

MID-TERM REPORT

OF

**THE TRANSFORMATION AGENDA
(MAY 2011 - MAY 2013)**

TAKING STOCK, MOVING FORWARD

LIST OF ACRONYMS

AFCON	-	African Cup of Nations
AFN	-	Armed Forces of Nigeria
AG	-	Associated Gas
AGRA	-	Alliance for Green Revolution in Africa
AIS	-	Aeronautical Information Service
AMCON	-	Asset Management Company of Nigeria
APA	-	Action Push Agenda
APC	-	Amoured Personnel Carriers
ASI	-	All Share Index
ASYCUDA	-	Automated SYstem for CUstoms Data
ATA	-	Agricultural Transformation Agenda
ATOs	-	Aviation Training Organizations
AU	-	African Union
AUMTCO	-	Abuja Urban Mass Transport Company
b/d	-	barrels per day
BASAs	-	Bilateral Air Services Agreements
BDC	-	Bureaux de Change
BDS	-	Business Development Services
BoA	-	Bank of Agric
Bol	-	Bank of Industry
BPC	-	Business Plan Competition
BPE	-	Bureau for Public Enterprises
BPP	-	Bureau of Public Procurement
BUDFOW	-	Business Development Fund for Women
CAC	-	Corporate Affairs Commission
CACS	-	Commercial Agriculture Credit Scheme
CAPAM	-	Commonwealth Association of Public Administration and Management
CBN	-	Central Bank of Nigeria
CCTV	-	Close Circuit Television
CDM	-	Clean Development Mechanism
CEDAW	-	Convention on the Elimination of Discrimination Against Women
CEOs	-	Chief Executive Officers
CERS	-	Coalition Emergency Response Subsystems
CHEWs	-	Community Health Extension Workers
CMAM	-	Community Management of Acute Malnutrition
CME/HMF	-	Coordinating Minister for the Economy/Honourable Minister of Finance
CoD	-	Community of Democracies
COPE	-	Care of People
CORS	-	Continuously Operating Reference Station
CPI	-	Consumer Price Index
CRR	-	Cash Reserve Ratio
CSOs	-	Civil Society Organisations
CSS	-	Community Service Scheme

CSWYE	-	Community Service, Women & Youths Employment Scheme
D8	-	Developing Eight countries
DAD	-	Development Assistance Database
DFIs	-	Development Finance Institutions
DIA	-	Defence Intelligence Agency
DICON	-	Defence Industries Corporation
DIsCos	-	Distribution Companies
DPT	-	Against Diphtheria, Pertusis and Tetanus
DSS	-	Department of State Service
E&P	-	Exploration & Production
ECA	-	Excess Crude Account
ECCDE	-	Early Childhood Care Development and Education
ECCE	-	Early Childhood Care & Education
ECOWAS	-	Economic Community of West African States
EDC	-	Entrepreneurship Development Centres
EDLs	-	Estate Development Loans
EFCC	-	Economic and Financial Crimes Commission
ELPS	-	Escravos Lagos Pipeline System
EM	-	Emerging Markets
EMIT	-	Economic Management Implementation Team
EMP	-	Energy Master Plan
ePaRs	-	electronic Passenger Registration System
EU	-	European Union
FAAC	-	Federation Account Allocation Committee
FAAN	-	Federal Airport Authority
FCCU	-	Fluid Catalytic Cracking unit
FCs	-	Finance Companies
FCT	-	Federal Capital Territory
FCTA	-	Federal Capital Territory Administration
FDI	-	Foreign Direct Investment
FEC	-	Federal Executive Council
FEPs	-	Front-End Partners
FERMA	-	Federal Roads Maintenance Agency
FEWS	-	Flood Early Warning Systems
FGN	-	Federal Government of Nigeria
FHA	-	Federal Housing Authority
FMBN	-	Federal Mortgage Bank of Nigeria
FMF	-	Federal Ministry of Finance
FMH	-	Federal Ministry of Health
FMLHUD	-	Federal Ministry of Lands, Housing & Urban Development
FMW	-	Federal Ministry of Works
FMWR	-	Federal Ministry of Water Resources
FoI	-	Freedom of Information
FoIA	-	Freedom of Information Act

FRSC	-	Federal Road Safety Commission
FX	-	Foreign Exchange
GBI-EM	-	Emerging Markets Government Bond Index
GDP	-	Gross Domestic Product
GenCos	-	Generation Companies
GES	-	Growth Enhancement Scheme
GIFMIS	-	Governments Integrated Financial Management and Information System
GIS	-	Graduate Internship Scheme
GMP	-	Gas Master Plan
HA	-	hectares
HYPREP	-	Hydrocarbon Pollution Restoration Project
ICAO	-	International Civil Aviation Organisation
ICC	-	International Criminal Court
ICRC	-	Infrastructure Concession Regulatory Commission
ICT	-	Information and Communication Technology
IDPs	-	International Development Partners
IEDs	-	Improvised Explosive Devices
IFC	-	International Finance Corporation
IITA	-	Institute of Tropical Agriculture
IMF	-	International Monetary Fund
INEC	-	Independent National Electoral Commission
IPPAs	-	Investment Promotions and Protection Agreements
IPPIS	-	Integrated Payroll and Personnel Information System
ISO	-	International Organization for Standardization
IWTM	-	Inland Waterways Transport Master plan
JPB	-	Joint Planning Board
JSCE	-	Junior Secondary School Certificate Examination
KBE	-	Knowledge-Based Economy
km ²	-	Square Kilometers
KPIs	-	Key Performance Indicators
LGAs	-	Local Government Authorities
LPG	-	Liquefied Petroleum Gas
LR	-	Liquidity Ratio
LTE	-	Long Term Evolution
M1	-	Narrow Money
M2	-	Broad Money
M ³	-	Cubic Meters
Mb/d	-	million barrels per day
MCH	-	Maternal and Child Health programme
MDAs	-	Ministries, Departments and Agencies
MDGs	-	Millennium Development Goals
MFA	-	Ministry of Foreign Affairs
MFBs	-	Microfinance Banks

MRF	-	Mortgage Re-financing Facility
MINILS	-	Michael Imoudu National institute of Labour Studies
MMIA	-	Murtala Mohammed International Airport
MoU	-	Memorandum of understanding
MPC	-	Monetary Policy Committee
MPR	-	Monetary Policy Rate
MRC	-	Mortgage Refinancing Company
MROs	-	Maintenance Repair Organizations
MSMEs	-	Micro, Small and Medium Enterprises
MSS	-	Midwives Service Scheme
MT	-	Mega Tonnes
MW	-	Megawatts
MYTO	-	Multi-Year Tariff Order
NAF	-	Nigerian Armed Forces
NAG	-	Non-associated Gas
NAICOM	-	Nigerian Insurance Commission
NAOC	-	Nigerian Agip Oil Company
NAPEC	-	National Action Plan on Employment Creation
NAPIMS	-	National Petroleum Investment Management Services
NBET	-	Nigerian Bulk Electricity Trading
NBS	-	National Bureau of Statistics
NCDP	-	National Council on Development Planning
NCS	-	Nigerian customs Service
NDCDF	-	Niger Delta Collaborative Development Framework
NDE	-	National Directorate of Employment
NEC	-	National Economic Council
NECO	-	National Examination Council
NEDEP	-	National Enterprise Development Programme
NELMCO	-	National Electricity Liability Management Company
NEMT	-	National Economic Management Team
NERC	-	Nigerian Electricity Regulatory Commission
NEXIM	-	Nigerian Export-Import Bank
NFIS	-	National Financial Inclusion Strategy (NFIS)
NGC	-	Nigeria Gas Company
NGMP	-	Nigeria Gas Master Plan
NGOs	-	Non Governmental Organizations
NGSA	-	Nigerian Geological Survey Agency
NHA	-	National Hospital
NHF	-	National Housing Fund
NIA	-	National Intelligence Agency
NIDB	-	National Identity Data-Base
NigComSat	-	Nigerian communication Satellite
NIIMP	-	National Integrated Infrastructure Master Plan
NIMASA	-	Nigerian Maritime Administration and Safety Agency

NIMC	-	National identity Management Commission
NIMET	-	Nigerian Metrological Agency
NIMG	-	Nigerian Institute of Mining Geosciences
NIMS	-	National Identity Management System
NIN	-	National Identification Number
NIOMCO	-	Nigerian Iron Ore Mining Company
NIP	-	National Implementation Plan
NIPPs	-	National Integrated Power Projects
NIRP	-	National Irritation Rehabilitation Project
NIRSAL	-	Risk Sharing Scheme for Agricultural Lending
NIS	-	Nigerian Immigration Service
NNPC	-	Nigerian National Petroleum Corporation
NOA	-	National Orientation Agency
NOP	-	Net foreign exchange Open Position
NPC	-	National Planning Commission
NPF	-	Nigerian Police Force
NPLs	-	Non-Performing Loans
NRIC	-	National Research & Innovation Council
NRIF	-	National Research & Innovation Fund
NSC	-	National Sports Commission
NSCDC	-	Nigeria Security and Civil Defence Corps
NSE	-	Nigerian Stock Exchange
NSHDP	-	National Strategic Health Development Plan
NSI	-	National System of Innovation
NSITF	-	Nigeria Social Trust Fund
NSMS	-	Nigeria Sugar Master Plan
NTMP	-	National Transport Master Plan
NUBAN	-	Nigeria Uniform Bank Account Number
NURTW	-	National Union of Road Transport Workers
NV20: 2020	-	Nigeria Vision 20: 2020
NYSC	-	National youth service Corps
OAGF	-	Office of Accountant General of the Federation
OAU	-	Obafemi Awolowo University
ODAs	-	Official Development Assistance
OFIs	-	other financial institutions
OHCSF	-	Office of the Head of the Civil Service of the Federation
OMO	-	Open Market Operations
OPEC	-	Organization of Petroleum Exporting Countries
OPVs	-	Offshore Patrol Vessels
PAIF	-	Power and Aviation Intervention Fund
PARP	-	Troubled Asset Relief Program
PHCN	-	Power Holding Company of Nigeria
PIB	-	Petroleum Industry Bill
PKD	-	Public Key Directory

PMBs	-	Primary Mortgage Banks
PMS	-	Performance Management System
PoS	-	Points of Sales
PPAs	-	Project Preparatory Advance
PPP	-	Public Private Partnership
PRESSID	-	Presidential Special Scholarships for Innovation and Development
PS	-	Permanent Secretaries
PTA	-	Payment Terminal Aggregator
PTCLR	-	Presidential Technical Committee on Land Reform
PTDF	-	Petroleum Technology Development Fund
PTDF	-	Petroleum Training Development Fund
PW/WYE	-	Public Works/Women and Youth Employment
PWDs	-	Persons With Disabilities
R&D	-	Research and Development
RMP	-	Rail Master Plan
RRF	-	Restructuring/Refinancing Fund
RTCs	-	Road Traffic Crashes
S&P	-	Standard and Poors
SAP	-	School Access Programme
SCIP	-	South Chad Irrigation Project
SERVICOM	-	Service Compact with all Nigerians
SGDP	-	States' Gross Domestic Product
SHESTCO	-	Sheda Science & Technology Complex
SLTR	-	Systematic Land Titling and Registration
SME	-	Small and Medium Enterprise
SMEDAN	-	Small and Medium Enterprise Development Agency of Nigeria
SOLA	-	Solution for Open Land Administration
SOML	-	Saving One Million Lives Initiative
SPDC	-	Shell Petroleum Development Company
SSA	-	Sub-Saharan African
SSCE	-	Senior Secondary School Certificate Examination
ST&I	-	Science, Technology & Innovation
SURE-P	-	Subsidy Reinvestment Programme
SWF	-	Sovereign Wealth Fund
TA	-	Transformation Agenda
TCF	-	Trillion Cubic Feet
TCN	-	Transmission Company of Nigeria
TETFund	-	Tertiary Trust Fund
TEU	-	Twenty-foot Equivalent Units
TIAP	-	Tertiary Institution Access Programme
TIBs	-	Temporary Immersion Bioreactor system
TNGP	-	Trans-Nigerian Gas Pipeline
TRACON	-	Terminal Radar Approach Control
TSA	-	Treasury Single Account

TSGP	-	Trans-Sahara Gas Pipeline
TVET	-	Technical and Vocational Education and Training
TWGs	-	Technical Working Groups
UAE	-	United Arab Emirate
UAV	-	Unmanned Aerial Vehicle
UBE	-	Universal Basic Education
UBEC	-	Universal Basic Education Commission
UK	-	United Kingdom
UN	-	United Nations
UNESCO	-	United Nations Educational, Scientific and Cultural Organisation
UNFPA	-	United Nations Population Fund
UniBen	-	University of Benin
US	-	United States
USA	-	United States of America
USD	-	United States Dollar
WAEC	-	West African Examination Council
WEMCO	-	Western Metal Product Company
WGI	-	Worldwide Governance Indicators
WHO	-	World Health Organization
WOFEE	-	Women Fund for Economic Empowerment
WTM	-	World Travel Market
YEAP	-	Youth Employment in Agriculture Programme
YouWin	-	Youth Enterprise with Innovation in Nigeria
YoY	-	Year-on-Year

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FOREWORD

Democracy is as much a result as it is a process and today's event invites us to reflect on both the processes and results of our thriving democracy. There is evidence of stronger democratic institutions. There is even stronger evidence of an evolving culture of better consultation, better stakeholder input and better mass buy-in on all major issues of national development.

It is within this context that I have incorporated a Mid-Term Performance Review Report of my administration, to enable Nigerians see the progress made so far in implementing the policies, programmes and projects encapsulated in my administration's Transformation Agenda (2011 - 2015). The economy has recorded an impressive GDP growth and we surpassed our annual targets in 8 out of the 14 broad areas of the Transformation Agenda. Consequently, Nigeria's global ranking by GDP has improved from the 44th position in 2010, to the 36th.

The celebration of Democracy Day, a day dedicated to reflections on the meaning, gains and sustainability of democracy, should be used to think about how to sustain our collective resolve to face the future together as one people, guided by the principles of consultation, mutual respect and equity. That is the only way to gird our loins for the distance ahead, because democracy is more a journey across wide terrains than arrival at some secluded waterhole.

The time has come for us to see democracy beyond the mere form and focus on the substance, which is that democracy is a way of life that combines good governance with economic efficiency. Today we can proudly speak of such achievements as the reduction of the overall fiscal deficit-to-GDP ratio to 2.41%, the growth of our fiscal reserves (ECA/SWF) to US\$9.5 billion, and our external reserves to US\$48.8 billion; as at the first quarter of 2013. These are in addition to the financial sector reforms and the external validation of our macroeconomic achievements by the key international rating agencies.

May 29 is not a day set aside merely to commemorate the swearing in of a government that emerged through elections, after nearly two decades of military rule. More significantly, it is a day for stock taking and for the renewal of vows to deliver good governance to Nigerians. The achievements in physical infrastructure, exemplified by the current electricity generation capacity of 4,500MW, which is expected to rise to 9,000MW by the first quarter of 2014, are key service delivery indices. The Report also sets out clear targets and performance indicators which are being tracked regularly through the Ministerial Performance Scorecards. The Report presents very detailed and credible facts and figures showing the performance of the Administration at this half-way mark.

As a people, our goal in deepening our collective democratic experience is to build a community of equals, wherein everyone has responsibility for the wellbeing of all. Our life together imposes on us all, the responsibility for being protectors and guarantors of our joint patrimony. The leader must protect the democratic space, allow the people to exercise the duty of making free and informed choices and then protect and safeguard those choices, in order to build a lasting, democratic community.

Our commitment and our resolve are to ensure that the practice of democracy goes beyond the claim to free choice, to include the overarching roles of credible persons and institutions that do not manage the political space as predators. Only such people and institutions can guarantee the political space for all.

As we celebrate this year's Democracy Day, let us remember that democracy thrives amidst the greatest disagreements, spurring dialogue and, eventually, galvanizing consensus and a common focus. We reaffirmed our oneness when we flagged off 100 years of togetherness as a united political entity, defined by discussion, consultation, mutual respect and commitment.

We are on the final stretch to democratic stability and maturity, as evidenced by the greater synergy between the institutions of state. This is a tribute to our collective resolve, so that those who fought for our current democracy can look back today and say: "yes, we have fought a good fight and there is something to show for it".

It is therefore in the spirit of our democratic enterprise that I am making the public presentation of the mid-term report of my Administration's Transformation Agenda, knowing that I have to give account of my stewardship to my fellow citizens, who elected me as their President. This is my own modest way of contributing to the deepening of our democratic experience, as I stand before you in the service of our fatherland.

May the Almighty God reward our good intentions.

Happy Democracy Day, my fellow Nigerians!



Dr. Goodluck Ebele Jonathan (GCFR)

Executive Summary

1.0 Background

In its effort to address the challenges of growth and development in Nigeria, especially the infrastructure shortages, high rates of unemployment and poverty, widening disparity in income and rising recurrent expenditure, the Administration at the outset, in May, 2011, developed the Transformation Agenda (TA) (2011 - 2015). The TA demonstrates our desire and capacity, to transform our thinking institutional organization and human capital to support the aspirations of the Nigerian people, through is a blueprint on key policies, programmes and projects to be implemented during 2011 - 2015.

The TA is not a standalone, strategic plan, as it builds on the foundations of the 1st National Implementation Plan (NIP) of the Nigeria Vision 20:2020 (NV20:2020). The (NV20:2020) 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 not less than \$4000 per annum. Other objectives are to achieve fiscal prudence, fiscal balance, low inflation and availability of infrastructural facilities to propel the economy.

This Mid-Term Review provides a comprehensive appraisal of the first two years of this Administration. It provides factual information about the performance of all sectors of the economy, while highlighting the collaboration between the Federal and State Governments as well as the cordial relationship between the executive and other arms of government. This report is therefore a window through which Government activities are showcased, to elicit commitment of all concerned to the cause of the Nigerian State.

2.0 Methodology

The approach adopted for producing this report was highly participatory. In particular, a Ministerial Committee under the coordination of the Honourable Minister/Deputy Chairman, National Planning Commission was constituted by Mr. President to lead the process. The Committee made extensive consultations and used several background documents, as well as the submissions of the Ministries in drafting the Report. Technical Working Groups (TWGs) and a drafting team produced the Report which an editorial committee fine-tuned. It evaluated the targets set vis-à-vis the achievements within the period, identified the challenges that hindered performance and also explored the outlook and prospects for the country.

The report is organized in two parts. The first part focuses on Governance and Democracy, and consists of six Chapters namely Accountable Governance; Breathing Life into Nigeria's Human Rights Commitment; Executive-Legislature Relationships; Corruption; Insecurity and Independent Judiciary. The second part deals with Economic and Social Performance, and is structured into twelve Chapters covering the Introduction; Macroeconomic Performance; Key Reforms of the Administration and Outcomes; Good Governance; Sustaining Economic Growth

through the Productive Sector; Quality and Affordable Infrastructure, Effective Human Capital and Social Development and Ensuring Security and Safety of all Nigerians. Others are the State Governments; Private Sector and International Development Partners; Outlook and Prospects of the Nation and Conclusion.

3.0 Expanding Civic Space

The political space in the last two years has been expanded to enhance democracy and civic participation. Civic consciousness which is a lubricant of democracy has flourished. This has given rise to unprecedented number of civil society groups in Nigeria. These groups are not only active in advocating for civil rights, but sometimes constitute themselves into political opposition. Notable of such groups are the save Nigeria Group and the Occupy Nigeria Group both of which launched strong protest against the Government during the fuel Subsidy Removal strike in early 2012.

Furthermore, government has conceded to the demands of the people in most unprecedented manner. Not only that, it has reversed some decisions based on the complaints and suggestions of the people. Government has also implemented some policies and programmes based on public opinions. Similarly, trade disputes are now, more than ever before, resolved through dialogue. Pro-poor and Gender issues now take centre stage. The Government is gender sensitive and provides equal opportunities for both men and women. There are currently about 48 female Ministers and Advisers playing critical roles in the government.

4.0 Key Highlights of Macroeconomic Performance

The global economic environment has been quite challenging and uncertain during the period under review, with a dip in GDP growth from 5.2 in 2010 to 3.2 percent in 2012. It is also projected at 3.3 percent for 2013. Global trade was equally affected with the growth declining from 12 percent in 2010 to 2.5 percent in 2012; but projected to increase marginally to 3.6 percent in 2013. There was a significant drop in global financial flows, moderated by the downside risks in the emerging economies. As the global economic conditions improved, the price of crude oil gradually picked up, reach US\$113.68 per barrel in 2012. Unemployment soared in most advanced economies, to an average of 8 percent accompanied by moderate inflation, perhaps due to low purchasing power.

At the domestic level, the impact of the global economic crisis was not as severe, given that the country implemented a number of reform measures and other policy interventions. Real GDP growth, largely driven by non-oil activities, averaged 7.01 percent in 2011 - 2012. The GDP growth rate stood at 6.56 percent at the end of the first quarter 2013. Eight out of the fourteen broad sectors surpassed their growth targets. The nominal GDP grew from \$166.53 billion in 2009 to \$243.99 billion and \$257.42 billion in 2011 and 2012 respectively. The country earned an improved global GDP ranking from 44th position in 2010 to 36th in 2012.

Similarly, fiscal variables performed GDP well, as a result of the fiscal consolidation stance of the Administration. The budget deficit to GDP ratio was reduced from 3.25 percent in 2010 to 2.81 percent in 2012. Fiscal buffers (ECA/SWF) have improved tremendously from \$2.0 billion in 2010 to \$9.5 billion in February 2013.

Developments in the monetary and financial sector have remained stable. Active and predictable exchange rate policy was implemented. The monetary policy operating target also shifted to the inter-bank rate, with the monetary policy rate (MPR) as the indicative rate. This has led to a decline in Headline Inflation (year-on-year), which was 12.4 percent at May 2011 to 8.6 percent in March, 2013. Also, the stability of the banking sector during the period shows improvement in the assets quality of the banks, as the average capital adequacy ratio of the banks rose from 4.03 percent at end-December 2010 to 18.3 percent at end-December 2012, higher than the global threshold of 10.0 percent.

The Nigerian capital market witnessed modest growth and development during the review period. The total market capitalization increased significantly by ₦3.86 trillion or 35.29 percent to ₦14.40 trillion, at end-December 2012 and further to N16.41 trillion, at end-march 2013. The market capitalization of equities traded on the floor of the Exchange jumped to ₦8.98 trillion by end-December 2012 and further to ₦10.73 trillion at end-March 2013. On the other hand, the All-Share Index of listed securities rose from 20,773.98 at the end of 2011 to 28,078.81 at end-December 2012, indicating a 35.47 percent increase.

The external sector performed relatively well during the review period, despite the global melt down. The foreign reserves increased from US\$32.64 billion in 2011 to \$43.83 billion in 2012 and 48.88 billion in March 2013. FDI increased significantly in 2011 by 46.07 percent to US\$8.91 billion from US\$6.10 billion in 2010, indicating that sound economic fundamentals and a positive overall investment climate are attracting foreign investment. International home remittances increased from US\$19.20 billion in 2009 to US\$20.61 billion in 2011 and US\$21.89 billion in 2012.

Despite the robust GDP growth unemployment still remains a challenge. Unemployment rate in the country increased from 21.1 percent in 2010 to 23.9 percent and 27.4 percent in 2011 and 2012 respectively. The increase in unemployment can be largely attributed to phenomenal growth in the number of the active population.

5.0 Key Reforms and Outcomes

The Government undertook a number of laudable reforms in different sectors of the economy. These include re-introduction of specialized banking model, establishment of the Sovereign Wealth Fund (SWF), strengthening of Integrated Payroll and Personnel Information System (IPPIS), the Treasury Single Account (TSA) among others.

The Power Sector Reform generated a lot of interest among local and foreign investors. The petroleum subsidy system was also reformed to halt its drain on the economy. To facilitate foreign trade, the Government strengthened the ports and customs. The Administration has joined a small, elite group of countries that have implemented a systematic performance management system in the public service. The Government introduced performance contracting/agreement in Nigeria as a public service management tool, for measuring ministerial and individual performance against negotiated, performance targets. The 2012 performance contract agreement between the President and Honorable Ministers of the Federal Republic has led to regular ministerial performance reporting at the Federal Executive Council.

A 30-year National Integrated Infrastructure Master Plan (NIIMP) currently being developed is intended to provide a comprehensive infrastructural master plan to fill the existing gaps. Government has also introduced a reform-based initiative to reduce financial burden of servicing Nigerian Missions abroad known as the SMART MISSIONS.

6.0 Good Governance

Through the initiatives and strategies contained in the TA, the administration has implemented key economic policies aimed at improving governance for better service delivery and support private sector-led growth. One key governance issue being addressed involves streamlining the activities of the MDAs with a view to reducing the financial burden and enable government operate more efficiently and effectively. To this effect, a Committee on Rationalization of Federal Government Parastatals and Agencies was set up and has completed its assignment the recommendations are being considered for repositioning the public service for better performance and greater service delivery.

In 2012, a platform was designed to promote a national conversation between the people the people and the government on the dividends of their democracy. The platform featured all the serving Ministers who presented their plans and scorecards to the Nigerian people through the media. Government also recognizes the relevance of efficient identity management to national growth and development. In this regard, NIMS was introduced and comprises a chip-based, secure National identity card that will provide a means for irrefutable proof of the identity of Nigerians. Government had already commenced the deployment of the NIMS infrastructure in a Pilot Scheme and Issuance of the National Identification Number (NIN) has commenced since February 2012.

The Freedom of Information Act (Fol) was assented by Mr. President in 2011 to allow citizens access to government activities and encourages transparency in MDAs particularly regarding budget and statistical data. The Independent National Electoral Commission (INEC) is now truly independent as demonstrated in the gubernatorial elections in Edo, Ondo and Bayelsa states during 2011 and 2012. The country is a major global player with active participation and representation in ECOWAS, AU and the UN, with a robust presence in these and other world bodies.

7.0 Sustaining Economic Growth through the Productive Sector

The productive sector is a major growth driver of any economy. The sector produces goods and services, generates employment, promotes linkages and enhances value addition along the value chain of production. It is one of the sectors that link Nigeria with the global economic community through import-export activities.

The oil and gas sub-sector continues to be a major driver of the economy, accounting for over 95 percent of export earnings and about 85 percent of government revenues, during 2011 - 2012. The Government is committed to promoting PPP in the oil and gas sector through the joint venture operations of NNPC and the oil majors. The Petroleum Industry Bill (PIB) is a comprehensive piece of legislation that was prepared and submitted to the National Assembly. The PIB has the potential to bring about the total transformation of the Nigerian oil and gas industry.

The agricultural sector has continued its dominance in the economy with its contribution to the GDP averaging 40 percent during 2011-2012. It currently employs about two thirds of the entire labour force and has sustained its position as the highest contributor to non- oil gross domestic product, contributing 47.17 and 45.49 percent, in 2011 and 2012 respectively. The implementation of the Agricultural Transformation Agenda, introduced by this Administration, has accelerated performance in the sector through the value chain development initiatives.

The trade and commerce sector experienced improvement in the global competitiveness ranking by 12 points to 115/144 countries in 2012 as well as reduction in the transit time of goods within the ECOWAS sub-region, through the implementation of the Sea Link Coastal Ferry Services Project, among others. The manufacturing sector contributed 4.18 percent on average to GDP in 2011 and 2012 and also attained an average growth rate of 7.60 percent during the period. The Government has continued to demonstrate its commitment to private sector initiatives, exemplified by the recent commissioning of the \$2.2 billion Western Metal Product Company (WEMPCO) Limited Complex at Ibafo, Ogun State in 2013. The country also attained the position of an exporter of cement instead of a net importer due to the massive investment in the sector, especially by the Dangote Group. As a result, more than two million jobs have been created in the sector.

The solid mineral sector's contribution to GDP averaged 0.37 percent during 2011 - 2012. It is a rapidly growing sector, with a double digit growth rate averaging 11 percent during the same period.

The water sector recently witnessed a resurgence of activities. In this regard, several abandoned dam projects are being reactivated for the supply of bulk water to treatment plants, generation of hydro electricity, provision of water for irrigation farming and fisheries to boost food security.

The culture, tourism and entertainment sector has made considerable progress especially in the areas of entertainment - films and music. In order to boost the performance of the sector

the Government provided a N3 billion grant for the development of the entertainment industry.

The Government recognizes the importance of the knowledge-based skills required in the Science, Technology & Innovation (ST&I) sector and has designed strategies to strengthen the innovative capacity of the nation's scientists, engineers and technologists. Achievements in this sector include a 13 percent increase in the capacity for the design and fabrication of machines and equipment, among others.

8.0 Provision of Quality and Affordable Infrastructure

Quality infrastructure enhances productivity and competitiveness. Nigeria's lack of competitiveness and low indices of human development can be largely attributed to inadequate and in uncoordinated infrastructural development. The country's challenges in the delivery of critical infrastructure continue to impact negatively on investment and capital inflow into the country. To address this, this Administration has invested massively in rail, road and water infrastructure, include via the SURE-P.

Over the last two decades, investment in power sector has not translated to significant improvement in electricity generation, with generation ranging between 3,500 and 4,500 megawatts. In order to achieve the country's targets for the power sector, a projected investment size of N2.55 trillion is required during 2011 to 2015. A few giant strides were made in the power sector. These are: stability in electricity generation and distribution, with generation increasing from 3,514MW in 2011 to 4,500MW as at December, 2012. Government has signed crucial electricity market making transactions across the entire value chain of the power sector thereby boosting investors' confidence in the sector. There was a sustained implementation of Roadmap on power leading to the privatization of the generation and distribution aspects of the power sector. In particular, Payment of the 25 percent bid price for the Generation and Distribution companies have been made by the preferred bidders and the various power companies transfer to their new owners. Equally, Management Contract for the management of the Transmission Company of Nigeria (TCN) was granted to a private sector operator in September, 2012.

The pace of growth in the transportation sector improved slightly from 6.71 percent in 2010 to 6.79 percent in 2012. In terms of contribution to GDP growth, transportation accounted for 2.67 percent and 2.66 percent in 2010 and 2012 respectively. This is largely attributed to the poor state of transport infrastructure. The Government has therefore articulated a 25-year strategic vision for the rail sector, embarked on five flagship national road network projects and developed an Inland Waterways Transport Master plan (IWTM) for the country. The Government is currently remodelling four strategic international airports in Abuja, Kano, Lagos and Port Harcourt, as well as developing a perishable cargo operational framework.

Nigeria currently has a housing deficit of 23 million. This would require an annual supply of a minimum of 2.6 million homes to bridge the gap. In achieving this target, the Government has

established the Mortgage Re-financing Facility (MRF) to Public Private Partnership (PPP) investment in housing delivery.

The Administration established the Ministry of Communications Technology in 2011 in recognition of the transformative power of ICT in national, socio-economic development. The Government is encouraging the development of a local ICT industry, to deliver on the promises of the Transformation Agenda. To achieve this mandate, the government has established a Presidential Committee on Broadband Strategy, to bring the several broadband initiatives into a single national entity. In addition, the NigComSat-1R was launched in December 2011.

9.0 Effective Human Capital and Social Development

Human capital development, particularly education and health, remain very critical to the achievement of the Transformation Agenda. The Government developed a 4-Year Education Development Plan 2011-2015, to address the challenges in that sector. In the same vein, other sectors have developed their national strategic plans to accelerate the achievement of the government's objectives. In education access to affordable and quality education is being addressed through a number of programmes including Early Childhood Care Development and Education (ECCDE); Almajiri Education Programme; National Campaign on Access; Girls' Education Programme and the establishment of 12 New Federal Universities.

Similarly, several initiatives are being implemented in the health sector to support the Transformation Agenda and National Strategic Health Development Plan (NSHDP)'s goals. One of such initiatives is a vision to save one million lives by 2015, which was articulated. This represents a major paradigm shift in the approach to service delivery in the health sector.

Nigeria equally made significant progress in the achievement of the human capital-related MDGs in the last 2 years. Remarkable increase has been achieved in the area of net enrolment ratio and net attendance ratio in primary education, up from 62.1 percent in 2008 to 70.1 percent in 2012. Appreciable progress was made in the reduction of under-five mortality (per 1,000 live births) from 157 in 2008 to 141 in 2011. Nigeria has surpassed the target in the reduction of the maternal mortality rate (per 100,000 live births) which dropped from 545 in 2008 to 487 in 2011. In the area of poverty reduction, progress has been made through conditional cash transfers to 39,567 households, employment of 2,260 new village health workers, building and renovation of 742 classroom blocks, and procurement of 1,214,271 textbooks, amongst others in 2011.

A significant achievement has also been made in the area of women development. In particular, there was an increase in women's representation in governance and attainment of 33 percent affirmative action in federal appointments at the executive level. With the appointment of 13 female Ministers out of 42, representing 31 percent and 4 Special Advisers out of 18, representing 23 percent. Mr. President has set a good example and is signalling his commitment to women's empowerment and gender sensitive policies. The environment

sector has witnessed improvements in the areas of the development of a National Green House Gas Inventory System and purchase of green gas measurement equipment. Other are the establishment of a 1500km Great Green Wall initiative to check desertification in the frontline States; the establishment of procedures for the Clean Development Mechanism (CDM) and the generation of 20 CDM projects in 2012, among others. In the area of labour and productivity, the Government established relations with 10 international agencies globally for collaboration on labour and industrial relation matters. To measure the impact of the Government's own procurement on job creation, all MDAs have been mandated to indicate in all FEC contracts the local employment content. In addition, 96 of the 213 trade disputes during the period have been resolved. A number of new programmes, specifically targeting the youths evolved in this period, some of which are the YouWin programme and Graduate Internship programme.

In the Niger Delta region there has been a visible improvement in the provision of infrastructure in the form of roads, housing, potable water supply, electrification, etc. The Construction and rehabilitation of roads are currently in progress in the region, to enhance the movement of people, goods and services.

The sports sector however experienced mixed fortunes in global competitions. While Nigeria had a poor performance in the 2012 Olympics in London, it won the Africa Cup of Nations held in South Africa in 2013. The Falconets made it to the semi-finals of the Women U-20 World Cup in Japan.

10.0 Ensuring Security and Safety of Lives for all Nigerians

The approach to management of security is multi-sectoral in nature as it involves several security and intelligence agencies. The key goals of these agencies are to prevent crime and protect lives and properties, uphold and enforce the law, control traffic and prevent external aggression, among others. The key achievements in the area of maintaining Safe and Secure Community include: establishment of a Maritime Police Command; increase in the number of police stations across the country; establishment of an Anti-Terrorism Unit in the Nigeria Police; procurement of three helicopters, 275 Toyota Hilux pickups and 33 Armoured Personnel Carriers (APC) for the Police in the first quarter 2013 and installation and deployment of over 2,000 video surveillance camera system (CCTV) in Abuja and Lagos with 36 equipment rooms and two main switch centers in 2012.

Nigeria's external contribution to world peace and security especially in Africa has been remarkable. In this regard, the Armed Forces of Nigeria (AFN) are participating in nine United Nations on-going peace keeping operations, within and outside Africa. Currently, about 5000 officers and men of the AFN as well as Military hardware are deployed in peace keeping missions.

11.0 Executive-Legislature Relationship

The Administration acknowledges the legislature as a critical partner in achieving the nation's development objectives. Since the inception of this Administration, the executive has maintained a cordial relationship with both chambers of the National Assembly. Also, the leadership of both chambers has enjoyed stability which has engendered continuity and enhanced performance.

12.0 State Governments

The current Administration has improved and maintained a cooperative, synergized and harmonious relationship with the other tiers of government since inception. It has equally encouraged the States to formulate and implement policies and programmes in line with its Transformation Agenda. The cordial relationship between the Federal and State Governments has resulted in tremendous achievements during the period under review. The most prominent of these are: the reinvigoration of the NIPPs and the cooperative implementation of the Administration Power Sector Roadmap, the establishment of the Sovereign Wealth Fund to replace the Excess Crude Account (ECA) and several other joint initiatives that have been pursued through formal avenues, such as the constitutionally established National Council of State and National Economic Council, as well as informal avenues engendered by the fact that both Mr. President and Vice President were former Governors of States.

13.0 The Private Sector and International Development Partners

Private actors and international development agencies are important partners to achieve the socio-economic goals of any country. The prominence the current Administration accorded the private sector in the realization of the TA and the NV 20:2020 derives from the belief that the sector has high potential in delivering on those programmes and projects. For instance, out of the total expected investment of ₦25.7 trillion over the life of the TA, the private sector's contribution is projected at ₦11.1 trillion or 43.1 percent for 2012-2015. To strengthen the private sector, the Government is opening up the mortgage sector, particularly mortgage financing. The Infrastructure Concession Regulatory Commission (ICRC) has been strengthened for effective implementation of PPP framework. Due to poor coordination, activities of international partners resulted in multiplicity of interventions in the sectors during the period under review.

The Official Development Assistance (ODAs) flows into the country increased during the review period. Aggregate disbursement of development assistance to Nigeria by the International Development Partner (IDPs) in 2011 and 2012 stood at USD2.76 billion or 0.004 percent of GDP. The interventions were, however, not properly aligned with the provisions of the development plans. Also, partners' commitments to programmes were not in tandem with national development aspirations. The current administration will therefore, further strengthen the development assistance coordination process and sustain the implementation of Development Assistance Database (DAD) framework. Government will also encourage

partners to align their assistance programme frameworks with Nigeria's medium and long-term development agenda.

14.0 Outlook and prospects of the Nation

The Nation's economic outlook and prospects in the medium term remain very bright and positive, despite continued uncertainty and a sluggish global economic recovery. Deepened reforms in various sectors of the economy, strong domestic demand, increased domestic and foreign private investment, continued fiscal consolidation, and innovative sectoral and activity-specific government interventions and reforms are expected to support economic growth and prosperity in the next two years and beyond. Overall, the trend in most important macroeconomic variables demonstrates that the economy is on the right path.

15.0 SUMMARY OF KEY ACHIEVEMENTS OF THE ADMINISTRATION

The Mid-Term Review has enumerated a number of activities highlighting the performance of this Administration across all sectors of the economy. Overall, the Administration has achieved much on national development in the last two years. Though some challenges still remain, the Government is committed to improving the pace of growth and development of the nation. For emphasis, it is important to highlight the major achievements of this Administration which are grouped into governance & democracy, macroeconomic and sectoral areas.

15.1 Governance and Democracy achievements

The political space in the last two years has been expanded to enhance democracy and civic participation. Civic consciousness which is a lubricant of democracy has flourished. This has given rise to unprecedented number of civil society groups in Nigeria. These groups are not only active in advocating for civil rights, but sometimes constitute themselves into political opposition. Furthermore, government has conceded to the demands of the people in most unprecedented manner and also implemented some policies and programmes based on public opinions.

Similarly, trade disputes are now, more than ever before, resolved through dialogue. Pro-poor and Gender issues now take centre stage. The Government is gender sensitive and provides equal opportunities for both men and women. There are currently about 48 female Ministers and Advisers playing critical roles in the government.

15.2 Macroeconomic achievements

The economy recorded a robust GDP growth of 7.43 percent in 2011 and 6.58 percent in 2012. On the average, the annual growth targets were surpassed in eight out of the 14 broad sectors highlighted in the Transformation Agenda. With this development, the country's global ranking by GDP improved from 44th position in 2010 to 39th and 36th positions in 2011 and

2012 respectively. The validation of the country's macroeconomic performance by international credit rating agencies at a time many other emerging economies were being downgraded, is a pointer to the Government's ability to achieve its set goals and objectives. Table A1 highlights the key macroeconomic achievements, during 2011 to 2013.

Table A1: Macroeconomic Indicators 2011 to 2013.

S/N	INDICATOR	BASELINE		TARGET			OUTCOME		
		2009	2010	2011	2012	2013	2011	2012	2013
i.	Global Ranking by Nominal GDP	45	44	-	-	-	39	36	36
ii.	Nominal GDP (US\$' Billion)	167	226	242	274	292	243	257	284
iii.	Per Capita GDP (US\$)	1,079	1,420	1,480	1,627	1,688	1,483	1,526	1,638
iv.	GDP Growth Rate (percent)	6.96	7.98	7.36	7.61	7.65	7.43	6.58	6.75
v.	Budget Deficit (percent of GDP)	3.27	3.25	3.11	2.85	2.95	3.14	2.82	NA
vi.	Retained Revenue (N' Billion)	2,479	2,341	3,316	3,561	3,890	3, 141	3, 155	NA
vii.	Total Oil Revenue (N' Trillion)	3.19	5.40	NA	NA	NA	8.85	8.03	NA
viii.	Total Tax revenue (N' Billion)	2, 198	2,839	NA	NA	NA	4,628	5,007	NA
ix.	Non-Oil Tax Revenue (N' Billion)	1,258	1,359	NA	NA	NA	1,558	1,806	NA
x.	ECA and SWF (Fiscal Reserves) (US\$' Billion)	6.9	2.0	NA	NA	NA	4.6	9.2	9.85
xi.	NSE ASI	20,827	24,770	NA	NA	NA	20,730	28,078	33,159
xii.	NSE Market Capitalization (N' Billion)	4,989	7,914	NA	NA	NA	6,533	8,974	10,600
xiii.	Credit Rating (S&P)	B+	B+	NA	NA	NA	B+	BB- Stable	BB- Stable
xiv.	Monetary Policy	7.44	6.08	12.0	12.5	12.13	8.9	12.0	12.0

	Rate (percent)								
xv.	Prime Lending Rate (percent)	18.99	17.59	NA	NA	NA	16.02	17.02	16.59
xvi.	Money Supply, M2 (percent annual change)	18.11	17.48	28	28		13.93	13.93	15.34
xvii.	Monthly Average Inflation Rate (percent)	12.5	13.7	10.8	9.5	9.4	10.8	12.2	9.03
xviii.	End-Period Inflation Rate (YoY)(percent)	13.9	11.8	NA	NA	NA	10.3	12.0	8.6*
xix.	Credit to Private Sector (percent annual change)	32.58	12.02	NA	NA	NA	5.13	40.01	6.79
xx.	Banks' Non-Performing Loans (percent of Total Credit)	32.8	15.49	NA	NA	NA	4.95	3.47	NA
xxi.	Current Account Balance (percent of GDP)	8.3	5.86	3.65	3.65		7.36	7.74	NA
xxii.	Non-Oil Exports (percent annual change)			21.34	30.5	31.0	29.55	29.57	NA
xxiii.	Average Exchange Rate (N/\$)	148.8	150.4	153.9	155.0	159.5	153.86	157.5	157.3
xxiv.	External Reserves (US\$' Billion)	42.38	32.34	NA	NA	NA	32.64	44.18	48.57
xxv.	Number of Months of Imports Equivalent	16.34	7.92	NA	NA	NA	6.45	8.85	NA

Sources: NBS, IMF, FMF, CBN, NPC

15.3 Sectoral achievements

Many sectors of the economy witnessed structural reforms during the period under review, which led to 57.14 percent of the sectors achieving their growth targets, as specified in the Transformation Agenda. Tables A2 - A9 highlight the key sectoral achievements.

Table A2: Governance

Programmes	KEY ACHIEVEMENTS
<ul style="list-style-type: none"> • Public Service Reforms 	<ul style="list-style-type: none"> • Sustenance of implementation of Tenure system in the public service for Permanent Secretaries and Directors • Introduction of the Performance Management System to objectively assess the performance of MDAs. • Restructuring and rationalization of MDAs, saving the government substantial resources • Introduction of e-governance system to enhance financial discipline and stability in the implementation of fiscal and monetary policies.
<ul style="list-style-type: none"> • Public Procurement 	<ul style="list-style-type: none"> • Strengthening of the Bureau for Public Procurement has resulted in a savings of N400 billion in 2012 through its operations
Citizen-centric Government	<ul style="list-style-type: none"> • Ministerial platform designed to promote national conversation between Nigerians and the government. • National Good Governance Tour to monitor major projects completed or ongoing of the administration. • Increase in the level of citizens' awareness of government policies and programmes to 62 percent in 2011. • Increase in the percentage change in attitude of citizen informed on national goals and aspiration to 56 percent in 2011.
Accountability for Performance	<ul style="list-style-type: none"> • Signing of Performance Agreements by Ministers, Permanent Secretaries, CEOs of Parastatals and Directors to facilitate accountability, efficiency and establish a result based government. • Freedom of Information Act passed and providing citizens with more information on government activities. • The EFCC has improved on the number of intelligence reports and handling of corruption cases with US\$6,670.3 million recovered in 2011 and 67 convictions • SERVICOM Units being reactivated service-wide
Free and Fair Electoral Process	<ul style="list-style-type: none"> • Strengthening of the Independent National Electoral Commission, leading to the April 2011 general elections being adjudged by both domestic and international observers as the freest, fairest and most credible elections in Nigeria's recent electoral history. • Conduct of credible, free and fair elections in several States of the federation in 2011 and 2012 such as Edo, Adamawa, Ekiti, Osun, and Cross River
Fiscal Reforms	<ul style="list-style-type: none"> • IPPIS up scaling to 215 MDAs, ensuring that personnel cost is based on

	<p>actual verified numbers</p> <ul style="list-style-type: none"> • Introduction of the Treasury Single Account (TSA) with an attendant reversal of government cash position from an average overdraft of N102 billion to a credit of N4.6 billion
National Identity Management	<ul style="list-style-type: none"> • The National Identification Number (NIN) System and National Identity Card Issuance System currently being produced for 13 million Nigerians. • 30 registration centers nationwide established and currently carrying out enrolment activities and uploading captured demographic and biometric data into the National Identity Database (NIDB). • Effort is on to scale up these centres to 1,500. • The National Identification Numbers and tracking ID numbers have been successfully generated and issued to about 300,000 registered persons

Table A3: Sustainable Economic Growth through the Productive Sector

Agriculture Sector	
Programmes	Achievements
Exportation of 900,000MT of dried cassava chip by 2015	2.2 million MT was achieved in 2012 which is 1.3 million MT ahead of the plan target.
Production of additional 20 million MT of food by 2015.	Within 2012, 8 million MT of additional food was added to domestic food supply, about 70 percent above the target set.
Ensuring sustained supply of high quality Cassava Flour	Over 1.3 million MT of high quality cassava flour has been provided under the cassava flour policy in 2012.
Increasing use of cassava and reducing Importation of wheat	<ul style="list-style-type: none"> • 40 percent substitution of cassava for wheat has been achieved through research and collaboration with the IITA and Federal Institute for Industrial Research. • Zero duty for all equipment and machinery for the production of cassava bread. Furthermore, government established the Cassava Bread Development Fund, to be funded through the tariff on wheat flour. • 385 Master Bakers trained across the six geo-political zones in the country. • Decline in wheat imports to Nigeria from an all-time high of 4,051,000 MT in 2010 to 3,700,000 MT in 2012.

