2: Illustration of current position of monitoring and evaluation ..... 172

Figure 5-3: NV 20:2020 Planning & Budgeting Framework ..... 177

Figure 5-4: Value Creation in Public Service ..... 179

Figure 5-5: Examples of Singapore and Malaysia ..... 180

Figure 5-6: Governance Framework for Nigeria ..... 181

Figure 5-7: M&E across the three tiers of Government ..... 182

Figure 5-8: Operationalizing the Nigerian National M&E Framework ..... 187

Figure 5-9: Nigeria Strategy Map ..... 188

Figure 5-10: Sample KPIs defining the Strategic Outcome Universal Basic Education ..... 189

Figure 5-11: Illustrative outline for the Nigeria Country Report..... 192

Figure 5-12: MDA Scorecard .....194

Figure 5-13: Sample strategic themes dashboard .....196

Figure 5-14: Illustrative scorecard for Universal Primary Education strategic outcome .....197

Figure 5-15: Illustration of the MDA scorecard (Ministry of Education) .....199

Figure 5-16: The Virtuous Circle.....203

Figure 5-17: Role of Public Service.....207

DRAFT

## INTRODUCTION

The NV 20:2020 economic transformation blueprint is a long term plan for stimulating Nigeria's economic growth and launching the country onto a path of sustained and rapid socio-economic development. The blueprint articulates Nigeria's economic growth and development strategies for the eleven-year period between 2009 and 2020, and will be implemented using a series of medium term national development plans.

NV20:2020 is a rallying call for all Nigerians, regardless of ethnicity, economic status, or religion to unite and stand behind a common cause of placing the country firmly on a path of sustainable growth, and taking it to its rightful place in the comity of nations. The blueprint has therefore been designed to reflect accurately the collective interests of the people of Nigeria, using a bottom-up approach that is anchored on deep understanding of the aspirations of all Nigerian citizens, and knowledge of the future needs of the country. The vision is underpinned by the need to effectively and efficiently mobilise the nation's resources to serve and improve the lives of its citizens, and to respond appropriately to the growing challenges of an increasingly smaller, mutually dependent, and interconnected world.

NV20:2020 encapsulates the key principles and thrusts of the National Economic Empowerment and Development Strategy (NEEDS) and the Seven Point Agenda of the current democratic administration (2007 – 2011), situating both within a single, long term strategic planning perspective.

The development of the NV20:2020 blueprint commenced with the approval of the Framework for NV20:2020 at the apex of which was the National Council on NV20:2020 (NCV20:2020), by the Federal Executive Council. The NCV20:2020 was given the mandate to spearhead the development and implementation of the NV20:2020 Economic Transformation Plan in collaboration with the National Planning Commission.

The visioning process involved active participation and input from a broad spectrum of Nigerians. Experts from various ministries, agencies, state and local governments, representatives from the private sector, as well as development consultants and non-governmental organisations all participated in developing the blueprint. The effort was coordinated by the National Planning Commission, working with Messrs Accenture, a global management consulting firm.

The visioning process commenced with the development of comprehensive strategic plans for each sector of the economy at the conclusion of detailed diagnostic assessments and visioning sessions. The country was analysed across 29 thematic areas for this purpose and the effort was delivered through 29 National Technical Working Groups (NTWGs), comprising leading experts on each thematic area. Each of the NTWGs submitted strategic

plans that included sector specific visions, policy targets, objectives and priorities for their respective thematic areas and formulated strategies, initiatives and implementation plans. The rigorous strategy development effort undertaken by the NTWGs was also replicated in each State of the federation and each Ministry, Department and Agency (MDA) at the federal level, by Stakeholder Development Committees (SDCs) set up for this purpose. The development of strategic plans at the State and MDA levels which involved the facilitation of several interactive SDC workshops across the six geopolitical zones of the country was designed with a view to generate sufficient public dialogue and input into the process. The work of the NTWGs and SDCs was also complemented by twelve (12) Special Interest Groups (SIGs) to ensure that all relevant perspectives and stakeholders were included in the visioning process. The SIGs were made up of the Legislature, Judiciary, Media, Women, Youths, Traditional Rulers, Religious Groups, Security, Nigerians in Diaspora, Persons with Disability (PWD), Labour and the Civil Service. Responses from a call for memoranda from the general public were also relevant as input into the process.

To develop the final blueprint, two working groups were constituted. The first working group was mandated to develop a consistent macroeconomic framework to underpin the vision, and the second, the Central Working Group, to develop the first draft of the blueprint, using all the inputs received in the course of the visioning process. The Central Working Group developed the first draft of the NV20:2020 Economic Transformation Plan across the three broad themes defined as the central thrusts for the Vision.

The NV20:2020 Economic Transformation plan was developed for and by the Nigerian people. It realises the role Nigerian citizens' play in achieving the targets set forth by NV20:2020, and rightly places our citizens and their welfare at the forefront of the agenda. The Vision prioritises and offers strategies to drive the full realisation of Nigeria's potential and her emergence as one of the leading global economies in the world within the next decade.





## EXECUTIVE SUMMARY

### Overview of Nigeria Vision 20:2020

Vision 20:2020 is an articulation of the long-term intent to launch Nigeria onto a path of sustained social and economic progress and accelerate the emergence of a truly prosperous and united Nigeria. Recognising the enormous human and natural endowments of the nation, the blueprint is an expression of Nigeria's intent to improve the living standards of her citizens and place the country among the Top 20 economies in the world with a minimum GDP of \$900 billion and a per capita income of no less than \$4000 per annum.

#### The Vision Statement

**By 2020, Nigeria will have a large, strong, diversified, sustainable and competitive economy that effectively harnesses the talents and energies of its people and responsibly exploits its natural endowments to guarantee a high standard of living and quality of life to its citizens.**

Nigeria's targets for 2020 are based on a dynamic comparative analysis of the country's potential growth rate and economic structure vis-à-vis those of other Top 40 economies in the world. This implies that the Nigerian economy must grow at an average of 13.8 per cent during the time horizon, driven by the agricultural and industrial sectors over the medium term while a transition to a service-based economy is envisaged from 2018.

Fundamental to the Vision are two broad objectives – optimizing human and natural resources to achieve rapid economic growth, and translating that growth into equitable social development for all citizens. These aspirations are defined across four dimensions:

- **Social Dimension:** A peaceful, equitable, harmonious and just society where every citizen has a strong sense of national identity and citizens are supported by an educational and healthcare system that caters for all, and sustains a life expectancy of not less than 70 years
- **Economic Dimension:** A globally competitive economy that is resilient and diversified with a globally competitive manufacturing sector, that is tightly integrated and contributes no less than 25% to Gross Domestic Product

- **Institutional Dimension:** A stable and functional democracy where the rights of the citizens to determine their leaders are guaranteed, and adequate infrastructure exists to support a market-friendly and globally competitive business environment
- **Environmental Dimension:** A level of environmental consciousness that enables and supports sustainable management of the nation's God-given natural endowments to ensure their preservation for the benefit of present and future generations.

### Why Vision 20:2020?

The need for a holistic transformation of the Nigerian state has assumed an urgent and critical dimension in the course of the last two decades. Notable is the increasing relevance of Nigeria as a leading emerging market albeit with under-utilised potential. With the return to democratic rule in 1999, and the gradual re-building of civil institutions and a vibrant market economy, the feasibility of Nigeria assuming a key position as a global economic power and a catalytic hub for development in Africa has become more profound. Using an all-inclusive consultative process involving over 1,000 of the nation's leading professionals and thinkers, Vision 20:2020 is an authentic blueprint by the Nigerian people to set for themselves a stretch target to transform the lives of the average Nigerian, and by implication the Nigerian economy.

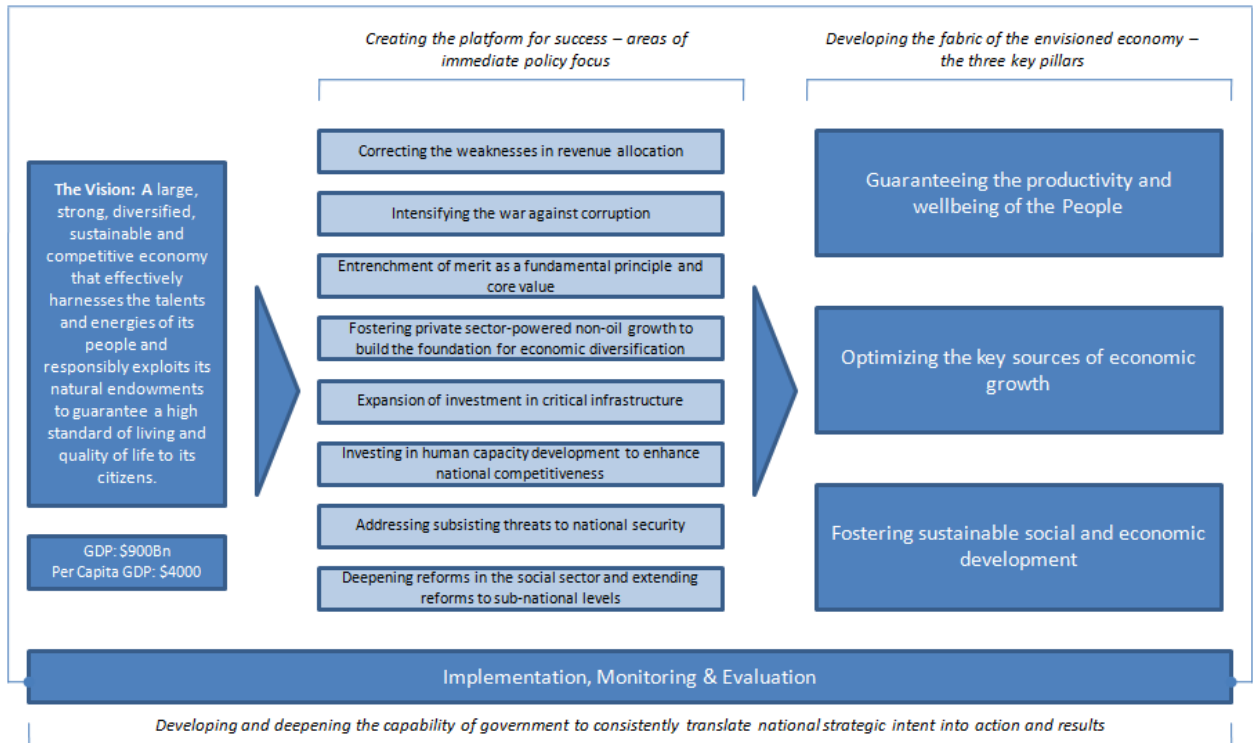
### The roadmap for Nigeria's economic transformation: How Vision 20:2020 will be realized

The economic transformation strategy for Nigeria is anchored upon three overarching thrusts:

1. Creating the platform for success by urgently and immediately addressing the most debilitating constraints to Nigeria's growth and competitiveness;
2. Forging ahead with diligence and focus in developing the fabric of the envisioned economy by:
  - a. *Aggressively pursuing a structural transformation from a mono-product economy to a diversified, industrialized economy;*
  - b. *Investing to transform the Nigerian people into catalysts for growth and national renewal, and a lasting source of comparative advantage; and*
  - c. *Investing to create an environment that enables the co-existence of growth and development on an enduring and sustainable basis.*

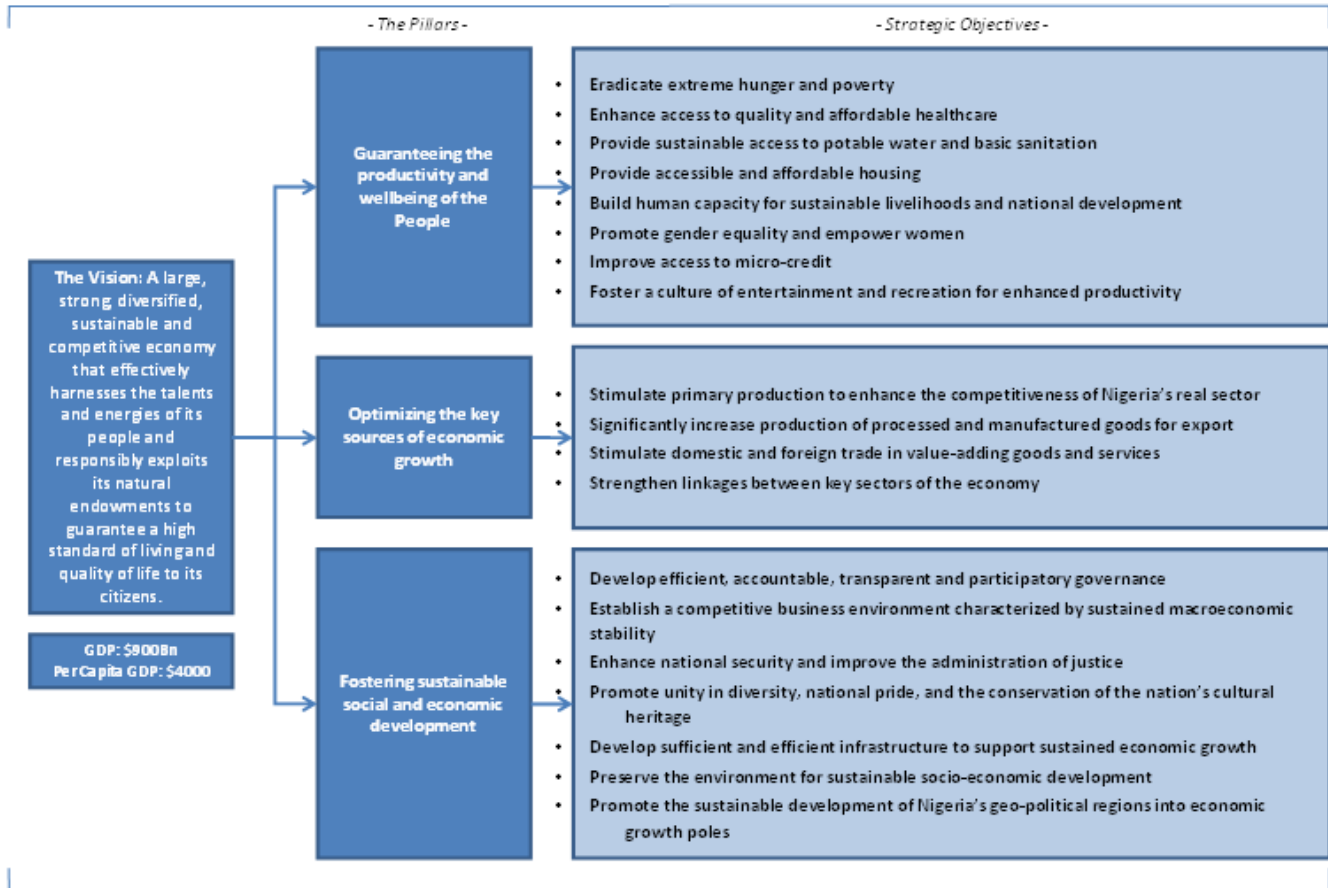


3. Developing and deepening the capability of government to consistently translate national strategic intent into action and results by instituting evidence-based decision making in Nigeria’s public policy space.

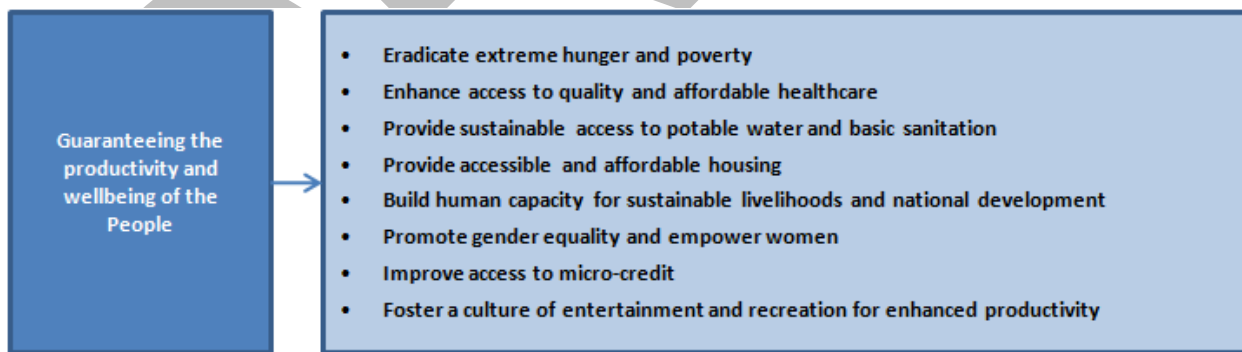


**Developing the fabric of the envisioned economy – Three pillars of Vision 20:2020**

The three pillars of Vision 20:2020 represents the building blocks of the future that Nigerians desire. The key strategic objectives of these pillars are outlined below:



*Pillar I: Guaranteeing the Productivity & Wellbeing of Our People*



Vision 20:2020 is anchored on the recognition that the people are the most essential assets of any nation. With a teeming and vibrant population of over 140 million people, Nigeria represents one of the largest markets in the developing world. Transforming Nigeria's people into catalysts for growth and national renewal, and a lasting source of comparative advantage is the essence of this pillar of Vision 20:2020.

Given the nation’s history of wide income inequality, which has manifested in large-scale poverty, unemployment and poor access to healthcare, the disconnect between our economic growth and human development has to be addressed to increase the well-being and ultimately labour productivity of our people.

Nigeria currently ranks 158 out of 177 economies on the Human Development Index (HDI 2008), despite her rich cultural endowment and abundant human and natural resources.

**Selected Human Development Indicators: Nigeria vs. Other Selected Countries**

HDI Rank	Country	Life expectancy at birth (years) 2005	*Under-five mortality rate (per 1,000 births) 2005	*Population under-nourished (% of total population) 2002/2004	Combined Gross Enrolment Ratio for primary, secondary and tertiary education (%) 2005	*Population below income poverty line (%)	
						\$1 a day	\$2 a day
81	China	72.5	27	12	69.1	9.9	34.9
107	Indonesia	69.7	36	6	68.2	7.5	52.4
158	Nigeria	46.5	194	9	56.2	70.8	92.4
159	Tanzania	51.0	122	44	50.4	57.8	89.9

Source: Human Development Index Report 2007/2008

\*MDG Indicator, \*\* na: not applicable

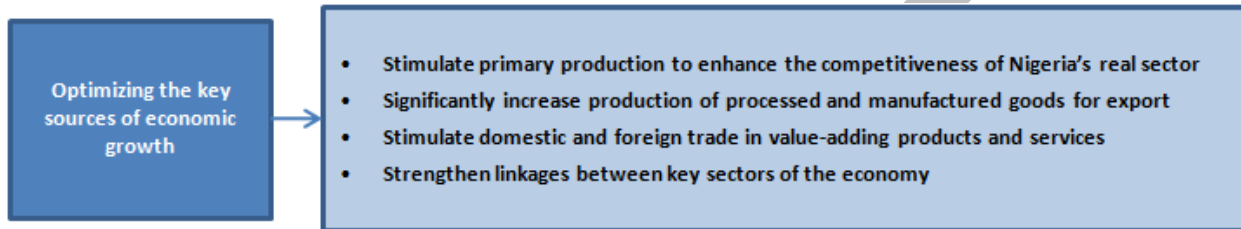
Vision 20:2020 recognises the criticality of attaining the 2015 Millennium Development Goals and improving the wellbeing of our populace, especially the under-privileged, including women and children.

To attain our people-oriented goals, Vision 20:2020 seeks amongst others to:

- Adopt a decentralised approach to the development and implementation of pro-poor programmes
- Reform the educational system in conjunction with states and local governments to enforce completion of the mandatory nine-year Universal Basic Education program, while building new capacity in technical and vocational education
- Support small scale and rural farmers while sustaining the renewed national focus on commercial agriculture
- Encourage population control measures to reduce the massive demand-pull on existing resources
- Expand and enhance the primary health care system to improve access to health for all citizens while improving on the national health database as a tool for proactive health delivery planning

- Improve the availability, affordability, and transferability of housing units in the country through developing a new land administration and land title transfer system
- Develop an effective primary housing finance system, and facilitate linkage of that market to the capital market to provide long-term mortgage finance

*Pillar II: Optimizing the Key Sources of Economic Growth*

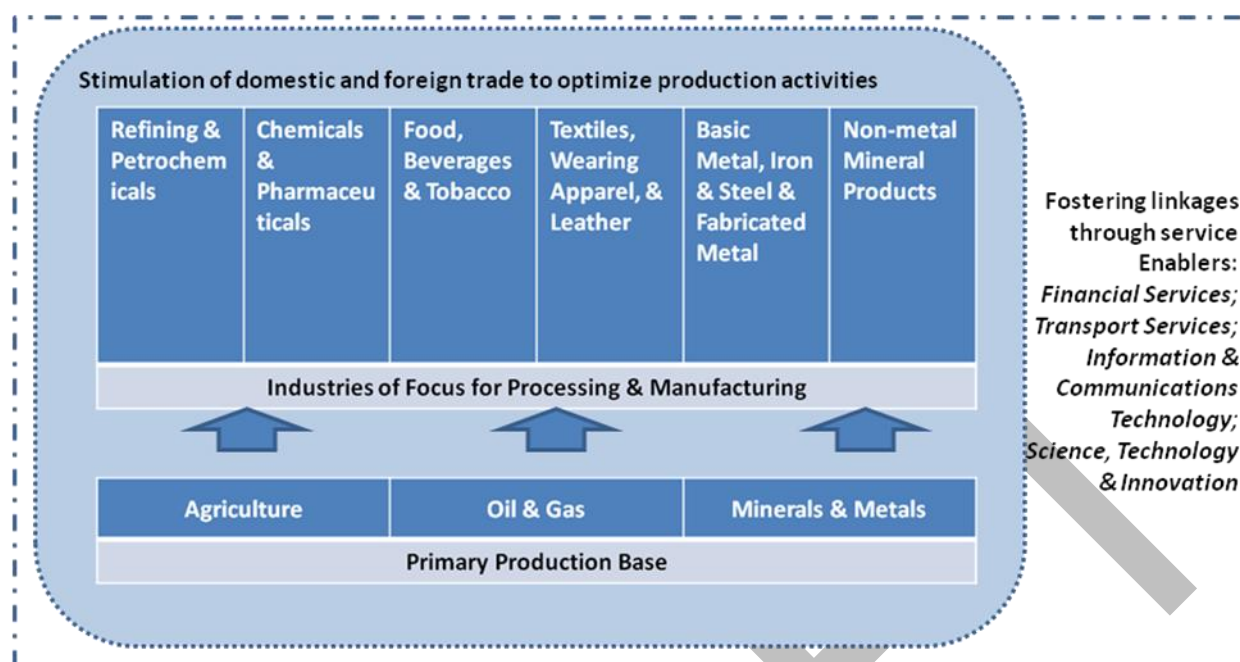


Vision 20:2020 has a clear economic growth imperative, which requires a rapid industrialisation of the Nigerian economy. Nigeria's growth strategy will be underpinned by a drive to optimize the strategic drivers of economic growth for which the nation has already achieved considerable industrial maturity and unlock the potential of other sources of economic growth that currently remain under-exploited. The strategies to achieve this structural transformation are the essence of this pillar of Vision 20:2020.

The fundamental objectives of the economic growth requirements of the Vision are:

- Economic diversification away from a mono-product, oil-dependent economy
- Transformation of the structure of exports from primary commodities to processed and manufactured goods
- Attainment of high levels of efficiency and productivity, in order to be globally competitive

As depicted above, Nigeria's industrialisation strategy is four pronged. The first element is the achievement of significant improvements to the quantum and structure of primary production base to reduce the cost of input materials required in the secondary sector. The second element, which derives from the first, is the achievement of global competitiveness in the production of specific processed or manufactured goods. Industrial specialization is critical to this objective, and Nigeria will anchor its industrial growth on six industries in which comparative advantage can easily be achieved due to the existence of primary resource and location advantages. The third element is the stimulation of domestic and foreign trade in value-adding goods and services, and the fourth is to foster strong linkages among all sectors of the economy.



*What will be done differently to optimize her sources of economic growth?*

Nigeria's strategy to achieving success in this pillar will be underpinned by two key departures from the past: Integrating Sectoral Planning, and adopting a Cluster-based approach to Industrialisation.

Vision 20:2020 will ensure proper integration of sectoral strategies to enhance linkage and realize potential synergies amongst the nation's growth sectors. By focusing on initiatives that will foster effective linkage of these input sectors to the domestic industry, Nigeria will unlock the latent potential of her primary resource advantage. Inter-sector strategies will therefore be designed to maximize the synergies that exist among the various sectors of the Nigerian economy.

To support the attainment of her industrialisation ambition, industrial clusters will be built in each of the nation's geo-political zones. These clusters would be built around different sectors based on the economic geography of the geo-political zones. The 'hub – and – spoke' industrialisation approach will leverage the economies of scale and scope; and the critical mass of economic activity to catalyze development across the nation. The development of necessary infrastructure for these industrial clusters, leveraging private sector collaboration, will be a top priority of the Government under Vision 20:2020.

*Pillar III: Fostering Sustainable Social & Economic Development*



The third pillar of Vision 20:2020 is anchored on the need to create an environment that enables the co-existence of growth and development on an enduring and sustainable basis in Nigeria.

Over the years, Nigeria has experienced modest economic growth, driven primarily by the non-oil sector. The oil boom and associated income derived from oil exports have not translated into sustainable development and wealth for its citizens. The key challenges facing the sustainable social and economic development of Nigeria are the weak infrastructure base, especially power and transport, corruption, macroeconomic instability, security of lives and properties, over-dependence on oil revenues and poor governance.

The major flaws in policy reforms and programmes developed over the years include corruption, lack of continuity in policy implementation, inappropriate fiscal and macroeconomic policies, ethnic and political division leading to instability of the political and social environment. The broad philosophical principles underlying the recommendations targeted at fostering sustainable social and economic development in Nigeria are :

- A redistributive fiscal policy which will improve the revenue profiles of sub-national governments.. This will encourage the states and local governments to look inwards for fiscal sustainability.
- Government's involvement in the provision of critical infrastructure (power and transport) will be gradually reduced and the focus will be on creating an enabling environment for private sector participation.

Strengthening our democratic governance will involve tackling our perennial challenge of conducting free and fair elections while instituting a system of government that is transparent and accountable.

Key emphasis would also include:



- Tackling corruption. NV20:2020 aims to stamp out corruption from Nigeria and improve Nigeria's ranking on the corruption perception index to 60 by 2015 and 40 by 2020. The root causes of corruption in Nigeria have been identified as social insecurity and over – centralisation of activities in the Federal Government, and government will deal with these underlying issues and not just the symptomatic manifestations of corruption.
- Enabling the power sector to deliver sustainable adequate, qualitative, reliable and affordable power in a deregulated market, while optimizing the on- and off-grid energy mix. It is expected that the electricity supply industry will be private sector led with government providing an appropriate legal and regulatory environment for private capital investment. An analysis of the power generation capacity required to support the Vision 20:2020 economic vision shows that, Nigeria will need to generate electricity in the range of about 35,000MW by 2020.
- Promoting the sustainable development of Nigeria's geo-political regions into economic growth poles to facilitate equitable development.

#### **From visioning to action: ensuring that Vision 20:2020 is implemented**

Deepening the ability of Government at both state and federal levels, to consistently translate strategic intent into action and results on a permanent basis, is recognized as the single most important factor in making Vision 20:2020 a reality. Recognizing Nigeria's limited success with implementation and execution of previous plans, four clear imperatives will underpin Nigeria's efforts at making Vision 20:2020 a reality.

1. Ensuring that the vision is clearly linked to existing mechanisms for execution (medium term development plans and expenditure frameworks, medium term sector strategies and annual budgets).
2. Institutionalizing monitoring and evaluation across all levels of government to improve their capability to translate all strategic plans and programs into outcomes and impacts, including those of Vision 20:2020.
3. Deployment of legislative instruments to ensure adherence to the NV20:2020 plan and institutionalize specific reforms recommended in the plan.
4. Defining a clear strategy for mobilizing the citizenry towards greater demand for performance and accountability using Vision 20:2020 as a guiding light.



To achieve the above critical imperatives, Vision 20:2020 will be implemented through three medium term national development plans (5<sup>th</sup> NDP:2009-2012; 6<sup>th</sup> NDP:2013 – 2016; and 7<sup>th</sup> NDP:2017 – 2020), which will detail specific goals, strategies and performance targets for all sectors of the economy, in line with the overall strategy and principles of Vision 20:2020.

The institutionalization of monitoring & evaluation across all levels of government in Nigeria is the second critical lever in implementing the vision. An integrated national M&E system will be created for this purpose and to ensure the success of this system, executive level demand for M&E information will be generated through legislative instruments that include the annual presentation of the national performance report by the President to a joint session of the two chambers of the National Assembly.

Ultimately, Vision 20:2020 is a politically-neutral intent by the Nigerian people to “harness the resources of the nation and promote national prosperity, and an efficient, dynamic and self-reliant economy” as stated in our Constitution.

In addition to strong implementation, monitoring and evaluation, which would include reforming the central planning authority and the civil service, the proposed Vision 20:2020 legislation and the draft Project Implementation Continuity Act will compel all tiers of government to have a multi-year development plan and to implement identified programs and projects right through the cycle.

The three prongs of a stronger implementation and monitoring institution, adequate legal backing to the Vision with sanctions for non-compliance, in addition to the collective goodwill of our people would be the key success factors that would translate our Vision into reality.



## SECTION 1 – THE VISION AND DEVELOPMENT PRIORITIES

### 1.1. Defining NV20:2020

#### 1.1.1. The Vision and National Aspirations

**By 2020, Nigeria will have a large, strong, diversified, sustainable and competitive economy that effectively harnesses the talents and energies of its people and responsibly exploits its natural endowments to guarantee a high standard of living and quality of life to its citizens.**

This Vision reflects the intent of the Federal Republic of Nigeria to become one of the top twenty economies in the world by the year 2020, with an overarching growth target of no less than \$900 billion in GDP and a per capita income of no less than \$4000 per annum. The overarching targets of NV20:2020 are indicative of Nigeria's desire to achieve two broad objectives over the medium to long term:

1. Optimise her human and natural resource potential to achieve rapid and sustained economic growth; and
2. Translate economic growth into equitable social development that guarantees a dignified and meaningful existence for all her citizens

The Vision is encapsulated in a set of national aspirations which describe the desired end-state for the year 2020. These aspirations are defined across four dimensions:

#### 1. Social Dimension

- A peaceful, equitable, harmonious and just society where every citizen has a strong sense of national identity and belonging, is truly valued by the state, and is adequately empowered and motivated to contribute to the task of nation building.
- A healthy and economically productive population that is growing at a sustainable pace, supported by a healthcare system that caters for all, sustains a life expectancy of not less than 70 years and reduces to the barest minimum the burden of infectious and other debilitating diseases
- A modern and vibrant educational system that meets international standards of quality education; is accessible, and adequately aligned to the changing needs of the society and the demands of industry.



### **Economic Dimension**

- A globally competitive economy that is resilient, diversified, and able to fully optimise Nigeria's human and natural resources to meet the needs and aspirations of her citizens
- An industrialised economy with a globally competitive manufacturing sector that is tightly integrated with the primary resource base of the nation, and contributes no less than 25% to Gross Domestic Product.

### **2. Institutional Dimension**

- A stable and functional democracy where the rights of the citizens to determine their leaders are guaranteed, and the resources of the state are deployed strictly for the benefit of all citizens
- A market-friendly and globally competitive business environment that induces and supports a fast growing economy with adequate infrastructure that supports the full mobilisation of all economic sectors.

### **3. Environmental Dimension**

- A level of environmental consciousness that enables and supports sustainable management of the nation's God-given natural endowments to ensure their preservation for the benefit of present and future generations.

DRAFT

## 1.2. The Strategic Framework for NV20:2020

### *How will NV20:2020 be realised?*

The economic transformation strategy for NV20:2020 is anchored upon three overarching thrusts:

1. Creating the platform for success by urgently and immediately addressing the most debilitating constraints to Nigeria’s growth and competitiveness;
2. Forging ahead with diligence and focus in developing the fabric of the envisioned economy by:
  - a. *Aggressively pursuing a structural transformation from a mono-product economy to a diversified, industrialised economy;*
  - b. *Investing to transform the Nigerian people into catalysts for growth and national renewal, and a lasting source of comparative advantage; and*
  - c. *Investing to create an environment that enables the co-existence of growth and development on an enduring and sustainable basis.*
3. Developing and deepening the capability of government to consistently translate national strategic intent into action and results by instituting evidence-based decision making in Nigeria’s public policy space.

These thrusts form the basis of the strategic framework for NV20:2020 as illustrated in Figure 1-1

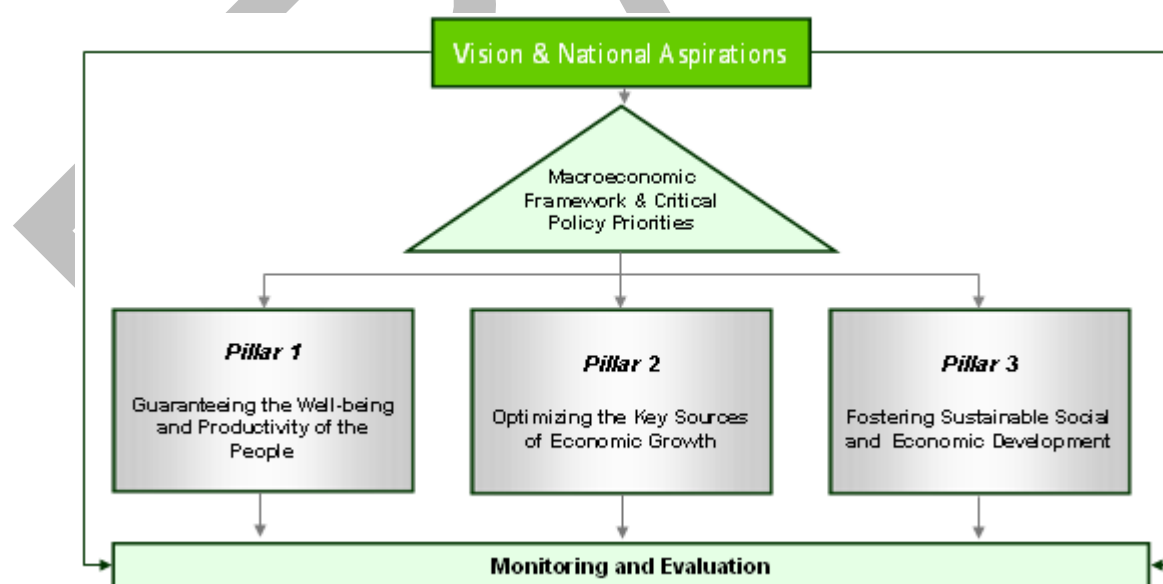


Figure 1-1 Strategic Framework for NV20:2020

### **Creating the Platform for Success – Areas of Immediate Policy Focus**

In spite of Nigeria's perennial efforts at achieving economic reform, the nation has recorded sub-optimal results due to the continued existence of several binding constraints to growth and development. The strategy for attaining the national goals and aspirations for NV20:2020 recognise the need for expedited action to be taken in a number of critical areas, for there to be any chance of success. The platform for success of NV20:2020 will therefore be created by isolating the most debilitating factors limiting Nigeria's growth and competitiveness, and developing clear policy measures to address them in the short term. The identified areas of immediate policy focus are:

1. *Correcting the weaknesses of the revenue allocation mechanism (towards achieving a paradigm shift from "sharing the cake" to "baking the cake")*
2. *Intensifying the war against Corruption*
3. *Expansion of investments in critical infrastructure*
4. *Fostering private sector powered non-oil growth to build the foundation for economic diversification*
5. *Investing in human capacity development to enhance national competitiveness*
6. *Entrenchment of merit as a fundamental principle and core value*
7. *Addressing subsisting threats to national security*
8. *Deepening reforms in the social sector, and extending reforms to sub-national levels*

### **Guaranteeing the Productivity & Wellbeing of Our People**

NV20:2020 is anchored on the recognition that the people are the most essential assets of any nation. With a teeming and vibrant population of over 140million people, Nigeria represents one of the largest markets in the developing world. Transforming Nigeria's people into catalysts for growth and national renewal, and a lasting source of comparative advantage is the essence of this pillar of NV20:2020.

### **Optimizing the Key Sources of Economic Growth**

NV20:2020 represents an intention to achieve a transformation of the Nigerian state across social, political and economic dimensions. This Vision has a huge growth component that requires a rapid industrialisation of the

Nigerian economy. Nigeria's growth strategy will be underpinned by a drive to optimise the strategic drivers of economic growth for which the nation has already achieved considerable industrial maturity and unlock the potentials of other sources of economic growth that currently remain under-exploited. The strategies to achieve this structural transformation are the essence of this pillar of NV20:2020.

### **Fostering Sustainable Social & Economic Development**

The third pillar of NV20:2020 is anchored on the need to create an environment that enables the co-existence of growth and development on an enduring and sustainable basis in Nigeria.

### **Deepening Government's Ability to Consistently Translate Strategy into Action and Results**

An acknowledged fact in Nigeria's public domain is that Nigeria has always developed feasible and effective strategic plans, but inherent weaknesses in implementation and execution remain debilitating clogs in the wheels of our economic progress. Across the world, a common attribute of governments that are functional and effective is the existence of mechanisms for transiting from strategy into action and results. Such mechanisms include systems for enhancing the quality of government spending, and the ability of public institutions to effectively utilise public funds to deliver critical outcomes that impact the lives of their citizens. Deepening the ability of Government at both state and federal levels, to consistently translate strategic intent into action and results on a permanent basis, is recognised as the single most important factor in making NV20:2020 a reality. Developing this ability to provide a platform to ensure that the strategies outlined across the three pillars are realised is the essence of the monitoring and evaluation element of the NV20:2020 framework.



### 1.3. Imperatives for Nigeria's Economic Transformation

#### 1.3.1. The Burning Platform for Change

The Nigerian economy has re-integrated into the global economy since the re-emergence of democratic governance in 1999 and the accompanying market-led reforms from 2003. The economy was also a major beneficiary of the high commodity prices and non-inflationary high growth which characterised the global economy from the 1990s to mid-2008. But for close to two years now, the global outlook has been subject to a number of great risks and vulnerabilities, characterised by financial crisis and oil price volatility. The commodity boom that Nigeria experienced over the past decade has been disrupted since the third quarter of 2008, following the crash in crude oil prices in the international market. The global crisis has already impacted negatively on the real and financial sectors of the Nigerian economy. Government finances, and macroeconomic variables such as balance of payments, fiscal deficits, inflation and interest rates, external debt, exchange rates and external reserves were also affected. For example, the government realized a revenue of N353 billion Naira in the first quarter of 2009, which implied a shortfall of N124 billion relative to the projected revenue of N477 billion. Both oil and non-oil revenue equally declined below the budgeted targets. Foreign exchange earnings have also dropped significantly. The exchange rate has depreciated by over 20 percent in the last one year. In the light of the external shocks and their recessionary implications, the monetary authorities have had to implement an expansionary monetary policy, reflected by Monetary Policy Rate cuts, reductions in cash reserve and liquidity ratios, and taking measures to strengthen the regulatory and supervisory frameworks for both the financial sector and the stock market.

With the commodity boom behind us, Nigeria has to gear-up to the challenges posed by the current global economic crisis, and strive to achieve its growth objectives under the NV 20:2020, bearing in mind that the international environment may not be benign all the time. Nevertheless, there are current indications that the global economy in general and the economies of Nigeria's major trading partners will continue to make steady recovery from the present recession. The reasons for this optimism are as follows:

- Significant decline in risk vulnerabilities, following pro-active and coordinated implementation of fiscal and monetary stimuli by the OECD countries.
- Bail-out and explicit guarantees extended to distressed major financial institutions by their Governments.



- Readiness by the Bretton Woods Institutions to provide financial assistance to vulnerable developing and emerging economies.

However, a less optimistic scenario entailing a very weak oil market cannot be ruled out during the Vision period. Moreover, cognisance has to be taken of the implications of the current energy policy stance of the major oil consuming nations.

Against the backdrop of international cooperation and solidarity to ride out of the world recession, Nigeria will need to overcome its perennial domestic constraints in order to achieve the objectives of NV 20:2020. In this direction, a major challenge that will have to be addressed relates to the imperative of structural diversification away from monocultural dependence on petroleum. One compelling reason for this is that the United States has launched a new energy policy that encourages alternative sources of energy. Another is that the Copenhagen Conference on Climate Change which holds in Denmark in December 2009, is predicated on the creation of a new global regime that will cumulatively reduce carbon emissions world-wide. Given the reality that petroleum is the one dominant source of carbon emissions, the new regime on climate change may lead to a reduction in oil consumption across the world, while encouraging countries to explore alternative sources of energy. While the end of oil as a major source of energy may not be in sight immediately, it is prudent for Government to begin to “think the unthinkable” – of a world without oil or one in which industrial civilisation is not predominantly dependent on hydro carbons. A major challenge for macroeconomic management over the Vision period would thus be the achievement of a diversified economic structure, away from oil whose fortunes are highly dependent on the vagaries of the global economy.

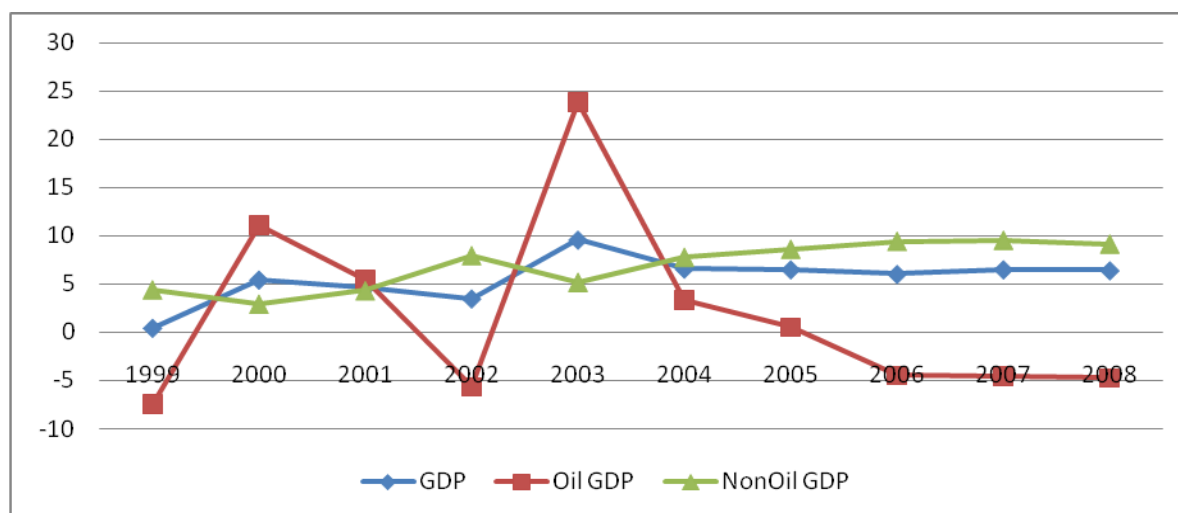
### **1.3.2. The Economic Growth Challenge**

Until the current decade, economic growth posed significant challenges to the Nigerian economy, especially during the 1980 – 2000 period. The Structural Adjustment Programme (SAP) was introduced in 1986, against the backdrop of the negative economic growth rates of the first half of the 1980s. But then, the performance of the economy in the light of the SAP policy reforms was generally sluggish.

#### ***Recent Performance of Gross Domestic Output***

In the current decade, 1999 – 2008, the performance of the Nigerian economy, as measured by the growth of real GDP, improved significantly. The real GDP grew at an annual average rate of 5.6 percent during the ten-year period and was highest in three decades. The fact that the economy grew almost two times as fast as the estimated 3.0 per cent growth rate of the population ensures a real per capita output growth of 2.6 percent.

The non-oil sector, which grew at an annual average rate of 9.48%, was solely responsible for the observed improved growth performance of the 2000s, while the oil sector constituted both a drag on growth and a source of instability in the GDP growth pattern (Figure 1-2).



**Figure 1-2 : GDP, Oil and Non-Oil Growth Rates at 1990 Constant Basic Prices**

The growth in the non-oil sector was largely the result of growth in the agriculture sector (crop production) and services sector (wholesale and retail trade and telecommunications). The oil sector fluctuated wildly, stagnating, and contracting over the decade, while the non-oil sector grew steadily as the agricultural and trading sectors responded to the favourable global cyclical upturn that propped up global demand for and prices of most commodities. These were threatened by the global cyclical contraction of the second half of 2008 and the first quarter of 2009. However, developments since the second quarter of 2009 indicate that the outlook for commodities on the global scene remains bright in the medium term.

Related to the aggregate growth rate is the growth of output in per capita terms. In this regard, Nigeria's per capita GDP rose from N56,968.0 in 2000 to N170,122 in 2008. In terms of welfare, however, the national incidence of poverty declined in relative terms during the same period. This indicates that Nigeria's high per capita output growth is not being translated into improved well-being for the generality of Nigerians, and is clear evidence of pervasive income inequality.

Despite the relatively impressive overall economic growth rates, there is still the challenge of achieving broad-based and double digit real growth rates annually to meet the goal of NV 20:2020 and achieve the MDGs by 2015. Among the prominent growth-related challenges which need to be tackled during the Vision period, are the following:

- Reversing the trend of growth without corresponding increase in employment;
- Achieving significant reduction in the incidence of poverty so as to achieve the MDG of halving poverty by 2015;
- Reducing the pervasive high inequality in income;
- Reversing the trend in the manufacturing sector of low value added and poor capacity utilisation, which respectively stood at 3.9 and 53 percent in 2008;
- Improving the efficiency of small and medium scale enterprises;
- Diversification of the economy. In spite of the efforts directed at reducing dependence on oil, the economy has remained non-diversified and highly vulnerable to the vagaries of the international oil market;
- Improving the quality of output and competitiveness in response to massive expenditure on physical infrastructure.
- Enhancing the production base through knowledge application and local content policy; and
- Reversing the duality and informality of the economy.

### 1.3.3. Domestic Constraints to Growth and Development

Numerous internal factors have impaired sustained growth and development in Nigeria over the years. These challenges constitute the focus of NEEDS and the 7-Point Agenda, among which are the following:

#### i) Poor and Decaying Infrastructure

Nigeria's infrastructural base has remained inadequate to meet the needs of the economy. The transportation system comprising road, rail, air and water remains largely under-developed and decaying. The intermodal system has also not been developed, making the movement of goods and persons within the country costly and difficult. Although management and policy have improved in the system of telecommunications, further measures are still needed to place them in good stead for meeting the Vision 20:2020 targets.

#### ii) Epileptic Power Supply

The power supply situation is characterised by inadequate generation, and inefficient transmission and distribution. Nigeria's installed power generation capacity of 6,000 mega watts<sup>1</sup> is grossly inadequate to cater for the needs of a country with over 140 million people.

**iii) Weak Fiscal and Monetary Policy Coordination**

The practice of fiscal federalism and the periodic recourse to Ways and Means financing act to inhibit fiscal and monetary policy coordination in Nigeria.

**iv) Fiscal Dominance**

Fiscal dominance represents a major driver of base money and inflation in Nigeria. Public sector borrowing crowds out the private sector and constitutes a hindrance to the financing of the private sector. Furthermore it fosters adverse selection and encourages banks to become more risk averse.

**v) Pervasive Rent Seeking Behaviour by Private and Public Agents, Including Corruption**

This distorts the price signal and induces preference for short-term and speculative investments which do not augur well for the development of the real sector. Economic growth and poverty reduction cannot be achieved in an environment of corruption and pervasive rent seeking.

**vi) Weak Institutions and Regulatory Deficit**

The achievement of the Vision 20:2020 requires the existence of effective and pro-active institutions with capacity to create the enabling environment for growth, especially, respect for the rule of law. The present financial sector travails and stock market crisis point to serious regulatory and supervisory deficits that need to be reversed.

**vii) Policy reversals and lack of follow through**

Policy inconsistency constitutes a veritable hindrance to growth in Nigeria. Measures to ensure policy sustainability and effective implementation are desired to achieve the Vision goals and objectives.

**viii) Inordinate dependence on the oil sector for government revenue/expenditure.**

The Nigerian Government has continued to depend precariously on crude oil revenue (over 80 percent) while non-oil revenue accounts for less than 20 percent of total revenue. Measures to diversify the economic and revenue bases are therefore most imperative and would be implemented during the Vision 20:2020 period.

---

<sup>1</sup> As at September 2009

**ix) Disconnect between the financial sector and the real sector**

Nigeria's financial sector over the years has been very active in trading in government debt instruments and foreign exchange and the financing of the wholesale and retail trade sectors where the risk is minimal. On the contrary, the sector has not been able to finance the real sector optimally. In particular, the focus on collateral security rather than cash flow has denied the SME sector access to bank credit. Furthermore, the prevalence of very high interest rates has restricted access to credit in no small measure. This situation thus acts as a serious constraint to the growth of the real sector.

**x) Exchange rate instability**

The economy depends heavily on imports for production and consumption. Exchange rate instability constitutes a serious hindrance to business planning and growth of the economy. It compounds uncertainty in the system and contributes to price volatility and inflation.

**xi) Insecurity of lives and property**

This has arisen from many sources, including, ethnic/religious disturbances, kidnapping, armed robbery. Sustainable economic growth, driven by the private sector, requires a conducive environment characterised by security of lives and property, prevalence of the rule of law, sanctity of contracts and respect for property rights. It is recognised that no meaningful investment and economic development can thrive in an environment of chaos.

Finally, besides the internal factors are a number of critical external impediments to growth and development which have remained prominent. Among these are volatility in commodity prices, oil market boom/bust cycles and intermittent droughts.

Overall, the majority of the constraints which are internal and institutional can be quickly eliminated with renewed political commitment and determination. The programmes and strategies in the Vision document are geared towards eliminating the various constraints with a view to achieving the Vision's objectives.