Creation of 3.5 million jobs by 2015	2.2 million jobs already created in 2012/early 2013
Provision of fertilizer and other agriculture inputs	<ul style="list-style-type: none"> ▪ Access to 1.5 million farmers with subsidized seeds and fertilizers via mobile phones within 120 days of development and deployment of the E-wallet system. ▪ Increase in percentage of farmers that accessed subsidized seeds and fertilizers from 11 percent under the old system to 70 percent under the E-wallet system. A savings of N25 billion made by the Federal Government in 2012. ▪ Growth of the number of seed companies from 11 at the start of the current administration to 70 ▪ Scrapping of contracts for supply of fertilizer and seeds and sale of fertilizer and seeds directly to farmers by accredited companies, instead of government.
Oil & Gas	<ul style="list-style-type: none"> ▪
Key projects in the oil and gas sector	<ul style="list-style-type: none"> ▪ Construction of a 36"x136 km gas pipeline from Oben to Geregu for the supply of gas to Geregu Power Plant in 2011 ▪ Construction of a 24'x31 km gas pipeline from Itoki to Olorunshogu to supply gas to Olorunshogo PHCN/NIPP Power Plant. Completed and currently supplying gas ▪ Six (6) University Upgrade projects have been completed and handed over to the beneficiaries, while others below 45 percent completion are now at advanced stages of 60 percent - 95 percent completion. ▪ Under the Amnesty Programme in the Niger Delta, over 1,368 trainees and scholars have graduated in various disciplines, within and outside the Nigeria. About 1,696 are currently undergoing training with others numbering 110 to commence training ▪ Trans-Sahara Gas Pipeline (TSGP): As an offshoot of the Trans Nigeria Gas Pipeline, the 5-phase TSGP currently at the 3rd phase, is expected to be completed during 2013 - 2016. The overall project to be completed in 2018, is aimed at further transporting gas from Nigeria to Europe

	<p>through Niger and Algeria;</p> <ul style="list-style-type: none"> ▪ Completion of the processing of about of 1,096 km² seismic data. Phase 5 seismic data acquisition commenced in Dec. 2012, while scanning and vectorization of 380,471.69 km 2D seismic section commenced in Oct 2012; ▪ crude oil production (including condensate) averaging 2.30 million barrels per day has been consistently maintained, in spite of oil bunkering and pipeline vandalism; ▪ Increased indigenous participation in the oil and gas sector, leading to the establishment of the Ebok Terminal, with a current daily crude oil production of 7,000 b/d and a plateau production of 50,000 b/d at full capacity; ▪ Reduction in gas flared from 25.3 percent in 2011 to about 20 percent in 2012, due to the government's increased effort in implementation of programmes and projects in the Nigeria Gas Master Plan (NGMP) and Gas Revolution; ▪ Nigeria Gas Company (NGC) gas sales and transmission throughput grew from 722 mmcsf/d in 2011 to about 800 mmcsf/d in 2012; ▪ Completion and commissioning of a 45mmcsf/d gas processing facilities by an indigenous company. A gas flare penalty of \$3.5 per 1000scf approved to further deter companies from gas flaring; ▪ Reduction in the payment of fuel subsidy of over N2 trillion in 2011 to about N1 trillion in 2012 through the introduction of certified cargo inspections, insistence on adequate documentation, reduction of the number of participants by 67 percent from about 128 in 2011 to 38 currently;
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	<ul style="list-style-type: none"> ▪ Revamping of the Fluid Catalytic Cracking unit (FCCU) in Kaduna Refinery after eight years in limbo, to boost local refining. Currently the Kaduna refinery is producing at 60 percent of installed capacity; ▪ On-going rehabilitation of the Port Harcourt and Warri refineries to meet at least 70 percent of the country's needs. This will save \$3.5billion foreign exchange and enhance tax payment to treasury; ▪ Niger Dock fabricated and completed the Abang and Itut oil production platforms, using 100 percent Nigerian engineering and fabrication. The total investment in the facilities upgrade was estimated at above \$2billion and has generated over 10,000 jobs; ▪ Increase in Local Scholarship Schemes run by Petroleum Training Development Fund (PTDF) from 10 to 19 universities, to enable more participation of qualified Nigerians. This is due to the positive impact generated by the Scheme; ▪ Establishment of the Hydrocarbon Pollution Restoration Project (HYPREP) in July 2012, to investigate and evaluate all hydrocarbon - polluted communities and sites in Nigeria, as well as identify oil spill sites and assess the impact of spillage on the eco system in the Niger Delta region. Documentation of oil spill sites in 9 States of the region have been undertaken; ▪ HYPREP robust programme has continued to restore the environment for healthy ecosystem, reduce draw-back in agriculture and fish farming which is a major component of Small and Medium Enterprise SME and is impacting positively on the health of the people; ▪ Project Aquila payment efficiency has encouraged increased investments of N53 billion
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	<p>in the downstream sector, resulting in emergence of additional 27 new depots from 44 locations in 2010 to 71 depots in 2013, 1,000 new retail outlets and 800 new trucks; and</p> <ul style="list-style-type: none"> Reduction of daily consumption of premium motor spirit (PMS) from over 60 million to about 40 million litres per day in 2011 and 2012 respectively, due to improved documentation process under project Aquila. This has also led to a reduction in the subsidy gap, following the increase in pump price from 65 to 97 Naira/litre.
Manufacturing	<ul style="list-style-type: none">
	<ul style="list-style-type: none"> Completed the development of a Sugar Master Plan (NSMS) to provide roadmap for 100 percent local production of sugar
	<ul style="list-style-type: none"> Development of NIRP with the focus on the entire value chain of sub-sectors where Nigeria has comparative and competitive advantage; Attained the position of an exporter of cement instead of a net importer. With no import permit issued in the whole of 2012 for cement importation, a savings of over N200 billion in foreign exchange was made. More than two million jobs were also created; Transformation of the Onne Oil and Gas Free Zone with 6 billion USD invested leading to the attraction of 150 companies into the zone with 30,000 jobs created to date;
Water Sector	
Water Supply Scheme	<p>Completed the Greater Makurdi Water Supply Scheme to supply 50 litres of water per day to nearly one million people in Makurdi</p> <p>85 percent completion of Galma Dam water supply to supply 186 million cubic metres for portable water for over 23 twons/villages in six local government areas in Kaduna State</p> <p>65 percent completion of Kashimbilla Multipurpose a Buffer Dam Project for water supply and irrigation with treatment plant capacity of 60,000 m³/day in Taraba State</p> <p>Completed the Mangu Water Supply to provide 10 million litres of water per day to serve communities of</p>

	Gindiri and Mangu township in Plateau State
	Completed the Northern Ishan Water Supply to supply nine million litres of water per day to serve communities of Uromi, Ubaiaja, Ugengu, Ugboha and Iguben in Edo State
	35 percent completion of the Central Ogbia Regional Water Supply to provide potable water and sanitation in 16 communities of Ogbia LGA, Uteke and its environs at Uteke, Bayelsa State
Boreholes	Completed the Drilling of 545 hand pump wells and motorized boreholes to increase access to water in rural communities to about 2 million people across the nation
Irrigation projects	55 percent completion of Bakolori Irrigation to irrigate 23,000ha to cover 5,964.77ha of rice and 35 metric tons of rice, 40 metric tons of maize, 18 metric tons of cowpea, 1,206 metric tons of sweet potato, 5 metric tons of groundnuts, 800 metric tons of sugar cane and 1,575 metric tons of vegetables in Bakolori
	80 percent completion of the South Chad Irrigation project to cover 67,000ha of land
	85 percent completion of Galma Dam (irrigation) To provide a reservoir capacity for irrigation of 2,500ha in Kaduna State
	Completed the Goronyo Dam emergency spillway repairs (irrigation) 2000 ha irrigation in Sokoto State
	80 percent completion of the rehabilitation of existing infrastructure at Jibia Irrigation project to provide opportunity for more farming families to be empowered economically in Katsina State
	Completed seven other major dam projects (with capacity of 2,269 million cubic meters), including Gurara, Owiwi, Sabke, Owena and Shagari dams to Water to be used for irrigation, water supply, hydropower, fisheries, etc in Gurara, Owiwi, Sabke, Owena, and Shagari
Studies	Completed feasibility studies for hydro power installation at sites that show potentials for hydropower generation in Oyan, Ikere Gorge, Bakolori, Dadin Kowa, Tiga, Kiri, Jibiya, Challawa Gorge, Owena, Doma, Waya, Mgowo, Zobe, Kampe, Kashimilla, Ogwashiku, Zungeru and Mambilla to generate a total capacity of 3,557 MW of electricity

	Assessment of water releases from the discharge along Benue and Niger rivers, to establish maximum flood levels all over the country for decision making
Culture, Tourism and National Orientation	
	Completed the construction and equipment of three new Cultural Industry Centres, one each in Taraba, Ogun and FCT to be used for cultural activities
	Completed the rehabilitation of National Theater with banquet chairs, ICT and computer equipment, sound booths, etc at Iganmu, Lagos

Table A4: Provision of quality and Affordable Infrastructure

SECTOR	KEY ACHIEVEMENTS
Power	<ul style="list-style-type: none"> • Stability in electricity generation and distribution. Power generation increased from 3,514MW in 2011 to 4,500MW as at December, 2012. Substantial progress has been made towards an optimal electricity generation mix. • The Power Sector Roadmap is being implemented leading to the following: <ul style="list-style-type: none"> - Unbundling of the PHCN into six Generating Companies (GenCos), one Transmission Company and 11 Distribution companies (DisCos); - Licensing of 34 IPPs, of which three (AES Barge Limited, Okpai and Afam VI) have commenced operation; - Establishment of the Nigerian Bulk Electricity Trading (NBET) Plc with its Board inaugurated; • Sustained implementation of Road map on power leading to the privatization of the generation and distribution aspects of the power sector. In particular, Payment of the 25 percent bid price for the Generation and Distribution companies have been made by the preferred bidders and the various power companies transfer to their new owners. • There has also been an increase in the average hours of power availability in 10 major cities from a low of less than 9 hours in 2011 to 13 percent between January and September 2012 with a peak of 15.2 hours in August 2012.

	<ul style="list-style-type: none"> • Construction of 10MW wind energy generation companies in Katsina State to add to the nations’ energy mix. • Review of the electricity Multi-Year Tariff Order (MYTO) with a view to making the electricity tariff cost reflective to attract private sector investment • Establishment of a N30 billion Power and Aviation Intervention Fund (PAIF) by the CBN to provide concessionary long term credit to power and aviation projects. • Granting Management Contract for the management of the Transmission Company of Nigeria (TCN) to a private provider in 2012.
<ul style="list-style-type: none"> • Transportation • Rail • Road • Sea and Inland Waterways • Aviation 	<ul style="list-style-type: none"> • Rehabilitation of the main western line: Lagos-Kano, 1,124km completed and functional, while the eastern line, Port-Harcourt-Maiduguri is expected to be completed before the end of 2013 • A total of 651km of roads was paved with bitumine in 2012 including, Apapa-Oshodi Expressway; Benin-Ore-Shagamu highway; Abuja-Abaji-lokoja dualisation; Kano-Maiduguri dualization; Onitsha-Owerri Expressway; Vom-Manchok road (Plateau State) • Movement of 1,200 tonnes of cargo from Lokoja to Onitsha by inland waterways • Developing aerotropolis classified investment opportunities into seven (7) business clusters within the aerotropolis model. This is aimed at creating 500,000 direct and indirect job opportunities. • Remodelling of four strategic international airports in Abuja, Kano, Lagos and Port Harcourt. • Installation and upgrade of infrastructure at various airports to ensure the safety of goods, security of passengers and enhance night operations; • Installation of several automated devices and equipment, such as Terminal Radar Approach Control (TRACON) and the Aeronautical Information Service (AIS). • Provision of total Very High Frequency Radio Coverage; Control Tower Modernization; World Geodetic Survey-84; and other navigational aids; ICT enhancement and mobile control tower.
<ul style="list-style-type: none"> • Science, technology and innovation (ST&I) 	<ul style="list-style-type: none"> • Launched the NigComSat-1R satellite to compliment the fibre connectivity and provide more internet bandwidth. • Deployed PCs to 766 secondary schools through the School Access Programme (SAP) • Locally produced tablet developed, similar to the iPad • Signed an MOU with Nokia Corporation to establish a lab in Nigeria to support the domestic mobile software industry.
<ul style="list-style-type: none"> • Housing and Urban 	<ul style="list-style-type: none"> • Completion of the construction of 204 and 256 prototype

Development	<p>housing units in 2011 and 2012 respectively, in different parts of the country;</p> <ul style="list-style-type: none"> • Provision of 1,250 and 504 housing units in 2011 and 2012 respectively through Public Private Partnership (PPP); • Provision of a total number of 1,405 and 3,529 mortgages through the Federal Mortgage Bank of Nigeria (FMBN) in 2011 and 2012 respectively.
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Table A5: Effective Human Capital and Social Development

PROGRAMME	Achievement
MDGs	<ul style="list-style-type: none"> ▪ Nigeria has made significant progress in the achievement of the human capital-related MDGs in the last 2 years. Remarkable increase achieved in the area of net enrolment ratio and net attendance ratio in primary education, up from 62.1 percent in 2008 to 70.1 percent in 2012. ▪ Appreciable progress made in the reduction of under-five mortality (per 1,000 live births) from 157 in 2008 to 141 in 2011. Equally, the percentage of children under five with fever who are anti malarial drug increased from 32 percent in 2008 to 54 percent in 2002.
<u>Education</u>	
Access to Affordable Education	<ul style="list-style-type: none"> • Institutionalization of Early Childhood Care Development and Education to reduce the number of out-of school children and take advantage of other important aspects of early childhood education • Construction of 124 Almajiri schools which are in the final stages of hand over to State Governments to address the high number of Out-of School children especially the Almajirais in the northern part of Nigeria • Construction of special girls schools in 13 states of the Federation has begun to improve Girls' Education Programme • Lanching of the National Campaign on Access to Basic Education across the geo-political zones to reduce number of out-of school children especially the low participation of boys in education in the South East • Establishment of 12 new universities to enhance access to a Federal University in all the states
Interventions	<ul style="list-style-type: none"> • Establishment of Special Education Intervention Fund of which N36 billion has been disbursed to the States in 2012 through the

	<p>Universal Basic Education (UBE) programme</p> <ul style="list-style-type: none"> Establishment of the Tertiary Trust Fund (TETFund) for the provision of infrastructure and related facilities, of which N76.7 billion has been disbursed to tertiary institutions N24 billion disbursed to 12 tertiary institutions from the High Impact Fund to enhance development of 12 high institutions to Centres of Excellence Refurbishment and equipment of 51 Federal and State Polytechnics with modern laboratories to encourage participation in technical and vocational education and training Refurbishing 352 science and technical laboratories in the 104 Federal Unity Colleges, in addition to providing 62 ICT centres and 40 sets of mathematical kits Distribution of Instructional and Library Materials <ul style="list-style-type: none"> a) A total of 19.67 million instructional materials in four core subjects of english language, mathematics, basic science and technology, and social studies have been distributed to primary 1 & 2 pupils b) In addition to 4.144 assorted Junior Secondary library materials were provided to schools across the country Awarded a total of 101 Presidential Special Scholarships for Innovation and Development (PRESSID) to beneficiaries for training in top 25 Universities of the world
Health Sector:	
Access to Primary Health	<ul style="list-style-type: none"> Over 433,650 lives have been saved in 2011 and 2012 through Saving One Million Lives (SOML) Initiative Midwives Service Scheme (MSS) and SURE-P Maternal and Child Health (MCH) programme <ul style="list-style-type: none"> a) A total of 9,243 frontline health workers have been recruited, trained and deployed to most underserved communities in Nigeria to increase antenatal attendant coverage, b) 1,500 primary healthcare facilities have been refurbished and supplied with the essential commodities to increase delivery skilled-birth attendant, and c) In 2012 alone, 1.044 million antenatal care visits were made in the 1,000 MSS facilities across the 36 states and FCT, which is a 26 percent increase from 828,922 reported in 2011 to increase post-natal care coverage d) over 141,929 deliveries were carried out by skilled-birth attendants

	<p>e) over 145,990 women attended family planning clinics in 2012</p> <ul style="list-style-type: none"> Improving Tertiary Healthcare to bring the country’s tertiary healthcare facilities to international standards <ul style="list-style-type: none"> a) Upgrading of tertiary health facilities infrastructure (involving the rehabilitation and equipment of Federal Tertiary Hospitals) b) modernisation of two additional hospitals (OAU and UniBen Teaching hospitals) completed and awaiting commissioning c) modernization of Nnamdi Azikiwe University and University of Calabar Teaching Hospitals at advanced stage of completion d) upgrading and accreditation of the four Regional Biomedical Maintenance Training Centres have commenced e) the new trauma centres at the University of Abuja Teaching Hospital, Gwagwalada and the National Hospital (NHA), Abuja are nearing completion
Eradicating Poverty	
Job Creation	<ul style="list-style-type: none"> Created through YouWin businesses created by the 3,600 youths with brilliant business ideas over the next three years
	<ul style="list-style-type: none"> Success recorded in 2011-2012 Conditional Grant Scheme in States and LGAs include: <ul style="list-style-type: none"> a) the construction, renovation and equipping of 3,389 health facilities, b) construction of 8,985 water facilities’ c) a conditional cash transfer to 39,567 households d) payment of 2,260 new village health workers, e) building and renovation of 1,714 classroom blocks, and f) procurement of 2,804,644 textbooks
Housing	<ul style="list-style-type: none"> Funded the building of more than 61,193 housing units through the Federal Mortgaged Bank-Administered National Housing Fund (NHF) Scheme in six geopolitical zones to provide affordable and quality homes

	<ul style="list-style-type: none"> Increased total number of housing units by 1,407 in 2011 from 7,743 in 2010 through Public Private Partnership
Gender Equity and Women Empowerment	
	<ul style="list-style-type: none"> 33 percent of appointments at the Federal Executive level by the President Goodluck Ebele Jonathan Administration are women, in line with the Affirmative action in Federal Appointments at the Executive level Construction and Equipment of Skills Acquisition Centres Across the country.
	<ul style="list-style-type: none"> A total of 9,210 women were trained between 2012 in various skills Over 3,339 women groups/cooperatives have received a total sum of N271,500.00 as at December 2012 from which 3,281 jobs were created. 500 Persons With Disabilities were assisted and a total of 115 Visually Impaired Persons benefited from skills acquisition programme through the Nigerian Farm Craft Centre for the Blind
Sports Development	<ul style="list-style-type: none"> Nigeria won 13 medals at the 2012 Paralympic: six gold, five silver and one bronze Nigeria won the 2013 African Cup of Nations held in South Africa Golden Eaglets won silver for the 2013 African U-17 Championship in Algeria Nigeria won a gold and a silver medal at the 2012 World Chess Olympiad in Turkey Nigeria emerged 3rd at the 2012 Senior African Wrestling Championship held in Morocco
Regional Development	
Federal Capital Territory	
Infrastructural development	<ul style="list-style-type: none"> The completion of the roads between Kubwa/Airport and the city have reduced the travel time to the city to 30mins and the rate of accidents by more than half Provided access roads and other infrastructure to 5,824 commercial and residential plots in Jahi, Wuye, Kagini, Maitama extension and Katampe Districts of the Federal Capital City Constructed access roads to about 2,300 plots for development of building structures in Kubwa, Bwari and Karshi satellite towns
Niger Delta	

Training	<ul style="list-style-type: none"> • Sent a total of 704 youths for training, abroad and locally, in various fields of endeavour, including agriculture, petroleum engineering, commerce, tourism, and maritime studies • 701 non-militant youths have been trained locally and overseas as follows: <ul style="list-style-type: none"> i. 314 in Oil and Gas, ii. 270 in Maritime, iii. 90 in Agriculture.
Construction of Skill Acquisition Centres Construction and rehabilitation of roads	<ul style="list-style-type: none"> • Nine skills centres are being built, one in each of the nine states of the Niger Delta; three of them will be completed this year • To enhance the movement of people, goods and services • Work in progress (about 50 percent completion) on East-West Road • 11 other roads have achieved more than 22 percent completion.
Construction of Housing	<ul style="list-style-type: none"> • Construction of a total of 360 housing units has reached 55 percent completion across the 9 Niger Delta States to provide affordable houses to the inhabitants of the region
Permanent employment and industrial attachment	<ul style="list-style-type: none"> • Contacted eleven (11) major companies in the Oil and Gas to place the trained youths either on permanent employment or on industrial attachment basis. • Contacted the Nigerian Maritime Administration and Safety Agency (NIMASA) to place all the youths trained in Maritime Studies on industrial attachment on board sea-going vessels
Water and Electrification	<ul style="list-style-type: none"> • Effort has been made to provide 37 communities with potable water and electricity supply.
Environmental Management and Protection Project	<ul style="list-style-type: none"> • Land reclamation and erosion control works are in progress at different level of completion in seven locations.
Industrial Park project	<ul style="list-style-type: none"> • Signed MOU with OST of Turkey to facilitate the establishment of industrial parks in each State of the region. Each park is to comprise 5,000 SMEs to manufacture and produce goods and services in over 100 sectors of the economy. The industrial parks will employ thousands of Niger Delta youths
Studies:	<ul style="list-style-type: none"> • 100 percent completion of study on Remediation, Rehabilitation and Restoration of 33 Oil Impacted sites in Niger Delta • 26 percent completion of study on Remediation, Rehabilitation and Restoration of the Oil Impacted sites at Stubbs Creek, Eket, Akwa-Ibom State

Table A6: Ensuring Security, Safety and Secure Lives for all Nigerians

Programme	KEY ACHIEVEMENTS
• Safe and Secure Community	<ul style="list-style-type: none"> • Building modern and well equipped security agencies • 2,000 security operatives to be trained on anti-terrorism • 2,000 video surveillance camera systems (CCTV) installed and deployed in Abuja and Lagos
• Safe and Secure Nation (Internal Perspective)	<ul style="list-style-type: none"> • Decrease in recidivism by convicts and reduction in prison congestion • Improved response time to emergencies by the Federal Fire Service • Average time taken to process E-passport down from 48 to 36 hours
• Safe and Secure Nation (External Perspective)	<ul style="list-style-type: none"> • 1,592 AFN Personnel in UN mission in Liberia while 186 personnel are in Guinea Bissau on an ECOWAS mission • Establishment of multi-national joint task force to apprehend cross boarder bandits and insurgents and to check the influx of illegal arms • Stationed a level two hospital in Darfur, Sudan in support of the mission

KEY ACHIEVEMENTS: LEGISLATURE

Table A7: The Legislature

Programme	Achievements
Relationships	<ul style="list-style-type: none"> • There has been a smooth and cordial working relationship between the Executive and Legislative arms. • Timely and speedy passage of bills and Appropriation Acts into law by the National Assembly. • A total of 310 bills were presented for consideration at the Senate with 26 passed, 2 rejected, 9 withdrawn and 273 at different stages of reading. • The House of Representatives considered a total of 435 Bills with 47 passed, 15 rejected, 5 withdrawn/stepped down and 368 at different stages of consideration.
Performance of National Assembly	

Table A8: State Governments

PROGRAMME/PROJECT	Achievement
<u>Cooperation Between the Federal and States Governments</u>	
<u>Fiscal Policy Coordination</u>	
<u>Taxation</u>	<p>To end multiple taxation in Nigeria:</p> <ul style="list-style-type: none"> • Efforts to streamline prevailing tax regimes is being intensified by the Joint Tax Boar • Endorsed the National Tax Policy and Tax Payers Certification (TIN)
Maintenance of Strong countercyclical fiscal Policy	<p>To protect the country from oil price volatility:</p> <ul style="list-style-type: none"> • Partial removal of subsidy • Establishment of the Sovereign Wealth Fund to manage the country’s excess earning from crude oil. Presently, there is an initial deposit of US\$1 billion • Accumulation of fiscal reserves in ECA is currently over US\$9 billion
Infrastructure Projects	<p>To enhance power generation and distribution in the country:</p> <ul style="list-style-type: none"> • The establishment of National Integrated Power Plants (NIPPs) • Approved Development of the National Integrated Infrastructure Master Plan (2014-2043) • Commencement and Institutionalization of SURE-P
Public Service	<p>To increase the quality of public service:</p> <ul style="list-style-type: none"> • The ongoing Professionalization of the officials of the Department of Planning, Research and Statistics at national and sub-national levels • Training of the officials of the Department of Planning, Research and Statistics
Funding the Education Sector	<ul style="list-style-type: none"> • Establishment of the tertiary Education Trust Fund (TETFund) • Sustenance of the Universal Basic Education (UBE) • SURE-P
Data Generation at Sub-national Level	<ul style="list-style-type: none"> • Establishment of the States’ statistical agencies. Over 20 states have passed into law their Statistical Bill and 10 have established Bureau of Statistics • Computation of States’ Gross Domestic Product (SGDP)

Table A9: The Private Sector and International Development Agencies

SECTOR	KEY ACHIEVEMENTS
<ul style="list-style-type: none"> • Private Sector • International Development Partners 	<ul style="list-style-type: none"> • injected a lifeline of credit totaling N200 billion in 2011 to three bridge banks. • power and airline intervention funds worth N300 billion with N181.4 already disbursed • negotiated financing agreements totaling US\$ 12 billion to support the real sector; • strengthened the Infrastructure Concession Regulatory Commission (ICRC) for effective implementation of the PPP framework

The consistency in economic growth performance at the macro and sectoral levels in the last 24 months is indicative of the Government’s avowed commitment to the sustained implementation of the Transformation Agenda. This therefore assures us of a growth path to the realization of the objectives of Nigeria Vision20: 2020. Government intends to sustain the on-going reform initiatives in the remaining two years of its Administration.

16.0 Conclusion

The Government will intensify effort at building a stronger and stable economy that will promote enduring growth and prosperity during the remaining two years. The gains already recorded at the macro and sectoral levels will be improved upon. The Administration will continue to place national interest over and above any other interests. The Government will further strengthen effort aimed at keeping our borders secure as well as upscale security measures put in place to foster peace and public security, necessary ingredients for growth and development. The administration will remain continuously focused, prioritizing and strategizing in order to make more positive impact on the quality of life of all Nigerians.

PART ONE: NIGERIAN GOVERNANCE REPORT - ADVANCING DEMOCRACY

CHAPTER ONE: GOVERNANCE AND DEMOCRATIZATION

The governance scorecard is a mid-term report of President Goodluck Ebele Jonathan's drive to promoting good governance for sustainable economic development in Nigeria. This is done in fulfilment of his covenant with Nigerians at his inauguration as President in May, 2011. This is in recognition that the purpose of government is to promote the welfare of the people which include the promotion of civil and political rights, as well as social and economic rights. The Jonathan administration is the first government in Nigeria to issue a governance report that gives the public an opportunity to assess its achievement in relation to democratic governance.

President Goodluck Jonathan at his inaugural address two years ago declared emphatically his resolve to advance the rights of the Nigerian citizens, especially with regard to quality education, healthcare and decent jobs. He declared that as someone who comes from amongst them and someone without shoes while growing up, his experience has prepared him for the work. He also underscored the importance of genuine commitment to advancing the rule of law in providing a framework that enables the Nigerian state to effectively deliver efficient social and economic services to citizens.

Nigeria is a fledgling democracy. The journey to democracy started in 1999 with the election of the first civilian president after a long period of military rule. Military rule everywhere is marked by a disruption in the building of robust institutions of democratic governance and economic development. Primarily, it requires the suspension of democratic rights of the people which results in governance that lacks the full rigor of accountability. Restoration of democracy therefore requires the re-institutionalization of the structures of accountability through the entrenchment of the rule of law.

The year 2011 marked the beginning of sustained efforts to rebuild the structure of governance in Nigeria, to achieve and sustain political and economic transformation. Since the inception of this Administration in 2011, the Nigerian government has focused attention on transforming the institutions of state through compliance with the framework of rule of law as provided in the constitution and supported by international human rights instruments. The central idea is to ensure sustainable economic development through good governance, advancing the rule of law and reforming institutions.

1.1 Good Governance and the Challenge of Transformation

The attention to governance related issues in Nigeria and Africa at large is not a new concept. What is new is the growing consensus around the world and among African leaders, that good governance is an underlying factor for sustained economic growth and development. It is a globally acknowledged fact that good governance is a pre-requisite for political, economic and social development. It is therefore impossible to separate good governance from sustained economic growth and development.

Since Nigeria gained independence, efforts to cater for the welfare of its populace has been haphazard due to the weak governance. A cursory look at governance in Nigeria, whether military or democracy, revealed poor attempt at promoting democracy, good governance and stable polity. Studies have also shown an abysmal performance of office holders in their quest to provide good governance and better living conditions for the people. Thus, Nigeria has suffered from impoverishment of large number of peoples, corruption and mismanagement of funds, infrastructural decay, and lack of trust from the governed among others. Many citizens therefore viewed government in Nigeria as something distant from their interest, and governance has become for them an oppressive machine.

For the first time in Nigeria's history, the Jonathan Administration acknowledges that right-based and rule-based governance provides the basis for optimising other factors of development such as health, education, infrastructure, democracy, economic growth. It is realised that good governance is not about the nature or form of government, but about the efficiency and effectiveness of government institutions and relevant agents in promoting and improving the living standards of those it governs. This is the premise on which the current administration's Transformation Agenda was designed.

Majority of Nigerians acknowledge government as legitimate and committed to the extent that it improves the public welfare and responds to the needs of the citizens, competent in guaranteeing law and order, delivering public services, conducting free and fair elections; able to create an enabling environment for productive activities and equitably distributing Nigeria's vast natural and mineral resources to its populace. Since its inception in 2011, Goodluck's Administration has been responding to these expectations. It has committed itself to ensuring that governance is decisively focused on delivering quality social and economic goods and services to Nigerians.

To justify its claim of being a transformative and accountable government, the Administration is producing this first Governance Report in Nigeria to:

- i) communicate effectively progress made and challenges encountered since the inauguration of the administration in 2011;
- ii) build trust between the governed and the government, and to begin the process of collaborative partnership in the nation building process; and
- iii) promote good governance by allowing for accountability, transparency, and participation in all government processes.

The current Administration believes strongly that nation building is a process that does not happen overnight, but which is possible for genuine and sustained economic growth and development to happen for a nation like Nigeria. This is despite the years of decay in Nigeria's development.

The chapter discusses below the concept of good governance as conceptualized in the transformation agenda, gives a brief historical analysis of where we are coming from and the

deep-rooted development deficiencies which this government sets itself to redress since 2011.

1.2 Good Governance and Nigeria

Good governance has been defined differently by scholars and public policy experts. It is in this context that the Jonathan administration's concept of good governance acknowledges the global definition of good governance as encompassing:

- i) Legitimacy: of government elected through free and fair election and acknowledged by the Nigerian citizenry;
- ii) Efficiency and Effectiveness: efficient and effective exercise of authority in the management of a country's affairs, comprising the complex mechanisms, processes and institutions through which citizens and groups articulate their interests, exercise their legal rights and mediate their differences.
- iii) Responsive rule of law - this means equality before the law, or the equal subjection of all classes to the laws of the land which is administered through the courts.
- iv) Promoting Welfare of the People- this is the ability of governance to ensure the efficient delivery of goods and services i.e. sound education, quality health care, infrastructural development, improved economic growth, job opportunities, improved business environment etc.
- v) Accountability and Transparency - appropriate accountability and transparency mechanisms must be put in place either through civil society groups, the media, government policies for the spread of information and government processes, etc. It is about the openness in the flow of information necessary for economic activity and development to take place.
- vi) Protecting and Promoting Human Rights -Good governance must promote people focused policies and actions. It should promote freedom to the citizens to express their views and exercise their fundamental human rights that include civil and political rights, rights to employment, right to housing and shelter, right to health, right to water, right to education, right to safe and healthy environment, rights of women, children and young persons.
- vii) Institutional Reform - A reform mechanism in place to strengthen national institutions on a regular basis. Institutional reform aims at changing obsolete ways of doing things and engendering modern ideas and processes.
- viii) National Consensus- Good governance work around an agreed system of national consensus both from the governed and the government.

Despite the importance of the above mentioned characteristics in the concept of good governance, it must be acknowledged that democratic governance is still at its infancy in Nigeria. The institutions that support such governance are still weakened by many years of military rule, though some progress was achieved from 1999 when democratic governance was restored. Similarly, tremendous progress has been made in rebuilding institutions and providing incentives for role players in the democratic setting has been achieved under this Administration.

1.3 Building Institutions & Consolidating Democracy

After 50 years of independence, the 2011 elections offered a clean break from rancorous elections over the years. It also offered a clear opportunity to begin to invest in building the institutions that would guarantee the future of elected government in Nigeria. It articulated its Transformation Agenda, that outlines the Administration's vision for achieving this, as part of the most effective legacy the Administration would leave.

As with all transitions from authoritarianism, we were aware when we chose this path that managing the new-found freedoms and voices would not be easy. At the inception of the Administration in May 2011, we were confronted with a situation in which, in all directions, the underlying values of our constitution were in need of a new lease of life.

1.4 Focus of the Jonathan Administration - The Transformation Agenda

Building on these foundations, the focus of the Administration as articulated in the Transformation Agenda to lay the foundations for sustainable governance, economic growth and development. The Agenda aims at addressing:

- i) Decades of personalised rule that undermined the processes of governance and the integrity of their operators;
- ii) The erosion of confidence of the civil service;
- iii) Weak Parliament that was short on confidence and at best tentative in its constitutional role of checking the Executive;
- iv) Weak Judiciary would require time to recover from long years of executive intimidation and interference;
- v) A media that needed to find its voice again as the Fourth Estate;
- vi) Weak institutions around the country, at federal as well as state levels; and
- vii) Unsustainable economic growth and development with the state of poor infrastructure, education and healthcare, limited job opportunities for the population.

The current administration, despite persistent challenges, and in keeping to its commitment to the Nigerian people, was able to

- i) for the first time, the National Assembly operates confidently without fear of Executive interference;
- ii) the National Judicial Council (NJC) is taking bold steps to sanitize the judiciary of corruption with the firm support of the President and the Executive arm of Government and relations between the various arms of government are harmonious like never before.
- iii) the Administration was able to strengthen public watchdogs such as the ICPC, EFCC, and the National Human Rights Commission (NHRC), among other institutions;
- iv) Safety and security remains the primary responsibility of the Administration. Mobilising the security agencies, state government, communities, and the friends of Nigeria beyond our shores, have turned around the tide of militancy in the Niger Delta; contained the spread of the insurgency in north-eastern Nigeria; and working hard to give the country credible foundations that will guarantee that we prevail in the ongoing struggle against terrorism in Nigeria;
- v) the Administration introduced measures to reform the criminal justice, streamline the fight against terrorism and ensure monitoring of our borders;
- vi) In the area of governance and transparency, the Administration followed up the enactment of the freedom of Information Act (FOIA) with the roll out of Guidelines for its implementation and across the board training on the Act for all public officers in the Federal Civil Service;and
- vii) In terms of participation and social and gender inclusion, the Administration is able to ensure that women constitute over 30 percent of the positions in the Executive Council of the Federation, including the Chief Justice of the Federation.

CHAPTER TWO: BREATHING LIFE INTO NIGERIA'S HUMAN RIGHTS COMMITMENTS

Since 2011, this Administration has worked very hard to fulfill its human rights commitments. It has significantly improved the nation's human rights records even in situations of extreme insecurity and violence. The Nigerian government has not been validly cited by any credible institution for major violations of human rights since 2011. Any allegation of deliberate human rights violation against the Nigerian government since 2011 is easily debunked upon objective consideration. This is because the government has remained focused on entrenching a form of governance that is defined by accountability and the rule of law.

The record of this government in effectively promoting human rights is a matter of deeply-held principles, and not mere politics. The government realizes that it is only in an environment of respect for rights and liberty of the people that it can succeed in promoting political stability and developing the enormous human and natural endowments of the country. It also realizes that in view of its increasing role in promoting good governance and human rights in African and West Africa sub-region, it has to ensure respect for human rights at home.

The Jonathan administration realizes the importance of abandoning the legacy of half-hearted commitment to human rights by past administrations. It recognizes the urgency of moving away from the authoritarian politics of the past into a new future of open and accountable governance. In the past, especially under military administrations, human rights suffered huge setbacks. The legislature was disbanded and the power of the judiciary to review executive actions was restricted. The military ruled by decrees issued by dictatorial military councils. The people lost their right to be democratically governed, and this led to the loss of other human rights.

The period of military rule also marked the rise of non-governmental organizations that campaigned for the protection of human rights. Some of these groups suffered repression and persecution for their work. But since 1999 when Nigeria returned to civil rule, things have started to change. The challenge before the present administration is to accelerate this positive change. In the last two years, the government has advanced the protection of human rights as part of its agenda of transformation. It has also changed the character of governance at the Federal level; instead of repression and persecution of leaders of civil society groups, the government is engaging them as partners in governance.

The most incontrovertible evidence of this transformation is that in March 2012, President Jonathan hosted human rights leaders and other civil society activists to a workshop on constitutional review at the Banquet Hall of the Presidential Villa. The objective of the workshop was to solicit the inputs of civil society in the review of the constitution. This meeting is historic because in the past, successive governments in Nigeria have rejected the right of civil society groups to participate in constitutional reviews. Under the military, civil society leaders and human rights lawyers were arrested and some detained for long periods because they were bold to organize a conference to deliberate on the need to review the

constitution. Under a democratic rule, the story did not change dramatically, although civil society groups were allowed to hold conferences, their views were largely dismissed.

Civil society leaders described the workshop as the first time Government has engaged the civil society on such important issue as the constitution. In their view this is a clear evidence of this government's sincere commitment to accountable and participatory governance. In a referendum at the workshop, the leaders endorsed merit and not ethnic or religious considerations as the basis for appointments to federal positions. They also endorsed the right to citizenship of every Nigerian in any state of the country irrespective of his or her state of birth and demanded that economic and social rights be made as enforceable as civil and political rights in the constitution.

This event and follow-up activities planned to ensure that civil society groups share ownership of the constitutional review process define the transformation agenda as it relates to promoting human rights and participatory governance. The flagrant abuse of power of the past no longer characterize the style of governance. Government sees itself as a custodian of the popular mandate and therefore commits to meaningful engagement with all strata of the society.

This period marked the increasing removal of the legacies of military rule and the institutionalization of the norms and principles of democratic citizenship. This administration has, in the last two years, fully taken Nigeria from the shadows of the authoritarian legacies of military rule to an era of real and effective protection of human rights

The history of human rights in Nigeria is as old as Nigeria. The founding fathers of the republic easily recognized that promotion of human rights is fundamental to political and social stability for a plural society like Nigeria. Even before independence they were enthusiastic about the need to recognize human rights in the fundamental laws of the country and to entrench their promotion through state practices. Nigeria recognized and incorporated in its domestic laws, the rights enshrine in the international human rights bills as far back as in 1958 when a special colonial commission, the Willinks Committee, recommended the institutionalization of fundamental human rights in the proposed Independence Constitution as a panacea for the prevalent injustice and marginalization. In 1960, Nigeria incorporated the provisions of the Universal Declaration on Human and People's Rights (UDHR) and the European Convention on Human Rights in the 1960 Independence Constitution. This included the right to life, the right to freedom of the press and freedom of expression; the right to human dignity and the right to movement. These critical civil and political rights are retained by the Second Republic 1979 and 1999 Constitutions. To facilitate the enforcement of these rights, the Fundamental Rights Enforcement Procedure Rules have simplified access to court to seek remedies for these rights when they are breached by either the government or individuals.

It is important to note the additional recognition of social and economic rights in the constitution. These rights, including the right to education, health and employment, are

listed as ‘Fundamental Objective and Directive Principles of State Policy’, although defined as not easily enforceable, public officials are obligated to ensure that state policies advance these rights.

Nigeria has gone a step further by becoming one of the earliest African countries to domesticate the African Charter on Human and Peoples Rights (ACPHR). The Charter came into force on June 27, 1981. Nigeria signed it on August 31, 1982 and ratified it on June 22, 1983. The charter is now part of the laws of Nigeria being incorporated as Chapter 10 of the 1990 Laws of the Federation of Nigeria. Nigerian courts, including the Supreme Court, have freely enforced the provisions of the charter. The Supreme Court in a famous ruling decided that next to the constitution is the African Charter on Human and Peoples Rights in hierarchy of laws. Beyond the African Charter, Nigeria is a signatory to several international human rights instruments, especially the Convention on the Elimination of All Forms of Discrimination against Women. The signing and domestication of these human rights instruments underscore the recognition of the importance of these rights to political stability and economic development

2.1 Away from the Shadows of Military Legacies

Nigeria has signed and domesticated the relevant international human rights instruments; however, it faces the challenge of breathing life into these rights. The criticism has in the past being that this commitment is a mere tokenism; that government merely signed up to this commitment in order to evade accusation of non-compliance with international human rights obligations. The formal recognition of these rights without goodfaith and meaningful efforts to ensure their effective realization in social and economic transactions in the society do not lead to sustainable democracy. Central to the idea of democratic governance is serious efforts by the Government to entrench the observance of these rights in the implementation of public policy.

Government can no longer be accused of merely paying lip service to its obligation to effectively protect the human rights of its citizens and residents. President Jonathan is genuinely committed to protecting the rights and freedoms of Nigerian people. He has consistently steered Nigeria away from the shadows of military legacies and has put Nigeria firmly on the higher ground of human rights-based governance. This has been demonstrated in government’s scorecard on some of the most basic civil and political rights.

2.2 The Right to Free and Fair Election and Promotion of a Democratic Society

Nigeria is currently practising true democracy, with the political space open to the Government and the opposition to make their claims to leadership. Elections are competitive and citizens have the right to choose their leaders. Opposition politicians are not persecuted. They have the right to express political opinions different from those of the ruling party and organize peacefully to realize their political objectives. Even in the ruling Peoples’ Democratic Party (PDP), there is a healthy debate and competition for authority and power. The media and civil society groups continue to exercise the right to criticize government

policies and programs without fear of persecution or repression. Nigeria today is an open society where citizens exercise democratic rights.

President Jonathan set for himself the agenda of giving life to electoral reform which his predecessor, President Umaru Musa Yar'Adua started before his death in office. He seized upon this agenda with sincerity and courage. Since 1999, the need for electoral reform has been recognized by the political elite. The incidents of military intervention are linked to the lack of free and fair elections in the previous republics. Controversies over highly rigged elections have been the forerunners of political violence and instability which provided justification for military intervention.

Free and fair election is the bedrock of an effective framework of sustainable and meaningful democracy and the rule of law. It enables the exercise of other civil and political rights. The suspension or suppression of the democratic rights of citizens is an effective curtailment to the enjoyment of other civil and political rights of the people. The quality of elections and the quality of political freedom enjoyed by opposition politicians and civil society activists is a measure of the quality of human rights protection and democratic governance in the country. It is in recognition of this that President set about implementing the report of the independent electoral reform commission chaired by a revered former Chief Justice of Nigeria, Hon. Justice Mohammed Uwais. The Commission observed that the root cause of rigged elections in Nigeria is the lack of an electoral commission whose leadership and structure guarantee its independence. The commission recommended the establishment of a truly independent electoral body with fiscal and managerial independence to conduct general elections under a new electoral law that guarantees multiparty democracy and protects the democratic rights of Nigerian citizens.

President Goodluck Jonathan has implemented this recommendation by reconstituting the Independent National Electoral Commission (INEC) and appointing as its chair, a highly respected university professor and human rights activist, Professor Attahiru Jega. In its review of the 2011 general elections, the European Union Delegation confirmed that the Chair of the INEC was appointed on “the basis of his reputation and in recognition of the role he played in the Electoral Reform Committee (ERC) that was established to review the electoral process and the legal framework after the widely rigged and disputed 2007 elections”.¹ Apart from Professor Jega, two other leading civil society leaders were appointed into the commission to ensure its integrity and independence.

The Electoral Reform Committee also recommended the review of the constitutional provisions on election so that the INEC and electoral bodies in the states can be financially independent to conduct free and fair elections. President Jonathan, in keeping with his commitment to pursue wholesale electoral reform, led the process of the review of the electoral law to provide effective remedies in court for victims of electoral violation. INEC was made financially independent and its commissioners were not required to belong to political parties. Reflecting on the review of the electoral law to facilitate free and fair

¹¹ See Nigeria: Final Report. General Elections April 2011 by the European Union Election Observation Team

elections, the European Union Election Observation Mission remarked that “Overall, the legal framework for the 2011 General Elections provided an adequate basis for the conduct of democratic elections in accordance with international principles and with the international instruments ratified by the Federal Republic of Nigeria. Following the Electoral Reform Committee’s (ERC) report of December 2008, which highlighted several shortcomings affecting the quality and credibility of elections, such as the necessity to address the prevailing atmosphere of impunity with regard to electoral offences, in June 2010 the National Assembly and the State Houses of Assembly approved the first amendments to the 1999 Constitution. These brought significant improvements, concerning inter alia the financial autonomy of INEC and the introduction of the prerequisite for INEC’s Chairperson and National Commissioners not to be members of a political party”.

In the past, the major hindrance to consolidation of democracy in Nigeria was the impossibility of the ruling party at the center losing any election, even in states and communities where it is evidently unpopular. Scholars of politics and advocates of good governance have often wondered whether Nigeria’s nascent democracy could survive in the prevailing culture of political intolerance. Political activists who wanted to participate in politics and transform the character of governance were discouraged by the lack of faith in the competitiveness of the electoral process. President Jonathan has however, fostered a competitive electoral system by deliberate refusal to deploy the instruments of federal power to determine outcomes of elections in Nigeria. This has been evident in the losing of elections by the ruling Peoples’ Democratic Party (PDP) in some critical states like Edo, Anambra and Ondo.

In furtherance of his commitment to free and fair elections as the bedrock of a democratic state driven by the rule of law, President Jonathan in 2011 conducted the freest and fairest elections in Nigeria since the 1980s and deservedly got the credit for it. The highly revered Nigerian novelist, Professor Chinua Achebe, who had in the past criticized Nigerian governments for their lack of commitment to free and fair elections, in his latest book, “There Was a Country”, acknowledged that although the last general election in Nigeria was not perfect, overall, it was an improvement over past travesties that were passed off as elections in Nigeria. He also acknowledged the independence of the electoral commission under President Jonathan as the reason why the 2011 general elections were markedly different from previous elections.

Critical indicator of the credibility of the 2011 general elections is the drastic reduction in election petitions. The INEC was allowed to independently conduct the general elections in compliance with electoral laws and due process. This became very obvious when a leading opposition presidential candidate challenged the election of the President in court, the Supreme Court had little difficulty in validating the election because of the transparency of the process.

2.3 Freedom of the Press and Expression

The Nigerian print and electronic media operate in an environment of freedom and liberty. Ownership of media organizations is not restricted. Opposition politicians own print and electronic media that are free to broadcast political messages as long as they keep to the requirements of objectivity and fairness. Since 2011 there have been no cases of repression of press freedom in the manner of the past.

This atmosphere of press freedom and free expression has encouraged political opposition and enhanced the quality of political debate. Apart from guaranteeing freedom of the press, government has adopted policy frameworks that enhance the ability of the press to objectively report on government performance. One of the first actions of President Jonathan after his election in May 2011 was the signing into law of the Freedom of Information Act. This is noteworthy considering the history of attempts by civil society groups to get this Freedom of Information Bill passed into law since 2000.

To ensure effective realization of the objectives of the Freedom of Information law, the office of the Attorney General of the Federation as the oversight office for freedom of information law has issued guidelines to Ministries, Departments and Agencies (MDAs) of government on compliance with the provisions of the Act, particularly the provisions that require that every public office publish critical information in easily accessible and retrievable form and provide access to anyone who requires such information. The establishment of a clear policy framework requiring reporting of compliance by all MDAs on February of every fiscal year is a clear demonstration of genuine commitment to freedom of the press

2.4 Ensuring Effective Remedies for Human Rights Violation

A critical ingredient for ensuring that citizens have access to effective remedies for the violation of human rights is to ensure the existence of independent institutions with oversight responsibility on human rights. Nigeria's commitment to effective enforcement of human rights is backed up by the existence of an independent national human rights commission. The National Human Rights Commission (NHRC) was established in 1995 by an Act of the National Assembly. Before 2011, the NHRC had had turbulent times resulting in the removal of its Executive Secretary in 2006. The general perception of human rights activists is that the NHRC was formed by the military administration of General Sani Abacha to pay lip-service to human rights during the period of international criticism of Nigeria's human rights record.

The National Human Rights Commission has attained the full character of an independent national human rights commission with the inauguration of an independent board of director chaired by an international acclaimed human rights scholar and lawyer, Dr. Anselm Chidi Odinkalu. A clear evidence of this independence is the fact that the NHRC is conducting an independent human rights audit of Baga Town in Borno State where federal troops were accused of committing violence against civilian population.

CHAPTER THREE: PROMOTING THE INDEPENDENCE AND EFFECTIVENESS OF THE LEGISLATURE

The 2005 Governance Report of the United Nation Economic Commission for Africa (UNECA) observed that Africa legislatures are very weak and incapacitated in terms of legislating for good governance and transformation. According to the UNECA, these legislatures are grossly understaffed and without the requisite resources to make good laws and provide oversight of executive projects.

The Jonathan government has worked hard in the last two years to ensure that this description of the legislature in Africa does not include the Nigerian legislature. President Jonathan's humility and commitment to due process has provided opportunity for the legislative process to mature and the National Assembly to grow in independence and effectiveness to realizing the legislative mandate under the constitution. In two years of Jonathan presidency, the National Assembly has achieved fiscal autonomy, institutional independence and greater participation in the management of the national economy.

The government's support for the independence and effectiveness of the legislature is an expression of its understanding of the importance of building strong institutions, especially those institutions that provide framework for political and economic transformation. The government recognizes that it cannot deliver on its agenda unless it has enhanced the independence of the legislature to be an effective lawmaker.

3.1 Institutional Independence of the Legislature/Executive

The Nigerian Constitution is emphatic on the need for an independent lawmaking institution with significant responsibility for policymaking, especially economic policymaking. Sections 80-88 of the Constitution lay out robust role for the legislature in assisting the executive in the management of the national economy. The National Assembly is conceived by the framers of the constitution to be in constant engagement with the executive in the policy formulation and management of national affairs. The framers expect that this will promote and reinforces maturity of political institutions. The President has created such an environment thereby engendering the tolerance and power sharing amongst different branches of government and advanced the rule of law and constitutional democracy.

President Jonathan has defined the executive-legislature relationship in Nigeria on its clear policy of non-interference in the internal affairs of the legislature. The government attitude of not interfering with legislative authority is the right approach towards sustaining institutional growth and development of our democratic process. This policy has resulted in the sustained period of peace and harmony between the two branches of government. Since 2011 there has been no open conflict between the executive and the legislatures. This is not to say there have not been disagreements between the two institutions, where they exist, at all they have been resolved through negotiation and conciliation. This culture of mutual respect and deference is been sustained by this Administration deep commitment to rule of law and transformative leadership.

President Jonathan's policy of open and transparent governance has helped the legislature to effectively conduct public hearings in fulfillment of its mandates. The legislature conducted these public hearing with information which federal officers provided it. During the public protest over the removal of fuel subsidy, the legislature conducted public hearing where high-level government officials were subpoenaed to appear and provide necessary information. The stance of the executive to fully cooperate with the legislature, these pieces of information were provided, and this led to a far-reaching intervention by the legislature and timely resolution of the crisis. By signing the Freedom of Information Act, Mr. President has enabled the growth of the information system of both the executive and the legislature. This growth means a bright prospect for democracy and good governance. .

One of the most important constitutional provisions relating to effectiveness of legislative intervention is fiscal independence. This government supports fiscal independence for the legislature. It fully supports making the expenditure of the National Assembly a first line charge on the Consolidated Revenue of the Federation. The first line charge ensures the autonomy of rulemaking of the National Assembly.

3.2 Non-interference in the selection of presiding officers of the NASS

The National Assembly enjoy unprecedented independence in internal management of their affairs. This is largely because there are not under any threat of the removal of their presiding officers. This contrasts sharply with the experience of the recent past when the National Assembly suffered incessant removal of presiding officers through interferences of the executive branch of government.

One benchmark for assessing the quality of a legislature is the presence of independent leadership, one capable of providing the entire legislature with non-partisan, evidence-based assessment of government activities and their impact on the public. It is important that the executive legislative relationship is nurtured by mutual integrity and respect for the rule of law. The temptation for the executive is to manipulate the leadership of the legislature in order to achieve its strategic advantage in the short term. This has been the major cause of institutional instability in Nigerian politics since 1999. But this tendency is now reversed with the manner President allowed the two chambers of the National Assembly to freely elect their leadership. The President maintained respect for the expression of the will of the legislators on who leads the legislative houses. The deference and restraint have deepened the independence of the legislature and boosted its commitment to co-management of the national economy.

The legislature has the presence of mind to effectively hold the executive in check as prescribed by the constitution. The Presidents continues to hold summits and breakfast meetings with the leadership of the legislature as a way of building consensus and commitment of the leadership to his agenda. This proactive approach therefore makes it unnecessary to resort to any form of blackmail or threat to secure legislative support for executive actions. The partnership between the executive and legislature today is a result of good-natured statesmanship that has provided ample opportunity to discuss issues.

3.3 Cooperation in oversight of executive project

The power of legislature to oversee executive implementation of the budget and execution of laws passed by the National Assembly is inherent in the legislative function. Most oversight and investigation duties of the National Assembly are carried out through committees. Members of these committees have the mandate to review executive actions, policies and regulations issued by executive and regulatory agencies to ensure that they are lawful, rational, reasonable, and in furtherance of the declared policies of government. These reviews also consider the prudence of such actions, policies and regulation in line with the national budget and the medium-term expenditure framework.

The National Assembly has conducted several investigative and oversight hearings since 2011. The most notable are the hearings on fuel subsidy, financial sector and Security and Exchange Commission. Oversight and investigation can take several forms. The process of authorizing and appropriating funds for executive branch departments and agencies in committee hearings also affords members and committees the opportunity to review the adequacy of those agencies' operations and programs. At various points in the oversight and investigative process of the National Assembly, legislators have questioned high-ranking members of the cabinet and even Mr. President. They have also demanded the production of critical documents that enjoy executive privileges. The executive have complied with all these requests.

In a process of making laws and implementing them we should expect some measure of conflict. But, it is to the credit of the Jonathan administration and the leadership of the National Assembly that it has been able to manage the fallout of the oversight conflicts in a manner that has maintained the integrity of the legislature and the effectiveness of government. The co-operation the leadership of both the executive and the legislative arms has shown in this regard is quite commendable and exemplary. The conflicts that can potentially arise from oversights and investigations are legion. They must as a necessary process of constitutional governance arising from the shared powers created under the constitution. What is most instructive is the capacity to manage these continuing conflicts in a stable manner. This is indicative of the power of leadership that the executive and the legislature bring to bear in shaping socio-political and economic outcomes. It is not the absence of conflict that is the goal. It is the stable management of conflicts. Where this stability exists the outcome has always been positive. This can be seen in the fuel subsidy probe mentioned earlier and the co-ordinated efforts of both branches of government to check waste and encourage probity.

3.4 Collaboration in fiscal responsibility through the MTEF

The Medium Term Expenditure Framework, MTEF, represents one key fiscal governance innovation, which has the potential to improve planning, budgeting and fiscal responsibility in Nigeria. Since the inception of this administration there has been significant improvement in the use and development of the MTEF. This is one critical policy framework for budgeting

planning and implementation. It also provides intelligible principle and logical framework for legislative oversight of budget implementation. Although the MTEF has been part of the Fiscal Responsibility Act and has been articulated before 2011, it is only now that the national budget is being clearly based on the provisions of the MTEF. It will be recalled that the present budget and those implemented by this administration in the last 3 years have been based on the baselines and assumptions of the MTEF.

It is noteworthy that before the consideration of the 2013 national budget the National Assembly demanded the Ministry of Finance present before it the Medium Term Expenditure Framework for three years in compliance with the fiscal responsibility law. The Ministry complied and this led to a much more coherent and implementable national budget in 2013 which has been hailed by the organized private sector as capable of steering forward Nigeria's transformation agenda.

3.5 Effective Co - Management of the Appropriation Process

The constitutional premise of governance in Nigeria is the concept of separate institutions sharing political power to manage the national economy. As Justice Stephen G. Breyer of the US Supreme Court rightly observed, separation of power does not mean separation of institutions. Rather, it means separated institutions working together. The interdependence of institutions of the state is both a practical and constitutional imperative. The Jonathan administration believes in this modern concept of separation of power as provided in Sections 80-88 of the Constitution. These sections empower the legislature to share in managing the national economy through insight, foresight and oversight reviews.

The role of each branch of government in the management of national economy through the national budget is still an unclear issue in the relationship between the legislature and the executive in the appropriation process. The standard constitutional doctrine is that budgeting federal expenditure is a responsibility of the executive. The legislature plays the role of approving the budgeting and making a law of the land. The right of approval has been admitted to include the review but not the right to initiate new expenditure heads outside what the President has provided to the National Assembly. Contention over the boundaries of responsibility in the co-management of the national economy through the budget has been a drag on efficient service delivery.

President Jonathan has shown remarkable political skills in ensuring that this controversy does not undermine the efficiency and effectiveness of policy and program implementation. There is stability in the budget process even as constitutional controversy over the extent of the powers of the National Assembly over the budget remains. There has been debate as to whether the budget passed is the budget of the executive and therefore the limits or scope of amendments the National Assembly can make on the budget. The controversy has now extended to the implementation of the budget. There are no determinative judicial precedents to resolve these conflicts. But President Jonathan's tolerant and deferential leadership has smothered these conflicts and provided opportunity for the legislature to gain

experience and capacity in co-management of national economy. The stability of the budgeting process has huge economic benefits in fostering public and private sector investment in the Nigerian economy.

The 2013 budget is a landmark in setting a standard for timely presentation of the budget. The Ministry of Finance directed all Ministries, Departments and Agencies (MDAs) to submit their budget request before the end of October so as to ensure that the budget is ready before the end of the last fiscal year. The preparation for the budget was painstaking but timely. This resulted in a record passage of the 2013 budget. In the past the criticism has been that the failure to present and pass the budget on time adversely affected economic activities as investors have no clear framework for investment in the economy. Nigerian budgets have been unduly delayed because of lack of early preparation by the budget and timely consideration by the legislature. The crisis of late and controversial budget passage led to the clamour for the creation of a National Assembly Budget and Research Office (NABRO) which will provide the legislature with technical capacity to manage better the budget process.

While the NABRO is yet to take off government has solved the major challenge to timely and intelligent budgeting by reforming the Budget Office of the Federation and streamlining the budget preparation process for the entire public service. With the sanitization of the budgeting process at the executive branch the government will focus attention on supporting the legislature to fully operationalize the proposed NABRO. A fully reformed budgeting process will make governance smart and effective.

In promoting the independence and effectiveness of the legislature President Jonathan is providing a sustained basis for the growth of democracy and the national economy. The legislature performs very critical functions in managing the national economy in the manner prescribed by Chapter 2 of the Constitution.

CHAPTER FOUR: CORRUPTION - SLAYING THE DRAGON WITH THE RULE OF LAW

4.1 Corruption and Developing Challenges

The Jonathan administration recognizes that corruption is a major constraint to economic and social development in Nigeria. It constitutes a major disincentive for investment in the Nigerian economy and increases the cost of governance and doing business. It also constitutes a direct and inordinate taxation on the people. The widespread international perception of Nigeria as a corrupt country has caused incalculable damage to the dignity and honour of many honest and diligent Nigerians and to the country's global competitiveness. While, the perception of the prevalence of corruption in Nigeria is highly exaggerated many ways, nevertheless, we believe that corruption wherever it exist in Nigeria needs to be urgently and systematically addressed.

The Jonathan administration is addressing and containing the challenge of corruption with the required urgency and commitment. The government is determined to make Nigeria a key global economic power, and therefore recognizes that it cannot tolerate any degree of corruption. As long as Nigeria is widely perceived as corrupt, it will be difficult to attract the level of investment required for fast-tracked economic growth to protect the honour and dignity of Nigerian citizens across the world.

Previous administrations in Nigeria have recognized the danger that such pervasive corruption poses to development in the country and have embarked a war against corruption, as a priority agenda. Since 1999, "the war against corruption" has remained a core commitment of government. The public criticism is that in spite of government's expression of commitment to fighting corruption, the scourge remains rampant. While some questions whether the Jonathan has raised the bar on fighting corruption. There is no doubt, that the government has done a substantive work against corruption. The government now pursues a more strategic, comprehensive and effective campaign against corruption and has gone beyond popular sentiments to address the root causes of corruption and enhance the capacity of the institutions to resist and overcome corrupt influences.

President Jonathan's approach in fighting corruption is to focus on building strong institutions that have the capacity to overcome corrupt influences and not just to sermonize about corruption. This approach uses the rule of law as a framework to fight corruption since corruption is a feature of weak rule of law and weak institutions.

Fighting corruption through strengthening rule of law institutions and entrenching transparency and accountability mechanisms in the public service procurement and project implementation is efficacious because corruption is primarily a derogation of rule-based system. As Daniel Kufamman puts it, "Corruption equals monopoly plus discretion minus accountability. Whether the activity is public, private, or nonprofit, or whether it is carried out in Ouagadougou or Washington, one will tend to find corruption when an organization or a

person has a monopoly power over a good or service, has the discretion to decide who will receive it and how much that person gets, and is not accountable”.²

Corruption therefore is a failure of institutions and had a relationship with the quality of democratic control in a system. The focus of government since 2011 has been to strengthen these system weaknesses and increase the capacity of anti-corruption institutions to deter, detect and punish corrupt practices. Beyond this, the government also focuses attention on addressing the social and economic conditions that reinforce the incentive for public officers and private actors to abuse public trust.

In the past, a major challenge of prosecuting the war against corruption has been the subordination of the Economic and Financial Crimes Commission (EFCC) to the Ministry of Justice in terms of exercise of its prosecutorial mandate. The EFCC is designed to be an independent anti-corruption agency that exercises independent judgment about who to investigate and prosecute. The relationship between the leadership of the EFCC and the Ministry of Justice has been a major cause of discredit the anti-corruption campaign. But by granting the EFCC clear prosecutorial independence from the Attorney General and Minister of Justice, President Jonathan has restored the integrity of the anti-graft agency and the credibility of the war against corruption.

4.2 Right of Fair Hearing in Corruption Cases:

In the last two years, the EFCC has remained committed to preventing financial and economic crimes and prosecuting those who are guilty of such crimes. What has also changed is that the Commission is now truly independent of the serving Attorney General and has no need to base its enforcement actions on the political desires or interests of top government officials or the ruling party. The EFCC continues to arrest and prosecute high profile public officials and business leaders and those so within the rule of law and due process, in taking action against an alleged offender. We have a real opportunity to assess the effectiveness and institutional integrity of the new EFCC in the ongoing trial of those alleged to be involved in Fuel Subsidy Scam and the Police Pension Scam. In each of these cases without any form of sensationalism or resort to public media lynching of alleged culprits, the anticorruption agencies conducted painstaking investigations of the alleged scams and followed the evidence trail. Today, the trials are going on well and Nigerians have strong faith that those who are guilty will be convicted and punished according to the law.

President Jonathan’s efforts at strengthening the capacity of state institutions to fight corruption is not limited to granting independence to EFCC and other anti-corruption agencies. It extends to establishing a broad institutional basis for transparency and accountability through a freedom of information regime that empowers citizens to scrutinize the actions of public officials and institutions. The enactment of the Freedom of Information Act is a paradigm shift in democratic governance in Nigeria. It has empowered civil society groups to petition public institutions to supply critical information that helps them to monitor

² Robert Klitgaard, International Cooperation against Corruption, Finance and Development (March, 1988) pages 3-4

and petition corrupt public officials. The more sustained approach to fighting corruption is to empower citizens to demand transparency and accountability for use of public funds. Civil society groups have petitioned the Ministry of Justice, the Central Bank, NNPC, and Presidency for information on public expenditure to help them engage in anti-corruption campaigns. This is what the President has been doing in the last two years. He is recreating the institutions of good governance such that corruption will be easily prevented, detected and prosecuted whenever it occurs.

4.3 Review of Past Transparency Reports

There has been progress in the struggle to combat corruption in Nigeria and many other African countries, particularly due to the leadership and concerted awareness-raising efforts by international organisations, complemented by many domestic groups over the past few years.

The achievements of the present administration in combating corruption through the application of the rule of law are as follows:

- Signing of the Freedom of Information Act into law by President Jonathan in May 2011 represents a watershed in the anti-corruption crusade in Nigeria. This piece of legislation, which stalled under administrations since 1999, was signed into law by Mr. President to usher Nigeria into the league of countries where transparency in governance is entrenched and citizens are granted unfettered access to information about government activities. Today Citizens have the right to demand and seek information from any government agency on the administration of the Nation. Press freedom is accommodated and critics are given room to air their grievances.
- In the civil service the fight against corruption has also taken centre stage. “The Jonathan administration has uncovered fraud through the detection and deletion of over 73,000 ghost/fake pensioners from the Head of Service/Police Pension Office; recovery and saving over N225 billion from the two pension offices; capturing the biometric data of over 170,000 pensioners; halting the monthly theft of over N4 billion from the national treasury; reducing fraud by saving over N500 million monthly through the police pension releases, which represents 50 percent of the N1 billion disbursed monthly in the past; and the discovery of over 50,000 unpaid pensioners and immediate payment of their entitlements.”
- Federal Government discovered a fraud of over N2.7 billion in Pensions’ fund. The government seized about 200 properties, including hotels and cash worth billions of naira from corrupt public officials. This led to the arrest and on-going prosecution of pension fraud suspects by the Economic and Financial Crimes Commission (EFCC),

subsequently, government introduce a more efficient tamper-proof pension funds management system.

- To further the fight against corruption through the application of the rule of law, the President set up an Independent Presidential Committee to monitor the activities of the Niger Delta Development Commission (NDDC). The Committees report further exposed the deep corruption going on in the Commission through diversion of government contracts.
- Another giant stride is the suspension of Justice Abubakar Talba of the FCT High Court, Gudu, Abuja. The 12-month suspension follows the controversial judgment he delivered in respect of John Yusufu, who was prosecuted by the Economic and Financial Crimes Commission, EFCC, over an alleged N32.8 billion Police Pension Fraud. The President ensured that he gave the judiciary the much needed freedom to administer punishment in cases of abuse of power and lack of respect for the rule of law.
- There has been judicial and legal reforms by the President, with a major step in the Administration of Criminal Justice (ACJ) Bill 2012 by the Office of the Attorney General and Minister of Justice. The bill is currently before the National Assembly and seeks to ensure that the administration of criminal justice in Nigeria promotes speedy dispensation of justice, protection of the society from crime, and protection of the rights and interests of the defendant and the victim.
- The recent dismissal of three judges found to have compromised their offices is an unmistakable signal of zero tolerance for corruption in the judiciary.
- In the management of the fertilizer scheme, the federal Government now uses the e-wallet scheme to capture the data of farmers in the country through registration designed to enhance farmers' access to fertilisers, seeds and other farm inputs. The government does this through the use of GSM phone numbers of the farmers captured during the data exercise. This has reduced corruption and ensured that the product gets to the end users. Before now, there was huge corruption in the fertilizer distribution scheme where rich private and public figures usually hijack the subsidized fertilizer from the federal government and then resell it to the farmers at an exorbitant price. However with this new system, a deliberate effort has been made to ensure that farmer' gets the fertilizers directly as it should be the case.
- The government is also considering the call for the application of the voucher system in the distribution of fertilisers to peasant farmers who do not own cell phones and GSM networks in rural communities.

- Nigeria was one of the first signatories to the Inter-governmental Action Group against Money Laundering in West Africa (GIABA), and recently the President signed the Anti-Money Laundering Act into law.
- Power sector reforms is another area where Nigerians appreciate the efforts of the Goodluck Jonathan administration in reducing incentives for corruption and ensuring better service delivery.
- The fuel subsidy scandal saw the exposure of huge corruption in the oil sector which had been a conduit through which huge funds were siphoned from the National Treasury. With this exposure, Nigerians are now fully aware of what goes on and who does what in this sector. The President has also set up various committees to investigate corruption in this sector.
- The fight against corruption in the oil and gas sector of the Nigerian economy was perhaps the most fundamental of the current administration's effort at combating crimes against the Nigerian economy. A major component of the on-going anti-corruption reform in Nigeria is the establishment of the Nigerian Extractive Industry and Transparency Initiative (NEITI), and to meet up with global best practices the President Jonathan recently forwarded the Petroleum Industry Bill (PIB) to the National Assembly for passage into law.
- The independence of the legislature and the judiciary has been one of the greatest achievements of the administration which has seen a great level of stability and improvement in that arm of government especially when compared to previous administrations. The three tiers of government now meet regularly to review and appraise progress and strategy.
- All these feats were achieved within the confines of the rule of law which the President has vowed to uphold. He believes in respect for the Constitution and follows the process despite pressures from different quarters.

In arresting the menace of corruption in Nigeria, we must understand that it is not a fight to be left for the government alone, but rather would require a concerted effort by individuals from all sectors to complement the effort of the government. Corruption must also be fought with every sense of diligent it deserves by government and individuals. Otherwise, Nigeria's sustainable development will be undermined with dire consequences on the economy, the citizenry and on our collective image globally. The citizens are therefore encouraged to work assiduously with government agencies in the fight against corruption.

CHAPTER FIVE: INSECURITY - PROTECTING THE STATE AGAINST TERRORISM AND INSURGENCY

5.1 A New Approach to Fighting Insecurity

Nigeria is witnessing a state of violence and insecurity resulting from the activities of some groups. In this regard, government is dealing strategically with this threat by focusing attention on protecting the civic space that assures the protection of every citizen. While effectively combating terrorism and other forms of violent attacks on the State, government has demonstrated how to protect civil liberties and at the same time, defeat terrorism. The recent declaration of state of emergency by Mr. President in three States, namely: Adamawa, Borno and Yobe gravely affected by terrorist activities of the Boko Haram sect is a clear demonstration of its resolve to rid the country of insecurity and guarantee democratic freedom. This was done with the retention of the democratic structures in the affected States and in keeping with the provisions of Section 305(1) of the Constitution and principles of democracy. By this innovative approach to fighting terrorism and insecurity, government has established a benchmark on the war against terrorism, providing an example of effective law enforcement and principled defense of democratic rights.

5.2 Insecurity as a Challenge to Democracy

Nigeria is not alone in the world in facing the challenge of insecurity which has become the persistent feature of new global order caused by fundamentalist groups. While, the insecurity in the country has its own history and contexts, many trace the origin of the violence to the increasing agitation of communities for control of the country's natural resources, agitation over access to economic resources and to the exclusive benefits of land rights. Also, there is a sense in owning up to the fact that the long years of military rule account for the upsurge of violence. With the return to democratic rule in 1999 and the attendant reduction in citizens' ownership of governance, violent expression of expectations became ways and means of creating identities and solidarities during that era of military rule. Under the military government, with a single command structure, dealing with such violent expressions of expectation often took the form of extreme repression, thus further closing off the public space to citizens.

Civil democracies everywhere are disciplined by the ethical nature of democracy and Nigeria is no exception. Though, the cultural and religious diversity of our federation poses challenges to governance as every policy must be expressed and implemented in ways that meet citizens' conflicting expectations, and they are being addressed holistically by government. In recent years, religious fundamentalism has become a social problem we have had to deal with like most governments in Europe and North America as well as in the South East Asian countries.

5.3 Current State of Insecurity

The Nigerian state faces three fundamental security challenges posed by extremist groups like Boko Haram in the North, the Movement for the Actualization of the Sovereign State of Biafra (MASSOB) in the South East and the Oodua People's Congress in the South West. Though, the

greater challenges are in the North where Boko Haram continues its intense violent campaign against citizens that have led to loss of lives and the destruction of property in Borno, Yobe, Adamawa, Kano, Bauchi and Gombe States.

While attacks have been launched on government and international institutions like the Nigeria Police Force Headquarters and the United Nations House in Abuja in the Federal Capital Territory, government has contained the violent activities of the Boko Haram sect by restricting it to communities in the North East where the Joint Task Force (JTF) of our national security agency is currently engaged in anti-terrorism battle. The challenge of containing a group with no identifiable structure is huge; but within our broad counter-terrorism coordinated framework, government has scored several successes with the arrests and trials of many insurgents.

The activities of the Movement for the Actualization of the Sovereign State of Biafra (MASSOB) and the Odua People's Congress (OPC), though not as violently intense as those of Boko Haram, they still pose serious security challenge to the Nigerian state. The Nigeria Police Force is upgrading its intelligence and counter-violence infrastructure across the country to respond to the internal security challenges in many robust ways to protect citizens and secure property, and restore law and order.

The Niger Delta region has enjoyed a period of peace since the Amnesty Programme of the government was initiated in 2009, and with many militants currently being rehabilitated under the Programme and with many other militant activists serving as liaison between the government and host oil communities of the Niger Delta, law and order have been restored in that region. Though, in the years following the implementation of the Amnesty Programme, government experienced an upsurge in the incidence of kidnapping and oil theft in the region. Although, the upsurge cannot be traced to the demobilization of militant activists, the activities of organized criminal syndicates are responsible for these oil thefts; and as a government we are mobilizing national security agencies to arrest the criminal menace which has serious implications for our national economy.

5.4 Protecting the State against Terrorism and Insurgency

The administration recognizes its fundamental responsibility to protect the Nigerian State and preserve the lives and property of all citizens and residents in Nigeria. To achieve this, government has dedicated itself to preventing a state of terror, lawlessness and disorder in the country. Also, government will enforce respect for the rule of law and deference to established State institutions. Whenever any group organizes itself against the prevailing laws and established democratic institution, government will stand up and effectively remove such threat to ensure that the protection of lives and property is not compromised. In this regard, government has put in place the following measures:

- Containing terrorism and insurgencies through consultation;
- Mobilising civic understanding of terrorism as greatest threat to social and economic well-being and deployment of communal and local resources against terrorism;
- Increasing citizen consensus on the dangers of terrorism;

- Granting amnesty to Niger Delta activists and Boko Haram;
- Ensuring stronger co-ordination around the security agencies and processes; and
- Promoting better co-operation and intelligence exchanges with international multilateral and security institutions.

Though the insecurity being currently experienced was inherited, the government is working hard to keep Nigeria safe, enforce the rights of the people and maintain the integrity of its democratic institution. While government is yet to fully stamp out terrorism from our shores, there is a massive drop in successful acts of terrorism as better intelligence gathering and co-ordination by the security agencies have averted many planned acts of terrorism. In addition, government has successfully weakened and obliterated the ability of terrorist groups to attack the country.

CHAPTER SIX: INDEPENDENT JUDICIARY AND THE INTEGRITY OF ADMINISTRATION OF JUSTICE

In the last two years, the Jonathan administration has strengthened the independence of judiciary by improving the integrity of the appointment of judges and enhancing their security of tenure. This is in accordance with the concept of the supremacy of the law which is the basis of our constitutional democracy. This makes the judiciary a cornerstone of democratic governance. The constitution authorizes the regular courts to exercise the power of judicial review of both legislative and executive actions. The Supreme Court has ultimate jurisdiction to settle controversy on the constitution. The position of the courts in the constitution is such that democratic governance cannot be effectively realized unless the judiciary is independent.

The Jonathan administration has secured the independence of the judiciary by enforcing those institutional and constitutional structures and infrastructure that protect and shield judges from undue interference. By doing this, the government has protected the integrity of judicial decisions and of the effectiveness of administration of justice. It is in conformity with this principle that President Jonathan did not interfere in the appointment of federal judges and has insisted on strict observance of the constitutional provisions and international human rights principles on the independence of the judiciary. Federal judges are free to render judgments based on the law without considering whether they go against the government or the ruling party. These judges appointed under the tenure of this government have boldly entered judgment against the government in deserving cases without fear of executive recrimination.

This Administration attaches importance to independent judiciary which has been able to freely do justice in cases between citizens and governments. The Transformation Agenda is hinged on a new commitment to the rule of law. A fundamental component of the rule of law is a fair and efficient administration of justice. The premise of democracy will be defeated if citizens don't have effective remedies for violations of their rights.

6:2: National Judicial Council (NJC) - Liaison between Judiciary and the Government

A fair and effective administration of justice requires that judges be appointed through due process. There is a need for an established disciplinary process that enforces ethical conducts amongst judges. For this Administration, the quality of jurisprudence is determined by the quality of judicial officers that are appointed to our courts, thus the selection and appointment of judicial officers are made by the National Judicial Council (NJC), the constitutional body charged with the responsibility to exercise such functions. This constitutional framework provides the NJC with the powers to discipline erring judicial officers and guarantees them the security of tenure of their judicial offices. As an administration that desires to have strong and independent judicial institution, the Jonathan Administration has refrained from interfering in the appointment and discipline of judicial officers.

In the last two years, the NJC has risen to the occasion by ensuring integrity in the administration of justice. It has been discharging its responsibilities effectively because the

Administration is sincerely interested in a self-regulated judiciary. The Jonathan Administration has not interfered with the functions of the NJC. It has rather enabled it and ensured adequate funding for the judiciary, such that its independence is not compromised. Government has pursued vigorous policies of securing the independence of the judiciary, strengthening the structures and capacity of courts through non-interference in the appointment and disciplining functions of the National Judicial Council, and ensuring fiscal independence for the judiciary in terms of disbursement of budgetary allocations for capital and recurrent expenditure.

This Administration has also appointed the first female Chief Justice of Nigeria, Justice Aloma Mariam Mukhtar, Grand Commander of the Order of the Niger (GCON), to further ensure gender balance in the administration of justice. The first female Chief Justice has commenced an unusual campaign against corruption in the judiciary. For the first time since 1999, the country is witnessing massive investigation of judicial officers by the NJC. On 20th February, 2013, the National Judicial Council recommended to the President and Governor Jonah Jang respectively, the compulsory retirement of Justices of the Federal High Court Lagos and Plateau states. The NJC also suspended Justice of the High Court of the Federal Capital Territory for one year. President Jonathan approved the recommendation for the retirement of Justice of the Federal High Court of Lagos.

There are institutional constraints which militate against the effective administration of justice. The long years of military dictatorship accounted for the lopsided appointments of judicial officers; and the derogation on the powers of the courts through ouster clauses of decrees effectively eroded the security of our courts. The Administration is committed to securing the country's democracy through constitutionalism and the rule of law; to strengthen the capacity of the judiciary and the administration of justice institutions for the purpose of promoting good governance and to improve the welfare of the people on the principles of freedom, equality and justice.

PART TWO: ECONOMIC AND SOCIAL PERFORMANCE

CHAPTER SEVEN: INTRODUCTION

7.1 Background

A review of the Nigerian economy clearly indicated that the country faced a number of development issues at the inception of the current Administration. Some of the issues included a high, non-inclusive growth, high rates of unemployment and poverty, widening disparity in income, depleting foreign reserves, rising recurrent expenditure and overall fiscal deficit. Others included the multiplicity of projects in the face of dwindling resources, non-diversification of the economy, divergence between the annual capital budget and medium-term plans and lack of consistency, continuity and commitment (the 3Cs) to agreed policies. It is to address these challenges that the government developed the Transformation Agenda (TA). The TA demonstrates the desire and indeed the country's capacity, to transform our thinking, institutions and human capital to support the aspirations of the Nigerian people. The Transformation Agenda is the blueprint of the key policies, programmes and projects to be implemented during 2011 - 2015. It is not a standalone, strategic plan, however, as it builds on the earlier foundations of the 1st National Implementation Plan (NIP) of the NV20:2020 and the wide consultative processes associated with it.

7.2 The Transformation Agenda and Nigeria Vision 20: 2020

The Transformation Agenda was derived from the Nigeria Vision 20:2020 (NV20:2020), which is an articulation of the long-term plan to launch Nigeria onto a path of sustained social and economic progress and accelerate the emergence of a truly prosperous and united nation. Recognizing the enormous human and natural endowments of the country, the blueprint is Nigeria's roadmap to improve the living standards of its citizens and place the country among the Top 20 economies in the world by 2020, 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.

The NV2020 has two broad, fundamental objectives, namely: 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, economic, institutional and environmental dimensions.

The three pillars of the Vision 20:2020, represent the building blocks of the future that Nigerians desire. The pillars are guaranteeing the productivity and wellbeing of the people; optimizing the key sources of economic growth and fostering sustainable social and economic development. The effort of Governments at both the state and federal levels to consistently translate strategic intent into action and results on a sustainable basis, is recognized as an important factor in making Vision 20:2020 a reality.

7.2.1 The Transformation Agenda

The Transformation Agenda is a medium term, development strategy to speed up Nigeria's march towards becoming one of the twenty largest economies by the year 2020. It serves as a framework for the actualization of the Federal Government's economic growth agenda, from 2011-2015. It was developed to consolidate the gains of the reforms of the last decade and is anchored on the pillars and specific targets of the Nigeria Vision 20:2020 (NV 20:2020). Thus, as a roadmap for securing a better future, the Transformation Agenda is targeted at:

- a. creating decent jobs in sufficient quantities to address the protracted problem of unemployment and reduce poverty;
- b. laying the foundation for a robust and inclusive growth of the Nigerian economy; and
- c. improving, on a sustainable basis, the well-being of all classes of Nigerians regardless of their personal circumstances and location.

To achieve these strategic goals, the government has focused attention on priority sectoral issues, including agriculture, manufacturing, oil and gas, trade and investment, culture and tourism, education, health, youth and women development, power, transport, water, security, public service reforms, anti-corruption, as well as foreign and economic diplomacy. These have been grouped into four thematic areas of Governance, Human Capital Development, Infrastructure and Real Sector, as shown in figure 7.1, below. The programmes and projects in the Transformation Agenda are the priority policies, programmes and projects of Federal Ministries, Departments and Agencies (MDAs) of government that have high transformative impact on the economy and the people, during 2011-2015. The Pillars of the Transformation Agenda are summarized in Figure 7.1.

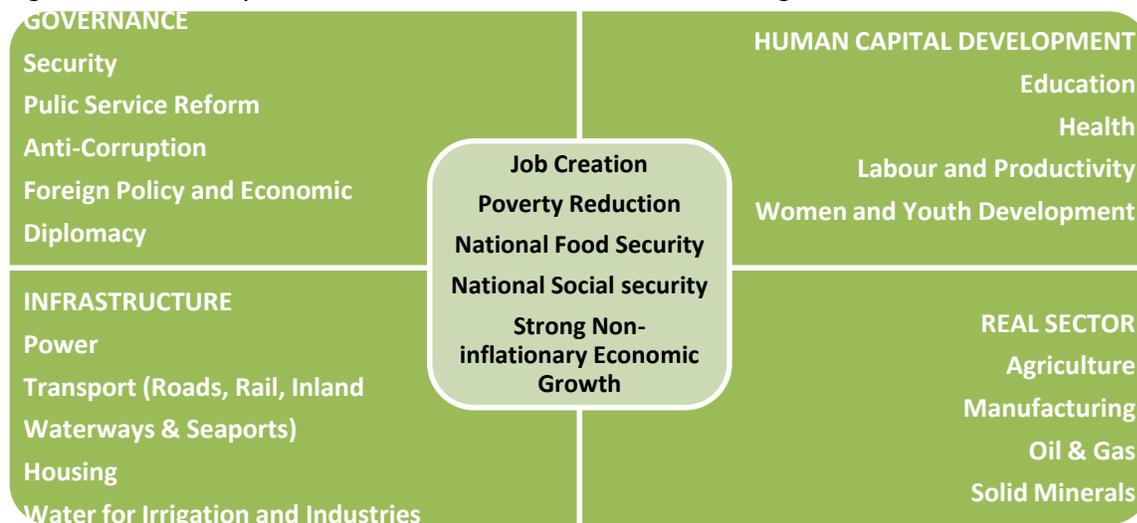
Figure 7.1: Pillars of the Transformation Agenda



Source: NPC, the Transformation Agenda, 2011

The development priority during the period is shown in figure 7.2.

Figure 7.2: Development Priorities of the Transformation Agenda



Source: NPC, the Transformation Agenda, 2011

The economy is expected to remain strong and stable during the implementation of the Transformation Agenda with an average GDP growth of 7.76 percent during 2011 - 2015. The detail macroeconomic assumptions for the plan period are as highlighted in Table 7.1.

Table 7.1: Macroeconomic Assumptions for 2011-2015

	2011	2012	2013	2014	2015
Crude Oil Production (mbpd)	2.3	2.48	2.50	2.50	2.50
Crude Oil Price (US\$)	75	72.00	72.00	74.00	75.00
Real GDP Growth Rate (percent)	7.36	7.61	7.65	7.84	7.93
CPI Inflation (percent)	10.8	9.50	9.44	9.35	9.16
Nominal Exchange Rate (N/US\$)	153.9	155.00	159.50	157.00	154.00
Population Growth Rate (Percent)	3.2	3.00	2.80	2.80	2.80
Growth in Non-oil Exports	21.34	30.50	31.00	31.50	32.00
External Debt (percent annual change)	23.76	54.58	33.88	23.73	19.33
Monetary Policy Rate	12.00	12.50	12.13	12.00	11.64
Fiscal Deficit (percent of GDP)	3.11	2.85	2.95	2.97	3.00

Source: NPC, the Transformation Agenda, 2011

7.3 Key Deliverables of the Transformation Agenda

The Transformation Agenda is expected to deliver key macroeconomic and other sectoral outputs and outcomes. In particular, the following key deliverables are targeted:

7.3.1 Macroeconomic Objectives

A stable and strong macroeconomic environment that is investor friendly and provides for improved standards of living for the generality of Nigerians. The key targets include:

- I. a robust real GDP growth rate of 7.76 percent per annum over the period which translates to a nominal GDP of US\$355.8 billion (₦54.8 trillion) by the end of 2015;
- II. greater coordination and harmony between fiscal, trade and monetary policies;
- III. greater fiscal prudence and low inflation;
- IV. reducing the ratio of recurrent to total expenditure to not more than 60 percent;
- V. further liberalization and deregulation of the economy; and
- VI. reduction in the unemployment rate in the country.

7.3.2 Governance

The key deliverable of the Governance sector is to maximize the benefits the citizenry derives from government through building more effective institutions, crating appropriate policies and achieving more efficient use of public resources. Specifically, it seeks to:

- I. Transform the public service into a proactive, competent and virile one, providing policy advice and guidance for a rapidly growing economy;

- II. Achieve greater independence for the judiciary in terms of funding and tenure and improving efficiency in service delivery;
- III. Link foreign policy to the domestic agenda of government through greater emphasis on investments and economic cooperation, and the use of economic diplomacy in defining international relations and projecting national interest; and
- IV. Facilitating the creation of a dynamic, constitutionally effective and publicly responsive legislature, that is proactive in its legislative duties.

7.3.3 Human Capital

Human Capital Development is strategic to the socio-economic development of a nation. The specific targets for the sector include:

- I. Promoting the enrolment into school of all primary school age children, irrespective of the income and other circumstances of their parents;
- II. Using the NSHDP as the springboard for transforming the health sector;

7.3.4 Real Sector

The deliverables for the sectors are as follows:

- I. ensuring food security and sustainable access to food for all Nigerians;
- II. Improving manufacturing by broadening the nation's productive base, promoting private sector investments ; and
- III. enhancing private sector investment in both upstream and downstream activities of the oil and gas industry.

7.3.5 Infrastructure

The specific deliverables for infrastructure include:

- I. Intensifying the investment in four major areas of power generation, transmission, distribution and alternative energy;
- II. developing a national, knowledge-based economy (KBE) 10-year Strategic Plan, sustained human capacity development in ICT;
- III. evolving a multimodal, integrated and sustainable transport system;
- IV. producing and implementing a unified and integrated infrastructure development for housing;
- V. ensuring sustainable and optimal performance of water supply schemes, facilities and services; and
- VI. investing in rail, road and water transport infrastructure, reclamation of land and shorelines and skills acquisition in the Niger Delta and open up new districts in the FCT.

7.4 Methodology

7.4.1 Approach

The approach adopted for producing this midterm report is very participatory and highly inclusive. In particular, a Ministerial Committee was constituted by Mr. President to lead the process. Members of the committee include:

- i. Honourable Minister/Deputy Chairman, National Planning Commission (**Chairman**);
- ii. Coordinating Minister for the Economy/Honourable Minister of Finance;
- iii. Honourable Minister of Agriculture and Rural Development;
- iv. Honourable Minister for Transport;
- v. Honourable Minister of Lands, Housing and Urban Development;
- vi. Honourable Minister of Information;
- vii. Honourable Minister of State for Health;
- viii. Honourable Minister of Foreign Affairs I;
- ix. Honourable Minister of State for Works;
- x. Chief Economic Adviser to the President;
- xi. Special Adviser to the President on Performance Monitoring and Evaluation;
- xii. Director-General, Bureau of Public Procurement;
- xiii. Senior Special Assistant to the President on Millennium Development Goals;
- xiv. Senior Special Assistant to the President on Public Affairs;
- xv. Senior Special Assistant to the President on Research, Documentation and Strategy; and
- xvi. Senior Special Assistant to the President on Administration.

The Committee was supported by a Technical Committee, consisting of officials of the key Ministries, Departments and Agencies (MDAs). The Members are:

- i. Director, (Macroeconomic Analysis), National Planning Commission (**Chairman**)
- ii. Director, M&E/Federal Ministry of Transport
- iii. Director, Federal Ministry of Information
- iv. Director, Bureau for Public Procurement
- v. Director, Office of the SAP-PME
- vi. Director, M&E/National Planning Commission
- vii. Deputy Director, ERPM/Federal Ministry of Finance
- viii. Deputy Director, PRS/Federal Ministry of Agriculture
- ix. Deputy Director, Federal Ministry of LH&UD
- x. Deputy Director, OSSAP-MDGs
- xi. Special Assistant (HMSH)/Federal Ministry of Health
- xii. Special Assistant (HMSW)/Federal Ministry of Works
- xiii. Special Assistant to the CEA to the President
- xiv. Assistant Director PRS/Ministry of Foreign Affairs
- xv. Technical Assistant to the Hon. Minister, NPC (Macro)
- xvi. Technical Assistant to the Hon. Minister, NPC (M&E)

xvii. Deputy Director (F&SPC)/NPC (Head of Secretariat)

In carrying out the assignment, letters were sent to all the Ministries, Departments and Agencies, requesting them to identify key policies, projects and programmes executed by them during the last two years that should be highlighted in the Report. The Ministers were equally requested to forward information on specific areas of the report outline, which fall under their jurisdiction. In this regard, the letters sought data/information in the following areas:

- Policy thrust, objectives, strategies and targets as contained in the Transformation Agenda;
- List of projects in the Plan; and
- Actual expenditure on and level of completion of projects (May 2011 - May 2012).

Similarly, the Committee extensively examined the background documents, as well as the submissions of MDAs in drafting the Report. Several brainstorming sessions were held by the drafting Team members, to deliberate on emerging information from the field, in addition to various interactive sessions with representatives of government agencies. Technical Working Groups (TWGs) and a drafting team were set up to analyse the information. An Editorial Committee was also set up to work in collaboration with the team, to produce this report.

7.4.2 Scope

The Report represents a Mid-Term Review of the Performance of the current Administration from May 29, 2011 - May 29, 2013. It evaluated the targets set vis-à-vis the achievements within the period, and also identified the gaps and issues and challenges that hindered or boosted performance. Finally it explored the outlook and prospects for the second half of the Administration.