#### 1.3.4. The Challenge of Growth in the Emerging Global Landscape

The world in 2020 will be a different place from 2009. Over the next decade, it is expected that the balance of geopolitical power will experience significant changes, as ongoing shifts in the nature and structure of economic interdependence shape the emergence of a new global landscape. The strategies for achieving Nigeria's aspirations for 2020, have therefore been conceptualised within the context of the emerging global landscape, with due consideration of the likely ways in which the key drivers of change will impact the world in the years leading up to 2020. The following sections discuss external dimensions of change that qualify the challenges that must be overcome by Nigeria to achieve the vision for 2020.

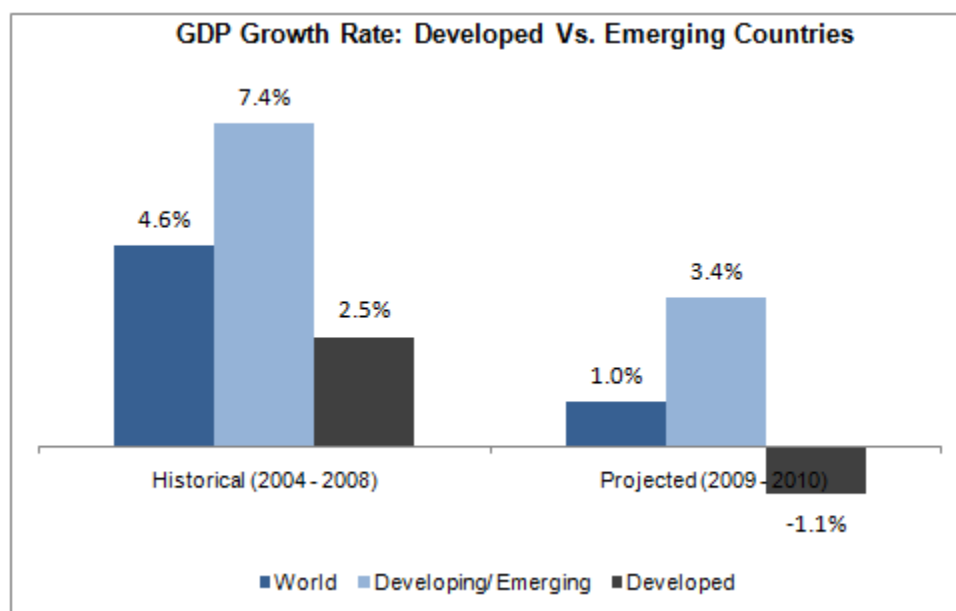
##### *The challenge of growth in a depressed global economy*

NV20:2020, as a unifying national aspiration was first mooted in a period of economic boom for emerging economies, with the world witnessing ten uninterrupted years of global growth, and long periods of rising commodity prices. Since late 2008 however, the world has witnessed a global recession of unprecedented scale, triggered by the bust in the US sub-prime mortgage markets and the resultant crisis in its financial system. Under these conditions, achieving sustained double digit growth in the next ten years will be considerably more difficult, especially for mono-product economies like Nigeria that are highly vulnerable to external shocks.

In 2009, world growth is projected to fall to -1.1 percent<sup>2</sup>. Emerging and developing economies are expected to suffer serious setbacks, as growth is expected to slow in both China and India. The average growth rate for emerging/developing economies is expected to decline from 7.4% between 2004 and 2008, to 3.4% between 2009 and 2010<sup>3</sup>. These projections highlight the challenge faced by Nigeria in achieving the economic growth imperatives of NV20:2020.

<sup>2</sup> IMF World Economic Outlook, October 2009

<sup>3</sup> IMF World Economic Outlook, October 2009



**Figure 1-3: GDP Growth Rates: Developed Vs. Emerging Countries**

Source: IMF World Economic Outlook, October 2009

Given the strong likelihood that the external economic conditions will stifle Nigeria's growth prospects, especially in the early years of the planning period (2011-13), economic policy will be geared towards unlocking the binding constraints to growth that are largely determined by internal factors. Nigeria's power and transport sectors still provide compelling prospects for foreign direct investment (FDI) and will receive intense government focus and action. Government policy will also be focused on locally meeting Nigeria's industrial demand and fostering more functional cross sectoral linkages.

#### ***The challenge of climate change and environmental degradation***

Over the next decade, climate change is expected to assume greater significance and influence over the actions of the international community and between the key actors in the global landscape. The potential for climate change to bring about damaging and irrecoverable effects on infrastructure, food production and water supplies, in addition to precipitating natural resource conflicts makes it a critical challenge that must be effectively responded to by any economy seeking sustainable growth in the years leading up to 2020.

Without adequate action, it is predicted that in some African countries, yields from rain-fed agriculture could be reduced by up to 50% by 2020 with disastrous consequences for agriculture in Africa, where over 95% is dependent on rainfall. As an emerging economy, seeking aggressive growth, Nigeria will have to deal with the restraining factors posed by sustainability, as currently being faced by countries like China and India. Developing

effective responses to the threats of climate change will be very critical to her success in achieving the goals of NV20:2020.

In recognition of the potential limitation that climate change poses to Nigeria's growth prospects, Nigeria will seek to avoid the negative consequences of climate change by adopting environmentally friendly practices, while benefiting from opportunities for competitive advantages that could potentially arise, as sustainability issues exert greater influence on international trade regulations. Where environmental concerns directly threaten growth initiatives, Nigeria will seek innovative solutions with a view to upholding sustainability as a key principle in her quest for growth.

### ***Surviving the effects of a global energy transition***

The world's vast but finite fossil fuels, the main sources of the world's energy, are rapidly depleting. Some energy analysts believe that the world may have reached its peak in fossil fuel extraction and production. However, due to the rapid rise of developing countries, such as Brazil, China and Russia, total energy consumption is expected to rise by about 50%, with an increasing share provided by oil and other non-renewable sources. The growing demand for energy may exceed the rate at which the planet can replenish itself.

Energy security, therefore, has become a critical issue on the agenda for most emerging and developed nations as the competition for access to reserves becomes more complex. Coupled with this is the fact that a good proportion of the oil resources that the world depends on for energy supplies are in politically unstable regions of the world. Developed economies are actively seeking alternative sources of energy and are taking proactive action to reduce dependence on oil as a source of energy. In 2008, about \$140 billion was invested worldwide in power generation from wind, solar and other clean technologies compared with \$110bn for gas and coal for electrical power generation<sup>4</sup>. The economic diversification strategy outlined in this plan recognises the possibility of a transition away from fossil fuels during the plan period and the potential consequences of this on Nigeria's growth prospects. The NV20:2020 plan will, therefore, be underpinned by a diversification strategy, providing a foundation for Nigeria's transition from a mono-product, oil-dependent economy, as a non-negotiable condition for sustainable growth.

### ***Navigating the dynamics of geopolitics in the emerging world order***

---

<sup>4</sup> 2008 Global Trends in Sustainable Energy Report, prepared by the UN by New Energy Finance (NEF) consultancy(London)



Over the last three decades, the world has witnessed gradual but dramatic changes in the face of globalisation, as new economic power centres have emerged to significantly alter the global geopolitical hierarchy. Countries like Brazil, Russia, China, and India have emerged as new and important global players. These countries represent new sources of demand for Nigeria's exports and are also potential competitors that could fundamentally impact Nigeria's growth prospects. What has become undoubtedly clear is that the emerging global landscape will be multi-polar in nature, and that economic, political and military power will become considerably more dispersed than it has been in the last decade. Nigeria's NV20:2020 growth strategy is underpinned by its ideological non-alignment, and seeks to favourably position the country to take full advantage of new and emerging opportunities across the world. As a culturally diverse nation, Nigeria will seek, build and maintain relationships according to the dictates of its people, and its international relation policies will be aligned strictly to the interests and will of the Nigerian people.

#### ***Combating global population explosion and urbanization***

The world's population is currently growing by 74 million people per year, with most of the growth attributable to developing countries whose population is expected to increase from 5.3 billion to 6.4 billion by 2020<sup>5</sup>. Nigeria currently has one of the highest growth rates in the world, with a population of about 140million projected to rise to 193 million by 2020, and 289 million<sup>6</sup> by 2050. In comparison, the developed region's population will largely remain unaffected with a population of 1.2 billion by 2020<sup>7</sup>. Africa also has the highest rate of urbanization in the world, and the lowest rates of urban economic growth. Today, about 39<sup>8</sup> per cent of the population lives in urban areas, a figure that is projected to have increased considerably by 2020. Unfortunately, however, Africa's urbanization is not accompanied by industrial expansion, and rapid urbanization has been characterised by increased pressure on socio economic infrastructure including access to clean and potable water, adequate health care, access to basic education, proper sewage and waste disposal systems, among others. Overpopulation places undue stress on basic life sustaining resources, ultimately resulting in diminished well – being and quality of life. In general, economic growth must be greater than population growth to significantly increase the standard of living.

The strategic plan envisioned for 2020 recognises the critical nature of the twin problems of population explosion and urbanisation to the realisation of Nigeria's vision. The plan is, therefore, underpinned by a strong

<sup>5</sup> World Population Prospects 2008

<sup>6</sup> World Population Prospects, 2008

<sup>7</sup> World Population Prospects, 2008

<sup>8</sup> United Nations Population Division

human and spatial development component, aimed at transforming Nigeria's six geopolitical zones into major economic hubs, capable of supporting the envisaged transformation of the Nigerian state. A focused strategy aimed at inclusive and equitable growth and development forms the crux of the NV20:2020 Blueprint.

DRAFT

## **1.4. The Dream Economy – Our Economic Aspirations**

### **1.4.1. Envisioned Economic Size & Structure**

NV20:2020 seeks to position Nigeria as one of the top 20 economies in the world by the year 2020. In economic terms, this translates to having a Gross Domestic Product of at least US \$900 billion by that date, compared to about US \$212.1 billion as at 2008<sup>9</sup>. The macroeconomic framework which consists of consistent policy guidelines and projections provides the necessary foundation for the programmes and policies of NV20:2020. The outcomes of the macroeconomic framework are, however, likely to be highly vulnerable to disturbances in the domestic and global environment. For most of the present decade, the country experienced an oil boom during which some notable gains, including a large measure of macroeconomic stability, were achieved. However, the negative shock occasioned by the current global economic crisis has tended to reverse many of the gains, just as the earlier shock did in the early 1980s, when the Fourth National Development Plan ran into funding challenges because of the glut in the international crude oil market. In planning ahead for NV20:2020, the country recognises the implications of the global economic environment on the Nigerian economy, and factors in the potential growth rate of other economies on one hand, and possible distortions in commodity prices, on the other.

#### **Growth Projections in Relation to the last Five Economies in the Group of Top 20**

Nigeria's macroeconomic targets for 2020 are based on a dynamic comparative analysis of the country's potential growth rate vis-à-vis growth rates of other Top 40 economies in the world. The growth requirement, in terms of GDP, was determined through a process of ascertaining the current GDPs of the bottom five members of the current top 20 economies and using their average growth rates to project what their GDPs would be in 2020. The estimates show that by 2020, Poland and Indonesia will have sizes of GDP that are near Nigeria's aspiration of at least \$900bn. For Nigeria to achieve the economic size of Poland (GDP size of US\$ 963 billion), it will have to grow at an annual average rate of 13.4 per cent. To achieve the GDP value of Indonesia of \$1,000.5 billion, the Nigerian economy must grow at an average of 13.8 per cent during the time horizon to 2020. Given the past similarities of the Nigerian and Indonesian economies, Indonesia's projected economic size was used as benchmark, in which case, the average annual growth rate to target would be 13.8 per cent. Realising this quantum leap in Nigeria's economic growth would require a fundamental change in the structure of the

<sup>9</sup> GDP in USD at 2007 Current Prices. Data is from the World Bank's World Development Indicators Report 2008. The CBN Statistical Handbook states Nigeria's GDP at Current Basic Prices (N' mill.) as 23, 842, 170.7 and Real GDP, calculated at 1990 Constant Basic Prices (N' mill) at 674, 889

economy from primary production (agriculture and crude oil production) to industrial manufacturing and services.

.Table 1-1 shows the structure of production and other economic characteristics of the bottom top 20 economies in relation to Nigeria’s structure. Unsurprisingly, Nigeria exhibits the features of an underdeveloped country, while the Top 16 -20 countries by GDP exhibit the features of developing or advanced economies. In three of the countries, agriculture contributes between 3 and 5 per cent of GDP, compared to Nigeria’s 42 per cent. Worse still, Nigeria’s agricultural sector has a much lower productivity.

**Table 1-1: Economic Characteristics of Nigeria and the Bottom Five of the Top 20 Economies (2007-2008)**

	Nigeria	Netherlands	Belgium	Poland	Turkey	Indonesia
Agriculture, value added (% of GDP)	42.1	4	3	5	10	13
Electric power consumption (kWh per capita)	116	4403	4912	3009	483	37
Exports of goods and services (% of GDP)	40.3	50	56	40.9	3	31
GDP growth (annual %)	5.9	2	2	6.6	-1	7
GNI per capita, Atlas method (current US\$)	920	11,870	11,550	9,850	1,860	420
Imports of goods and services (% of GDP)	29.7	50	58	43.6	6	23
Industry, value added (% of GDP)	23.8	33	37	32	27	47
Manufacturing (% of GDP)	4	14	17	19	22	28
Inflation, GDP deflator (annual %)	20	4	5	5.3	77	34
Interest Rate	18.7	3.5	7.5	5.5	-	16
Gross capital formation(%GDP)	14	20	22	20	24	25
Gross savings (% GDP)	16.4	30	24	18	17	26
Services, etc., value added (% of GDP)	34.1	64	61	64	63	40
Manufactures export (% of Total)	<1	66	77	79	42	45

**Source: World Bank - World Development Indicators, 2007 and 2008**

**Table 1-2: Optimal Structure of National Output by 2020 versus Existing Structure**

Activity Sector	Projected Share of Output by 2020 (%)	Existing Share of Output
Agriculture	3 – 15	42.1
Industry	30 – 50	23.8
Manufacturing	15 – 30	4
Services	45 – 75	34.1

Based on the features and development trajectories of the top 20 economies, Nigeria has to aspire to have an economic structure which is depicted in Table 1-2. This desired structure of the economy should see the relative contribution of agriculture decline to perhaps 15 per cent over the long term, while the sector continues to grow on the basis of high productivity. Simultaneously, the industrial sector would be propelled to drive the economy over the medium term up till 2015 while a transition to a service-based economy is envisaged from 2018-2020. For the required structural transformation to occur, however, the binding constraints on the agricultural and industrial sectors must be addressed, in particular, the infrastructure bottleneck.

#### **1.4.2. Macroeconomic Strategies and Policy Thrusts**

NV 20: 2020 has been formulated against the backdrop of a global financial and economic crisis, which has disturbed the macroeconomic stability achieved over the past ten years. Therefore, macro-economic management for the Vision, over the medium term, will focus on restoring and maintaining macroeconomic stability, to position the economy on a sustainable growth trajectory. Accordingly, some of the key macroeconomic strategies to be implemented during the Vision period will be anchored on three pillars: guaranteeing the productivity and well-being of our people, optimising our key sources of economic growth and fostering sustainable social and economic development. The strategies will include the following:

- Achieving double digit growth rates and maintaining strong economic fundamentals, including, inflation, exchange rate, interest rates and other monetary aggregates;
- Achieving significant progress in economic diversification, such as to achieve an economic structure that is robust and consistent with the goals of Vision 20: 2020;

- Stimulating the manufacturing sector and strengthening its linkage to the agricultural and oil and gas sectors, in order to realise its growth potentials and serve effectively as a strong driver of growth;
- Raising the relative competitiveness of the real sector, to increase the demand for Nigeria's non-oil products and services;
- Deepening the financial sector and sustaining its stability to enable it finance the real sector
- Encouraging massive investments in infrastructure and human capital and creating an enabling environment for domestic and private investment; and
- Adopting pragmatic fiscal management and implementing appropriate monetary, trade and debt management policies to support domestic economic activities.

#### **a) Fiscal Policy Thrusts**

- i) Continued efforts to institutionalise fiscal prudence at all tiers of governance in line with the provisions in the Fiscal Responsibility Act, 2007. To this end, the current efforts to encourage the States and Local Governments to enact and operationalise similar laws to guide their fiscal operations will be intensified.
- ii) Management of the Excess Crude Account (ECA) – The Oil Price-Based Fiscal rule policy, which gave rise to the ECA would be sustained. The ECA assisted in cushioning the impact of the current global economic crisis on the economy. The MOU signed between the Federal Government and the States on the distribution of the ECA would be reviewed and strengthened, however, in order to encourage the generation of internally-generated revenue in the 3 tiers of government and diversify the revenue base of the economy.
- iii) Strengthening government procurement procedures through the review and more vigorous implementation of the Public Procurement Act in order to prune waste and enforce tender procedures that ensure value for money. It is also very important that all the tiers of government adopt and implement similar legislation as the Public Procurement Act.
- iv) Sustenance of the policy of deficit financing through the issuance of bonds as against Ways and Means financing from the Central Bank of Nigeria.
- v) Effective exploitation of the existing revenue sources and exploring new ones, e.g. solid minerals and other royalties.

- vi) Adoption of measures to improve budget implementation, such as timely passage of the annual budget, adequate funding of on-going projects, adoption of participatory budgeting, through adequate consultation with the National Assembly (NASS) in the course of formulating the Appropriation Bill.
- vii) Improving public spending efficiency through measures such as stronger transparency and accountability arrangements for the utilisation of public funds, strengthening the quality of project planning and implementation and restructuring of public service delivery to focus on basic services.

**b) Public Debt Policy Thrusts**

- i) Strict adherence to the borrowing and debt management provisions in the Fiscal Responsibility Act (FRA). Ongoing efforts by the States governments to enact appropriate legislation as the FRA should also be sustained.
- ii) Sustenance of Government's current policy stance on external borrowing which is to contract new loans from mainly the concessionary window, in line with the medium term National Borrowing guidelines, and to seek funding assistance through grants and aid.
- iii) In view of the likely huge funding requirement, to implement the NV20:2020 programme, there may be need for some flexibility, as concessionary funding windows are limited. In this case, borrowing from non-concessionary sources should be tied to productive and self financing projects, especially export-increasing and import-decreasing projects. Borrowing, per se, is not harmful to the economy, what is critical is the efficient and effective utilisation of the loans.
- iv) Effective monitoring, control and/or securitization of contingent liabilities which have the tendency to increase significantly the domestic debt portfolio significantly.
- v) Establishment and development of effective institutions and debt management capabilities at the sub-national level.
- vi) Maintenance of a comprehensive, reliable and efficient national and sub-national debt database to ensure prompt and accurate settlement of debt service obligations.
- vii) Development of the domestic debt market, not only to support government financing needs, but also to provide the private sector access to long term financing.
- viii) Development of innovative approaches for optimally accessing external finance.

### **c) Monetary Policy Thrusts**

- i) The monetary policy thrusts of the CBN did go a long way in stabilising the financial market, especially in the wake of the current global financial and economic crisis. However, in the light of recent developments in the Financial Services Industry the need to strengthen the regulatory and supervisory framework is still compelling.
- ii) Dealing with the excess liquidity challenge requires innovative approaches, in view of the source of the problem. One potentially enduring solution, which would avoid the creation of new money and boost the value of the Naira in the foreign exchange market, relates to the allocation of foreign exchange earned from oil to the three tiers of government rather than monetising it. But this may be a recipe for capital flight. Therefore, the Central Bank would need to develop capacity for liquidity forecasting and programming.
- iii) The foreign exchange regimes established in the past have tended to create a crisis of confidence in the market. The liberalisation of the foreign exchange market would be sustained. However, the confusion arising from a change from Wholesale Dutch Auction System (WDAS) to Retail Dutch Auction System and back to WDAS as a result of exchange rate fluctuation can be avoided with the introduction of appropriate management strategies for the exchange rate. Going forward, in the context of the market framework and managed exchange rate regime, there is the need to adopt an exchange rate band, in order to minimise volatility.

### **d) External Sector Policy Thrusts**

- i) Accelerated value-added production is needed to make the manufacturing sector a major driver of growth and exports. This means enhancing capacity utilisation and making the business environment conducive to enhance the competitiveness of Nigerian products in the world market. The policies outlined for the real sector in the Vision document envisage this transformation of the manufacturing sector.
- ii) Priority attention needs to be paid to the development of the services industry, in particular the tourism industry, and shipping and air transportation. Also important are continued reforms of the ports and financial sector. Once the financial institutions are well linked to the domestic economy and they provide efficient services, they would be in a position to boost the nation's foreign exchange earnings through services rendered internationally.



### 1.4.3. Key Growth Drivers & Sectors of Strategic Focus

An in-depth review of the components of national output between 1999 and 2008 revealed that 33 production sectors grew on average. Of the 33, 3 sectors accounted for more than 10% of GDP, while 9 sections accounted for more than 1% but less than 10% of GDP. See Table 1 -3.

**Table 1-3: Sectoral Contributions to GDP, 1999-2008**

	% of GDP	Growth (%)	Contribution to GDP Growth (%)
<b>Large sectors</b>			
Crops	36.9	7.70	40.88
Oil and gas	23.2	2.23	-4.49
Wholesale and retail trade	14.2	15.96	28.78
<b>Medium sectors</b>			
Financial Institutions	3.93	2.16	1.79
Manufacturing	3.88	9.05	5.20
Electricity	3.28	24.46	3.91
Livestock	2.67	6.19	2.62
Road transport	2.26	13.9	3.35
Building and construction	1.66	8.70	2.38
Telecommunications	1.62	50.90	6.62
Real Estate	1.47	9.67	2.20
Fishing	1.38	5.51	1.92

Source: National Bureau of Statistics

Of the three large sectors, only the oil sector exerted a net negative influence on GDP growth during the decade, despite periods of high average daily production and high oil prices, suggesting that the absence of domestic value added remains the greatest bane of this sector. As much as 70 percent of the GDP growth over the decade was contributed by the remaining two large sectors, crop production (which contributed 41 percent of GDP growth) and trading (which contributed 29 percent). While two of the medium sized sectors, telecommunications and manufacturing contributed 6.6 and 5.2 percent to GDP growth respectively, the remaining seven medium-sized sectors weighed in with contributions of one to four percent to GDP growth.

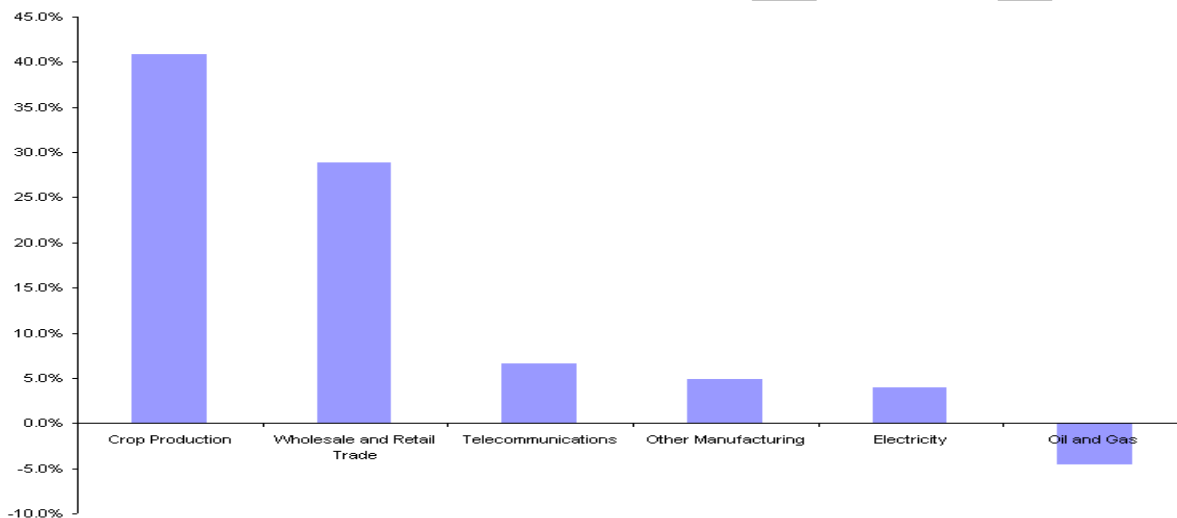
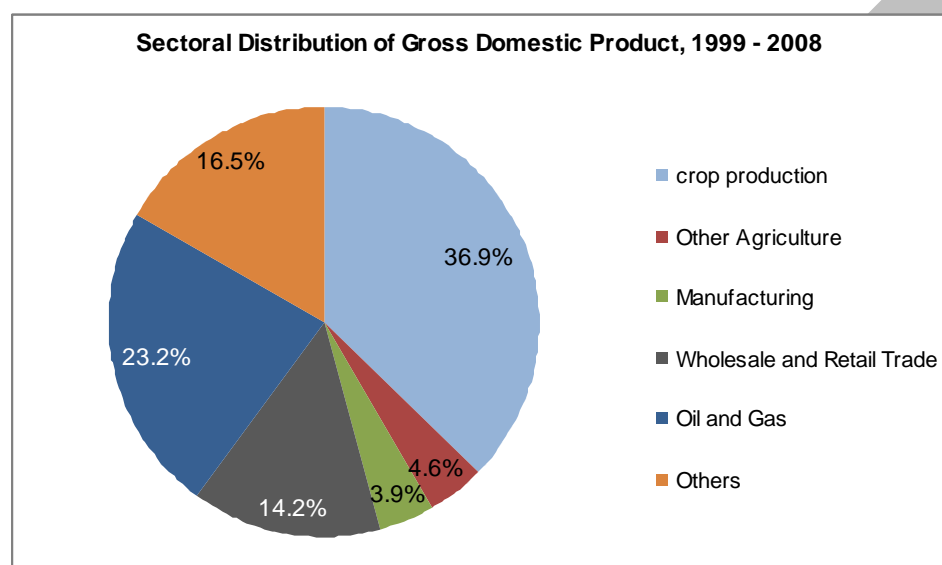


Figure 1-4: Sectoral Growth Drivers

At the bottom end of sectoral activity are three small sectors that are practically dead: coal mining; rail transportation and pipelines, and metal ores. These sectors contributed virtually nothing to the GDP or its growth in the last decade. Given that coal mining could meet a significant portion of the nation’s electricity needs (South Africa generates about 96 percent of its electricity from coal.); and rail transport in the context of 150 million people to be transported locally 149 million tonnes of agricultural crops, 150 million cubic metres of round wood, 3.9 million tonnes of livestock, 9 million tonnes of petroleum products and N5 trillion worth of imports of machinery, chemicals and other manufactured items to be moved around the country yearly, these sectors could be significant drivers of economic growth and profitable investment propositions.

A key point from the foregoing analysis relates to the growth drivers which hinge on agriculture through crop production, wholesale and retail trade, telecommunications and manufacturing. The latter’s role at present is limited, but its potential is great, especially when considered against its linkage to agriculture through agro-allied industries and to the oil and gas sector through petro-chemical industries. Manufacturing is thus a potential growth driver that needs to be stimulated in order to maximise its forward linkage with wholesale and retail trade from a domestic production perspective.



**Figure 1-5: Sectoral Distribution of Gross Domestic Product, 1999 - 2008**

As a driver of growth, the oil and gas sector needs to be stimulated, as it is the cornerstone of a potentially virile petro-chemical industry. Secondly, the type of structural reforms that happened in the telecommunications and financial sectors are urgently required in sectors like oil, gas, power, coal mining and rail transport, all of which have strong externalities for all the other sectors, especially the agricultural and manufacturing sectors that could provide long term sources of domestic growth. These would provide the much needed structural underpinnings that will ensure that domestic growth will continue in the face of global contractions.

## 1.5. Critical Policy Priorities

The following critical priorities are vital to the success of Vision 20:2020 and form the areas of immediate focus for the short term:

### 1. **Correcting the weaknesses of the revenue allocation mechanism (*towards achieving a paradigm shift from “sharing the cake” to “baking the cake”*):**

Amongst a host of debilitating impediments to Nigeria’s growth and competitiveness, one issue rests at the very root: a resource exploitation, allocation and consumption pattern that is unsustainable. With over 90% of export earnings and government revenues dependent on hydrocarbon based primary products, entirely generated from a single region of the country, the pillars of Nigeria’s economy are extremely weak, and the continued economic viability of the Nigerian state, as a self-sustaining entity, is perpetually at risk. The most destructive effect of this dependence on hydrocarbons is the undermining of the social contract between the government and the people. With no less than 95% of Nigeria’s federating States depending on the centre for over 90% of government income, the incentives towards internally generating revenue from taxation of economic activity are extremely weak and a culture of “sharing the national cake” has become institutionalized. Consequently, across the three tiers of government, social accountability is almost non-existent, fuelling and sustaining a culture of bad governance.

To achieve the Vision 20:2020 aspirations, Nigeria will reverse the above situation. A mode of fiscal decentralization that rewards economic performance at the sub-national level will be diligently pursued, and a form of development that ensures the economic viability and prosperity of each geopolitical region of Nigeria will be underpinning thrusts of Vision 20:2020.

### 2. **Expansion of investments in critical infrastructure**

Decades of underinvestment has resulted in the deterioration of Nigeria’s public infrastructure, with the attendant absence of basic infrastructure to support and sustain growth in the private sector. Perennial problems with power generation, transmission and distribution; a decaying road network, congested ports and obsolete rail infrastructure have become permanent features of Nigeria’s landscape, severely constraining her socio-economic development.

Addressing Nigeria's infrastructure deficit will be an area of immediate policy focus towards the realization of Nigeria's Vision 20:2020 ambition. For this purpose, a threefold approach will be adopted. First, policy focus will be on increasing the quantity and quality of government infrastructure spending, with a view to achieving accelerated infrastructural development within the first three years while ensuring that maximum value is derived from such spend. A second priority will be the development of a framework for joint financing of infrastructure projects between the federal and state governments, as well as between multiple state governments. Thirdly, private investments will continue to be encouraged, and policy focus will be on creating the environment for infrastructure investments in Nigeria to be competitive and attractive, building on the framework for infrastructure concessioning now in place with the enactment of the ICRC Act.

For the power sector, a policy of decentralization will be pursued with a view to granting greater autonomy to States in power generation, especially in the exploitation of alternative sources of power. The systematic resolution of issues in the Niger Delta will continue to be accorded immediate policy attention, as a critical part of holistic measures to improve the infrastructure situation in Nigeria.

### **3. Deepening reforms in the social sector, and extending reforms to sub-national levels**

Since return to democratic rule, Nigeria has made considerable progress with economic reforms, with significant improvements at the macroeconomic level. However, only a few states have adopted far reaching economic reforms, a situation that has limited the impact of these reforms on the citizenry. In addition, reforms of the social sector have not been as aggressively pursued as economic reforms, and the resultant effect has been economic growth without commensurate development.

The continuation of socio-economic reforms and their institutionalization in the first few years of the plan period, is critical to realizing Vision 20:2020. To this end, the following reforms will be critical areas in the immediate term:

- Public Service Reforms
- Civil Service Reforms
- Judicial Reforms
- Electoral Reforms
- Land Use Reforms

Whilst each of these reforms will be anchored at the federal level, entrenching these reforms in the fabric of society and the extension of these reforms across sub-national government entities will be accorded special focus. Focus will be on strengthening institutions and building capacity in the design and implementation of public policies with emphasis on budget transparency, public expenditure management and aligning sectoral strategies to the overall structural transformation strategy for Vision 20:2020.

#### **4. Fostering private sector powered non-oil growth to build the foundation for economic diversification**

In line with the key Vision 20:2020 objective of achieving a structural transformation from a mono-product economy to a diversified, industrialized economy, deliberate policy measures will be aimed at creating the foundation for the private sector to play a leading role in the actualization of Nigeria's industrialization ambition. These measures will include accelerating the pace of privatization of public enterprises and executing specific actions aimed at improving the ease of doing business in Nigeria, over the next 3 years.

#### **5. Investing in human capacity development to enhance national competitiveness**

In Nigeria today, education and health, the foundations for lifelong learning and capacity building are currently constrained by under-funding, inadequate and poor infrastructural facilities, as well as capacity gaps. A vast majority of Nigerians do not have access to good quality education and affordable healthcare, and therefore cannot unleash their full productive potentials.

Without a doubt, a holistic government-led effort to revive the education and health sectors of the Nigerian economy is required to support the Vision 20:2020 aspirations. In the immediate term however, public policy will be focused on three critical imperatives

- Improving the quality of basic and vocational education to ensure greater alignment with the human capacity requirements of the country in view of her growth aspirations
- Redefinition of the roles of the different tiers of government to enhance the framework for health care delivery, and subsequent massive investment to significantly improve quality of healthcare services
- Stimulating public behaviour to support the attainment of a sustainable population growth rate

Guaranteeing the productivity and wellbeing of the Nigerian is one of the fundamental pillars of Vision 20:2020 and fully details Nigeria's strategy for transforming her people into catalysts for growth and national renewal, and a lasting source of comparative advantage.



## **6. Entrenchment of merit as a fundamental principle and core value**

For Nigeria to become one of the leading economies in the world, the ability to constantly bring the best of her talent to bear on the challenges of nation building is critical. In an increasingly interdependent and globalized world, attracting and retaining top talent has become a key source of competitive advantage among nations. To achieve the Vision 20:2020 aspiration, Nigeria will seek to become a key destination for top talent. To achieve this however, the entrenchment of merit as a fundamental principle and core value in the collective national psyche is absolutely necessary.

In the course of Nigeria's evolution as an independent State, a gradual relegation of merit in the public space has been witnessed, partly as a result of the need to deal with the complex differences between various ethnic groups existing in by through compromises and ethnic balancing measures. While these policy measures have been generally successful in ensuring a stable polity, certain limitations to national competitiveness has occurred as a result. They include:

- A weak sense of national belonging and high levels of ethnic affiliation at the detriment of national unity
- Excessive cases of square pegs in round holes
- Inability of the nation to present her "best feet forward" in any situation

The emergence of a merit-driven culture is therefore a key outcome of Vision 20:2020 and an area of immediate policy focus. To this end, a comprehensive review of ethnic balancing measures and diversity management related laws (e.g. federal character, zoning) will be undertaken with a view to ensuring greater promotion of merit while retaining the substance of their original intent. This objective will be pursued with a view to ensuring that Nigeria remains an epitome of unity in diversity amongst other ethnically diverse nations of the world, and that her diversity is fully leveraged as a source of economic and political strength.

## **7. Intensifying the war against Corruption**

Acknowledged as one of the greatest impediments to Nigeria's growth, corruption has severely undermined the nation's value system and has eaten deep into the fabric of Nigerian society. Although recent gains have been achieved in the fight to stamp out this malaise, a lot of work still remains to be done and the challenges that lie ahead remain enormous.

Vision 20:2020 recognizes the emergence of a corruption-free Nigeria as a non-negotiable outcome and the intensification of the war against corruption will be a critical priority for Government especially in the foundational years of the plan period. Emphasis will be placed on strengthening the anti-corruption institutions especially in the area of independence and autonomy to enhance their effectiveness. Focus will also be placed on creating disincentives for corruption by addressing structural deficiencies that create the platform for corrupt activities (e.g. providing competitive remuneration of public officers). In addition, the enforcement of legislation that directly or indirectly creates impediments to corruption will be a priority for government. Such legislation includes the Fiscal Responsibility Act, the Public Procurement Act, in addition to pending legislation such as the Freedom of Information Bill, and review of the immunity clause for certain categories of public office holders. Constitutional amendments where required will be pursued as a clear demonstration of government intent. Considerations on the creation of special courts for corruption will also be expediently pursued to their logical conclusion.

#### **8. Addressing subsisting threats to national security**

In the absence of security and peace, growth can neither be achievable nor sustainable. To this end, the elimination of subsisting threats to national security will be an area of immediate focus to ensure that the polity is stable and peaceful enough to support Nigeria's Vision 20:2020 aspirations. Immediate measures will be taken to urgently tackle existing threats that have manifested in the form of regional agitations, as well as ethno-religious tensions. Upgrading the capability of the internal security apparatus of government, and enhancing the efficiency of their operations will be the primary mode of achieving the above.

A transformation of the Nigerian Police Force through deliberate and sustained implementation of extensive reform recommendations is central to creating the platform for success of Vision 20:2020. The. Extensive attention will also be placed on enhancing the effectiveness of Nigerian intelligence organizations, in forestalling the outbreak of conflicts.

Importantly, a targeted approach to resolving the root causes of strife will be the philosophical principle underpinning efforts at eliminating existing security threats. Government will demonstrate a strong resolve to addressing the fundamental issues that border on social justice and equity as a way of ensuring lasting peace.



This resolve will be made evident in the approach to resolving the Niger Delta issue and the demilitarization of the region within the first three years of the plan period.

DRAFT

## SECTION 2

# GUARANTEEING THE WELL-BEING AND PRODUCTIVITY OF THE PEOPLE

DRAFT

## SECTION 2 – GUARANTEEING THE WELL-BEING AND PRODUCTIVITY OF THE PEOPLE

The overall goal of economic development is improvement in human well-being. To attain Nigeria’s Vision 20:2020 would, therefore, require the translation of the nation’s economic growth into tangible improvements in the well-being of the majority of our citizens.

Given the nation’s history of wide income disparity, which has manifested in large-scale poverty, unemployment and poor access to healthcare, the disconnect between our economic growth and human development has to be addressed to increase the well-being and ultimately labour productivity of our people.

Nigeria currently ranks 158 out of 177 economies (Table on the Human Development Index (HDR 2008), despite her rich cultural endowment and abundant human and natural resources. This position underscores not only the limited choices of Nigerians, but also defines the critical development challenges being faced by government. A majority of Nigeria’s 140 million (2006 census) citizens live below the poverty line and have limited or no access to basic amenities, such as potable water, good housing, reliable transportation system, affordable healthcare facilities, basic education, sound infrastructure, security and sustainable sources of livelihood.

**Table 2-1: Human Development Index: Nigeria Vs. Other Countries**

HDI Rank	Country	Life expectancy at birth (years) 2005	*Under-five mortality rate (per 1,000 births) 2005	*Population under-nourished (% of total population) 2002/2004	Combined Gross Enrolment Ratio for primary, secondary and tertiary education (%) 2005	*Population below income poverty line (%)	
						\$1 a day	\$2 a day
1	Iceland	81.5	3	<2.5	95.4	na**	na
2	Norway	79.8	4	<2.5	99.2	na	na
3	Australia	80.9	6	<2.5	113	na	na
12	United States	77.9	7	<2.6	93.3	na	na
16	United Kingdom	79.0	6	<2.7	93	na	na
81	China	72.5	27	12	69.1	9.9	34.9
107	Indonesia	69.7	36	6	68.2	7.5	52.4
158	Nigeria	46.5	194	9	56.2	70.8	92.4
159	Tanzania	51.0	122	44	50.4	57.8	89.9

Source: Human Development Index Report 2007/2008

\*MDG Indicator, \*\* na: not applicable

In addition, Nigeria records gross under-achievement of the Millennium Development Goals (MDGs) with a significant amount of its population still living below the poverty line, and with food insecurity, high child/maternal mortality, among others. NV20:2020 recognises the critical need to attain the MDGs which are aimed at reducing extreme poverty in its many dimensions (income poverty, hunger, disease, lack of adequate shelter, and exclusion) and promoting gender equality, education, and environmental sustainability, while setting out a series of time-bound targets with a deadline of 2015

The basic objectives for guaranteeing the wellbeing and productivity of Nigerians towards achieving the NV20:2020 intent are depicted in Figure 2-1:

1. Eradicate extreme hunger and poverty
2. Enhance access to quality healthcare
3. Provide sustainable access to potable water and basic sanitation
4. Provide accessible and affordable housing
5. Build human capacity for sustainable livelihoods and national development
6. Improve access to micro-credit
7. Promote gender equality and empower women
8. Foster a culture of recreation and entertainment for enhanced productivity

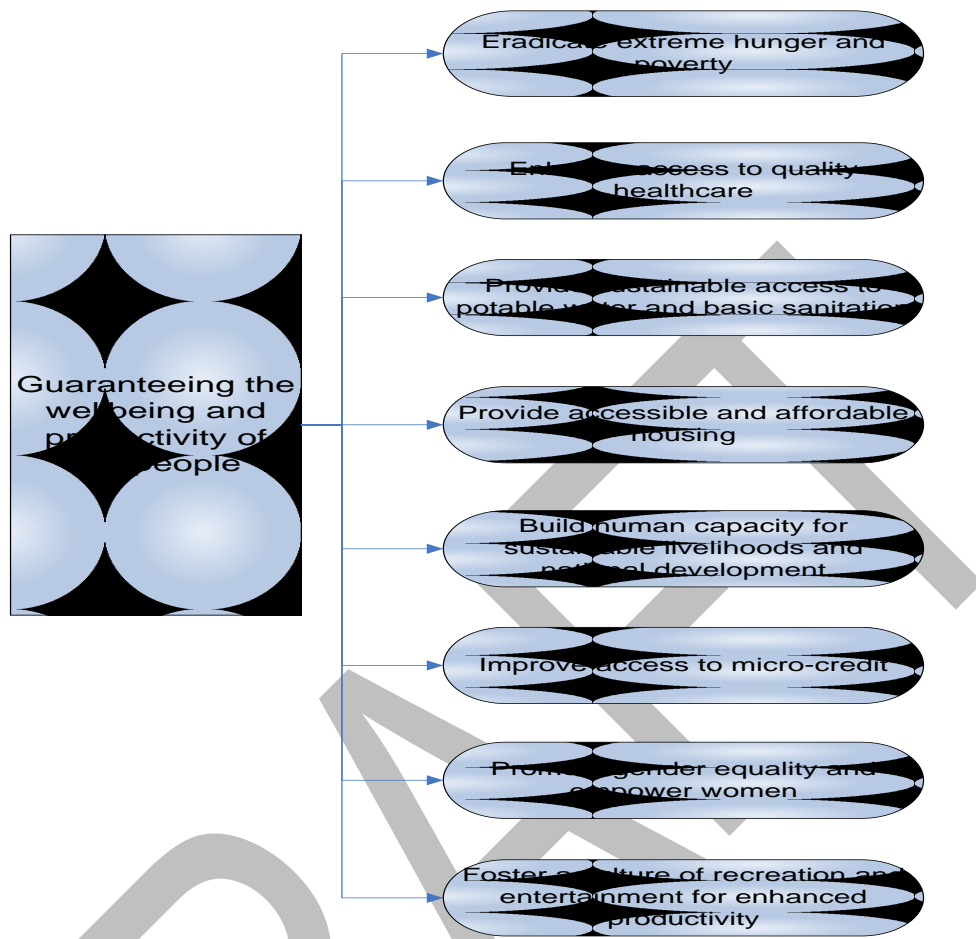


Figure 2-1: Strategic Framework for Guaranteeing the Productivity and Wellbeing of our people

## 2.1. Eradicate extreme hunger and poverty

In line with the Millennium Development Goal (MDG) on hunger and poverty, NV20:2020 aims to reduce the number of people who suffer from hunger and malnutrition by 50% by 2015 and 75% by 2020.

**Table 2-2: Human Development Index - Nutritional Status**

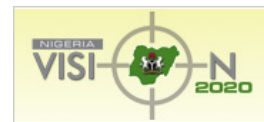
HDI Rank	Country	Population undernourished (% of total population)		Children under weight for age (% of children under 5)	Children under height for age (%)	Infants with low birth weight (%)
		1990/92	2002/04	1996-2005	1996-2005	1998-2005
1	Iceland	<2.5	<2.5			4
2	Norway	<2.5	<2.5			5
3	Australia	<2.5	<2.5			7
12	United States	<2.5	<2.5	2	3	8
16	United Kingdom	<2.5	<2.5			8
81	China	16	12	9	19	4
107	Indonesia	9	6	28	29	9
158	Nigeria	13	9	29	43	14
159	Tanzania	37	44	22	44	10

Source: Human Development Index Report 2007/2008

To eradicate poverty efficiently would entail reviewing the nation's approach to the implementation of poverty reduction policies and programmes which, historically, have been a top-down approach – with government developing programmes for the people rather than programmes designed, implemented, monitored and evaluated by the people themselves. Nigeria's NV20:2020 recommends a decentralised approach to the development and implementation of pro-poor programmes. This will ensure that federating units are able to adapt strategies to their respective circumstances, constituencies and development challenges. By this, the citizens will have full ownership of pro-poor strategies, with greater prospects that the strategies will be translated into budgets, programmes and concrete results, and will benefit the intended groups.

The strategic objectives to ensure that the intended beneficiaries enjoy pro-poor programmes and Nigeria achieves the desired result of poverty reduction include:

- Promotion of transparency and accountability in budget implementation, especially for approved programmes and actions targeted towards poverty eradication for the benefits of the citizens.



- Establishment of a framework that will enhance adequate monitoring, evaluation and regular cost-benefit appraisals of all programmes embarked upon by the government in achieving a poverty free society. These efforts will be focused on conducting regular assessment of government programmes related to poverty and community-based organisations and initiatives to ensure that the intended beneficiaries are adequately impacted.
- Special implementation policies to target the very poor states, which would have a greater effect on poverty reduction across the country.

Another component of the poverty reduction strategy includes the rehabilitation and expansion of physical and social infrastructure to ensure growth of output, employment and development of human resources. This will be facilitated by the following strategic initiatives:

- Provision of essential public utilities, including water, electricity and transport, as key priorities in improving the volume and quality of infrastructure.
- Participatory approaches based on broad public private partnerships will be strengthened to ensure fair distribution of infrastructure and to correct the existing urban bias. In this regard, attention will be given to the equity concerns about privatisation, the need to safeguard workers' interests and to ensure that the process does not aggravate the already precarious unemployment situation in the country.

### ***Guaranteeing Food Security***

In Nigeria, given the preponderance of poverty amongst rural agricultural workers who constitute a significant proportion of our population, agricultural and rural development is a key route to accelerated economic growth and poverty reduction. The Food and Agriculture Organisation (FAO), in its *State of Food Insecurity in the World (2006) Report*, indicated that Nigeria had about 12 million undernourished citizens (about 9% of the population) as at 2003. Lack of food is the most critical dimension of poverty, which is critical to meeting the MDG goals. Agriculture, predominantly small – scale farming, with low and declining productivity, accounts for 41% of the real sector, while crude oil accounts for 13%. Agricultural production remains largely of a subsistence nature and is rain-dependent.

Food security is currently constrained for many households in Nigeria. Localised production deficits in the main 2007 harvest occurred as a result of localized poor rainfall and an early end to the rainy season in mid-September. The problem of food security is compounded by the nature of land tenure systems, which makes it difficult for the majority of farmers to have access to large acreage of land, amenable to mechanisation. In the face of current climate change concerns, the country's food situation may get worse in many parts of the North, where climate-change-induced drought is aggravating food shortages.

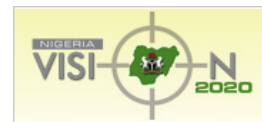
Ensuring food security and reducing extreme hunger will entail

- Increasing the agricultural output of smallholder farmers through provision of improved seedlings and fertiliser
- Sustaining the renewed focus of the Federal Ministry of Agriculture on commercial agriculture across the entire country
- Continued expansion of irrigation infrastructure
- Supporting initiatives that protect long-term leasehold on farmland and the institution of clear property rights. The NV20:2020 strategy will also be to support agricultural research and development and promote greater dissemination and adoption of appropriate technologies.

Other strategic initiatives will include:

- Support for massive irrigation schemes to increase irrigated arable land from the present 1% to at least 10% by 2015 and 25% by 2020. This will help to reduce the current levels of rain dependent





agriculture, mitigate the impact of climate change and ensure food crop production throughout the year.

- Consciously promoting national sufficiency in key agricultural commodities (including Rice, Wheat, Sugar, Milk and Breeder birds) currently imported into Nigeria at high foreign exchange costs.
- Promotion of agro-input supply systems and agro-finance.
- Training and equipping extension workers for adequate dissemination of environmentally friendly agricultural technologies (including biotechnology) to raise efficiency in food crop production and enhance food security.
- Increasing market access to rural areas through massive rehabilitation and construction of additional rural roads, to ease the evacuation of agricultural food products to reducing the unacceptably high rate of post-harvest losses. Moreover, the provision of agri-business facilities and advocacy for Nigerian farmers to explore regional opportunities in ECOWAS and international trade systems will facilitate better access to market.
- Increasing access to improved harvesting and processing techniques.
- Strengthening the national capacity to respond effectively to food insecurity situations and emergency crises. This entails regular assessment of: the capacity and logistics needs, competence and skills gaps as well as the efficiency of the response programme of the relevant institutions.

### ***Population Control Measures***

With a high population growth rate of 3.2%, the teeming population tends to exert massive demand-pull on existing resources, thereby constraining the growth of the nation's GDP per capita.

The NV20: 2020 plan to curb the population growth rate will be targeted at programmes aimed at lowering birth (fertility) rates and which will be facilitated in collaboration with the public and private sectors as well as NGOs and development agencies, with efforts focused on educating and sensitising couples to embrace family planning alternatives, increasing the average marriage age of women and eradicating cultural norms which tend to encourage many children per woman. The Government can also influence desired family-size through financial incentives such as tax allowances and child benefits, as well as health and educational subsidies.

Women play a major role in controlling population growth. Research has shown that women that are more educated tend to marry later and are also more enlightened on contraceptive methods, and therefore give

birth to fewer numbers of children. In order to achieve the goal of lowering population growth by 2020, appropriate policies targeted at changing the economic role and status of women including quality education, skills acquisition and access to finance for entrepreneurship will be put in place.

## **2.2. Enhance access to quality and affordable healthcare**

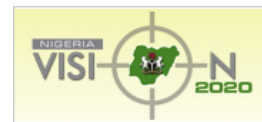
Healthcare encompasses the prevention, treatment, and management of illness and the preservation of mental and physical well-being through the services offered by the medical and allied health professions in both the public and private enterprises. The poor healthcare situation in the country is mainly attributable to various underlying factors, such as inadequate and poorly maintained facilities, very high patient to doctor ratio and inefficient service delivery. Nigeria records low Human Development Indicators (158 out of 177) for health (especially for women and children) even within sub-Saharan Africa, and her targets on the Millennium Development Goals for child mortality, maternal mortality and nutrition may be missed by wide margins, if current trends continue unabated.