7.4.3 Sources of Data

Primary data was collected directly from the MDAs for the report. In addition, the report benefitted from secondary data and other information sources. Some of these are highlighted below:

- NV20:2020 document
- 1st National Implementation Plan 2010 - 2013
- Transformation Agenda
- 2011 Annual Performance Monitoring and Evaluation Report
- 2011 and 2012 Annual Performance Review of the Economy
- Ministerial Press Briefings
- Mid-term Review Report of the 1st National Implementation Plan
- Report on 100 days in office presentations (clarify before use)
- National Good Governance Tour Report
- Sure and Steady Transformation - Progress Report of President Goodluck Jonathan's Administration, Vol. 1

- 2012 SURE-P Annual Report
- 2012 Ministerial Performance Contract Presentations to the Federal Executive Council
- Administrative data from Federal MDAs
- Medium Term Expenditure Framework (MTEF) 2011 - 2013
- Central Bank of Nigeria's Annual Reports
- OSSAP - MDG's Press Briefing on 1000 Days in Office
- Federal Inland Revenue Services (FIRS)
- World Bank's Doing Business Report (2011 - 2012), World Development Report
- National Newspaper Reports
- Power Sector Reform Map
- African Development Bank's Country Strategy Paper for Nigeria, 2011 - 2016
- 1999 Constitution of the Federal Republic of Nigeria
- International Rating Organisations, etc.

7.5 Organization/Structure of Part Two of the Report

This Part of the report is organized into 12 chapters consisting of chapters 7 - 18. In this regard, Chapter 7 contains the introduction; Chapter 8 focuses on the macroeconomic performance; Chapter 9 addresses the key reforms of the administration and outcomes. Chapter 10 deals with Good Governance; Chapter 11 highlights ways of sustaining economic growth through the productive sector; Chapters 12, 13 and 14 addresses issues of quality and affordable infrastructure, effective human capital and social development and ensuring security and safety of all Nigerians respectively. Chapter 15 dwells on State Governments; Chapter 16 addresses issues of the private sector and international development partners; Chapter 17 discusses the outlook and prospects of the nation, while Chapter 18 concludes the report.

CHAPTER EIGHT: MACROECONOMIC PERFORMANCE

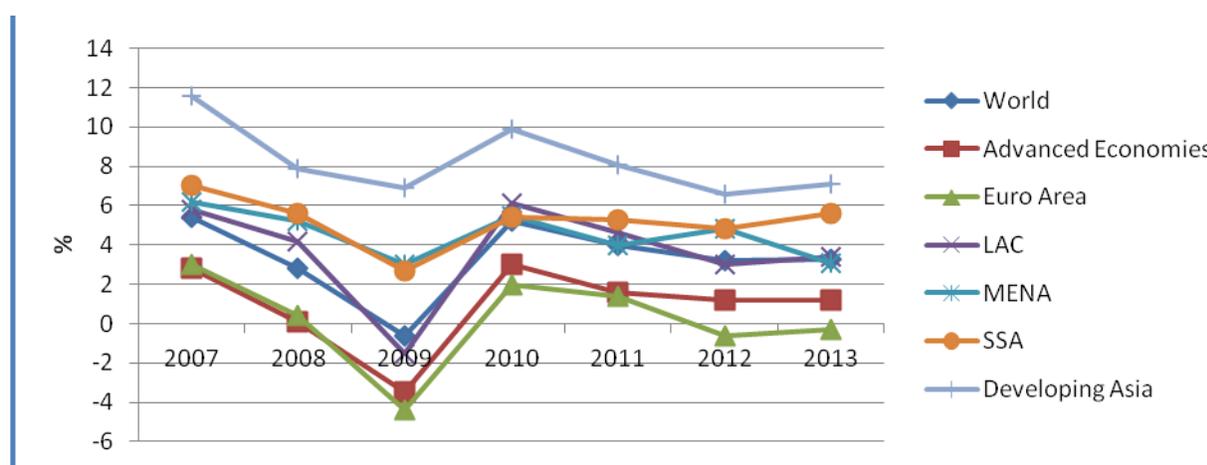
8.1 Global Developments

The global environment has been quite challenging and uncertain during the period under review. Most of the challenges were as a result of the global economic and financial recession that started with the crisis in the USA, sub-prime market in 2008. This escalated to most regions of the world. However, there was a brief rebound in 2010, followed by a slowdown in 2011 and 2012; though in 2013, signs of recovery are becoming more visible. Thus, the global economy has been going through a period that can be best described as mixed.

8.1.1 Economic Growth

The global economy grew by -0.6 percent, 5.2 percent 4.0 percent and 3.2 percent in 2009, 2010, 2011 and 2012 respectively (see Figure 8.1 and Table 8.1). It is also projected to grow by 3.3 percent in 2013. The major driver of the recovery from the recession, particularly in 2010, was the fiscal and monetary stimulus undertaken in most of the affected countries. The US, for example, undertook the \$700 billion Troubled Asset Relief Program (TARP) in October 2008 and another \$787 billion fiscal stimulus in January 2009. Other countries such as China, Australia, UK and Nigeria undertook different forms of fiscal stimulus, as a strategy for reviving economic activities.

Figure 8.1: Growth in Selected Regions of the World



Source: IMF, World Economic Outlook Database, April 2013.

In 2011 when the present Administration took office in Nigeria, global economic recovery remained sluggish in most regions of the world, especially in the developed economies. Recovery was uneven, business confidence fell sharply and downside risks grew. Thus the global economy slipped into another state of uncertainty. Sources of the relapse include the devastating earthquake and tsunami that hit Japan, unrest in some oil-producing countries in the Middle-East, stalled handover from public to private demand and threat of “fiscal cliff” in

the U.S, financial turbulence in the euro area, and sell-off of risky assets in the global financial markets.

Table 8.1: GDP Growth in Selected Countries

Country	2007	2008	2009	2010	2011	2012	2013
	Percent						
World	5.4	2.8	-0.6	5.2	4.0	3.2	3.3
United States	1.9	-0.3	-3.1	2.4	1.8	2.1	1.9
United Kingdom	3.6	-1.0	-4.0	1.8	0.9	0.2	0.7
Japan	2.2	-1.0	-5.5	4.7	-0.6	2.0	1.6
Germany	3.4	0.8	-5.1	4.0	3.1	0.9	0.6
France	2.3	-0.1	-3.1	1.7	1.7	0.0	-0.1
Greece	3.5	-0.2	-3.1	-4.9	-7.1	-6.4	-4.2
Ireland	5.4	-2.1	-5.5	-0.8	1.4	0.9	1.1
Portugal	2.4	0.0	-2.9	1.9	-1.6	-3.2	-2.3
Spain	3.5	0.9	-3.7	-0.3	0.4	-1.4	-1.6
China	14.2	9.6	9.2	10.4	9.3	7.8	8.0
India	10.1	6.2	5.0	11.2	7.7	4.0	5.7
Brazil	6.1	5.2	-0.3	7.5	2.7	0.9	3.0
Mexico	3.2	1.2	-6.0	5.3	3.9	3.9	3.4
Egypt	7.1	7.2	4.7	5.1	1.8	2.2	2.0
Morocco	2.7	5.6	4.8	3.6	5.0	3.0	4.5
South Africa	5.5	3.6	-1.5	3.1	3.5	2.5	2.8
Nigeria	7.0	6.0	7.0	8.0	7.4	6.3	7.2

Source: World Economic Outlook Database, April 2013

The slow pace of recovery of the global economy continued in into 2012, owing largely to the inability of policies in the advanced economies to rebuild confidence. Economic conditions in several economies, including the developed nations, however began to improve, with effect from early 2013. This is due to the success recorded in dealing with the threats of Euro breakup and fiscal contraction in the US, associated with the fiscal cliff. The emerging and developing economies, notably China, have continued to champion the global post-crisis recovery, through relatively buoyant and vigorous economic activities, arising from strong internal demand.

8.1.2 Trade

The slow pace of global trade was closely associated with the global financial recession witnessed with effect from 2009. The world trade volume contracted significantly by 11 percent in 2009. The trend however recovered to a growth rate of 12.5 percent in 2010 and showed down to 6 percent in 2011 and 2.5 percent in 2012; but projected to marginally improve to 3.6 percent in 2013. The slow pace of growth after the recovery in 2010 was

attributed largely to the poor performance of the developed economies, that were most hit by the economic recession, thereby stifling consumption demand (see Tables 8.2 and 8.3).

Table 8.2: Volume of Exports of Goods and Services in Selected Countries (percent change)

	2007	2008	2009	2010	2011	2012	2013
Advanced Economies							
United States	9.3	6.1	-9.1	11.1	6.7	4.3	4.3
United Kingdom	-2.5	1.2	-8.2	6.4	4.4	-0.8	2.4
Japan	8.7	1.4	-24.2	24.3	-0.1	2.7	4.2
Euro Area							
Germany	8.0	2.8	-12.8	13.7	7.8	3.9	3.1
France	2.4	-0.3	-12.1	9.6	5.3	2.3	1.2
Greece	16.7	10.6	-23.8	-0.7	4.5	-7.9	-0.1
Ireland	8.4	-1.1	-3.8	6.2	5.1	2.8	3.5
Portugal	12.1	3.0	-12.1	0.3	8.9	-3.0	2.6
Spain	6.7	6.7	-10.0	11.3	7.6	2.4	3.5
Developing Asia							
China	19.8	8.4	-10.3	27.8	8.8	5.0	7.2
India	18.0	9.8	-0.3	19.5	12.9	3.7	6.3
Latin America and the Caribbean							
Brazil	5.5	-2.5	-10.8	9.5	2.9	2.0	6.6
Mexico	5.7	0.5	-13.5	21.7	6.7	4.9	6.0
Middle East and North Africa							
Egypt	12.1	15.1	-5.5	-3.1	-5.4	-7.8	4.6
Morocco	6.5	-3.8	-4.7	19.3	4.2	8.9	13.8
Sub-Saharan Africa							
South Africa	6.6	1.8	-19.5	4.5	5.6	3.1	5.1
Nigeria	2.9	-4.2	4.1	6.7	-8.5	6.1	3.9

Source: IMF, World Economic Outlook Database, April 2013

Table 8.3: Volume of Imports of Goods and Services (percent change)

	2007	2008	2009	2010	2011	2012	2013
Advanced Economies							
United States	2.4	-2.7	-13.5	12.5	4.8	3.5	3.6
United Kingdom	-1.7	-1.8	-11.0	8.0	0.5	1.6	1.0
Japan	2.3	0.3	-15.7	11.2	6.3	5.7	4.3
Euro Area							
Germany	5.4	3.4	-8.0	11.1	7.4	2.8	3.6
France	5.5	0.9	-9.6	8.9	4.9	1.2	1.6
Greece	25.1	10.9	-24.5	-11.6	-3.6	-18.9	-8.8
Ireland	7.9	-3.0	-9.7	3.6	-0.3	1.0	2.4

Portugal	7.7	5.1	-12.4	-4.4	-4.4	-12.3	-2.1
Spain	10.2	8.0	-17.2	9.2	-0.9	-5.7	-2.8
Developing Asia							
China	13.9	3.7	4.2	20.1	9.5	8.8	8.8
India	18.2	11.0	7.3	14.0	11.0	1.3	3.3
Latin America and the Caribbean							
Brazil	22.0	17.6	-17.5	38.2	8.9	2.8	5.3
Mexico	7.1	2.9	-18.5	20.7	6.8	4.4	5.1
Middle East and North Africa							
Egypt	9.7	23.6	-0.3	-5.2	-2.9	3.4	2.6
Morocco	16.0	9.8	2.4	-0.5	7.2	6.0	
Sub-Saharan Africa							
South Africa	9.0	1.5	-17.4	9.6	9.7	4.7	2.3
Nigeria	18.9	12.4	1.1	17.4	5.6	6.7	3.2

Source: IMF, World Economic Outlook Database, April 2013

Given the importance of trade to the Nigerian economy, the decline in global trade had some effects on the economy through demand for the Nigerian crude oil and the ultimate effects on fiscal revenues.

8.1.3 Capital Flows

There was a significant drop and volatility in global financial flows during the period under review (see Table 8.4). Persisting downside risks to the global economy were a major factor that moderated global capital flows. Specifically, these moderating factors include: fear that the Euro zone crisis might spread to other countries; weak recovery in the US real estate market; limited success in fiscal consolidation in most developed countries and the attendant sovereign debt crisis; increasing oil and other commodity prices; and boom and bust business cycles in emerging markets.

Table 8.4: Net Private Financial Flows (Billions US\$)

	2007	2008	2009	2010	2011	2012	2013
Advanced Economies	691.0	278.8	320.9	600.0	495.3	144.9	336.3
Developing Asia	197.1	68.2	206.2	409.0	311.9	14.4	193.3
Latin America and the Caribbean	85.8	84.9	61.9	128.9	200.0	136.3	126.0
Middle East and North Africa	77.2	44.4	71.9	19.0	-43.8	-35.2	-10.1
Sub-Saharan Africa	16.8	22.3	13.5	-14.7	-1.7	20.4	21.7

Source: IMF, World Economic Outlook Database, April 2013

The emerging markets performed well, despite the poor performance globally, in 2010. The relatively poor capital flows into the Sub-Sahara African (SSA) region, compared to the other developing regions of the world, is the result of the relatively underdeveloped financial markets in the region. Indeed, Nigeria has been a top receiver of capital flows in the SSA region, topping the chart of foreign direct investment inflows in 2011. This demonstrates

progress in the development of the country's capital market. As the credit risks in the Euro area began to subside, especially from 2012, global capital flows are beginning to pick up, especially in the developing and emerging economies.

8.1.4 Oil price developments

Oil exporting economies, including Nigeria, experienced good fortune, during the review period, with the rising price of crude oil at the international market (Table 8.5). This was attributed to excess demand for crude oil, occasioned by supply constraints and speculative trading. For example, crude petroleum from Nigeria was sold at monthly average prices of US\$81.07, US\$114.15 and US\$113.68 per barrel in 2010, 2011 and 2012, respectively, after the reported drop in crude oil price to US\$63.25 per barrel in 2009, following the global recession.

Table 8.5: Prices of Selected Crude Oil Products

	2007	2008	2009	2010	2011	2012
Algeria Saharan Blend	74.66	98.96	62.35	80.35	112.92	111.52
Angola Girassol	70.88	95.64	61.81	79.53	111.57	112.24
Iraq Basra Light	66.40	92.08	60.50	76.79	106.17	108.00
Kuwait Export	66.35	91.16	60.68	76.32	105.63	108.98
Libya Ess Sidar	71.41	96.65	61.45	79.13	111.90	111.88
Nigeria Bonny Light	75.14	100.6	63.25	81.07	114.15	113.68
Qatar Marine	69.30	94.86	62.38	78.18	106.53	109.31
Saudi Arab Light	68.75	95.16	61.38	77.82	107.82	110.27
UAE Murban	72.87	99.03	63.78	79.94	109.77	111.80
Venezuela Merey	61.80	86.73	55.90	69.70	97.94	100.11
OPEC Reference	69.08	94.45	61.06	77.45	107.46	109.50

OPEC, 2012

8.1.5 Inflation

As the global economy recovered from the crisis and demand strengthens, prices of both oil and non-oil commodities have increased greatly. While inflationary pressure was low in the advanced economies, it remains a major risk in the emerging markets and developing economies. In this regard, the global inflation rate rose from 3.7 percent in 2010 to 4.9 percent in 2011 and declined thereafter to 3.9 in 2012. It is equally projected to further decline to 3.7 percent in 2013. The same trend was maintained for advanced economies, emerging markets and developing economies as well as the SSA economies with inflation rate averaging 2.35, 6.55 and 9.2 percent respectively (see table 8.6).

Table 8.6: Global Inflation Trends

	2007	2008	2009	2010	2011	2012	2013
World	4.0	6.0	2.4	3.7	4.9	3.9	3.7
Advanced Economies	2.2	3.4	0.1	1.5	2.7	2.0	1.7
United States	2.9	3.8	-0.3	1.6	3.1	2.1	1.8
United Kingdom	2.3	3.6	2.1	3.3	4.5	2.8	2.7
Japan	0.1	1.4	-1.3	-0.7	-0.3	0.0	0.1
Euro Area	2.1	3.3	0.3	1.6	2.7	2.5	1.7
Germany	2.3	2.8	0.2	1.2	2.5	2.1	1.6
France	1.5	2.8	0.1	1.5	2.1	1.0	1.6
Greece	3.0	4.2	1.3	4.7	3.1	1.0	-0.8
Ireland	2.9	3.1	-1.7	-1.6	1.2	1.9	1.3
Portugal	2.4	2.7	-0.9	1.4	3.6	2.8	0.7
Spain	2.8	4.1	-0.2	2.0	3.1	2.4	1.9
Emerging Market and Developing Economies							
Developing Asia	5.4	7.3	2.6	5.6	6.4	4.5	5.0
China	4.8	5.9	-0.7	3.3	5.4	2.6	3.0
India	6.4	8.3	10.9	12.0	8.9	9.3	10.8
Latin America and the Caribbean	5.4	7.9	5.9	6.0	6.6	6.0	6.1
Brazil	3.6	5.7	4.9	5.0	6.6	5.4	6.1
Mexico	4.0	5.1	5.3	4.2	3.4	4.1	3.7
Middle East and North Africa	10.3	12.4	7.3	6.9	9.7	10.7	9.4
Egypt	11.0	11.7	16.2	11.7	11.1	8.6	8.2
Morocco	2.0	3.9	1.0	1.0	0.9	1.3	2.5
Sub-Saharan Africa	6.4	12.9	9.4	7.4	9.3	9.1	7.2
South Africa	7.1	11.5	7.1	4.3	5.0	5.7	5.8
Nigeria	5.4	11.6	12.5	13.7	10.8	12.2	10.7

Source: World Economic Outlook Database, April 2013

8.1.5 Unemployment

The global unemployment rate maintained an upward trend during the period. The trend was the same in several countries. In particular, the unemployment rate for the Advanced Economies averaged 8 percent, during the period. The unemployment rate for the Euro Zone and SSA was in the double digit bracket of 11 percent and 24 percent, respectively, as highlighted in Table 8.7.

Table 8.7: Unemployment Trends, 2007 - 2013 (percent)

	2007	2008	2009	2010	2011	2012	2013
Advanced Economies	5.46	5.83	8.01	8.27	7.93	8.03	8.08
United States	4.6	5.8	9.3	9.6	9.0	8.2	8.1
United Kingdom	5.4	5.6	7.5	7.9	8.0	8.1	8.1
Japan	13.1	12.7	12.9	12.5	12.9	12.9	12.9
Euro Area	7.6	7.66	9.6	10.1	10.2	11.2	11.5
Germany	8.8	7.6	7.7	7.1	6.0	5.2	5.3
France	8.4	7.8	9.5	9.7	9.6	10.1	10.5
Greece	8.3	7.7	9.4	12.5	17.3	23.8	25.4
Ireland	4.6	6.3	11.8	13.6	14.4	14.8	14.4
Portugal	8.0	7.6	9.5	10.8	12.7	15.5	16.0
Spain	8.3	11.3	18.0	20.1	21.7	24.9	25.1
Developing Asia							
China	4.0	4.2	4.3	4.1	4.1	4.1	4.1
India	n/a						
Latin America and the Caribbean							
Brazil	9.3	7.9	8.1	6.7	5.9	6.0	6.5
Mexico	3.7	4.0	5.5	5.4	5.2	4.8	4.8
Middle East and North Africa							
Egypt	9.2	8.7	9.4	9.2	12.1	12.7	13.5
Morocco	9.8	9.6	9.1	9.1	8.9	8.8	8.7
Sub-Saharan Africa							
South Africa	22.2	22.9	23.9	24.0	23.9	24.4	24.7
Nigeria	12.7	14.9	19.7	21.1	23.9	27.4	n/a

Source: World Economic Outlook Database, April 2013

8.1.6 Exchange Rate

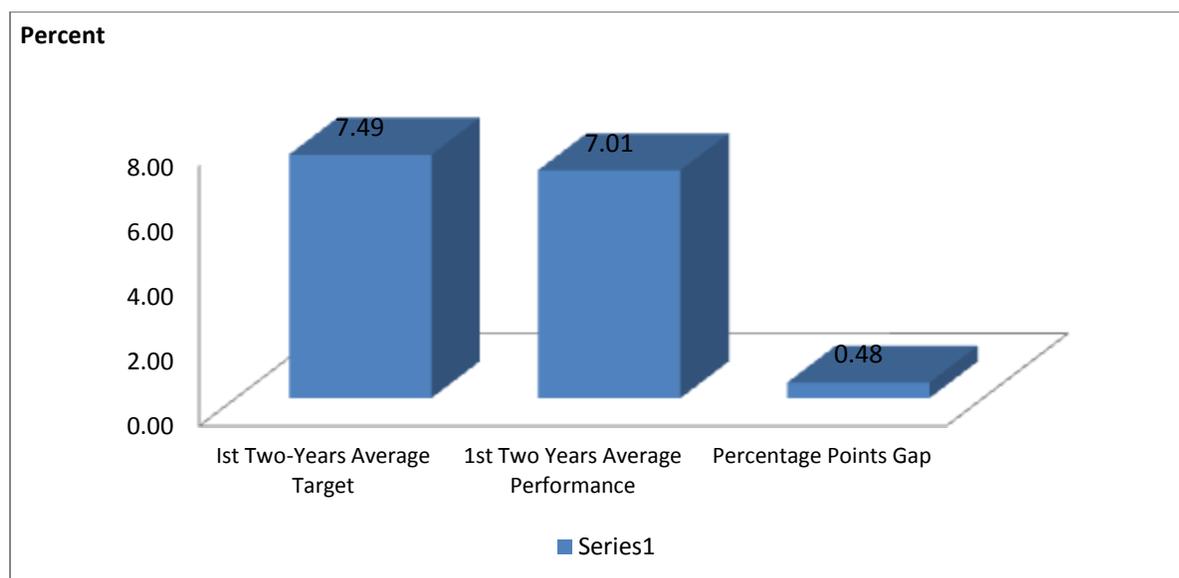
The major world currencies responded differently to the global economic turbulence during the review period. The euro depreciated against the U.S. dollar by 10.41 percent in 2010 while it appreciated by 4.71 percent in 2011. The euro depreciated by 8.16 percent in 2012. The exchange rate of the U.S. dollar depreciated against the index of the major world currencies in 2011 while it appreciated in 2012. The yen on the other hand appreciated against the U.S. dollar by 06.18 percent in 2010 and 9.21 percent in 2011 before depreciating by 0.09 percent in 2012.

8.2 Domestic Developments

8.2.1 National Accounts

Overall, economic performance under the present Administration was impressive during 2010 - 2012. The nominal GDP grew from \$166.53 billion in 2009 to \$243.99 billion and \$257.42 billion in 2011 and 2012 respectively. This allowed Nigeria's global GDP ranking to improve from 44th at the beginning of 2010 to 36th in 2012. This shows an annual average real GDP growth rate of 7.01 percent during the 2010 - 2012 and 6.56 percent for quarter one 2013. This is slightly less than the 7.49 percent growth rate projected in the TA, for the first two years of the current Administration (Figure 8.2). A higher growth rate of 7.43 percent was reported in 2011, while a much lower growth rate of 6.58 percent was recorded in 2012. The slight drop in the growth rate can be attributed to a combination of factors, such as the national strike in January, higher prices of petrol due to the partial subsidy removal, the flooding which affected many parts of the country in the second half of 2012, growing insurgency in some of the Northern States, and increasing crude oil theft and oil pipeline vandalism.

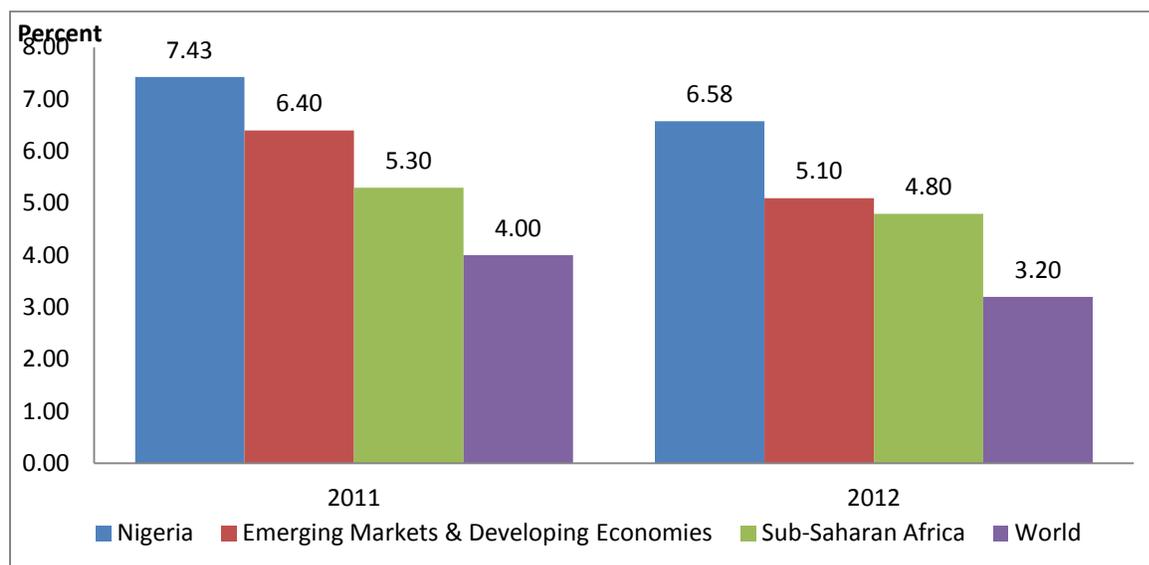
Figure 8.2: Real GDP Growth Rate: Target, Actual and Performance Gap, 2011-2012



Source: NPC, Transformation Agenda, 2011 and NBS, GDP Statistics, unpublished

The growth was encouraging, given that growth rates in emerging markets and developing economies were lower in 2011 and 2012 at 6.4 percent and 5.1 percent respectively (Figure 8.3). This further demonstrates the resilience of the Nigerian economy to global boom-bust cycles. A more prudent fiscal stance since the mid-2011 has restored countercyclical fiscal policy in the country and helped boost investor confidence.

Figure 8.3: Output Growth by Selected Economies, 2011-2012

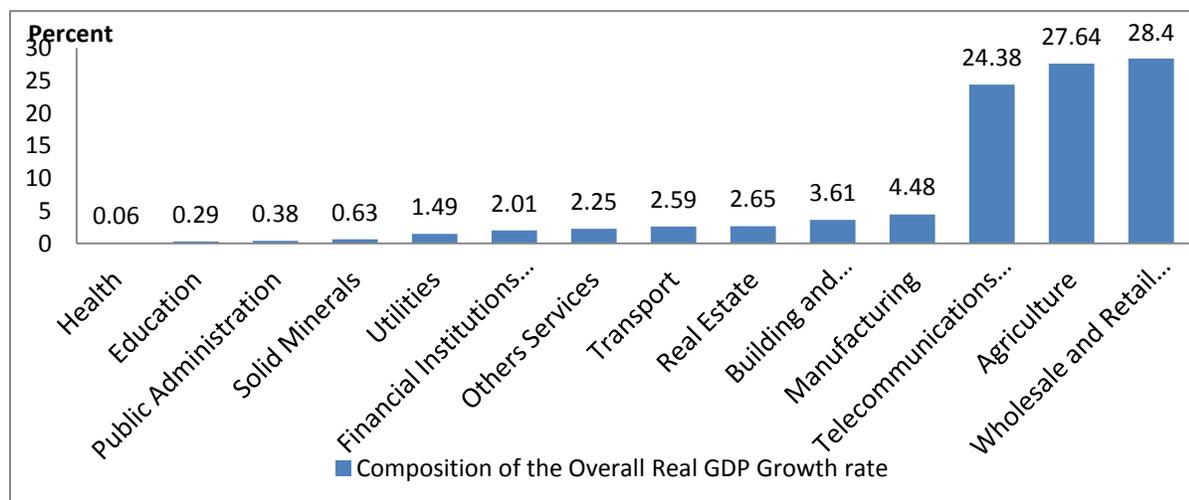


Source: IMF, World Economic Outlook, 2012 and NBS, GDP Statistics, 2012

8.2.2 Sources of Growth

The growth of the economy was largely driven by the non-oil sector in 2011 and 2012, with agriculture, wholesale and retail trade, and telecommunications as the key sub sectors driving growth. These sub-sectors contributed an average of 27.64, 28.4 and 24.38 percent, respectively, to the real GDP growth of the country in 2011-2012 (Figure 8.4).

Figure 8.4: Composition of the Overall Real GDP Growth Rate



A comparison of the sectoral growth rates with their respective targets in the Transformation Agenda shows that eight broad sectors (solid minerals, building and construction, real estate,

financial institution and insurance, transport, public administration, education and other services) exceeded their targets. All other sectors including the three key growth drivers of agriculture, wholesale and retail trade, and telecommunications had real GDP growth rates below the targets under the Transformation Agenda as depicted in Table 8.8.

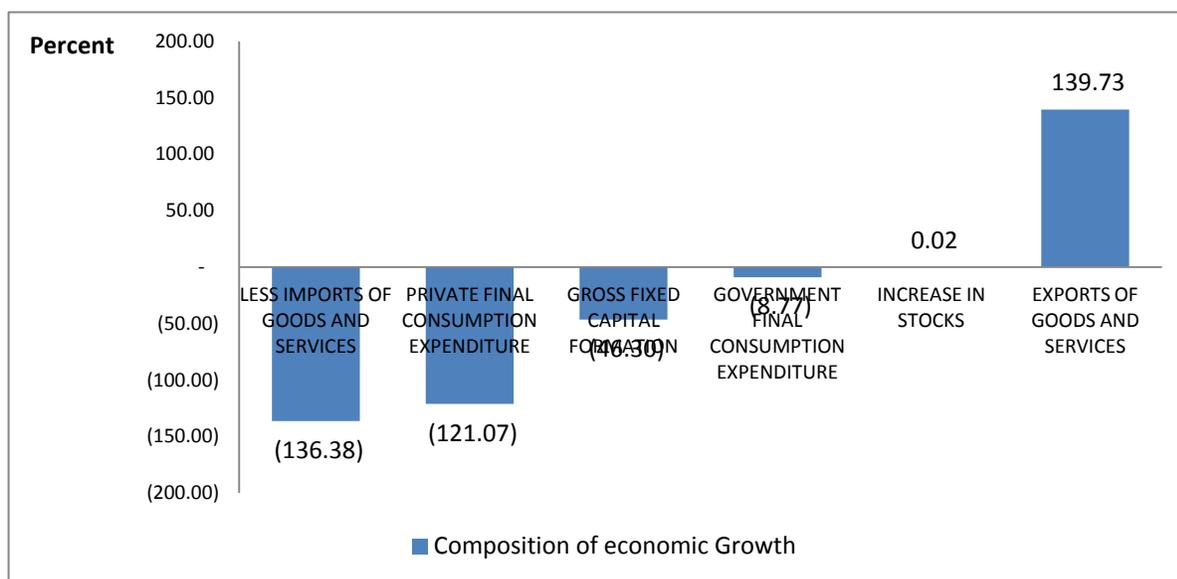
Table 8.8: Sectoral Composition of GDP Growth: Baseline, Targets and Actual Performance, 2009-2012

ACTIVITY SECTOR	Baseline	1st Two Years Average Target (a)	1st Two Years Average Performance (b)	Percent age Point Difference (a-b)	Actual Performance		
	2010	2011-2012	2011-2012		2011	2012	2013 Q1
	percent				percent		
Overall GDP	7.98	7.49	7.01	0.48	7.43	6.58	6.56
Oil and Gas	5.25	-0.27	-0.39	0.12	0.14	-0.91	-0.54
Non-oil	8.51	8.89	8.34	0.55	8.80	7.88	7.89
Agriculture	5.82	5.63	4.81	0.82	5.64	3.97	4.14
Solid Minerals	12.08	11.49	12.51	-1.02	12.50	12.52	12.0
Utilities	3.28	3.40	3.35	0.05	3.20	3.51	4.44
Manufacturing	7.57	7.61	7.53	0.08	7.50	7.55	8.41
Building and Construction	11.85	12.27	12.34	-0.07	12.11	12.58	15.66
Real Estate	10.75	10.42	10.48	-0.06	10.55	10.41	10.06
Wholesale and Retail Trade	11.22	11.17	10.48	0.69	11.34	9.61	8.22
Financial Institutions and Insurance	3.94	3.98	4.01	-0.03	3.98	4.05	3.61
Transport	6.71	6.69	6.79	-0.10	6.79	6.79	6.14
Telecommunications and Postal Services	34.38	33.37	33.20	0.17	34.58	31.83	24.53
Public Administration	4.20	4.08	4.14	-0.06	4.08	4.20	3.47
Health	9.96	9.61	9.35	0.26	9.54	9.16	8.44
Education	9.81	9.45	9.77	-0.32	9.69	9.85	9.12
Others Services	10.10	10.20	10.39	-0.19	10.32	10.47	10.44
Agriculture	5.82	5.63	4.81	0.82	5.64	3.97	4.14
Industry	5.95	2.69	2.62	0.07	2.82	2.42	2.77
Services	12.40	13.14	12.76	0.38	13.10	12.42	10.53
Primary Production	5.66	4.06	3.38	0.68	4.10	2.66	2.73
Secondary Production	8.92	9.14	9.11	0.03	8.99	9.23	8.41
Tertiary Production	11.55	12.34	11.98	0.36	12.25	11.72	10.53

Source: NPC and NBS

The composition of the overall growth shows that exports of goods and non-factor services contributed an average of 139.73 percent to the overall real GDP growth rate during the review period (Figure 8.5). This implies that the contraction recorded in domestic demand at 1990 constant purchasers' value, comprising final consumption expenditure and gross fixed capital formation, resulted in slowing the pace of the economy in 2011-2012.

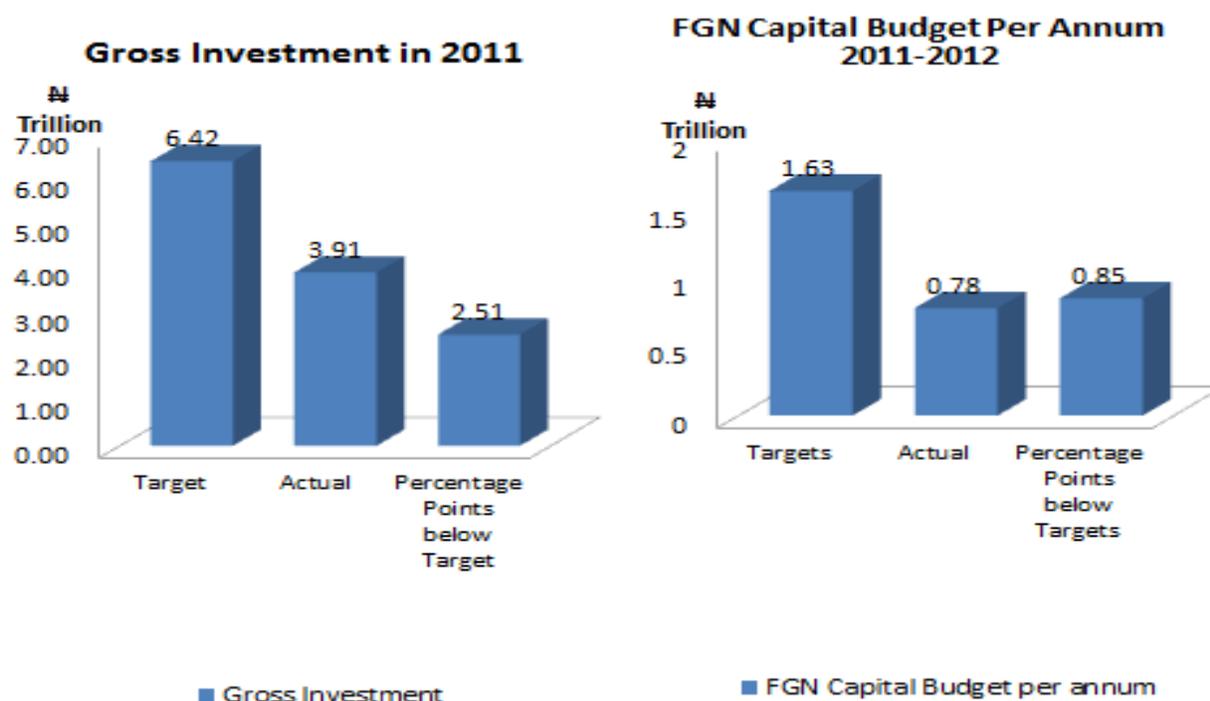
Figure 8.5: Composition of GDP by expenditure components at 1990 Purchasers' Values, 2011-2012



Source: NBS

Details on fixed capital formation show that gross fixed capital formation dropped by 2.61 percent in nominal terms from ₦4.01 trillion (US\$26.68 billion) in 2010 to ₦3.91 trillion (US\$25.41 billion) in 2011. This indicates that the investment target of ₦6.42 trillion per annum required to grow the economy by 7.49 percent per annum was not met (Figure 8.5). This is not a welcome trend, as this level of investment remains too low to address the wide infrastructural deficit in the country, which is necessary to drive the envisaged growth momentum in the Transformation Agenda. The deficit is partly attributed to the weak link between the capital expenditure provision of ₦1.63 trillion per annum under the Transformation Agenda and the actual capital budget of ₦0.78 trillion per annum, indicating a shortfall of ₦0.85 trillion per annum in 2011-2012 (Figure 8.6). The ongoing effort to restructure the budget and ensure that capital expenditure is fully implemented should be advanced.

Figure 8.6: Gross Investment and FGN Capital Budget: Actual Versus Target, 2011-2012



Source: OAGF and NBS

8.2.3 Job Creation

There has been increasing unemployment rate in the country over the years. The current administration views this phenomenon, especially that of the youths, with great concern. Thus job creation has been identified as a major pillar of the Transformation Agenda. The prospects of generating more jobs in the Nigerian economy depend largely on addressing a range of sectoral issues, particularly in labour intensive sectors such as agriculture, manufacturing, housing, building and construction and sports.

The increase in unemployment can be largely attributed to three factors. First, there has been phenomenal growth in the number of active population as well as the labour force, indicating that job creation has not kept pace with the growth in the labour force. Second, the methodology adopted in the computation of unemployment in Nigeria is country specific in which people who worked for less than 40 hours in the past week are considered unemployed. The issue therefore, might best be interpreted as under-employment, rather than unemployment. Third, given the nature of the economy, a large number of Nigerians are employed in the informal sector and are sometimes not captured in the employment surveys.

To further underscore the importance placed addressing the issue of unemployment in the country, this Administration has commenced the quarterly assessment and tracking of jobs created. In this regard, the third quarter 2012 assessment survey has been concluded, while that of fourth quarter is in progress. The process would be sustained in 2013 and beyond.

As part of efforts to enhance job creation, the current Administration in its early days embarked on a number of initiatives to address the situation. The Youth Enterprise with Innovation in Nigeria (YouWiN) project was launched in October 2011 to provide jobs for between 80,000 and 110,000 currently unemployed Nigerian youths, over a period of three years. This initiative is not just to create jobs for Nigerian youths but to create job creators. The programme is collaboration among the FMF, the Ministry of Communication Technology (MCT), and the Federal Ministry of among Youth Development to launch an annual Business Plan Competition (BPC) for aspiring young entrepreneurs in Nigeria, in line with the Federal Government's drive to create more jobs for Nigerians. Over 6,000 youths were trained in business plan development with a further 1,200 young entrepreneurs selected and being supported with grants of up to ₦10,000,000 (ten million naira) each.

Box 8.1: YouWiN Program Phase 1

- 6,000 youth were trained in business plan development and small business management.
- 1,200 young entrepreneurs selected and being supported with grant of up to N10 million each
- Further training and mentoring
- N4.2 billion out of the total award of N9.3 billion disbursed to winners in two of four tranches in the first cycle of the program.

Source: FMF

Similarly, in January 2012, the Public Works and Women/Youth Employment (PW/WYE) project was launched by the President. The aim of the project is to create immediate short-term employment opportunities for 185,000 women and youths, through labour intensive public work. This initiative is a component of the Subsidy Reinvestment and Empowerment Programme (SURE-P) which was set up to oversee and ensure the effective and timely implementation of the projects to be funded with the savings accruing to the Federal Government from the fuel subsidy removal. By February 2013, there were 119,680 beneficiaries in the scheme, across the 774 LGAs, with a further 70,363 graduates earmarked for the Graduate Internship Scheme. The breakdown is as detailed in Box 8.2.

Box 8.2: Community Service, Women & Youths Employment (CSWYE) Scheme of SURE-P

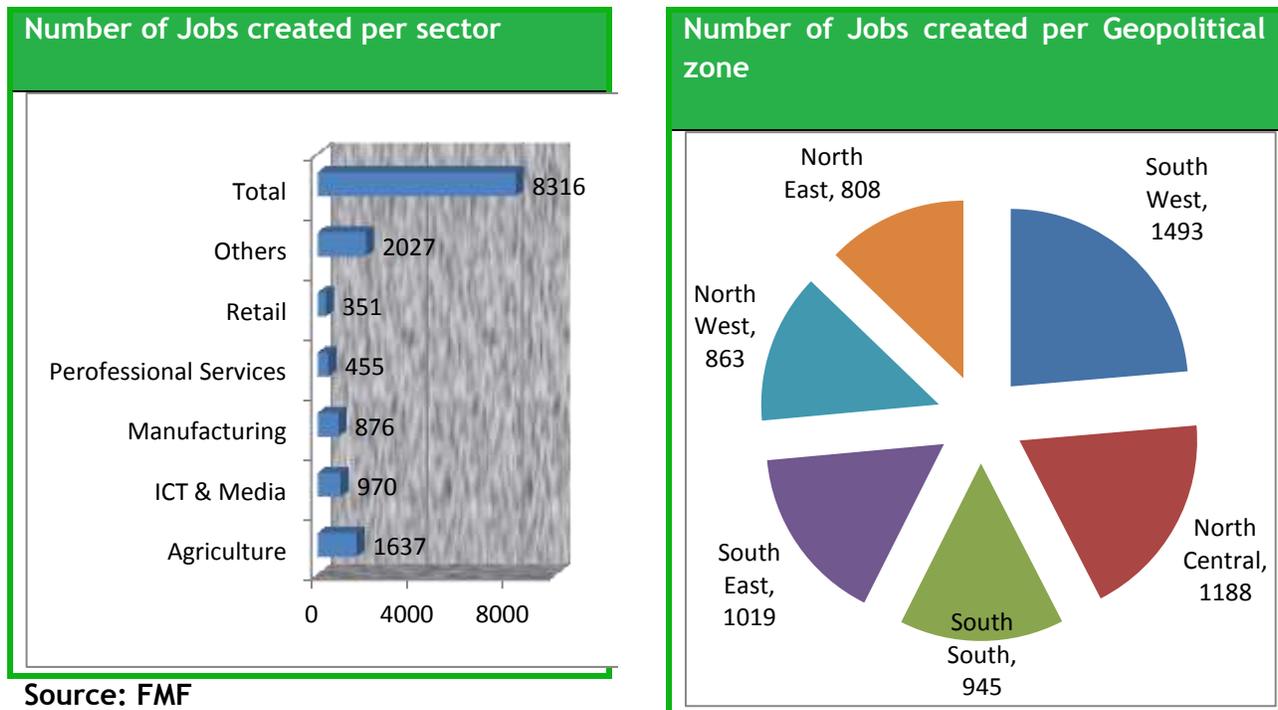
Community Service Scheme	Graduate Internship Scheme
<p>Outline of the Community Service Scheme (CSS):</p> <ul style="list-style-type: none"> - Designed to engage unskilled youth in labour intensive activities. - 119,680 youth engaged by end of February 2013 	<p>Outline of the Graduate Internship Scheme (GIS):</p> <p>Scheme designed to support building the skills of graduates to enhance their employability</p> <p>70,363 graduate interns applied (February 11, 2013):</p> <ul style="list-style-type: none"> - 50,231 Male graduates - 20,130 Female graduates - 269 Disabled graduates

Scheme handed over to the Ministry of Labour

Source: FMF

YouWIN created a total of 6,316 jobs between July and November 2012 alone. The distribution by sector as well as by geopolitical zones is as detailed in Figure 8.7.

Figure 8.7: Summary of Jobs created through the YouWIN programme



Source: FMF

The introduction of the Agricultural Transformation Action (ATA) Plan by Government is intended to provide a comprehensive strategy to increase domestic food production, reduce dependence on food imports and expand value addition to locally produced agricultural products. This initiative is expected to add 20 million tons of food to domestic supply and create 3.5 million jobs along the agricultural value chains. Already, 2.2 million jobs have been created in the first year of the ATA in the areas of Oil Palm, Sorghum, Cassava, Cotton, Cocoa, Rice, GES Fertilizer and Maize. The launch of the Youth Employment in Agriculture Programme (YEAP) is also expected to create 740,000 young commercial farmers and entrepreneurs with relevant added on effect on job creation for Nigerians.

As indicated above, youth unemployment constitutes a major social problem. As part of the efforts to address this, the Federal Government is partnering with the States and various organisations through its Entrepreneurship Development Centres (EDC). The centres are expected to provide training for 75,000 persons consisting 30,000 graduate trainees and 45,000 high school leavers. As at end-June, 2012, a total of 29,323 participants made up of 4,113 graduates and 25,210 entrepreneurs had been trained. By March 2013, these efforts were boosted with the training of 41,441 entrepreneurs and the creation of 10,895 jobs. In addition, 106,933 entrepreneurs have been counselled and 1,034 trainees given access to finance. This success has provided further impetus to opening EDCs in all the six geo-political zones. The CBN has three (3) existing Entrepreneurship Development Centers (EDCs) in Onitsha, Lagos and Kano with satellite locations in seven (7) states and Abuja. The North Central Zone of the Entrepreneurship Development Centre (EDC) located in Markurdi was inaugurated on March 12, 2013.