The MDG goals for health also provide important targets for the improvement of the mental and physical well being of Nigerians. The desired goal for NV20:2020 is to place Nigeria in the HDI ranking of not less than 80 by 2020, and support a life expectancy of not less than 70 years. These goals are well aligned to the MDGs for health:

- Reduction in the maternal mortality which ranges from 300 per 100,000 live births in the south-west of Nigeria to over 1,200 in the north-east of the country by 75% by 2020. (NDHS, 2008)
- Reduction in under-5 mortality from 189 per 1000 live births (2007, UNICEF) to 75 in 2015 and 50 in 2020
- Reduction in under-5 malnutrition from 53% to less than 20% (NDHS2008) by the year 2015
- Increased life expectancy of Nigerians from 47 years (2007 UNICEF) to 70 years by 2020
- Reduction in HIV/AIDs prevalence from 4.4 percent in 2006 to half by 2015

To adequately address the lack of access to quality healthcare, particularly for those living in rural communities and other vulnerable groups, one of the main policy thrusts for NV20:2020 is to enhance primary health care delivery.

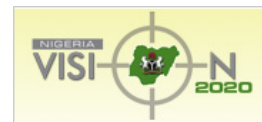
NV20:2020 aims to harmonise the health care policies and programmes of all the tiers of government, paying attention to peculiar geographical health care needs, to redress the disproportionately poor health indicators



in the country. Improvement in the level of routine immunisation through primary health care services to cover all children will be pursued through increased routine immunisation coverage from the present 27% to 95% by the year 2015. Healthcare services will be made more accessible and affordable to be able to achieve the MDG goals.

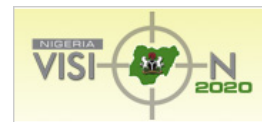
To ensure regular access to affordable drugs and vaccines, significant increase in the local production of essential medicines will be required by building Nigeria's capacity to manufacture essential drugs, vaccines and consumables, with an increase from 40% to 80% of national need. The acute shortage of drugs in the health sector can also be addressed by revamping the drug-revolving scheme (including the Bamako Initiative). Universal access to healthcare would be increased through mechanisms (such as the National Health Insurance Scheme and the National Community Health Insurance) that provides FREE health services to vulnerable groups, including women and children, in all parts of the country. However, in achieving sustainable and affordable healthcare for all by 2020, the following strategic initiatives need to be aggressively implemented:

- Sitting of at least one primary healthcare (PHC) facility in each ward with the appropriate complement of staff
- Development and implementation of a health infrastructure policy that will guarantee minimum standards and ensure that the referral systems to secondary and tertiary health care facilities are strengthened and able to support primary health care
- Provision of adequate infrastructure and well maintained equipment through partnership with the private sector
- Expansion of secondary and tertiary health care coverage will require the sitting of at least one general hospital in each Local Government Area. Each General Hospital will have specialists to cover a minimum of four major disciplines: — Surgery, Paediatrics, Medicine, Obstetrics and Gynaecology. Also required will be the re-equipping of all Teaching Hospitals, Federal Medical Centres, Specialist Centres and General Hospitals
- Inclusion of family life education should be part of junior secondary school curriculum, with a view to encouraging the citizenry to seek health care knowledge from appropriate health sources
- The development of adequate and appropriate manpower for the health sector will require thorough assessment of the training needs, and the update of in-service training programmes so as to ensure



that health care service providers have the appropriate competences and attitudes for integrated maternal, newborn and child health services.

- Embarking on training and re-training of all health personnel such as biomedical engineers, medical specialists, nurses, midwives, laboratory scientists and other care providers to update their skills and competence. In this regard, the Postgraduate Medical Colleges, Colleges/Faculties of Medicine and the Teaching Hospitals will be better funded to help perform their training mandates more effectively. A special fund for the training of house officers and other interns is also necessary. To meet the new, growing demand for health workers, the relevant institutions, such as Schools of Health Technology and Midwifery, would be strengthened and empowered to accommodate new intakes
- Strengthening existing national health information systems and integrating them into a comprehensive national database to improve health data and promote research. This will be supported by ensuring effective vital registration (births, deaths, marriages, divorce) at all levels and the establishment of the mechanisms for collation, coordination and management of health research by a well funded body such as the National Medical Research Council (NMRC)
- Enhancing the availability and management of health resources (financial, human and infrastructural) by consolidating and expanding the national midwifery scheme.
- Implementing a competitive Health Workers compensation and motivation package would also be introduced across all levels.
- Strengthening the various health regulatory agencies and accelerating the implementation of the three components of the National Health Insurance Scheme (NHIS) for the attainment of 100% coverage of Nigerians by 2015.



### 2.3. Provide sustainable access to potable water and basic sanitation

Water is a vital resource for sustaining life, promoting development and maintaining the environment. It is also invaluable for sanitation and various aspects of national development. Several plans and programmes have been developed towards the attainment of the MDG targets on water and sanitation. The percentage of Nigerians with access to improved sanitation facilities which was 39% in 1990, increased to 44% in 2004. The population of Nigerians with access to improved water source, however, remained poor at about 48% in 2004, a decline from 49% recorded in 1990<sup>10</sup>.

Key initiatives to improve access to potable water supply and basic sanitation include:

- Encouraging Community Participation (CP), Private Sector Participation (PSP) and Public Private Partnership (PPP) in the provision of water supply and sanitation schemes and services, so as to empower water supply agencies (both private and public) to operate on a commercial basis, by developing and promoting the market for water supply and sanitation schemes and services, through the provision of incentives such as fixed price, fixed payment and competitive license bidding. In addition, avenues will be provided to accommodate Direct Private Investment (DPI) and Public Private Partnership (PPP) through commercialisation, service and management contracts, lease, concession, BOT, BOO etc.
- Developing integrated best practices programme and manuals of management, operation and maintenance for Urban, Small Town and Rural water and sanitation supply schemes and services. This will be in addition to ensuring adherence to standards on design, procedure and material quality for water supply equipment, facilities and services
- Rehabilitating, constructing and modernising existing water supply and sanitation schemes, distribution networks and facilities for optimal operation, so as to meet the increase in demand owing to population growth. Also encouraging the use of alternative energy sources, such as solar, wind and other renewable energy sources to power pumps and other facilities for water supply and sanitation schemes and services

---

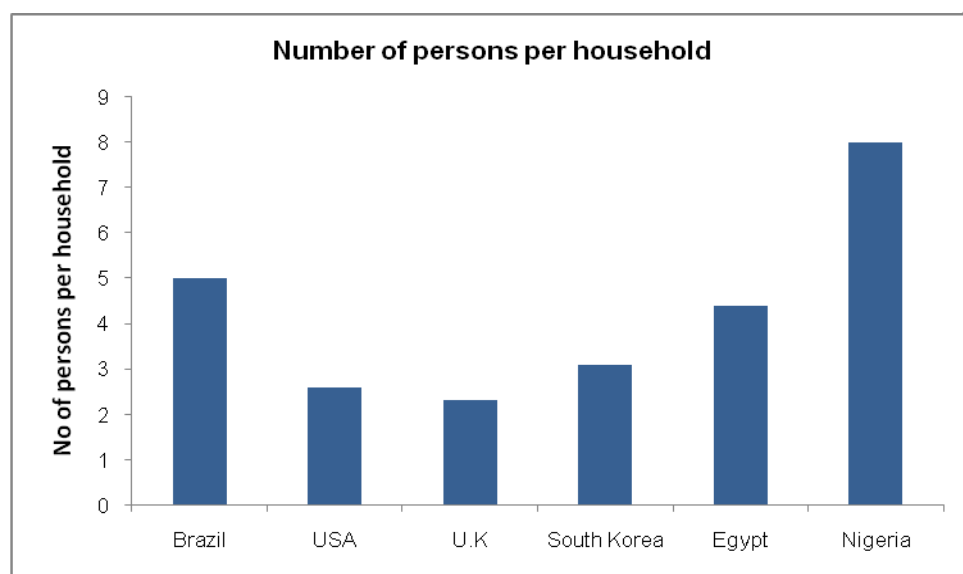
<sup>10</sup> Source: Human Development Index Report 2007/2008

- Ensuring performance monitoring and evaluation programmes for sanitation undertakings such as re-introduction and strengthening of sanitary inspection units and sanitary inspectors at all levels and ensuring adherence to national sanitation standards and code of practice in building plans, housing estates and public buildings such as factories and hotels
- Embarking on effective and sustained public awareness campaigns to reduce, recycle and re-use solid waste. In addition, encourage community participation, PSP and PPP in the provision of sanitation schemes and services
- Ensuring local manufacturing capacity for basic water supply and sanitation equipment and control devices so as to inculcate entrepreneurial knowledge and skills in students of Polytechnics and Technical and Vocational Colleges; developing training schemes for state water supply agencies on the coordination of the activities of local artisans and mechanics in the provision of services to the water supply and sanitation sector. In addition, a special grant will be provided to the National Water Resources Institute to establish a National Training Network (NTN) with special links to strategically chosen Technical Colleges in the Six Geopolitical Zones on the one hand, and the International Training Network (ITN), on the other hand. This will be in addition to building the capacity of environmental scientists on sound environmental management practices
- Incorporating extensive pollution control and waste management programmes such as the provision of sewage treatment plants for some major cities; remediation of persistent organic pollutants (POP) in contaminated sites; medical waste management incinerators in Federal Medical Institutions and ensuring integrated waste management facilities in all the states
- Compliance, monitoring and enforcement of appropriate standards towards creating changes in attitudes. In addition, effectively coordinating the implementation of environmental programmes for the control of environmental degradation, pollution, sustainable use and conservation of natural resources
- Enlightening the citizenry and corporate organisations on ways and methods to go green, in order to reduce waste and pollution

#### **2.4. Provide accessible and affordable housing**

Shelter is one of the most basic human needs, and for many, affordability is the real barrier to satisfying this need. Affordability refers to the supply and availability of housing that is both within the financial reach of

households and matches their aspirations. Nigeria has experienced rapid urbanization with nearly 50 per cent of the population living in urban areas, and this development has proceeded in an uncontrolled and unplanned manner, giving rise to congestion in urban housing.



**Figure 2-4: Number of persons per household - Nigeria vs. other countries**

Achieving affordable housing will raise home ownership to about 50%, improve Nigeria's Human Development Index (HDI) ranking, reduce poverty in households, increase the productivity of Nigerians, and make the housing sector contribute over 20% to Nigeria's GDP. A major encumbrance to meeting the housing needs of the populace is the high cost of housing, which precludes low-income earners from having access to suitable shelter. The key priorities will be to meet the effective demand for housing, make housing finance available to the low to medium income earners, and provide the legal and regulatory framework that will attract private investors to develop affordable housing products for that market. Providing new housing stock is not the only way to meet the demand for affordable housing. In addition, the rehabilitation or renovation of existing housing units to improve living conditions can contribute considerably to the availability of affordable urban housing.

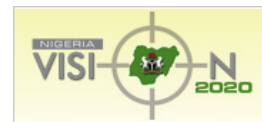
The strategic initiatives to tackle the above would include:

- Developing an effective land administration system to make land ownership available, accessible and easily transferable at affordable rates. This would involve:



- Provision of secure, registrable and marketable title on land (will require expunging the Land Use Act from the Constitution to facilitate its wholesale amendment).
- Computerise the various land registry systems and develop an efficient national land information system
- Implement reform policies towards the development of a more effective land administration system
- Establishing an efficient and transparent land title transfer system that simplifies existing land procedures for effective title and consent delivery
- Providing funds for detailed empirical study for the establishment of an efficient primary mortgage market.
- Establishing an effective legal and regulatory framework to enforce the control and monitoring of housing delivery, such as a National Housing Commission, that would regulate and control the housing sector.
- Commercialising and recapitalising the Federal Mortgage Bank of Nigeria to provide a linkage between the mortgage market and the capital market
- Enforcing National Housing Fund contributions for both public and private sectors.
- Privatising the Federal Housing Authority to compete with other players in the industry, in the provision of mass housing.
- Providing incentives and the necessary legal and regulatory environment to attract Public Private Partnership (PPP) in mass housing development.
- Establishing an efficient foreclosure system that will give more guarantees to lenders in cases of default.
- Rehabilitating all existing professional, technical and vocational training centres and building new ones to ensure sustainable production of skilled manpower for the housing industry.
- Reducing the cost of production of houses by developing and promoting appropriate designs and production technologies for the housing sector.





- Providing adequate funding for R&D to improve the availability and affordability of building materials and technologies. As well as, commercializing the products of R&D of the Nigeria Building and Road Research Institute, and other allied institutes
- Enforcing the provisions of the National Building Codes (NBC) and mandating local communities to designate sufficient space for housing for various income groups and Persons With Disability
- Providing targeted subsidies and housing finance credit guarantees to facilitate home ownership by lower income groups/ People With Disabilities, and establishing a mortgage and title insurance system that will mitigate credit risk
- Working with states and local governments to produce and implement a unified and integrated infrastructure development for housing, open up new layouts and provide sites and services for the private sector to develop affordable and decent mass housing.
- Working with the financial sector operators and regulators to develop an effective primary housing finance system, and facilitate linkage of that market to the capital market to provide long-term financing and also facilitate affordable and sustainable liquidity for housing.

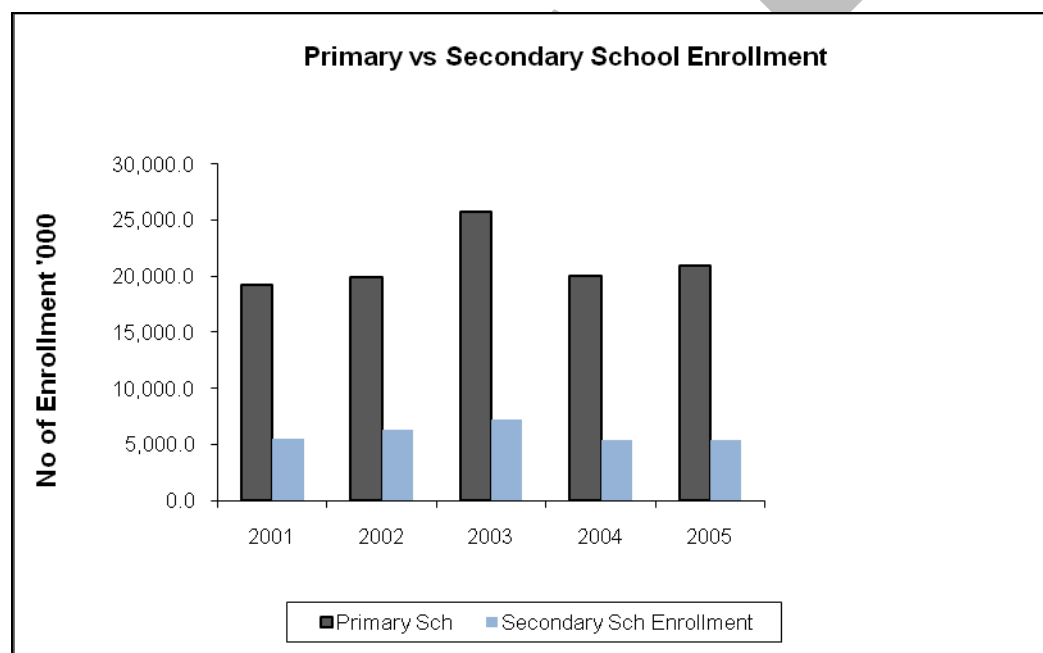
## **2.5. Build human capacity for sustainable livelihoods and national development**

Education is both a basic human right and a critical element in human development. Therefore, human capacity development facilitated by strong learning systems is central to the attainment of Nigeria Vision 20:2020. The aim of the NV20:2020 is to ensure that all boys and girls, irrespective of ethnicity, gender or disability, complete a full course of basic education - 12 years of formal education consisting of 3 years of Early Childhood Care Development and Education (ECCDE), 6 years of primary schooling and 3 years of junior secondary schooling. This would be followed by at least 3 years of vocational training (informal/formal education) or senior secondary schooling. Meeting this basic target will speed progress towards the achievement of all the other targets for NV20:2020, including the eradication of poverty and hunger, as well as accelerated economic development.

There are currently about 11 million children (intended beneficiaries of the Universal Basic Education) who are either out of school, or have very poor progression from primary to secondary schooling (Figure 2-5). This is in addition to gross inadequacy of tertiary education – all federal and state universities have capacity to absorb only about 100,000 out of the 900,000 applicants for university education, annually. This requires a drastic action plan, to expand access and quality at all levels. Previous reforms in the education sector, including the

National Policy on Education (2004) (which encompasses the Universal Basic Education Act) and the Education Roadmap, have not achieved the desired results, due to persistent constraints of under-funding, as well as inadequate and poor facilities, among others.

The daunting task to expand educational access calls for a massive infrastructural upgrade, including the provision of more schools on an incremental basis, annually (to cater for the expected population growth). These schools must also be fully equipped with laboratories and other facilities, in order to deliver the required quality. Public-Private-Partnerships in formal education and vocational training will be pursued as a viable mechanism to improve the effectiveness of our education system in a cost-effective manner, without compromising equity. Properly regulated private participation, leading to healthy competition among providers of service, will lower costs and improve responsiveness to the needs of the populace. It can also encourage the public sector to improve the quality and efficiency of public schools.



**Figure 2-5: Progression from primary schooling to secondary schooling**

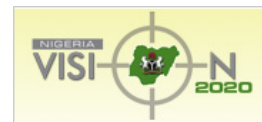
Source: National Bureau of Statistics

The quality of education at all levels, expressed by the low employability of the resulting labour force, calls for measures to formulate and enforce higher educational standards, through quality assurance mechanisms. The present school inspection system will be graduated into a quality assurance mechanism, aimed at enforcing



quality and relevant curriculum, optimal teacher to pupil ratio, teacher education and training, as well as adequate educational facilities in both public and private schools.

DRAFT



Vision 20:2020 proposes the formulation and implementation of a sound framework that would enable the relevant implementing authorities to expand access, increase equity and enhance the quality of educational provision, while promoting international-standards in teaching resources, content, and methodologies, across all levels. Capacity building will be based upon clear and dynamic strategies geared towards policy measures that:

- strengthen education as the foundation for life long learning,
- foster the development of Research and Development,
- promote worker education and training,
- foster innovation and entrepreneurship,
- facilitate the diffusion of Information and Communication Technology, as well as
- seek equal access and opportunity for women and other vulnerable groups

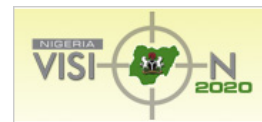
Educational reform is fundamental to human capacity building. NV20:2020 seeks to refocus our educational system in terms of access and equity, quality, infrastructure, teacher quality and development, curriculum relevance, funding and planning. In addition, more attention would be given to Technical and Vocational Education & Training (TVET), which was instituted to provide skilled manpower in applied science, engineering technology and commerce to operate, maintain and sustain the nation's economic activities for rapid socio-economic development. TVET was designed to impart necessary skills and competencies leading to the production of artisans, technicians and technologists who will be enterprising and self-reliant, thus having the greatest potential to generate employment, reduce poverty and eliminate social miscreants known as 'Area Boys' and the 'Area Boy Syndrome'. Continuing education, especially for the working population, will also be addressed through greater collaboration with corporate organisations and enhanced ICT diffusion.

**Table 2-4: Areas of focus for education delivery at different levels**

Level	Key Priorities
Early Childhood Care Development and Education (ECCDE)	<ul style="list-style-type: none"> <li>▪ Reduce cost of pre-primary education to parents to encourage mass participation</li> <li>▪ Provide integrated and child friendly centres in at least 50% of public schools</li> <li>▪ Encourage participation of the private sector and not-for-profit organisations in the delivery of ECCDE to expand access</li> </ul>
Primary Education	<ul style="list-style-type: none"> <li>▪ Ensure 100% retention and completion of primary education for both boys and girls</li> <li>▪ Reduce pupil-teacher ratio</li> <li>▪ Bridge rural-urban gap in enrolment and school attendance</li> <li>▪ Provide inclusive facilities and resources for gifted and talented children and the physically challenged</li> </ul>
Junior Secondary Education	<ul style="list-style-type: none"> <li>▪ Ensure completion and facilitate the onward progression of 60% to senior secondary, 20% to technical colleges, 10% to vocational training centres, and 10% to apprenticeship schemes</li> <li>▪ Support community participation in school management</li> </ul>
Senior secondary (Post-Basic) Education	<ul style="list-style-type: none"> <li>▪ Increase the transition rates of boys and girls from basic education to the post-basic education level</li> <li>▪ Promote mainstreaming of pupils who have completed the integrated Qur'anic education and nomadic education programmes into the post-basic education programme</li> <li>▪ Facilitate the transition from basic education to post basic education of children with special needs such as the mentally and physically challenged</li> </ul>
Nomadic Education	<ul style="list-style-type: none"> <li>▪ Improve communication and knowledge management of nomadic education</li> <li>▪ Provide incentives to parents to enrol their children</li> <li>▪ Create awareness for the need to come back to school or attend learning centres</li> </ul>
Adult and Non-Formal Education	<ul style="list-style-type: none"> <li>▪ Provide non-formal basic education for adults and youths who never had the opportunity of formal education</li> <li>▪ Provide continuing or remedial education for school leavers</li> </ul>
Tertiary Education	<ul style="list-style-type: none"> <li>▪ Increase the carrying-capacity of tertiary institutions</li> <li>▪ Create Innovative Enterprises and Vocational Institutions in partnership with the private sector</li> <li>▪ Strengthen Linkages with Experts and Academics in the Diaspora (LEAD) and establish staff and student exchange programmes</li> </ul>

Other initiatives include:

- Expand facilities and capacities for the provision of Early Childhood Care Development and Education (ECCDE), thereby exposing pre-school age children (0-3 years) to the formal school environment and ultimately improving enrolment for basic education
- Enforce mechanisms already in place for the implementation of compulsory enrolment and retention of children in primary and junior secondary schools. This can be achieved through the full implementation of the provisions of the Universal Basic Education (UBE) Act 2004, as well as the Education Roadmap
- Enhance the quality of senior secondary education and retention of students by ensuring effective delivery of curriculum and promoting pre-vocational content for total self-development and problem solving skills
- Enhance basic literacy and entrepreneurship skills through the full implementation of the Federal Government policy on entrepreneurship education; supported by at least one model enterprise centre in each state. This can be further enhanced by the design of adult education programmes/services to integrate literacy, work readiness skills, and industry skills with workforce development, resulting in career directed employment opportunities leading to economic self-sufficiency
- Enhance quality and access to tertiary education by expanding and modernising facilities in tertiary institutions to enable them cope adequately with their present enrolment levels and anticipated expansion (current absorptive capacities are 15% in universities, 53% in polytechnics and 34% in colleges of education)
- Promote and expand open and distance learning systems in tertiary institutions to expand reach and access. This can be achieved through:
  - popularisation of distance learning and using the media to publicize the non conventional institutions as alternatives
  - introduction of virtual libraries in more institutions
  - encouragement of alternative modes of education delivery systems in tertiary institutions
- Institute a quality assurance system and regulatory body for quality control. This can be achieved by revamping the current school inspection system through capacity building



- Attract the requisite skills and capacity into public education through competitive remuneration and continuous teacher training
- Institute an Education Management Information Systems (EMIS) for effective planning and management. This requires rigorous and consistent data collection by all arms of the education sector, supported by the implementation of approved policy, a strong central database, as well as strengthened data linkages between the organisations that generate and use the information.

### ***Education and Skills for Employability***

Declining quality of education, training and skills acquisition has posed serious impediments to the employability of the labour force in many respects. Of the 6 million Nigerians graduating annually from the educational system, only about 10% are often employed, thereby leaving about 4.5 million to enter into the labour market annually (a combination of unemployment, under-employment, low-wage employment and social exclusion). The deficit in educational quality has grossly undermined the competitiveness of the Nigerian labour force in national and global labour markets, making it difficult for qualified Nigerians to access jobs globally, despite the emerging global hunt for talents, especially in the ICT sub-sector. The inability of many of our youth to gain access to global centres of learning excellence for the furtherance of their education has further compounded the issue of unemployment at home.

Nigeria finds itself faced with the paradox of the simultaneous existence of surplus labour and scarcity of skills, due to a persistent skills mismatch, which further compound unemployment. Formal and informal education and training will be refocused in line with the employment and development needs of the economy. Duplication of efforts, lack of focus and coordination by some skill acquisition institutions in the country such as the National Directorate of Employment (NDE), Industrial Training Fund (ITF) and National Poverty Eradication Programme (NAPEP) raises the need to review the priorities, functions and viability of these institutions through an independent external evaluation.

Strategies for enhancing education for employment include:

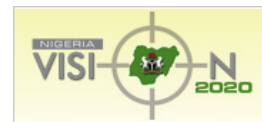
- Developing a more labour-market relevant curriculum. This requires reviewing the entire school curricula, especially senior secondary and tertiary, and making them employment – sensitive, by introducing new subject matters including:
  - Life skill programmes such as critical thinking skills, social skills and functional skills needed in the employment market

- Entrepreneurship skills, emphasising motivation and creativity
- Streamlining the existing skills and entrepreneurs development agencies into a consolidated ‘Skills for Enterprise and Employment Programme’ and collaborate with national and international development organisations, to develop skills and manpower for the productive sectors of the economy
- Assisting job-seekers by enhancing the information efficiency of the labour market and its institutions
- Improving capability and relevance in the global labour market through ICT diffusion and targeted skills development

**Table 2-5: Areas of focus for youth development**

Focus Areas	Key Priorities
Youth Empowerment	<ul style="list-style-type: none"> <li>▪ Reduce unemployment rate amongst Nigerian youth through job creation</li> <li>▪ Implement micro-finance schemes to support young entrepreneurs</li> <li>▪ Establish functional leadership and development centres in all local government areas</li> </ul>
Youth, Education and Training	<ul style="list-style-type: none"> <li>▪ Improve literacy and numeracy amongst Nigerian youth with focus on the girl-child in the North and the boy-child education in the East and West</li> <li>▪ Provide training in technical and vocational skills</li> </ul>
Youth and Health	<p>Initiate programmes targeting key health challenges among young people such as reproductive health, emotional and mental health:</p> <ul style="list-style-type: none"> <li>▪ Educate and sensitise the youth on communicable diseases such as Tuberculosis, Hepatitis, STDs, HIV/AIDs, etc</li> <li>▪ Reduce the rate of teenage pregnancies and child marriages</li> <li>▪ Sensitise the youth on the illicit use of drugs and its harmful effect on health</li> </ul>
Youth and the Environment	<ul style="list-style-type: none"> <li>▪ Increase awareness on sanitation and pollution</li> <li>▪ Educate and sensitise the youth on the global climate change and how to harness alternative sources of energy</li> </ul>
Youth, Leisure, Recreation and Community Service	<p>Create avenues for recreation through leisure:</p> <ul style="list-style-type: none"> <li>▪ Encourage participation in sports</li> <li>▪ Establish recreational centres in all communities/ Local Government Areas</li> </ul>
Youth and Nigeria’s Image	<ul style="list-style-type: none"> <li>▪ Develop and inculcate national pride, patriotism, self-esteem, self-confidence in Nigerian youths</li> </ul>





Focus Areas	Key Priorities
	<ul style="list-style-type: none"> <li>▪ Establish youth mentoring programmes and role modelling</li> </ul>

### ***Labour and Employment/ Job protection***

The Nigerian labour management relations environment should provide for higher employment, job protection and greater productivity in line with ILO standards, to which Nigeria is signatory. Labour management can also be used as an important driver of technology transfer, employment creation, income generation and sustainable growth through indigenisation schemes, local content, apprenticeship/attachment and, cross-postings.

The challenge for NV20:2020 is to develop a functional and effective Labour Market Information System (LMIS) for Nigeria, which will be used for the following:

- Tracking and analysing the economy in terms of labour implications,
- Determining future workforce training needs,
- Identifying the availability of labour,
- Ascertaining the prevailing wage rates, and
- Exploring potential markets

Other initiatives for effective labour management include:

- Enhance youth employability and progression to higher levels of training. This will include measures to check and reverse brain drain and foster brain gain:
  - provide adequate, well-paying jobs to serve as an incentive
  - expedite action on the Local Content Bill in the petroleum industry, in order to create adequate opportunities for all citizens
  - improve infrastructure, ensure political stability, as well as security of lives and property
  - control emigration of highly skilled personnel for the purpose of knowledge transfer for brain gain



- Enforce expatriate quotas through appropriate legislation, specifying the classes of jobs that can be taken by expatriates as highly skilled labour only, ensuring that non-nationals do not take up the majority of unskilled and medium skilled labour, at the expense of Nigeria's teeming unemployed population. In addition, pursue local content initiatives vigorously to enhance employment opportunities for Nigerians.
- Ensure equitable access to employment opportunities to vulnerable groups, including women, and Persons with Disability
- Integrate the macro, meson (sectoral) and micro economic environments for employment sensitive growth. Key elements of this strategy include:
  - Pursuit of monetary policy that targets not only a single digit inflation, but also employment creation by the relaxation of monetary and credit conditions in the economy. This should include accessible credits to the SMEs through the banking system (both commercial banks and microfinance institutions)
  - Pursuit of fiscal prudence in the context of allowing/exploiting the fiscal space to accommodate investments with high employment potentials and catalysts. (e.g. massive investment in energy and education)
  - Involvement of tripartite institutions (government, trade unions and employers of labour) in the management of the macro-economy. This will facilitate a consultative process of putting in place a non-inflationary productivity-based wage and price regime
  - Pursuit of the transformation of the huge informal economy by aggressive policies for developing and empowering thousands of entrepreneurs annually. The CBN's six centres of entrepreneurship development need to be strengthened and effectively coordinated, along with other initiatives, such as the setting up of a private sector driven Entrepreneurship Development Institute of Nigeria (EDIN). The employment and output boosting impact of entrepreneurial activities will trigger and make vibrant the dormant supply side of the economy, thereby easing inflationary and exchange rate pressures
  - Legislate an institutional mechanism for ensuring full implementation of annual budgets, programmes and projects at the federal, state and local government levels. Full

budget/programme implementation ensures full output delivery, hence increased employment and income generation as well as social inclusion

**Table 2-6: Areas of focus for Persons with Disability (PWDs)**

Areas of Focus	Key Priorities
Regulatory framework	Implement disability legislation such as: <ul style="list-style-type: none"> <li>▪ Education of the Handicapped Child Act</li> <li>▪ Development Disability Assistance and Bill of Rights Acts</li> <li>▪ Individuals with Disability Education Act</li> <li>▪ Technology-related assistance for Persons with Disability</li> <li>▪ Disability Discrimination Act</li> <li>▪ Equal Rights of Persons with Disability</li> </ul>
Sports and Recreation	<ul style="list-style-type: none"> <li>▪ Establish disability friendly sports and recreation centres</li> <li>▪ Initiate, Aid and Support the Development and integration of Sports for PWD within the National Sports Development Programme</li> </ul>
Health	<ul style="list-style-type: none"> <li>▪ Provide automated beds</li> <li>▪ Train medical personnel for assisting PWD</li> <li>▪ Ensure comprehensive free health care for all children less than 12 years, including free access to assistive devices and rehabilitation services</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>▪ Provide disability friendly transport systems</li> <li>▪ Adopt the disability action plan for all cities               <ul style="list-style-type: none"> <li>– build structures that aids PWD access to buildings such as Banks, and other public buildings</li> </ul> </li> <li>▪ Encourage local production of technology appliances/aids for PWD</li> </ul>
Education	<ul style="list-style-type: none"> <li>▪ Increase literacy levels among PWD by the provision of highly subsidised/free education</li> <li>▪ Establish special educational institutions at all levels to cater for the needs of PWD</li> </ul>
PWD Empowerment	<ul style="list-style-type: none"> <li>▪ Create avenues for the establishment of Self Help Groups (SHG) and Cooperative Societies of Persons With Disability to access credit facilities</li> <li>▪ Establish special training and vocation centres</li> <li>▪ Facilitate centres for the special learning needs of PWD such as sign language, Braille, alternative script</li> </ul>



DRAFT

## 2.6. Promote gender equality and empower women

Gender equality and women empowerment are basic human rights that lie at the heart of equitable development. Nigeria is committed to fostering a healthy respect for persons irrespective of race, class, disability or gender. Women empowerment is a viable tool for eradicating poverty and advancing development. The importance of gender equality is further underscored by its inclusion as one of the eight Millennium Development Goals (MDGs).

The strategy for promoting gender equality and women empowerment will be systematic gender mainstreaming in all policies, programmes and organisational cultures in Nigeria through the incorporation of the principles of Convention on the Elimination of all forms of Discrimination Against Women (CEDAW) and other global and regional frameworks that support gender equality and women empowerment. Currently, only 9% of the members of the Senate and 7.8% of members of the House of Representatives are women. Women are faced with low representation in critical decision making structures and this is partly due to poorly developed legal and policy frameworks for women. To meet the MDGs for gender equality and NV20:2020 aspirations, the following strategic initiatives will be adopted:

- Put in place mechanisms for the political empowerment of women to take active part in governance and legislation, by setting up advocacy programmes to strengthen political support for women
- Establish the framework for gender-responsiveness in all public and private sector policies and programmes
- Increase the proportion of women in executive positions in the work-force to at least 30% by year 2015

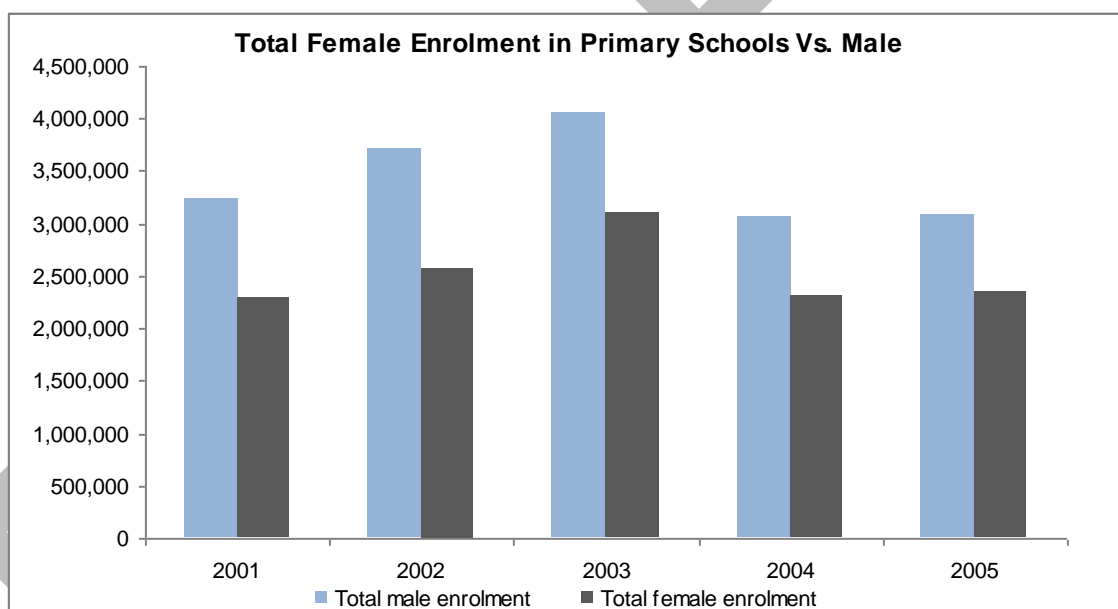
To achieve the goal of reducing the incidence of harmful traditional practices against women and the girl child by 80% by year 2020, the following activities will be required:

- Institute legal and constitutional reforms to promote the principles of non-discrimination, protection and promotion
- Develop guidelines for active response on gender – based violence
- Criminalise harmful traditional practices against women and female children in Nigeria

- Continuously sensitise the rural communities on traditional, religious and cultural barriers
- Rehabilitate, support and integrate into society victims of violence and conflict

Some of the other issues facing the Nigerian woman today include constraining traditional practices, low literacy, poor access to healthcare, greater vulnerability to HIV/AIDS and its impact. To promote systematic gender mainstreaming in all sectors by year 2020, the following initiatives will be carried out:

- Enhance the capacities of the national and states’ gender machinery to implement and monitor the implementation of the National Gender Policy as an accountability tool on national commitments
- Promote gender equality in access to basic education.
- Provide scholarship schemes to support girl-child education to tertiary level in disadvantaged states by 2011

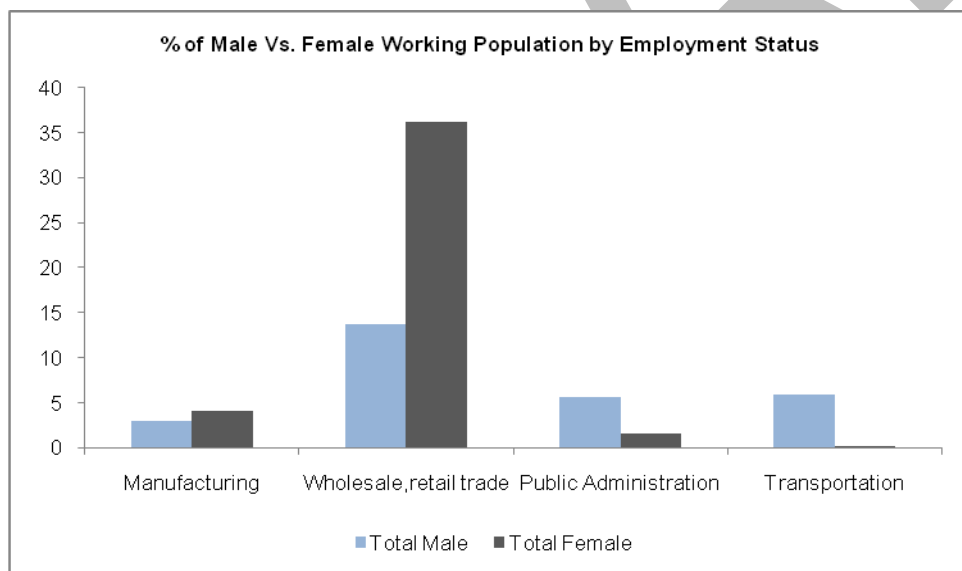


**Figure 2-7: Total female vs. male enrolment in primary schools**

Source: National Bureau of Statistics

- Review, domesticate and implement international and regional conventions and agreements that advance the rights of women and the girl child
- Increase women’s access to paid employment, land, credit and other productive resources by 80% by the year 2020

- Encourage women entrepreneurs to join/form cooperative societies to be able to obtain loans from financial institutions.
- Design and organise vocational and entrepreneurial skills training for rural women as part of expansion of skills development.
- Establish a National Empowerment Fund for economic activities for women entrepreneurs. To effectively access this fund, there is need to set up micro credit schemes targeted specifically at rural women and allocate more land to women for farming activities.
- Establish and strengthen financial institutions and programmes to improve access to loans for women to address their low access to economic resources
- Promote gender mainstreaming as an institutional programme and societal culture This will be supported by establishing institutions for training and research in gender and development policy
- ensure financial sustainability for gender equality policies and programmes
- Create a gender database and disaggregate information and data by gender.



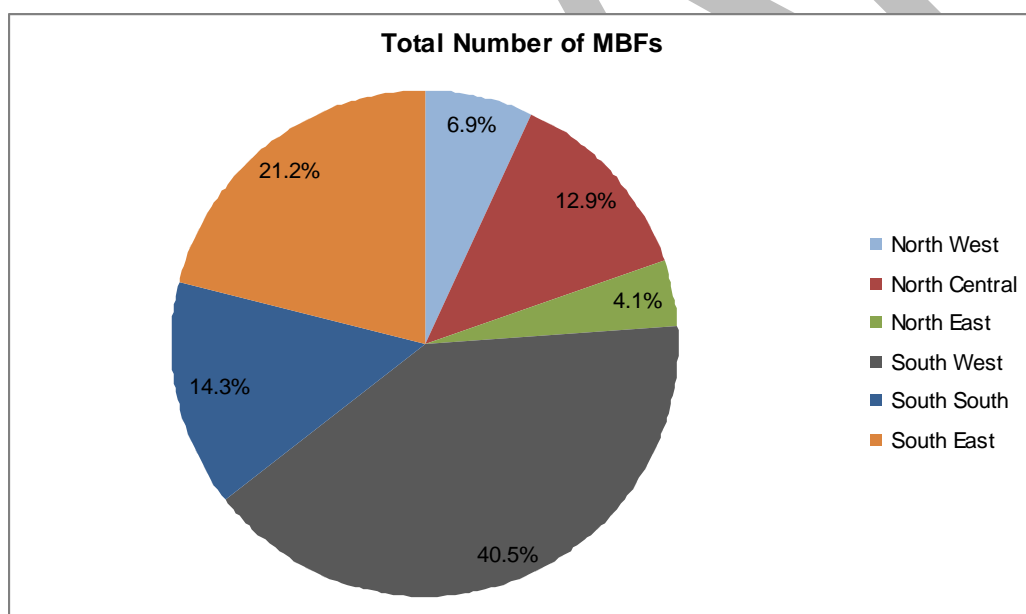
**Figure 2-9: Percentage distribution of male versus female working population by employment status**

Source: National Bureau of Statistics

### 2.7. Improve access to micro-credit

Economic development cannot be fully realised without programmes that seek to reduce poverty, especially those that empower the people by increasing their access to factors of production, especially credit. NV20:2020 aims for 99 million adequately equipped and gainfully employed citizens that are engaged in productive activities and wealth generation. This has implications for micro financing and acquisition of other productive assets/ means of production. The aggregate credit facilities in Nigeria account for only 0.2 per cent of the GDP and less than 1 per cent of the total credit to the economy. Put graphically, the formal financial system in the country provides services to only about 35% of the economically active population while the remaining 65%<sup>11</sup> are excluded from access to financial services and are served only by the informal financial sector.

Currently, there are over 898 Microfinance banks in Nigeria, which the CBN enlisted as microfinance institutions.<sup>12</sup> Out of the 898 in the country, Lagos accounts for 150 microfinance banks, with concentration also in other major key markets and locations.<sup>13</sup> There is still limited outreach to the poor. For example, of the estimated 70 million people in need of micro credit, CBN statistics recorded that 600,000 clients had access in 2001, and this grew to about 1.5 million in 2003<sup>14</sup>.



**Figure 2-10: Total number of microfinance banks by zone**

<sup>11</sup> CBN, Microfinance Newsletter, Vol. 5, 2007  
<sup>12</sup> <http://www.cenbank.org/supervision/Inst-MF.asp>  
<sup>13</sup> Syminvest ( Microfinance Investment Intelligence)  
<sup>14</sup> CBN Microfinance news Letter, 2009



Source: Syminvest ( Microfinance Investment Intelligence)

NV20:2020 strategy to guarantee accessibility, effectiveness and reliability of microfinance institutions will require regular supervision and declaration of financial records and ensuring increased access to financial and market performance records. A major policy thrust will be to encourage cash flow consideration over collateral in SME lending, so that a larger percentage of business-owners, entrepreneurs and new entrants can benefit from the Micro-credit Fund.

Consequently, in order to provide adequate access to micro-credit by the year 2020 and ensure that the citizens actualise the benefits and poverty is reduced to the minimum, the following strategic initiatives must be executed:

- Develop a Microfinance Fund to enhance the provision of cheaper funds at subsidised interest rates to borrowers
- Encourage the establishment of credit bureaux to simplify credit administration
- Evaluate the efficacy of the current model of micro finance institutions and realign them to encourage adequate funds mobilisation and access to credit. Align all microfinance bank wholesale lending programmes with a market-based model for pricing, eligibility requirement and ensure the transparency of interest rate calculation
- Enhance accessibility to micro finance institutions by ensuring their fast spread across the states and LGAs.
- Promote capacity building for micro-entrepreneurs, such as the facilitation of training, mentoring, monitoring and regulation. Also develop microfinance support infrastructure elements and facilitate good corporate governance practices and standards in SMEs, in order to give confidence to financiers.
- Strengthen the use of e-payment by facilitating the development of an ICT framework for the financial sector and encourage the use of mobile devices, ATMs, the internet, e.t.c, as service delivery channels
- Improve technology know-how and encourage modern banking methods that would increase branches and regional spread. Upon this achievement, there will be need to also implement and enforce a risk management framework for the industry
- Encourage transparency and accountability of the financial sector. Financial regulatory agencies and relevant parastatals should enforce the publication of microfinance historical financial statements, outreach performance data and interest rates on CBN websites

- Deepen and broaden the financial markets by increasing household bank deposits; formalising the informal financial sector; enhancing and strengthening the bond market; and developing private debt issuance at the capital market
- Encourage financing the real sector of the economy by encouraging a savings culture, in order to have long term funds and provide incentives such as interest rate subsidies, tax exemptions etc.
- Fast track the introduction of the National Savings Certificate and further liberalise the Agricultural Credit Guarantee Fund to provide alternative funding sources for small businesses and farmers

## **2.8. Foster a culture of entertainment and recreation for enhanced productivity**

Sports and recreation beyond providing relaxation, also create opportunities for people to participate in physical activities for fun and health, through organised competitions and events, while at the same time helping to address and tackle social issues through positive engagement. When applied effectively, sports, recreation and entertainment programmes promote social integration and foster tolerance, helping to reduce tension and generate dialogue. In addition, if well harnessed, they have the potential to create business opportunities and employment, thereby enhancing income and reducing poverty.

For the actualisation of NV20:2020, there is a need to promote awareness amongst Nigerians on the critical role of physical and emotional fitness in general wellbeing, as well as put in place necessary infrastructure to encourage mass participation in sports, recreation and entertainment. The key policy thrust for infrastructural development will be to encourage private sector partnership in the provision and maintenance of sports infrastructure and development.

To achieve a culture of entertainment and recreation by the year 2020, investments will be channelled towards the development of adequate sporting and recreational facilities through the rehabilitation and modernisation of existing sporting and recreational facilities (stadia, parks, gymnasias, racecourses, courts etc) and establishment of new facilities at the federal, state, and LGA levels as well as in all primary, secondary and tertiary institutions. The youth will be the main driver in the various sporting and entertainment activities. Research shows that engaging young people during their free time is an effective way of keeping them off drugs, crime and irresponsible sexual behaviour.

Another focus is to improve the level of women's participation in sporting activities. The low involvement of women in sports is not due to the lack of interest in sports by women but, rather, due to the long history of direct and indirect systemic forms of discrimination as well as many other problems that women have to

contend with. If Nigeria is to fulfil her aspiration of being amongst the top sporting countries of the world, the issue of women participation in sports must be successfully addressed. The talent, commitment and professionalism that women can contribute to the development of Nigeria through sports are enormous. Bringing women into the mainstream of sports is an important end in itself and a key to improving the quality of life of every one.

To facilitate and promote relaxation, recreation and entertainment in Nigerian, the following strategic initiatives will be implemented:

- Sensitise the citizenry on the importance of relaxation, recreation and entertainment to the well-being and over-all productivity.
- Increase the promotion of other sports and events and establish adequate sports facilities in schools and communities. In addition, encourage competitions between among organisations, schools and regions.
- Encourage female and disabled persons to participate in sports, recreation and entertainment through nation-wide sensitization and awareness programmes.
- Organise workshops to articulate, synthesise, standardise and produce manuals/ handbooks of Nigerian fashion, cuisine, arts and craft, festivals and ceremonies.
- Promote the development and conservation of museums and monuments and preserve the authenticity of historical sites and monuments. Also there is need to develop and upgrade Safari products and beach resorts
- Create facilities such as construction of a National Cultural City (NCC) in Abuja and other geo-political zones, National Gallery of Art, fashion centres, arts and crafts village, culinary centre for internationally standardised Nigerian cuisine that will be a cultural edifice and ensure that various cultural products are developed to international standards. These infrastructures will also include the establishment of a cultural village, an architectural masterpiece that would be the hub of cultural activities and tourist attraction, equipped with conference facilities as well as shopping complexes devoted to authentic Nigerian cultural products.
- Develop and upgrade sporting facilities to world class standards. This includes the construction of National Sports Training Centres in each geo-political zone, National Sports Medicine Centre at the National Stadium Complex in Abuja, and resuscitation of the National Sports Information Centre.



- Implement proper regulatory frameworks, emphasising government as facilitator and private sector as driver for the recreation and entertainment industry. This would entail reviewing, approving and implementing the National Sports Development Policy
- Provide a legal instrument for the establishment of the National Sports Commission, articulating appropriate Public Private Partnership laws to encourage private sector participation including Community Based Organisations (CBOs) and Non-Governmental Organisations (NGOs).
- Provide appropriate tax incentives to facilitate private sector investment in recreation and entertainment, and adequate budgetary allocation for PPP.
- Review all existing laws (including Decree 101 of 1992) that inhibit effective private sector participation in sports, with a view to creating a new sports governance structure that is consistent with international best practices and incentives for investment in the sector
- Strengthen the National Copyright Commission to enforce the anti-piracy laws and protect copyrights in the film and music industries
- Develop world-class, athletes in targeted sports, the youth must be encouraged to actively participate in national, regional and international sporting events. A deliberate attempt at promoting participation in targeted sports may include identifying sports in which Nigeria has global comparative advantage, identifying budding talents through inter schools and community competitions
- Establish High Performance centres equipped with specialised personnel and facilities, as well as developing appropriate reward and incentive system for motivation
- Strengthen inter-institutional games (NEPOGA, NUGA etc) for tertiary institutions; promote annual cultural festivals, fairs, exhibitions, and carnivals; persuade notable personalities in communities to donate cups and sponsor competition between clubs, societies.
- Develop appropriate technical, managerial and institutional capacities in sports, recreation and entertainment at all levels. The current gaps in technical and institutional capacities can be filled through adequate and sustained R&D funding in relevant training & research institutions such as the National Sports Institute and other tertiary institutions.
- Support more Nigerians to attain executive positions in continental and world sports bodies

- Foster appropriate bilateral agreements and institutional linkages to exchange specialized personnel to meet specific manpower needs, nurture enduring tripartite linkage between government, industry and academia
- Cultivate an effective technology transfer programme to fast-track local production of sports, recreation and entertainment equipment/ facilities.