In addition, a National Enterprise Development Programme (NEDEP) is being developed under the coordination of the Federal Ministry of Industry, Trade and Investment. The programme aims to create 3.5 million direct and 5 million indirect jobs, between 2013 and 2015, by focusing on technical/business and entrepreneurship skills acquisition, access to finance, improving market access and improving business environment for MSMEs. The One Local Government, One Product programme under the NEDEP framework is the extension of the pilot projects that were performed on 6 products in Kano and Niger States working with the Japanese Government. It aims to identify scalable products in each local government and then provide the necessary BDS Entrepreneurship Training and assistance with access to finance. SMEDAN has been working in conjunction with the states to create a mapping of scalable products in each local government in the States.

8.3 Fiscal development

Overall, fiscal performance was relatively impressive during the period. In particular, the fiscal policy stance of the Government has been focused at ensuring economic growth, maintaining macroeconomic stability and job creation. The strategy adopted was aimed at ensuring fiscal consolidation and channeling budgetary allocations to priority sectors, specifically critical infrastructure, with a view to broadening the productive base of the economy. Equally, sustained reduction in the budget deficit to GDP ratio from 3.25 percent in

2010 to 3.14 percent and 2.81 percent in 2011 and 2012, respectively, was achieved. Fiscal reforms broadly targeted boosting revenue receipts, particularly from non-oil sources, through diversification, as well as identifying and plugging revenue leakages, thus ensuring a fiscal deficit of less than 3 percent of GDP, in line with the provision of the Fiscal Responsibility Act.

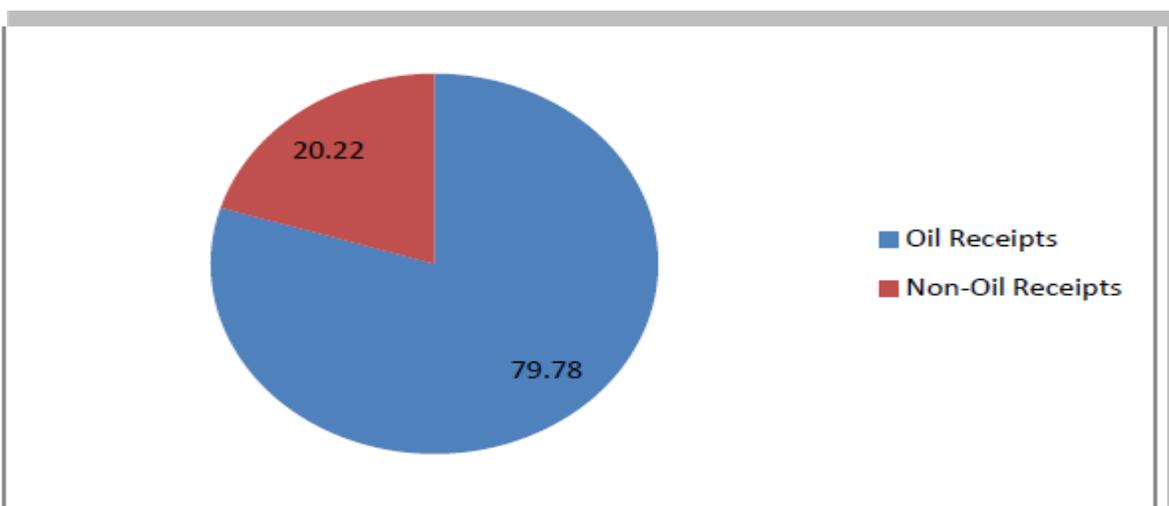
The revenue performance has been impressive over the years. This was largely driven by oil revenue, which increased from ₦5,396.09 billion in 2010 to ₦8,848.62 billion in 2011, representing a 63.98 percent increase. This reflected improvements in the oil production and market conditions, as well as relative peace in the Niger Delta region, following the successful implementation of the Presidential Amnesty Programme. Equally, gross, federally collected revenue, increased from ₦6,362.56 billion in 2010 to ₦10,059.59 billion in 2012. Federally collected revenue amounted to ₦3,462.8 billion in the first quarter of 2013. Similarly, efforts are being made to shore up the capital expenditure component of the budget, to facilitate the actualization of the objectives of the Transformation Agenda and the NV20: 2020. In this regard, capital expenditure rose from 25.6 percent in 2011 to 28.5 percent in 2012.

Table 8.9 Federally Collected Revenue Trend 2009-2012

Items	Actual Performance 2009 (₦'B)	Actual Performance 2010 (₦'B)	Actual Performance 2011 (₦'B)	Actual Performance 2012 (₦'B)	Actual Performance 2013 Q1 (₦'B)	Variance 2012 & 2011 (₦'B)	percentage Variance 2012 & 2011
Federally Collected Revenue (Gross)	4,525.89	6,925.42	10,637.13	10,059.59	3,462.80	(577.54)	(5.43)
Oil Receipts	3,191.94	5,396.09	8,848.62	8,025.95	3,059.66	(822.67)	(9.30)
Non-Oil Receipts	1,333.95	1,529.33	1,788.51	2,231.62	403.14	443.11	24.78

Source: OAGF

Figure 8.8: Structure of Government Revenue in 2012



Source: OAGF

The Federal Government total actual budgetary expenditure grew slightly by an average rate of 1.15 percent annually to ₦4,299.16 billion in 2011 and ₦4,130.58 billion in 2012 from ₦4,047.06 billion in 2010. As at March 2013, the actual budgetary expenditure grew by 11.41 percent to ₦963.77 billion. Recurrent expenditure, accounting for an average of 80.30 percent of total expenditure per annum, rose by 3.52 percent to ₦3,380.61 billion in 2011 and ₦3,386.06 billion in 2012. Total recurrent expenditure amounted to ₦935.31 billion during the first quarter of 2013. The slow pace of growth in recurrent expenditure at 0.16 percent in 2012 as against 6.87 percent growth recorded in 2011 was largely attributed to the lower spending on petroleum subsidy in 2012 following the price reform in the downstream petroleum sub-sector. Capital expenditure grew by 3.92 percent to ₦918.55 billion in 2011, before contracting significantly by 18.95 percent, to ₦744.52 billion in 2012. Capital expenditure increased by 35.72 percent to ₦210.89 billion in the first quarter of 2013. This reveals that the plan to raise the ratio of capital to total expenditure to an average of 27.06 percent was not achieved, as only 21.37 percent and 18.03 percent in 2011 and 2012 respectively was actually spent on capital projects. This was as a result of the significant contraction in capital expenditure by an annual average of 7.51 percent as against the anticipated expansion of 23.3 percent in 2011-2012.

With the total expenditure continuing to outpace retained revenue, the Federal Government's financial position registered overall fiscal deficits of 3.1 percent, 2.41 percent and 0.65 percent of GDP in 2011, 2012 and the first quarter of 2013 respectively as against 5.02 percent in 2010 (Table 8.10). The reduction in the fiscal deficit position of the Federal Government during the review period shows that the implementation of fiscal consolidation policy was effective, though this was achieved more at the expense of capital projects.

Table 8.10: Performance of the Federal Government's Budgetary Retained Revenue and Expenditure Vs TA Targets, 2010 - First Quarter of 2013

Indicators	Actual				Total (2011-2012)	
	2010 (Baseline)	2011	2012	2013 Q1	Actual	TA Target
Retained Revenue (₦' Billion) (percent of GDP) (percent annual change)	2,341.01 (6.89 percent) (-5.58 percent)	3,140.64 (8.40 percent) (34.16 percent)	3,154.86 (7.78 percent) (0.45 percent)	900.97 (9.33 percent) (15.61 percent)	6,295.48 (8.09 percent) (17.31 percent)	6,877.06 (8.64 percent) (20.57 percent)
Recurrent Expenditure (₦' Billion) (percent of total expenditure) (percent annual change)	3,163.19 (78.16 percent) (48.07 percent)	3,380.61 (78.63 percent) (6.87 percent)	3,386.06 (81.98 percent) (0.16 percent)	935.31 (78.12 percent) (31.80 percent)	6,766.67 (80.30 percent) (3.52 percent)	6,693.32 (72.94 percent) (3.05 percent)
Capital Expenditure (₦' Billion) (percent of total expenditure) (percent annual change)	883.87 (21.84 percent) (-23.33 percent)	918.55 (21.37 percent) (3.92 percent)	744.52 (18.02 percent) (-18.95 percent)	210.89 (21.88 percent) (35.72 percent)	1,663.07 (19.70 percent) (-7.51 percent)	2,487.89 (27.06 percent) (23.30 percent)
Total Expenditure (₦' Billion) (percent of GDP) (percent annual change)	4,047.06 (11.91 percent) (23.04 percent)	4,299.16 (11.49 percent) (6.23 percent)	4,130.58 (10.19 percent) (-3.92 percent)	963.77 (9.98 percent) (11.41 percent)	8,429.74 (10.84 percent) (1.15 percent)	9,181.21 (11.51 percent) (7.78 percent)
Overall Fiscal Deficit (₦' Billion) (percent of GDP) (percent annual change)	-1,706.05 (-5.02 percent) (110.65 percent)	-1,158.52 (-3.10 percent) (-32.09 percent)	-975.72 (-2.41 percent) (-15.75 percent)	-62.80 (-0.65 percent) (-26.72 percent)	-2,134.24 (-2.75 percent) (-23.94 percent)	-2,304.15 (-2.90 percent) (-17.13 percent)

Note: Capital Expenditure was reported based on the period spending was made.

Source: OAGF and NPC Computation

Fiscal consolidation was achieved through the rationalization of recurrent expenditure by: extending biometric verification to more MDAs (IPPIS); partial implementation of the rationalization of government agencies e.g. the number of Permanent Secretaries in the office of the Head of the Civil Service of the Federation was reduced from 7 to 3; focus on completing on-going capital projects; and drastically reducing administrative- type capital expenditure from the budget to create space for more impactful projects.

As part of the efforts towards improving the efficiency of the Federal Government's financial management, the current Administration introduced the Governments Integrated Financial Management and Information System (GIFMIS) in April 2012. This is aimed at strengthening the management of the Integrated Payroll and Personnel Information System (IPPIS) at the Federal level. It has also enhanced efficient personnel cost planning and budgeting, thereby making it relatively easy to verify the staff strength of Government. Similarly, with the introduction of the Treasury Single Accounting in January 2012, a unified structure of government bank accounts that gives a consolidated view of the cash position has been installed in 92 Federal MDAs. This has led to the reversal from an average overdraft position of ₦102 billion in 2011 to a credit of ₦4.6 billion in 2012. Accordingly, the GIFMIS, which is now operational in 113 Federal MDAs, helps the government to mop up unused funds, thereby reducing the need for unnecessary government borrowing. It also promotes accurate and timely reporting on budget execution, while government funds are centrally controlled.

8.4 Monetary Sector Developments

Developments in the monetary sector remained stable during the review period. In particular, the monetary authorities implemented more active and predictable interest rate and exchange rate policies during the period. Accommodating monetary policy was largely avoided, while the monetary policy operating target shifted to the inter-bank rate, with the monetary policy rate (MPR), as the indicative rate. The MPR was situated within an interest rate corridor of +/- 200 basis points, at inception, which was reviewed upward from time to time by the Monetary Policy Committee (MPC) in line with prevailing global and domestic conditions. The current MPR remains high at 12.0 percent which is slightly lower than the target of 12.5 percent for 2012. Other monetary policy instruments that were steadily used, include liquidity management instruments and measures, such as Open Market Operations (OMO), complemented by reserve requirements and discount window operations. The highlights of the major decisions taken during the period are in Table 8.11.

Table 8.11: Major MPC Decisions, 2011-2012

Period	MPR	MPR Corridor	CRR	LR	FX Rate Mid-Point	FX Band
2011						
May	8.00 percent	+/- 200	Increased from 2.0 percent to 4.0 percent	30 percent	150/US\$	+/- 3.0
July	8.75 percent	+/- 200	4.0 percent	30 percent	150/US\$	+/- 3.0
September	9.25 percent	+/- 200	4.0 percent	30 percent	150/US\$	+/- 3.0
October	12.00 percent	+/- 200	Increased from 4.0 percent to 8.0 percent	30 percent	150/US\$	+/- 3.0
November	12.00 percent	+/- 200	8.0 percent	30 percent	155/US\$	+/- 3.0
2012						
January	12.00 percent	+/- 200	8.0 percent	30.0 percent	155/US\$	+/- 3.0
March	12.00 percent	+/- 200	8.0 percent	30.0 percent	155/US\$	+/- 3.0
May	12.00 percent	+/- 200	8.0 percent	30.0 percent	155/US\$	+/- 3.0
July	12.00 percent	+/- 200	Increased from 8.0 to 12.0 percent	30.0 percent	155/US\$	+/- 3.0
September	12.00 percent	+/- 200	12.0 percent	30.0 percent	155/US\$	+/- 3.0
November	12.00 percent	+/- 200	12.0 percent	30.0 percent	155/US\$	+/- 3.0
2013						
January	12.00 percent	+/- 200	12.0 percent	30.0 perc	155/US\$	+/- 3.0

				ent		
March	12.00 percent	+/- 200	12.0 percent	30.0 perc ent	155/US\$	+/- 3.0
May/1	n/a	n/a	n/a	n/a	n/a	n/a

/1. The MPC Meeting of May 2013 had not taken place as at the time the Report was prepared

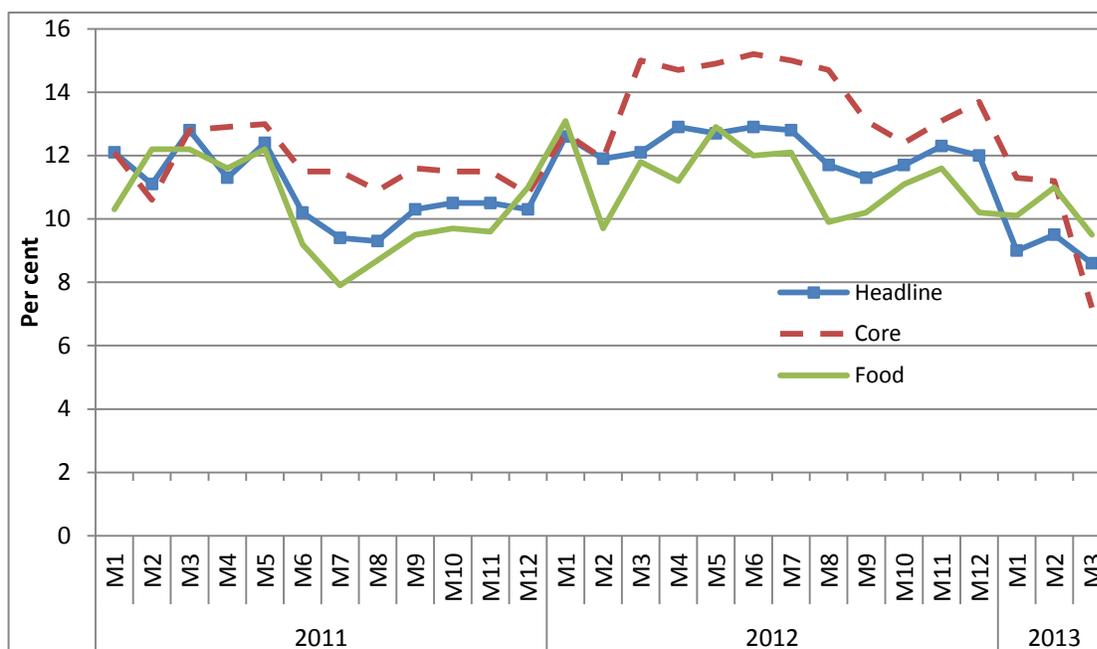
Source: CBN

The various policy measures impacted positively on the growth of money. The growth of narrow money (M1) and broad money (M2), which were targeted to ensure that they did not exceed 23.07 percent and 28 percent, respectively, over the review period, was achieved. For instance, growth in M1 averaged 13.2 percent, which was almost 10 percent lower than target. Similarly, the growth in M2 averaged 13.93 percent, which was almost 14.07 percent lower than target. The slowdown in the growth of money supply was achieved, to ensure that money supply grew proportionately with the absorptive capacity of the economy in order to curb inflationary pressure.

8.4.1 Consumer Price Index (CPI)

In pursuit of sound monetary and price stability, effort was made to ensure that liquidity in the system was consistent with overall policy goals. Monetary policy during the period under review has been quite transparent and generally tight. Although the single digit inflation target is yet to be sustained, a great deal of success has been recorded over the years, as the monetary authorities have been able to keep inflation within the range of 8-13 percent, during the period May 2011- May 2013. Headline Inflation (year-on-year) which was 12.4 percent in May 2011, decelerated to 12.0 percent by December 2012. As at March and April 2013, Headline Inflation (year-on-year) stood at 8.6 and 9.1 percent respectively.

Figure 8.9: Inflation Rate



Source: CBN

8.5 Financial Sector Developments

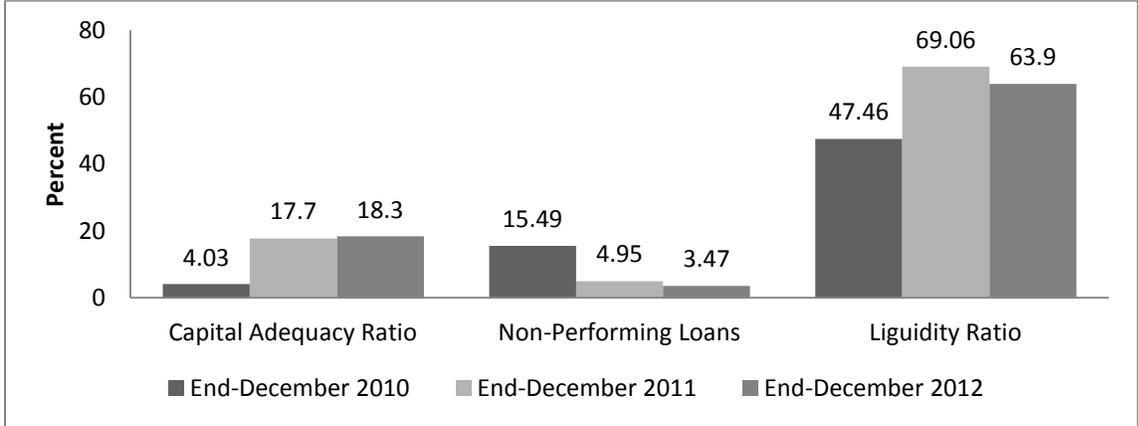
The Transformation Agenda is geared towards the promotion of a sound and stable financial sector. This was underpinned by the adverse effect of the global financial crisis on the Nigerian financial system, which resulted largely from the poor risk management in Nigerian financial sector that led to the concentration of assets in certain risky areas and therefore resulted in the deterioration in the quality of banks' assets as well as liquidity concerns. Substantial reforms during the period under review were carried out to reduce the cost, enhance the quality of bank regulation and supervision and promote a sound and efficient financial system. Some of the key achievements recorded in the financial sector during the review period include: completion of the process of recapitalization of the eight (8) intervened banks, completion of the resolution of the three (3) Bridge banks, and extension of the inter-bank guarantee for the intervened banks to 31st December 2011. The establishment of the Asset Management of Nigeria (AMCON) was also part of the effort to resolve the problem of the non-performing loan assets of banks.

The universal banking model was jettisoned in order to ensure that banks focus on their core banking business. A banking model that could subdue involvement in risky and non-banking practices by the operators was instituted, as a substitute. Currently, the industry has been segmented into international, national, regional, mono-line and specialized banks. Capital requirements now vary with the range and complexity of the mandate. Banks were given a deadline of June 2013 to divest from real estate subsidiaries while, in the case of other subsidiaries, the deadline of March 2012 has since expired.

Considerable progress was made in financial system surveillance through on-site examination, routine risk based supervision, risk assets examination, cross-border supervision of foreign subsidiaries of Nigerian banks, and spot checks in the financial system. These supervisory activities were also extended to other financial institutions (OFIs) namely; Development Finance Institutions (DFIs), Primary Mortgage Banks (PMBs), Microfinance Banks (MFBs), Finance Companies (FCs) and Bureaux de Change (BDCs). Similarly, the CBN initiated, reviewed and sustained various reform initiatives aimed at repositioning and restructuring the OFIs for greater operational effectiveness and efficiency. Such efforts include: circulation of new guidelines for the operation of Primary Mortgage Banks (PMBs) in Nigeria, review of new framework and guidelines for the operations of MFBs and FCs, adaptation and adoption of new banking reforms for other financial institutions, and exposure of a draft Financial Literacy Framework.

A review of the stability of the banking sector during the period shows improvement in the asset quality of banks. The average capital adequacy ratio of banks rose from 4.03 percent at end-December 2010 to 17.7 percent and 18.3 percent at end-December 2011 and end-December 2012, respectively, higher than the global threshold of 10.0 percent. Similarly, the banks' Non-Performing Loans (NPL) ratio fell from 15.49 percent at end-Dec. 2010 to 4.95 percent and 3.47 percent at end-December 2011 and end-December 2012, respectively. The industry liquidity ratio also was high at 69.06 percent and 63.9 percent respectively, at end-Dec. 2011 and December 2012, up from 47.46 percent at end-Dec. 2010.

Figure 8.10: Trends in Financial System Indicators



Source: CBN

8.5.1 Improvement in Access to Credit

The real sector has been recognized as the engine of economic growth across different jurisdictions. However, in Nigeria, the sector has been disadvantaged, with respect to sourcing financial resources competitively. Some of the reasons for this relate to high

operating costs, long payback periods, and elevated risks of operation. Thus, the Central Bank announced a wide range of financial support for the various sub-sectors of the real sector. These interventions were aimed at delivering credit at below market rates. Some of these interventions are highlighted below:

8.5.2 Commercial Agriculture Credit Scheme (CACS)

The Commercial Agriculture Credit Scheme (CACS) was established in 2009 to finance large scale projects along the agricultural value chain, aimed at modernizing the agricultural sector in Nigeria. With a capital base of N200 billion, the Scheme is funded by a 7-year tenured Federal Government Bond. Since inception, 270 projects, cutting across private and public sectors, have been supported. These projects have created a total of 100,301 jobs in 2012, while capacity utilization of the projects under the scheme, especially, poultry increased on average from 35 percent to 90 percent. At end-February 2013, the total amount released by the CBN under the Commercial Agriculture Credit Scheme (CACS) to the participating banks for disbursement stood at ₦199.5 billion.

8.5.3 N200 Billion SME Restructuring/Refinancing Fund (RRF)

The N200 billion SME/Manufacturing Refinancing and Restructuring Fund was established by the Central Bank of Nigeria (CBN) in March, 2010. It was targeted at galvanizing the capacity of SME manufacturing firms to contribute to national economic development. Since inception, 535 projects have benefited from the fund. In terms of job creation, the projects have generated 13,886 new direct and 971,247 indirect jobs. There was also a significant improvement in the aggregate turnover of the beneficiary projects, with turnover and capacity utilization increasing by 87 percent and 11 percentage points, respectively.

8.5.4 Power and Aviation Intervention Fund

The fund has a concessionary rate of 7 percent and is tenured for 10 - 15 years. The cumulative effect of the concessionary rate and the long payback period resulted in a net saving of N11 billion on interest expenses as at end-2012. In 2012, 36 projects comprising 21 power and 15 aviation projects were funded. The fund has also boosted power generation in the country as twelve (12) of the power projects have a combined generating capacity 647.6 MW, out of which 377.2MW has been uploaded to the national grid.

8.5.5 Nigeria Incentive - based Risk Sharing Scheme for Agricultural Lending (NIRSAL)

To develop the agricultural value chain, the CBN conceived the Nigeria Incentive-Based Risk Sharing System for Agricultural Lending (NIRSAL) in collaboration with the Alliance for Green Revolution in Africa (AGRA) in 2011. The scheme is aimed at providing a risk-sharing mechanism that will enable harnessing of financial resources from the banks in support of agricultural lending. The programme was approved by President Goodluck Ebele Jonathan in 2012.

8.5.6 National Financial Inclusion Strategy (NFIS)

In 2012, the CBN launched the National Financial Inclusion Strategy, which sought to decrease the number of Nigerians that are excluded from all financial services from 46.3 percent to 20 percent by 2020, as committed to in the 'Maya Declaration'. The NFIS was conceptualized to increase access to and usage of financial services, through harmonizing existing policies, schemes, institutions, and enhancing their effectiveness/efficiency. Under the NFIS, the number of Nigerians that would be brought into the formal sector was expected to increase from 30 percent to 70 percent by the year 2020.

8.5.7 Payments System

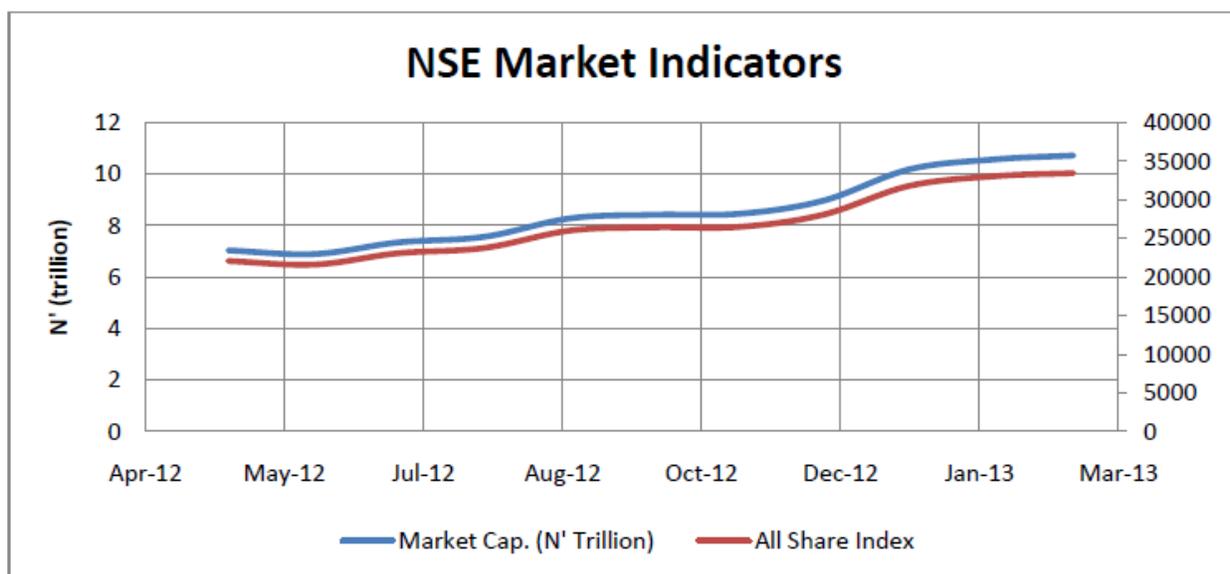
The Central Bank, in collaboration with other stakeholders, continued the implementation of policies, guidelines and initiatives to ensure the efficiency, safety and reliability of the payments system. Specifically, in its effort towards achieving the Payments System Vision 20:2020 (PSV20:2020), the Central Bank:

- Introduced the cash-less policy in 2011 and commenced its implementation in April 2012 in Lagos. Its main objectives were to drive the development and modernization of the Nigerian Payments system, in line with Vision 20:2020, reduce the cost of banking services, promote financial inclusion, enhance the effectiveness of monetary policy in managing inflation and curb some of the adverse consequences associated with huge usage of cash in the economy.
- Approved Guidelines on cheque truncation in Nigeria
- Approved the revised guidelines on: Transaction Switching Services; stored Value and Prepaid Card Issuance,
- Enforced compliance with Nigeria Uniform Bank Account Number (NUBAN) code.
- Initiated the Payment Terminal Aggregator (PTA) and a standardized T+1 settlement among industry players, with a view to ameliorating the cost of transactions.
- Issued new point of sale (PoS) guidelines to encourage banks and other service providers to share PoS electronic devices. By end-December 2012, Point of Sale terminals increased from about 5000 in 2010 to 111, 866. Also 20 Mobile Money operators were licensed under the mobile money initiative, which was launched in 2012.

8.6 Capital Market Developments

The Nigerian capital market witnessed modest growth and development during the review period. Following the financial crisis, in 2008/2009, the total market capitalization and the all-share index fell to ₦10.33 trillion and 24,770.5, respectively, at end-December 2010 and were N10.28 trillion and 20,730.63, respectively, at end-December 2011. There was, however, an unprecedented growth in the major indices of the Nigerian Stock Exchange (NSE), during 2012 and the first quarter of 2013. In particular, activities on the NSE were bullish, arising from positive sentiments and critical market reforms by the fiscal authorities during the period, especially the bail out of the stock brokers.

Figure 8.11: All Share index and market Capitalization



Source: Nigerian Stock Exchange

The total market capitalization increased significantly by ₦3.86 trillion or 35.29 percent to ₦14.40 trillion, at end-December 2012 and further by 16.41 percent at end-march 2013. The market capitalization of equities traded on the floor of the Exchange jumped to ₦8.98 trillion by end-December 2012 and further to ₦10.73 trillion at end-March 2013, indicating that on a year-on-year basis, it appreciated by 37.31 percent. Similarly, the market capitalization in the bond section of the market continued to improve, expanding significantly by 55.61 percent to ₦5.82 trillion at end-December 2012 from ₦3.74 trillion at the corresponding period in 2011. On the other hand, the All-Share Index of listed securities rose from 20,773.98 at the end of 2011 to 28,078.81 at end-December 2012, indicating a 35.47 percent increase. The positive sentiments could be attributed to the renewed interest in the Nigerian economy by both local and foreign investors and the expectations of a higher return in the coming year.

8.7 External Sector Developments

A look at the Balance of Payments reveals that the current account surplus-to-GDP ratio was satisfactory during the review period. The goal in the Transformation Agenda is to maintain an average current account surplus-to-GDP ratio of 3.65 percent in 2010-2012 but the actual average performance was 4.77 percent, representing a 1.13 percent improvement, over the target. In addition, growth in non-oil exports averaged 29.57 percent in the review period, thus, surpassing the average TA target of 25.92 percent in 2011 and 2012. This can be attributed to rising demand for the country's non-oil exports. The target growth in the Balance of Trade was 14.53 percent in the Transformation Agenda. However, the performance during 2011 and 2012 was 13.01 percent, implying a gap of 1.52 percent.

Table 8.12: Targets for External Sector

Indicator	2011		2012		2013	
	Target	Actual	Target	Actual	Target	Actual
Average Exchange Rate (N/US\$)	153.90	153.86	155.60	157.50	159.50	157.30
Growth in Non-oil Exports (percent annual Change)	21.34	22.40	30.50	-4.70	31.60	

Source: Central Bank of Nigeria

Table 8.12 Performance of External Sector

	2010	2011	2012
Average Exchange Rate (₦/\$)	150.29	153.89	157.5
Growth in Non-Oil Exports (percent)	27.25	22.0	-4.70
Current Account Balance (₦' Billion)	13.42	8.76	23.41
Current Account Balance (percent of GDP)	5.93	3.6	9.09
Remittances (US\$' Billion)	19.81	20.61	21.89
Foreign Direct Investment US\$' Billion)	6.10	8.91	7.03
Portfolio Investment (US\$' Billion)	3.75	5.19	17.65
Capital Account Balance (US\$' Billion)	2.06	-5.45	-1.61
External Reserves (US\$' Billion)	32.34	32.64	43.83
Months of Imports Equivalent of External Reserves	7.92	6.3	11.3

Source: Central Bank of Nigeria

The foreign reserves target for 2011, 2012 and 2013 in the Transformation Agenda were US\$ 75.56, US\$84.83 and US\$108.77 respectively. From US\$32.64 billion in 2011, foreign reserves increased in 2012 to \$43.83 billion. Though this is below the target, it was a remarkable achievement, in view of the lingering effect of the global meltdown and the debt crisis in the Euro zone. The reserves position further improved to US\$48.8 billion by end March 2013

8.7.1 Foreign Direct Investment

A review of performance of foreign investment shows that FDI, despite the global meltdown which made international investors skeptical about investing in developing and emerging markets, significantly improved in 2011, but slightly declined in 2012. FDI increased in 2011, by 46.07 percent, to US\$8.91 billion and US\$7.03 billion in 2012 from US\$6.10 billion in 2010. Thus Nigeria remained the highest recipient of FDI inflow in Africa within the period. It also indicates the Administration's commitment to implementation of sound economic management and enthronelement of positive investment climate for attracting foreign investment. Other reasons are:

- Stable macroeconomic fundamentals which make the economic environment predictable
- Sustained reforms in the financial and power sectors
- On-going rehabilitation of decayed economic and social infrastructure in Nigeria
- Improved investment climate in the Niger-Delta region owing to the success of the Amnesty programme

Similarly, the performance of international home remittances was stable and surpassed the planned target in the Transformation Agenda for the 2011 and 2012. Specifically, home remittances increased from US\$19.20 billion in 2009 to US\$20.61 billion in 2011 and US\$21.89 billion. This translated to remittances-to-GDP ratios of 8.75 percent in 2010 and 8.98 percent in 2011, as against the targeted rate of 4.5 percent in both 2010 and 2011. The analysis further shows that the contribution of international home remittances to the economy was higher than the contributions of FDI and foreign aid in the country, both of which accounted for 3.14 percent and 0.004 percent, respectively, during the plan period. In this regard, there is a need to put effective policies in place to further enhance the mobilisation and coordination of home remittances in the country.

8.7.2 Domestic Foreign Exchange Market

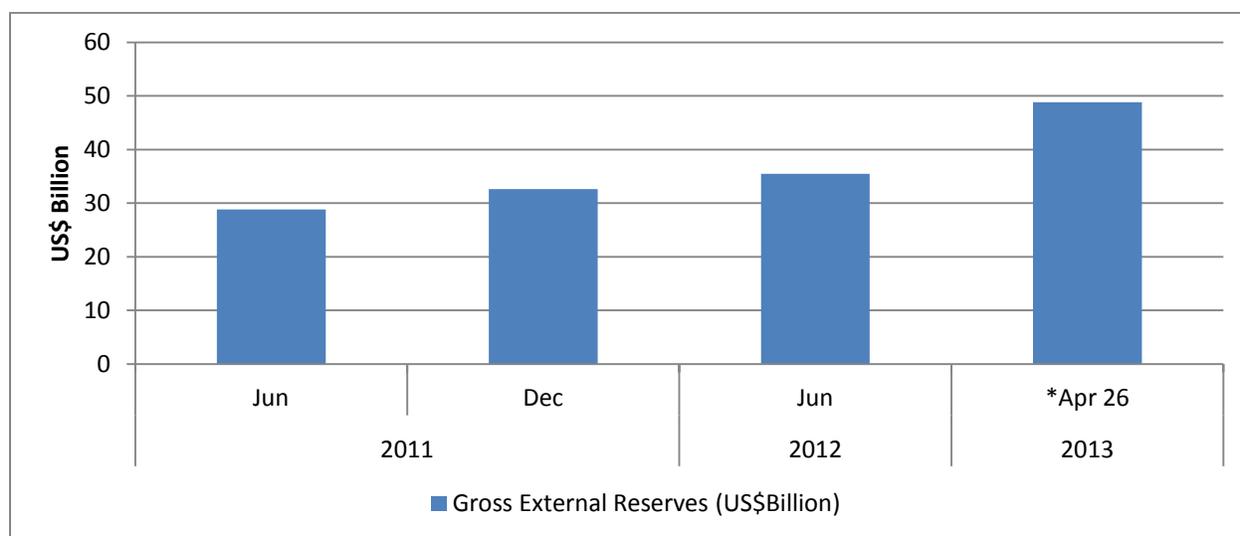
In the domestic foreign exchange market, a series of actions was undertaken to curb speculative bids by the authorized dealers and to stabilize the market. Some of these actions included:

- Meeting higher demand, following foreign investors' divestment in response to the spread of the debt crisis in Europe
- Increasing the Cash Reserve Ratio (CRR) from 8 percent to 12 percent and reducing the Net foreign exchange Open Position (NOP) to 1.0 percent from 3 percent of Net Shareholders' Funds.
- Interventions at the interbank segment of the foreign exchange market and sustained weekly sale to BDCs, in order to ensure steady supply at these market segments and maintain rates within the target bands.

Moreover, the CBN is actively involved in the management of the country's foreign exchange market and reserves, to ensure that foreign exchange disbursements and utilization are in line with economic priorities. Effective management of the market and the external reserves have ensured a stable value of the Naira, even in the face of global economic recession. This has made the country one of the choice destinations for foreign investments in Sub-Sahara Africa. There has been a renewed accumulation of external reserves, a relatively stable foreign exchange rate, moderated market demand at the official foreign exchange market and build up of a buffer against shocks. Nigeria's gross external reserves stood at

US\$32.34billion in 2010. The reserves position further improved to US\$32.64 billion as at December 2011. As at April 26, 2013, the external reserves were estimated at US\$48.8 billion.

Figure 8.12: External Reserves (US\$ Billion)



8.8 Summary of Key Macroeconomic Achievements

Table 8.13: Macroeconomic Indicators, 2009 - 2013

S/N	INDICATOR	BASELINE		TARGET			Actual		
		2009	2010	2011	2012	2013	2011	2012	2013
i	Global Ranking by Nominal GDP	45	44	-	-	-	39	36	36
ii	Nominal GDP (US\$' Billion)	167	226	242	274	292	243	257	60.35
iii	Per Capita GDP (US\$)	1,079	1,420	1,480	1,627	1,688	1,483	1,526	
iv	GDP Growth Rate (percent)	6.96	7.98	7.36	7.61	7.65	7.43	6.58	6.56
v	Budget Deficit (percent of GDP)	3.27	3.25	3.11	2.85	2.95	3.14	2.82	
vi	Retained Revenue (N' Billion)	2,479	2,341	3,316	3,561	3,890	3,141	3,155	-
vii	Total Tax revenue (N' Billion)	2,198	2,839	-	-	-	4,628	5,007	
viii	Non-Oil Tax Revenue (N' Billion)	1,258	1,359	-	-	-	1,558	1,806	

ix	ECA and SWF (Fiscal Reserves) (US\$' Billion)	6.9	2.0	-	-	-	4.6	9.2	9.85
	NSE ASI	20,827	24,770				20,730	28,078	33,159
	NSE Market Capitalization (N' Billion)	4,989	7,914				6,533	8,974	10,600
x	Credit Rating (S&P)	B+	B+	-	-	-	B+	BB- Stable	BB- Stable
xi	Monetary Policy Rate (percent)	7.44	6.08	12.0	12.5	12.13	8.9	12.0	12.0
xii	Prime Lending Rate (percent)	18.99	17.59	-	-	-	16.02	17.02	16.59
xiii	Money Supply, M2 (percent annual change)	18.11	17.48	28	28		13.93	13.93	15.34
xiv	Monthly Average Inflation Rate (percent)	12.5	13.7	10.8	9.5	9.4	10.8	12.2	9.03
xv	Credit to Private Sector (percent annual change)	32.58	12.02	-	-	-	5.13	40.01	6.79
xvi	Banks' Non- Performing Loans (percent of Total Credit)	32.8	15.5	-	-	-	5.0	-	-
xvii	Current Account Balance (percent of GDP)	8.3	5.86	3.65	3.65		7.36	7.74	
xvii i	Non-Oil Exports (percent annual change)			21.3 4	30.5	31.0	29.55	29.57	-
xix	Average Exchange Rate (N/\$)	148.8 8	150.4	153. 9	155.0	159.5	153.86	157.5	157.3
xx	Exchange Rate Premium (WDAS/BDC) (percent)								
xxi	External Reserves (US\$' Billion)	42.38	32.34	-	-		32.64	43.83	48.57
xxii	Number of Months of Import	16.34	7.92	-	-		6.45	11.3	

	Equivalent			
xxii	Home	18.43	19.81	
i	Remittances (US\$' Billion)			20.61 21.89
xxi	Portfolio	0.48	3.75	
v	Investment (US\$' Billion)			5.19 17.65

Sources: NBS, IMF, FMF, CBN, NPC

CHAPTER NINE: KEY REFORMS AND OUTCOMES

9.1 Overview of the Reforms

During the period under review, the Federal Government has undertaken a number of critical reforms, focusing on different sectors of the economy. The reforms are a response to the need for an enabling environment for the growth and development of the country. The key areas of reforms include:

- i) Financial sector;
- ii) Fiscal sector;
- iii) Power sector;
- iv) Petroleum sector;
- v) Ports;
- vi) Aviation sector;
- vii) Public sector;
- viii) Public procurement;
- ix) Data generation;
- x) Agricultural sector;
- xi) Health sector;
- xii) Education sector;
- xiii) Economic coordination;
- xiv) Infrastructure sector;
- xv) Land; and
- xvi) Foreign policy.

The highlights of the reform are presented in the sections below:

9.2 Financial Sector Reform

To ensure a virile and private sector-supported financial sector, the government initiated several reforms aimed at improving the performance of the financial sector and placing the banking sector in a strategic position to support economic growth and transformation. To instill confidence in the financial sector, the banks were scrutinized to ascertain their state of health. The banks found ailing were directed to recapitalize through mergers, or close shop. These financial sector reforms were the chief drivers of the capital market recovery and current improved performance. Consolidating the success of the reform will further improve future performance and attract both domestic and foreign players in the market. Among the key financial sector reforms measures introduced were the following:

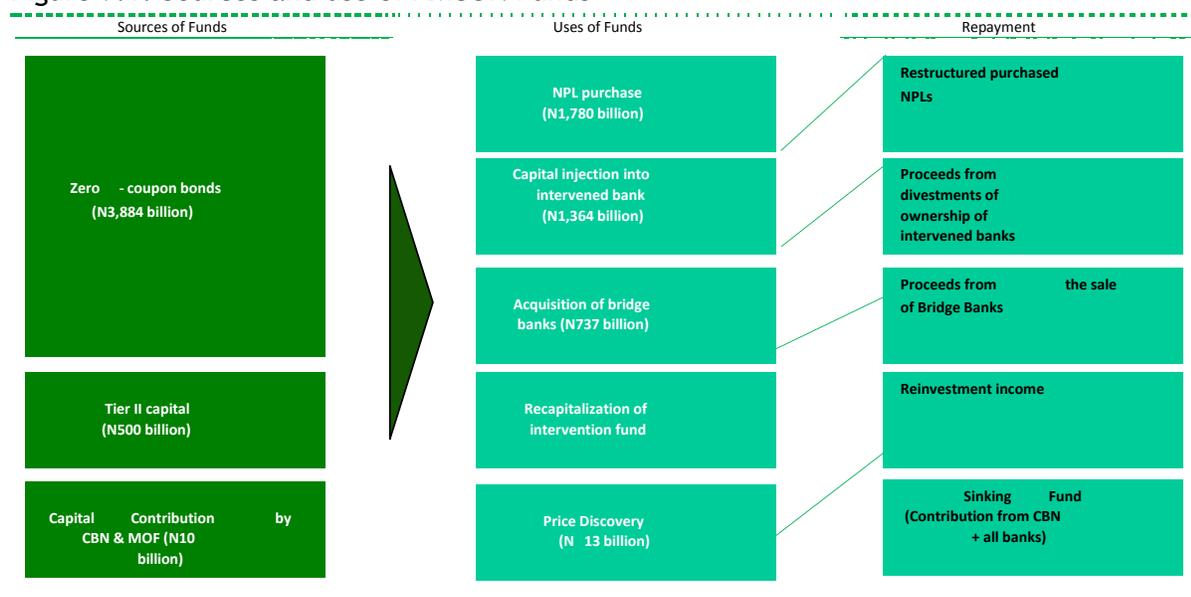
9.2.1 Establishment of the Asset Management Company of Nigeria (AMCON)

AMCON was established to rid the banks of non-performing loans running into billions of Naira, recapitalize the ailing ones, improve access to refinancing opportunities for borrowers, improve Nigeria's risk and credit rating by improving the balance sheets position of the banks,

prevent job losses that characterized the banking sector and restore public confidence in the Nigerian banking sector, the financial markets and the entire financial system.

Thus, establishing AMCON represented the Government’s commitment to safeguarding the interest of depositors, creditors and other stakeholders in the Nigerian financial system and to rejuvenate the economy. The non-performing loans in the banking sector available for purchase by the institution were valued at \$14.6 billion. Through this action, AMCON has supported the financial sector recovery and, ultimately, the entire economy, by providing liquidity to the banks. In fact, the 5.6 percent growth in the NSE All-Share Index in the first trading week of 2011 was due mainly to the operations of AMCON as banks whose toxic assets were bought topped the gainers’ list. The sources and uses of AMCON funds are as depicted in Figure 9.1.

Figure 9.1: Sources and use of AMCON Funds



Source: FMF

9.2.2 Re-introduction of specialized banking

The philosophy behind this policy is to promote a sound financial system against the backdrop of the conviction that banks are distracted from doing core banking business under the universal banking model. Many banks were found engaged with currency round tripping, carry trade, funding trading services, and capital market trading, which activities divert the banks from performing their core functions, especially lending to the real sector. In the new model therefore, only three broad types of banks are allowed to operate: the commercial banks; the merchant banks; and the specialized banks.

The reforms are aimed at sanitizing the banking sector and positioning it for improved service delivery for the purpose of growing and transforming the economy in a sustainable way. In this regard, the reforms are expected to improve credit flows to the real sector of the economy.

9.3 Fiscal Reforms

The key fiscal reforms introduced by the current Administration include:

9.3.1 Establishment of the Sovereign Wealth Fund (SWF)

The SWF is a state-owned investment fund comprising financial assets that include stocks, bonds, and other financial investments aimed at effectively managing the proceeds from oil exports for the benefit of both current and future generations. The SWF is intended as a replacement for the Excess Crude Account (ECA) that serves, among others, as a stabilization fund. The thinking behind the SWF is to ensure that excess crude oil revenues are made productive through their investment in profitable ventures. It also overcomes the challenge involving the legality of the ECA which is more of a product of political exigencies and lacks legal backing.

The SWF Bill was submitted to the National Assembly for consideration and passage into law on 13th September 2010 with about \$1 billion set aside as take-off funds. The Fund is to retain the stabilization role of the ECA, while serving as a medium of savings for future generations and funding of PPP initiatives for infrastructure development. Following its establishment, the board of the Nigeria Sovereign Investment Authority was inaugurated on the 9th of October 2012. A comprehensive strategy was developed, presented and approved by the Board in November 2012 with full roll out of the implementation of the strategy in 2013.

9.3.2: Fiscal Consolidation and Debt Management

The measures taken to ensure fiscal consolidation and improved debt management are summarized below:

Fiscal consolidation

Rationalization of recurrent expenditure:

- Extending biometric verification to more MDAs (IPPIS)
- Partial implementation of the rationalization of government agencies
- Focus on completing on-going capital projects
- Drastically reducing administrative-type capital expenditure from the budget, to create space for more impactful projects



**Budget Signing by Mr. President
Improvement in Debt Management**

- Development of debt management capacity at sub-national level.
- Prepared the country’s first-ever National Medium Term Debt Management Strategy
- A sinking fund has been put in place to retire part of the Federal Government’s maturing domestic debt.

Table 9.1: Fiscal Consolidation with growth (1): Reducing budget deficit and changing budget Composition

		2006	2007	2008	2009	2010	2011	2012	2013 ¹
Reducing Budget Deficit...	Budget Deficit (% of GDP)	2.35%	3.64%	0.89%	3.02%	6.11%	2.96%	2.85%	2.17% 1.81%¹
	Budget Deficit (% of GDP, Actual)	0.54%	0.55%	0.19%	3.27%	3.25%	3.14%	2.81%	NA
Changing Budget Composition...	Recurrent Expenditure (% of Budget)	70.1%	64.0%	68.4%	62.9%	65.8%	74.4%	71.5%	68.7%
	Capital Expenditure (% of Budget)	29.9%	36.0%	31.6%	37.1%	34.2%	25.6%	28.5%	31.3%

¹ NASS Adjustment

Source: Budget Office of the Federation

Target 40%

9.3.3 Integrated Payroll and Personnel Information System (IPPIS)

The Integrated Payroll and Personnel Information had a total of 215 MDAs including 153,019 staff on the system as at January 2013 with a further 312 MDAs to be included within the year. The system has helped to enhance efficient personnel cost planning and budgeting, ensuring that cost is based on actual verified numbers and not estimates, thereby saving the government substantial resources.

9.3.4 Government Integrated Financial Management and Information System (GIFMIS)

The introduction of the Government Integrated Financial Management and Information System (GIFMIS) has greatly improved the efficiency of government expenditure. The system is currently being used to manage the financial transactions of government in MDAs and has reduced wastages in the system.

9.3.5 The Treasury Single Account

The Treasury Single Account (TSA) is another major fiscal reform introduced by the government to unify the structure of government bank accounts and give a consolidated view of the cash position. There are currently, 92 MDAs on the system with another 97 FCT based MDAs to be added May 2013. With the introduction of the system, there has been a reversal of the overall Government accounts position, from an average overdraft of N102 billion to a credit of N4.6 billion.

Table 9.2: Financial Management: Improving the efficiency of Government financial management

Expenditure side measures taken	
	<p>The Integrated Payroll and Personnel Information System (IPPIS):</p> <ul style="list-style-type: none"> • Enhances efficient personnel cost planning and budgeting as personnel cost will be based on actual verified numbers and not estimates. • 215 MDAs (153,019 staff) are on IPPIS as at January 2013. • 321 MDAs not yet on IPPIS.
	<p>Introduction of the Government Integrated Financial Management and Information System (GIFMIS) in April 2012</p>
	<p>Treasury Single Account (TSA) is a unified structure of government bank accounts that gives a consolidated view of the cash position</p> <ul style="list-style-type: none"> - 92 MDAs are currently on TSA - 97 Abuja based MDAs will be added by March 2013 - Reversal from an average overdraft position of N102 billion to a credit of N4.6 billion

Source: FMF

The various fiscal reforms carried out during the period under review have resulted in improved public financial management. This has helped to improve Nigeria's sovereign credit rating, at a time when most of the advanced and emerging economies are being downgraded. See the Table 9.3

Table 9.3: Nigeria's Sovereign Credit Rating

Fitch: BB-Stable, up from previous BB- negative outlook	Fitch Ratings
S&P: BB- Stable, up from previous B+	Standard & Poor's
Moody's: Ba3 Stable (equivalent to Fitch BB- Stable); commenced ratings of Nigeria in Nov. 2012, without prior invitation	MOODY'S
World Bank Voice Enhancement Programme - Nigeria among 16 countries whose voice has been increased	World Bank

Source: FMF

There has also been rising confidence by internal and external investors in the Nigerian economy, as a result of the improved performance of the economy during the period. This is highlighted in the Table 9.4.

Table 9.4: External Validation of Macroeconomic Achievements

Eurobond Performance	<p>Nigeria's Eurobond is performing better now:</p> <ul style="list-style-type: none"> • Bond price (the value of our bond) is \$117.52 (Dec 14) against \$103.49 at the beginning of 2012. • Bond yield (the cost of financing) has fallen by over 200 basis points, to 4.18 percent (Dec 14) from 6.23 percent at the beginning of 2012.
Inclusion in Emerging Market Indices	<p>Nigeria's domestic bonds are doing well:</p> <ul style="list-style-type: none"> • Recently included in JP Morgan Emerging Markets Government Bond Index (GBI-EM) • To be included in Barclays EM Bonds Index in Q1 2013 • IFC's first Naira bond oversubscribed by - 50 percent. IFC increased bond issue by an additional N4 billion on the back of strong demand for the Naira bond.

"The Jonathan Administration's effective management of the economy combining fiscal and monetary policy tightening, has led to a sounder macroeconomic backdrop and a more conducive investment environment for international fixed income investors

9.4 Boosting the Insurance Sector (NAICOM)

Government equally carried out critical reforms in the Insurance sector in recognition of the relevance of the Sector to macroeconomic stability and overall business development in Nigeria. The reform measures are highlighted in Table 9.6.

Table 9.6: Developments in the Insurance Sector 2010 - 2012

	Situation in 2010...	Achievement between 2011 - 2012
Strengthened Regulatory Process	<ul style="list-style-type: none"> • Gap in regulatory oversight • Minimal enforcement • Limited scrutiny of financial statements • Ad-hoc cooperation with overseas regulations 	<ul style="list-style-type: none"> • Gaps bridged through guidelines (10 different guidelines issued) • Improved regulatory oversight, and in-depth analysis of financial reports • Formalized MoU with other jurisdictions for cross-border oversight
Market Development	<ul style="list-style-type: none"> • 700,000 policy holders & 20,000 employees • Total insurance premium income N157 billion and premium ratio to GDP 0.5 percent • Less than 10 percent local retention of Oil & Gas risk 	<ul style="list-style-type: none"> • 1.5 million policy holders and 40,000 employees • Total insurance premium N250 billion and premium ratio to GDP 0.7 percent
Stakeholders' Management	<ul style="list-style-type: none"> • Claims paid were N37 billion • Limited Public awareness and avenue for complaints redress 	<ul style="list-style-type: none"> • Claims paid increased to N52 billion • Complaints process strengthened • EFINA survey shows that 40 percent of Nigerians are now aware of insurance

Source: FMF

9.5 Pushing reforms of the Nigeria's Development Finance Institutions (DFIs)

DFIs are important to sustained sectoral funding, particularly in the real sector of the economy which is considered top priority by the current Administration in efforts to realize the objectives of the Transformation Agenda. Government therefore embarked on a number of reform programmes for the sector during the review period. The key reforms include:

Table 9.7: Reforms of the Nigeria’s DFIs

Background/Context...	...State of Nigerian DF Is...	...Current Resolution
 <ul style="list-style-type: none"> - Mismatch of loan tenors : borrowing short -term debt to undertake long -term projects. - High cost of borrowing: lending rates between 16 - 22 percent. - Long -term, concessional, development finance in Nigeria is urgently needed 	 <p>Nigeria currently has 5 DFIs: BoA, Bol, NEXIM, FMB and Infrastructure Bank (formerly, UDBN; already partly privatized).</p> <p>However, several Nigerian DFIs are inefficient and not sustainable in the long run</p> <p>Government is currently evaluating options given Nigeria’s existing DFIs, and future financing needs</p>	 <ul style="list-style-type: none"> - On-going work to examine global best practices for DFIs: - Considering more wholesale lending model and diversifying funding sources to make available 10 to 15 year money at reasonable rates.

Source: FMF

9.6 Power Sector Reform

Power (electricity) is among the most serious constraints facing the Nigerian economy today. This made the government to unveil a well articulated strategy designed to end the chronic power shortages. This culminated into a Roadmap for Power Sector Reform. The Roadmap, with its emphasis on privatization of power generation and distribution and the construction of a new transmission network, is expected to reduce substantially the binding infrastructure constraints. Some of the proposed and already achieved activities in the reform include, unbundling the Power Holding Company of Nigeria, privatization of the unbundled entities, establishment of a regulatory agency, and establishment of rural electrification agency and rural electrification fund.

The Nigerian Electricity Regulatory Commission (NERC) was empowered to oversee the sector, regulate tariffs and service quality by the existing and prospective service providers. To avoid the challenges posed by the monopoly of the PHCN, NERC is also charged with preventing anti-competitive behaviour, including oversight of mergers and acquisitions. In addition, the government provided World Bank guarantees to encourage independent power producers in the country. The reform has generated a lot of interest among local and foreign

investors, with some US investors already indicating interest to invest \$100 billion in several sectors of the Nigerian economy, predominantly in the power sector.

To ensure the success of the power sector Roadmap, eleven (11) distribution companies covering the entire country were pre-qualified to serve as distribution outlets for power generated. Key transmission projects across the country are being completed by the government. There is also a gradual movement towards a cost-reflective tariff system that will ensure that the sector is sufficiently attractive to both local and foreign investors. A Memorandum of Understanding has also been signed with General Electric and Siemens on the provision of power infrastructure. In addition, substantial progress has been made in efforts to ensure steady supply of gas to the power plants. Overall, these reforms are expected to have significant effect on power supply in the country that includes achieving a target of installed capacity of 19,246MW, available capacity of 18,067MW and delivered capacity of 13,000MW by 2015.

Table 9.8: Major Achievements in the Power Sector

Key Measures
<ul style="list-style-type: none">● Inauguration of the boards of the National Bulk Electricity Trader (NBET) and National Electricity Liability Management Company (NELMCO)● Signing of letters of comfort, PPAs etc● Negotiated Guarantees● Solving financial problems and paying off PHCN workers● Full Transfer of Transmission Company of Nigeria to Messrs Manitoba, the preferred bidders,● Successful privatization of the GENCOs and DISCOs to preferred bidders

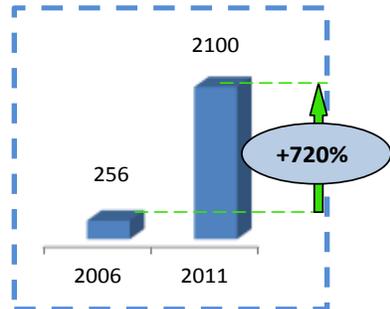
Source: Ministry of Power

9.7 Petroleum Sector Reform

In line with the objectives of the Transformation Agenda, substantial progress has been made in the petroleum sector, through current reforms to unleash the potential positive effects of the sector in mainstreaming the private sector as the engine of growth. For a long time in Nigeria, the petroleum subsidy system has constituted a major financial drain on the economy. Between January 2006 and August 2011, total Government expenditure on petroleum subsidies amounted to N3.7 trillion. In January 2012, an attempt was made to fully remove the subsidy, resulting, however, only in partial removal due to the over politicisation of the measure, leading to public misunderstanding. The partial removal of the subsidy achieved, however, has saved the nation over N1 trillion in 2012. The savings are being used

to improve job creation and the inclusive growth policy of government, through the Subsidy Reinvestment and Empowerment Programme (SURE-P). There are also ongoing negotiations to fully privatize all refineries by transferring ownership, management and finance of the refineries to the private sector. When completed, this will attract billions of dollars in foreign investment and further promote technical and skills transfer to Nigerians. This will also help save for our country significant foreign exchange, by the gradual containment of petroleum products imports.

Table 9.9: Cleaning up the Petroleum Subsidy Regime

Background	Reform Process	Remedial Action						
<p data-bbox="196 632 324 659">GN Billions</p>  <table border="1" data-bbox="196 659 586 968"> <thead> <tr> <th>Year</th> <th>GN Billions</th> </tr> </thead> <tbody> <tr> <td>2006</td> <td>256</td> </tr> <tr> <td>2011</td> <td>2100</td> </tr> </tbody> </table> <ul data-bbox="245 1003 553 1205" style="list-style-type: none"> ▪ The Petroleum subsidy payments have grown sharply in recent years ▪ Loose verification system resulted in widespread fraud and smuggling to neighboring countries 	Year	GN Billions	2006	256	2011	2100	 <p data-bbox="586 961 1040 1079">The Aig-Imoukhede Committee was set-up by the MOF and strongly supported by Mr. President, turned into the Presidential Subsidy Verification Committee:</p> <ul data-bbox="626 1079 1040 1289" style="list-style-type: none"> - Verified tanks and sales records of marketers - Reviewed N1 trillion of 2011 transaction - Found about 196 transactions (N232 billion) as not verifiable - Clawed back N26 billion 	 <ul data-bbox="1073 961 1372 1289" style="list-style-type: none"> ▪ Appointed new auditors, with stricter guidelines: <ul style="list-style-type: none"> - Tighter payment regime introduced - Published names of fraudulent companies – some are being prosecuted by EFCC
Year	GN Billions							
2006	256							
2011	2100							

Source: FMF

9.7.1 Petroleum Industry Bill (PIB)

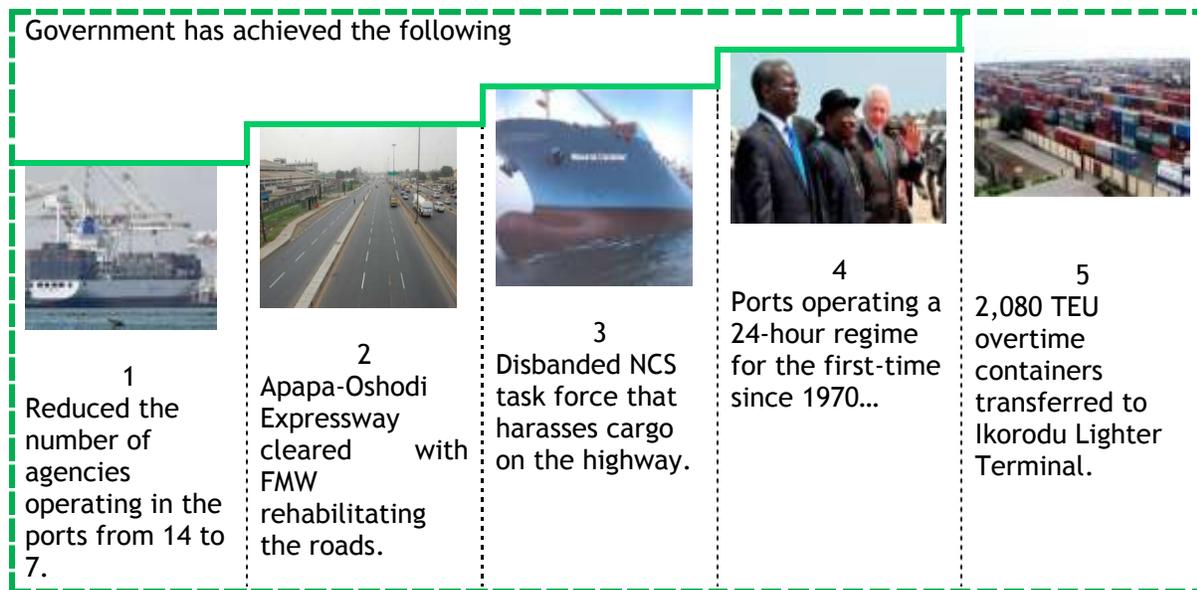
The PIB seeks to establish a legal and regulatory framework, institutions and regulatory authorities for the Nigerian petroleum industry, to establish guidelines for the operation of the upstream and downstream sectors and for purposes connected with the same. The fundamental objectives include: vesting of petroleum and natural gas; allocation of acreage; government participation; environment and air quality emissions; community development; and Nigerian content. The PIB is therefore, in essence, a reform legislation which aims to replace the existing myriad of legislative and administrative instruments governing the petroleum industry by one omnibus legislation that establishes clear rules, procedures and institutions for the administration of the petroleum industry in Nigeria. The PIB is still

awaiting passage in the National Assembly. It is expected that once it is passed, the Act will revolutionize the petroleum industry in Nigeria.

9.8 Port Reforms

The government has focused on ports and customs reforms to ensure efficiency in the handling of ports and ports-related businesses. The reforms are to ensure that all types of cargoes are cleared within a 48-hour period. To achieve this feat, the number of agencies involved in the ports was streamlined by 50 percent, from 14 to 7. The 7 remaining ones are the Nigeria Customs Service, the Immigration, the Nigeria Police, the Nigerian Ports Authority, the Nigerian Maritime Administrative and Safety Agency, the National Drug Law Enforcement Agency, and the Ports Health Agency.

Table 9.10: Nigeria’s Port Reforms



Source: FMF

The agencies were mandated to operate 24 hours through shift operations that ensure availability of officers to discharge their duties without delay. Paperwork and bureaucratic requirements for Ports and Customs clearance were drastically streamlined to promote time efficiency. The previous practice where Customs harass cargo transporters on the highway was discontinued by disbanding the Nigeria Customs Task Force. Substantial investment has also been made in Ports infrastructure development with the recent upgrade of the ASYCUDA system to version 3.0 and the integration of customs operation through a portal named “Nigeria Integrated Customs Information Systems” thus eliminating multiple submission of cargo and goods documentation to several stakeholders. To ensure private sector involvement in the reform process, private sector monitoring groups were set up to monitor progress and identify additional specific areas that require focus.

9.9 Aviation Sector Reforms

The aviation sector is very critical to the growth of any economy. It is pivotal to key economic sectors that include travel and tourism, agricultural production and distribution, rural development, trade and commerce, manufacturing and other non-oil sectors, which are critical to the economic transformation of any nation. To reposition the Nigerian Aviation sector for this role, the current Administration developed a common vision, and mission in the framework of a “Aviation Sector Master Plan”. This Master Plan is aimed at reforming the aviation sector to make air transportation the preferred and safest means of transportation, creating a self-sustaining business model and driving socio-economic growth in Nigeria.



Strategic thrusts of the Master Plan/Reform

- Develop hubs in-line with international standards and best practices
- Develop requisite capacity and manpower to meet the needs in the aviation industry for the 21st century
- Change the business model of industry into self-sustaining model through increased private sector participation (reduce financial burden on government)
- Maximize the contribution to the socio-economic development of the Nigerian economy through increased trade and in-flow of FDI, focusing and growing of agro-allied and improved economic processing zones at designated airports and resultant job creation

The key objectives of the Master Plan include: reform/make slimmer the industry, including institutionalizing world class safety and security standards; infrastructure development; designation of Economic Free Zones and Agro-Allied Focused airports, based on local endowments and competitive advantage; improving passenger welfare; growing domestic airlines and creating national carriers.

The investment opportunities to be derived from the reform include boosting the earnings of the sector by approximately 300 percent in the next 5 years; increased private sector participation and construction of Maintenance Repair Organizations (MROs)’s Facilities. Others

are commencement of aircraft sales and leasing; cargo handling services; cargo and perishable Ware Housing and Commercialization of Aviation Training Organizations (ATOs) among others.

9.10 Public Service Reforms, Performance Management Contracts and Public Procurement

9.10.1 Public Service Reforms

In line with the key strategies of the Transformation Agenda, a number of reforms are currently ongoing in the public service. These include:

- I. Tenure System for Permanent Secretaries and Directors: Introduction of a tenure system in the public service for Permanent Secretaries and Directors. This ensures that the service does not remain top heavy by allowing for regular succession in the top most positions of the public service.
- II. Participating in Written Civil Service Examination for PS: Participation in written examinations to form the basis for appointment of Permanent Secretaries, thereby improving the quality of the public service particularly in the highest leadership positions.
- III. Restructuring & Rationalization of Ministries, Departments & Agencies: Restructuring and rationalization of MDAs to right size the public service and enhance efficiency in service delivery to Nigerians. This reform will also save the Federal government a substantial amount of financial resources.
- IV. Pension Reforms: Several Pension reforms are currently ongoing in the public service with a transition from pay as you go to the contributory pension scheme.

9.10.2 Performance Management System (PMS)

Following the global trend, the present administration has introduced a robust performance management/contracting system in Nigeria, as a public service management tool, for measuring ministerial and individual performance, against negotiated performance targets. The administration reinforced the PMS with the inauguration of an integrated performance management system comprising institutional and the individuals' framework by the Office of the Head of the Civil Service of the Federation (OHCSF), and the establishment of a National Monitoring and Evaluation Department in the National Planning Commission in 2010.

With the introduction of the PMS, the public service has recorded improvement and clarity in the alignment of institutional and individual performance. Activities implemented for the institutionalization of the system include development of Key Performance Indicators (KPIs) that are used to track the delivery of Ministries, Department and Agencies (MDAs); development of performance agreements for Ministers and key government officials; the Ministers signing the performance agreements with Mr. President and cascading them down to the Permanent Secretaries, Heads of Parastatals and Agencies; and the development of a reporting template for the MDAs. The 2012 performance contract agreement between the President and Honorable Ministers of the Federal Republic has led to regular ministerial performance reporting at the Federal Executive Council. This has resulted in higher degree of

accountability on the part of public office holders and public servants, to Mr. President in particular and more widely to the Nigerian people.



President Goodluck Jonathan signed performance agreements with all his Ministers in an effort to enhance performance, transparency and accountability in the conduct of government activities

9.10.3 Public Procurement

The Public Procurement Reform was initiated as part of the Federal Government Economic Reform Agenda. It addresses negative consequences arising from inflation of contract costs, proliferation of projects, lack of procurement plans, poor project prioritization, poor budgeting processes, lack of competition, and value for money in the award and execution of government contracts. Under the reform, all contracts must be advertised, followed by a process of pre-qualification, invitation to tender, technical and financial bid process, opening of tenders and evaluation process, to determine the company/organization best qualified for the contract. Ministries, Departments and Agencies were encouraged to adhere to these guidelines in public spending and budget implementation.

The current administration has sustained this procurement system by providing strong political and leadership support to the Bureau of Public Procurement (BPP), which has resulted in gradual decline of cost of public expenditure and improved competitiveness in the award of public contracts. The BPP, the agency responsible for public procurement has through its operations in 2012, saved the Federal Government an estimated sum of N400 billion.

9.11 Reform of the Data Generating Process

The Administration of President Goodluck Jonathan under the Transformation Agenda has given priority to the reform of the data generating process. In this regard, the National Bureau of Statistics (NBS) has received greater budgetary, as well as ICT and capacity building support. Some initiatives are being carried out in the area of data generation, consolidation and storage.

A key element of the initiatives is the computation of States Gross Domestic Product (SGDP) which involves the disaggregation of economic activities by State where most of the economic activities take place. The Federal Government in collaboration with the State Governments has begun the process of institutionalizing SGDP computation in seven pilot states, which is anchored by the National Planning Commission. This process has reached an advanced stage and the results for the pilot states are expected to be out by end-May 2013. It is worthy to note that Nigeria is one of the pacesetters of SGDP innovation among the African countries.



State GDP Flag-off in Port Harcourt Rivers State

Another key initiatives by the NBS is the process of re-basing the GDP, in line with global best practice. It is global best practice for countries to rebase their GDP every five years. In the case of Nigeria, such a process has not been undertaken since 1990. The GDP rebasing prospect is expected to have significant benefits for Nigeria.

9.12 Agriculture Reform (ATA)

Nigeria's average annual food import bill at US\$3 Billion is unsustainable and cannot guarantee food security, let alone support the industrialization process for the country through agro-based and value addition activities. The introduction of the Agricultural

Transformation Action (ATA) Plan by Government in 2012 is intended to provide a comprehensive strategy to increase domestic food production, reduce dependence on food imports, expand value addition to locally produced agricultural products and create over 3.5 million jobs by 2015. Through de-regulation, attractive financing, concentrated infrastructure investments and competitive policies the revolution in the agriculture sector is expected to be productive and efficient.

The Growth Enhancement Scheme (GES) feature of the ATA has eliminated the middlemen who largely profited from government's fertilizer subsidies and inputs distribution. In respect of credit, commercial banks have been leveraged by the CBN to provide agricultural facilities to farmers under the Nigerian Incentive- Based Risk Sharing for Agricultural Lending (NIRSAL) while, in addressing infrastructural challenges, the private sector has been engaged in the development of crop processing zones and clusters.

The key fiscal incentives to support the ATA are:

- Zero duty on machinery and equipment to process high-quality cassava flour
- Corporate tax rebate of 12 percent for bakeries attaining 40 percent substitution of wheat for cassava
- Effective duty of 50 percent on imported polished rice to be raised to 100 percent in December 2012 to encourage domestic production
- 100 percent duty on wheat flour from July 1, 2012
- Other reforms in the pipeline, under the ATA include, the setting up of Agricultural Corps Processing Zones, establishment of Marketing Corporation and stimulation co-investment with state governments.

9.13 Health Sector Reform

The Government recognizes that to improve the health and wellbeing of Nigerians, there is a need to scale-up the provision of essential health care services, strengthen the health system, including providing additional financing for health, as well as building and strengthening the Primary Health Care System. The Administration has built on the existing framework provided by the National Strategic Health Development Plan (NSHDP) to improve the health status of Nigerians and ensure transparency and service delivery in the sector.

An Action Push Agenda was initiated in 2012 to identify low hanging fruits from the NSHDP and put in place actions to fast track their harvesting, in order to yield quick dividends for the Nigerian populace within the eight priority areas of the NSHDP and the six (6) core values of the Action Push Agenda (APA), as presented in the Table 9.11:

Table 9.11: Health Sector Action Push Agenda

National Strategic Health Development Plan (NSHDP)	Six core Values of the Action Push Agenda
Leadership and Governance for Health	Action
Health Service Delivery	Continuity
Human Resources for Health	Teamwork
Financing for Health	Innovation
National Health Management Information System	Outreach
Partnerships for Health	Networking
Community Participation and Ownership	
Research for Health	

Source: FMH

The NSHDP and the Action Push Agenda serve as the two primary instruments driving all actions in the health sector. The NSHDP is the overarching compass document that provides broad strategic direction for the health sector. Other priority health initiatives being pursued to fast-track the transformation of the health sector include: Saving one million lives initiative; Life Saving Commodities Initiatives; Introduction of New Vaccines: Preventive Vaccines Introduction; Midwives Service Scheme (MSS); Community Based Health Insurance; and the establishment of the Nigeria Centre for Disease Control.

9.14 Education Sector Reform

The Transformation Agenda in the education sector aims to refocus the educational system in the areas of access and quality, infrastructure, teacher quality and development, curriculum relevance, funding and planning. This led to the introduction of several reform initiatives in the sector. Reforms in the sector have been largely achieved through the 4-year Strategic Plan, which provides a coordinated approach to addressing the challenges of quality education delivery in Nigeria.

Some of the initiatives for transforming the Education sector are: Institutionalization of Early Childhood Care & Education (ECCE); The Almajiri Education Programme; Back-to-School Programme - South-East; Promoting Girl Education; Construction of Model Nomadic Education Centres; and Revitalization of Adult and Youth Literacy.



President Goodluck Jonathan launching an Almajiri school & Vice President Namadi Sambo Presenting library materials to junior secondary school Kids

9.15 Economic Coordination

The coordination of economic management process in the country has greatly improved during the review period. This has resulted in the promotion of harmony and synergy among the medium term plans and the annual budgets, as well as the policies and strategies pursued by various MDAs. There was relative stability in the economy, despite the fiscal challenges which put a lot of strain on monetary policy and its ability to maintain monetary stability and keep the inflation fairly stable.

At the federal level, the National Economic Management Team (NEMT) was strengthened with a view to ensuring effective management of the economy during the period. The monthly meetings of the Team are chaired by His Excellency, the President of the Federal Republic of Nigeria. Some of the members of the NEMT are Mr. Vice President, Governors of Anambra and Adamawa, Ministers such as the Coordinating Minister of the Economy (CME)/Hon. Minister of Finance, the Minister of National Planning, and Governor of the CBN. Other members include key leaders of the private sector such as Chairman of Dangote Group, Academia such as the President of the Nigerian Economic Society, among others. This has brought in the needed sub-national and private sector perspectives into the body to make it more vibrant and nationalistic.

The NEMT is being supported by the Economic Management Implementation Team (EMIT), which meets on a weekly basis, to address socio-economic issues in the country. The EMIT is chaired by CME/HMF. Other members include the Ministers of National Planning, Trade & Investment, Power, Health, Agriculture, Works, Ministers of State of Finance and Health, The Chief Economic Adviser to the President and the Deputy Governor of CBN, among others.

The NEMT and NEMIT have helped to reduce bureaucratic bottlenecks associated with policy decision making and brought a private perspective to public sector decision making.

9.16 Gender Budgeting Initiative

This initiative jointly implemented by Ministries of Finance and Women Affairs, aims to address two key issues: mainstreaming government efforts to improve the lives of girls and women in Nigeria into the budgeting process; and linking funding release to concrete results delivery for these girls and women, with the 2013 budgeting process as pilot. Currently, five MDAs are participating in the pilot phase. These are Agriculture, Communications Technology, Health, Water Resources and Works. Memoranda of Understanding have been signed between the FMF, Ministry of Women Affairs and the 5 participating Ministries. The first Technical Working Session has been held with all MDAs focal points to populate work plans, define beneficiaries and approaches, identify challenges and opportunities, timelines and budgets.

To ensure successful delivery of this initiative, concrete results for girls and women have been defined for delivery in the 2013 budget cycle for each MDA's projects. A provision of ₦3 Billion has been made to fund additional measures to ensure the delivery of the projects in the 2013 Budget.

9.17 Infrastructure Development Initiative

This initiative is aimed at ensuring coordinated approach to infrastructure development in Nigeria. Over the years, there have been several sectoral Master Plans. These include the National Transport Master Plan, Gas Master Plan, Energy Master Plan and Rail Master Plan. These master plans, however, were developed separately and independently from one another. Therefore, the need to make these plans consistent with the present development priorities became a key focus of the present administration. The 30-year National Integrated Infrastructure Masterplan (NIIMP) currently being developed adequately aligns with the aspirations, focus and priorities of the people and government, in order to address the emerging development challenges in the country. This project that commenced in late 2012 is scheduled to be completed in August 2013.

The delivery and development of an infrastructure master plan presents an integrated and collaborative development plan where infrastructure development will no longer occur in silos through MDAs but rather in a coordinated manner, which engenders financial investments and planning, project delivery and improved monitoring and evaluation mechanisms.

9.18 Housing Sector

Nigeria currently has a housing deficit of 23 million that should be met by 2020. This would require annual supply of a minimum of 2.6 million homes to bridge the gap. Mortgage transactions are very low and mortgage institutions are few. To address these challenges, a major reform being carried out in the sector involves the establishment of a Mortgage Refinancing Company (MRC) as a Public-Private Partnership (PPP) arrangement with shareholders. Participants in this arrangement are the Federal Government, International DFIs, IFC, Shelter Afrique, Nigerian Banks, Primary Mortgage Institutions (PMIs), Insurance Companies and Private Equity Investors.

This collaboration is Government's new approach to housing delivery whereby the design and implementation of housing policy and programmes is in partnership with the private sector and other relevant stakeholders. For social housing, Government will be directly involved through the provision of funding, subsidies and other incentives, as it is the practice globally.

9.19 Land Reform

In recognition of access to land as a necessary and essential precondition for sustainable human settlement, food production as well as national socio-economic development, the Current Administration constituted a Presidential Technical Committee on Land Reform (PTCLR) in November, 2011 to collaborate with the states and local governments to put in place effective and efficient land governance system for the country.

The achievements of the PTCLR are:

- i. Sensitization of all stakeholders including officials of states and local governments, professional bodies, civil society organisations (CSOs);
- ii. Conduct of studies on Demand/Public Perception, Valuation Mechanism, Land Administration Service Delivery and Socio-Economic Baseline study;
- iii. Installation of Continuously Operating Reference Station (CORS) four states, namely Imo, Kano, Katsina and Ondo to provide a more accurate reference system for Systematic Land Titling and Registration (SLTR);
- iv. Development of Registration Software - Solution for Open Land Administration (SOLA) to reduce corruption and other non-transparent and untimely land management practices in the country; and
- v. Preparation of SLTR Manual and regulations to facilitate the implementation of the SLTR procedures;

The Administration intends to establish a National Land Reform Commission to create an effective, efficient and sustainable platform for the prosecution of the national land reform agenda for the socio-economic and environmental transformation of Nigeria.

9.20 Foreign Affairs

Government has also introduced a reform-based initiative to reduce the financial burden of servicing Nigerian Missions abroad. The initiative known as SMART MISSIONS, involves the establishment of diplomatic missions with only the Ambassador, assisted by a few local staff. This is to ensure that Nigeria's global ambition is serviced while funds are being conserved and without compromising diplomatic standards. As at end-December 2012, SMART MISSIONS are in Bujunmuta, Burundi; Lilongwe, Malawi; Kigali, Rwanda; The Vatican, Italy; Combo, Sri Lanka; Istanbul and Turkey; Doha; Qatar.

CHAPTER TEN: GOOD GOVERNANCE

The Worldwide Governance Indicators (WGI) research project defines good governance as the “process and institutions by which authority in a country is exercised; governments are selected, held accountable, monitored and replaced; the capacity of governments to manage resources efficiently, and to formulate, implement and enforce sound policies and regulations; and, the respect for the institutions that govern economic and social interactions among them”. It holds a crucial position in influencing economic and political issues in the management of the nation’s affairs. Therefore, it is essential that governance continues to improve, to encourage law and order among citizens, engender social harmony and create a conducive business environment in the country.

In broad terms, the key, distinguishing features of good governance include the following: (i) Accountability; (ii) Inclusiveness; (iii) Equity and Social Justice; (iv) Observance of the Rule of Law and Due Process; (v) Legitimacy of Political, Economic and Administrative Authority; (v) Effective Institutions; (vi) Purposeful Leadership and (vii) Security and Order, and (viii) Transparency. Governance effectiveness is also predicated on effective coordination of sectoral interventions which are critical to the objectives and targets of the Government. This requires the right blend of persons, at various levels of authority, with the right mix of technical, conceptual, political and administrative skills and competencies, to effectively drive the engine of governance.

Government has emphasized the critical role of good governance to the realisation of the transformation agenda and the Nigerian Vision 20:2020. Through the initiatives and strategies contained in the Transformation Agenda, the administration has implemented key economic policies including accelerating economic diversification that improved the investment climate and ensuring sustained economic growth, leading to job creation, as well as the implementation of fiscal policies that support private sector growth. Furthermore, to reposition the public service for better performance and greater service delivery, the government set up the Oransaye Committee on Rationalisation of Federal Government Parastatals and Agencies, which has completed its assignment. A key recommendation of the Committee is to streamline the activities of the MDAs with a view to reducing the financial burden and enable government operate more efficiently and effectively. The government is seriously considering the report of the Committee and will soon issue a white paper on it.

To entrench good governance in Nigeria, a number of key objectives identified in the Transformation Agenda that will foster growth include: establishing a system of governance in which the citizens are free and able to democratically choose their leaders through credible and fair electoral processes; removing all obstacles that hinder the effective participation of civil groups in governance and institutionalising an accountability framework, to enable government benchmark its effectiveness and allow citizens to monitor government performance.

10.1 HIGH PERFORMANCE GOVERNMENT

The critical policy thrust of governance is to maximise the benefits the citizenry derives from governance through more effective and efficient use of public resources, proper financial management and fiscal prudence. Emphasis is on:

- Maintenance of law and order
- Guarantee of security and safety of lives and property
- Provision of an environment in which people find happiness and fulfilment; and
- Elimination of corruption and enhancement of transparency of government operations.

10.1.1 HIGH PERFORMANCE CULTURE

A Citizens-centric Government

Citizens-centric government is about establishing appropriate mechanisms to allow for civic engagement and citizens participation, especially the effective participation of women in public policy development and implementation. This is to ensure that apart from the periodic election of their representatives, people are continually involved in decisions and activities affecting them, directly as individuals or through civil society organisations, such as community based organizations.

The government has initiated several policy initiatives to boost stakeholder participation in government. These include the several strategic programme framework plan and plat forms for public information dissemination developed and deployed by the Federal Ministry of Information enable top officials reach out to the people and get feedback for service delivery, as well as specific interventions for public enlightenment. Recently, the use of social media enabled the government to provide information to the citizens more widely and cheaply, while also putting in place a mechanism for sustained, interactive dialogue with diverse interest groups, within and outside Nigeria.

Another major initiative to enhance good governance was the Ministerial Platform designed in 2012, to promote a national conversation between the people of Nigeria, their government and the progress of their democracy. The platform featured all the serving Ministers who presented their plans and scorecards to the Nigerian people through the media. The platform was a major pillar of the National Good Governance Programme to promote accountability, transparency and popular participation by citizens in the governance process. It created and fostered synergy and cooperation between pubic officers and citizens to promote development and service delivery. The Federal Government also initiated in the third quarter of 2012 the National Good Governance Tour, as part of the drive for the promotion of good governance and provision of wide publicity of government development programmes. The tour is to monitor major projects that have been completed or are ongoing, as reported by the Ministers at the Ministerial platform. This is a Federal Government's drive towards accountability and transparency in government and building trust between the government and its people while ensuring that abandoned projects are revitalised.

10.2 National Identity Management System (NIMS)

Government recognizes the relevance of efficient identity management to national growth and development. In this regard, the NIMS was introduced with a chip-based, secure National identity card that will provide a means to irrefutably prove the identity of an individual globally. The NIMS represents a paradigm shift from simple identity card issuance to identity management. It also includes the harmonization of existing identity databases in the public sector and therefore provides a Universal Identification Infrastructure for the entire country. The deployment of the NIMS infrastructure has commenced in a Pilot Scheme, under which citizens enrolment and Issuance of the National Identification Number (NIN) commenced in February 2012. The scheme is expected to deliver a single database system for the management of identity in Nigeria and prevent the use of false, multiple, duplicate, or ghost identities. The specific benefits expected from the scheme include:

- i. Protect Nigerians from identity theft and fraud by providing easy and convenient means of proving identity anywhere in Nigeria and beyond;
- ii. Improve electoral process in Nigeria;
- iii. Enhance Law Enforcement;
- iv. Prevent “ghost” workers phenomenon in the Nigerian public service;
- v. Ensure the achievement of greater financial inclusion and deepening of the consumer credit system in Nigeria;
- vi. Optimize the use of government resources and thus enhanced service delivery across the country;
- vii. Enhance tax and other government revenue generation processes; and
- viii. Facilitate improvement in Nigeria's image.

The current Administration has commenced the deployment of components of the NIMS, including Standardised Enrolment System for data capture, in compliance with global standards (ISO, ICAO, IEEE, etc.). The National Identification Number (NIN) System and National Identity Card Issuance System is currently being produced for an initial phase, to cover 13 million Nigerians. Permanent Registration Centres have been established across the country and registration is being carried out through a Public-Private Partnership arrangement with two Front-End Partners (FEPs) to carry out front end enrolment services. In addition, 30 registration centers nationwide have been established and are currently carrying out enrolment activities and uploading captured demographic and biometric data into the National Identity Database (NIDB). Effort is ongoing to scale up these centres to 1,500.

Several awareness campaigns have been successfully implemented on social media (facebook, twitter, yahoo groups and a blog) with local chieftains and stakeholder groups in major cities of all the 36 states of Nigeria.

The National Identification Numbers and tracking ID numbers have been successfully generated and issued to about 300,000 registered persons. Strategic offices have been opened in the FCT and some strategic diplomatic missions like the US and French embassies etc.



H.E., Senator Anyim Pius Anyim, GCON, The Secretary to the Government of the Federation being enrolled in the NIMS.

A pre-enrolment portal that will enable applicants input their demographic data from any online system prior to visiting the enrolment centers nation-wide has been created. The portal is aimed at increasing the number of enrolments per day by providing enrolment self-service which effectively reduces the time required to enroll. The NIMC is also in the process of developing and launching a pre-enrolment portal for mobile devices.

10.3 Subsidy Reinvestment and Empowerment Programme (SURE-P)

The SURE-P was introduced by the Federal Government to cushion the partial deregulation of the downstream petroleum sector. It is a mechanism to mitigate the immediate impact of the petroleum subsidy discontinuation, especially on the poor and vulnerable in the country and accelerate economic transformation through investments in critical infrastructure and social safety net projects. Social Safety net projects include; Maternal and Child Health (MCH) programme, Community Services/Women and Youth Employment (CWYE) Programme, Urban Mass transit programme, Vocational Training Schemes, Water and Agriculture projects. Infrastructure development projects include; FERMA Preventive Roads Maintenance Programme, Niger Delta Development Projects, Roads and bridges, Rail transport projects, ICT, Petroleum/NNPC Projects.

Respect for the individual and collective rights of a country's citizens is key to achieving good governance. Government recognizes this as its crucial responsibility and emphasizes the

mainstreaming of citizens' right into the development and implementation of the Transformation Agenda. The National Human Rights Commission has therefore been charged with this responsibility and is expected to serve as an extra-judicial mechanism for the enhancement of the enjoyment of human rights in Nigeria. The Commission achieved the improvement of Nigerias compliance with Human Rights raking from B to A in 2011, which was a result of several human rights policies domestication in the States, particularly the Child Rights Act, which was domesticated in several States.

These initiatives were instituted to raise citizen awareness of government policies and programmes, and resulted in an increase in the level of citizens' awareness of government policies and programmes to 62 percent in 2011 and from 50 percent in 2010 and a change in attitude of citizens by 56 percent in 2011 from 43 percent in 2010 (Reference FMI and M&E report).

10.4 Accountability for Performance

The current administration recognizes that monitoring and evaluation of its goals and targets as set out in the Transformation Agenda are crucial to ensuring accountability and performance. Thus to ensure accountability for performance by public servants, the Federal Government has, among other measures, established a specialized Department of M&E at the National Planning Commission to coordinate the M&E process in the various MDAs. The process culminates in the production of Ministerial ScoreCards and Annual Reports, to enable evidence-based assessment of Nigeria's performance and enhance service delivery. In this regard, the 2010 and 2011 Annual Performance Monitoring Reports have been published while that of 2012 is in progress. To further illustrate the importance the current administration attaches to M&E, the Office of the Special Adviser on Performance Monitoring and Evaluation has been established in the Presidency.

The performance management contract system was introduced in January 2012, as a tool for Performance measurement in the Public Service. The Performance Contracts were signed between Mr. President is the Honourable Ministers of the Federal Republic of Nigeria. Performance of Ministers/Ministries is now measured based on agreed Key Performance Indicators. This was further cascaded to the Ministries, Departments and Agencies with Ministers signing agreements with their Permanent Secretaries and Chief Executives of the Agencies. For the first time in the history of Nigeria, Ministers were required to make presentations on their stewardship at the end of the fiscal year 2012 to the Federal Executive Council, and through that, to the Nigerian public, highlighting their achievements and challenges in relation to the signed contracts. This, Administration will take every necessary step to ensure the sustenance of this initiative in compliance with the requirements of transparency and accountability and the overall interest of Nigeria.

10.5 THE PUBLIC SERVICE

The Public Service serves as the machinery for implementing government policies and initiatives. It is also a mechanism for regulating the private sector and civil society in the

realization of nations development goals. As a result of its importance, the public service has gone through several reforms in, order to properly reposition the sector for better performance and efficiency, as the conduct of most government businesses is executed through the public service. To ensure effective administration and good governance via the public service, the present government has taken some measures to improve the process of enthroning efficiency, accountability, integrity in government through the public service. Through the several reforms, ghost workers have been drastically reduced, there is a gradual restoration of professionalism in the service, a genuine attempt to tackle corruption, improved transparency in government transactions and a host of others.

10.5.1 Integrated Government

In building an efficient and results-oriented government through the public service, there is a need to develop synergy between all arms and levels of government. This process is expected to reward performance and promote cooperation and coordination among the tiers of government in the overall interest of the nation. This will help to restore the social contract and improve service delivery in the sub-national governments. In achieving integrated government through the public service, it is expected that they adhere to the principle of separation of powers among all tiers of government in relation to functions, responsibilities and resource allocation, such that they operate coherently and independently; increase the legislature's responsiveness to the public needs through effective feedback mechanisms; and develop and institutionalize an effective governance framework. Several reforms were initiated under the Transformation Agenda that have contributed to enhancing an integrated system of government using the public service:

- i. The introduction of a tenure system in the public service for Permanent Secretaries and Directors has allowed for continuity in the public service with State Civil servants enjoying more opportunities to crossover to the Federal level due to the number of vacancies made available.
- ii. The restructuring of pensions through the Pension reforms in the public service has helped to improve the performance of public servants nationwide
- iii. The introduction of the e-governance system is currently ongoing in MDAs, revolutionising the financial system in government and ensuring efficiency and effectiveness in carrying out government programmes and projects.

10.5.2 Right People (*Competent and Committed Public Service*)

The Transformation Agenda 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. The on-going public service reforms 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, are critical to the success of the Transformation Agenda. As a result, government efforts were directed towards the successful completion and consolidation of the on-going public service reforms that include:

- i. Participation in written examinations to form the basis for appointment of Permanent Secretaries, thereby improving the quality of the public service particularly in the highest leadership positions.
- ii. Introduction of the performance evaluation system to objectively and fairly assess the performance of public officials. This also further incentivises the public service towards performance and results, while shifting its scope from the old and inefficient appraisal system to enhance productivity and accountability.
- iii. Restructuring and rationalization of MDAs to right size the public service and enhance efficiency in service delivery to Nigerians. This reform, more of which is in the pipeline, has also saved the Federal government a substantial amount of financial resources.
- iv. Introduction of the Integrated Personnel Payroll and Information Scheme (IPPIS) which has helped reduce the number of ‘ghost’ workers and saved the government billions of naira. The scheme has been upgraded service wide to all MDAs with improved technological advancements particularly the biometric capturing system to further eliminate ‘ghost workers’ in the system.
- v. Some MDAs have embarked on a personnel and payroll data audit leading to the disengagement of redundant and non value adding public servants.
- vi. The National Health Insurance Scheme has been introduced to reduce the dependence on government for funding of healthcare delivery. The scheme has been widely acknowledged to be a success and is presently being scaled up to accommodate further categories of Nigerians.
- vii. Reinvigoration of SERVICOM in the public service by facilitating the articulation of clear mandates, vision and mission statements and the implementation or enactment of the Freedom of Information Act.