Pillar 1: Guaranteeing the wellbeing and productivity of our people			
Metric	Baseline <sup>†</sup>	2015	2020
% of population living on less than \$1/day	54.40%	21%	15%
% of underweight children under the age of 5	30%	18%	10%
% of population with sustainable access to improved water source	49% **	80%	100%
% of population with access to improved sanitation	35%	67 %	80%
Life Expectancy	46.5 years	60 years	70 years
Under 5 mortality rate (per 1,000 live births)	110	63	22
Infant mortality rate (per 1,000 live births)	138 **	30	15
Maternal mortality ratio (per 100,000 live births)	800**	100	70
Adult Literacy rate (% aged 15 and above)	69.1%	75%	100%
% primary school enrolment of children aged 6-11	89.6% **	100%	100%
Ratio of female to male enrolments in tertiary education	69	100	100
% increase in number of housing units	NA	20%	50%
HDI index ranking (Country Group)	Low Human Development (158)	Medium Human Development (100 - 155)	Medium Human Development (71 - 100)



## **What Will Nigeria Do Differently?: Guaranteeing the Well-being and Productivity of the People**

Human development is the ultimate goal of all development efforts. Investing in human development to generate human capacity that will drive expected economic growth is critical to the attainment of NV20: 2020 aspirations. Some of the key policies for improving the wellbeing and productivity of Nigerians, bridging the gap between economic growth and human development, different from previous government policies are as follows:

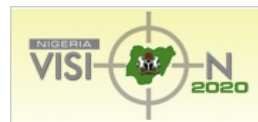
1. Adopting a decentralized approach to the development and implementation of poverty reduction programmes. NV20:2020 recognizes the need for the citizens to have full ownership of poverty reduction strategies, with greater prospects that the strategies will be translated into budgets, programmes and concrete results, and will benefit the intended groups. This will ensure that federating units are able to adapt strategies to their respective circumstances, constituencies and developmental challenges.
2. Promotion of environmentally-friendly agricultural practices, such as organic farming to increase the agricultural output of smallholder farmers, expansion of irrigation infrastructure and other agricultural facilities, institution of clear property rights, supporting agricultural research and development and promoting greater dissemination and adoption of appropriate technologies. This will effectively tackle food security and reduce extreme hunger and poverty.
3. Implementation of policies targeted at changing the economic role and status of women, including provision of quality education, skills acquisition and access to finance for entrepreneurship, as a critical step towards reducing the level of poverty in Nigeria.
4. Removal of the Land Use Act 1978 from the constitution and subsequent amendment with a view to developing an effective land administration system, to make land ownership available, accessible and easily transferable at affordable rates. There is need for accessible and affordable housing which is one of the most basic needs of Nigerians. This will check rapid urbanization in the country.



5. Articulate a national physical Development plan whose goal will be the achievement of balanced and sustainable development through effective integration of socio-economic and physical development plans. Such integration should seek to accommodate spatial coordination of sectoral development; rationalise national spatial planning for economic efficiency and national competitiveness And; secure spatial, environmental quality and diversity.

6. Formulation and implementation of an educational policy of at least 12 years of continuous education (formal/ informal) by all children up to the age of 18 with particular focus on technical/vocational education or training thereafter as a clear strategy for building the necessary enterprising and self-reliant capabilities sufficient for sustaining livelihoods and national development. The NV20:2020 seeks to ensure that all boys and girls irrespective of ethnicity, gender or disability complete a full course of basic education - 12 years of formal education consisting of 3 years of Early Childhood Care Development and Education (ECCDE), 6 years of primary schooling and 3 years of junior secondary schooling. This should be followed by at least 3 years of vocational training (informal/formal education) or senior secondary schooling.

DRAFT



### SECTION 3 – OPTIMISING THE KEY SOURCES OF ECONOMIC GROWTH

NV20:2020 represents an intention to achieve a transformation of the Nigerian state across social, political and economic dimensions. This Vision comes with a huge growth component that necessitates rapid industrialisation of the Nigerian economy. Nigeria's growth strategy will be underpinned by a drive to optimise the current and under-exploited strategic drivers of economic growth as identified in section 1 above. In this quest for rapid economic growth, the following broad philosophical principles:

1. Economic policies will be developed in favour of competitiveness and regulated openness rather than absolute protectionism. Market protection, where applied, will be restricted to selected industries or sub-sectors and temporary in nature.
2. Economic policies will be defined to support private sector led growth. Government will only play a catalytic role in development.

The fundamental objectives of the economic growth requirements of the Vision are:

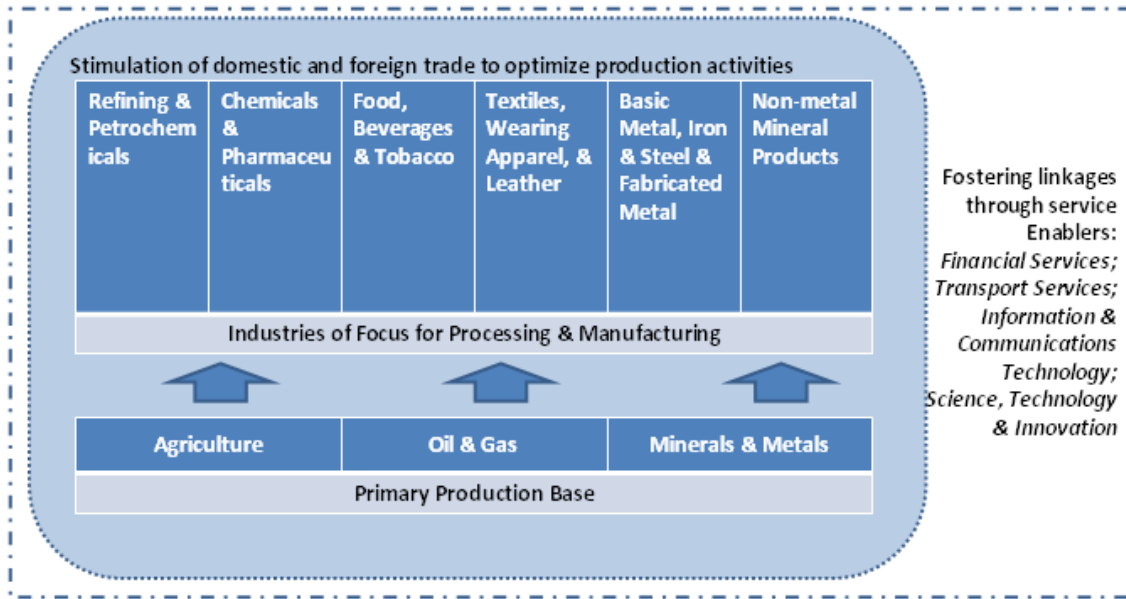
- Economic diversification away from a mono-product, oil-dependent economy
- Transformation of the structure of exports from primary commodities to processed and manufactured goods
- Attainment of high levels of efficiency and productivity, in order to be globally competitive

Nigeria's industrialisation strategy is to achieve greater global competitiveness in the production of specific processed and manufactured goods by effectively linking industrial activity with primary sector activity, domestic and foreign trade, and service activity. Specifically, Nigeria will pursue the following four (4) strategic objectives:

1. Stimulate primary production to enhance the competitiveness of Nigeria's real sector
2. Significantly increase production of processed and manufactured goods for export
3. Stimulate domestic and foreign trade in value-added goods and services
4. Strengthen linkages among key sectors of the economy.

This strategy and the underlying sectors of focus are illustrated in Figure 3-1.





**Figure 3-1: Industrialisation Strategy and Focus Sectors** Error! Bookmark not defined.

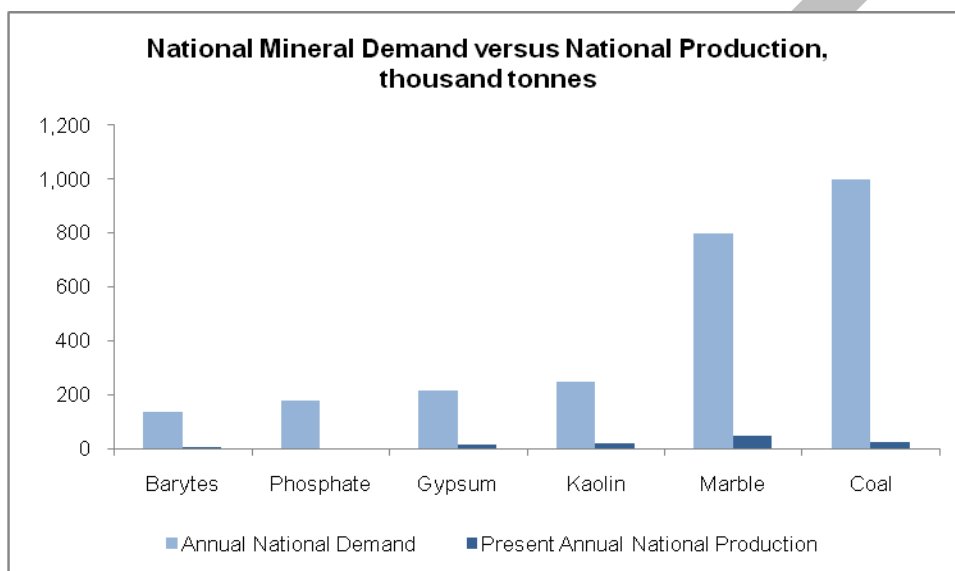
**3.1. Stimulate primary production to enhance the competitiveness of Nigeria’s real sector**  
***Minerals & Metals***

The emergence of the minerals and metals sector as an important component of a diversified economy is an envisaged outcome of Nigeria’s economic transformation strategy.

The development of the sector will be driven by an overriding policy aimed at ensuring that mineral production activity is linked to the real sector of the economy in a manner that encourages higher output and productivity for the former, and guarantees lower factor input costs for the latter. This policy is anchored upon immediately reviving Nigeria’s primary steel industry, and fostering greater utilisation of locally produced industrial minerals. The emphasis on primary steel production is based on its unique potential to catalyse increased productivity across both upstream and downstream segments of the mining industry value chain. Reviving the primary steel industry is also based on the understanding that it is a critical platform for Nigeria’s industrialisation, and the nation possesses the required natural resources.

In furtherance of broad-based reforms of the minerals and metals sector, for which considerable progress has been achieved in the last decade, a holistic approach to attracting investment in

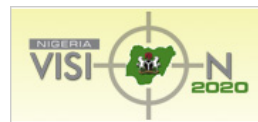
the exploration and production of minerals will be vigorously pursued. However, minerals that have a high local utilisation potential, and are therefore of greater strategic importance to the nation's industrialisation strategy will be accorded preferential policy support and focus. These minerals include Iron Ore, Coal, Bitumen, a group of industrial minerals (Barytes, Bentonites, Gypsum, Limestone, Kaolin, & Fireclays), a group of metallic minerals (Tin, Columbite-Tantalite, Wolframite, & Lead-Zinc), Gold & Gemstones.



**Figure 3-2: National Mineral Demand versus National Production**

*Source: Presidential committee on solid minerals development report on a 7-year (2003-2009) strategic action plan for solid minerals development, November 2002*

To achieve the overarching goal of increasing Nigeria's per capita steel consumption from less than 10kg to 100kg by 2020 (average for industrialised nations is 130kg), an increase in steel production capacity and volume to about 12.2million tonnes per annum will be required by 2020. Harnessing the associated demand for Iron Ore, Coal, Limestone and other minerals to achieve this steel production target, and the attendant multiplier effect in stimulating activity in the prospecting, exploration and production segments of the mining industry value chain are at the core of the NV20:2020 strategy for the minerals and metals sector. To this end, effort at reviving the primary steel sector will be focused on the completion, commissioning and commencement of operations at both the Ajaokuta Steel Company Ltd (ASCL) and the Nigerian Iron Ore Mining Company (NIOMCO) by 2011. The strategy is to achieve the commencement of



operations of these plants at their initial installed capacities, through government financing in the short term, before the recommencement of the privatisation process. Upon achieving this milestone, the privatisation process can then commence, with the aim of attracting further investment for capacity expansion at ASCL (2nd & 3rd Phases – 5.2million tonnes) and the development of new iron ore mines. Further expansion will be encouraged at existing steel plants(e.g. DSC Phase II – 2million tonnes) and additional capacity of 5million tonnes will be required from a new plant (potentially to take off by 2019) to achieve the desired local production target of 12.2million tonnes. Additional steel production capacity will be designed to arrive at an optimal mix of primary steel products – 50% longs (rods & bars, structural steel, flat strips, small size u-shapes and small tubes – rounds and squares); and 50% flats (sheets and plates). Additional capacity for steel production will also be designed to utilise COREX technology which is reliable and makes use of locally available non-coking coals.

Enhancing the competitiveness of Nigeria’s real sector by stimulating the solid minerals segment of the nation’s primary production base will also require the following strategic initiatives and policy thrusts, aimed at improving Nigeria’s attractiveness as a destination for capital (local and foreign) for the profitable exploitation of the nation’s mineral resources.

- Development of an effective mechanism for consistent and systematic generation of quality and reliable geoscience data to support detailed exploration of mineral resources. This will require mandating and empowering the Nigerian Geological Survey Agency (NGSA) to prepare 20 maps of 1:100,000 per annum to achieve 100% coverage by 2020, and providing improved funding for the NGSA to accelerate progress in its geological, geophysical and mapping programmes.
- Facilitation of access to capital for exploration and development of the minerals and metals sector. In addition to other funding sources, the Solid Minerals Development Fund provided for in the Nigerian Minerals & Mining Act of 2007 will be fully utilised for this purpose, and will be fully operational by the end of 2010.
- Provision of specialised funding for key institutions in the minerals and metals sector such as (NGSA, COMEG, NMDC, Departments of MMSD, School of Mines, NSRMEA) and the development of industry – wide capacity building programmes for both small and medium scale mining companies

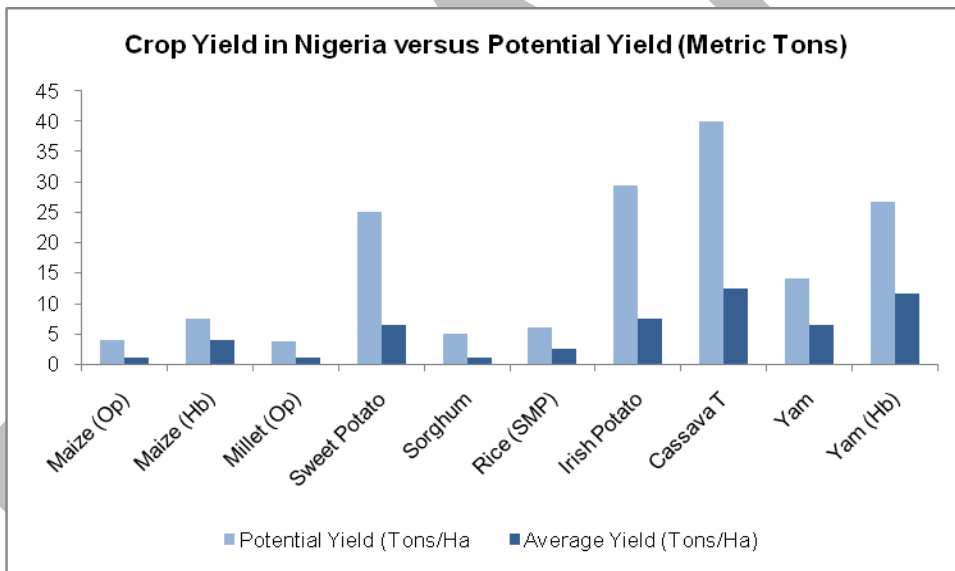


- Entrench sustainability as a fundamental principle in the exploitation of all mineral resources, with a view to preserving the physical environment, protecting the rights of host communities, and ensuring that mining activities lead to greater economic empowerment of the people.

**Agriculture**

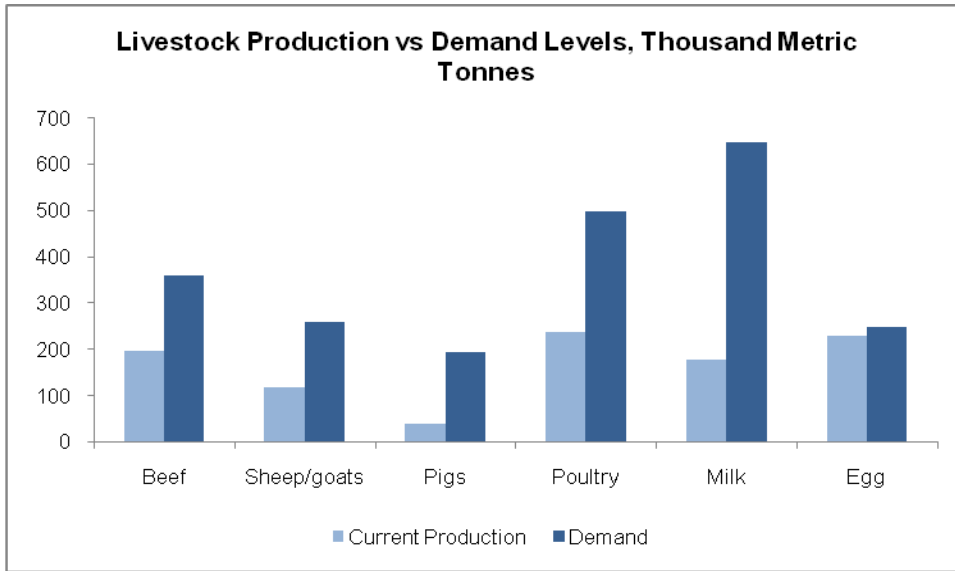
Due to the crucial role of agriculture to Nigeria’s economic development, the agricultural sector will be transformed into a profitable and sustainable sector that will be characterised by modern agricultural techniques and practices which will be greatly enhanced by technology.

The desired goal will be achieved through a renewed focus on increasing the yield/ productivity of agricultural produce and export of processed agricultural products. A renewed emphasis will, therefore, be placed on substantially producing the required raw materials for agro-allied and agro-based manufacturing/ processing companies.



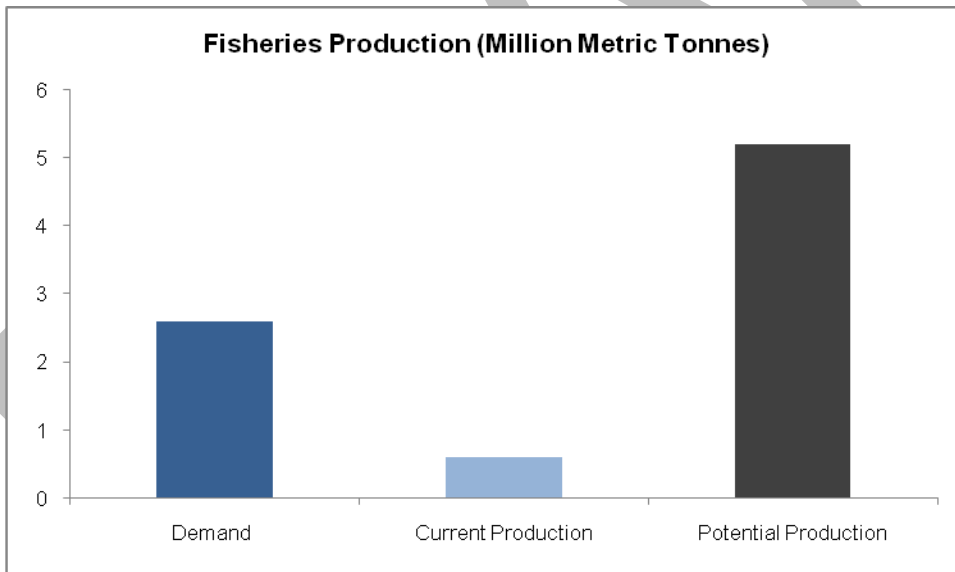
**Figure 3-3: Crop Yield in Nigeria versus Potential Yield (Metric Tons)**

Source: National Food Reserve Agency (NFRA) CAYS survey 2007



**Figure 3-4: Livestock Production Levels (Thousand Metric Tons)**

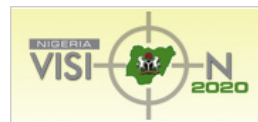
Source: Federal Ministry of Agriculture & Water Resources (FMA & WR), 2007



**Figure 3-5: Fisheries Production (Million metric Tons)**

Source: Federal Ministry of Agriculture and Water Resources (FMA & WR), 2007

In line with the Vision 20:2020 intent, necessary legislative action will be undertaken to ensure that the Land Use Act of 1978 is amended with a view to addressing its current limitations, and ensuring that subsequent amendments can be carried out without recourse to the Constitution.



The Act currently impedes the emergence of large and medium scale farming, due to the stringent conditions that it places on land acquisition and ownership rights. The review of the Land Use Act will, among other things, enhance farmers' ability to obtain credit due to land ownership rights that will be placed on them.

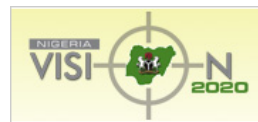
Also, in a bid to reinvigorate the agriculture sector, special attention will be placed on attracting investments for large scale and mechanised production and processing of agricultural produce in which Nigeria has a comparative advantage (e.g. tubers, cereals, oil palm, cocoa). Agricultural produce that serve as inputs to processing plants will also be given priority (e.g. citrus fruits, pineapple).

In order to achieve a three-fold increase in agricultural productivity by 2015 and a six-fold increase by 2020 the size of the nation's irrigated land must be increased from less than 1% of arable land to about 10% and 25% by 2015 and 2020 respectively. In addition adequate provision will be made to attract investments in boosting fertilizer production with distribution being fully deregulated.

Also, agricultural research will be intensified using modern sciences of biotechnology and nanotechnology as well as increasing the number of specie-mandated livestock research institutes to produce high yielding, disease resistant seedlings and species of livestock and fishery. Machineries and technologies appropriate for small, medium and large scale farms will be developed and their adoption will be promoted. Furthermore, the agricultural extension delivery system will be enhanced to facilitate the enlightenment of farmers and to achieve mass acceptance and adoption of modern technology in farming, along with the adoption of improved research findings. This will be achieved by increasing the number of extension officers and adequately building their capacity.

In addition, post harvest losses will be drastically reduced by encouraging and attracting investments in basic storage facilities and primary processing of farm produce.

Achieving an appreciable development of the nation's agricultural sector, by adequately producing the needed inputs for agro-allied and agro-based industries requires the initiation and implementation of the following strategic initiatives to create the desired investment ambiance that will in turn attract investment into the sector and transform the nation's agriculture industry into a key driver of economic growth:



- Rehabilitation and completion existing irrigation projects, establishing new ones across the nation and providing incentives for the development of new community-based and privately initiated irrigation projects.
- Facilitating the acquisition of farmlands and title holdings for agricultural production through an intensive review of the Land Use Act and encouraging commercial agriculture through Public-Private Partnership (PPP).
- Significantly enhancing the level of production, adoption and utilisation of appropriate technology and mechanisation for small, medium and large scale farms.
- Making adequate provision for the utilisation home-grown technology, promoting greater use of biotechnology tools in selection and breeding of crops, livestock, fisheries and forestry.
- Promoting the use of 'green' technology to ensure sustainable agricultural production; a safe and clean environment and adopting the use of natural rivers and/or stream flow; solar and wind to generate electricity to power agricultural equipment such as irrigation pumps.
- Creating a new generation of farmers, by incorporating modern technology, especially ICT (e.g. farmer information call service), incentives (scholarships, grants, soft loans, ), and professionalising agriculture to attract youths and new graduates into agricultural production, processing and marketing in order to sustain agricultural growth through the entire agriculture value chain.

### ***Oil & Gas***

In spite of the drive for economic diversification, Nigeria will continue to develop the Oil and Gas sector due to the nation's huge reserves, particularly in the Niger-Delta region.

In a bid to achieve balanced national economic development therefore, Nigeria will focus on increasing its crude oil production and refining capacity. This will stimulate local value-addition and strategically position the nation to meet its domestic demand for refined products and take advantage of a new market niche – export of refined products.

In a similar vein, the gas sub-sector will be developed with special focus on meeting the domestic and industrial demands for gas within the country, especially with the anticipated increased demand due to the Vision 20:2020 intent of rejuvenating the manufacturing sector. Gas production will also be substantially enhanced to take advantage of the global demand.

Towards achieving the goal of increasing the nation's crude oil and gas production (increase proven oil reserves from 37.8 billion in 2009 to 40 billion barrels by 2015 and to 50 billion barrels by 2020; and proven gas reserves from 187 tcf in 2009 to 215 tcf by 2015 and to 250 tcf by 2020), a deliberate attempt will be made to attract investments into prospecting and developing new oil and gas fields (e.g. strict adherence to the utilisation of electronic marketplace [NipeX] to reduce the contracting process time) such that the nation will considerably increase its proven reserves and consequently its daily production capacity.

A renewed effort will also be made to ensure that the investments in the Oil & Gas sector have a desired trickle-down effect on the nation's economy and its populace. This will be done by re-invigorating the local content initiative in the sector. The starting point will be to ensure that the Local Content Bill and the Petroleum Industry Bill are passed into law.

Achieving the desired outcome for the oil and gas sector requires the implementation of the following strategic initiatives that will reposition the sector towards achieving the desired national economic impact:

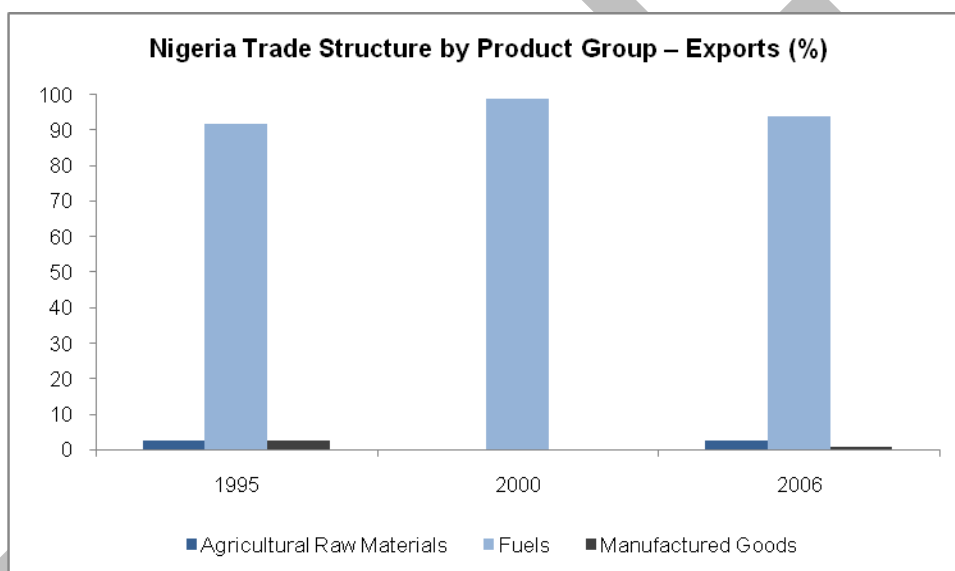
- Invest in and embark on aggressive exploration to increase Oil and Gas reserves and production in all parts of the country.
- Provide appropriate fiscal incentives to attract investments in oil and gas exploration; at the same time establish a tariff structure for optimal Oil & Gas development so as to ensure reasonable returns for the nation.
- Transform the National Oil Company (NOC) into a medium sized oil and gas producing company that can operate internationally.
- Strengthen the relevant regulatory agencies in order to ensure the enforcement of appropriate standards and entrench global HSE standards and principles in the Nigerian Oil and Gas sector, including the control of naturally occurring radio-active materials (NORMs).



- Encourage oil and gas producing companies to gather and utilise associated gas to eliminate flaring by 2012

### 3.2. Significantly increase production of processed and manufactured goods for export

Encouraging the export of processed and manufactured products will help Nigeria diversify its economy, expand employment opportunities, and garner the necessary growth rates required to accomplish Vision 20:2020. To date, Nigeria displays a very low level of export diversification and remains a major exporter of low value primary goods and commodities leaving the economy heavily dependent on volatile commodity prices. Most of these commodities are currently experiencing a decline in value, of which volatile oil prices have had the most significant effect on the economy.



**Figure 3-6: Nigeria Trade Structure by Product Group – Exports (%)**

Source: UNCTAD Handbook of Statistics, 2008

Special emphasis should be placed on shifting the structure of production towards processing/manufacturing activities as they are more lucrative, and in general add more value to GDP growth. Exporting high value manufactured products will help Nigeria move into new markets, as manufactured products have diversified demand and offer greater potential for market growth than primary products. Currently, the contribution of the manufacturing sector, the sector largely responsible for the processing and manufacturing of goods, to GDP is largely

insignificant. This deficit is further highlighted, in comparison to its peer countries, where Nigeria ranks amongst the lowest in terms of manufacturing exports.

**Table 3-1: Manufacturing in Nigeria Vs Benchmark Countries**

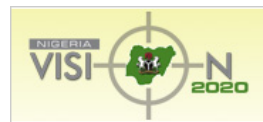
Country	Manufacturing Contribution to GDP <sup>2</sup> (%) (2005)	Manufacturing Value Added Per Capita <sup>1</sup> (\$) (2005)	Manufacturing Export Per Capita <sup>1</sup> (\$) (2005)	Share of Man. Value Added in GDP <sup>1</sup> (%) (2005)	Share of Man. Export in Total Export <sup>1</sup> (%) (2005)	Gross Domestic Product at Current Prices <sup>2</sup> (\$ 'million) (2007)	GDP Per Capita <sup>3</sup> (\$) (2008)
China	33.5	495.9	556	34.1	95.1	3,400,351	5,300
Thailand	34.8	882.2	1498	36.1	87.4	245,351	8,000
Brazil	20.4	748.7	463	20.4	72.8	1,314,199	9,700
Malaysia	29.8	1,430.3	4,753	32.2	85.5	186,720	7,027
South Africa	18.6	575.9	703	16.3	70.2	283,008	10,600
<b>Nigeria</b>	<b>5</b>	<b>19.1</b>	<b>4</b>	<b>4.1</b>	<b>2.5</b>	<b>173,184</b>	<b>2,200</b>

Sources: <sup>1</sup>UNIDO Industrial Development Report 2009, <sup>2</sup>United Nations Statistics Division (Online), <sup>3</sup>CIA Factbook

An industrial development policy that aims to make Nigeria a global hub in selected specialised products, ones in which Nigeria has both competitive and absolute advantages, should be established. The policy should provide certain incentives to encourage the manufacturing and processing of selected export products. Preference should be given to high priority sub-sectors and selected specialised products.

### **Cluster Development**

Nigeria should pursue a comprehensive policy towards cluster development. Clusters provide an institutional mechanism for the organisation of economic developmental policies and a framework for strategic public investment. Clusters create a community of businesses located in close proximity or a specified area, in which involved stakeholders seek mutual benefits; ultimately allowing the Government to concentrate its efforts and investment in key economic centres around the country.



This Industrial Development strategy will focus on the development of both the manufacturing and processing industries. It will promote, through Private Public Partnerships, efficient and intensive mechanisms for the processing and manufacturing of selected export materials.

This development strategy should extend to the entire economy, to include both domestic and other related industries. All subsequent government policies should be realigned in accordance with this development strategy to ensure consistency in government action.

Establishing clusters is a capital intensive venture and the major role of government would be addressing the large infrastructural deficit and investing heavily in relevant transportation networks and infrastructure for the manufacturing and processing industry. The government should pursue Public Private Partnerships (PPP) and attract private sector investment by offering low interest, long term funding or specially targeted funds. Doing so will create an enabling environment and will ultimately encourage investors to tap into opportunities across the productive sectors of the economy.

This cluster development strategy will focus on the development of four key facilities: Industrial Parks; Industrial Clusters; Enterprise Zones and Incubators.

### **1. Industrial Parks**

These are mega parks covering areas of not less 3,050 square kilometres, created for large manufacturing companies to ensure high value addition in the production of finished products or raw materials. Activities in these parks will focus on the development of resources in which the geographical zone has both comparative and competitive advantage. The parks to be established should concentrate on the following areas of business activity:

- North East: Agriculture and Solid Minerals e.g. Gypsum, Biomass, Ethanol, Biodiesel, Tropical fruits, etc.
- North West: Gum Arabic, Livestock and Meat Processing, Tanneries, Biofuel, etc.
- North Central: Fruit Processing, Cotton, Quarries, Furniture and Minerals; Boards. Also, Manufacturing and over the counter drugs (OTC), plastic processing, leather goods, garments, etc.

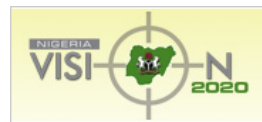
- South East: Palm Oil Refining and Palm Tree Processing into Biomass Particle Boards. Also, Manufacturing and over the counter drugs (OTC), plastic processing, leather goods, garments, etc.
- South West: Manufacturing (especially garments, methanol, etc), distributive trade, general goods, plastics, etc and;
- South-South: Petrochemicals, Manufacturing (Plastics, fertilisers, fabrications, etc), Oil Services and Distributive Trade (TINAPA).

Each park will have:

- An independent Power Unit up to 50/100 MW;
- A training School;
- Internal road network and major road links to the highways;
- Rail links where possible;
- Security;
- New towns development;
- Water supply/sewage treatment;
- Airport within 100km radius; and
- Universities/ polytechnics within 200km radius.

Financial requirements for setting up each of these parks are estimated to be between N60 billion and N150 billion (\$8500m - \$1b). Examples of generous industrial incentives to be provided for businesses in these parks include:

- Tax rebates (0% import duty and VAT free on machinery/equipment)
- Special duty on raw materials (max 2%)
- Low interest rates (max 4%)
- No stamp duties on new capital or expansion
- Training support



## **2. Industrial Clusters**

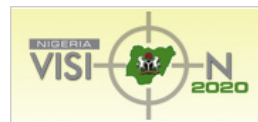
Industrial Clusters are oases of industrial activities and commerce, covering areas of between 100 and 1,000 hectares, for the Organised Private Sector (OPS). They are usually smaller in scope than Industrial parks. These Clusters will be established with the participation and assistance of states and Local Governments. In addition to being enclaves of manufacturing activities, they could be used for breaking bulk.

- In deciding the location of an Industrial Cluster several factors must be taken into consideration, e.g. access roads, railways, sea ports, cargo airports and proximity to a city;
- The financing requirement will be between N10 billion and N50 billion depending on size;
- Management of an Industrial Cluster might be through a 'Private Cluster Company', Private investors, or property developers, could also establish and run Industrial Clusters in each State;
- Generous industrial incentives similar to those in Industrial Parks will be provided; and
- Each Cluster will have a Skills Acquisition/Training Centre for SME's providing different modules.

## **3. Enterprise Zones**

1. These are platforms of 5 – 30 hectares, targeted at incorporating the informal sector into the organised private sector (OPS). This will empower farmers and small and medium scale enterprises, and enable them to efficiently and conveniently feed their products into the value-chain of large-scale industries.

- Enterprise Zones will be located in both state capitals and in every Local Government Area;
- These centres would accommodate mechanics, block makers, small-scale furniture manufacturers, timber merchants, welders/metal fabricators, garment makers, and other categories of artisans and vocational workers who constitute over 70% of Nigeria's Private Sector;



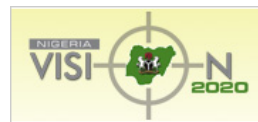
- A Skills Acquisition/Training Centre will be located in each Enterprise Zone for skills upgrading, while management of the Enterprise Zone would be by a private sector company;
- Funds required to set up an Enterprise Zone will be between N2 billion and N5 billion depending on the size. However, this could be much lower especially if it is sector specific, e.g. for mechanics, cane-furniture makers, etc.

#### **4. Incubators**

An incubator is a start-up centre for new and inexperienced entrepreneurs, graduates of tertiary institutions, inventors and vocational persons wishing to set up their own businesses (namely small and medium enterprises). In these Incubators, prospective start-up companies are equipped with entrepreneurial skills and enterprise resources (i.e. innovation, appropriate technologies and credit) aimed at nurturing them from scratch to maturity.

- These incubators will have shared facilities to reduce cost. They will also be provided with mentors in their respective areas of business activity who would guide the early phase of the business;
- Success of these companies is vital to a healthy economy; thus they will need a host of incentives from the government;
- Incubators would promote businesses especially in ICT, development of special tools/moulds and commercialisation of inventions/research findings. They could also be easily attached to Universities to promote innovation and R&D;
- Given the fact that Local Governments may not have the level of funding, expertise and experience required to effectively run these Incubators, State Government's are in a better position to establish them. Venture Capital companies could also be attracted to provide the risk capital.

Enhancing the competitiveness of Nigeria's processed and manufactured goods will require the following strategic initiatives and policy thrusts, aimed at improving the quality of Nigeria's goods:



### Strategic Initiatives

- **Technology:** Encourage industries to assess and upgrade their technology to modern and efficient ones. Technological innovation plays an important role in economic growth and the process of industrialisation. Nigerian manufacturers need to develop the technical efficiency to innovate and create new goods that are globally competitive, and ensure the effective and efficient use of its resources (i.e. rapid prototyping and robotics). Emphasis should be placed on the acquisition of foreign technology through licensing, purchasing know-how, patents, brands, trademarks, consulting services, and technology transfer agreements.
- **Quality Control and Certification:** Institute global quality standards for all manufactured and processed goods to eliminate competition from lower quality imports. Commercial laboratories for testing industrial products should be established and all manufactured and processed goods should be subject to standards subscribed by the SON, in addition to Global ISO Quality Standards.
- **Infrastructure development:** Improve access to and quality of transportation networks and clusters to large-scale manufacturing and or processing establishments (industrial parks, clusters, and enterprise zones)
- **Supply- Chain Management:** Institute integrated supply chain systems amongst all involved industries (customers and suppliers; industrial parks, clusters, and enterprise zones) that are more collaborative, transparent and efficient. Formal and informal mechanisms to gather feedback from up and down the supply chain should also be encouraged
- **Research and Development:** Research and development is key to global competitiveness. The capacity of existing research and development facilities should be enhanced. Strong alliances with universities should be formed to develop intensive new curricula in science and technology and to conduct joint research on new technologies. Manufacturing companies should be encouraged to invest a certain percentage of their annual turnover on research and development.

- Public-Private Partnerships: Leverage Public-Private Partnerships (PPP) to help provide the skills, core competencies and best practices needed to deliver high standards of services, products and other public goods. Manufacturers can partner with Federal, State & Local Governments, as well as syndicated private investors to leverage the indigenous contributions of SMEs and upgrade manufacturing capacity.

### Industry Sub-Sectors

The 10 sub-sectors of industry have been prioritised based on; availability of market/ potential market size; availability of local raw materials; availability and simplicity of technology; profitability of the sub-sector; and availability of skilled manpower.

**Table 3-3: Priority Industries within the Manufacturing Sector**

S/No	High Priority (up to 2015)		Medium Priority (up to 2020)		Low Priority (post 2020)
1	Chemicals and Pharmaceuticals sector	6	Domestic and Industrial Plastic and Rubber	9	Electricals and electronics
2	Non-metallic mineral products sector	7	Pulp, paper products, printing, publishing sector	10	Motor vehicle & miscellaneous assembly
3	Basic metal, iron and steel and fabricated metal sector	8	Wood and wood products (including furniture) sector		
4	Food, beverages and tobacco sector				
5	Textiles, wearing apparel, carpet, leather/leather footwear				

### High Priority Industries

The identified high priority sub-sectors represent sectors of the manufacturing industry which can be easily developed in the short to medium term, and within the context of Vision 20:2020. They are the sub-sectors which have the highest potential to provide raw materials for other key industries in the longer term. They have great economic potential and are well-positioned to attract funding and achieve higher return on investments. Intensive efforts must be made to expand the capacity of these sub-sectors to make them globally competitive. The development of these sectors will require concerted public and private sector focus to attain the necessary



growth rates, increase value addition and improve manufacturing contribution to GDP within the medium term.

## **1. Petrochemicals and Pharmaceuticals**

### ***Petrochemicals***

Nigeria is the 10th largest oil producer in the world, the third largest in Africa and the most prolific oil producer in Sub-Saharan Africa. The petrochemical industry is focused around the three centres of Kaduna, Warri and Eleme with eight oil companies and about 750 independents all active in the marketing of petroleum products. Currently, the country's four oil refineries - with a nameplate capacity of 445,000 bbl/d – do not refine enough oil to meet the demands of the growing domestic market.

The government would continue to encourage the establishment of private refineries and upgrade existing ones to increase the production of refined oil. In addition, the full deregulation of the Nigerian downstream refining sector and the resolution of the petroleum products subsidy issues, both of which are currently underway, should be completed in the immediate-term

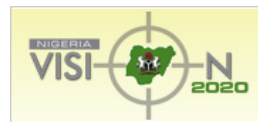
The following policies are also recommended:

- The Hydrocarbon Master plan of 1975 should be revisited to resolve the present problems in the petrochemicals Industry.
- Prioritise domestic gas supply projects to ensure that local gas demand is met – especially for power generation

### ***Pharmaceuticals***

The local market of pharmaceutical producers (accounting for an estimated 35.0 percent of market size) is a highly fragmented one. The industry consists of 128 registered local pharmaceutical manufacturing companies, 292 registered importers, 724 registered distributors as well as a large number of unregulated manufacturing, importing and distribution businesses.

To achieve the sub-sector's overarching mission of producing at least 75 percent of the nation's drug needs by 2020 and ensure the global competitiveness of our pharmaceuticals, a strong



emphasis should be placed on sourcing materials locally. The scourge of fake and substandard drugs needs to be addressed by significantly enhancing and implementing local intellectual property laws, as they will provide protection for legitimate manufacturers.

Effective linkages should be formed with local universities and research institutions to encourage innovation and promote indigenous research and development.

The following strategic initiatives for the development of this sector are also recommended:

- The smuggling and dumping of sub-standard products into the country need to be stopped to ensure a level playing field for local manufacturers.
- Relevant agencies, e.g. SON, NAFDAC etc., should cooperate to ensure Nigerian pharmaceutical products meet global certification and WHO standards.
- Hire global consultants to lead the certification efforts – FGN, NEPAD, ECOWAS, WAHO to support GMP certification for the top 25 Pharmaceutical manufacturers in Nigeria
- Restructure the distribution system by adopting the new ‘drug-mart’ concept to the pharmaceuticals and chemical industry
- Encourage private investment in distribution

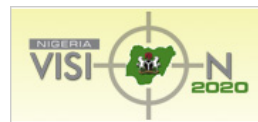
### ***Non-metallic Mineral Products***

The main products in this sub-sector are: structural clay products (brick, tile, terra cotta), white wares (dinner ware, chemical and electrical porcelain), glass products, porcelain enamels and refractories.

The industry is poised for continued rapid expansion especially if the Government is able to continue to capitalise on its backward integration policy on cement. To achieve the overarching goal of increasing local content in this sub-sector, potential raw materials should be identified and flagged for production in the six geo-political zones. This should be accompanied with appropriate levels of funding and investment.

The following policies will also aid in the development of this sub-sector:

- Initiate an awareness campaign of the potential investment opportunities in the ceramic industry



- Industries should demand technical details on the adaptability of imported technology to local raw materials
- Establish a research centre to increase innovation for key products
- Introduce new products into the industry such as optical electronic and engineering materials

### ***Basic and Fabricated Metal, Iron and Steel***

Basic and fabricated metal, iron and steel products form the basis of most material inputs for other industries including oil and gas, automobiles, building and construction, transportation, ship building. This sub-sector has the capacity to revolutionize the industrial and the real sector of the nation. The properties of steel, in particular, make it useful in the capital intensive oil and gas industry. The government should revamp existing metal, iron and steel industries, build machine tooling industries and give them to management consortia to manage before privatising them, partnerships with high performing multinationals should be explored as a means of increasing FDI in this sector. Continuous R&D efforts, effective legal and regulatory framework and the provision of adequate infrastructure are the key imperatives for developing the metal, iron and steel industries and ensuring they are fully functional and competitive by 2020.

The secondary steel sector is also largely underdeveloped and most secondary steel products are imported. The government should play a more active role in creating an enabling environment for secondary steel production.

Strategic imperatives include:

- Urgent resolution of problems with ASCL and NIOMCO
- Government funding to restore ASCL and NIOMCO to their installed capacity
- Commencement of privatisation process only after plants are functional and working with a provision for investors to commit to capacity expansion with a view to achieving a target of 12.2million tonnes of primary steel production by 2020, and a steel consumption per capita of 100kgt

- Development of an intensive manpower development programme is recommended to guarantee supply of quality personnel, while providing a low labour cost advantage to the sector.
- Stop the influx of substandard aluminium products, especially the illegal dumping of substandard coated aluminium coils

### ***Food, Beverages and Tobacco***

Priority will be placed on establishing a strong raw material supply base, which can be achieved through boosting production using both large scale commercial farming and incorporating subsistence farmers through out grower schemes/cooperative societies. Overall production and the quality of the agricultural goods could be increased by utilising biotechnology and superior inputs (fertilizer) to increase the quality and yields.

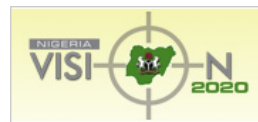
An integrated supply chain from farms to manufacturing units and consumers should be established to reduce post harvest losses.

Government needs to put in place policies to:

- Promote regionally based special Agro processing Zones in Nigeria to encourage private sector participation
- Provide soft loans to invest in processing facilities, farming and out-grower co-operatives
- Provide more subsidies for agro-allied inputs
- Construct appropriate storage facilities near the farm gate to minimise losses caused by spoilage
- Provide more industrial and food processing incubation centres with free basic amenities for a period of at least five years per potential entrepreneur
- Reduce customs duty on machinery used in agro-allied processing

### ***Textiles, Wearing Apparel, Leather/Leather Footwear***

*Textiles, Wearing Apparel*

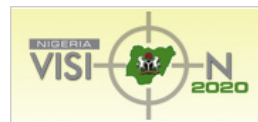


Inconsistencies in government policies, lack of protection of home industry due to globalisation and liberalisation policies, high interest rate, power crisis and high cost of fuel have led to a sharp increase in cost of production and competitive pricing for the textiles sub-sector.

To achieve the stated mission for the Nigerian textiles and garment industry of becoming the number one garment industry in Africa, capable of meeting over 60 percent of local and over 30% of regional demand, the development of this sub-sector should concentrate on building competence in a few areas along the textiles production chain. In the light of this, the development of an organised wearing apparel market, utilising distinct distribution channels, and brand names in the country should be pursued. This will require a shift from made-to-measure outfits in the wearing apparel activity to mass produced, quality, ready-to-wear garments, thereby satisfying basic domestic needs and reducing the incidence of smuggling of high quality textiles and wearing apparel into the country. The domestic manufacture of components like buttons, threads, pins, linings, stiffeners, etc, for the garment industry should be increased to anticipate the subsequent increase in demand.

The following actions for the development of this sub-sector should also be pursued:

- The selective prohibition on import of textiles has proved to be largely ineffective. The selected import prohibition should be removed and import of textiles allowed through official channels at applicable tariff duties.
- Application of a Common External Tariff (CET) ( e.g. 10 percent tariff for import of intermediate textile products and 20 percent tariff for import of finished textiles) to safeguard domestic interest and prioritise efforts to redevelop the industry.
- Government should ensure higher quality long-fibre cotton is grown locally by providing farmers high quality seeds at subsidised rates. Government should also monitor the use of the seeds to ensure the output is used effectively.
- Government should introduce an inspection division which would monitor quality control such as ensuring full compliance with using jute bags to store cotton seed. This regulatory body will also focus on controlling the quality of home grown cotton
- A series of VAT exemptions on local textiles for 5 years, and zero duty import of dyes, chemicals and spare parts for 5 years.



- Institute comprehensive regulatory reforms to address the issue of smuggled textiles and counterfeiting. Contraband goods should be seized and destroyed. Consistent violations should be taken up with the originating country's government.

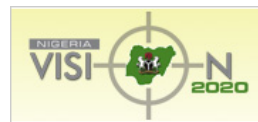
### ***Leather and Leather Footwear Sector***

The leather sector has been an engine of growth for the manufacturing sector in terms of export of value added products. It is the single largest product in the export basket of Nigeria representing 26% share of total non-oil export in 2006 and 23.5% in 2007 (CBN REPORT 2007). The leather industry is an important strategic sector for economic and industrial development. It has abundant and renewable resources based on Nigeria's large population of cows, sheep and goats. Another key feature is its labour intensive nature with the potential to be a major source of employment along the entire supply chain. The Nigerian leather sector currently employs about 20,000 people directly and 1,000,000 people indirectly.

The industry should focus its efforts on working more proactively to meet domestic needs. This includes focusing on local shoe manufacturing industries and producing upholstery leather for Nigeria's burgeoning furniture industry. Currently, Aba shoe manufacturing clusters purchase leather locally and produce about 2 million shoes a day. The next step for the industry is to increase participation in production of higher quality leather goods.

The following actions should be taken to deepen activities of this sub-sector:

- Operators should upgrade the equipment /machinery in the industry to the level that is available in Italy and the rest of Europe.
- FG should enforce existing regulations including the provisions of the Public Procurement Act, that will boost and grow the leather industry.
- Beneficiaries of the Export Expansion Grant (EEG) incentive must be effectively monitored to ensure only qualified operators in the industry benefit.



### **3.3. Stimulate domestic and foreign trade in value-adding products and services**

To realise the goal of increasing the production of and promotion of value added goods and services by 2020, a transformational shift in Nigeria's trade strategy is imperative. Nigeria's contribution to global trade in terms of exportation of processed products is insignificant and a clear reflection of the comatose state of the processing sector.

Although Nigeria has experienced a large increase in its share of trade in total output, from about 10 percent in 1960 to about 50 percent in 2003; and to about 15 percent in 2007, the bulk of this expansion in trade has been driven by petroleum exports, and does not accurately reflect the nation's true trade deficit. Non-oil exports accounts for 2 percent, a miniscule percentage when compared to other countries with similar demographics and resources<sup>15</sup>.

To achieve sustainable growth and trade, Nigeria must diversify from its dependence on primary commodities and increase its market share in new export markets; particularly higher value processed and refined products. Improving these terms of trade, will significantly increase Nigeria's foreign exchange earnings, GDP, and contribute to growth and poverty alleviation efforts. To attain maximum benefits from trade, the manufacturing, processing, and exportation of value-added goods will become the focal point of the trade strategy. Nigeria is ideally suited for such a venture, due to its favourable geographical location - on the coast of the Atlantic Ocean - to exploit the favourable trade routes and export to other nations of the world.

#### **Export Development Strategy**

Nigeria's overall competitiveness and sustainable development requires diversification away from a narrow range of products and markets. Therefore, Nigeria will maintain its commitment and continue trade-enhancing reforms, to stimulate trade in value added exports.

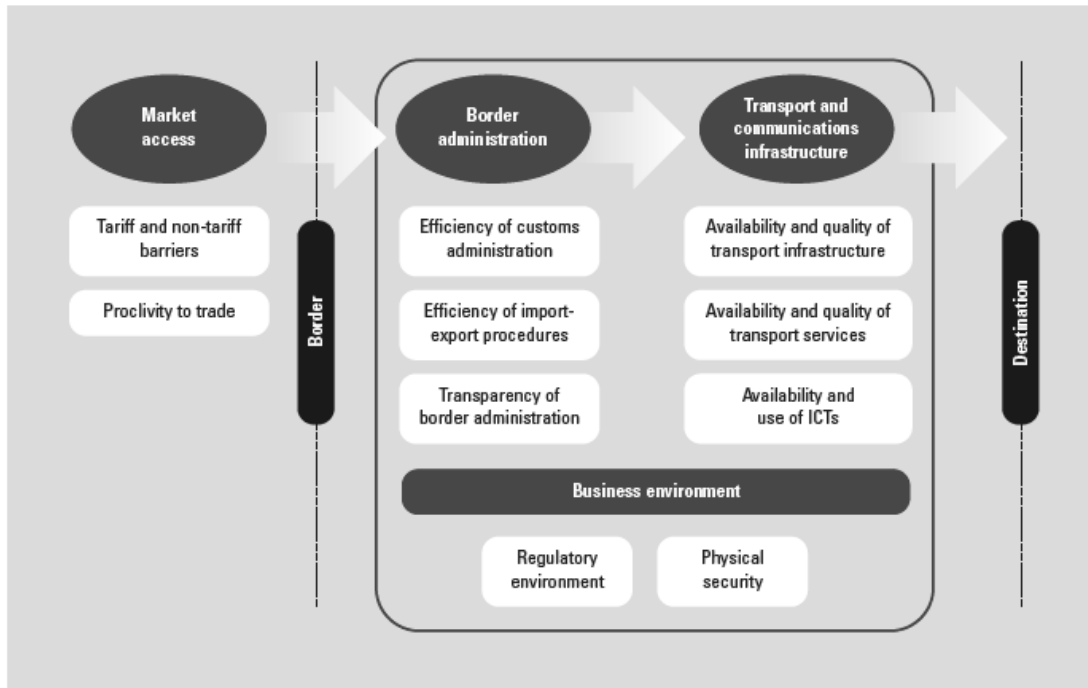
In a bid to boost the nation's domestic and foreign trade, appropriate structures such as commodity markets, free trade zones, export processing fund, and targeted export incentives will be put in place to bolster trade and foster private sector participation. In addition to

---

<sup>15</sup> CBN Annual Report December 2008

addressing these supply capacity constraints, preferential trade programmes and schemes will be reviewed and exploited to help stimulate domestic and foreign trade.

### Trade Facilitation Framework



Source: Lawrence et al., 2008.

**Figure 3-7: Trade Facilitation Framework**

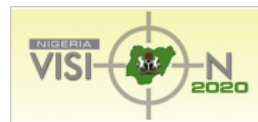
Source: *The Global Enabling Trade Report 2008*

## Foreign Trade

### Market Access

Nigeria, as a member of the World Trade Organisation (WTO) will continue to play an active and collaborative role in shaping the direction of multilateral trade policies. Nigeria will take advantage of the WTO Generalised System of Preferences, a formal system of exemptions in which developed countries offer non-reciprocal preferential treatment to products originating in developing countries, and other preferential trade programmes, such as the Cotonou agreement or the Africa Growth and Opportunity Act (AGOA). Although developed countries have provided trade preferences, most of these preferences are skewed to the export of raw materials or are





accompanied by rules of origin that are almost impossible for local manufacturers to meet, thus hindering their ability to export value added goods. To address this issue, a cogent trade and commerce facilitation team will be formed to address this and other non-tariff issues that hinder the trade in value added exports.

An export oriented approach will be utilised to increase foreign trade in specified value added products. The industrial parks, clusters and enterprise zones outlined will specialise in the production of products unique to the competitive and comparative advantages of the region. Marketing and branding as well as policy incentives to encourage the specialisation and exportation of selected goods will be mandated.

An analysis of the Nigerian manufacturing industry indicates that large firms are responsible for the bulk of non-oil, value added exports. However, small and medium firms make up the bulk of the manufacturing and processing firms. Most of these firms are so small that they are unable to significantly participate in foreign markets. Increasing the volume of value-added exports can only be achieved by targeting investment in key sub-sectors and creating large firms focused solely on value-added exports. In the light of this, actions will be taken to increase the number of large manufacturing firms in the industry. This will be achieved by creating an enabling environment so that small/medium firms can grow and prosper through increasing direct investment – both domestic and FDI - in the manufacturing industry.

Capacity building programmes in conjunction with each state's Industrial Cluster and Enterprise Zone will also be formed to assist export firms and businesses with trade standards compliance and market access. Nigeria's domestic market requirements in terms of product characteristics vary greatly from those in foreign markets. Therefore, exporting firms and manufacturers need to be sensitised on how to design products that appeal to foreign consumers. The programmes will educate participants on the requirements and opportunities for keying into the global value chain, attaining Global ISO Quality Standards and addressing the technical barriers to trade and environmental standards (sanitary and phyto-sanitary standards). These programmes could be supported by donor agencies or within the framework of Trade for Aid.

Additional Initiatives will include:

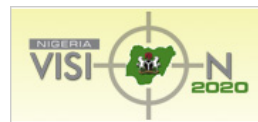
- Launching a campaign for patronage of Made-in-Nigeria goods in conjunction with the Ministry of Communication’s re-branding efforts
- Disseminating findings to end users to improve production and marketing of by-products
- Drafting a comprehensive legislation to combat piracy and counterfeiting of products

**Table 3-4: Targeted Exports: Priority Manufacturing Subsectors, Products and Potential Markets**

S/N	High Priority Sub-Sectors	Products	Potential Markets
1	Chemicals and Pharmaceuticals sector		
	a. Chemicals	Refined Oil	US, EU, North Africa, Asia (China, India)
		Liquefied Natural Gas	US, EU, North Africa, Asia (China, India)
	b. Pharmaceuticals	Over The Counter drugs	ECOWAS Region
2	Non-metallic mineral products sector		
3	Basic metal, iron and steel and fabricated metal sector		
4	Food, beverages and tobacco sector		
	a. Food	Parboiled Rice	ECOWAS Region
		Processed Cocoa beans	EU , Canada, US
		Sesame Oil	Asia
		Frozen Shrimps and Prawns	ECOWAS Region, US, EU, Japan,
		Cashews	
		a. Processed Cashew Nuts	India, Brazil, Vietnam
	b. Cashew Kernels	US, UK	
b. Beverages	Fruit Juice	ECOWAS Region	
5	Textiles, wearing apparel, Leather/leather footwear		
	a. Textiles, wearing Apparel	Ready-to-wear garments	ECOWAS Region
		Processed cotton	ECOWAS Region, EU, US
	b. Leather, leather footwear	Leather Products	Italy, Asia (China)

***African Growth and Opportunity Act (AGOA)***

The African Growth and Opportunity Act (AGOA) provides duty-free access to the U.S. market for substantially all products exported from 38 eligible sub-Saharan African countries. AGOA



builds upon on an existing trade programme by expanding the Generalised System of Preferences (GSP) established by the World Trade Organisation (WTO). Currently the duty free access to the US market under the combined AGOA/GSP programme now includes approximately 7,000 product tariff lines, 1800 of which were added by the AGOA legislation. In 2006, over 98 percent of US imports from AGOA eligible countries entered into the US duty free<sup>16</sup>. To qualify for duty free access to the US, the US requires that all products be the “growth, product or manufacture” of an AGOA eligible country. The product must also be imported directly from an AGOA eligible country. Under this programme, Nigeria currently accounts for 44.2% of all imports to the US<sup>17</sup>, the majority of which consisted of petroleum products. Petroleum products account for the largest portion of AGOA imports representing a 92.3 percent share of overall AGOA imports. With these fuel products excluded, AGOA imports are \$5.1 billion, increasing by 51.2 percent<sup>18</sup>.

Supply capacity constraints remain one of the key factors hindering Nigeria’s ability to fully participate in this programme. Efforts will be made to increase Nigeria’s participation in this programme by creating an enabling environment for the manufacturing sector and incorporating technological innovation so that Nigerian goods are globally competitive.

### **Regional Integration**

Nigeria remains a major player in the ECOWAS sub-region. Nigeria’s adoption of the ECOWAS Common External Tariff (CET) in 2005 provided a strong signal of Nigeria’s commitment to deepening sub-regional integration. Nigeria accounts for about 51 per cent of firms involved in the ECOWAS Trade liberalisation Scheme. However, the regional market still accounts for only a small fraction of Nigeria’s total trade.

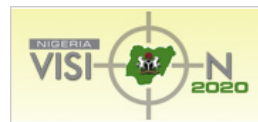
### **South-South Cooperation**

Nigeria will reorient its foreign trade strategy and target its efforts on newly emerging economies such as India, China, Brazil and the Russian Federation. South-South Cooperation is part of a larger realignment strategy between developing countries namely Nigeria, Brazil, India, China and other emerging economies in the southern hemisphere. Trade flows between Nigeria

<sup>16</sup> 2007 AGOA Report

<sup>17</sup> US African Trade Profile 2009

<sup>18</sup> US African Trade Profile 2009



and Asia, particularly India and China, have been growing at an exponential rate. Although this trade has largely been dominated by crude oil exports, immense opportunities still exist for increasing non-oil trade. Nigeria will capitalise on this strategic relationship to improve its terms of trade and seek new markets for 'Made in Nigeria' goods.

Initiatives:

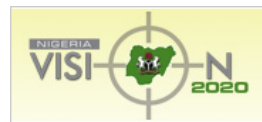
- Nigeria should explore the increasing trade and financial links with China, India and other emerging economies by encouraging their foreign direct investment (FDI) in selected industries; this can be achieved through a series of high level meetings highlighting potential and lucrative areas for investment.

#### *Export Promotion*

The promotion of trade will require efficient export promotion agencies and officers, investment promotion agencies, standards bodies, and agencies to support technological innovation, and the activities of existing clusters. An Inter-Ministerial/agencies Committee should be commissioned to streamline the functions of export /investment promotion agencies with the Cluster Development Strategy.

Economic diplomacy will become the central theme of Nigeria's foreign policy and the central point for the active promotion of 'Made in Nigeria' goods. This will be achieved by nurturing strategic partnerships with other countries and international organisations. It will require close collaboration with respective Chambers of Commerce to promote regular trade expositions and trade fairs with countries of interest.

In addition, communication between the Nigerian Export Promotion Council (NEPC) and all missions abroad will be improved upon. This will require that the NEPC provides regularly updated information, including an electronic database of resources at national and state levels, and materials for Nigerian missions to disseminate abroad. The Trade and Investment Department of the Ministry of Foreign Affairs will also embark on immediate sensitization of the private sector on trade and export opportunities. They will also conduct trade capacity building programmes for foreign officers posted abroad.



The following initiatives will help boost export promotion activities:

- Strengthening/capitalisation of financial institutions such as the Bank of Industry (BOI); Nigerian Export Import Bank (NEXIM); Nigerian Agricultural Cooperative and Rural Development Bank (NACRDB) to provide funds at single digit interest rates
- A “Made in Nigeria” Fund with support from development partners should be set up to support the activities of export promotion agencies, businesses, and manufacturers
- Export promotion authorities and exporters’ associations should increase their participation in various South–South arrangements (i.e. China-Africa Summit, Forum on Asia–Africa Cooperation in Export Promotion) with a view to identifying export market opportunities beyond oil and minerals in Asia and other emerging market

#### *Border Administration*

The creation of a conducive environment for the free movement of goods and services is critical to stimulating trade. Therefore, all bottlenecks and binding constraints in import and export processes must be substantially reduced.

In a bid, to attain the 48-hour turn-around time for clearing goods at the ports and improve the operational capacity of the Nigeria Custom Service, sweeping and comprehensive reforms must be instituted throughout the Nigeria Customs Service. This will include a complete reorientation, training and capacity building for customs officers and other relevant trade facilitation agencies. Technical assistance to support these reforms including; valuation, control and release of goods, and risk management will be provided. Further rationalisation and possible reduction in the number of government agencies stationed at the ports facilities will also be necessary.

The complete integration of ICT into all areas and processes needed to conduct foreign trade will be enforced. This will require, building the capacity for the complete electronic digitisation and documentation of all documents required for international trade, including redesigning and implementing common administrative customs documents where necessary (i.e. import and export documents, way Bills documentation). These actions will be done in line with the WTO Agreement on Technical Barriers (TBT) and in conjunction with the WTO and other donors.

The reforms and outcomes will be published for the public using reader friendly, and if necessary, colloquial and indigenous languages. These regulations, including import procedures, will be made available on the internet.

In addition, action will be taken to reduce the multiplicity of taxes and levies. The total elimination of unwarranted levies that add to the cost of production should be mandated. This will be followed by significant tax reform and the rationalisation and streamlining of existing taxes to avoid double taxation.

### **Domestic Trade**

Balancing growth to ensure that the Nigerian economy is both strong and sustainable will require stimulating domestic trade. This internal focus acknowledges that exports may not continue to be a strong driver of the Nigerian economy. Accordingly, proactive measures will be taken, to effectively leverage Nigeria's large population to stimulate domestic demand and trade. Stimulating domestic trade will require an active effort on the part of the government to increase the personal consumption patterns and demand of Nigerian citizens, since the nation has the potential to benefit tremendously from economies of scale due to its large domestic market.

The distribution of goods for the domestic market is presently conducted through a network of intermediary traders, who essentially extend the distribution area across different markets around the country. Currently Nigeria's domestic commerce is hindered by the poor and non-existent transport linkages between regions, states, and rural and urban areas. Furthermore, organised commerce tends to be concentrated in the densely populated urban areas, at the expense of rural areas who currently represent 52% percent of Nigeria's population<sup>19</sup>.

Improving the functioning of domestic markets and endorsing an overall domestic trade policy that's able to fully harness the skills of its citizens and natural resources will play an important role in driving domestic trade.

Nigeria will promote domestic trade in value added products through sectoral specialization amongst the regions, and in conjunction with the proposed Cluster Development Strategy. Each

---

<sup>19</sup> CIA Factbook

region will specialize in the manufacturing and processing of targeted value added products to meet the consumption demands of Nigerians and reduce the volume of value added imports.

Regional Specialization		
S/No	Region	Products
1	North East	Processed minerals, ethanol, Biodiesel, Cement, Fruit Juices
2	North West	Processed Meat, Leather goods, biofuels
3	North Central	Cut granite, Furniture, Processed , Cotton fabrics
4	South East	Over the counter drugs, Leather goods, Garments, Palm oil
5	South West	Plastics, Garments, General goods
6.	South South	Petrochemicals (refined oil), Fertilizers, plastics, Oil services
DOMESTIC MARKET		

Nigeria will target , support and create an enabling environment for small and medium sized manufacturing/ processing firms who lack the capital and technical know how needed to export to foreign markets, to address local consumption needs. Collaboration between small and medium sized firms and experienced local firms within the same industry will be encouraged and supported by local development agencies and financial institutions. Networks between respective local and provincial trade agencies to promote inter city and inter-regional trade will also be formalised and encouraged.

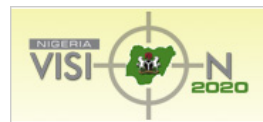
### 3.4. Strengthen linkages between key sectors of the economy

#### **Financial Sector**

The role of the financial sector is very critical to the development and sustenance of the nation’s basic industry, manufacturing industry and trade. These major areas of the economy require credit in order to thrive.

In a bid to attain a virile real sector that will stimulate economic development of the nation, adequate provision will be made to stimulate the availability and flow of the required funding to the primary, manufacturing and trade sectors of the nation at an attractive and reasonable interest rate.

Towards this end, the financial sector will be stimulated to provide the required credit to the nation’s real sector by creating an appropriate and conducive regulatory framework, re-

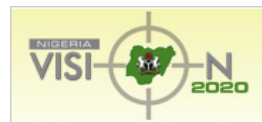


engineering the financial intermediation process and access to credit, deepening and diversifying financial products and enhancing integration with external financial markets.

Other strategic initiatives that must be implemented to adequately meet the funding needs of Nigeria's real sector are listed below:

- Establish an integrated and consolidated regulatory system responsible for micro prudential supervision/regulation
- Put in place a central credit information sharing mechanism for all financial institutions to enhance efficiency and effectiveness in credit disbursement
- Shift from compliance-based supervision to risk-based supervision of the financial system
- Establish and enforce healthy risk management practices
- Encourage the emergence of specialised financial institutions that will focus on key segments of financial services
- Evaluate the efficacy of the current model of micro finance institutions and realign it to encourage adequate funds mobilization and access to credit
- Develop Bond, Derivatives and other innovative securities markets
- Develop framework for the emergence of a structured commercial bills market; e.g. product initiation, enhancements and rating of corporate debt of all maturities
- Specify clear cut targets and parameters on key policy issues such as inflation, interest rates and budget deficit etc.





### ***Transportation***

Currently, there is heavy dependence on road transport for haulage of products – raw, processed and finished – from point to point. This mode of transportation is characterised by inefficiencies due to the poor state of the roads and the high cost of hiring and maintaining trucks. However, concerted efforts will be made to encourage private sector investments in other means of transportation in order to ensure effective distribution of resources in the real sector.

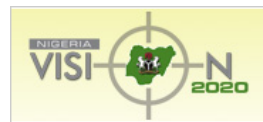
Nigeria will create an integrated and sustainable transport system that will be safe, reliable and cost efficient. The transport system will incorporate different modes of transportation in order to adequately convey necessary materials - inputs and resources - that are required by primary industry, manufacturing industry and market as required.

Specifically, investment will be encouraged through concessions – BOT (Build Operate and Transfer), BOO (Build Operate and Own) – in rail, road, water and air transport for the purpose of haulage and distribution of inputs and other materials to primary and manufacturing industries and subsequently to domestic and international markets for trading purposes.

Towards achieving a sustainable transportation sector, effective policies and programmes will be put in place - with the active participation of the private sector - to adequately cater for the special needs of freight and logistics i.e. linking of Nigerian ports and major airport to railways, dredging of inland waterways to make them navigable for haulage purposes, construction of quays, aprons and jetties to facilitate inter-modal freight change and construction of weigh bridges on major road routes to facilitate the imposition of special levies (which will be utilised on road maintenance) on heavy duty trucks.

Other strategic initiatives that will be implemented in order to transform the transportation sector are:

- Provide public transport for goods in rural communities through Public-Private Partnerships (PPP).
- Modernise and increase railway network density from 87.94 to 184.2 km/10,000 sq. km.



- Provide local, limited and express trains to ensure carriage of passengers and goods to and from rural areas.
- Provide well serviced stations in locations along the rail line at a maximum of 25km intervals.
- Increase the harnessed inland waterways from 3000km to 8000km.
- Provide water craft for carriage of goods through Public-Private Partnerships.
- Create at least four (4) new deep seaports in such locations as Epe/ Lekki, Brass, Bonny , Badagry., and Akwa-Ibom
- Extend the pipeline network to convey liquids and gaseous products throughout Nigeria.
- Interconnect Nigerian railway networks to its ECOWAS neighbours

#### ***Information & Communications Technology***

The Nigerian primary, manufacturing and trade industry will be supported by efficient and globally competitive information and communications technology services. This is essential if the intent of transforming the nation into an industrialised one is to be achieved.

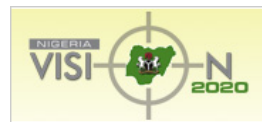
Currently, the Nigerian telecommunications sub-sector is witnessing astronomical growth. This growth, with its infrastructure base, will be leveraged to improve the effectiveness of the primary, manufacturing and trade segments of the Nigerian economy. In addition, incentives will be provided to enhance the roll-out of information and communications technology and its enabling infrastructure (hardware – masts, transmitters, VSAT ; software and services - Internet Service Providers, call centres ) especially telecommunications in the rural areas due to the strategic role that rural areas play in providing inputs to primary industry.

While encouraging investment in the Information and Communications Technology sector, appropriate legal and regulatory frameworks will be instituted to safeguard the investments.

In order to enhance Nigeria's industrialisation, appropriate PPP frameworks and arrangements will be developed and implemented for the Build, Operate and Transfer (BOT) of public sector ICT infrastructure. Also, provision will be made to facilitate increased awareness of the potential of ICT by literate people in the nation's rural areas.

Pillar 2: Optimizing the Key Sources of Economic Growth			
Metric	Baseline	2015	2020
Aggregate GDP	5212bn	>\$400bn	>900bn
Economic Structure ( <i>ratio of Agriculture, Industry &amp; Services Contribution to GDP</i> )	42.1:23.8:34.1	NA	3-15:30-50:45-75
Agricultural productivity	2009	3-fold increase	6-fold increase
Domestic refining capacity	445,000bpd	750,000bpd	1,500,000bpd
Ratio of non-oil to oil contribution to foreign exchange earnings (%)	5:95	20:80	40:60
Manufacturing contribution to GDP	<4%	10%	25%
Average local content value (materials and human resources) across key industries (Oil & Gas, Agriculture, Manufacturing, Building & Construction)	NA	50%	70%
Private sector credit as a percentage of GDP	17%	30%	45%
Steel consumption per capita	<10kg	40kg	100kg

DRAFT



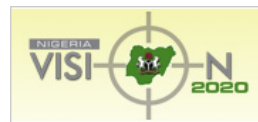
## **What Will Nigeria Do Differently?: Optimising the Key Sources of Economic Growth**

Most of Nigeria's development plans since the 1970s have consistently recognised the need to diversify the nation's revenue sources away from crude oil exports, while deepening the linkages of the petroleum sector with the rest of the domestic economy. Diversifying the economy and bolstering the capacity of the other growth sectors to generate increased export and domestic employment would require an aggressive focus on other growth sectors. In addition to implementing existing programmes, NV20:2020 will also focus on;

### **1. Integrating Sectoral Planning**

Compared to the past where limited data and weak input-output analysis constrained the quality of sectoral planning, resulting in some sector plans not adequately capturing inter-sector linkages, NV20:2020 will ensure proper integration of sectoral strategies to enhance linkage and realise potential synergies amongst the nation's growth sectors. For example, the Agriculture, Oil and Gas, and Minerals and Metals sectors have been identified as strategic sources of inputs to the nation's local manufacturing industry.

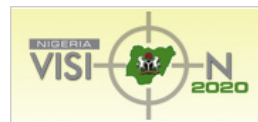
NV20:2020, and the 3 development plans to be derived therefrom, will specifically address this by focusing on initiatives that will foster effective linkage of these input sectors to the domestic industry as a way of unlocking the potential of Nigeria's economy. Inter-sector strategies will, therefore, be designed to maximise the synergies that exist among the various sectors of the Nigerian economy. In the short-term, this will entail strengthening the capacity of the key agencies of government responsible for long-term planning.



## **2. Cluster – Based Approach to Industrialisation**

To drive the NV20:2020 strategy of transforming the six (6) geo-political zones of Nigeria into economically viable zones, industrial clusters will be built in each of the nation's geo-political zones. These clusters would be built around different sectors based on the economic geography of the geo-political zones. The 'hub – and – spoke' industrialisation approach will leverage the economies of scale and scope; and the critical mass of economic activity, as a result of the industrial parks, to catalyse development across the nation. The development of necessary infrastructure for these industrial clusters, leveraging private sector collaboration, will be a top priority of the Government under NV20:2020.

DRAFT



#### **SECTION 4 – FOSTERING SUSTAINABLE SOCIAL AND ECONOMIC DEVELOPMENT**

Over the years, Nigeria has experienced modest economic growth, driven mainly primarily by the non-oil sector. The oil boom and associated income derived from oil exports have not translated into sustainable development and wealth for its citizens. The key challenges facing the sustainable social and economic development of Nigeria are the weak infrastructure base, especially power and transport infrastructure, corruption, macroeconomic instability, security of lives and property, over-dependence on oil revenues and poor governance.

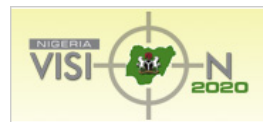
Nigeria has never been in short supply of policies/programmes or reforms aimed at alleviating the failing economy and livelihood insecurity over the past five (5) decades. Some of these programmes include the Structural Adjustment Programme (SAP), the Poverty Reduction Strategy Paper (PRSP) and other specific reforms associated with poverty alleviation and sustainable development. However, majority of these programmes failed to deliver on the objectives for which they were introduced.

The major bottlenecks in these policy reforms and programmes developed over the years include corruption, lack of continuity in policy implementation, inappropriate fiscal and macroeconomic policies, ethnic and political divides leading to instability of the political and social environment. Between 2003 and 2007, the government implemented a comprehensive economic reform programme, the National Economic Empowerment and Development Strategy (NEEDS) that emphasised fiscal, structural, and institutional reforms. These reforms resulted in significant improvements in the country's overall economic indicators with inflation declining from 15% in 2003 to 5.3% in 2007. Also, the enactment of anti-graft laws and the establishment of anti-graft agencies such as the Economic and Financial Crimes commission (EFCC) and Independent Corrupt Practices and other Related Offences Commission (ICPC) to improve governance and reduce graft laid a solid foundation for credible and successful structural reforms that can stimulate socio-economic development.

As Nigeria aims to become one of the top 20 economies by 2020 and grow its GDP at an estimated annual average of about 13.8% between 2010 and 2020,<sup>20</sup> the government will continue to create an environment in which corruption is combated, and focus on eradicating

---

<sup>20</sup> NV20:2020 Macroeconomic Team Analysis (September 2009)



other structural constraints which impede the realisation of its socio-economic programmes. Also, appropriate structures and policies which will help to create a viable platform for sustained economic development and a competitive business environment will be put in place.

The broad philosophical principles underlying the recommendations targeted at fostering sustainable social and economic development in Nigeria are as follows:

- A redistributive fiscal policy which will improve the revenue profiles of sub-national governments will be instituted. This will encourage the states and local governments to look inwards for fiscal sustainability.
- Government's involvement in the provision of critical infrastructure (power and transport) will be gradually reduced and the focus will be on creating an enabling environment for private sector participation.

In the journey towards 2020, Nigeria would need to implement some key strategic objectives to sustain its social and economic growth over and beyond the projected visioning period (see Figure 4-1). These strategic objectives have been developed based on the key imperatives for sustaining social and economic development as highlighted in the 2008 World Bank Growth report<sup>21</sup>. These strategic objectives include:

- Develop efficient, accountable, transparent and participatory governance;
- Establish a competitive, business environment characterised by sustained macroeconomic stability;
- Enhance national security and improve the administration of justice;
- Promote unity in diversity, national pride, and conserve the nation's cultural heritage;
- Develop sufficient and efficient infrastructure to support sustained economic growth;
- Preserve the environment for sustainable socio-economic development; and
- Promote the sustainable development of Nigeria's geo-political regions into economic growth poles

<sup>21</sup> The Growth Report - Strategies for Sustained Growth and Inclusive Development, Commission on Growth and Development, World Bank, June 2008

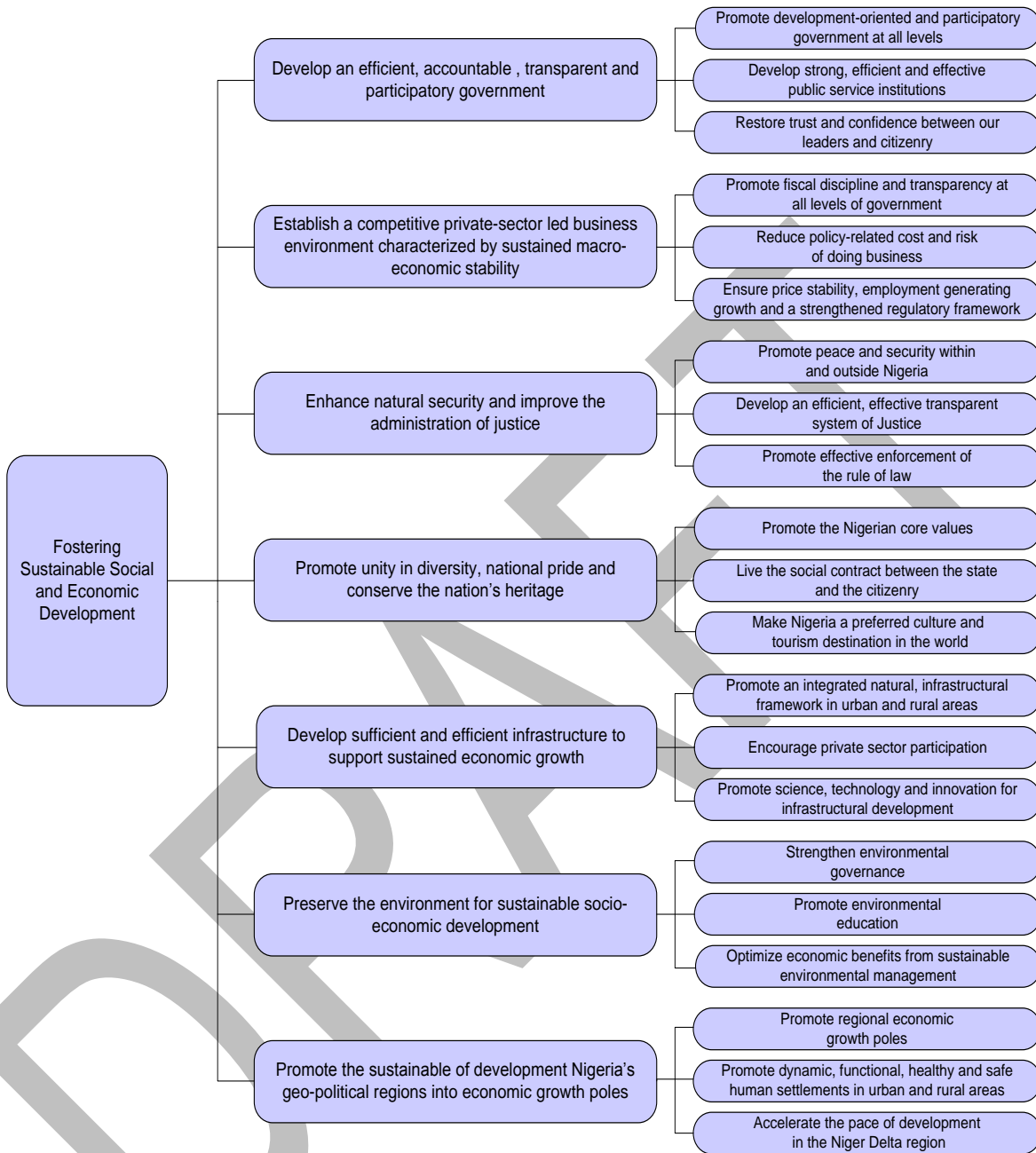


Figure 4-1: Strategic Framework for Fostering Sustainable Social and Economic Development

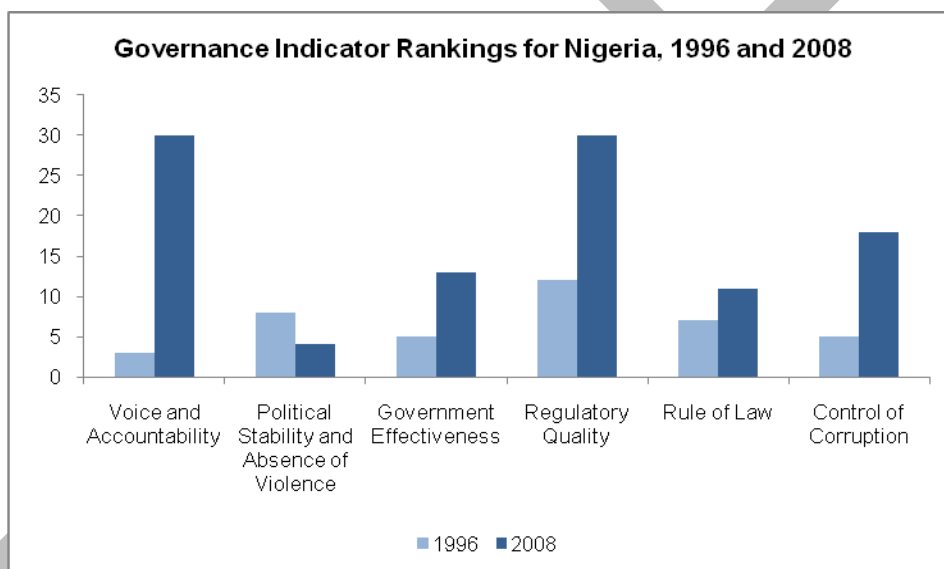


#### 4.1. Develop efficient, accountable, transparent and participatory governance

Ten years into democratic governance, Nigeria is still faced with the challenge of conducting free and fair elections. The process for selecting party candidates is not transparent as internal democracy is yet to be fully entrenched in the political parties.

Nigeria’s NV20:2020 strategic plan aims to institute a system of government that is transparent, accountable, gives voice to the people and guarantees their welfare for equitable and sustainable national development. The overall goal is to improve Nigeria’s ranking on each of the six World Governance Indicators, namely: Voice and Accountability, Political Stability, Government Effectiveness, Regulatory Quality, Rule of Law, and Control of Corruption.

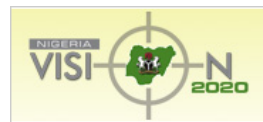
Nigeria’s ranking on these indicators in 1996 and 2008 are as shown in Figure 4-2 below.



**Figure 4-2: Governance Indicator Rankings for Nigeria, 1996 and 2008**

*Source: Governance Matters 2009, Worldwide Governance Indicators, 1996 - 2008*

To achieve this, Nigeria will focus on instituting a redistributive fiscal policy that guarantees the fiscal sustainability of each tier of government, rewards internal revenue generating efforts while promoting cooperation and coordination among them in the interest of overall national development goals. This will help to restore the social contract and improve service delivery in the sub-national governments, on the one hand, while reducing the incentive for political office-holders to fight at all costs for federal offices, on the other.

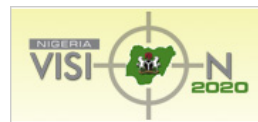


Currently, the political elite are still firmly entrenched in the political and democratic structures thereby excluding majority of the citizens from meaningful political participation. Going forward, priority attention will be given to strengthening the existing democratic structures, systems and processes and pursuing comprehensive electoral reforms at all levels with a view to entrenching participatory and development-oriented governance at all levels. By doing this, trust and confidence will be restored between the leaders and the citizenry.

A key strategy that will be used to drive the implementation of NV20:2020 will be the empowerment of the local governments to drive rural development at the grassroots. The Vision recognises local communities and jurisdictions as the hub from which the whole country will experience development. Therefore, local government administration will be strengthened to ensure effective governance at the grassroots in responding to the felt needs of the people, particularly women, the girl child and other vulnerable groups.

Other strategic initiatives which will be pursued include:

- Strengthening of the separation of powers between the legislative and executive arms of government with a view to enhancing the independence of the legislature
- Establishment of appropriate mechanisms to allow for civic engagement and citizen participation, especially the effective participation of women, in public policy development and implementation. This will ensure that apart from periodically electing their representatives, the people are continually involved in decisions and activities affecting them, either directly as individuals or through civil society organisations, such as community based organisations and special interest groups.



### ***Government Effectiveness: Creating strong, efficient and effective Public Service institutions***

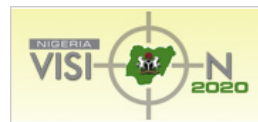
The ongoing public service reforms, launched as a major policy thrust under NEEDS, and targeted at improving service delivery and promoting good governance through improved institutionalisation of fiscal responsibility, installation of due process, transparency and accountability in government transactions, and the restructuring of operations and systems is critical to the successful implementation of NV20:2020. As a result, government efforts will be directed towards the successful completion and consolidation of the ongoing public service reforms.

A National Strategy for Public Service Reform (NSPSR) has been developed with a common vision and a long-term agenda to guide the rebuilding and transformation of the Federal Public Service. The overarching objective is to put in place a world-class public service for the attainment of the national vision of becoming one of the 20 leading economies in the world by 2020. This strategy is expected to inspire similar initiatives in the 36 States of the Federation for a coordinated action towards the reinvigoration of the Nigerian Public Service at all levels of Government.

The NV20:2020 strategic plan envisages a world class and merit-based professional public service which delivers government policies and programmes with excellence, discipline, integrity, transparency and loyalty. A public service committed to delivering value for money, with strict adherence to rules and due process, and without corrupt or improper considerations.

To complement the ongoing public service reform efforts, other strategic initiatives which will be implemented to ensure the development of an efficient public service capable of supporting the implementation of NV20:2020 include:

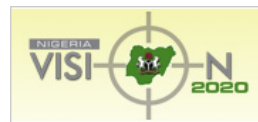
- Adoption of merit principles as the cardinal policy of recruitment and promotion in the public service to ensure that positions and responsibilities are given to the most deserving and qualified people.
- Renewal of the privatisation efforts to ensure responsible transfer of selected public enterprises (refineries, power, steel industries, and railways) to private ownership under effective government regulation.



- Introduction and enforcement of a code of values and ethics for public servants which clearly outlines the system of principles governing morality, acceptable conduct and sanctions for code defaulters in the public service. This will help to establish high standards of public conduct and serve as a deterrent for unacceptable practices in the public service.
- Streamlining of the roles and responsibilities of the Ministries, Departments And Agencies (MDAs) in the Executive arm of government with a view to delineating their overlapping and conflicting roles for effective service delivery and reduced government expenditure
- Deployment of ICT in public institutions to facilitate the migration to e-governance platforms for improved service delivery by the government as follows:
  - **G2C (Government-to-Citizen)** which involves transactions between government and the citizens e.g. payment of utility bills, tax collection, and download of information on government programmes
  - **G2B (Government-to-Business)** which involves transactions between government and corporate community e.g. business registration, corporate tax payment, and download on government policies and regulations
  - **G2G (Government-to-Government)** which involves intra and inter government communications at the various levels of governance – local, state, and federal e.g. sharing of information between the Federal Ministry of Health and the National Planning Commission
- Introduction of performance management and accountability systems for public service institutions entailing measurable indices of performance by which each institution will be periodically held accountable for its performance periodically.

### ***Tackling Corruption***

Currently, Nigeria is ranked as one of the most corrupt nations with a ranking of 121 out of 180 countries on the Corruption Perception Index (CPI). NV20:2020 aims to **stamp out corruption from Nigeria** and improve Nigeria's ranking on the CPI to 60 by 2015 and 40 by 2020.



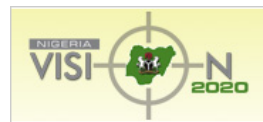
Previous anti-corruption policies implemented in Nigeria have been targeted at addressing the manifestation of the symptoms of corruption and enforcement measures to the exclusion of the root causes. However, the root causes of corruption in Nigeria have been identified as social insecurity and over – centralisation of activities in the Federal Government. Also, there has been undue focus on the public sector to the neglect of the private sector in the fight against corruption in Nigeria.

In Nigeria today, there are suitable laws and viable institutions to fight corruption. However, what is required is a national strategic plan of action to deal with the root cause of need induced corruption. Nigeria must therefore act to build for its people, a very high threshold to resist temptation by evolving a policy that recognises the socio-economic circumstances that fosters corruption and providing a response strategy. There is a need to create wealth and employment opportunities; reduce poverty and ensure social security of millions of Nigerians living below the poverty benchmark.

In addition to addressing poverty induced corruption, the national strategic plan of action must also include a plan for rediscovering and teaching our core values of integrity and honesty to the younger generation. The long years of military rule and corruption has done a lot of damage to the psyche and moral fibre of Nigerians. Re-orientation in values is therefore important for the fight against corruption to succeed. The teaching of our core values as a people and the benefits such values will bring to the attainment of our greatness as a nation and to the achievement of our developmental goals will be developed as part of the national education curriculum, from the elementary school level.

Other strategic initiatives targeted at curbing corruption include:

- Establishment of an effective institutional framework for fighting corruption with a view to ensuring the political and financial autonomy for anti-corruption agencies, stiffening sanctions on corrupt offenders and promoting transparency and accountability in the management of public finances.
- Promotion of transparency in government finances by enacting stringent laws on financial reporting, disclosure requirements, audit and timely publication of funds released from the Federal Allocation Committee (FAC) accounts.

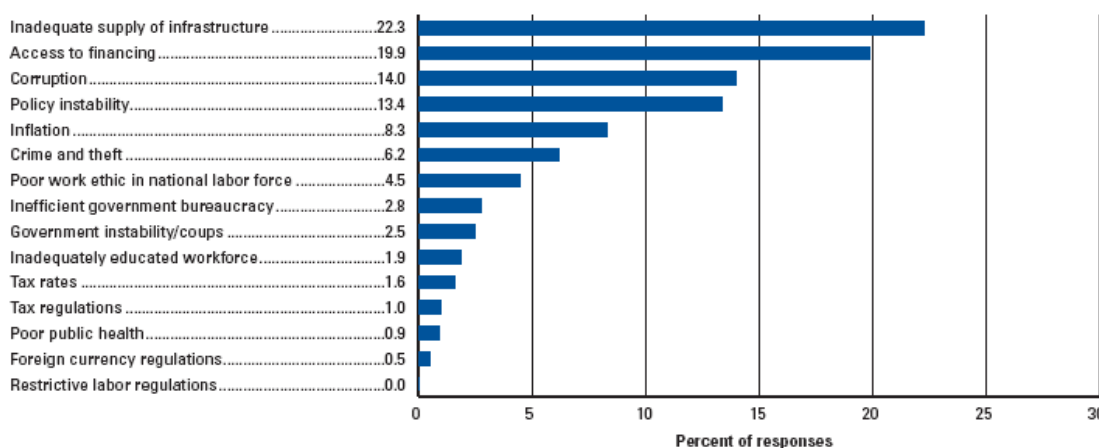


- Full implementation and enforcement of the Fiscal Responsibility Act and the Public Procurement Act at all levels of government with a view to instituting due process and fiscal prudence at all levels of government.
- Review of the immunity clauses in section 308 of the 1999 Constitution which protects certain categories of elected public officers from arrest and prosecution during their term in office. The implication of this clause is that public officers can only be investigated but cannot face prosecution while in office. This has contributed largely to the mismanagement of public funds.
- Enactment of Bills on Freedom of Information and Whistle Blowers Protection
- Review of the provisions for the establishment, use and oversight of funds meant as Security Votes
- Domestication of the United Nations Convention Against Corruption (UNCAC), which presents a unifying legal framework targeted at tackling the root causes and consequences of global corruption, in fulfilment of Nigeria's international obligations
- Strengthening the partnerships between the government, civil society, the media and the public in fighting corruption

**4.2. Establish a competitive, private sector led business environment characterized by sustained macroeconomic stability**

Nigeria ranks as one of the least competitive economies globally, being 99th out of 133 countries on the Global Competitiveness Index and 125th out of 183 countries on the Ease of Doing Business Index. These two benchmarking reports place Nigeria as one of the least competitive economies globally. *Figure 4-3* highlights the key challenges to doing business in Nigeria. As private investments will be very important to the realisation of NV20:2020, it is imperative for Nigeria to put in place an enabling and competitive business environment for investments to thrive and grow.

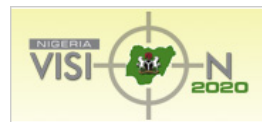
**The most problematic factors for doing business**



**Figure 4-3: Challenges of Doing Business in Nigeria**

*Source: 2008/2009 Global Competitiveness Report, World Economic Forum*

Towards 2020, Nigeria’s priority will, therefore, be to build an open, efficient, effective and globally competitive integrated business environment that will facilitate the sustainable growth of businesses and investments. This will be achieved by introducing economic reforms and market-friendly policies targeted at attracting foreign and domestic investment, enabling the private sector to be the engine of growth and providing the lead for self-sustaining and self generating growth. The overall goal is to move Nigeria up the ladder on the Ease of Doing Business Index (EDBI) to 80 by 2015 and 60 by 2020. Moving up the EDBI scale to No. 60 will



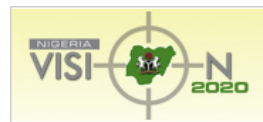
ensure that Nigeria is at least as competitive as some of the bottom five of the Top 20 economies.

In order to ensure macro-economic stability, the government will sustain the oil price-based fiscal rule which gave rise to the Excess Crude Account (ECA). Also, pragmatic fiscal management policies will be adopted and appropriate monetary, trade and debt management policies will be implemented to support domestic economic activities. This will ensure that the country is able to achieve double digit growth rates, maintain strong economic fundamentals relating to inflation and prices, exchange rate, interest rates, monetary aggregates and de-link government expenditures from oil revenue earnings, thereby limiting the transmission of external shocks into the domestic economy.

Other initiatives which will drive Nigeria's transition to a globally attractive and competitive business environment include:

- Greater decentralisation of key institutions like the Immigration Service, Nigeria Police, Corporate Affairs Commission, rail and air transportation management agencies, and several other activities that are currently controlled exclusively by the federal government in order to ensure more effective and efficient delivery of service to the public
- Institutionalisation of the ongoing fiscal reforms at the sub-national levels by promoting greater interface between the National Economic Management Team and the State Economic Management Teams
- Development of clear governance structures for the management of the ECA. It is recommended that fiscal rules which will encourage savings of not less than 10% of annual revenues from 2015 be introduced by government.
- Introduction of an integrated and well coordinated financial regulatory framework for effective regulation and adoption of globally acceptable reporting and disclosure requirements for the financial services industry. A robust risk management framework will also be developed and implemented in order to ensure the stability of the financial services industry in the light of recent developments in the global and local financial markets

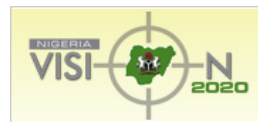




- Adoption and enforcement of rule-based policies, with specified clear cut targets and parameters on key policy variables such as interest rates, inflation and budget deficit to foster macro-economic stability. This is expected to drive the attainment and sustenance of single digit inflation rate from 2015
- Implementation of initiatives and policies targeted at ensuring that the nation works towards the WAMZ/AU macroeconomic convergence criteria as part of the country's preparation for sub-regional integration
- Evaluation and amendment of all the policy related issues which constitute administrative bottlenecks for business operations in Nigeria. For example the current business registration processes and the creation of a one-stop shop under which the activities of the relevant agencies can be integrated will help to reduce cost and delays associated with registration. The NV20:2020 Plan aims to reduce the business registration cycle to a maximum of 48 hours from 2010.
- Harmonisation of all tax systems and payments channels with a view to reducing multiple taxation by the various tiers of government.
- Ensuring proper coordination between debt management and monetary policy management, especially through the medium term National Debt Management Framework set up by the Debt Management Office, which stipulates guidelines for borrowing – domestic and external - by all tiers of Government.
- Adoption of measures to improve budget implementation such as timely enactment of the annual budget, adequate funding of on-going projects, adoption of participatory budgeting through adequate consultation with the National Assembly (NASS) in the course of formulating the Appropriation Bill.

#### **4.3. Enhance national security and improve the administration of justice**

Although external threat to the country's security has been very minimal; internal security has remained a big challenge, especially as internal conflicts, including religious, ethnic and economic, have had a debilitating effect on the country's development since independence. The insecurity of lives, property and citizens' rights has escalated in the country right from the civil war era (1966 – 1970) and the subsequent military regimes which directly intensified urban



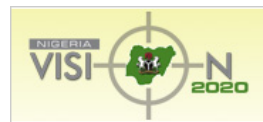
violence. Thus, for the majority of the people especially poor and vulnerable groups such as women, children and Persons with Disability, access to justice is largely constrained. To compound this, existing laws and legal processes are obsolete; the structural and institutional framework for the administration of justice is weak, and has led to a dysfunctional federal system characterised by centralised police, court and prison systems. The existence of multiple law enforcement agencies has led to the abuse and distortion of speedy dispensation of justice and other ex-judicial matters. Other issues include lack of autonomy and independence of the judiciary and the frequent disregard for rule of law and disobedience of court orders.

Prior to NEEDS, the approach of Government to security had been narrow, compartmentalised, and constrained by a “law-and order” conception. NEEDS proposed a paradigm shift in the security policies and measures to mitigate the operational causes of insecurity and re-orient the security agencies for improved efficiency. However, the proposals of NEEDS have not been fully implemented and some fundamental issues and challenges still need to be addressed to improve security in the country. The recent incidence of violence and insurgency in the country emphasize the need to comprehensively address the perennial causes of social tension, as they directly contribute to the risk factor of Nigeria as an investment destination.

One of the key objectives of NV20:2020 is to develop an economically-prosperous, politically-stable and socially-just society where the security of lives and property is guaranteed and underpinned by a constitutionally independent judicial system that ensures respect for the rule of law and promotes equal rights to justice.

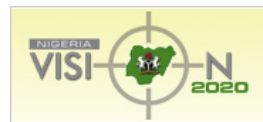
To achieve this objective, the key strategy of the government will be to shore up the capacity and capability of law enforcement agencies for prompt response to National security emergencies. This will also include the implementation of the key recommendations in the 2006 Presidential Committee Report on the reform of Administration of Justice, with regards to the Police and Prisons, targeted at improving the general welfare and operational capacity of law enforcement agencies.

It is expected that the implementation of these recommendations will make the law enforcement agencies more efficient, competent and responsive to the needs of all stakeholders and to the demands of a new constitutional order and globalised world.