10.6 Foreign Relations and Economic Diplomacy

Economic diplomacy is integral to defining international relations and national interest. Nigeria’s foreign policy has always had Africa as its centre piece, while globalisation has made it imperative to continuously adapt foreign policy and diplomacy to match global trends.

Since the inception of the present Administration, there has been vigorous pursuit of the promotion of African unity and national interests. The government articulated and implemented foreign policy by building the country’s capacity to be a major player in world affairs, thereby earning the respect of the rest of Africa. Nigeria has also signed a memorandum of understanding with some countries including Turkey, South Africa, and

Vietnam to waive visas for holders of official and diplomatic passports to fast track business. This is already yielding results in the area of FDI inflows to the country.

Nigeria's foreign missions have equally been mandated to ensure that the country is promoted as the new frontier and destination of choice for business. In this regard, the number of foreign missions connected electronically to the headquarters grew from 16 in 2010 to close to 40 as at 2011. Nigeria has also assumed a significant role as a provider, rather than a recipient, of foreign aid. The Federal Government has also pursued a process of reciprocity, particularly in the cases of ill treatment of Nigerians abroad, as witnessed with the Nigeria - South Africa diplomatic impasse over the deportation of Nigerians by South Africa.

In response to the increasing clamor of reduction in the number of Nigerian missions abroad, the Government has established SMART MISSIONS. These are diplomatic missions with only the Ambassador, assisted by a few local staff. This is to ensure that Nigeria's global agenda is served, while funds are conserved, but without compromising diplomatic standards. As at end-December 2012, SMART MISSIONS are in Bujumbura, Burundi; Lilongwe, Malawi; Kigali, Rwanda; The Vatican, Italy; Comoros, Sri Lanka; Istanbul and Turkey; Doha; Qatar.

To foster economic growth and prosperity of the region, Nigeria has continued to play active and constructive roles in ECOWAS, African Union (AU) and the UN.

10.6.1 ECOWAS

Nigeria's active participation, which has continued over the last two years, in various peacekeeping missions in the sub-region is legend. In an effort to ensure peace in the sub-region, the country committed US\$5 million to support the peacekeeping mission in Mali in 2012, in addition to the mediation role by drafting the adopted Agreement Framework for ECOWAS to settle the crisis in Mali. The government also lent its voice and engaged in diplomatic negotiations to prevent the Mali coup leaders from executing their erstwhile detained President and Prime Minister, as well as facilitating the enthronement of the transitional government, with full diplomatic and financial support from Nigeria. The Nigerian government has also strengthened the country's ties with its immediate neighbours: Niger, Benin Republic, Chad and Cameroun

10.6.2 African Union

The present Administration provided the opportunity for Nigeria to be represented at the highest decision making body of the organization. Nigeria achieved a feat which has hitherto been elusive, during the period 2003 to 2011, by having a permanent seat at the continental level.



Mr. President, Dr . Jean Ping (fmr Chair AU Commission) and Minister of State II, MFA Dr. Nurudeen Mohammed at AU Meeting

10.6.3 UNITED NATIONS AND OTHER WORLD BODIES

Nigeria has maintained a robust presence at the United Nations and other world bodies under the current administration. This is demonstrated by the key positions occupied by Nigerians namely: Co-Chair, UN Commission on Life Saving Commodities for Women; Director-General, UNFPA; Member, UN Committee on the elimination of All Forms of Discrimination Against Women (CEDAW); Vice President, INTERPOL Africa; Member, International Law Commission; Judge, ICC; President, Pan African Parliament; Speaker, ECOWAS Parliament; and President, Executive Council, ICAO.



Mr. President and Ministers of Foreign Affairs and Environment at the 2012 Rio Earth Summit

Similarly, Nigeria in February 2013 won the incoming Presidency of the Community of Democracies (CoD) for the period 2015 to 2017. The MFA, in preparation for hosting the Secretariat of the CoD organised a national workshop on strengthening democratic traditions and institution from April 17th - 18th, 2013.

Nigeria occupied the Chairmanship of the D8 during 2011 to 2012. The group comprises of fast developing countries of over 1billion people. The D8, at its 2012 Summit, commended Mr. President for steering the affairs of the organization, particularly in ensuring interaction with the private sector in all Member countries, for the economic benefit of its people, representing over 14 percent of the world's population.

To further improve the image of Nigeria abroad, the Government acquired more properties to bring the total number of government owned properties in the 116 Missions to 73 Chanceries, 72 Ambassadorial Residences, 237 staff quarters and 5 Guest Houses.



Nigerian High Commission in London, United Kingdom.

CHAPTER ELEVEN: SUSTAINING ECONOMIC GROWTH THROUGH THE PRODUCTIVE SECTOR

The productive sector is a major growth driver of any economy. The sector is critical to the attainment of the Government's Transformation Agenda in general and for achieving the projected average GDP growth rate of 7.76 percent during the period. The sector produces goods and services, generates employment, promotes linkages and enhances value addition along the value chains of production. It is also the sector that links Nigeria with the global economic community through import-export activities.

The main policy thrust of the sector under the Transformation Agenda is to optimise the sources of economic growth for increased productivity and competitiveness. The sub-sectors covered under this section include: Oil and Gas, Agriculture; Trade and Commerce- Conducive Business and Competitive Environment; Culture, Tourism and Entertainment; Manufacturing; Solid Minerals and Metals, Water Resources and Science and Technology.

11.1 Oil and Gas

Oil and gas sector continues to be a major driver of the economy, accounting for over 95 percent of export earnings and about 85 percent of government revenue, during 2011 - 2012. The sector contributed 14.8 and 13.76 percent to the GDP in 2011 and 2012 respectively. It also recorded an increase of 1.047 billion barrels in reserves to 37.119bbs in 2012 from 36.042 bbs in 2011. The actual gas flared stood at 20 percent in 2012 as against 24.3 and 25.8 percent in 2010 and 2011 respectively.

The strategic goals and targets for the sector as highlighted in the TA include:

- promotion of private sector investment in both upstream and downstream activities of the oil and gas industry;
- deregulation of the industry and promotion of environmentally-friendly oil and gas exploration and exploitation methods;
- strengthening capacity building programmes, especially in core technical areas
- provision of funding mechanisms for pre-bidding geosciences and surveys of deepwater offshore;
- reduction of gas flared to reduce pollution and increase revenue;
- promotion of adequate gas supply for domestic use and power generation;
- diversification of the mode of transportation of petroleum products - pipeline, railway and road haulage;
- increasing oil reserves from 36 billion barrels in 2010 to 50 billion barrels by 2013;
- increasing oil production to 2.31mb/d in 2011 and 2.48mb/d in 2012;
- raising in-country refining capacity to 0.75 mb/d by 2013 from 0.45 mb/d in 2009;
- increasing local content in the industry from 35.5 percent in 2010 to 70 percent in 2013;
- increasing proven gas reserves from of 187 trillion cubic feet (TCF) in 2010 to 220 TCF by 2013; and

- Increasing the use of LPG for both domestic and industrial purposes to 1.0 kg per capita by 2013.

Government is committed to promoting PPP in the oil and gas sector through the joint venture operations of NNPC and the oil majors such as SPDC, TOTAL, E&P, Chevron, NAOC, Addax Petroleum being administered by NAPIMS. The Onne Port Complex in Rivers State and INTELS Nig. Ltd pioneering the concept of an integrated One-Stop-Shop oil service centre attests to the workability of a Public Private Partnership (PPP). Abandoned since 1982, the Onne Port complex has witnessed infrastructural investment in sacking areas, warehouse, quay apron and equipment, thus making it one of the world’s largest oil and gas Port. The Onne Oil and Gas Free Zone is also a success story of a PPP investment.

Similarly, six (6) University Upgrade projects have been completed and handed over to the beneficiaries, while others below 45 percent completion are now at advanced stages of 60 percent - 95 percent completion. This include Federal Polytechnic, Ekowe Bayelsa State and **Musa Yar’Adua University in Katsina;**



Federal Polytechnic, Ekowe Bayelsa State

Musa Yar’Adua University in Katsina

Under the Amnesty Programme in the Niger Delta, over 1,368 trainees and scholars have graduated in various disciplines within and outside the Nigeria. About 1,696 are currently undergoing training with others numbering 110 to commence training;



PTDF Sponsored Amnesty Training Programme Beneficiaries in South Africa

The other key achievements of the sector include:

- i) Implementation of the Gas Master Plan (GMP) leading to rapid development of the gas sector and increased industrial and domestic gas utilization. In this regard, a Gas Pricing Policy has been put in place as an incentive for upstream gas suppliers and to ensure predictability, affordability and availability of gas;
- ii) Calabar-Umuahia-Ajaokuta-Kaduna-Kano Gas Pipeline {Trans-Nigerian Gas Pipeline (TNGP)}: Expansion of the existing western network system i.e. the Escravos Lagos Pipeline System (ELPS) and reinforcement of the Northern and Eastern network systems involving:
 - Obe-Geregu: Construction of a 36" x 136 km gas pipeline from Oben to Geregu to address supply deliverability to Geregu power plant and future expansion work. The project was completed in November 2011;
 - Itoki-Olorunshogo: A 24" x 31 km gas pipeline designed to supply gas to Olorunshogo PHCN/NIPP power plants has been successfully completed and is currently supplying gas to the plant;
 - ELPS A-Escravos-Warri: Construction of a 24"/30" x 104 km to address the effective evacuation of stranded gas in Escravos. 80mmcf/d is being currently supplied to the domestic market, while a further 70mmcf/d would be made available to the domestic market by October 2013;

- Obiafu/Obrikom-Oben (OB3): A 48” x 127 km gas pipeline construction project awarded in April 2012. The completion date is 2014; and
 - ELPS 2-Warri-Oben-Lagos: An ongoing project for the construction of a 36” x 324 km gas pipeline to expand the current gas supply from 1bcf/d to 2bcf/d by the second quarter of 2013.
- iii) Trans-Sahara Gas Pipeline (TSGP): As an offshoot of the Trans Nigeria Gas Pipeline, the 5-phase TSGP currently at the 3rd phase, is expected to be completed during 2013 - 2016. The overall project to be completed in 2018, is aimed at further transporting gas from Nigeria to Europe through Niger and Algeria;
 - iv) Cooperation with the Sector Operators;
 - v) Completion of the processing of about of 1,096 km² seismic data. Phase 5 seismic data acquisition commenced in Dec. 2012, while scanning and vectorization of 380,471.69 km 2D seismic section commenced in Oct 2012;
 - vi) Crude Oil production (including condensate) averaging 2.30 Million Barrels per Day has been consistently maintained in spite of oil bunkering and pipeline vandalism;
 - vii) Increased indigenous participation in the oil and gas sector leading to the establishment of the Ebok Terminal with a current daily crude oil production of 7,000 b/d and a plateau production of 50,000 b/d at full capacity;
 - viii) Reduction in gas flared from 25.3 percent in 2011 to about 20 percent in 2012 due to government’s increased efforts in implementation of programmes and projects in Nigeria Gas Master Plan (NGMP) and Gas Revolution;
 - ix) Nigeria Gas Company (NGC) gas sales and transmission throughput grew from 722 mmscf/d in 2011 to about 800 mmscf/d in 2012;
 - x) Completion and commissioning of a 45mmscf/d Non-associated Gas (NAG)/Associated Gas (AG) processing facilities by an indigenous company. A gas flare penalty of \$3.5 per 1000scf approved to further deter companies from gas flaring;
 - xi) Reduction in payment of fuel subsidy of over N2 trillion in 2011 to about N1 trillion in 2012 through the introduction of certified cargo inspections,

insistence on adequate documentation, reduction of the numbers of participants by 67 percent from about 128 in 2011 to 38 currently;

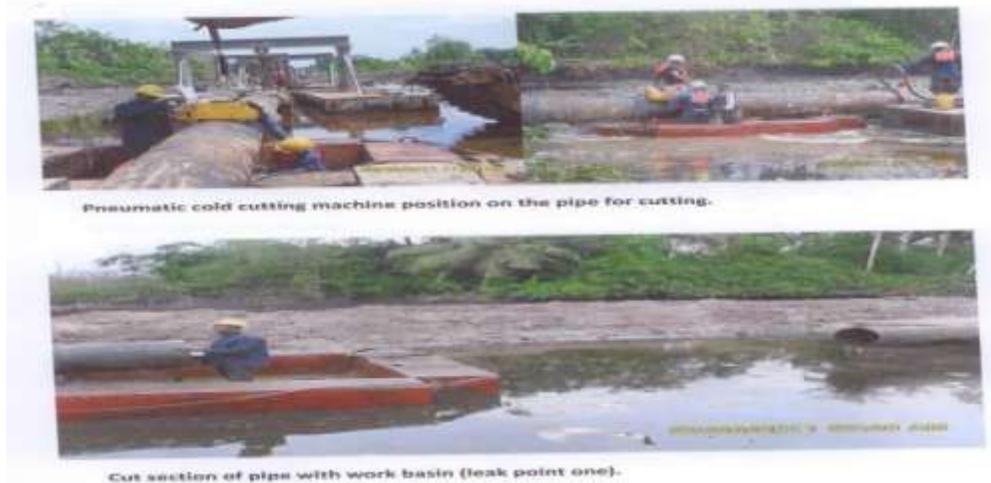
- xii) Revamping of the Fluid Catalytic Cracking unit (FCCU) in Kaduna refinery after eight years to boost local refining. Currently the Kaduna refinery is producing at 60 percent of installed capacity and has potential to attain 70 percent but for product sufficiency;
- xiii) On-going rehabilitation of the Port Harcourt and Warri refineries are to meet at least 70 percent of the country's needs. This will save \$3.5billion of government Forex and enhance payment of taxes to treasury;
- xiv) Niger Dock fabricated and completed the Abang and Itut oil production platforms using 100 percent Nigerian engineering and fabrication. Total investment in facilities upgrade was estimated at above \$2billion and has generated over 10,000 jobs;
- xv) Increase in Local Scholarship Schemes run by Petroleum Training Development Fund (PTDF) from 10 to 19 Universities to enable more participation of qualified Nigerians. This is due to the positive impact generated by the Scheme;
- xvi) Establishment of the Hydrocarbon Pollution Restoration Project (HYPREP) in July 2012 to investigate and evaluate all hydrocarbon - polluted communities and sites in Nigeria as well as identify oil spill sites and assess the impact of spillage on eco system in the Niger Delta region. Documentation of oil spill sites in 9 States of the region have been undertaken;
- xvii) HYPREP robust programme has continued to restore the environment for healthy ecosystem, reduce draw-back in agriculture and fish farming which is a major component of Small and Medium Enterprise SME and is impacting positively on the health of the people;
- xviii) Project Aquila payment efficiency has encouraged increased investments N53 billion in the downstream sector resulting in emergence of additional 27 new depots from 44 locations in 2010 to 71 depots in 2013, 1,000 new retail outlets and 800 new trucks; and
- xix) Reduction of daily consumption of Premium Motor Spirit (PMS) from over 60 to about 40 million litres per day in 2011 and 2012 respectively due to improved documentation process under project Aquila. This has also led to a reduction in the subsidy gap, following the increase in pump price from 65 to 97 Naira/litre.



Aquila- Operation: Reading with mobile device



Aquila Operation - Server



Warri - Excravos Pipeline

Several projects in the sub-sector such as the setting up of private refineries through Public Private Partnerships have been stalled or awaiting the passage of the Petroleum Industry Bill (PIB), the PIB would have facilitated the funding and investments in projects such as the Ajaokuta-Abuja-Kano Gas Project, Gas supply pipeline to PHCN Delta and the Obiafor Obirkum-Oben Gas Pipeline. There are also gaps in the maintenance and efficient management of the four refineries in the country which account for the poor performance of in-country refining; and in the enforcement of the Gas Flaring legislation of 2004. Inadequate distribution channels for LPG and high cost of cylinders.

Furthermore, vandalization of oil pipelines and crude oil theft have adversely affected oil production. Environmental pollution from gas flaring and oil spillage has continued. High cost of capital, insecurity, inadequate local capacity and non-passage of the PIB, coupled with the slow pace of compliance with environmental regulations and initiatives by the oil majors to stop gas flare are major challenges. The springing up of illegal small scale petroleum refineries across the region is yet another major challenge facing the sector.

This Administration is institutionalizing a regime of appropriate fiscal incentives (through the PIB) to attract investment in oil exploration while at the same time, ensuring reasonable returns for the nation. To this end, the drive to increase oil and gas reserves through aggressive exploration is imperative. The use of local content and the automation of the oil and gas processes, and systems in the industry; and the development of adequate distribution infrastructure to facilitate efficient delivery of petroleum products to all parts of the country and the promotion of the use of Liquefied Petroleum Gas (LPG) as domestic fuel are also key in this respect. Concerted efforts are being made by Government to ensure security in the operating and business environment in the oil producing communities, as well as ensuring the passage and implementation of the PIB.

11.2 AGRICULTURE

The agricultural sector has the largest potential to diversify the Nigerian economy, create jobs, secure food supply, lower inflation and expand foreign exchange earnings for the country, with over 84 million hectares of arable land. The Sector has continued its dominance in the economy with its contribution to the GDP averaging 40 percent during 2011-2012. It currently employs about two thirds of the entire labour force and has sustained its position as the highest contributor to non- oil GDP, contributing 47.17 and 45.49 percent in 2011 and 2012 respectively.

Given the prospects for the agricultural sector, the Agricultural Transformation Agenda (ATA) was developed. This is aimed at unlocking the enormous potentials in the sector and complementing the Government's Transformation Agenda. The ATA focuses on the key agricultural value chains which set out to create over 3.5 million jobs in the sector from rice, cassava, sorghum, cocoa and cotton value chains, with many more jobs to come from other value chains under implementation. Also, it aims to provide over USD2 billion of additional income for Nigerian farmers. In total, the ATA will add 20million MT to domestic food supply by 2015, including rice (2million MT), cassava (17million MT) and sorghum (1million MT).

The key programmes, targets and achievements in the sector are depicted in table 11.1.

Table 11.1: Priority Programmes, Targets and Achievements

S/N	Priority programmes/projects/targets	Achievements
1	To secure 900,000MT of dried cassava chip export contracts by 2015	2.2 million MT was achieved in 2012 which is 1.3 million MT ahead of the plan target.
2	To increase national food production by an additional 20 million MT by 2015, i.e. adding 5 million MT of food annually.	Within 2012, 8 million MT of food was added to domestic food supply, about 70 percent above the target set.
3	To ensure sustained supply of high quality Cassava Flour by 2014	Over 1.3 million MT of high quality cassava flour has been provided under the cassava flour policy in 2012.
4	To increase use of Cassava and reduce Importation of Wheat by 2012	<ul style="list-style-type: none"> • 40 percent substitution of cassava for wheat has been achieved through research and collaboration with the IITA and Federal Institute for Industrial Research. • Zero duty for all equipment and machinery for the production of cassava bread. Furthermore, government established the Cassava Bread Development Fund, to be funded through the tariff on wheat flour.

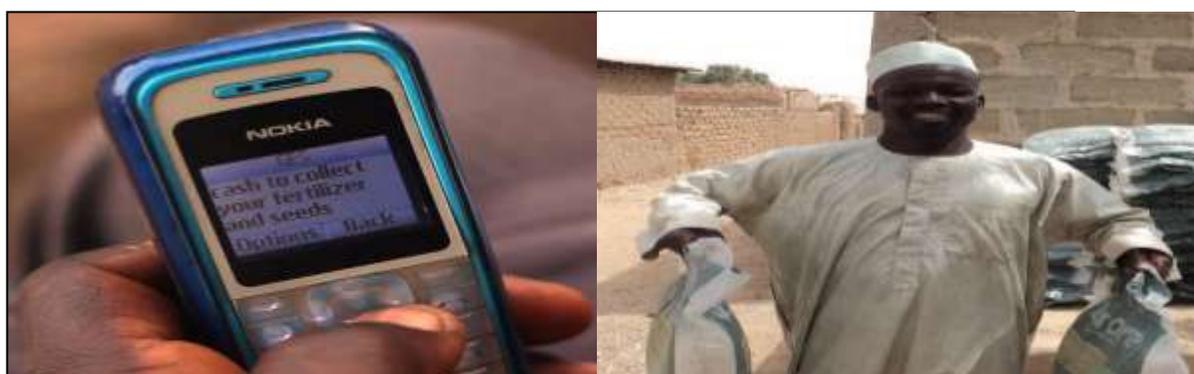
		<ul style="list-style-type: none"> • 385 Master Bakers trained across the six geopolitical zones in the country. • Decline in Wheat imports to Nigeria from an all-time high of 4,051,000 MT in 2010 to 3,700,000 MT in 2012.
5	To make Nigeria self sufficient in rice production and ensure availability of adequate number of integrated mills by 2014	Out of an estimated 1,760,364MT of paddy rice production in 2012/2013, at least 1.1 million MT was harvested from 264,000 ha of dry season rice in 2012 across the 10 northern States of Sokoto, Kebbi, Zamfara, Jigawa, Kano, Kogi, Niger, Bauchi, Kastina and Gombe using the Flood Recovery Food Production Plan. This first ever government dry season rice support policy, has led to the total production of high quality paddy and massive jobs creation as fields are jam packed with workers. About 14 integrated rice mills are planned with a total capacity of over 850,000 million MT per annum.
6	To provide fertilizer and other agriculture inputs directly to all farmers	<ul style="list-style-type: none"> ▪ Access to 1.5 million farmers with subsidized seeds and fertilizers via mobile phones within 120 days of development and deployment of the E-wallet system. ▪ Increase in percentage of farmers that accessed subsidized seeds and fertilizers from 11 percent under the old system to 70 percent under the E-wallet system. A savings of N25 billion made by Federal Government in 2012. ▪ Growth of the number of seed companies from 11 at the start of the current administration to 70 ▪ Scrapping of contracts for supply of fertilizer and seeds and sale of fertilizer and seeds directly to farmers by accredited companies instead of government. ▪ Scrapping of the system where government monopolized the supply of foundation. All foundation seed supply including the lifeline of a viable seed industry, is now fully

		liberalized and handed over to the private sector.
7	To develop farmers database	Registration of a total of 4.2 million and 10 million farmers in 2012 and 2013 respectively out of the estimated 14 million farmers in the country.
8	To make agriculture a straight-line business and not a development project.	<ul style="list-style-type: none"> ▪ Commitment of over \$8 billion to existing and planned investments in Nigeria's agriculture, agribusiness and food industry by the private sector during review period. ▪ Expansion of Notore's plant with a joint investment of \$1.3 billion by Notore and Mitsubishi Corporation. New investors such as Dangote Group plan to put up the largest Urea plant in Africa in Nigeria at \$ 3.5 billion and Indorama is investing \$1.2 billion in a new fertilizer plant. ▪ Development of strong agricultural value chains for agricultural produce such as cocoa, rice, sorghum, cassava, cotton, oil palm, cattle, poultry, fish sheep and goat. ▪ Development of 3 agricultural processing zones are on-going.
9	To increase agriculture contribution to non-oil export and increase earnings by N128 billion by 2012.	The non-oil exports continue to experience significant year-on-year growth, with agriculture accounting for 75 percent of the total non-oil export revenue, while earnings increased by 759 percent respectively by 2012.
10	To increase agricultural exports by 364,308 MT and increase earnings by N128 billion	Agricultural exports and earnings were increased by 821,588 MT and N759 billion respectively in 2012
11	To reduce agricultural imports by N350 billion by 2012	Agricultural import was reduced by 857 billion naira by 2012.
12	To create 3.5 million jobs by 2015	2.2 million jobs already created in 2012/early 2013

Source: FMARD



Value addition: Cassava bread with 20 percent Cassava Flour & Indigenous Rice Processing Company: Launch of Ebony Supe



E-Wallet System reaches millions of farmers with access to seeds and fertilizers on mobile phones

The key challenges faced by the sector include: climate change, unavailability of loans to farmers at single digit interest rate, Low level of literacy among farmers and weak extension services. Others include insufficient data on farmers and inadequate rural and value chain infrastructure.

Given the pivotal role of agricultural sector development in the economy, steps are being taken to address the existing challenges within the context of the Transformation Agenda. It is also intended to implement the following key measures: provision of an adequate intervention fund in the form of loans at a single digit interest rate; strengthening extension services; provision of adequate rural and value chain infrastructure; building an adequate database of farmers and developing their capacity.

As a major departure from the past approaches, agriculture is being treated as a business with major policy reforms introduced to eliminate corruption in the seeds and fertilizer distribution. These reforms include the establishment of the Growth Enhancement Scheme (GES) to enhance farm inputs supply, and the set up of staple crop processing zones to attract

private sector to areas of high production for reduction of post harvest losses, value addition to locally produced crops and to foster rural economic development. The government will also fashion out an appropriate strategy to buy the enormous volume of the rice produced and ensure price stabilisation.

11.3. Trade and Commerce Sector

The trade and commerce sector is one of the main pillars of economic growth and development. The sector, as a catalyst for economic growth, enhances competition, expands markets, creates jobs, raises both national and personal incomes and reduces poverty. Wholesale and retail trade grew by an average of 10.5 percent and accounted for 28.4 percent on average of the growth in real GDP in 2011-2012.

The targets of the sector include the following:

- i. Implement 'Commerce 44' initiative which is aimed at developing and promoting the export of 11 agricultural commodities, 11 manufactured products and 11 solid mineral products, with high potential for marketing in 11 countries/regions of the world-using world best practice;
- ii. Grow non-oil exports by 90 percent over 3 years;
- iii. Improve Nigeria's ease of doing business ranking by a minimum of 103 points by 2015;
- iv. Improve Nigeria's global competitiveness ranking by 75 points by 2015; and
- v. Increase FDI inflows by 150 percent by 2014;

The following key achievements were recorded in the sector during the period of the review:

- i. Signing of Foreign Investment Protection Agreement with Canada in 2013 to guarantee the safety of investment of contracting parties in the event of unforeseen circumstances;
- ii. Re-engineering of Nigeria's Commodity Exchange operations with the upgrade of Abuja Securities and Communities Exchange to Nigeria Commodities Exchange;
- iii. Reduction in transit time of goods within the ECOWAS sub-region through the implementation of the Sea Link Coastal Ferry Services Project;

- iv. Formalization of informal trade through the establishment of a Trans-National Border Market at Okerete in Oyo State;
- v. Improvement in Nigeria's the global competitiveness ranking by 12 points to 115/144 countries in 2012;
- vi. Amendment of the Corporate Affairs Commission (CAC) Regulations to make the business registration process more efficient and cost effective, leading to potential annual savings of N1 billion to investors;
- vii. Commencement by CAC of 24 hour registration of businesses in Lagos and Abuja leading to potential savings of N500 million to investors; and
- viii. Exportation of 117 products to 103 countries in 2012 through the "Commerce 44" initiative.

The challenges in the sector include multiple taxation, lack of access to low interest, long-term capital, security, high cost of energy and unstable electricity, lack of capacity in trade in the private sector and lack of development of value chains in export commodities.

The Government is however committed to the implementation of reform policies that will guarantee the security of lives and property. It also aims at liberalizing the economy and diversifying the trade base to build the requisite capacity to support technology transfer, develop value chains in agro-allied and implement the National Tax Policy. The Government will also continue its efforts to renegotiate the Investment Promotions and Protection Agreements (IPPAs).

11.4. Manufacturing Sector

The manufacturing sector is critical to attaining long-term growth and development. It is also essential for the realization of the objectives of the Transformation Agenda. The sector consists of basic import-substitution activities, such as bottling, brewing, food and beverages, cement and building materials. Its contribution to GDP averaged 4.18 percent in 2011 and 2012 and also attained an average growth rate of 7.60 percent during the period.

The key targets for the sector include:

- Increase contribution of the manufacturing sector to GDP from 4 percent in 2010 to 8 percent in 2015;
- Raise capacity utilization from 54.67 percent in 2008 to 65 percent by 2013;
- reduce cost of doing business by 60 percent by 2013;
- increase local content in manufacturing from 22 percent in 2010 to 65 percent in 2013;
- increase employment share of manufacturing by 15 percent annually up to 2013;
- increase access of 60 percent of manufacturers to long term credit by 2013;

- establish a cement technology institute for the training of the manpower required in the industry to ensure that Nigeria becomes self sufficient in cement production by 2014;
- Achieve 60 percent self sufficiency in sugar production by the year 2015; and
- Provide a US\$3 billion special fund for the rehabilitation of ailing industries and promotion of core industries for rehabilitation.

Government continued to support private sector initiatives leading to the commissioning in 2013, a \$2.2 billion Western Metal Product Company (WEMPCO) Limited complex at Ibafo, Ogun State with a production capacity of 700,000 metric tonnes of steel annually and creating 5,500 additional jobs.



President Goodluck Jonathan Commissioning the \$2.2bn Western Metal Product Company (WEMPCO) Limited Complex at Ibafo, Ogun State.



Wempro Steel Plant and Finished Cold Steel Coils Produced

Other major achievements in the sector are as follows:

- i. Development of NIRP with the focus on the entire value chain of sub-sectors where Nigeria has comparative and competitive advantage;
- ii. Nigeria has attained the position of a net exporter instead of a net importer of cement. With no import permit issued in the whole of 2012 for cement importation, a saving of over N200 billion in foreign exchange was made. More than two million jobs were also created;
- iii. Transformation of the Onne Oil and Gas Free Zone with 6 billion USD invested, leading to the attraction of 150 companies into the zone with 30,000 jobs created to date;
- iv. With an installed capacity of over 28 million metric tonnes per annum in the cement industry through the implementation of the Backward Integration Policy, Nigeria now has the largest cement plant in the world; and
- v. Reduction in the volume of sub-standard goods from 85 percent to 60 percent.



Honourable Minister of industry Trade and Investment inspecting some locally manufactured products

Progress in the manufacturing sector in Nigeria has not been optimal, given that the sector is characterised by a myriad of challenges. These include poor power supply, high cost of inputs and of doing business, multiple taxation, infrastructural deficit, low access to finance, particularly long term finance, insecurity, low quality of made in Nigeria goods and weak and poor information flow.

The stronger implementation of the power sector reform being achieved will have a significantly positive effect on manufacturing in Nigeria. Equally, the National Industrial Revolution Master Plan and the National Integrated Infrastructure Master Plan (NIIMP) are being developed to pave the way for addressing the perennial problems of the manufacturing sector.

11.5. Solid Minerals and Metals

Nigeria is endowed with several varieties of solid minerals such as metallic minerals, mineral fuel, gemstone, precious metals and dimension stone. The sector has the potential to generate employment and wealth for over five million people. Currently the sector employs

about 450,000 directly and two million indirectly. The sector's contribution to GDP averaged 0.37 percent during 2011 - 2012. It is a rapidly growing sector with a double digit growth rate averaging 11 percent during 2011 and 2012.

The targets of the sector include the following:

- i. Empower the Nigerian Geological Survey Agency (NGSA) to prepare 20 maps of 1:100,000 per annum (with accompanying literature and bulletins) to achieve 100 percent coverage by 2020);
- ii. produce 3 million tonnes of liquid steel annually by 2013;
- iii. achieve 30 percent compliance with global environmental best practice by 2013;
- iv. achieve enhanced capacity to supply 50 percent of the skilled manpower required for the mineral and metal sub-sector;
- v. coal-fired plants to contribute 30 percent to power generation by 2013; and
- vi. increase the level of bitumen production to meet local demand, especially in the area of road construction.

The Government's effort at attracting foreign direct investment (FDI) to the sector has started yielding dividends. During the review period, not less than 50 companies from various countries have signified interest to invest in this sector. Other achievements in the sector include the following:

- i. Launch of four 1:100,000 geological maps {Sheets 111 (Goniri),153 (Maru),220 (Ilgangan) and 221 (Oyo)} and One (1) 1:250,000 sheet 49 (Shaki) in 2012;
- ii. Facilitation of the development of a new coal mine (Eta-Zuma Coal Mine), bringing to two the number of large coal mines operating in the country by end 2012;
- iii. Rehabilitation work of 30 percent undertaken on Nigerian Iron Ore Mining Company (NIOMCO), Itakpe beneficiation line 2, as well as installation work of 90 percent on the NIOMCO super-concentrate plant in 2012;
- iv. Training of the first batch of 34 students of the Nigerian Institute of Mining Geosciences (NIMG) in practical oriented programmes comprising Post Graduate Diplomas in Mineral Exploration, Mining and Minerals Engineering;
- v. Increased the number of mineral titles issued from 2,476 in 2011 to 3,616 in 2012;
- vi. Increased Mineral Production by 143.6 percent in 2012 from an increase of 21 percent in 2011;
- vii. Increased production of limestone, as part of non-metallic(industrial) mineral output, from 24.79 million tonnes in 2011 to 58.41 million tonnes in 2012;

- viii. Increased production of Metallic Minerals like iron ore from 11,232.44 tonnes in 2011 to 836,250.00 tonnes in 2012,
- ix. Increased the production of carbonaceous minerals from 51,284 tonnes in 2011 to 301,344 tonnes in 2012
- x. increased the production of scrap iron based steel from 950,000 tonnes in 2011 to 1.50 million tonnes in 2012;
- xi. Increased the number of Environmental Impact Assessments conducted/reviewed from 35 in 2011 to 105 in 2012;
- xii. Increased the number of environment audit review and compliance monitoring carried out in mines and quarries from 35 in 2011 to 168 in 2012; and
- xiii. Increased employment in the sector from 350,000 in 2011 to 1,254,200 in 2012.



Hon. Minister of Mines Commissioning Billet Plant at African Foundries, Lagos



Hon. Minister of Mines inspecting Steel Billets produced for export at African Foundries

The key challenges facing the sector include illegal mining activities and smuggling of minerals, low level of geosciences information coupled with lack of legal and regulatory framework as well as inadequate mining infrastructure. Government is however making concerted efforts to address these issues through improved funding, generation of additional geosciences data and promotion of the development of industrial minerals for downstream industries. In addition, a roadmap for sustainable development of the minerals and metals sub-sector has been approved for implementation.

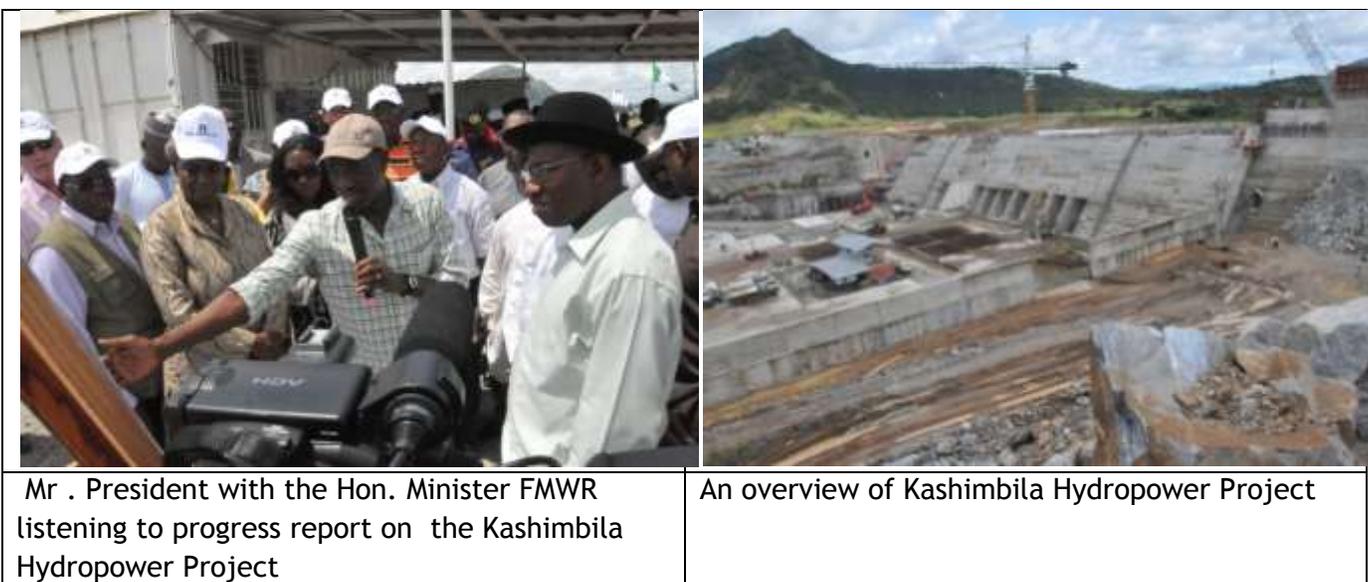
11.6 Water Resources

Water is a cross-cutting resource, impacting on the real sector and social life, including health and sanitation, agriculture, transportation, environment, power, etc. Water resources are required for irrigation, power generation and industrial and drinking purposes, among others. It is estimated that the nation has a water resources potential of 319 billion cubic metres, consisting of surface water, estimated at 267 billion cubic metres and ground water, estimated at 52 billion cubic metres. Despite this abundant endowment, access to and utilization of safe water, remain a challenge.

The following targets were set for the sector during the period 2011-2015:

- Increase water supply access from 58 percent to 75 percent by 2015;
- Increase national improved water supply coverage from 47 percent to 50 percent by 2013;
- Increase urban improved water supply coverage and minimum basic human water requirements from 65 percent to 70 percent and 60 percent to 80 percent respectively by 2013;
- Increase small town supply coverage and minimum basic human water requirement from 65 percent to 70 percent by 2011;
- Increase rural water supply coverage and minimum basic human requirement from 30 percent to 40 percent by 2013;
- increase available reservoir capacity from 34b m³ to 35b m³ by 2015; and
- increase irrigable land from 80,000ha to 150,963 by 2015

The sector has recently witnessed a resurgence of activities. For instance, the dam projects which were hitherto abandoned, have now been reactivated and are now at various stages of rehabilitation for supply of bulk water to treatment plants, generation of hydro electricity, provision of water for irrigation farming and fisheries to boost food security.



Mr . President with the Hon. Minister FMWR listening to progress report on the Kashimbila Hydropower Project

An overview of Kashimbila Hydropower Project

The projects and achievements of the sector during the period under review are as depicted in Table 11.2.

Table 11.2: Projects and Achievements in the Water Sector during 2011-2012.

SN	Project	Impact/Achievement	Completion Status (percent)
1.	The Greater Makurdi Water supply scheme.	50 million litres per day to cover nearly one million people.	100
2.	Galma Dam (Water Supply) / Kaduna state	186 million cubic metres for potable water supply for over twenty-three (23) towns/villages in Six (6) Local Government Areas in Kaduna State	85
	Goronyo Dam Emergency Spillway Repairs (Water Supply)/Sokoto state	60,000cubic metres water treatment plant to cover 400,000 people.	
	Kashimbilla Multipurpose Buffer Dam Project(Water Supply) / Taraba state	Water Supply with treatment plant capacity of 60, 000m ³ /day	67
	Central Ogbia Regional Water Supply Project in Otueke of Bayelsa State	Provide Potable Water and sanitation in 16 Communities in central Ogbia LGA, Otueke and its environs.	35
	Mangu Water Supply Project / Plateau state	Provision 10 million litres per day to serve communities of Gindiri and Mangu township.	100

	Northern Ishan Water Supply Project / Edo state	The project has capacity of producing 9 million litres per day to serve communities of Uromi, Ubiaja, Ugengu, Ugboha and Iguben.	100
4.	Drilled 545 hand-pumped wells and 836 motorised boreholes across the nation, thus increasing	Access to water in rural communities to about 2 million people	100
5	Bakolori Irrigation Project: This project is to irrigate 23,000ha.	Over 5,964.77ha of rice was cultivated in the dry season and 38,175 metric tons of rice, 40 metric tons of maize, 18 metric tons of cowpea, 1,206 metric tons of sweet potato, 5 metric tons of groundnuts, 800 metric tons of sugar cane and 1,575 metric tons of vegetables have been produced.	55
	South Chad Irrigation Project (SCIP)	Covers 67,000ha of land	80
	Galma Dam(irrigation) / Kaduna state	Provide a reservoir capacity for irrigation of 2,500 ha.	85
	Goronyo Dam emergency spillway repairs (Irrigation)/Sokoto state	2000 ha irrigation	100
	Rehabilitation of existing infrastructure at Jibia Irrigation project / Katsina state	More area under irrigation carried out rehabilitation work on dilapidated irrigation infrastructure to provide opportunity for More farming families to be empowered economically.	80
	Kashimbilla Multipurpose Buffer Dam Project (irrigation) / Taraba state	Irrigation of 2000ha of farmlands	67
11	Seven major dam projects with a combined storage capacity of 2,269 million cubic meters have been completed. These are Gurara, Owiwi, Sabke, Owena, and Shagari dams.	The raw water from these dams are to be used for irrigation, water supply, hydropower, fisheries etc	100
	Kashimbilla Multipurpose Buffer Dam Project / Taraba state	Construction of Hydro power plant to generate 40MW of electricity	67
	Feasibility Studies for hydro power installation at Oyan, Ikere Gorge, Bakolori, Dadin Kowa,	Shows potentials for hydropower generation with a total capacity of 3,557 MW.	100

	Tiga, Kiri, Jibiya, Challawa Gorge, Owena, Doma, Waya, Mgowo, Zobe, Kampe, Kashimbilla, Ogwashiku, Zungeru and Mambilla.		
	Assessment of Water releases from the discharge along Benue and Niger Rivers	Establishment of the maximum flood levels all over the country recorded for decision making.	

Source: FMWR

Some of the recent activities in the water resources sector are depicted below.



Galma Dam



Goronyo Dam



Central Ogbia Regional Water Supply Project in Otueke of Bayelsa State



Raw water Intake at Northern Ishan Water Supply Project



Treatment Plant at Northern Ishan



Canal Structure at Jibiya Irrigation Project

Over the years, partly because of increasing population, urbanization, and legal, regulatory and institutional challenges, the sector has not been able to attain its optimal potential. In addition, the budget implementation cycle does not favour the water sector, because most of the projects are executed during the dry season and have longer gestation periods than one budget cycle. This leads to project abandonment and cost escalation, arising from reviews of project cost.

Giant strides are being made to address the capital intensity nature of the water sector, through the exploration of a robust framework for Public Private Partnerships and/or other innovative funding mechanisms, to achieve the set targets. Alternative options, including the privatization of the water supply that are pro-poor, are desirable to boost the sector.

11.7. Culture, Tourism and Entertainment

Nigeria has the potential to significantly attract foreign exchange earnings and generate employment for sustainable economic growth and development through the identification, development and marketing of its diverse cultural, tourism and entertainment opportunities. The sector has made considerable progress, especially in the areas of entertainment - films and music. However, there is room for improvement, considering the immense potentials of the industry.



President Jonathan and First Lady, Dame Patience Jonathan flanked by Akwa Ibom state Governor and other dignitaries, during a Presidential dinner to celebrate Nollywood @20

Hon. Minister of Tourism, Culture & National Orientation during Nigeria's Cultural Week



Showcasing the Nations Rich Cultural Heritage in Beijing, China in December 2012.

The key targets and achievements in the sector are articulated in Table 11.3.

Table 11.3: Key targets and Achievements in Culture, Tourism and National Orientation

S/N	Targets	Achievements
1.	Upgrade Abuja Carnival to international standards.	The annual Abuja Carnival is held every November. Four countries participated in the 2011 edition. That of 2012, which held from 24th - 27th November, 2012, attracted the participation of seven countries from Asia, South America, Europe, Caribbean and other African countries with over 2000 tourists from all over the world.
2.	Development of 2 UNESCO World Heritage sites in Nigeria: Osun Oshogbo sacred groove in Osun state & Sukur cultural landscape in Adamawa state. (Contribution to UNESCO funding).	In accordance with UNESCO requirements and guidelines, the Management Plan for Nigeria's first World Heritage Site at Sukur, Adamawa State was reviewed and updated taking into consideration the on-going development of the site.
3.	Culture & NOA Projects (Reorientation and	i. Unveiling the slogan 'Do the Right Thing - Transform Nigeria' in May 2012. The programme, which is planned to be executed on a sustainable basis, is expected to

	Promotion of Values)	<p>promote positive attitudes and culture in Nigerians, for the attainment of national goals and objectives, in support of the Transformation Agenda.</p> <p>ii. Through a weekly 30-minutes interactive radio programme - 'The Mobiliser' a platform for discussions on value re-orientation, peace and security related matters to promote national peace, while raising the public's security alertness, in addition to other topical issues, has been established. Similar production of a multi-episode TV drama series - Integrity Matters - aimed at raising integrity standards in our national life, is also on course.</p> <p>iii. Campaign Against Filth and Environmental Degradation: This is targeted at ridding the environment of the filth and menace constituted by indiscriminate littering of polythene materials used as water sachets, food wrappers etc.</p> <p>iv. Political and Civic Education followed by a monitoring and evaluation of the various elections, particularly the subsidiary gubernatorial elections in Kogi (December 3, 2011), Adamawa (February 4, 2012), Bayelsa (February 11, 2012), Sokoto (February 18, 2012), Cross River (February 25, 2011) and Kebbi (March 31, 2012) among others.</p>
4.	Train an additional 10,000 Tourism and Hospitality Workers by 2013	Various centres of the National Institute for Hospitality and Tourism Training in Abuja, Bauchi, Kano, Osogbo, Benin, Enugu, Kaduna and Lagos where Certificate, Diploma and Post Graduate Courses in various specialties have recorded remarkable appreciation in application and admissions into various study programmes.
5.	Increase the contribution of cultural industries from 2 percent in 2007 to 70 percent by 2013	Three Cultural Industry Centres were built in 3 geo-political zones of Nigeria in Taraba, Ogun and FCT to provide physical infrastructure for cultural activities to thrive in the rural areas as well as to serve as a one stop shop for cultural goods and services.
6.	Increase the Number of Registered Hotels in Nigeria from 1,700 in 2008 to 2,500 by 2013	In collaboration with the security agencies, the registration of hotels and other hospitality establishments nation-wide is being carried out, through the services of fifteen consultants. Each of these consultants further engaged not less than ten field officers. By extrapolation, about 150 additional jobs were created from the engagement of consultants for the registration exercise alone.