Other strategic initiatives, some of which are already being considered by the Ministry of Justice, include:

- Amendment of all discriminatory laws, policies and practices and promoting the culture of respect for Human Rights and the Rule of Law. It is recommended that the country operationalises the National Action Plan for the Promotion and Protection of Human rights (NAP), which is the response of the Nigerian government to the recommendation of the Vienna Declaration and Programme of Action, adopted at the World Conference on Human Rights in Vienna Austria in 1993. This requested that: *“Each state consider the desirability of drawing up a national action plan identifying steps whereby the state would improve the protection and promotion of human rights”*
- Development of a framework for judicially supervised mediation in civil disputes to reduce adversarial costs and enforce timelines for criminal prosecution and sentencing. Emphasis will be placed on civil mediation and conciliation prior to adjudication; enforcing timelines in criminal prosecution and effecting a case by case audit of the prison inmates to ensure that people are not kept unnecessarily in the prisons.
- Enactment of laws and practice policies that are result oriented and reassuring to investors for the protection of their intellectual property and investments. This will help to promote an investor friendly environment and establish strategic partnerships for acting against piracy and stemming the tide of pirated products. Commercial courts with clearly defined jurisdiction for speedy disposal of commercial and investment based issues will also be established.
- Strengthening of the principle of separation of powers to enhance the independence of the judiciary and law enforcement agencies. This may require review of salaries and other remuneration for judicial officers, judicial and legal practice re-orientation; infrastructure upgrading including ICT networking for all court and frequent training and capacity building for judicial officers especially in emerging areas in the economic and social domain.
- Implementation of attitudinal re-orientation training programmes for Armed Forces, Police and other security and law enforcement agencies to enable them meet present and growing security challenges. In addition, training programmes, which will enhance the



professionalism and efficiency of law enforcement, justice administration and offender-correction agencies, should be organised.

- Establishment of a national criminal database to be used by the Police Force, Nigerian Prisons, and the criminal justice administration to aid the criminal intelligence system in tracking and apprehending criminals in Nigeria. The primary stakeholders in the development of the database include the Police, the Courts, and the Prisons. This criminal records database could be linked to a Global Criminal Justice network.
- Improvement of the conditions of existence of convicted prisoners in decongested prisons in line with the UN Standard Minimum Rules for the Treatment of Prisoners (UN SMR) to which Nigeria is a signatory

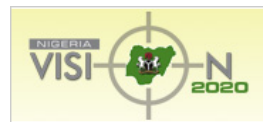
#### **4.4. Promote unity in diversity, national pride, and the conservation of the nation's cultural heritage**

Over the years, the core values that bind the Nigerian people together have been eroded. There has been a crisis of identity, perception and (national) orientation which has resulted in unacceptable behaviour and promoted violence among the Nigerian people. The traditional mutual trust which existed between the leadership and citizenry has also been betrayed.

Although never explicitly expressed, there has always been a "Nigerian Dream". The dream of every Nigerian is to live in a peaceful and prosperous society, managed by trustworthy and credible leaders who will ensure the provision of equal opportunities for economic empowerment, gender equality as well as the protection of basic human rights.

Nigeria's NV20:2020 strategic plan aims to unite and re-direct Nigerians towards the values of patriotism, hard work, honesty and selflessness which are very important for the repositioning of Nigeria as one of the top 20 economies in the world. There is no doubt that Nigerians need a re-orientation to cope with the ever-changing global realities. The values -- our rich heritage and strong sense of community -- are both essential for uniting us as a people and for providing the common principles and ideologies which will guide us in a rapidly changing world.

To achieve this, a key strategy of the NV20:2020 plan is to formulate and promote the concept of the "**Nigerian Dream**" with a view to entrenching the national core values in the mind of every Nigerian. This can be implemented in conjunction with the ongoing "Rebranding Nigeria



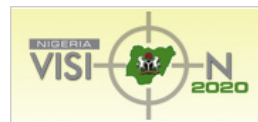
Project” which also has as one of its objectives, the enhancement of the international perception of Nigeria, her people, her economy and the value placed on her products. It is expected that this will promote values such as brotherhood, equal opportunity, participatory governance, integrity, unity in diversity, excellence, honesty and patriotism.

For the tourism sector, the objective of the NV20:2020 plan is to make Nigeria the aviation hub of West Africa, given its endowments and strategic location. The target is to achieve a 50% increase in annual tourist arrivals at Nigerian airports and land borders and increase tourism contribution to GDP from 2.5% in 2007 to 5% by 2015 and 10% by 2020.

As the tourism industry involves major, capital intensive investments with a long gestation period, the Government will be the key facilitator providing the lead in creating an enabling environment that will attract tourists around the world and encourage private sector investments in the sector. It is expected that an enabling environment, with adequate and efficient infrastructure, security and well trained manpower, will provide the necessary incentives required for the growth of the tourism industry.

Other initiatives to be pursued include:

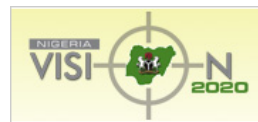
- Developing unique and outstanding tourism products services which are based on the country’s cultural heritage
- Strengthening existing policies and institutions set up to preserve and repackage the nation’s cultural products to meet the expectations of the international audience
- Promoting cultural, economic and political ties with other countries, expand and enrich foreign relations through cultural diplomacy, including deliberate marketing of Nigerian cuisines in strategic nations across the world through special government funding.
- Enhancing the capacity and effectiveness of regulatory agencies for data collection and standardisation of products
- Rehabilitation of tourist sites, including museums, monuments, historic and natural sites, and improving internal security arrangements and accessibility.



- Full implementation of the Nigerian Tourism Development Masterplan developed in 2007. The Masterplan which targets diverse categories of tourists such as new experience seekers, Africans in Diaspora, the expatriate community, families on holidays, among others, also requires a new regime of tourism management at all levels of government
- Enactment of a new legislation that will identify the clear roles for Federal and State agencies as well as the integration of local government authorities in tourism development
- Promoting the development of the Nigerian tourism industry by projecting the positive image of Nigeria via the film, visual arts, movies and music industry. For example, *Nollywood*, the Nigerian film industry, has the capacity to provide a platform for the positive promotion and projection of the values of the Nigerian nation, its cultures and people.
- Developing potentials for eco-tourism by mainstreaming ecological sustainability in the tourism industry. This will provide a good opportunity for the tourism sector in NV20:2020 to encompass the principles of economic and socio-cultural sustainability.
- Promote community-based media by establishing community radio, newspapers, community theatres and viewing centres in all 90,000 communities in Nigeria as a strategic tool for driving communal sense of awareness in political, economic and socio-cultural issues.
- Mobilise and sensitise Nigerians in the Diaspora to participate in nation-building

#### **4.5. Develop sufficient and efficient infrastructure to support sustained economic growth**

As highlighted in the 2009/2010 Global Competitiveness Report, the biggest challenge to doing business in Nigeria today is the state of its socio-economic infrastructure, including transport, power, telecommunications, ICT, and water. The current infrastructure base is grossly inadequate in capacity and quality to cater for the anticipated population and economic growth. Despite government's investments, Nigeria still has huge infrastructure deficits, especially with respect to power generation. The current power generation of less than 2000MW is about a



third of the country's installed generating capacity and about a fifth of the estimated national demand.

In the next 10 years, the government, working closely with the private sector, will focus on building a modern, efficient and effective infrastructure network, while taking the necessary steps to protect the environment. It is expected that the build up in infrastructure capacity will be driven mainly by private capital through Private-Public Partnership (PPP) arrangements, guided by the recently approved National Policy on Public-Private Partnership (PPP). The new PPP policy is designed to provide an adequate framework for the development of an attractive environment for private sector involvement in the financing, construction and operation of infrastructure and services in Nigeria.

### **Power**

The country is currently faced with acute problems in the supply of electricity, which has hindered its development despite the nation's vast natural resources. Power generation facilities are either in poor shape or have inadequate gas supply. Also, the transmission and distribution networks are poorly maintained and inefficiently operated thereby making it difficult to move power from generation sites to consumption points.

The NV20:2020 strategic objective for the power sector is to ensure that the sector is able to efficiently deliver sustainable adequate, qualitative, reliable and affordable power in a deregulated market, while optimising the on- and off-grid energy mix. It is expected that the electricity supply industry will be private sector led with government providing an appropriate legal and regulatory environment for private capital investment.

An analysis of the power generation capacity required to support the NV20:2020 economic vision shows that, Nigeria will need to generate electricity in the range of about 35,000MW by 2020. This is based on the assumption that the country will take a low energy intensity (less than 0.4) growth path, mid-way between the energy intensity of India (0.18) and China (0.91). Therefore, the overall target for the power sector is to grow installed power generation capacity from 6,000MW in 2009 to 20,000MW by 2015 and 35,000MW installed by 2020.

The strategic roadmap to meeting the target in the power sector will involve three phases as shown in *Figure 4-4* below. The first phase will involve the rehabilitation of existing PHCN power

plants and completion of some ongoing IPP projects to achieve the 6000MW short term power generation target by December 2009. In the medium term, existing IPPs will be encouraged to increase capacity and ongoing NIPP projects will be fast-tracked to achieve the target of 20,000MW by 2015. Also, incentives and concessions will be granted to new entrants, especially for renewable power generation in order to achieve additional generation capacity. Between 2011 and 2020, it is estimated that the IPPs will generate an incremental 2000MW on an annual basis. In the long term, additional large hydro plants, coal-fired plants, IPPs and renewable power generating plants (hydro, solar and biomass) will be brought on stream to further increase power generation capacity to 35,000MW.

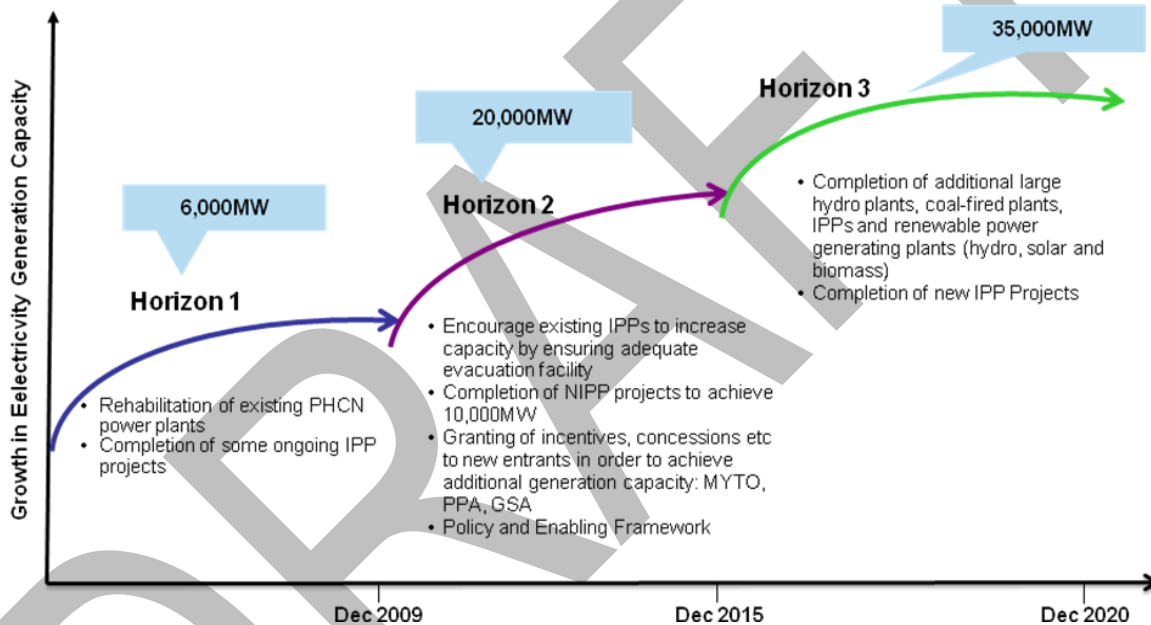
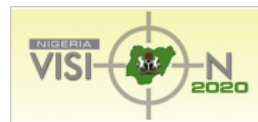


Figure 4-4: Strategic roadmap for Power Generation

The financial implication of meeting these targets is enormous and it is proposed that the significant capacity expansions envisaged for the power sector will be driven largely by the private sector. Private capital will be attracted into the power sector by creating a deregulated and competitive electric power sector underpinned by a viable commercial framework which promotes transparency, guarantees security of investment and a reasonable rate of return on investments.

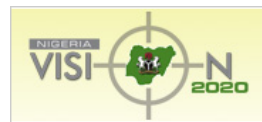




To achieve security of supply, the nation's renewable energy resources (including wind, solar, hydro and biomass) will be utilised for power generation. This will be a key element of the strategy towards meeting the defined targets for power generation.

Strategic initiatives which will be implemented to facilitate the development of a competitive and efficient power sector include:

- Provision of incentives to facilitate the utilisation of alternative energy resources – hydro, solar, wind, biomass, coal and nuclear with a view to reducing the country's reliance on gas-fired power plants and ensuring security of supply.
- Implementation of intensive manpower development initiatives and equipping the newly created National Power Training Institute, in collaboration with tertiary institutions.
- Enhancement of the transmission capacity and providing redundancies in the transmission system so as to ensure a fully integrated network that minimises transmission losses while strengthening grid security.
- Introduction of demand side management principles targeted at ensuring efficiency in energy consumption in the electricity industry.
- Provision of incentives to encourage local manufacturing and production of consumables used in the power sector.
- Establishment of effective training institutions and programmes and enforcement of minimum local content components for power sector development and operational activities.
- Complete privatisation of distribution assets in order to provide efficient billing and collecting infrastructure and ensure international best practices in electricity distribution.
- Extension and optimisation of the gas infrastructure grid network to support and facilitate the construction of gas-fired power plants across the country.
- Development and mass deployment of appropriate renewable energy technologies (RET) for rural, semi urban and selective urban electrifications and heating.



### **Transportation**

The transport infrastructure available in the country is presently inadequate to meet the needs of a 21st century economy. The major problem of the road sub-sector in Nigeria is the near total lack of maintenance at all levels (Federal, State and Local Government), and the absence of a rational planning and road investment system based on economic criteria.

The role of the three tiers of government in the provision and maintenance of urban transport infrastructure is not clearly defined. Currently, the Federal Government is responsible for the Federal routes in urban centres. Similarly, there are state and local government roads. The provision of infrastructure on these routes belongs to the respective owners of the roads. Local governments manage 67% of urban roads, state governments 27% and the federal government 6% only<sup>22</sup>. The local governments are not only grossly under-funded, but also lack fund generating drive, technical expertise and other resources to provide for efficient urban transport infrastructure and service delivery.

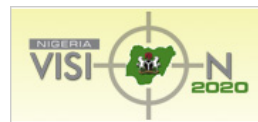
Nigeria's road networks are poorly maintained and overused as alternative modes of transport are poorly developed. After various interventions to address the need for the maintenance of the federal roads network failed, the Federal Roads Maintenance Agency (FERMA) was created in November 2002 (Establishment Act 2002) to monitor and maintain the federal roads network. FERMA, along with the Highways Department of the Federal Ministry of Transport, are responsible for oversight on the federal roads network. The Highway Department is charged with the design and construction of new highways, and the reconstruction and rehabilitation of badly damaged highways, while FERMA is charged with the responsibility of maintaining the highways at acceptable levels of usability.

#### **The Railways**

The current imbalance in modal share between rail and road transportation emerged after the 1960s. Up until then, the railways carried over 60% of the freight tonnage compared to its current share of less than 5%. The length of the network is 3,505 km running from North-South. The basic characteristic of the track is narrow gauge (1.067 m) and single track. In the last

---

<sup>22</sup> Nigeria's Transport Infrastructural Development: An Integral Part of The National Economic Empowerment and Development Strategy (NEEDS) By Oni, S. I. & Okanlawon, K. R., Department of Geography, University of Lagos. Akoka, Lagos.



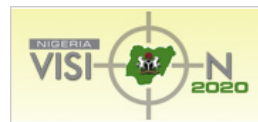
twenty years, the highest number of passengers carried was 15.5 million in 1984 and the highest volume of freight was 2.4 million metric tonnes in 1977, and by 2000/1 traffic had fallen to 2 million passengers and less than 300,000 metric tonnes of freight. The railway now accounts for less than 1% of land transport in the country. The deterioration in the railways has been partly a result of lack of sufficient budgetary provision by the Federal Government coupled with poor management by the monopoly operator - the Nigerian Railways Corporation (NRC). The rolling stock is in very poor condition - for example, in 2004, 54.5% of the wagon available were defective and could not be used and carriages and locomotives were also in poor condition resulting in a reduced number of unreliable services being provided because of locomotive failures. In 1999, for example, only 19.6 per cent of the 115 locomotives available were functional and only 46 per cent of the 2,744 wagons were in use. In addition to the lack of funding, uncoordinated purchases of equipment made interchange of parts impossible and inconsistencies in human capacity development because of different suppliers and management consultants.

#### Inland Waterways

Nigeria has an inland navigable waterway of about 3,000 km with an extensive coastline of about 852 km. There is therefore great potential for the movement of goods and passengers from the coast to the interior, since these waterways traverse 20 out of the 36 States of the country. Before 1960, river barges transported between 100,000 to 200,000 tonnes of cargo annually, and in the 1990's up to 125,000 tonnes of construction materials were carried annually between Warri and Ajaokuta. The benefits of this form of transport for bulk freight are low cost and environmental impact. The Master Plan for Integrated Transportation Infrastructure (MITI) 2002 estimated that up to 100,000 tonnes of cargo are still being transported along the Bight of Benin where inland waterways are the only available mode of transportation, but this represents less than 1% of the total cargo throughput of Nigeria's ports. Ferry services have also been in decline because of lack of Government support.

#### Air Transport

Nigeria has 21 international and domestic airports and 62 private airstrips across the country. The airports are still in Federal Government ownership and are managed by the Federal Airports Authority of Nigeria (FAAN). Government also has the responsibility for aircraft regulation,



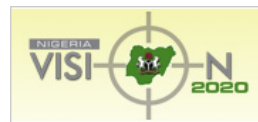
traffic control and navigational aids through the Nigerian Airspace Management Agency, although much of the equipment is obsolete. Lagos, Abuja and Kano airports account for between 77 – 90% of passenger movements and 64 – 89% of aircrafts movements, with Lagos accounting for slightly over half of the international and domestic passengers carried and more than 80% of international and 40% of domestic flights. Only three of the airports cover their operating costs.

#### Water Transport

By the second half of the 1970s, the country's ports at Lagos, Port Harcourt, Warri and Calabar facilities were severely overstretched as a result of the oil boom and a sharp increase in imports, resulting in delays in ship handling and high demurrage. The Government instigated a massive investment programme that increased port capacity by 300% between 1975 and 1980. At present, the Nigerian Ports Authority (NPA) has 13 major ports under eight port managements, 11 oil terminals and 128 private jetties within the port system. There are 102 hard quay berths, 62 buoys and over 650 different cargo types of handling plants and equipment. All together, the port facilities have a total, cargo handling capacity of over 35 million tonnes. The ports mainly handle imports, ranging from between 31.6% and 6.7% for general cargo, 53.5% and 44.5% for bulk cargo, and 23.6% and 22.6% for containerized traffic. Overall cargo throughput increased from 20 million tonnes in 1998 to 30 million tonnes in 2000. The Government has completed a programme of concessioning the operation of the ports in conjunction with fundamental reforms in structure, institutional arrangements and operational modalities. The Nigeria Port Authority (NPA) has become landlord of the port system and build, operate and transfer (BOT) contracts have been granted for port improvements. Six inland container depots are also being constructed as BOOT projects.

As the country launches onto a path of economic growth and development to 2020, the key policy thrust for the transportation sector will be targeted at evolving a world class transportation system with an expansive, efficient and affordable multi-modal network with a view to positioning the country as a transportation hub in the West African sub-region.

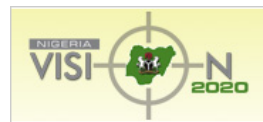
Also, the states and local governments will focus on opening up rural areas to facilitate evacuation of agricultural produce and other services to urban centres. The project would undertake the rehabilitation and construction of rural roads, development of inland waterways



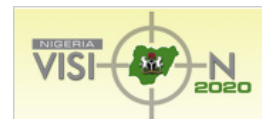
and support for the development and use of an intermediate mode of transport appropriate for rural environment. Transport infrastructure, vital for all facets of development, is grossly lacking in the rural areas. Many rural areas with high agricultural potential, abundant natural resources and other rural enterprise remain cut off due to inadequate or unreliable transport facilities and services. NV20:2020, therefore, aims at facilitating the evacuation of agricultural produce and movement of rural dwellers to areas of produce demand. As an overall development objective, this will help to address the improvement of rural livelihoods, by raising the quality of life of the rural populace and alleviating rural poverty through improved rural transport.

To further improve the nation's transport infrastructure, the following strategic initiatives will be implemented:

- Strengthening of the existing transport safety agencies for improved safety and enforcement of regulations in line with international best practices.
- Construction of eight major roads (6-lane at the minimum) linking the extreme ends of the country e.g. two (2) diagonally: Maiduguri-Lagos and Sokoto-Calabar, two (2) across the country: Kano-Port Harcourt and Ilorin-Yola and four (4) spanning the borders of the country: Sokoto-Maiduguri; Sokoto-Lagos; Lagos-Calabar; Calabar-Maiduguri; and also Lagos-Benin-Onitsha-Enugu-Port Harcourt. The federal government will construct these roads to facilitate inter-zonal transportation, while the states will construct feeder roads to link with the major roads.
- Implementation of human capital development initiatives to ensure professionalism and strengthen maintenance capabilities in the transport sector.
- Passage of several Bills into law to facilitate the transformation of the sector namely: the Railway Bill; the National Inland Waterways Bill; the Federal Roads Authority Bill; the National Roads Fund Bill; the National Transport Commission Bill and the Ports and Harbour Reform Bill.
- Development of a sound National Transport policy to guide all stakeholders - investors, operators and managers.



- Creation of an enabling environment (amend existing legislation and /or enact new laws) to encourage private sector participation in the development of critical transportation infrastructure.
- Development of an expansive, efficient and affordable multi-modal transportation network plan for major cities. The plan should include strategies for the development of pedestrian, cycling, public transit facilities, road, rail and water transport.
- Installation of inter-state and intra-state coastal transport systems by the federal and state governments respectively.
- Ensuring the achievement and sustenance of world class standards in all aspects of aviation operations, including the development of indigenous manpower and maintenance capacity.
- Establishment of an effective and efficient emergency search and rescue unit under the Federal Airports Authority of Nigeria.
- Implementation of initiatives targeted at making Nigeria's ports more efficient and competitive, with capacity to handle modern shipping activities.
- Privatisation or concessioning of the Nigerian Railways to the private sector in order to rehabilitate and reposition it for effective operations.



### **Information and Communications Technology (ICT)**

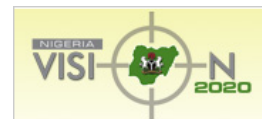
In order to ensure that Nigeria is not left out in the technological age, one of the key strategic objectives of NV20:2020 will be to promote development of local capacity to meet the needs of the ICT sector in developing an industrial based economy and ensuring the continued development and availability of affordable ICT infrastructure and services. This will help to prepare the nation to take advantage of global opportunities leading to enhanced global competitiveness.

In line with the recently approved Nigerian ICT for Development (ICT4D) Strategic Action Plan, 2008 - 2011, the NV20:2020 policy for the ICT sector will be targeted at encouraging research and development as well as initiatives that would facilitate and enhance local manufacture, capacity and content development in the key areas of ICT. The implementation of this policy will be driven mainly by the private sector, promoting entrepreneurship, innovation and local capacity development, while the government will be the facilitator and catalyst for the projected growth. It is expected that the nation's ICT sector will not only meet domestic ICT needs but also enable Nigeria exploit international market opportunities.

In addition to developing and expanding the sector, ICT will be developed and exploited to impact on other sectors of the economy to enable the development of an industrial economy that will lead to real socio-economic development.

Strategic initiatives which will drive the implementation of this policy in the ICT sector include:

- Deployment of ICT infrastructure and telecommunication services to rural and underserved urban areas by providing appropriate incentives that will target improving teledensity from 45% in 2008 to 75% in 2015 and 100% in 2020
- Review of the education curricula at all levels to integrate ICT assisted learning and introduce a working knowledge of basic computing as a minimum requirement for graduation from secondary and tertiary institutions of learning with a view to increasing the computer literacy rate/penetration by 50% in 2015 and 80% in 2020
- Encouragement of local production of ICT components and sub-systems by providing incentives for manufacturers and enforcing local content requirements for major ICT projects

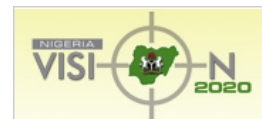


- Facilitating the development of a national multimedia superhighway
- Establishment of a national (spatial) ICT Backbone Connectivity and Bandwidth Aggregation Solution
- Implementation of the Nigerian National ICT For Development (ICT4D) strategic Action Plan to foster a competitive environment with ample opportunities and choices
- Establishment of a national digital library with access points strategically located in both rural and urban areas
- Promotion of e-learning, e-governance, e-business, e-commerce, e-banking, e-management etc
- Provision of regular and affordable access to internet resources in all educational and research institutions with particular focus on basic and post-basic education
- Establishment of appropriate legal and regulatory frameworks to support e-business and ICT enabled activity. The legal framework will address law enforcement, electronic contracts, consumer protection, intellectual property rights, dispute resolution, privacy, cybercrime and data protection and other aspects of information security.
- Provision of appropriate incentives including tax benefits, and improved infrastructure with a view to creating an enabling environment that encourages investment, innovation and exploitation of ICT enabled services. This will be done in conjunction with efforts targeted at improving physical infrastructure such as power supply, water, transportation and communication.
- Mainstreaming ICT policies into the broader development of a knowledge society and ensuring coordination and consistency between ICT policy strategies and national development policies at all levels.

#### **4.6. Preserve the environment for sustainable socio-economic development**

Sustainable development is a pattern of resource use that aims to meet human needs, while preserving the environment so that these needs can be met not only in the present, but also for future





generations.<sup>23</sup> Sustainable use of natural resources provides a buffer against poverty and opportunities for self-employment in the informal sector. Conversely, if poorly managed, the environment could easily become hazardous and threatening to rapid socio-economic development and human survival.

As Nigeria launches onto a path of rapid economic growth, it aims to be a nation that has a healthy environment for sustainable socio-economic development. The overall objectives for the conservation of the environment are to:

- Prevent further loss of biodiversity and restore already degraded areas and protect ecologically sensitive sites;
- Harness and sustain natural resource use;
- Reduce the impact of climate change on socio-economic development processes;
- Make Nigeria a visible actor in global climate change response;
- Halt land degradation, combat desertification and mitigate impacts of droughts;
- Secure a clean environment through appropriate waste management;
- Reduce the occurrence and impact of environmental hazards and disasters;
- Raise the level of awareness on the state of the Nigerian environment; and
- Improve the overall governance of the environment.

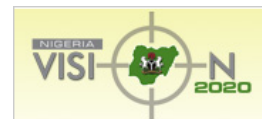
To address the environmental conditions in the country, Nigeria will pursue a development strategy that will accord high priority to the sustainable use of natural resources and environmental protection a high priority in the drive for national socio-economic growth. Sustainability will be mainstreamed into the socio-economic development of Nigeria within the framework of NV20:2020 as a tool for human development based on social equity. This development paradigm is socially compatible with rapid and sustainable development aimed at reducing poverty and harnessing a secure future.

The initiatives that will support this objective include:

- Promotion of sustained afforestation and reforestation programmes to correct the effects of environmentally unfriendly agricultural practices such as land clearing, nutrient mining, excessive irrigation water supply, inappropriate use of agrochemicals and fertilisers. This

---

<sup>23</sup> United Nations. 1987. "Report of the World Commission on Environment and Development." General Assembly Resolution 42/187, 11 December 1987. Retrieved: 2007-04-12



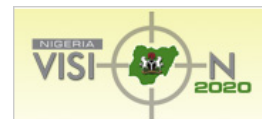
initiative is targeted at increasing the forest cover from 6% in 2008 to 12% in 2015 and 18% in 2020;

- Instituting mechanisms for monitoring national waste management and pollution, and establishing pollution monitoring stations across the country;
- Intensifying efforts targeted at promoting environmental awareness in the country with a view to sensitizing Nigerians on the environment and the damages being done to it through various activities like bush burning, littering/, open dumping of human waste, polluting rivers with sewage among others;
- Support viable research and development efforts targeted at supporting environmental management and natural resources conservation;
- Adopt an integrated and multi-sectoral approach to the implementation of national environmental policies, programmes and international conventions. This will provide a strategic way to handle environmental challenges in a more coherent manner;
- Inventorise and remediate past oil impacted areas in the Niger Delta region. The capacity of the institutions responsible for surveillance and control of oil spill, pipeline vandalization such as NOSDRA (National Oil Spill Detection and Response Agency) and NEMA (National Emergency Management Agency) will also be strengthened for effective and prompt response to environmental emergencies.

#### **4.7. Promote the sustainable development of Nigeria's geo-political regions into economic growth poles**

Regional disparities in development are not an uncommon phenomenon in countries. In Nigeria, the issues with regional development include low access to infrastructure, high poverty levels, unplanned urban sprawl, intermittent religious and ethnic conflicts and environmental degradation. The disparities in regional development are due to a number of factors, which include history, culture, natural endowment and the factor of politics. However, there are issues in regional development that are peculiar to some regions, e.g., environmental degradation in the Niger Delta, desert encroachment in the north and other cross-cutting issues like rural-urban drift which affect all the regions.

Currently, Nigeria may be described as having no specific, well formulated, clear regional development policy or framework. The country has had a series of development plans, including the 1946 10-year Development and Welfare Plan for Nigeria, the First, Second and Third National



Development Plans of 1962-68, 1970-74, and 1975- 80 respectively. Nigeria, as a complex nation of different geographical units, needs a comprehensive and articulate regional policy that takes care of every segment and interest of the nation. Most of the identified geographical areas, regions or states lack regional plans, and a few ones like Abuja and Lagos whose regional plans have been due for review are better described as having none.

The Colonial Development and Welfare Plan had some credit in such programmes as Niger Agricultural Project, the Shendam Agricultural Project, and expansion of export crop production, establishment of a “model village” and enactment of the 1946 Town and Country Planning, Ordinance, among others. However the programmes were frustrated due to a premature end of the plan as a result of constitutional changes, which led to the revised plan (for the period 1951-56) that shifted emphasis from integrated planning to sectoral growth in the national planning, the first and second National Development plans were not regional planning oriented either<sup>24</sup>.

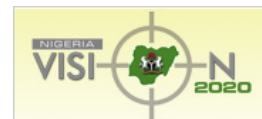
The third National Development plan was the first development planning approach that set a priority for regional planning, as one of its objectives is creation of “balanced development” and the plan was therefore, structured to generate growth simultaneously in all geographical areas of the country. The plan provided basis for regional planning and development by articulating that “policy will be directed towards ensuring that both the rural and urban areas are equipped for their proper role in the development of the national economy”<sup>25</sup>. During the plan period such achievements as creation of more states, setting up of the Federal Ministry of Housing and Urban Development and Environment, local government reforms, setting up of twelve River Basin Development Authorities (in 1977) to cut across state boundaries, establishment of Regional Planning Division within the Federal Ministry of Economic Development and Reconstruction, among others, were witnessed.

One of the core objectives of the NV20:2020 plan is the achievement of equitable and spatial socio-economic development across the various geo-political regions in Nigeria, driven by a comprehensive regional development strategy.

---

<sup>24</sup> Regional Development Planning in Nigeria: The General and Particular, M.O. Jelili, A.A. Adedibu and Layi Egunjobi, 2008

<sup>25</sup> Federal Republic of Nigeria. 1975. The Third National Development Plan, 1975-80. Lagos: FederalGovernment Press



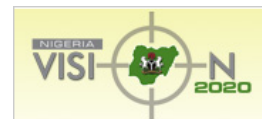
The regional development strategy will be targeted at developing specific cities within each region into regional growth centres which will then be catalysts for the diffusion process of growth to the secondary urban centres within their respective regions or states. The endowments and prospects of these regions will be harnessed through the integration of socio-economic and physical development plans as articulated by the Vision. It is expected that these regional centres of growth will help to check the level of urbanization and ensure that income and purchasing power are improved across all the regions.

The following will serve as guidelines in developing the regional development strategy for Nigeria:

- The six recognised geo-political zones in the country will constitute a framework for regional planning. Each zone represents a region while each state constitutes a sub-region.
- Regional Councils will be established in each zone. These councils are to be made up of the Governors, the heads of the State Planning Commissions and the chairmen of Urban and Regional Planning (URP) Boards (to be established according to the 1992 URP Law) of all the states concerned.
- The federal government and the proposed Regional Councils will therefore embark on inter-regional planning and intra-regional (or inter-state) planning respectively. At state level, therefore, intra-sub-regional (intra-state) planning will also be done.
- The Regional Councils will be responsible for identifying the distribution of population and resources, development disparities within the region, problems and other issues affecting each region as well as make necessary plans and recommendations for intra-regional and inter-regional development respectively. Based on this, the states of the region can embark on joint regional development projects or programmes. Also by making their findings available to the federal government, suitable regional policy can be developed for the country as a whole.

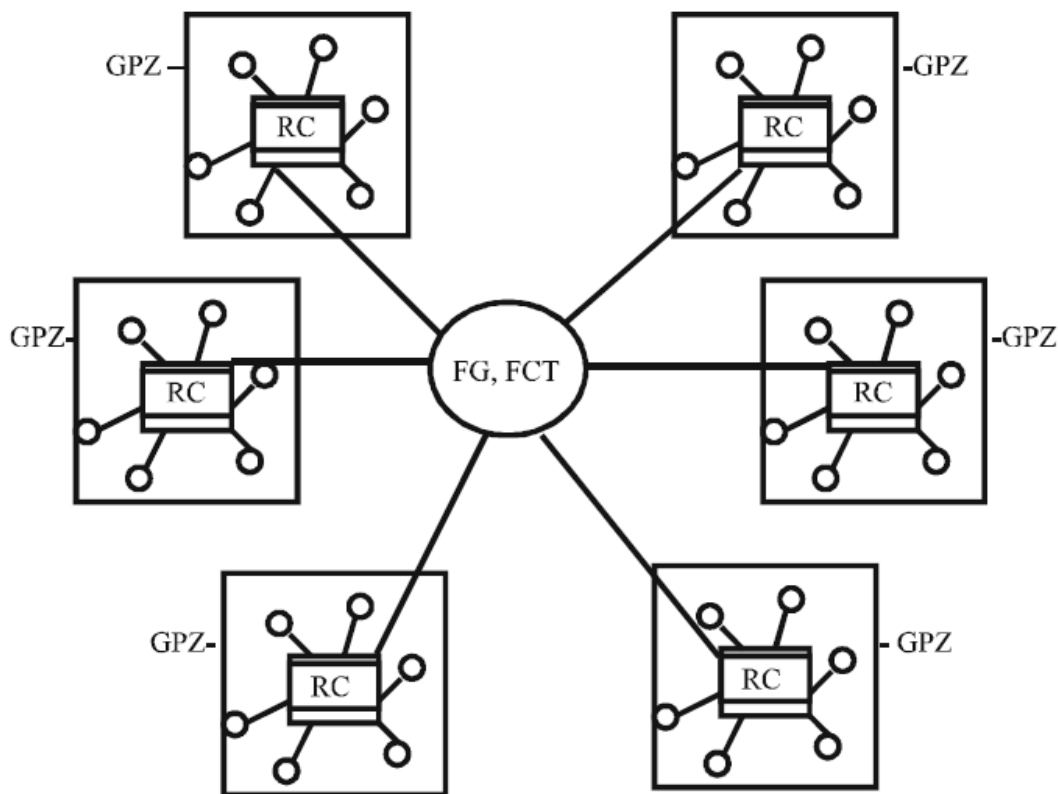
This regional development framework will not only address the problems of imbalance, inequity and spatial inequalities in economic development, it will also bring about the advantages of large scale projects and economies of scale.

In conjunction with the regional planning framework, the following strategies will drive the development of Nigeria's geo-political regions and help to curb rural-urban migration:



- Encourage the diversification of economic activities in the geo-political regions based on their areas of competitive advantage. Effective partnership between the public and private sectors of the economy backed by a high level of public awareness of the goals of promoting regional and community development will pave the way for enhanced regional contribution to the country's GDP, Internally generated revenue (IGR) and private sector driven SMEs.
- Increase productivity and competitiveness of rural settlements to foster broad-based development and check rural-urban migration. The government will undertake policy and legal reforms on physical planning and spatial development. It is expected that these reforms will enable the development and implementation of comprehensive physical plans targeted at upgrading urban slums and providing complementarity between urban and rural areas .

To enhance the competitiveness of rural areas and reduce rural-urban migration, the government will focus on creating an enabling environment to facilitate the utilisation of Nigeria's vast renewable energy resources (including hydropower, solar, wind energy and biomass) for electricity generation in rural areas. This is expected to boost private capital in the construction of mini power stations in rural communities using locally appropriate technologies (possibly hybrid) – hydro, wind, biomass, solar. Also, one of the NV20:2020's policy objective is to emphasize the exploitation of wind energy for rural water supply and also for electricity generation.

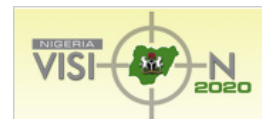


FG – Federal Government  
 FCT – Federal Capital Territory  
 GPZ – Geopolitical Zones  
 RC – Regional Councils

**Figure 3- 6: Framework for Regional Development in Nigeria**

*Niger Delta Region*

The development of the Niger Delta has remained a major challenge for the Nigerian state. Since 1960, the area has been recognised for special development attention, but the Niger Delta remains one of Nigeria's least developed regions. Although there had been conflicts in the oil regions of Nigeria between the host communities and oil extracting companies since the discovery of oil in Nigeria, recent conflicts began to surge appreciably in the late 1990s.



Over the years, special agencies for development intervention in the Niger Delta have been created by the federal government. These have includes the Niger Delta Basin Development Board (NDBDB) established in 1965 and, the Oil Minerals Producing Areas Development Commission (OMPADEC) in 1992. However, under-funding, mismanagement, corruption, and politics have consistently frustrated the efforts of these agencies.

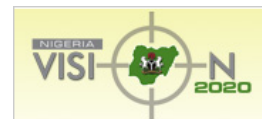
In 2000, the Niger Delta Development Commission (NDDC) was established to replace the OMPADEC “to offer a lasting solution to the socio-economic difficulties of the Niger Delta region” by offering “rapid, even and sustainable development of the Niger Delta into a region that is economically prosperous, socially stable, ecologically regenerative and politically peaceful”<sup>26</sup>. In conjunction with the UNDP, NDDC developed the Niger Delta Masterplan which includes a comprehensive analysis of the life development imperatives, challenges and opportunities in the Niger Delta and puts into perspective the economic growth; human and community needs, institutional development, physical infrastructure and natural environment of the region.

Past development planning efforts have failed to adequately address the region’s needs. In spite of the efforts of federal and state governments, the NDDC and oil companies to enhance the well-being of people in the delta, wide disparities in development outcomes persist. In many cases, the conditions of rural communities where crude oil is produced are deplorable, with severe environmental degradation, and no access to safe drinking water, electricity and roads.

In response to the persisting challenges of the region, and to ensure proper coordination of various ongoing initiatives in the Region, the Government created a Ministry of the Niger Delta to lead and coordinate environmental and youth empowerment policy initiatives as well as reinforce the administration’s commitment to the overall development of the region. Also, the government recently flagged off the amnesty programme for Niger Delta militants who are expected to hand over their arms in return for the presidential amnesty, unconditional pardon and participation in a re-integration programme. This initiative has started yielding results with oil production shooting up from 1.2million barrels per day in early 2009 to 1.7million barrels per day in September 2009.

---

<sup>26</sup> The Niger Delta Regional Development Master Plan, 2006. p. 103



The overall objective of the NV20:2020 plan for the Niger Delta region is to promote sustainable poverty reduction by strengthening local governance and participatory planning, ensure sustainable use of renewable natural resources and the construction of critical social infrastructure. Priority will also be given to the provision of basic education and health facilities in the region.

The achievement of this objective will be driven by the implementation of the Niger Delta Masterplan which will be used to promote sound environmental management, alleviate poverty, develop the infrastructure base, provide alternative means of livelihood and improve local participation in the oil and gas industry. In implementing this plan, a people-centered and sustainable framework will be adopted involving all stakeholders, including local, state and federal governments, the NDDC, the oil companies and the entire private sector, civil society organisations, the people of the region and development partners

In addition to the implementation of the Niger Delta Masterplan, the following initiatives will also be pursued:

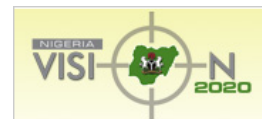
- Adoption of a more participatory and effective local governance structure which is responsive to the needs of the Niger Delta people. The effectiveness of governance, especially at the local government level, is an issue of serious concern. At the core of promoting effective governance is the urgent need to institutionalize the practices of accountability, transparency and integrity to guide the flow of development resources at all levels.
- Acceleration of initiatives targeted at facilitating the socio-economic development of the Niger Delta Region. In response to the issues of poverty, dislocation and conflicts in the region, oil companies will be encouraged to be more responsive to communities in the course of their oil related activities.
- This will involve efforts targeted at meeting the basic needs and aspirations of the people by providing source of regular supply of potable/ safe drinking water, health care facilities, accessible and paved roads, educational facilities, (scholarships, vocational and skill acquisition



centres), electricity, sporting facilities, micro credit facilities, town hall, agricultural development, community income yielding ventures (palm oil mill, rice mill, cassava mill) and so on. It is the absence of these infrastructural facilities that encourages hostilities, hostage taking, physical combat with the military personnel's and police (in some riverine areas and creeks) mass vandalization of petroleum pipelines etc. The persistent conflict is a testimony to the fact that there is a misplacement, of real and true development in the region.

- Implementation of economic empowerment programmes to cushion the effects of socio-economic dislocation in the area. As part of these programmes, the government will explore the possibility of establishing a public works program; developing sectors outside of oil and gas, which are traditionally not labour-intensive industries; and special employment set-asides for the Niger Delta's residents.

Pillar 3: Fostering Sustainable Social and Economic Development			
Metric	Baseline	2015	2020
Inflation rate (%) (Dec – Dec)	15.1%	<9%	<9%
Ranking on ease of doing business index	125/183	<80	<60
Ranking on Corruption Perception Index	121/180	<60	<40
Actual Power Generation Capacity	6,000MW	20,000MW	35,000MW
Private sector contribution to power generation	NA	50%	80%
Annual urbanization rate	5.3%	4%	2%
Teledensity	45%	70%	100%
Gas flares as a percentage of total gas production	40%	0% (from 2010)	0%
Tourism contribution to GDP	2.5% (2007)	5%	10%



## **What Nigeria Will Do Differently: Fostering Sustainable Social and Economic Development**

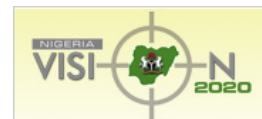
Delivering on the identified seven objectives to sustain our socio-economic development will be fundamental to the achievement of Nigeria's NV20:2020. Achieving them will significantly contribute to the establishment of a sustainable market-based economy that truly makes the benefits of social development available to all. Some of the key policies which will be implemented, different from previous government policies, to deliver on these objectives are as follows:

1. Empowerment of the local governments to drive rural development at the grassroots. NV20:2020 recognises the local communities and jurisdictions as the hub from which the whole country will experience development. Therefore, local government administration will be strengthened to ensure effective governance at the grassroots in responding to the felt needs of the people, particularly women, the girl child and other disadvantaged groups.
2. A national strategic plan of action will be developed to deal with the root cause of need induced corruption. The major thrust of this plan will be on building a very high threshold for the Nigerian people to resist the temptation of corruption. The plan will recognise the socio-economic circumstances that foster corruption and provide a response strategy.
3. A redistributive fiscal policy that guarantees the fiscal sustainability of each tier of government, rewards internal revenue generating efforts while promoting cooperation and coordination among them in the interest of the overall national development goals will be institutionalized. This will help to restore the social contract and improve service delivery in the sub-national governments.
4. A comprehensive regional development strategy targeted at facilitating equitable and spatial socio-economic development across the various geo-political regions in Nigeria



will be developed and implemented. The regional development strategy will focus on developing specific cities within each region into regional growth centres which will then be catalysts for the diffusion process of growth to the secondary urban centres within their respective regions or states.

DRAFT



## SECTION 5 – BUILDING THE FUTURE: MAKING THE VISION A REALITY

### 5.1. Translating Strategic Intent into Action and Results

NV20:2020 is Nigeria's second attempt at driving the attainment of her national aspirations using a long term perspective plan. In addition to the first perspective plan (Vision 2010), several strategic planning efforts have been undertaken by the Federal Government of Nigeria since independence, and particularly since the return to civilian rule. These include:

- The Poverty Strategy Reduction Papers (PSRPs);
- National Economic Empowerment & Development Strategy (NEEDS I and II);
- Nigeria's Strategy for attaining the Millennium Development Goals; and
- The Seven Point Agenda of the current administration.

The fact that Nigeria's socio-economic progress has remained sluggish despite the existence of these plans justifies the level of scepticism and apathy among the Nigerian people as to the possibility of realising the goals of NV20:2020. An acknowledged fact in Nigeria's public domain is that Nigeria has always developed feasible and effective strategic plans, but inherent weaknesses in implementation and execution remain debilitating clog in the wheels of our economic progress.

Across the world, a common attribute of governments that are considered functional and effective is the existence of mechanisms for transiting from strategy into action and results. Such mechanisms include systems for enhancing the quality of government spending, and the ability of public institutions to effectively utilise public funds to deliver critical outcomes that impact the lives of their citizens. These governments continually seek better ways of measuring the level of effectiveness of their public institutions, the quality of their programmes and their efficacy in achieving desired outcomes. Governments in most developed and emerging economies have committed considerable amount of resources in developing such systems to provide a basis for evidence-based policy making, sound budget decisions, optimal allocation and management of resources, and accountability, all critical elements of effective governance.

Deepening the ability of Government at both state and federal levels to consistently translate strategic intent into action and results on a permanent basis, is recognised as the single most important factor in making NV20:2020 a reality. Developing this ability is no easy task for any government, and requires

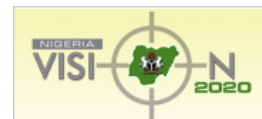
an effective alignment of all management processes that governments use in carrying out their mandate, with the ultimate outcomes they are meant to achieve. Figure 5-1 illustrates the key processes that government must induce to become highly effective, in order to consistently translate strategy into action and results.



Figure 5-1 Translating intent to results – key management processes

Recently, Nigeria has tended to expend considerable efforts and resources on strategic planning, and then failed to extend the same level of effort on the other processes that are critical to translating intent into results. Consequently, the results have been mixed, and the country's experience with implementing several strategic plans have not considerably increased the effectiveness of government, as should be the case.

To make NV20:2020 a reality, effectiveness at translating the broad objectives and outcomes of the vision into a manageable set of actionable items to which resources can be allocated is critical. Equally important are the mechanisms to ensure that these actions can be diligently measured and evaluated



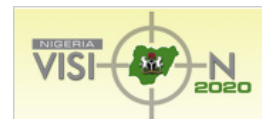
against the original intent in the course of implementation, to guarantee the achievement of the desired outcomes.

Recognising Nigeria's limited success with implementation and execution of previous plans, three clear imperatives must therefore underpin Nigeria's efforts at making NV20:2020 a reality.

1. Ensuring that the vision is clearly linked to existing mechanisms for execution (medium term development plans and expenditure frameworks, medium term sector strategies and annual budgets).
2. Institutionalizing monitoring and evaluation across all levels of government to improve their capability to translate all strategic plans and programs into outcomes and impacts, including those of Vision 20:2020.
3. Deployment of legislative instruments to ensure adherence to the NV20:2020 plan and institutionalize specific reforms recommended in the plan.
4. Defining a clear strategy for mobilizing the citizenry towards greater demand for performance and accountability using Vision 20:2020 as a guiding light.

These imperatives imply that NV20:2020 will be used as a platform to entrench a culture of performance in Nigeria, with a view to significantly improving government capacity and capability to translate strategic intent into results.

The next section (5.2) analyses Nigeria's current capabilities in translating strategy into results, in more detail. The specific strategies for addressing the aforementioned imperatives are discussed in subsequent sections (5.3, 5.4 & 5.5).



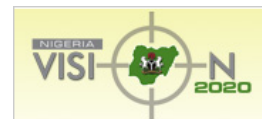
## **5.2. Strategy Into Action: Nigeria's Current Position**

### **5.2.1. Strategy Into Action: Analysis of local capabilities against best practices**

Recent research on government effectiveness indicates that the extent to which governments can effectively translate their strategic intent into action and results is determined by the systems they have in place to effectively link policy with planning and implementation. The critical features of such systems include:

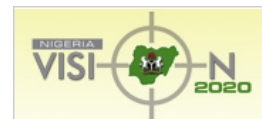
1. Measures of success are clearly articulated, based on outcomes, and are aligned to strategic goals.
2. Stakeholder expectations are properly reflected in the definition of strategic goals, objectives and measures of success.
3. Strategic goals and objectives are directly linked to plans and budgets.
4. Incentives to reward good performance exist, and are explicitly connected to the achievement of strategic outcomes and goals.
5. Evaluation and reporting of performance results are regular and accurate.
6. Capability for feedback exists to enable a change of course when performance gaps are identified.

An evaluation of Nigeria's current strategy-to-action capabilities using these key features of effective systems as criteria indicate significant limitations which need to be addressed to enhance the execution capacity of governments in Nigeria. The results of this assessment are summarized in Table 5-1:

**Table 5-1: Strategy Into Action: Assessment of Current Capabilities in Nigeria**

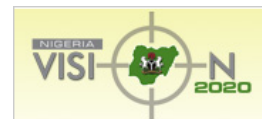
Features of effective Government performance management systems	Nigeria's Current Position
1. Measures of success are clearly articulated, based on outcomes, and are aligned to strategic goals	<ul style="list-style-type: none"> <li>• The use of a balanced set of performance metrics, related to inputs, processes, outputs and outcomes is very limited</li> <li>• Vast majority of measures of performance are output based, e.g. no of bags of fertilisers distributed to farmers or no of electrical transformers installed. Outcome based measures are used only on internationally funded programmes e.g. MDG</li> </ul>
2. Stakeholder expectations are properly reflected in the definition of strategic goals, objectives and measures of success	<ul style="list-style-type: none"> <li>• Although stakeholders are involved in defining expected outcomes, the goals and objectives used in monitoring and evaluation are not linked to these outcomes</li> <li>• There are limited mechanisms for actively tracking changes in the expectations of the citizenry and the external environment (e.g. surveys and polls)</li> </ul>
3. Strategic goals and objectives are directly linked to plans and budgets	<ul style="list-style-type: none"> <li>• The results of monitoring and evaluation exercises do not feed into the budget allocation process, and as a result, the government is not involved in evidence based decision making</li> <li>• Through the recent introduction of Medium Term Expenditure Framework (MTEF) based budgeting, attempts have commenced to link budgets to plans. However, utilisation of MTEFs are still a work in progress, and arbitrary budgetary allocations still occur</li> </ul>
4. Incentives to reward good performance exist, and are explicitly connected to the achievement of strategic outcomes and goals	<ul style="list-style-type: none"> <li>• Effective mechanisms for rewarding high performance and discouraging underperformance do not exist across the various levels of government</li> </ul>
5. Evaluation and reporting of	<ul style="list-style-type: none"> <li>• There is no formal mechanism for evaluating programmes at</li> </ul>





**Table 5-1: Strategy Into Action: Assessment of Current Capabilities in Nigeria**

Features of effective Government performance management systems	Nigeria's Current Position
<p>performance results are regular and accurate</p>	<p>regular intervals to assess whether or not they are delivering the value they were designed to achieve.</p> <ul style="list-style-type: none"> <li>• Evaluation of programmes are not centrally coordinated, tend to be ad-hoc in nature, and the focus is usually on spending rather than outcomes.</li> <li>• A chronic under-investment in data collection capability is limiting the ability to manage performance. The recent technology upgrade at the NBS is a positive development, but greater emphasis must now be placed on usage and capacity building.</li> <li>• Public reporting of performance is largely limited to statistical reports. However, with the enactment of the Fiscal Responsibility Act, the level of reporting of budget performance is likely to improve at the Federal level.</li> </ul>
<p>6. Capability for feedback exists to enable a change of course when performance gaps are identified</p>	<ul style="list-style-type: none"> <li>• The absence of effective data collection and evaluation mechanisms result in the inability of government to dynamically change course based on performance feedback</li> <li>• Access to performance data needed for decision-making is constrained by several factors including data acquisition costs, capacity and technology limitations.</li> </ul>



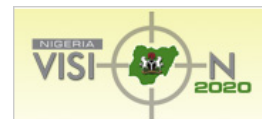
### 5.2.2. Review of Existing Planning & Budgeting Arrangements

In the course of her development since independence, Nigeria has garnered considerable experience with the use of plans and annual budgets as tools for steering the economy towards a desired end-state. Indeed, Nigeria's use of a series of 4-5 year plans (1<sup>st</sup>, 2<sup>nd</sup>, 3<sup>rd</sup> & 4<sup>th</sup> National Development Plans between 1968 and 1982 coincided with a period of relative economic progress. Between 1982 and 1996, the country suspended the use of medium term development plans and adopted three-year rolling plans which formed the basis for her annual budgets during this period. Also, during this period, Nigeria commenced the preparation of her first perspective plan (Vision 2010). Since return to civilian rule in 1999, two national strategy documents (NEEDS 1 & 2) have been developed in addition to a number of national policy documents (e.g. Millennium Development Goals, 7-Point Agenda) that have been used to drive development initiatives in Nigeria.

In general, the implementation of strategic plans in Nigeria have met with varying degrees of success and failure due to a number of reasons, the most significant of which includes flaws in the budgeting process that results in programmes and projects not being aligned to the nation's strategic plans or priorities to be appropriated, as well as the recurring issue of poor adherence to budget provisions. The qualities of estimation of revenues and expenditure in budgets across all levels of government have also been less than optimal. The Fiscal Responsibility Act of 2007 was enacted to address these shortcomings and redirect governments at all levels to imbibe a fiscal behaviour that will promote prudence and sound financial management. Essentially, the law sets out a general framework for budgetary planning, execution and reporting that is applicable to all levels of government. The objectives of the Act are:

1. Institutionalizing sound and prudent management of public resources
2. Ensuring better coordination of fiscal affairs among the federal, states and local governments
3. Full transparency and accountability in the management of public resources
4. Making government spending fully cost effective

The Fiscal Responsibility Act provides for a comprehensive budgetary planning process based on a Medium Term Expenditure Framework (MTEF). The MTEF is a tool for linking policy, planning and budgeting over the medium-term (3 years) at a government wide level. An MTEF takes account of



government's long and medium term strategies and the resources available to meet objectives over a three year time span. It also allocates resources to strategic priorities among and within sectors. It equally ensures that annual revenue and expenditure estimates are consistent with its provisions, which requires that rules on cost, cost control and evaluation of results of programmes financed are observed. The MTEF is updated annually to reflect policy and macro-economic changes. The principal components of the MTEF are: medium-term revenue framework; medium-term expenditure framework; medium term fiscal strategy; medium term sector strategies with projects and programmes linked to long and medium term plans, which will, in turn, feed into the annual budget and submission of a comprehensive Appropriation Bill ensuring that all parameters are complied with. The MTEF is already being implemented at the federal level.

A key objective of NV20:2020 is its use as a platform to achieve better and more effective coordination of Nigeria's strategic planning efforts. NV20:2020 therefore, reflects a harmonized view of the key principles and thrusts of NEEDS, MDGs, & the Seven Point Agenda within a common perspective that is consistent with Nigeria's long term national aspirations. It is therefore imperative that all the aforementioned tools for steering economic direction are aligned to the Vision, and derived from it. With the current administration's intent on reviving the use of medium term development plans (and the consequent commencement of the development of the 5<sup>th</sup> NDP), aligning these medium term plans with the Vision, ensuring that the MTEFs are properly linked to the medium term plans, and effectively executing annual budgets based on the MTEFs are some of the most critical challenges that must be addressed for NV20:2020 to be successfully implemented.

### **5.2.3. Review of Existing Monitoring & Evaluation Arrangements**

The implication of Nigeria's three-tiered federal system of government is that accountability and ultimate responsibility for government performance is significantly decentralized. The Nigerian Constitution clearly defines the responsibilities of the three levels of government and supports a degree of autonomy for the State Governments in relation to the Federal Government. The Local Governments operate as entities of the State Governments, although their existence and source of revenues are guaranteed by the Constitution. An analysis of the existing arrangements and structures for monitoring and evaluation can therefore be done at the Federal and State levels.










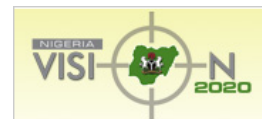
Monitoring & Evaluation Functions	Responsible institution and extent to which they are undertaken					
	Federal Level		State Level		Institutional	
<b>1. Progress Evaluation</b> - Regular reporting - Changing direction	<ul style="list-style-type: none"> <li>Ministries, Departments &amp; Agencies</li> </ul>		<ul style="list-style-type: none"> <li>Ministry responsible for Planning/State MDAs</li> </ul>		<ul style="list-style-type: none"> <li>All directorates</li> </ul>	
<b>2. Reporting</b> - Statutory reports - Other reports	<ul style="list-style-type: none"> <li>NPC</li> <li>NBS</li> <li>Budget Office</li> <li>NAPEP</li> <li>OAGF, SIGF, OAGUF, MDAs</li> </ul>		<ul style="list-style-type: none"> <li>State MDAs</li> <li>Ad-hoc task forces, from Governor or State Assembly</li> </ul>		<ul style="list-style-type: none"> <li>Directorates responsible for Planning (DPRS) or MSE function</li> </ul>	
<b>3. Analysis &amp; Evaluation</b> - Program analysis - Program impacts - Evaluation of priorities	<ul style="list-style-type: none"> <li>NPC</li> <li>MDAs</li> <li>Budget Office</li> <li>MDGs</li> <li>NAPEP, OAGF, SIGF, OAGUF</li> </ul>		<ul style="list-style-type: none"> <li>State Ministries responsible for Planning</li> </ul>		<ul style="list-style-type: none"> <li>Directorates responsible for Planning (DPRS) or MSE function</li> </ul>	

Figure 5-2: Illustration of current position of monitoring and evaluation

Derived from Baseline Diagnostic Study of the Current MDGs Monitoring & Evaluation System in Nigeria, and internal workgroup analysis

At the Federal level, the Ministries and extra-Ministerial departments are the key institutions through which the Federal Government executes its mandate. Several institutions and agencies are involved in the monitoring of policies and programmes carried out by the Federal Government. The National Planning Commission has the statutory responsibility of monitoring the implementation of development programmes and projects. However, it does not perform this function exclusively. The Budget Office of the Federation, the Budget Monitoring and Price Intelligence Unit of the Presidency, the Office of the Secretary to the Government of the Federation, the National Poverty Eradication Programme (NAPEP), and oversight committees of the National Assembly (e.g. Public Accounts Committee) all carry out some form of programme/project monitoring, typically on an ad-hoc basis. The Office of the Auditor General of the Federation and the Office of the Accountant General of the Federation are also involved in monitoring budget and programme activity at the Federal level.

Within the line ministries and extra-Ministerial departments at the Federal level, the Department of Planning, Research & Statistics (DPRS) is the key institutional co-ordination point for monitoring and evaluation. This department is split into Divisions and an M&E Unit, Branch or Section will typically fall under the remit of a Planning Division. The key activity of the department is to carry out monitoring and evaluation of capital projects being carried out by the operational departments of the Ministry, which should take place on a quarterly basis. Some MDAs also have monitoring and evaluation functions within operational departments. These functions are broadly tasked with collating and co-



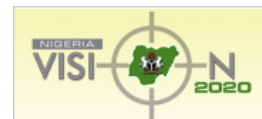
coordinating M&E data of the department. However, other divisions or programmes within the department monitor their own projects, and information does not flow to the monitoring and evaluation function as a central co-ordination point.

The situation at the State level is similar to the Federal level although the extent differs from one state to another. A few states have developed capabilities in monitoring and evaluation, but these states appear to be the exception rather than the rule. In most States, there typically is a Ministry responsible for planning that is statutorily delegated the responsibility for monitoring of programmes and projects of the State Government. However, other institutions and agencies conduct monitoring exercises and coordination is typically weak or non-existent.

At all levels, the monitoring that does take place is cursory; monitoring exercises are essentially field verification visits, and are not feeding into a more systematic data collection process. Information is usually collected in a basic template form, which forms the basis of the report. The reports that are produced focus on the activity and input level rather than at the output level, and are therefore not linking upwards in a results chain, and the focus is on construction, not quality or use. There is no analysis of what is happening in relation to predetermined project outcomes.

The reports are essentially descriptive spot-checks of what is happening on the ground, recording elements such as percentage of infrastructure completion, problems encountered and practical recommendations as to their resolution. These monitoring visits do not include expenditure tracking; at best the M&E staff gathers information regarding amounts of appropriation and release, but do not go into sufficient depth to record systematically on expenditure, or leakages in the system. The reports are also not produced regularly, or published to correspond with the Medium Term Sectoral Strategy (MTSS) and the budgeting process. Although they provide a source of information on a fraction of the current reality, they are not directly informing key decision-making processes about how the Ministry should focus its resources. At present, budget planning appears to focus more on how much has been spent rather than consideration of how and whether such spending initiatives are achieving predetermined results.

In summary, it is evident that in Nigeria, monitoring and evaluation has several limitations. The organisational units carrying it out have been under-funded, under-utilised, and their reports ignored in the processes of budget allocation and programme prioritization. Of the monitoring and evaluation



that does occur, the focus has been entirely on monitoring; with almost no evaluation taking place. At present, monitoring does not constitute expenditure tracking, and it does not link activities to development results. It usually takes the form of field inspection visits to a series of projects in a short time span. Government is also not engaged in evidence-based decision making at the present time.

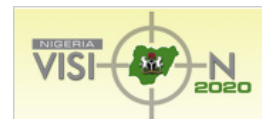
#### **5.2.4. Strategy Into Action: Key Issues & Associated Imperatives**

M&E provides Governments and their development partners with better means for learning from past experience, improving service delivery, planning and allocating resources, and demonstrating results as part of accountability to key stakeholders. Although several structures exist to support M&E in Nigeria and despite separate efforts at creating monitoring and evaluation information for public use, the extent of public decision making that is based on performance evidence or results is still very low.

For NV20:2020 to become a reality, a critical thrust will be the institutionalisation of M&E across all spheres of government. This has to be done based on a deep and comprehensive understanding of the fundamental issues that pose the most significant impediments to effectively managing government performance in Nigeria. These issues are discussed below as the basis for establishing the foundational principles of the recommended M&E framework.

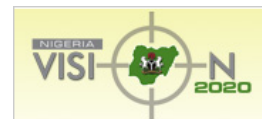
- ***Lack of incentives to institutionalize M&E in government or utilise performance information:***

The issue of utilisation of performance information is central to the performance and sustainability of any system of monitoring and evaluation, indeed, any M&E system. Utilisation depends on the nature and strength of the demand for performance information and the incentives to use them. Where little or no demand for such information exists, the implementation of effective M&E systems is undermined from the start as the value from M&E does not come from the data collected, but the actions taken as a result of that data. In Nigeria today, although there is a high demand by the citizens for enhanced public service delivery and improved quality of life, this demand is not matched by a corresponding demand for the use of objective and verifiable performance results as the basis for holding their leaders politically or socially accountable. The low demand by citizens can be attributed to the quality of governance in Nigeria which is still evolving. The prevailing notion is that the extent to which citizens can act decisively on performance information is limited; hence their demand for such information is significantly weakened. Across all levels of Government, the extent to



which performance information is used to inform decision making is also very limited, further weakening the demand for performance information. Creating the demand for performance information in the public arena, and across all national and sub-national government entities, is therefore one of the most fundamental imperatives that will underpin the proposed national M&E framework, which will be used to drive the implementation of NV20:2020.

- ***Absence of adequate governance structures and information infrastructure to support the collection, analysis and processing of performance data:*** As highlighted in Section 5.2.2, the proliferation of monitoring agencies, and the lack of a centrally coordinated mechanism for M&E at both the federal and State levels has resulted in high levels of duplicity in generating performance data which is of limited use. At the Federal level, the data collection capability of the various MDAs is very weak. A recent study of M&E practices at some Ministries indicates that there is very little interface between the statistical functions and the M&E functions. In some Ministries, the Statistics Division is non-functional, and the related data bank may exist in name only (Power & Steel and Water for example). At the Ministry of Agriculture, the central statistical function has not been adequately resourced for almost 10 years. As a result data collection for the sector is fragmented and insufficient. The use of technology in supporting data collection and processing in Nigeria is also very low. The National Bureau of Statistics (NBS) has primary responsibility for providing statistical information at the National level and coordinating the entire statistical system to ensure standardization and harmonization. However, the level of integration between primary data collection mechanisms of the NBS and the MDAs is currently very low. For instance, NBS' standardised national surveys is not reflective of all the data requirements of the MDAs, and only a handful of MDAs are connected to the NBS' data centre. Most of the issues with regards to statistical collection at the Federal level also apply to most States. As a result of this situation, even if an effective M&E framework for government existed today, its usefulness as a tool to provide reliable performance information would be very limited due to the absence of an organised governance structure for the management of performance information; and the required architecture for processing performance relevant data. Hence, the second critical imperative for a national M&E framework is the definition of an effective governance structure, and the



development of requisite information infrastructure to support the collation and processing of performance data.

### **5.3. Linking the Vision to the Instruments of Execution**

#### **5.3.1. Planning & Budgeting Framework for Implementing NV20:2020**

The recommended framework for planning and budgeting towards NV20:2020 is geared towards ensuring that government activities at all levels are properly coordinated, aligned to the expected outcomes of NV20:2020, and consistent with the provisions of the specific medium term plans upon which the Vision is anchored. The framework is anchored upon the following operational guidelines:

1. National Planning Commission will anchor the preparation of three medium-term national development plans to drive the implementation of NV20:2020.
2. The medium term development plans will detail specific goals, strategies and performance targets for all sectors of the economy, in line with the economic transformation strategy of NV20:2020.
3. The Medium Term Expenditure Framework (MTEF) will be consistently used as a tool for linking policy, planning and budgeting across all levels of government during this period, in line with the 2007 Fiscal Responsibility Act. The MTEF will have the following components at the minimum:
  - a. Macroeconomic framework;
  - b. Medium-term revenue and expenditure framework;
  - c. Medium term fiscal strategy; and
  - d. Medium term sector strategies with projects and programmes linked to the goals and objectives defined for the sector in the applicable development plan
4. A National Monitoring & Evaluation System will be developed to support the measurement of progress in the implementation of the Vision, and institutionalized across all levels of government.

Fig 5-3 illustrates the framework for planning and budgeting towards NV20:2020.



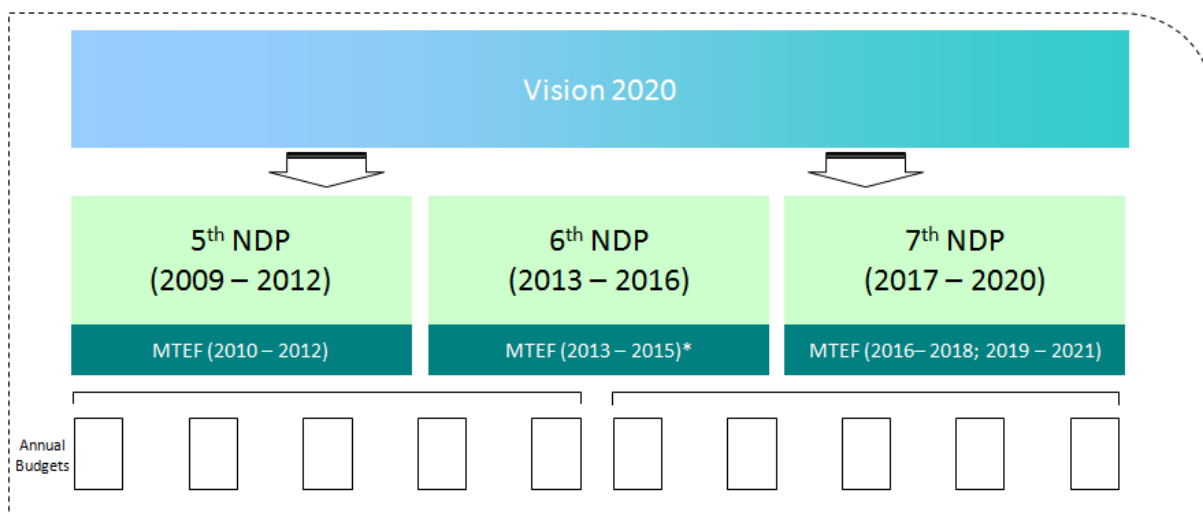
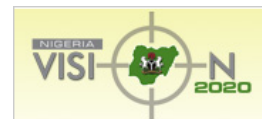


Figure 5-3: NV 20:2020 Planning & Budgeting Framework

In view of the strategic role of the States in enabling the realization of this Vision, strict adherence to the Fiscal Responsibility Act is a critical enabler for the framework defined above. The Fiscal Responsibility Commission will be empowered to enforce the law across each level of government by ensuring that the provisions and stipulations of the law is legislated in each State of the Federation, or enshrined in the amended Nigerian Constitution.

DRAFT



## 5.4. Institutionalizing Monitoring & Evaluation in Nigeria

### 5.4.1. Institutionalizing M&E in Nigeria: Overview & Guiding Principles

The M&E Framework is designed to enable a fact-based assessment of Nigeria's performance and enhance the execution capacity of Government as the nation strives to achieve accelerated economic development. Nigeria requires a single framework for M&E which should offer a platform for assessing any programme implemented in the interest of the Nigerian public. It is important to highlight the fact that the M&E framework described in this context is conceived as Nigeria's national M&E framework; and is not limited to the NV 20:2020 programme alone.

The development of Nigeria's national M&E framework is hinged on the following five (5) guiding principles:

- i. M&E will be an integral aspect of governance in Nigeria and will involve the entire spectrum of activities of the Nigerian government at all levels: federal, state, and local. The aim is to define a coherent "system", of which some of the building blocks already exist, and move away from stand-alone structures linked to specific programmes and the duplications this invariably generates. Putting in place that "system" will require legislative support.
- ii. Significant value can be created by better decision making with regards to the strategies to pursue on the one hand, and more efficient government operations on the other hand. The M&E "system" must, therefore, capture:
  - a. Strategic Outcomes, i.e. achievement of targeted objectives that are strategic to NV 20:2020.; and
  - b. Effectiveness, i.e. an assessment of whether outcomes are achieved in an efficient manner. High performance in government will be driven by the achievement of strategic outcomes at minimal cost. Based on our assessment, we have opportunities for improvement across both dimensions.

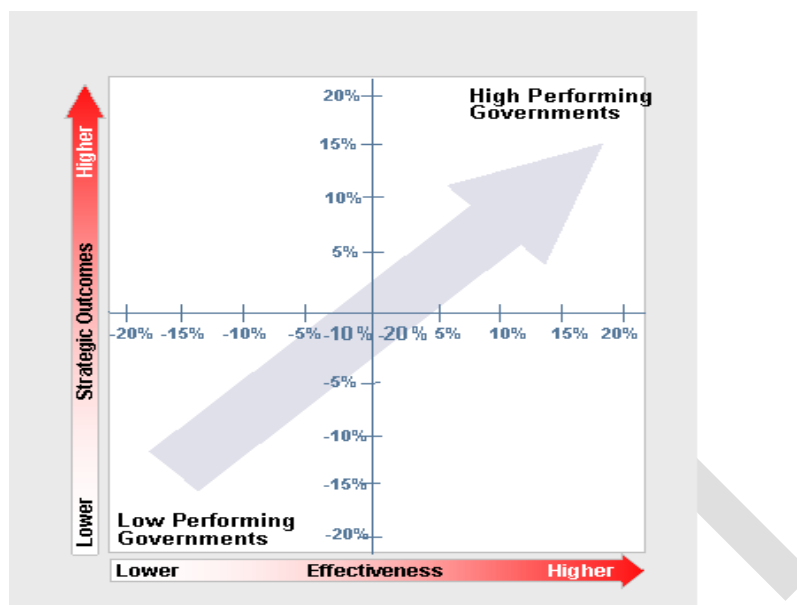


Figure 5-4: Value Creation in Public Service

Source: Accenture Public Service Value Model

- iii. M&E needs to serve as an input for evidence-based decision making, i.e., the value of Monitoring and Evaluation is in its application for planning and budgeting.
- iv. Accountability for performance needs to be entrenched in the system. The M&E system will encourage rewards for individual and institutional performance at all levels of government.
- v. The M&E framework will be applicable at the Country, MDA and State levels.

### 5.4.2. Institutional Framework

The institutional framework for M&E in Nigeria recognises the need to mainstream M&E as a crucial activity that requires visibility at the highest level of government; with an integrated governance structure and clear delineation of interfaces and responsibilities among M&E agencies.

#### 5.4.2.1. Governance Structure

To institutionalize M&E, it needs to be given high visibility within the Government and the leadership needs to lead by example, demanding scorecards and M&E reports, to enable evidence-based decision making. As demonstrated on Figure 5-5, countries have taken various approaches depending on the level of maturity of the institutions, although in most cases, nation-wide M&E is consistently being led by senior leaders. Malaysia, for example, has a Minister in charge of National Unity and Performance Management with a more Junior Minister heading Performance Management and Performance Delivery. This individual was previously the CEO of one of the nation’s largest companies, with experience of enterprise performance management in the private sector. Another example, Singapore, has an experienced Deputy Permanent Secretary who is very passionate about M&E and the value it can bring to the country.

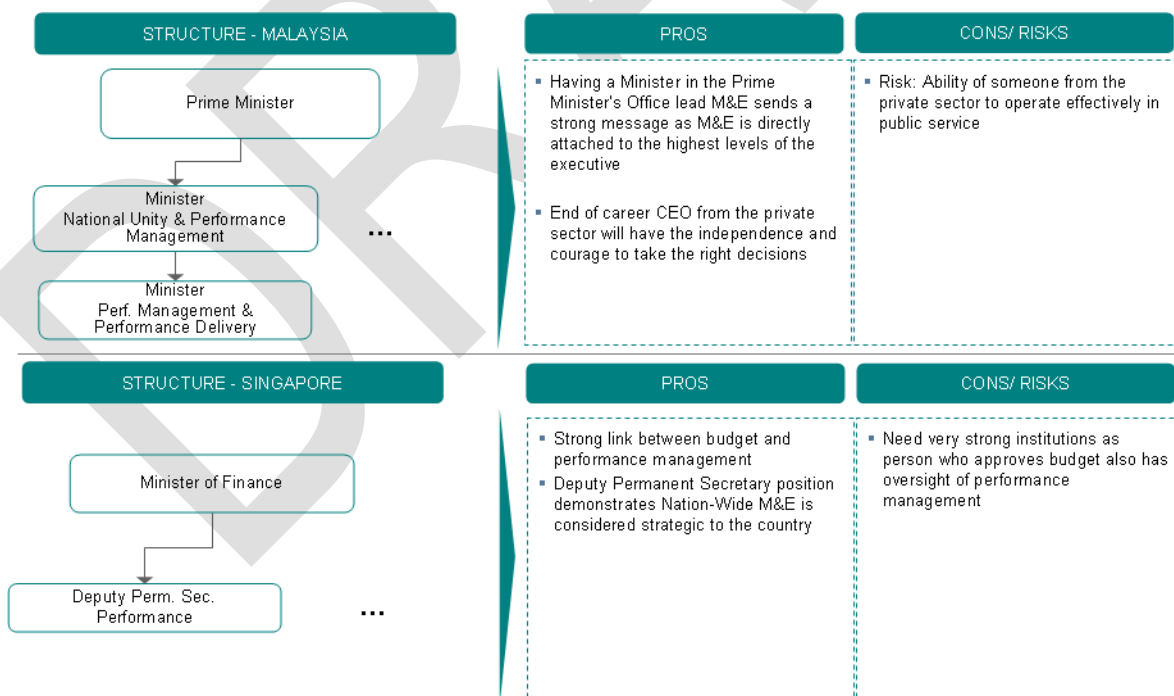


Figure 5-5: Examples of Singapore and Malaysia

Similarly, clear roles and responsibilities need to be assigned for Nigeria’s national M&E capability, to give it the required visibility and legitimacy within the government.

Figure 5.6 illustrates the proposed governance framework for National M&E in Nigeria

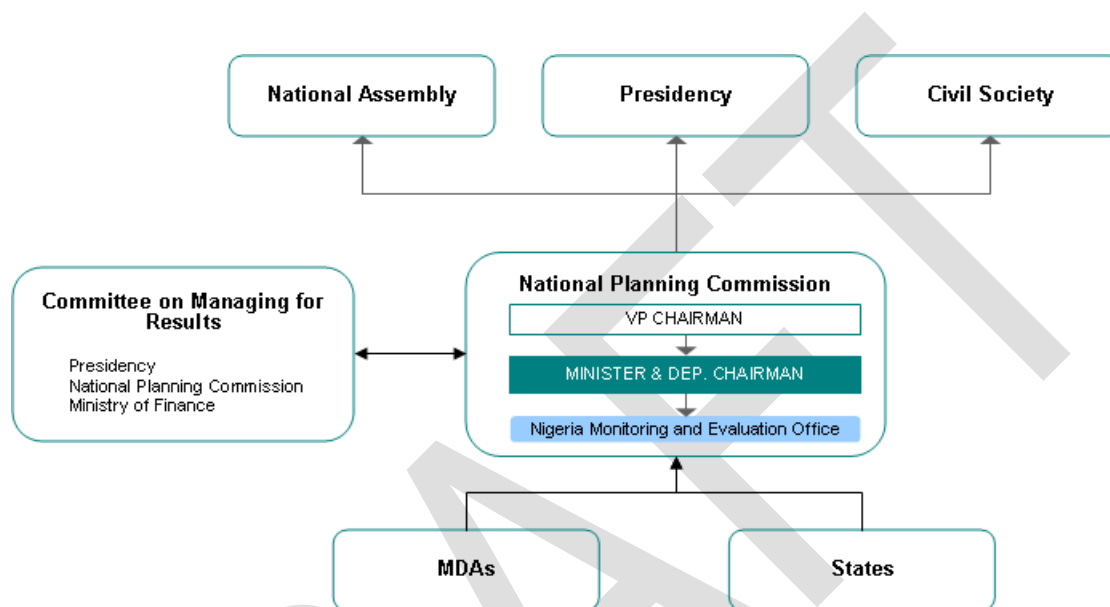


Figure 5-6: Governance Framework for Nigeria

The Nigeria Monitoring and Evaluation Office coordinates the National M&E “system”, and is the custodian of the related framework. Reporting directly to the Minister of the National Planning Commission, the Nigeria Monitoring and Evaluation Office is to make the National M&E information available to the National Assembly, the Presidency and Civil Society. An independent inter-ministerial Committee on Managing for Results provides oversight on the M&E duties of the Nigeria Monitoring and Evaluation Office.

Figure 5-7 shows the proposed governance structure for M&E across the three tiers of government: Federal, State and Local.

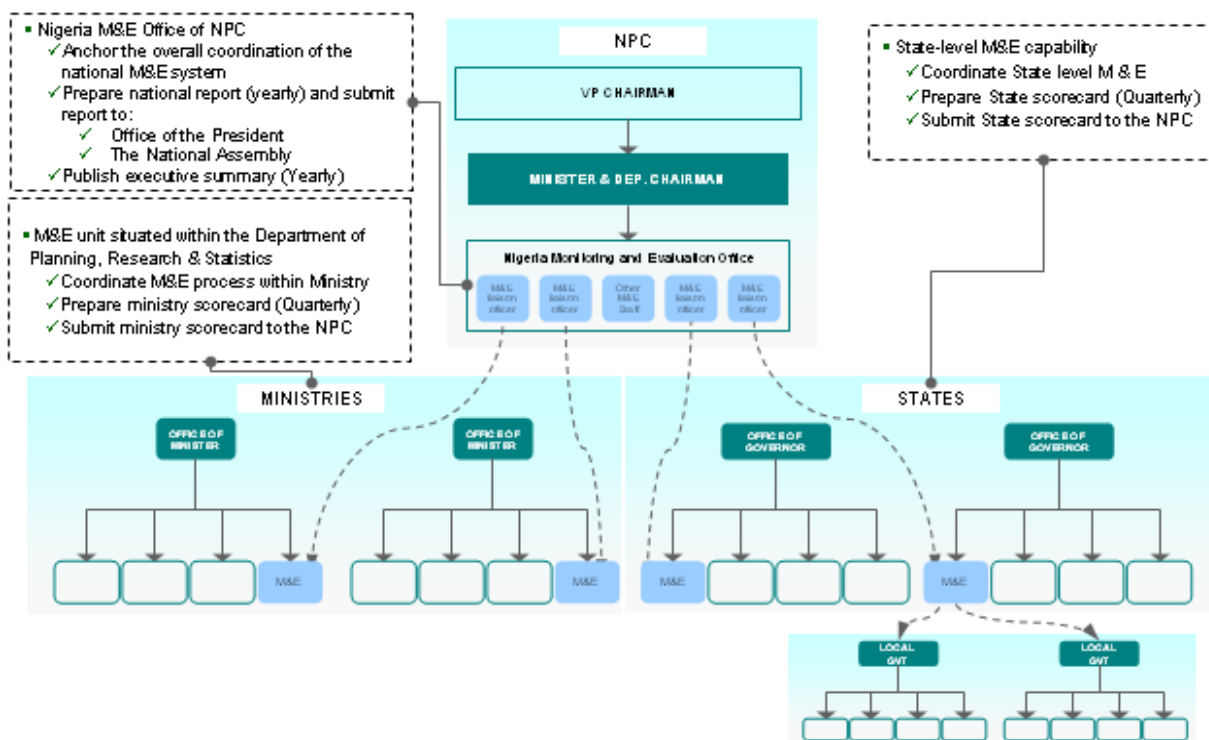
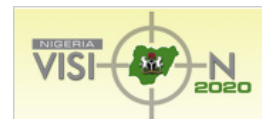


Figure 5-7: M&E across the three tiers of Government

#### 5.4.2.2. Roles and Responsibilities

Although all the agents of Monitoring and Evaluation are interdependent, there is a clear delineation of responsibilities as follows:

1. **The National Planning Commission:** The NPC is responsible for overall M&E across the Government. The M&E Office of the NPC will be responsible for the following:
  - a. Anchoring the overall coordination of the National M&E System;
  - b. Preparing the Nigeria Country Report yearly, prior to the start of the budgeting process;
  - c. Submitting the Nigeria Country Report to the office of the President and the National Assembly;
  - d. Publishing an Executive Summary of the Nigeria Country Report yearly to the public through appropriate channels;



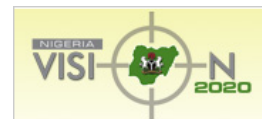
- e. Taking ownership of the Ministry and State M&E templates and working with the M&E departments within the relevant ministries to ensure those templates are submitted on time and with a high level of quality on a quarterly basis; and
- f. Recommending updates to the National Planning Commission Act 1993, as deemed necessary.

**2. Ministries:** Department of Planning, Research and Statistics is responsible for M&E activities within ministries as follows:

- a. Managing operational M&E across departments and related agencies, using their own reports. This includes monitoring percentage completion, actual vs. budgeted spending, site visits etc. Operational monitoring is primarily focused on outputs (i.e. is the hospital built within the expected timeframe and budget, does it comply to the specification that had been set etc)
- b. Preparing quarterly reports of the performance of respective ministries and submitting such reports to the NPC. These quarterly reports will focus on outcomes (i.e. is the hospital having the expected positive impact on the health of the population and if not why not? Do we have enough doctors and healthcare professional available? Are they sufficiently trained?)

Before submitting state report cards, Ministries should validate the accuracy of the data by leveraging on the institutions that form the National Statistical System of Nigeria (NBS, National Population Commission etc) as well as civil society. The Minister signs off the Ministry Scorecard before submission to the NPC.

**3. States:** Each State of the Federation will have a statutory body responsible for M&E; with a structure that mirrors the National M&E System. The statutory body at the state level is responsible for preparing an overview of value creation at the state level with inputs from the local governments. The KPIs tracked at the state level will be the same as the KPIs tracked at the national level, linked to strategic outcomes. The structure of the State Scorecard should mirror that of the Nigeria Country report so as to give an overview of value creation within the state with regards to national outcomes. Responsibilities of the States will include:



- a. Establishing a coordinating agency (i.e. NPC equivalent) for coordination of M&E across the state and prepare the State Scorecard
- b. Preparing State Scorecards with the inputs of local governments
- c. Using the of State Scorecard to guide State Budget decisions
- d. Submit State Scorecard report to the National Planning Commission

#### 4. Nigeria's National Statistical System

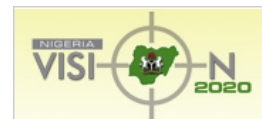
The National Bureau of Statistics (NBS) and the National Population Commission (NPC) have a critical role to play in the successful establishment of Nigeria's M & E system. These agencies will continue to collect data, administer surveys in accordance with their respective mandates. However, it is advocated that all the MDAs replicate and store relevant M&E data centrally on the NBS infrastructure so that all Ministries and States can have access to the information online. The NBS will have the following responsibilities under the proposed Nigerian National M&E System:

- a. Data collection: The NBS' infrastructure will form the central data access platform for all M&E-related data and will work closely with MDAs and states to ensure that all data requirements are captured efficiently;
- b. Data quality assurance and statistical analysis: The NBS will assure the quality of data used in the M&E process. The NBS will also provide data analysis services as required by MDAs and States;
- c. The NBS will provide a web-based data/ information portal which all states and ministries will be able to access on a real time basis.
- d. All KPIs defined in Ministry Report Cards will be included into surveys, censuses etc so as to be collected by NBS and other relevant statistical agencies

In its own Scorecard, NPC will track NBS' responsiveness to State and Ministry data requests, as well as the quality of the data.

The NBS is to be centrally funded by the federal government so that the use of NBS is free as it relates to the Nigeria M&E process for Ministries. Ministries will still continue to separately engage NBS and other statistical agencies for assistance as it relates to individual projects. The mandatory use of NBS





data for the M&E system will be legislated. Supporting the national M&E process and acting as the primary custodian of the statistical data will have implications on the capability and infrastructure requirements of NBS.

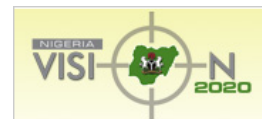
### 5.4.3. Operational Framework

#### 5.4.3.1. Conceptual Operating Model

The conceptual model for operationalising the Nigerian National M&E Framework is depicted in Figure 5-8. The model consists of two components – (a) Initial Implementation; and (b) ongoing operations of the M&E system.

- a. Initial Implementation:** The initial rollout of the Nigerian National M&E System will commence with the NPC, through strategic planning, defining the national KPIs and associated targets. These are linked to the strategic outcomes that Nigeria aspires to achieve in the medium term (2015) and long term (2020). Following the definition of the national KPIs and targets, NPC will work with each MDA to identify and finalize the KPIs that are relevant to that MDA. After agreeing detailed metrics with the NPC, MDAs (and NPC) will communicate KPIs to the NBS and other statistical agencies. These agencies will update their data collection processes - including surveys – to ensure the data related to these KPIs is collected on a consistent basis at the state and national levels. Similarly, the MDAs will also update their internal data collection processes to enable them collect information linked to their internal operations.
- b. Ongoing Operations:** Upon generation of the required data by the NBS within agreed timelines, the MDAs will download updated KPI data from NBS<sup>27</sup>. The MDAs will combine this data with internally generated data to update the Ministry Scorecards and submit the scorecards to the NPC. The MDA scorecards are to be finalized by mid-June so as to serve as input for the Medium Term Sectoral Strategy (MTSS) discussions. The NPC will then prepare the National Country Report which it will submit to the Presidency and National Assembly. The Budget Office of the Federation (BOF) is to receive the reports from the NPC before the commencement of the budget process for each fiscal year

<sup>27</sup> The NBS needs to be effectively empowered with resources to enable effective support of the M&E system



- c. Rewarding Performance:** To incentivise MDAs and States, good performance needs to be rewarded, and poor performance needs to impact the budget of the MDA or State over the next fiscal year. It will be the role of the legislature and highest levels of the executive to ensure that past performance is taken into account when making budgeting discussions in order to move the country towards evidence-based decision making. It is therefore advocated that beyond their standard operating budget, MDAs be made to compete for extra funding from a pool to be distributed among the best-performing ministries. In assessing the performance of the ministries, high priority should be given to the High Performance Outcomes which measure the efficiency of the ministry and are consistent across ministries. Similarly, states which are improving on the strategic outcomes for their citizens and improving the efficiency of their government should to be publicly rewarded with additional federally funded programmes.

### The examples Chile and Singapore

Chile uses a “Competitive Fund” approach. Ministries compete for funds and are rewarded based on their performance over the previous fiscal year. Ministry performance is assessed based on a fixed set of criteria, with the institutionalized use of M&E within the ministry considered to be the most important criteria.

Singapore has identified cost efficiency as a key focus area and wants to encourage ministries to “do more with less”. To this extent, Singapore has set up a shared fund to finance cross ministry initiatives which will help collaboration across ministries as those initiatives which benefit all ministries receive proper funding. Ministries are assessed on their ability to improve cost efficiency.

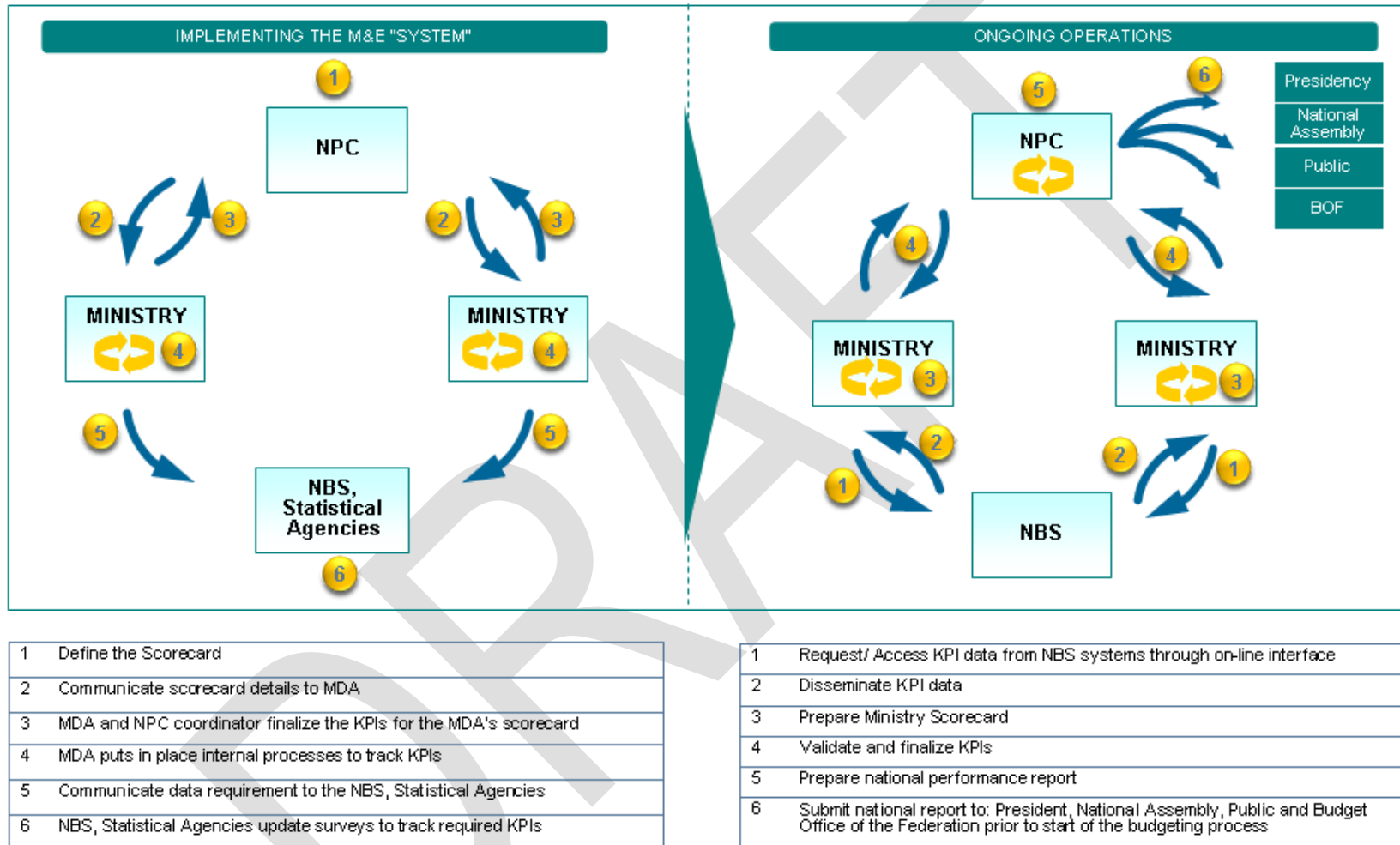


Figure 5-8: Operationalising the Nigerian National M&E Framework

5.4.3.2. Nigeria Strategy Map

The Nigeria Strategy map shown on Figure 5-9 sets the overall structure for M&E for Nigeria.

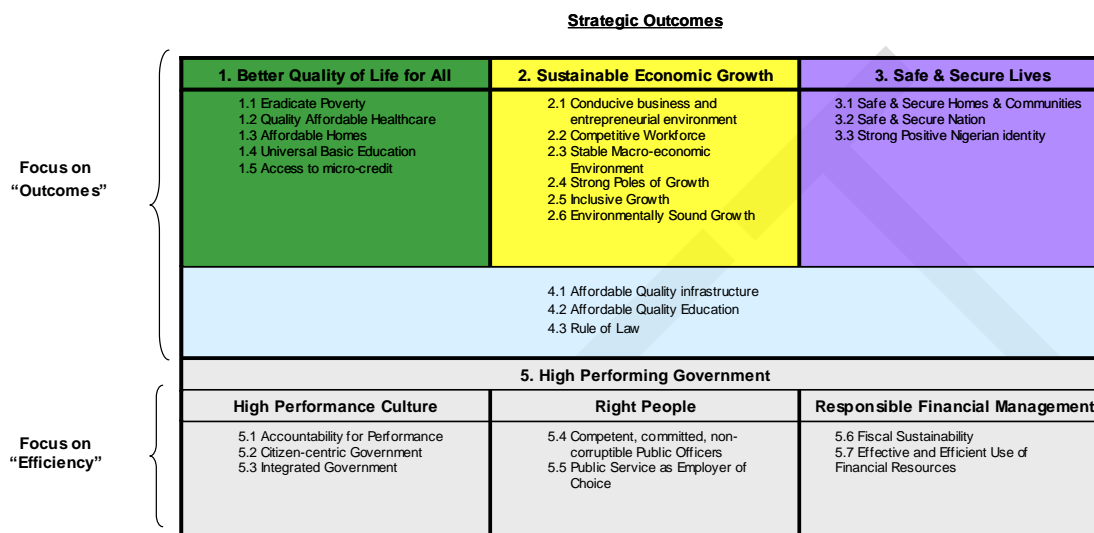


Figure 5-9: Nigeria Strategy Map

The Strategy map comprises of four (4) overall strategic themes:

- Better quality of Life for All
- Sustainable Economic Growth
- Safe and Secure Lives
- High Performing Government

The first three themes focus on outcomes the country aims to achieve for its citizens while the 4<sup>th</sup>, High Performing Government, aims to measure the extent to which government, as the coordinator and enabler of the country's economic blueprint has become more effective and efficient in its own operations. There are therefore two main avenues through which value can be created for Nigeria:

1. By targeted initiatives to impact the outcomes defined under sub-themes 1, 2 or 3 or the enabling strategic outcomes linked to infrastructure, affordable quality education or rule of law

2. By increasing the efficiency of the government itself, thereby increasing the impact per unit of spending or effort.

As shown in Figure 5-10, each strategic theme is defined by a set of strategic outcomes, itself defined by sub-outcomes and or KPIs. The value of M&E is the ability to link KPIs that can be measured by specific MDAs back to overall value for Nigeria so as to be able to assess the impact the various agencies and programmes are having for the citizens. As part of the NV20:2020 effort, over 250 KPIs have been identified to enable Ministries and States to track value creation and efficiency as they relate to the strategic outcomes defined on the Nigeria Strategy Map. NPC is to confirm and finalize these KPIs with the different states and MDAs as the M&E framework is rolled out across Nigeria.

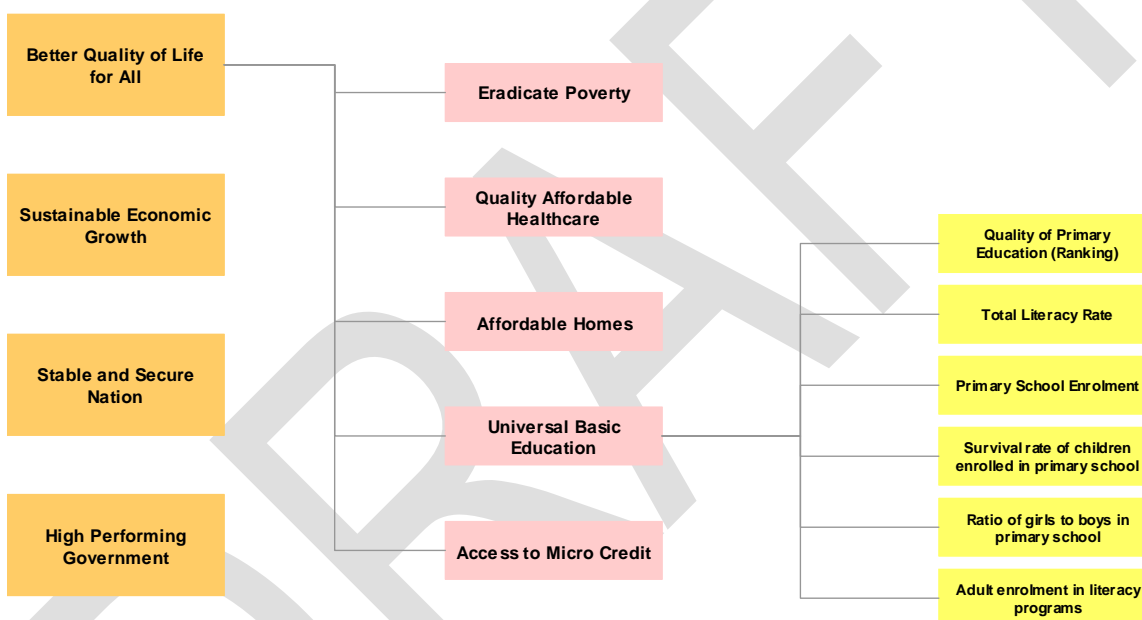
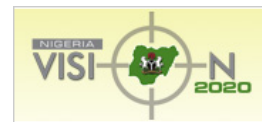


Figure 5-10: Sample KPIs defining the Strategic Outcome “Universal Basic Education”



### National M&E: Chile and Columbia

Chile developed a whole of Government M&E System starting in 1994. Chile's system started with around 250 performance indicators, that number having now grown to 1500 indicators. In Chile, the Ministry of Finance leads and coordinates the M&E effort.

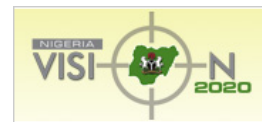
Columbia's M&E system is managed by the Department of National Planning (DNP) and is organised around 320 presidential goals. Progress against the Presidential goals is assessed using about 500 performance indicators. For each performance indicator, the objective, baseline performance, annual targets, actual performance and spending are made public. The analysis of the performance indicators and progress towards the presidential goals form the basis of the President's own annual reports to the Congress

Source: The World Bank

### 5.4.3.3. Reports

#### 5.4.3.3.1. Nigeria Country Report

The Nigeria Country Report (NCR) is one of the primary instruments through which M&E will be entrenched in the operations of Governments in Nigeria as part of the implementation of the NV20:2020 Economic Transformation Blueprint. The primary purpose of this report is to provide a tangible means through which an objective evaluation of progress in the achievement of the NV20:2020 strategic objectives, targets and outcomes will be documented and disseminated to all stakeholders of the Nigerian State on an annual basis. The report is expected to play a critical role in shaping the strategic priorities of the government during the plan period, by providing a basis for evidence based decision making in the course of implementation. Although the report will expectedly serve as an instrument for political accountability, the content of the report, and the associated processes through which it is produced, will be geared towards the production of information to enable and support continuous improvement in the quality of policies and



programmes through which the vision is being implemented. The National Planning Commission will be primarily responsible for generating the country M&E report.

The Nigeria Country Report will also serve as a medium for shifting national discourse on government effectiveness and performance from outputs to outcomes. In Nigeria's public sector today, measures of government effectiveness are based largely on inputs, processes and outputs rather than outcomes. Measurement of outcomes is clearly distinct from measurement of inputs, processes and outputs. In a public health programme for instance, siting two primary health care centres in a community is an example of an input; the amount of time taken to build the health centres, a process; and the reduction in the average time taken for citizens to get to the nearest centre, an output. A corresponding outcome for the above scenario will be a reduction in the reported cases of specific diseases or a decrease in the infant mortality rate for that community. While all of these measures are important, outcome measures are too frequently excluded in the assessment of government performance in Nigeria. As a result, mediocrity and public deception is allowed to thrive in the public space as political office holders present ongoing or completed projects to the citizenry as evidence of performance, whereas emphasis should be better placed on the ultimate impact of these projects.

### **Structure of the Nigeria Country Report**

The report will be structured to provide performance information at the federal and state levels. At the federal level, there would be an overall country scorecard which provides information on progress using a set of country-wide Key Performance Indicators (KPIs), as well as performance scorecards for each ministry, department or agency of the Federal Government. State level information provided in the NCR will reflect the decomposition of the country-wide key performance indicators for each State of the federation. An illustrative structure of this report is provided in Fig 5-11:

- Section 1: Overview of Nigeria Performance Report
- Section 2: Strategic Themes Dashboard
  - 2.1 Better Quality of Life for All
  - 2.2 Sustainable Economic Growth
  - 2.3 Stable and Secure Nation
  - 2.4 High Performing Government
- Section 3: Strategic Outcomes Dashboard
  - 3.1.1 Eradicate Poverty
  - 3.1.2 Quality Affordable Healthcare
  - 3.1.3 Affordable Homes
  - 3.1.4 Universal Primary Education
  - 3.1.5 Access to Micro-Credit
  - 3.2.1 Conducive Business and Entrepreneurial Environment
  - 3.2.2 Competitive Workforce
  - ....
- Section 4: State Report Cards
- Section 5: Ministry Report Cards

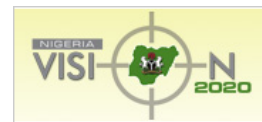
Figure 5-11: Illustrative outline for the Nigeria Country Report

The overall country scorecard will report performance information at two levels:

**1. Progress against the broad strategic themes:** In this section, a detailed, descriptive overview of Nigeria's performance in relation to each of the four performance perspectives that underpin her NV20:2020 aspirations will be provided, supported by a summary of Nigeria's performance across the most significant KPIs for each strategic outcome defined for the respective themes. The four broad strategic themes are derived from the key pillars of the transformation strategy for NV20:2020 and are detailed below:

- a. **Better Quality of Life for All:** Outcomes related to guaranteeing the wellbeing and productivity of the Nigerian people covering themes such as poverty reduction, health, shelter, basic education etc.
- b. **Sustainable Economic Growth:** Outcomes related to optimizing Nigeria's key sources of economic growth such as a conducive business environment, a competitive workforce, infrastructure, rule of law, etc
- c. **Stable and Secure Nation:** Outcomes related to creating an environment for enduring growth and development. Themes include security, national identity, etc.





- d. **High Performing Government:** Outcomes related to the level of efficiency of government institutions

**2. Progress against the key strategic outcomes:** Performance information will also be reported at the level of the strategic outcomes defined for each broad theme in the Nigeria Country report. Focus at this level will be on the extent to which the specific KPIs at the outcome level have changed.

The Nigeria country report will also include the performance scorecard for each State of the federation as well as all key Ministries, Departments & Agencies at the federal level. Sections 5.1.1.2 and 5.1.1.3 describe the structure of these sections of the report.

#### *5.4.3.3.2. MDA Scorecard*

The MDA scorecard will be generated by respective Ministries, Departments and Agencies. It will be used as input to the Nigeria Country Report and also provide a detailed view of the performance of MDAs for subsequent planning and budgeting. The development of scorecards at the MDA level will be implemented by the Departments of Planning, Research and Statistics (DPRS) in respective Ministries under the supervision/ coordination of the NPC to ensure consistency with the national plan. Scorecards are to be submitted by the DPRS teams of the different ministries on a quarterly basis during the first year after roll-out so as to ensure consistent focus on implementing the necessary data collection processes, on a yearly basis once the process has been institutionalized.

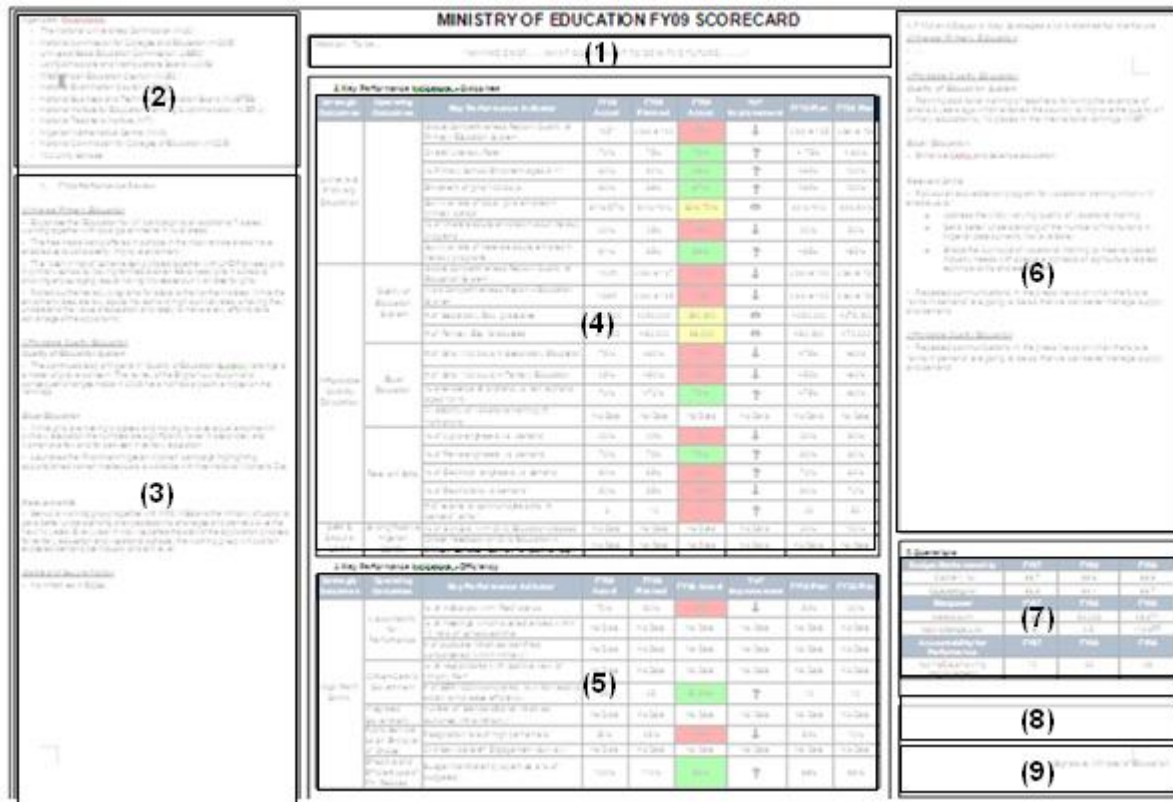
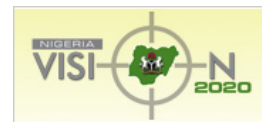


Figure 5-12: MDA Scorecard

As shown on Figure 5-12, the performance scorecard for the MDAs will have eight main sections:

- (1) Short description of the given MDA's Mission. The Mission documents why the MDA exists and what it aims to be
- (2) Captures the list of Agencies/ Parastatals under the responsibility of the Ministry. The scorecard gives an overview of performance of the ministry and its associated Agencies and Parastatals
- (3) Gives an overview of the key achievements by the Ministry over the past year and their impact
- (4) Gives an overview of the ministry's performance with regards to the KPIs linked to the strategic outcomes to which the ministry contributes. These KPIs will differ for each ministry depending on the ministry's mission and vision and the KPIs are organised as per the Nigeria Strategy Map (Figure 5-7).



- (5) Gives an overview of the ministry's performance with regards to the "High Performance Government" outcomes. The KPIs measured in this part of the scorecard will be the same for each ministry, measuring each ministry's contribution to a High Performing Government
- (6) Gives an overview of the key programmes and initiatives the Ministry will pursue in the future, based on the assessment of its performance to date under (3) (4) and (5)
- (7) Gives an overview of some key operational metrics: spending, headcount and the ministry's ability to meet the targets set under (4) and (5)
- (8) Contain the signatures of the Minister and Permanent Secretary, certifying that the results as documented are accurate and that the future initiatives identified will serve as an input in the Ministry's budgeting discussions for the next fiscal year. The heads of each MDA will be required to personally append his signature to the scorecard before it is submitted to the coordinating unit at the National Planning Commission.

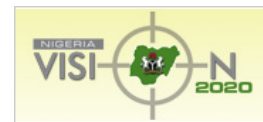
#### 5.4.3.3.3. *State Scorecard*

At the state level, M&E will take a similar structure with the national M&E system. The national Constitution should be revised to mandate states to carry out M&E in tandem with the approach adopted by the National Planning Commission in executing the national M&E framework. Specific state-level scorecards will be developed by states using the same framework and KPIs used at the national level and these scorecards will serve as input into the budgeting, planning and incentive structure at the sub-national level.

#### 5.4.3.4. *Using the M&E Framework – An Illustration*

This section provides an illustrative description of how performance information will be used across each level of measurement represented in the Nigeria Country Report.

"Better Quality of Life for All" is one of four broad strategic themes through which outcomes related to social welfare and productivity will be assessed. Examples of strategic outcomes defined within this sub-theme include: Eradication of Poverty, Quality & Affordability of Healthcare, Affordability of Housing, Universal Primary Education, and Access to Micro-credit. In the Nigeria Country Report, the



scorecard for this strategic theme (“Better Quality of Life for All”) will include a detailed description of progress in the achievement of the strategic outcomes listed above.

Using the strategic outcome for Universal Primary Education as an example, descriptive information on progress towards improving literacy levels and school enrolment rates among other indicators will be provided. In addition to the descriptive details, relevant time series data will be provided for each key indicator or measure defined for the strategic outcomes. Fig 5-11 below illustrates this section of the Nigeria Country Report. In this example, the overall literacy rate improved by 4%, primary school enrolment improved by 2%, and survival rate of children in primary school improved by 3% in the course of the period under measurement (fiscal year 2008 – 2009).

**2.1.1 Better Quality of Life for All**

**ILLUSTRATIVE**

**Nigeria has made significant progress towards the promise of Universal basic education, with increases in school enrolment (particularly girls) and a better primary school survival rate. Educated girls will help lay a strong foundation for the country’s future.**

Eradicating poverty, however remains a work in progress with stagnant progress over the past year. Lack of data continues to present challenges in understanding the significance of the impact of malaria. The country continues to have high mortality rates, especially as related to childbirth and the additional donor funding secured by the ministry of health through WHO to increase the number of health workers should help address this issue.

Micro-credit emerges as a promising tool in the fight to eradicate poverty. Repayment has been high (96%) and a majority (65%) of recipients have managed to extract themselves from poverty over 1 year. HAPEP will be expanding the micro-credit scheme next year to an additional 5 states

Strategic Outcomes	Key Measures	FY08	FY09
Eradicate Poverty	% of population living on less than \$1/day	54%	54%
	% of population with sustainable access to sustainable water source	42%	44%
	% of population with access to improved sanitation (urban/ Rural)	56%#1%	53%#1%
Quality Affordable Healthcare	# of health workers/ doctors per 10,000 people	222	214
	Mortality Rate	30%	30%
	% of pop with access to affordable essential drugs on a sustainable basis	31%	32%
	Hospital beds/ 10,000 people	12	14
Affordable Homes	% of population which are home owners	25%	25%
	% of population with access to sustainable housing	56%	56%
Universal Basic Education	Overall Literacy rate	72%	76%
	% primary school enrolment of children aged 6-11	84%	86%
	Survival rate of children enrolled in primary school	74%	77%
Access to Micro-Credit	% of poor with access to micro-credit	21%	19%
	% of micro-credit applications accepted	76%	75%
	% of micro-credit recipients no longer living in poverty after 1 year	62%	65%

Figure 5-13: Sample strategic themes dashboard

Figure 5-13 highlights both the descriptive and the specific details for the **Universal Primary Education** strategic outcome.

For each strategic outcome defined under the “Better Quality of Life for All” strategic theme, The Nigeria Country report will contain a scorecard, which provides more details on the country’s

performance on other key indicators related to the strategic outcome. Information provided at this level will expatiate on the summary provided at the strategic theme level and include greater level of detail, such as key objectives and targets for the strategic outcome for the period under review, agencies responsible for driving the achievement of the outcome, a description of the key highlights with regards to progress made towards achieving the targets, and a detailed table containing time series data on all the key indicators/measures of progress.

Fig 5-14 illustrates the above using the **Universal Primary Education** strategic outcome as an example.

### 2.1.1 Universal Primary Education

### ILLUSTRATIVE

#### Key Objectives

##### Primary-level Education for all Nigerians

- 100% enrolment of new generation (including girls)
- High Education survival rates (>85%)
- Adult education schemes to increase literacy rates

#### Responsible Agencies:

Ministry of Education (Lead), NAPEP, MDG

#### HIGHLIGHT:

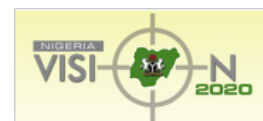
An increase in both enrolment and survival rates (especially for girls), is continuing to have a positive impact on the overall literacy rate for the country. The positive trends in the education of girls will lay the foundation for educated future generations of girls. A continued slippage in the quality of primary education (from a rank of 140<sup>th</sup> in FY07 to 150<sup>th</sup> in FY09) is a concern as enrolling more pupils in a declining education system will mitigate the gains.

With high and increasing survival rates it is worth exploring whether we can expand the reach of the adult literacy programs

Performance Indicators	FY07	FY08	FY09
WEF GCR: Education System (Ranking)	140 <sup>th</sup>	145 <sup>th</sup>	150 <sup>th</sup>
Overall Literacy Rate	71%	72%	76%
% Primary School Enrolment ages 6-11	84%	84%	86%
Ratio of girls to boys in primary education enrolment (girls/100 boys)	81%	84%	87%
Survival rate of boys/ girls enrolled in primary school	81%/67%	82%/70%	82%/73%
% of illiterate adults enrolled in adult literacy programs	30%	20%	15%
Survival rate of illiterate adults enrolled in adult literacy programs	61%	64%	66%

Figure 5-14: Illustrative scorecard for Universal Primary Education strategic outcome

A further level of detail provided for each of the broad strategic themes in the Nigeria Country Report will be available in the scorecards of the MDAs that are relevant to the theme. Continuing with the example above, the scorecard for the Ministry of Education will contain further details on all performance indicators related to education, and in addition, provide information that situates the performance indicators in context such as activities undertaken in the sector, results achieved,



expenditures and future plans for the sector. Fig. 5-12 provides an illustration of the KPIs found in the central section of the Ministry of Education’s scorecard. The Ministry of Education, by carrying out its activities, contributes to the following strategic outcomes as per the Nigeria Strategy Map (Figure 5-7):

- Universal Primary Education
- Affordable Quality Education
- Strong Positive Nigerian Identity

The Scorecard gives an overview of performance for each of the KPIs linked to those strategic outcomes, detailing progress and whether the targets the agency had set for this year have been achieved.

**2. Key Performance Indicators - Outcomes**

Strategic Outcomes	Operating Outcomes	Key Performance Indicator	FY08 Actual	FY09 Planned	FY09 Actual	YoY Improvement	FY10 Plan	FY20 Plan
<b>Universal Basic Education</b>		Global Competitiveness Report: Quality of Primary Education System	145 <sup>th</sup>	Above 140	150 <sup>th</sup>	↓	Above 135	Above 130
		Overall Literacy Rate*	72%	75%	76%	↑	> 75%	> 80%
		% Primary School Enrolment ages 6-11	84%	85%	86%	↑	>90%	100%
		Enrolment of girls/100 boys	84%	86%	87%	↑	>90%	100%
		Survival rate of boys/ girls enrolled in primary school	81%/67%	85%/70%	82%/73%	↔	85%/75%	85%/85%
		% of illiterate adults enrolled in adult literacy programs	20%	25%	15%	↓	20%	50%
		Survival rate of illeterale adults enrolled in literacy programs	61%	65%	66%	↑	>65%	>65%
<b>Affordable Quality Education</b>	Quality of Education System	Global Competitiveness Report: Quality of Education System	142 <sup>th</sup>	Above 137	151 <sup>st</sup>	↓	Above 140	Above 130
		World Competitiveness Report – Education System	138 <sup>th</sup>	Above 135	149 <sup>th</sup>	↓	Above 140	Above 130
		# of Secondary Edu. graduates	252,000	>250,000	250,000	↔	>250,000	>275,000
		# of Tertiary Edu. Graduates	57,000	>60,000	59,000	↔	>60,000	>70,000
	Equal Education	# of Girls/ 100 boys in Secondary Education	75%	>80%	70%	↓	>75%	>80%
		# of Girls/ 100 buys in Tertiary Education	45%	>50%	45%	↓	>50%	>60%
		% attendance of orphans vs non orphans aged 10-14	70%	>72%	75%	↑	>75%	>80%
		Availability of vocational training (# institutions)	No Data	No Data	No Data	No Data	No Data	No Data
	Relevant Skills	% of Agro-engineers vs demand	20%	40%	15%	↓	30%	60%
		% of Petro-engineers vs demand	70%	70%	75%	↑	80%	80%
		% of Electrical engineers vs demand	60%	65%	63%	↑	70%	80%
		% of Electricians vs demand	50%	55%	45%	↓	60%	70%
		# of events to communicate skills "in demand" skills ^	3	10	5	↑	20	50
<b>Strong Positive Nigerian Identity</b>	% of Schools with Civic Education classes	No Data	No Data	No Data	No Data	30%	100%	
	Citizen feedback on Civic Education in Primary Schools (Survey, % positive resp)	No Data	No Data	No Data	No Data	No Data	No Data	

## 3. Key Performance Indicators - Efficiency

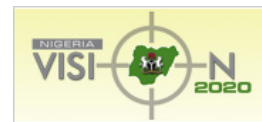
Strategic Outcomes	Operating Outcomes	Key Performance Indicator	FY08 Actual	FY09 Planned	FY09 Actual	YoY Improvement	FY10 Plan	FY20 Plan
High Perf. Gvmt.	Accountability for Performance	% of Indicators with "Red" status	70%	60%	61%	↓	50%	30%
		% of meetings w hich started/ ended w within 10 mins of scheduled time	No Data	No Data	No Data	No Data	No Data	No Data
		# of duplicate initiatives identified/ consolidated (w ithin ministry)	No Data	No Data	No Data	No Data	No Data	No Data
	Citizen-Centric Government	% of respondants w ith positive view of Ministry Perf	No Data	No Data	No Data	No Data	No Data	No Data
		# of SERVICOM complaints/ % w hich lead to action to increase efficiency	30	25	20/50%	↑	10	10
	Integrated Government	Number of Standardization initiatives launched (intra-ministry)	No Data	No Data	No Data	No Data	No Data	No Data
	Public Service as an Employer of Choice	Resignation rate of high performers	50%	45%	60%	↓	50%	10%
		Civil Service Staff Engagement (Survey)	No Data	No Data	No Data	No Data	No Data	No Data
Effective and Efficient use of Fin. Resces	Budget Markmanship (spent as a % of budgeted)	120%	110%	98%	↑	99%	99%	

Figure 5-15: Illustration of the MDA scorecard (Ministry of Education)

The structure of the scorecard caters for short term and medium term targets and gives an understanding of whether the targets have been met and whether the ministry is improving with regards to a given KPI.

KPIs used to assess progress as they relate to both outcomes and efficiency should where possible include:

- Metrics or hard data collected by the ministry or the nation's statistical institutions
- Surveys to assess whether the citizens, development partners and other stakeholders have the same feedback with regards to trends
- International rankings such as some of the rankings from the World Economic Forum, IMF or the World Bank to provide an external perspective of how the country is performing when compared to its peers



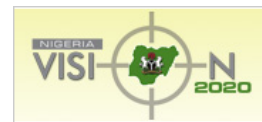
#### 5.4.4. Legal Framework

Actualising NV20:2020 critically depends on the enactment of necessary legislation to support the institutional framework and also to back up some of the recommended initiatives. In this regard, the following considerations are noteworthy:

- Enactment of the NV20:2020 blueprint is important in ensuring a suitable level of policy consistency in the course of its implementation. The proposed **Vision 20:2020 Bill** of the Federal Government of Nigeria, otherwise known as **The Nigerian National Development Plan Act**, proposes to have serious punitive consequences for non-compliance. Consequences will include prohibition from access to the Federation Account and other consolidated revenues. This bill is currently being finalised by the Federal Law Reform Commission.
- Annual presentation of the National Performance Report by the president to a joint session of the two chambers of the National Assembly must be enacted in order to trigger executive demand for M&E in Nigeria's governance. This demand will cascade down to all ranks of government and thereby engender the beginnings of true accountability in the country's governance. As a step in the right direction, the senate has passed a relevant bill tagged: "*A Bill for an Act to Enshrine an Annual State of the Nation Address and Other Matters connected thereto*"<sup>28</sup>. The bill has been referred to the House of Representatives for concurrence before being forwarded to the President for assent.: The bill provides that the President shall address the afore-mentioned joint sitting on such issues including but not limited to national security, the economy, external debt situation, defence, poverty eradication, social justice and observance of the Federal Character in government appointments, intergovernmental relationships, foreign policy and regional co-operation, education and agricultural policy. This annual presentation of the state of the nation should be the prelude for the annual budget of Nigeria. To achieve the required impact of the proposed law, the bill should be explicit with regards to the basis for determining Nigeria's performance along the various considerations. Therefore, the presentation of the State of the Nation by the President should be based on the outcomes of the Country Performance Report highlighted in earlier sections.

<sup>28</sup> The Bill was passed by the Senate on 18 February, 2009



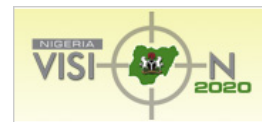


- Legislation needs to be enacted to ensure that MDAs and States submit the final Scorecards to NPC by mid-June so as to coincide with the start of the Medium Term Sectoral Strategy (MTSS) and the budgeting process
- An annual budgetary provision should be made by all ministries specifically to fund M&E activities and spending of those funds needs to be tracked and reported on to ensure they are used exclusively for M&E.
- Legislation of the functions of the National Statistical System of the country (NBS, National Population Commission etc) within the Nigerian National M&E Framework is required, given the pivotal role that these institutions have to play in enabling M&E in Nigeria's governance.
- Government institutions should be able to access the M&E relevant data stored on NBS' systems for free so that all agencies can benefit from this access to the consolidated data relevant to the various KPIs. NBS should therefore be funded centrally to enable it carry out its mandate as it relates to National M&E. Annual budgetary provision for the funding of the NBS is pertinent; and the quantum of annual funding needs to be consistent with the actual requirements for NBS' successful implementation of its mandate.
- Implementation of the Fiscal Responsibility Act is also important to enforce fiscal prudence in Nigeria and provide a relatively stable financial system and macroeconomic environment
- M&E needs to be made a career path within the Civil Service in Nigeria and the National Civil Service Institute of Nigeria (CSIN).

It is pertinent to note that M&E must be built ab initio into the implementation of NV 20:2020 to guide the entire effort from inception.

### **The Legal Framework for M&E in Columbia**

M&E was given a constitutional mandate in 1991 to “assess the public sector’s management and results”. A law in 1994 placed the responsibility for M&E within the Department of National Planning (DNP) with a requirement to report to the National Council for Economic and Social Policy (CONPES) chaired by the president on a yearly basis. A DNP resolution in 1994



operationalised the constitutional and legal mandate and also assigned responsibility for self evaluation to all agencies in the executive branch of government, with DNP responsible for developing methodologies to guide the evaluation activities. A further law in 2003 stipulated that the national budget include details on the objectives, intended results and management indicators for all government activities.

*Source: The World Bank*

DRAFT

## 5.5. Other Implementation Considerations for NV 20:2020

### 5.5.1. The Virtuous Circle

The Government of Nigeria needs to secure the trust of the people in order to achieve the required level of collaboration for the success of NV20:2020. Figure-13 emphasises the importance of re-establishing the confidence and trust of the people by developing policies that responds to the needs of all citizens.

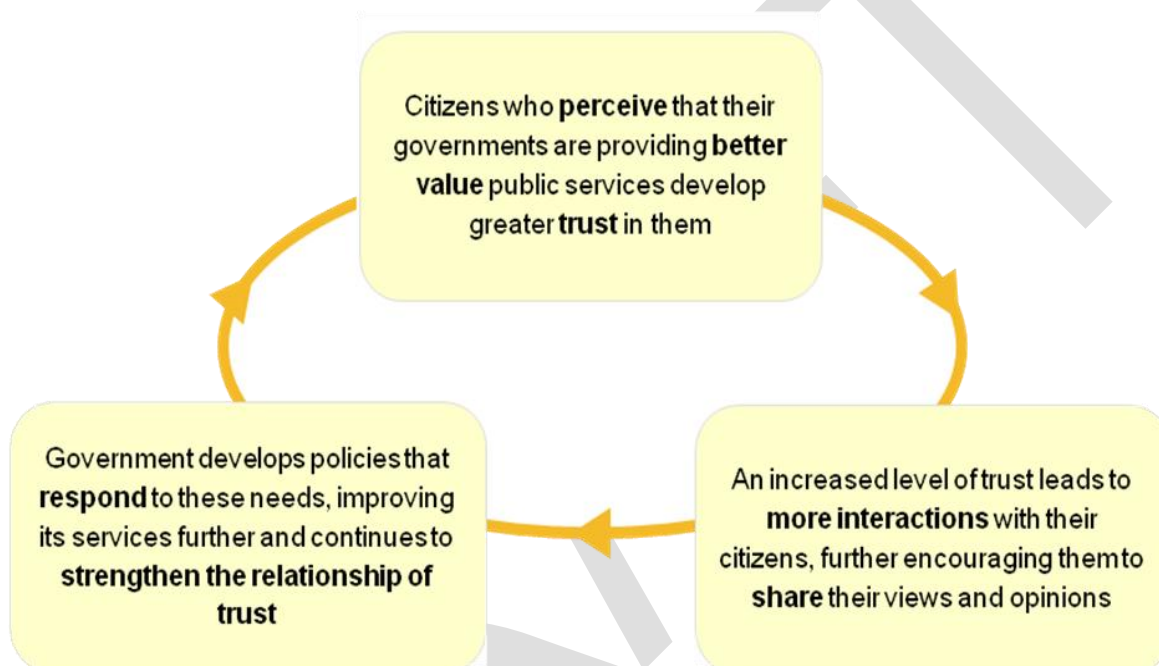
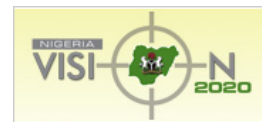


Figure 5-16: The Virtuous Circle

Citizens who are assured of the government’s role in enhancing their standard of living will participate in ensuring the achievement of the strategic thrusts. Better public service delivery will attract greater trust and thus increase the possibility of attaining the set goals. This will enhance more confidence in the government and make the people more receptive to the Vision plan thereby ensuring their participation in the implementation of the plan.



### 5.5.2. Legal Requirements for NV20:2020

The legal requirements for NV20:2020 include:

1. Constitutional; and
2. Legislative

#### ***Constitutional Requirements***

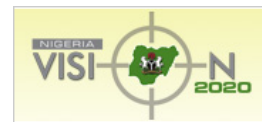
Successful implementation of NV20:2020 requires amendments to the Constitution of the Federal Republic of Nigeria. The following constitutional amendments will be made towards the implementation of NV20:2020

- I. Appropriation framework: Amendments to Sections **80, 81, 82 and 83** dealing with public finance and expenditure with a view to achieving a more bottom-up approach to budgeting and greater involvement of communities and stakeholders in the budgeting process. Achieving through Constitutional means, a greater fidelity to the provisions of the budget will be one of the objectives of the above amendments, by ensuring that the Appropriation Acts of governments across each tier, will have the same peremptory quality like any other law and will be enforceable on its own merit.
- II. Amendments to the Exclusive legislative and concurrent lists (Second Schedule: Legislative Powers) with a view to enabling the implementation of proposed reforms in the following areas
  - a. Police
  - b. Prisons
  - c. Railway
  - d. Revenue Allocation

#### ***Legislative Requirements***

The Legislative considerations and actions to support the implementation of Vision 20:2020 are in three categories:

1. Amendments to a number of existing laws that are critical to the actualisation of the policy thrusts of Vision 20:2020, and enforcing full compliance with these laws. The specific laws to be reviewed and enforced include:



- a. The Fiscal Responsibility Act, (FRA)2007
  - b. The Public Procurement Act, (PPA)2007
  - c. Land Use Act
  - d. Companies and Allied Matters Act (CAMA)
  - e. Banking and Other Financial Matters Act (BOFIA)
  - f. Evidence Act
2. Passage of pending legislation that are aligned to policy thrusts of the Vision such as the Freedom of Information (FOI) Bill; and
  3. Consideration and Enactment of new legislation to directly enable implementation. New legislation proposed in this regard include:
    - a. *NV20:2020 Act (National Development Plan Law [2009-2020] )*: To provide necessary institutional and legal mechanisms for enforcing implementation.
    - b. *Development Planning Act (DPA)*: Intended to compel all tiers of government to prepare a development plans and implement the programme right through the cycle. The Act proposes to have serious punitive consequences for non-compliance which can include prohibition from access to federation account and other consolidated revenues. It is envisaged that such development plans will be well articulated taking into cognizance the targets for each economic zone and sectoral situations in each State and Local Government Area.
    - c. *Project Implementation Continuity Act (PICA)*: Intended to curtail the disruption of project and programme implementation by new governments at all levels. The PICA proposes to halt such conducts and abuses by criminalising the violation of the provisions of the Act. Sanctions and penalties shall include prohibition from access to federation account for non-compliance and freeze of credit line either in the financial sector or from donor agencies.
    - d. *Arbitration & Conciliation Act and Rules; Arbitration Centre Act and Arbitration Commission*: Intended to enable the development and consolidation of arbitration



practice in Nigeria. The rapid expansion of our economy as envisaged by the vision initiative will compel increased reliance on alternative dispute resolution mechanism as against the adversarial adjudication of the regular court. These legislations will prepare Nigeria for this eventuality and simultaneously position the country as the arbitration hub in the sub-Saharan African region.

DRAFT

### 5.5.3. Role of Public Service

The public service is a major change agent in Nigeria’s quest for enhanced progress; and the ongoing reform of the Nigerian public service presents significant interdependencies and potential synergies with NV20:2020. Accordingly, it is imperative that the implementation and M&E of NV20:2020 be carried out taking cognisance of the public service reform initiatives and vice versa as this will increase the probability of success of both programmes. Figure-14 highlights the direction of the Public Service Reforms vis-a-vis the NV20:2020 M&E framework.

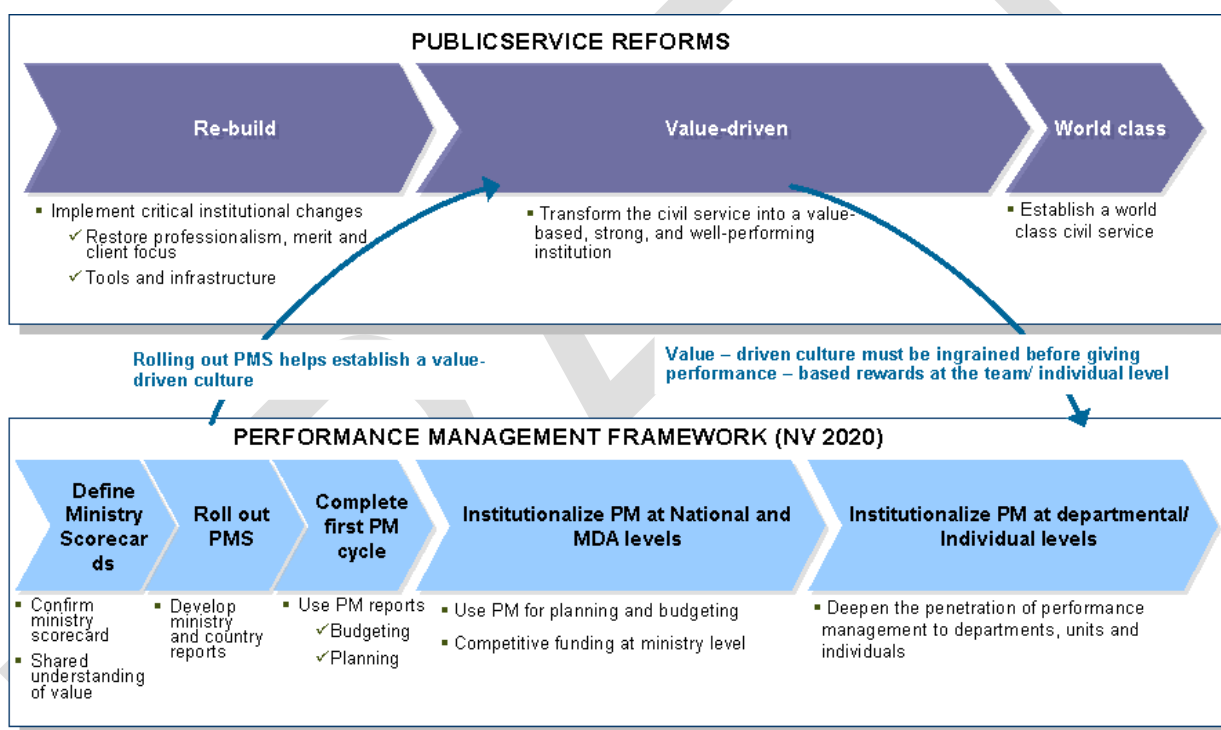
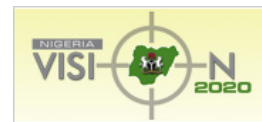


Figure 5-17: Role of Public Service

Figure 5-14 highlights the major changes envisaged in the public service and the steps for implementing M&E in Nigerian government in the short, medium and long term. As the public service undergoes critical institutional changes in preparing the grounds for establishing a value-driven public service, the successful rollout of a M&E system is a necessary pre-require to achieving high performance in governance. In order to deepen the penetration of M&E beyond institutions to individuals in the public sector, a value driven culture must be ingrained in the public service.

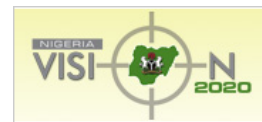


An aggressive national re-orientation and communication strategy is therefore paramount in implementing the National M&E System. The results of the M&E system should be made available to the public via various media of communication: Newspaper, Television, Internet, Radio etc.

#### 5.5.4. Critical Capability Requirements

Agency	Implementation Considerations
National Planning Commission (NPC)	<p>The M&amp;E function of the NPC will be established as a separate directorate, given its significance to Nigeria’s strategic aspirations</p> <p>Enhancement of the capacity and capabilities of the NPC :</p> <ul style="list-style-type: none"> <li>▪ Skilled personnel in various subject matters to enable proper M&amp;E across MDAs</li> <li>▪ Ability to perform necessary M&amp;E analysis and prepare the required reports</li> <li>▪ Suitable technology and other tools as well as efficient processes to handle potentially high volumes of operations</li> </ul>
National Bureau of Statistics	<p>The M&amp;E System will confer enormous responsibilities on the NBS. The invariable dependence of all MDAs on the NBS will imply potentially high volumes of activity which will require enhanced capacity for the NBS</p> <ul style="list-style-type: none"> <li>▪ Human capital (skilled manpower)</li> <li>▪ Enhanced I.T platform</li> </ul>
Department of Planning, Research & Statistics (DPRS)	<p>The Departments of Planning, Research &amp; Statistics within ministries will require necessary capabilities.</p> <ul style="list-style-type: none"> <li>▪ Coordination of M&amp;E activities of operational departments is also important.</li> <li>▪ Budgetary provision must be made for M&amp;E activities in all MDAs.</li> </ul>





## **What Will Nigeria Do Differently?: Making the Vision a Reality through Legislation and Improved Monitoring**

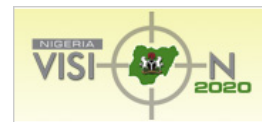
NV20:2020 is a politically-neutral intent by the Nigerian people to “...harness the resources of the nation and promote national prosperity, and an efficient, dynamic, and self-reliant economy”, as stated in our Constitution.

Having defined the overall vision and targets for our country, the next step is to institute a legal framework to ensure the delivery of the NV 20:2020. In addition to strong implementation, monitoring and evaluation which would include reforming the National Planning Commission, the civil service, and other agencies responsible for delivering the NV20:2020, the legislation would compel all tiers of government to have a multi-year development plan and implement the programme right through the cycle.

The proposed Vision 20:2020 Bill of the Federal Government of Nigeria, otherwise known as **The Nigerian National Development Plan Act**, proposes to have serious punitive consequences for non-compliance. Consequences will include prohibition from access to the Federation Account and other consolidated revenues.

In addition to the Vision 20:2020 bill, another other proposed legislation is the Bill for Project Implementation Continuity Act (PICA). To correct the trend of several uncompleted white- elephant projects across the country, and the practice of having several capital programmes and initiatives whimsically discarded by new political administrations, the PICA proposes to halt such conduct and abuses by criminalising the violation of the Act. The PICA will have legal sanctions for shortcomings, for remissness, negligence, and for criminal responsibility for deliberate sabotage or delay.

The three prongs of a stronger implementation and monitoring institution, a legal backing to the Vision, and adequate sanctions for non-compliance, in addition to the collective goodwill of our people are the differentiating factors that would ensure we translate our Vision into reality for the next generation.



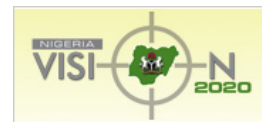
### **5.6. Forging Ahead and Next Steps**

Further to the ratification of this NV20:2020 Economic Transformation Blueprint, the next step will be to cascade this long-term aspirations into 3 sets of medium-term economic development strategies or plans that would serve as a guide to the nation's annual budgets.

The three-year development strategies will provide detailed roadmaps and implementation milestones on how Nigeria will execute the grand plans contained in this document. In this direction and as a mark of commitment, the Government through the National Planning Commission has already commenced the development of the First Implementation Plan (2010-2012) of the NV20:2020 blueprint.

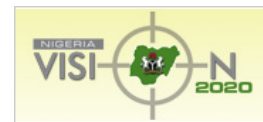
Working together with the ministries, agencies, and the private sector, the actualisation of the First Implementation Plan will sustain the momentum the Nigerian people have put into the development of the NV20:2020 blueprint, and make our aspiration of being in the league of the Top 20 economies in the world by 2020 realisable.

DRAFT

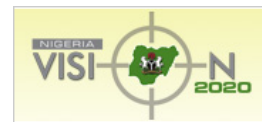


## LIST OF ACRONYMS

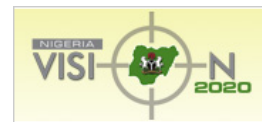
AGOA	African Growth and Opportunity Act
AIDS	Acquired Immune Deficiency Syndrome
ASCL	Ajaokuta Steel Company Ltd.
ATMs	Automated Teller Machines
BOF	Budget Office of the Federation
BOI	Bank of Industry
BOO	Build Operate and Own
BOT	Build Operate and Transfer
CBN	Central Bank of Nigeria
CBOs	Community Based Organisations
CEDAW	Convention on the Elimination of all forms of Discrimination Against Women
CEO	Chief Executive Officer
CET	Common External Tariff
COMEG	Council of Nigerian Mining Engineers & Geoscientists
CP	Community Participation
CSIN	National Civil Service Institute of Nigeria
CWG	Central Working Group
DMO	Debt Management Office
DPI	Direct Private Investment
DPRS	Department of Planning, Research & Statistics
DSC	Delta Steel Company
ECA	Excess Crude Account
ECCDE	Early Childhood Care Development and Education
ECOWAS	Economic Community of West African States
EDIN	Entrepreneurship Development Institute of Nigeria
EEG	Export Expansion Grant
EMIS	Education Management Information Systems
FAC	Federal Allocation Committee
FAO	Food and Agriculture Organisation
FDI	Foreign Direct Investment
FGN	Federal Government of Nigeria
FHA	Federal Housing Authority
FMBN	Federal Mortgage Bank of Nigeria
FSI	Financial Service Institutions
GDP	Gross Domestic Product
GMP	Good Manufacturing Practices
GSEs	Government Sponsored Enterprises
GSP	Generalized System of Preferences
HDI	Human Development Index
HIV	Human Immunodeficiency Virus
HSE	Health, Safety and Environment
ICT4D	Information and Communication Technology for Development
ILO	International Labour Organisation
IMD	Institute for Management Development
IMF	International Monetary Fund
IPPs	Independent Power Projects
ISI	Import Substitution Industrialisation
ISO	International Organisation for Standardization
ISP	Internet Service Provider



ITF	Industrial Training Fund
ITN	International Training Network
KPIs	Key Performance Indicators
LEAD	Linkages with Experts and Academics in the Diaspora
LGAs	Local Government Areas
LGCs	Local Government Councils
LMIS	Labour Market Information System
M&E	Monitoring and Evaluation
MDAs	Ministries, Departments and Agencies
MDGs	Millennium Development Goals
MFBS	Micro-Finance Banks
MMSD	Ministry of Mines and Steel Development
MOU	Memorandum of Understanding
MPC	Monetary Policy Committee
MPR	Monetary Policy Rate
MTEF	Medium Term Expenditure Framework
MTSS	Medium Term Sectoral Strategy
MW	Megawatts
NACRDB	Nigerian Agricultural, Cooperative and Rural Development Bank
NAFDAC	National Agency for Food and Drug Administration and Control
NAP	National Action Plan for the Promotion and Protection of Human Rights
NAPEP	National Poverty Eradication Programme
NASS	National Assembly
Nat'l	National
NBC	National Building Codes
NBS	Nigeria Bureau of Statistics
NCC	National Cultural City
NCR	Nigeria Country Report
NDE	National Directorate of Employment
NDHS	Nigeria Demographic and Health Survey
NDP	National Development Plan
NEEDS	National Economic Empowerment and Development Strategy
NEMA	National Emergency Management Agency
NEPAD	New Partnership for Africa's Development
NEPC	Nigerian Export Promotion Council
NEPOGA	Nigeria Polytechnic Games
NEXIM	Nigerian Export and Import Bank
NGOs	Non-Governmental Organisation
NGSA	Nigerian Geological Survey Agency
NHF	National Housing Fund
NHIS	National Health Insurance Scheme
NIOMCO	Nigerian Iron Ore Mining Company
NIPP	National Integrated Power Project
NMDC	The National Metallurgical Development Centre
NMRC	National Medical Research Council
NOC	National Oil Company
NORM	Naturally Occurring Radioactive Material
NOSDRA	National Oil Spill Detection and Response Agency
NPC	National Planning Commission
NSPSR	National Strategy for Public Service Reform

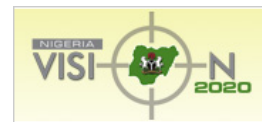


NSRMEA	National Steel Raw Materials Exploration Agency
NTN	National Training Network
NTWGs	National Technical Working Groups
NUGA	Nigeria University Games Association
NV	Nigeria Vision
NV 20: 2020	National Vision 20: 2020
NWSSP	National Water Supply and Sanitation Policy
OAGF	Office of the Accountant-General of the Federation
OAUGF	Office of the Auditor- General of the Federation
OECD	Organisation for Economic Cooperation and Development
OMO	Open Market Operations
OPS	Organised Private Sector
Perm. Sec	Permanent Secretary
PHC	Primary Health Care
PHCN	Power Holding Company of Nigeria
PM	Performance Management
PMI	Primary Mortgage Institution
POP	Persistent Organic Pollutants
PPP	Public Private Partnership
PSP	Private Sector Participation
PSRPs	Poverty Strategy Reduction Papers
PWD	Persons with Disability
R & D	Research and Development
RDAS	Retail Dutch Auction System
RET	Renewable Energy Technologies
SAP	Structural Adjustment Programme
SDCs	Stakeholder Development Committees
SEC	Securities and Exchange Commission
SERVICOM	Service Compact With All Nigerians
SGF	Secretary to the Government of the Federation
SIGs	Special Interest Groups
SME	Small and Medium Scale Enterprises
SON	Standard Organisation of Nigeria
SWAs	State Water Agencies
TVET	Technical and Vocational Education & Training
UBE	Universal Basic Education
UNICEF	United Nations Children's Fund
VAT	Value Added Tax
VSAT	Very Small Aperture Terminal
WAMZ	West African Monetary Zone
WDAS	Wholesale Dutch Auction System
WEF GCR	World Economic Forum Global Competitiveness Report
WHO	World Health Organisation
WTO	World Trade Organisation



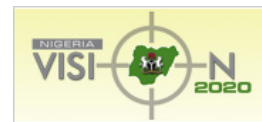
## SELECT REFERENCES

1. African Peer Review Mechanism, *Country Review Report: Federal Republic of Nigeria*, May 2008
2. Central Bank of Nigeria, *Annual Report & Financial Statements*, Dec. 2008
3. Central Bank of Nigeria, *Statistical Bulletin*, Dec. 2008
4. Central Bank of Nigeria, *Microfinance Newsletter*, Vol. 5, 2007
5. Commission on Growth and Development, *The Growth Report – Strategies for Sustained Growth and Inclusive Development*, 2008
6. Federal Ministry of Agriculture and Water Resources (FMA & WR), *National Food Security Programme*, 2007 (Page 14)
7. Food and Agriculture Organisation, *State of Food Insecurity in the World*, 2006
8. International Monetary Fund, *World Economic Outlook Report*, Apr. 2009
9. National Bureau of Statistics, *Social Statistics in Nigeria*, 2005
10. National Planning Commission, *Draft National Economic Empowerment and Development Strategy NEEDS*, 2007
11. National Planning Commission, *National Economic Empowerment and Development Strategy - NEEDS*, 2004
12. National Planning Commission, *Nigeria 2006 Millennium Development Goals Report*, 2007
13. Presidential committee on solid minerals development, *Report on 7-year (2003-2009) Strategic Action Plan for Solid Minerals Development*, Nov. 2002
14. Syminvest, *Microfinance Investment Intelligence*, Mar. 2009
15. Transparency International, *Corruption Perceptions Index*, 2008 <http://www.transparency.org>
16. United Nations Conference on Trade and Development (UNCTAD), *Handbook of Statistics*, 2008
17. United Nations Development Programme, *Human Development Report*, 2007/2008
18. United Nations Industrial Development Organisation (UNIDO), *Industrial Development Report*, 2009
19. United Nations Population Division, *World Population Prospects: Population Database*, 2008
20. World Bank, *World Development Indicators*, 2007 & 2008



21. World Bank, *Doing Business in Nigeria*, 2008 <http://www.doingbusiness.org>
22. World Bank Institute, *Governance Matters 2009: Worldwide Governance Indicators*, 1996 – 2008
23. World Economic Forum and INSEAD, *Global Information Technology Report*, 2008 – 2009
24. World Economic Forum, *The Global Competitiveness Report*, 2008 – 2009
25. World Bank, *Nigeria Growth and Employment Report*, 2009

DRAFT



## ANNEXES

The visioning process involved active participation of a broad spectrum of Nigerians. Experts from various ministries, agencies, state and local governments, representatives from the private sector, as well as development consultants and non-governmental organisations all participated in developing the blueprint.

The following Working Groups were constituted in the course of developing the NV20:2020 blueprint:

1. National Technical Working Groups (NTWG)
2. Special Interest Groups (SIG)
3. Stakeholder Development Committees (SDC), for each of the thirty-six states and the Federal capital territory (37), and each MDA
4. The Macroeconomic Framework Technical Group
5. Central Working Group

Each of the above-mentioned groups submitted reports to the National Planning Commission, as input to the visioning process<sup>29</sup>. The lists of NTWGs and SIGs are provided in annexes I and II respectively.

---

<sup>29</sup> The working papers are available on request at the National Planning Commission.

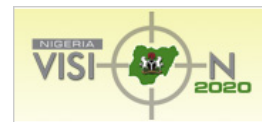


### Annex I: List of the National Technical Working Groups (NTWGs)

1	Agriculture & Food Security
2	Business Environment and Competitiveness
3	Corporate Governance
4	Culture Tourism & National Re-orientation
5	Education
6	Employment
7	Energy
8	Environment & Sustainable Development
9	Finance
10	Foreign Policy
11	Governance
12	Health
13	Housing
14	Human Development
15	ICT

16	Judiciary & the Rule of Law
17	Manufacturing
18	Media & Communications
19	Minerals and Metals
20	Niger Delta and Regional Development
21	Political System
22	Science, Technology and Innovation
23	Security
24	SME
25	Sports Development
26	Trade & Commerce
27	Transport
28	Urban and Rural Development
29	Water and Sanitation

DRAFT



**Annex II: List of the Special Interest Groups (SIG)**

1	Civil Service
2	Security
3	Traditional Rulers
4	Media
5	Religious Organisations
6	Judiciary
7	Legislature
8	Nigerians in Diaspora
9	Labour
10	Women
11	Nigerians with Disability
12	Youths

DRAFT