7	Achieve a 10 percent Growth Rate in Film Production by 2013	Through the N3 billion grant recently released for the development of the movie industry, the desired growth will be achieved.
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Source: FMCT&NO/NPC



International Exhibition in London



Some Tourists at Obudu Cattle Ranch

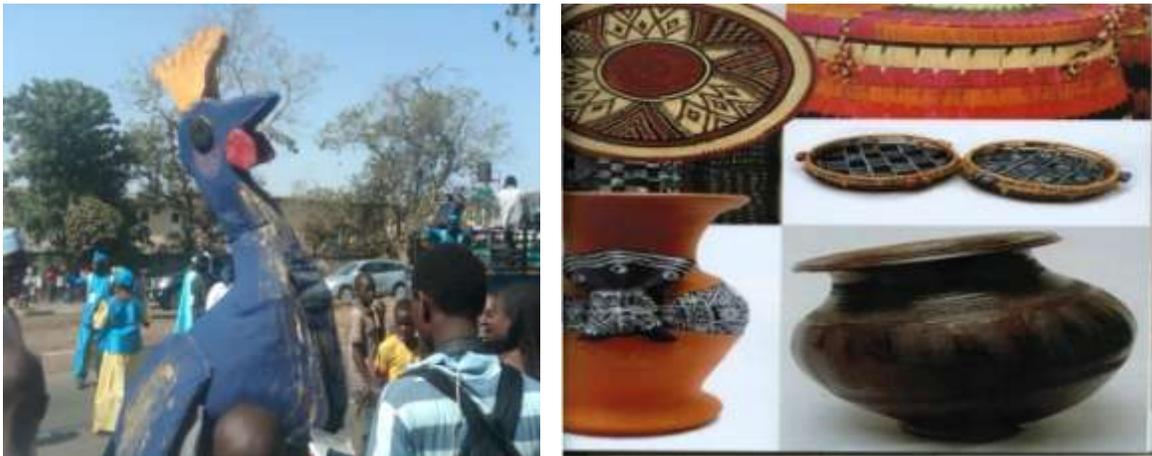
Other achievements include:

- i. The 1st and 2nd creativity week were held in Abuja in April 2012 and 2013, to discover young talents in the creative sector and encourage the youths to develop inherent abilities for self reliance and sustainability;
- ii. Rehabilitation of the National Theatre, Iganmu, Lagos with new banquet chairs, ICT and computer equipment, sound booths, mixers, dimmers and lights, among others;
- iii. Sustained participation in major international tourism fairs such as: World Travel Market (WTM), Excel, London, November, 2011 FITUR, Spain-January 18-22, 2012; ITB, Berlin, Germany - March 7-11, 2012 Arabia Travel Market, Dubai, UAE, April 30 - May 3, 2012 etc.
- iv. Supported 96 cultural festivals nationwide between May 2011 and April 2012, as well as organized the pre-independence concert in Lagos on September 30, 2011 with the aim of projecting Nigeria as a safe and peaceful country to the International community.

The pictures of some of the events carried out in the sector are shown below.



Some of the Cultural Dance during Abuja Carnival 2012



April 2013 Creativity Week in Abuja

Aside from the issue of poor perception by the public, achievement of the tremendous potentials in the sector for job and wealth creation has been stunted, due to poor funding, resulting in low capacity building and poor data collection for planning and decision making. Other challenges affecting the sector are poor inter-agency collaboration on tourism statistics, lack of national endowment for the arts, security and terrorism issues, as well as the dearth of tourism infrastructure, exhibition and convention centres, art galleries, museums, wildlife parks, etc.

The Government is strongly committed to developing the sector, through a number of pragmatic steps to reposition Nigeria as the preferred tourism destination and cultural capital in Sub-Saharan Africa, offering diverse, world class tourism products, geared towards increasing tourism contribution to the country's GDP. Developing and funding of tourism and cultural quick-win projects and programmes will further hasten the growth of the sector. Strengthening of inter-agency collaboration to develop a database on tourism statistics and

provision of an intervention fund to support ecotourism, capacity building, technology development and marketing are also critical for transforming the sector. The current Administration's release of the sum of N3 billion grant to address the creativity and technology challenges in the industry is a demonstration of the Government's commitment to advancing the growth of the sector.

11.8 Science, Technology and Innovation (ST&I) Sector

The ST&I is an important vehicle for achieving sustained growth and national development. Nations achieve industrialization through the use of applied technology, Research and Development (R&D) and innovation. The Government recognizes the importance of the knowledge-based skills required in the sector and has designed strategies to strengthen the innovative capacities of the nation's scientists, engineers and technologists. The Government's emphasis on STI will help expand the production frontiers of the economy. The key targets and achievements of the sector are in Table 11.4.

Table 11.4: Key targets and achievements of the sector

S/N	Targets	Achievements
1.	Achieve technological capability for producing 15 percent of the process equipment used in small and medium scale industries by the year 2013	<p>i. 13 percent increase in capacity for design and fabrication of machines and equipment which includes the production of cylinder heads, rocker covers, carburetor parts, etc;</p> <p>ii. Transfer of improved post harvest processing technologies to SMEs and establishment of same in the geo-political zones of the country.</p> <ul style="list-style-type: none"> • 16 no. of industries using the new and improved leather tanning technologies. • 5,200 no. of solar, 6 no. wind alternative energy projects undertaken to improve the national electricity supply situation especially in off-grid locations to enhance spin-off of business activities.
2.	Achieve 10 percent technological capabilities for sourcing 20 percent industrial raw materials locally by 2013	<p>i. 26 percent reduction in cost of building materials and equipment for housing delivery</p> <p>ii. Production of cordials and concentrates from various fruits, such as pineapple, orange, cashew, banana and guava.</p>

		<ul style="list-style-type: none"> iii. 12 percent increase in tsetsefly human and animal trypanosomiasis controlled and eradicated
3.	Achieve R&D investment of 1 percent of GDP by 2013	<ul style="list-style-type: none"> i. 4 no. of Intellectual Property & Technology Transfer Offices were established; ii. Secured international cooperation and investment towards the actualization of a the "SHESTCO Silicon Valley" project; iii. Enhanced research and development through effective monitoring and evaluation, as well as coordination.
4.	Achieve Patenting of 5 percent R&D outputs from 0.1 percent by 2013	<ul style="list-style-type: none"> i. 4 no. of biotechnology products delivered to help in the improvement of crop varieties (e.g. rice, cassava and some tree crops), increased cotton yields/production in the country, rapid regeneration of plantlets for agricultural, industrial and desert control using Temporary Immersion Bioreactor system (TIBs); ii. 6 no. natural medicinal products registered.
5.	Achieve commercialization of 5 percent of the Patented R&D outputs by 2013	<ul style="list-style-type: none"> i. 32 no. of businesses created through R&D outputs and 95 no. of industries using R&D products; ii. 26.6 percent increase in the number of conserved and identified medicinal plants. This will mitigate the cost of medication by creating alternative and cheaper sources of medication; iii. Popularisation of the concept of the Triple Helix model of Innovation in our national developmental strides. Nigeria stands to gain from bringing together the public; private and academic sectors,
6.	Attain 20 percent Science and Technology based competitive workforce by 2013	<ul style="list-style-type: none"> i. 9,767 no. of Science Laboratory Technologists registered and 300 no. of Science Laboratories accredited. This helps to eliminate quack laboratory Technologist/Scientists and thereby reduce the cost of hiring foreign laboratory

		<p>experts.</p> <ul style="list-style-type: none"> • 60 no. of incubates trained and graduated through technology incubation; • The framework for the National System of Innovation (NSI) developed through stakeholders' participation. The NSI will drive innovation through the Federal, Sectoral (MDAs), Regional, State and Local innovation systems. <p>ii. 34M no. of users of satellite resources to enhance transformation in key sectors of the economy such as agriculture, food security, urban and rural planning, education, infrastructural monitoring. 4 no. categories of aerial maps were produced through satellite imageries. This has boosted Nigeria's capability for natural resource management, disaster relief through the Disaster Monitoring Constellation, forecasting and daily monitoring of weather and identification of climatic and environmental hazards over Nigeria and indeed globally.</p>
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<p>Plantlet Multiplication using the Temporary Immersion Bioreactor system</p>	<p>The Production of Growth Induced Transgenic Tilapia: Photomicrograph showing non-transgenic (top) and transgenic (bottom) sizes of Fish.</p>
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Satellite Calibration completed and Mission Control Centre installed in Abuja to operate NigeriaSat- 2 & NigeriaSat-X

The key challenges of the sector include inadequate skills in technology services; inadequate institutional capacity; weak collaboration among government agencies, industry and research institutes; low investment in R&D; and lack of interest in implementing research findings by entrepreneurs. Others include: inadequate incentives to entrepreneurs to promote prototypes made by various research institutes and absence of database on research findings.

Going forward, the government plans to deal with these challenges by inaugurating the National Research & Innovation Council (NRIC) to facilitate collaboration on Federal, Regional, State and Local level innovations. In addition, a National Research & Innovation Fund (NRIF) will be established, to ensure availability of adequate funding and to commercialise research & development outputs. The Government will also entrench the concept of the Triple Helix model of innovation to re-invigorate and focus on science, technology, innovation and R&D in tertiary institutions, and research institutes, to strengthen innovation and knowledge-based product development and services. Equally, it will establish the Silicon Valley project to develop the solar technology value chain, in order to achieve a sustainable energy mix.

CHAPTER TWELVE: PROVISION OF QUALITY AND AFFORDABLE INFRASTRUCTURE

Infrastructure is key for economic growth and development. It also enhances productivity and competitiveness. Nigeria's lack of competitiveness and low indices of human development can be largely attributed to inadequate infrastructure development. Despite Nigeria's huge earnings from oil exports for over four decades, its infrastructure remains inadequate, obsolete and poorly managed. This is a major challenge, given the rising population growth and urbanization.

The country's challenges in the delivery of critical infrastructure continue to impact negatively on investment and capital inflow into the country. Nigeria requires capital investments of over US\$ 14.2 billion annually over ten years, excluding routine maintenance and operating costs to close this yawning infrastructure gap (World Bank Study, 2011). In addition, to the government role, the achievement of adequate infrastructure requires private sector participation, which has been limited, due largely to weak legal, institutional and regulatory frameworks.

A number of factors have contributed to the deterioration of infrastructure, including underinvestment, poor governance, poor maintenance culture, population explosion and neglect of urban and regional planning. The deterioration has been most acute in the power sector with perennial shortages in generation, transmission and distribution. The transportation system comprising road, rail, air and water remains largely under-developed, without the intermodal linkage to make the movement of goods and persons cheap and easy. Over the years, Nigeria has developed a number of sector-specific infrastructure master plans to address these challenges. These sectoral master plans, however, were developed in silos, without connection to one another. Therefore, to ensure a coordinated approach to infrastructure development in the country, the current Administration has initiated the development of the National Integrated Infrastructure Master Plan (NIIMP). This is a 30-year plan to be implemented using 10-year operational plans and 5-year medium-term plans.

The critical infrastructure given priority under the Transformation Agenda include Energy, Transportation, Information and Communications Technology (ICT) and Housing and Urban Development.

12.1 Power

The power sector has the highest potential to propel the economy to the desired level of growth and development, with multiplier effects on all sectors of the economy. Over the last two decades, there has been little investment in the power sector, with electricity generation ranging between 3,500 and 4500 megawatts. The broad vision of the current Administration for the power sector, as highlighted in the Transformation Agenda, is to ensure adequate and sustainable power supply in all sectors of the economy. To help achieve this broad vision, a Roadmap for the power sector was developed and is being vigorously implemented.

In order to achieve the country's targets for the power sector, a projected investment size of N2.55 trillion is required during 2011 to 2015. This would cover investment in four major areas of power generation, transmission, distribution and alternative energy. Additional investments would also be made to rehabilitate the hydro-power stations during the period.

The key targets for the power sector in the Transformation Agenda include:

- increase available generation capacity to 5000 MW by 2011, 6000 MW by 2012 and 16,000MW by 2015;
- expand and strengthen the transmission network to wheel 16,000MW of power by 2015;
- increase electricity access to 50 percent by 2015 from the current 40 percent;
- achieve electricity generation mix of 11,800MW gas-fired plants and 4,200MW renewables;
- increase the average load factor in the power sector from 31 percent to 50 percent in 2015;
- develop policies that would encourage the local manufacture of material inputs for the power sector;
- achieve billing and collection efficiencies of 95 percent and 80 percent respectively for power consumed by 2015;
- finalize project documents for the development of coal fired power plants by 2012;
- enhance energy security by commencing the development of large hydro power plants such as Mambilla and Zungeru by 2013;
- achieve a 20MW contribution from wind energy to the nation's electricity generation mix by 2015; and
- achieve a 10 percent contribution by renewable energy to the nation's power generation mix by 2025.

The major achievements recorded in the power sector are:

- Stability in electricity generation and distribution. Power generation increased from 3,514MW in 2011 to 4,500MW as at December, 2012; (NIPP contributed 1,650MW) less than half the plan target of 10,000MW by 2012. Substantial progress has been made toward optimal electricity generation mix.
- A roadmap is being implemented leading to the following:
 - Unbundling of the PHCN into six Generating Companies (GenCos), one Transmission Company and 11 Distribution companies (DisCos);
 - Licensing of 34 IPPs, though only three (AES Barge Limited, Okpai and Afam VI) have commenced operation and were added to the national grid;
 - Establishment of the Nigerian Bulk Electricity Trading (NBET) Plc with its Board inaugurated;
 - Review of the electricity Multi-Year Tariff Order (MYTO) with a view to making the electricity tariff cost-reflective to attract private investment in the sector;

- Granting Management Contract for the management of the Transmission Company of Nigeria (TCN) to a private sector operator in September, 2012.
- Provision of Partial Risk Guarantee to FGN and NBET Plc by the World Bank to facilitate private sector investment in the power sector
- As at the end of 2012, the Bureau for Public Enterprises (BPE) has concluded the privatisation of 10 DisCos and five GenCos.
- Establishment of a N300 billion Power and Aviation Intervention Fund (PAIF) by the CBN to provide concessionary long-term credit for power and aviation projects. A total of N181.42 billion has been disbursed for 36 projects, the disbursement covered 15 airline projects worth N90.92 billion and 21 power projects amounting to N90.50 billion. Also, a long-term, single digit interest rate investment fund was established in 2011 to encourage private investment in the power sector;
- Strengthening of the NERC to provide regulatory oversight and guidance for the new entrants into the electricity market; and
- The rapid expansion in the installation of prepaid metres, which increased the average load factor and enhanced billing and collection efficiency estimated at 70 percent at the end of 2012;

These achievements were set back by vandalization of electricity power installations, which greatly hampered the efficiency of the sector. Inefficient transmission due to inadequate capacity of the transmission network has led to substantial losses that further reduced power supply. Equally, inadequate gas supply to power plants contributed to the low power generation.

The current administration has taken bold steps to address these challenges. These include the privatization of the generation and distribution segments of the power sector for greater efficiency and productivity and to attract more investment in the sector; the adoption of alternative energy sources to further reduce the demand for electricity and increase available energy mix.

12.2 TRANSPORTATION

The role of transportation in the economic, political and social development of any nation cannot be over-emphasized as it is the sector that connects all the other sectors of the economy. The overarching goal of the Transport sector under the Transformation Agenda is to develop an adequate, safe, environmentally sound, efficient and affordable, integrated transport system within the framework of a competitive national and international market economy.

The transport sector, comprising road, rail, pipelines, water, air and road services, has experienced marginal growth over the years. The pace of growth improved slightly from 6.71 percent in 2010 to 6.79 percent in 2012. In terms of contribution to GDP growth, transport accounted for 2.67 percent and 2.66 percent in 2010 and 2012 respectively. The slow pace of growth in the sector is largely attributed to the poor state of infrastructure. Therefore, significant improvements are required to revitalize the sector, through careful planning, prioritization and faithful implementation.

12.2.1 Railways

Prior to 2010, most of rail tracks were dilapidated and not functioning. In a bid to turnaround the railways nationwide, the Federal Government articulated a 25-year strategic vision for the rail sector, with milestones to be implemented in three stages. The broad targets of the rail sub-sector are the completion of the rehabilitation of the existing narrow gauge and construction of new standard gauge rail lines, and construction of extension to link all State Capitals and commercial centers.



Track Rehabilitation Work on the Eastern Line (Aba)

During the period under review, the rehabilitation of over 90 percent of the entire existing narrow gauge lines throughout the country are at various stages of completion.

President Flagging off Lagos to Abenkuta Train	Hon. Minister Flagging off Lagos to Kano Train
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Student Excursion Train

Minna to Kaduina Trains

Other major achievements in the rail transport sector are:

- Rehabilitation of the main Western line: Lagos - Kano, 1,124km is completed and functional, while the Eastern line Port Harcourt-Maiduguri 1,657km is expected to be completed before the end 2013.
- Rehabilitation of sidings and loop lines along the Western line, including connection to key industrial locations within Apapa, 74 stations and branch lines between Lagos and Kano, the 300 meter link between the Apapa port complex and the national line and the spur line to the Kaduna power plant complex will commence by the end of June 2013 and will be completed by end of 2013.
- Completion of the construction and the rehabilitation of the Itakpe-Ajaokuta-Warri Standard gauge rail line is at 77 percent completion with the entire track laid. It is expected to be completed in 2014.
- Construction of Abuja (Idu)-Kanduna Standard Gauge rail line is in progress and has reached 60 percent completion. It is expected to be completed by the end of 2014.
- Construction of Lagos to Ibadan standard gague (double track) 2 x 180 Km has been awarded and will commence this year.
- Currently, feasibility studies are on-going to create additional corridors for the standard gauge rail system. The studies are expected to be completed by the third quarter of this year and their reports will amongst others consist of Outline Business Cases which will be made available to potential investors for the development of tracks under Public private

On going Feasibility Studies on New Railway Corridors

S/N	TITLE
1	Feasibility Studies/Consultancy for Standard Gauge Line on East – West Rail Line Lagos - Shagamu-Ijebu Ode-Ore-Benin City, (300km).
2	Feasibility Studies/Consultancy for Standard Gauge Line: Benin-Agbo-Onitsha-Nnewi-Owerri-Aba with additional line from Onitsha-Enugu-Abakiliki (500km)
3	Feasibility Studies / Consultancy for Coastal Rail Line in the Niger Delta Region: (Benin-Sapele, Warri - Yenagoa, Port Harcourt - Aba-Uyo-Calabar-Akankpa-Ogoja-Obudu Cattle Ranch)
4	Feasibility Studies/Consultancy for Standard Gauge line: Lagos – Ibadan – Oshogbo – Baro – Abuja (High Speed 615km)
5	Feasibility Studies/Consultancy for Standard Gauge line: Ajaokuta (Eganyi)-Obajana-Jakura-Baro-Abuja with additional line from Ajaokuta to Otukpo (533km)
6	Feasibility Studies/Consultancy for Standard Gauge Line: Zaria-Kaura Namoda-Sokoto- Illela -Birnin Konni in Niger Republic (520km)
7	Feasibility Studies/Consultancy for Standard Gauge Rail Line: Eganyi(Near Ajaokuta) - Lokoja - Abaji - Abuja

- Federal Government of Nigeria has invested heavily in rolling stock and equipment, and in the Procurement and rehabilitation of locomotives, wagons and coaches.
- Legal and institutional framework reform, to provide the requisite enabling environment for growth and competitiveness of the sector. The improved policy and regulatory environment achieved through this framework would make possible the

concession of freights and passengers services. The following Legislations (Bills) are being processed to allow for more effective Private Sector participation:

- The Nigerian Railway Authority Bill
- The National Transport Commission Bill
- The Ports & Harbour Bill and
- The National Inland Waterways Authority Bill
- The embargo on rent / lease of Nigerian Railway Corporation's land and landed properties has been lifted and redevelopment of the Nigerian Railway Stations through Public Private Partnership is being packaged. The guidelines will soon be published.



Launching of 20 Pressurised Tank Wagon



Unloading of Lafarge Cement at Minna Station

Resumption of Passenger Services

The NRC operates some services where existing infrastructure & equipment permit:

- ❑ Lagos - Kano Express Train Services , Once per week.
- ❑ Offa – Kano Express Train Services once per week.
- ❑ **Intra –city Mass Transit**
 - ❑ Lagos Mass Transit Train (16 Trains Per Day- an average of 16,000 passengers daily)
 - ❑ Kaduna Intracity Mass Transit Train (10 Trains Per Day- an average of 10,000 passengers daily)
 - ❑ Kano – Challawa Mass Transit Train (6 Trains Per Day): Temporarily suspended
- ❑ **Intercity Passenger Services**
 - ❑ Lagos – Ibadan – Ilorin- Lagos Train (Thrice Per week Moving an average of 6,188 passengers weekly)
 - ❑ Minna – Kaduna – Minna Train (Thrice Per Week Moving an average of 3,450 passengers weekly)
 - ❑ Kaduna – Kafanchan Train (Suspended due to Rehabilitation)
 - ❑ Kano – Nguru – Kano Train (Twice Per Week), Moving an average of 850 passengers per weekly).
 - ❑ Excursion Train: Highly patronised during festivities e.g Osun State utilised it during Easter.
- ❑ Efforts are being made to restore the suspended Mass Transit Services in Jos, Kano and Maiduguri occasioned by security challenges

The targets set for 2012 were achieved in seven (7) areas, but the targets set in the areas of volume of cargo conveyed by rail (51 percent) and number of (rail) trips per year (72 percent) was not achieved. The main challenge was constrained by suspension of services along some corridors.

12.2.2 Sea and Inland Waterways

Inland water ways transportation is the least developed segment of the transportation sub-sector in Nigeria. If fully developed, this mode has the potential to provide the cheapest and safest means of transport, especially for cargo haulage.

A. INLAND WATERWAYS SUB-SECTOR

- Government has recently completed the capital dredging of the Lower River Niger from Warri (Delta State) to Baro (Niger State) - 532km - to facilitate all-year navigability. Maintenance dredging is currently in progress.

- Government is making arrangement to go into partnership for the dredged Lower River Niger to ensure all-year navigability and the sustainability of the channel
- Baro, Oguta and Lokoja River Ports are under construction and upon completion will be concessioned to the private sector. Baro and Oguta will be completed in 2013 while Lokoja will be completed in 2014.
- Makurdi River Port is also to be constructed
- Onitsha River Port constructed and commissioned
- The process for the concessioning of Onitsha River Port with modern cargo handling equipment has reached an advanced stage.
- Construction of Jetties at Buruku, Idah, Agenebode, Pategi, Igbokoda, Degema and Yenogoa.

The quantitative targets in the Targets Achieved for the review period are to increase:

- Volume of Cargo through Inland Waterways to 3,200,000 metric tons;
- Number of passengers carried to 300,000.
- Number of boats, ferries, barges and vessels that navigate the waterways to 20,000

The major achievements in the sector during this period are:

- Development of Inland Waterways Transport Master-plan (IWTM) for the country
- On-going provision of anchorage for repairs and overnight berthing on the waterways.
- Acquisition of two water ambulances to provide first aid in accident cases.
- Acquisition of two water mobile workshops for emergency repairs of ferries and boats on waterways.
- Commercial Passenger Transportation Programme on PPP arrangement on major and minor water crossings using 14-seater, 28-seater and 45-seater water buses. The routes are Yauri to Malare, Buruku to Abuku in Benue State, Pategi in Kwara State to Nupeko in Niger State, Lokoja to Onisha, Onisha to Bomadi, Idah to Agenebode, Yenogoa to Brass, Calabar to Oron, Marina to Apapa and Marina to Badagry.
- Bulk Cargo Transportation Programme to move bulk cargo through the dredged channel of Lower River Niger from the sea to the River Ports at reduced cost;
- Movement of 1,200 tonnes of cargo from Lokoja to Onisha;
- On-going construction of 500 tons capacity barges in Lokoja for deployment in the Lower River Niger Channel; and
- Movement of 6,000 tonnes of crude oil from Okpai (Delta State) to the sea.

Similarly on sea transport, work is in progress to develop new deep seaports at Epe/Lekki, Ibaka, Agge, Olokola and Badagry, and to dredge the harbors in Lagos and Bonny to accommodate large ocean liners and provide standard facilities, including RORO facilities in Bonny.

	
<p>Ninon Barge Moving Tiles from Lokoja to Onisha</p>	<p>Lokoja Jetty</p>
	
<p>Dredging in Lower River Niger</p>	<p>Dredging in Lower River Niger</p>

The gaps in the inland water way transport are lack of linkages with other modes of transportation and limited roads and rail extensions linking inland river ports. These gaps are as a result of jurisdictional conflict with State Governments and menace of water hyacinth - a cross border water weed that impedes smooth navigation.

To address the challenges of inland waterways, the Government is undertaking constructive engagement with the State Governments; while inter-agency collaboration is being encouraged to curb the menace of water hyacinth.

12.2.3 Roads

The national road network is responsible for over 90 percent of the movement of goods and passengers across the country. Out of a network of about 200,000 km of roads in the country, the Federal Government owns 35,000km or 17.5 percent of the bituminous network.

The key TA targets set for the road transport sub-sector are:

- increase the percentage of roads in good condition from 32 per cent to 70 per cent; and
- maintenance of about 19,868 km of the existing road network.

Other targets are highlighted in Table 12.1.

Table 12.1: Other Targets of the Road Sector 2012

S/NO	PERFORMANCE INDICATORS	2012 (PLANNED TARGET)	2012 ACTUAL
A.	Provision of good and motorable roads		
	KM of roads constructed	3,807KM(454.37KM)	651KM
	KM of roads rehabilitated	8892KM(1,007.29KM)	976KM
	Km of roads maintained through donor funding	100KM	257KM
	Area /m ² of potholes patched by FERMA	862,077.17sq/m	1,002,343sq/m
	KM of roads maintained by FERMA	14,023KM(3,787KM)	1,380KM
	No of bridges constructed	1,687(15)	5NO.
	No of bridges maintained	534(33)	28NO.
B.	Improved travel time on federal roads	70KM/HR	90KM/HR

A total of 651km of roads was paved with bitumen in 2012.



Hon. Minister of Works Flagging off the dualisation of the Lokoja-Benin Road

The five flagship projects undertaken over the last two years are as follows:

Apapa Oshodi Expressway

Section 1 has been completed while works are progressing on the Trailer Park, dedicated bridges leading to Tincan Island from Liverpool Road roundabout and the entire section 2, phase 2 from beachland junction to Cele bus stop.



Benin Ore Shagamu Highway

Before the intervention on this road by the President Jonathan administration, motorists spent over 9 hours or more to travel from Benin to Lagos and vice versa. Travel time has now been reduced to 4 hours even though work on some sections of the alignment is still on going. Work has been substantially completed, while a new contract for the reconstruction of the outstanding sections on Benin Ofusu - Ore - Ajebandele - Shagamu (Phase 2) has been awarded.



Abuja-Abaji-Lokoja Dualisation

The Abuja Abaji Lokoja dualisation project is part of the Trans Sahara arterial highway (Route A2) linking the southern part of the country to the north and onward to Niger Republic. Work is progressing steadily on the four sections of the project. The completed sections were

temporarily opened up for ease of traffic, resulting in marked improvement on the motorable condition of the road. This road, which was notorious for its high accident rate, has witnessed a reduction in accidents, following the opening of the Giri and Gwagwalada bridges of the road.



Kano Maiduguri Dualization

The Kano Maiduguri road dualisation project is the major arterial highway connecting Kano to Borno State, via Jigawa, Bauchi and Yobe States, onward to Ndjamena in Chad. The road is 553km long and was awarded in five sections to five contractors. An average completion rate of 50% has been achieved, including the completion and opening of the Kano Western Bye pass flyover to motorists. The government plans to accelerate the pace of work, even against the security challenges on the route.



Onitsha Owerri Expressway

The Onitsha Owerri expressway project is 90.5km long, including the alignment from Onitsha Bridge to the slip road to Onitsha-Enugu Expressway at Upper Iweka. Before now, motorists from Owerri were experiencing untold hardship accessing the Onitsha market through the road, due to the poor state and limited capacity of the road. Prior to the completion of the

project, commuters were spending over 2 hours from Onitsha to Owerri for a distance of 90.5km that should be travelled in about 1 hour.

The Onitsha Head Bridge end up to Upper Iweka also has been greatly improved upon, with the recovery of the service lanes and its expansion to 6 lanes. This has improved travel times along the route and significantly reduced the traffic bottleneck that was hitherto experienced in the area. Today, due to the success recorded on this stretch of the road, coupled with the phenomenal improvement on the Benin Ore Shagamu road, it is possible to travel from Onitsha to Lagos in just 6 hours, compared to the average of 13 hours for the same journey up till 2011.



Katsina - Daura road (Katsina State)

Other completed projects include the following: Katsina - Daura road (Katsina State); Gombe by pass (Gombe State); Vom Manchok road (Plateau State); and Ijebu Igbo - Sekona (Ogun State). These projects have led to improved travel time and productivity, with safe and motorable roads across the country.



Vom Manchok road (Plateau State)

The challenges in the road sub-sector include lack of coordination between Federal and State governments to optimize the benefits of roads by building secondary roads and access facilities in sync with federal roads and inadequate Institutional and managerial capacity that has resulted in lopsided planning and design of projects, thus undermining effective project delivery. Funding constraints also have decelerated the execution of about 168 major projects nationwide. Poor governance of the road sector and heavy reliance on road transportation, leading to excessive pressure on the roads are other challenges that have undermined government efforts in the sector.

This Administration is exploring new channels of funding infrastructure through PPPs, while strengthening the governance structure of road operations and maintenance. Currently, there is a bill to set up a federal road authority as well as a federal road fund to improve the structure and quality of governance in this sector and make its development more sustainable. The Government has also recruited over 400 engineers during the period under review to strengthen institutional capacity.

12.2.4 Aviation

Air transportation facilitates speedy movement of goods and persons and helps promote integration between the domestic and global economies. It also impacts positively on productivity and economic performance, especially for developing countries. The Nigerian aviation industry comprises 21 airports managed by FAAN (6 of these are designated international airports); 4 privately owned airports; 226 helipads and heli-decks; and 40 aerodromes. The sector had been characterized by decades of under investment, not only in the fixed assets, such as taxiways, runways and terminal buildings, but also in fire and safety equipment, training, lighting and power generation. Apart from the Murtala Mohammed International Airport (MMIA) in Lagos, were operating beyond its capacity, most of the airports are operating below their design capacity.



Facilities of Nigerian Airport before the renovation

The targets of the aviation sector under the TA are to make air transportation the preferred and safest means of transportation; creating a self-sustaining business model and driving socio-economic growth in Nigeria. The specific targets are to:

- Develop Lagos and FCT(Abuja) as regional hubs, in-line with international standards and best practices and develop requisite capacity and manpower to meet the needs in the aviation industry for the 21st century
- Change the business model of the industry into a self-sustaining one, through increased private sector participation (reduce financial burden on government)
- Maximize the contribution to the socio-economic development of the Nigerian Economy through increased trade and in-flow of FDI, focusing and growing of agro-allied designated airports and resultant job creation
- Build world class terminal buildings, modern air navigation and meteorological equipment for safety, effective security system.

WHAT WE SET OUT TO ACHIEVE - The new terminal interior design philosophy...



✓Space, aesthetics, comfort, multiple commercial offerings, ease of circulation

Government is also in the process of developing aerotropolis classified Investment opportunities into seven (7) business clusters within the Aerotropolis model. This is aimed at creating 500,000 direct and indirect job opportunities. A private sector driven business model and developing the Perishable Cargo operational framework have also been adopted.

One of the major achievements of the sector is the remodeling of four strategic international airports in Abuja, Kano, Lagos and Port Harcourt. The pictorial view of the airports is presented below.



MMA General Aviation Terminal- front view



January 2012

October 2012



Benin Airport- departure lounge



January 2012

October 2012



Where We Are Now – Result of Our Effort So Far



New Look of Abuja Airport Lounge

Other key achievements of the aviation sector include:

- Reform of financial management systems of the aviation sector to ensure sustainability, improve revenue collection and eliminate leakages;
- Promotion of partnership between domestic airlines and major foreign carriers;

- Revision of the BASAs to create opportunities for domestic carriers to fly international routes;
- Installation and upgrade of infrastructure at various airports to ensure the safety of goods, security of passengers and enhance night operations;

The Government is in the process of transforming the airspace management of the country. It has installed several automated devices and equipment, such as Terminal Radar Approach Control (TRACON) and the Aeronautical Information Service (AIS) . Other facilities provided are: Total Very High Frequency Radio Coverage; Control Tower Modernization; World Geodetic Survey-84; and other navigational aids; ICT enhancement and mobile control tower.

To further strengthen air navigation safety the Government has repositioned the Nigerian Metrological Agency (NIMET) to provide accurate and timely weather information. Several cutting-edge technologies have also been procured and installed, while intensive human capacity development has been undertaken.

In the area of perishable cargo value chain, Government has designated 6 airports in proximity to food baskets as perishable cargo airports (Jos, Makurdi, Yola, Jalingo, Lagos and Ilorin) and is developing international standard perishable cargo facilities at these designated airports to be ready by the end of 2013.

The aviation industry has been constrained by the inability of the country to reciprocate its Bilateral Air Service Agreements (BASA) rights; the dominance of international carriers on regional and international routes and leakages in revenue collection, occasioned largely by manual collections. Other constraints include stagnant aviation manpower development and brain drain in the sector, as well as the absence of Maintenance and Repair Organizations (MROs) with the attendant drain on the nation's foreign exchange.

Going forward, the Government will ensure a sustained implementation of the aviation sector Master Plan, which would address the identified constraints.

12.3 Housing and Urban Development

The Transformation Agenda identified the provision of accessible and affordable housing as a strategic national imperative for guaranteeing the well-being and productivity of the citizenry. The housing sector, which employs approximately 10 percent of the labour force worldwide, has a high potential for job creation in Nigeria. Nigeria currently has a housing deficit of 23 million houses that should be met by 2020. This would require annual supply of a minimum of 2.6 million homes to bridge the gap. Mortgage transactions are very low and mortgage institutions are few.

The goals and targets of the housing and urban development sector for the period 2011-2015 are to:

- develop an efficient land administration system to make land ownership available/ accessible and easily transferable at affordable rates;
- provide adequate and affordable housing finance to all Nigerians by developing efficient primary and secondary mortgage markets;
- establish an efficient legal and regulatory framework to enforce the control and monitoring of housing delivery;
- develop professional and skilled manpower, and build adequate capacity through training and skills acquisition to support the sector;
- reduce the cost of production of houses by developing and promoting appropriate designs and production technologies in the housing sector; and
- promote functional and planned towns and cities as centres of economic growth and national development.
- Recapitalization of FMBN
- Planning, design, construction and maintenance of 600,000 Housing Units by PPP
- Planning, design, construction and maintenance of 240,000 affordable housing units by FHA and other reputable developers
- Planning, design, construction and management of other key housing related projects and services

The key achievements in the sector include:

- i. Completion of the construction of 204 and 256 prototype housing units in 2011 and 2012 respectively in different parts of the country;
- ii. Provision of 1,250 and 504 housing units in 2011 and 2012 respectively through Public Private Partnership (PPP);
- iii. Construction of 133 and 122 numbers of housing units in 2011 and 2012 respectively through contractor finance initiative;
- iv. Completed a total number of 906 and 850 housing units through the federal Housing Authority (FHA) in 2011 and 2012 respectively;
- v. Provision of a total number of 1,405 and 3,529 mortgages through the Federal Mortgage Bank of Nigeria (FMBN) in 2011 and 2012 respectively;
- vi. Provision of 4,702 and 2,808 numbers of housing units through Estate Development Loans (EDLs) in 2011 and 2012 respectively;
- vii. Created a total number of 2,345 and 1,442 service plots of land in 2011 and 2012 respectively and issued a total number of 1,030 and 1,101 C of Os in 2011 and 2012 respectively; and
- viii. Trained a total number of 65 and 75 artisans in 2011 and 2012 respectively through the Training centers of the Federal Ministry of Land, Housing and Urban development.

Nigeria, with a population of over 167 million people, requires a minimum of additional one (1) million housing units per annum to reduce the national deficit of about 23 million housing

units. Available studies show that most urban dwellers in Nigeria live in dilapidated houses without basic amenities and in unsanitary conditions; and the scenario is worse in the rural areas. The problems is not just the poor quality of housing but also, of inadequate infrastructural facilities like roads, drainage water, power supply and basic social amenities. One of the key challenges of the sector is the unresolved jurisdictional conflict between the Federal and State Governments physical planning agencies in the implementation of the Land Use Act, 1978. This has constrained accessibility to land. In addition, the high cost of building and construction materials has severely constrained housing development.

One of the approaches of this Administration to housing delivery is the restructuring of the Federal Housing Authority (FHA) for the effective and efficient discharge of its mandate; and implementing the proposed mortgage liquidity facility through the Recapitalization of the Federal Mortgage Bank of Nigeria (FMBN) and establishment of the Mortgage Refinancing Company (MRC). The new approach for housing delivery is for Government to design and implement policies and programmes in partnership with the private sector and other relevant stakeholders that would provide social housing through government funding, subsidies and other incentives, on the one hand, and exploiting alternative technologies in housing development and promotion of mixed housing development for all income groups, on the other hand.

12.4 Information and Communications Technology

Towards embracing and encouraging global technological advancements, the administration created the Ministry of Communications Technology in 2011, in recognition of the transformative power of ICT in national, socio-economic development. The Government intends to provide infrastructure leading to job creation and enhance business, productivity and growth. The Government is developing the local ICT industry to deliver on the promises of the Transformation Agenda. In this respect, the focal areas are:

- i. To connect Nigeria through ICT Infrastructure
- ii. To encourage device ownership and provision of access to infrastructure by Nigerians
- iii. Local Content: enhance local value added (hardware, software and telecoms)
- iv. ICT in Government: Implement e-government to facilitate transparency, efficiency and productivity

The following are some of the achievements recorded in the sector during 2011 to 2012:

- i. Launched the NigcomSat-1R satellite, to complement the fibre connectivity and provide more internet bandwidth, thereby reducing the over \$1 billion spent in purchasing internet bandwidth from abroad.
- ii. Deployed PCs to 766 secondary schools in the School Access Programme (SAP).
- iii. Deployed PCs and internet access to 193 tertiary institutions in the Tertiary Institution Access Programme (TIAP).

- iv. Deployed 240 IT Centers and 146 Community Communication Centers across the country.
- v. Collaborating with the CBN to drive digital and financial inclusion, using the Post Office infrastructure.
- vi. Deployment of a 10Gbs fibre optic Network to connect Nigerian universities to wider research and education network;
- vii. deployed over 86,000 e-mail addresses for Government on .gov.ng domain names, with 250 websites hosted on the .gov.ng platform and 382 MDAs connected in Abuja and other parts of the country; and
- viii. Locally produced tablet developed, equivalent to the iPad;

To achieve this mandate, the government has established a Presidential committee on broadband strategy to bring the several broadband initiatives into a single national entity. Also, the NigComSat-1R was launched on the 19th of December 2011 with a further MOU signed with STM Networks Inc. to commercialize all Ku-Band on NigComSat-1R. The Ministry facilitated the merger of 3 CDMA operators to deploy one of the first 4G long term evolution (LTE) broadband networks in Africa and saved 2,000 jobs. In the area of connecting Nigerians, the Ministry, in partnership with the National Universities Commission, the World Bank and the TETFund, is in the process of deploying a 10GB fibre optic based network to connect Nigerian universities to the wider research and education universe. The roll out which commenced in the 1st Quarter of 2013 will involve 36 Federal Universities, 28 Off-Campus sites and 12 Medical colleges, whilst Phase 2 will cover State Universities, Polytechnics and Colleges of Education. In the area of connected government, there is an ongoing effort to deploy more comprehensive and integrated use of ICT in government, to provide better response to citizens' demands, improve service delivery and make administration more efficient. Over 382 MDAs are connected in the FCT and other parts of the country with over 86,089 e-mail addresses deployed for government on the .gov.ng domain names, with more than 250 websites hosted on .gov.ng. The Government also attained ISO 27001 certification in information security management ensuring that all Nigerians enjoy quality service in a cyber secure system.

CHAPTER THIRTEEN: EFFECTIVE HUMAN CAPITAL AND SOCIAL DEVELOPMENT

Human capital refers to the stock of competencies, skills knowledge and personality attributes embodied in the ability of labour, which enables it to produce goods and services. The effectiveness of human capital is largely dependent on how well it is developed. This has made human capital development a critical success factor in the Transformation Agenda (TA) of the present civilian administration.

13.0 Developments in Education and Health Sector

In human capital development, education and health remain very critical and have attracted the attention of government since inception. These two sectors have developed robust strategic plans which outlined policies, programmes and projects which are consistent with the aspiration of the government's Transformation Agenda.

Some of the key initiatives and achievements are discussed below.

13.1 Education Sector

A country's ability to remain competitive in a knowledge-driven world is dependent on the development of the right skills at the different stages of human development and education is a key component for achieving this goal. Government places high premium on its people and appreciates their invaluable efforts in driving the economy. It is committed to ensuring that the nation's human resource endowment is knowledgeable, skilled and productive. The education sector therefore is vital in improving the productivity of the citizens through the impartation of the right skills, and empowerment of youths with knowledge at the basic and post-basic levels, irrespective of ethnicity, gender or disability issues. It is also a tool for the proper guidance of the youths through the guidance and counselling framework to enable them make good career choices.

The Transformation Agenda of the current Administration lists the education sector as one of the four priority areas due mainly to the fact that the human assets of over 160 million may indeed become cogs in the wheel of the nation's progress if not nurtured through quality education which transcends schooling to total-person development.

One key area of the sector which serves as the master key to unlocking the future of the nation is the Technical and Vocational Education and Training (TVET). The TVET imparts the needed knowledge and skills to the citizens on the platform of cutting edge technology to enable them contribute meaningfully to mechanized agriculture, natural resource development, the export-based industry and entrepreneurship. To this end, several strategies have been put in place to further TVET both in the formal and informal sectors to grow development through impartation of the proper skills. Some of these include: capacity building on TVET for 1TF staff overseas, rehabilitation of laboratories and work spaces in colleges and tertiary institutions. There has been a sustained effort by the Federal and States

Governments and the private sector in achieving complete access to education at all levels and bridging gaps in basic and post basic education. Other targets include:

- Develop national systems in areas that support coordinated approach to quality education delivery - guidance and counseling, monitoring of learning achievement, quality assurance, teacher development, and education management information system;
- Encourage the effectiveness of institutions that support the delivery of quality education;
- Rehabilitate infrastructure across all levels of education;
- Provide support facilities such as libraries, laboratories, information & communication technology so as to improve the teaching-learning process;
- Provide training and capacity building, motivation to enhance the efficiency, resourcefulness, and competence of teachers and other educational personnel;
- Reviewing school curricula from primary to tertiary level to be on requirements of industry, society and ensuring that the products of the system have the skills to be globally-competitive;
- Promoting Technical and Vocational Education and Training (TVET) at formal and informal level;
- Promoting girls and boy-child education;
- Improving the provision of higher education through open and distance learning;
- Providing special programmes to mainstream the almajiri system into basic education;
- Ensuring the maintenance of standard through regular monitoring and reporting across all levels of education;
- Improving the collection and management of education data to enhance policy and planning;
- Improving academic staff development in tertiary institutions;
- Improving budgetary allocation to education; and
- Improving fiscal responsibility and utilization of funds.

To further actualize the objective of the sector in relation to the Transformation Agenda, Government developed the 4-Year strategic plan. The major achievements in this sector through this plan are grouped in two broad areas of access to affordable quality and standard and quality assurance.

13.1.1 Access to Affordable Quality Education:

The issue of access to affordable and quality education is being addressed through the following interventions:

a. Institutionalization of Early Childhood Care Development and Education (ECCDE):

A One-Year Early Childhood Education programme has been institutionalized as part of the education system. All State Governments are required to establish early childhood centres in all public primary schools. This will provide an opportunity for more children to be captured in the school system, reduce the number of out-of-school

children, as well as take advantage of other important aspects of early childhood education

b. The Almajiri Education Programme

To address the high number of out-of-school children especially the almajiris in the northern part of Nigeria, the Almajiri Education Programme was introduced. The Programme mainstreams the almajiri/quranic system into basic education in three models:

- Integration of traditional Tsangaya/Quranic schools into the formal education system at its original location.
- Model boarding almajiri schools to serve a group of tsangaya/quranic schools.
- Integration of basic education in established Islamiyyah and Ma'ahad schools.
- 124 of these schools are in the final stages of hand over to State governments.



c. National Campaign on Access

The National Campaign on Access to Basic Education has been launched across the geo-political zones to reduce the number of out-of-school children. For the South-East geo-political zone, which is addressing low participation of boys in education, the campaign was launched by Mr. President, culminating in the setting up of a team to address the challenges of boys drop out in schools.

d. Girls' Education Programme

To improve participation of girls in education, the Government has commenced the construction of special girls schools in 13 States of the Federation. This is part of the First Phase of the programme.

e. Establishment of 12 New Federal Universities

To enhance access to higher education and thereby ensure that teeming Nigerians youths are given the opportunity to develop their skills and competencies to help drive diverse sectors of the national economy, twelve new federal universities have been established. This has made it possible for all States of Nigeria to have a Federal

University. The first nine of these institutions have started academic activities and are providing state of the art infrastructure to ensure quality teaching and learning.



Federal University, Lafia



Federal University, Otuoke - Bayelsa State



Federal University, Oye Ekiti

13.1.2 Standard and Quality Assurance

As part of the strategies to address the issue of standards and quality of education, the Government has developed a 4-year strategic plan to address the issue in the 104 unity colleges.

Other key interventions made during the review period include:

- Special funding of education for which over N36 billion FGN Intervention funds were disbursed to the States in 2012 through the Universal Basic Education Commission (UBEC).
- Tertiary Trust Fund (TETFund) provided over N76.7 billion to tertiary institutions for the provision of infrastructure and related facilities. This is in addition to providing N24 billion to 12 institutions on the High Impact Fund to enhance their development to Centres of Excellence.

- The 9-year Basic Education Curriculum has been reviewed to enhance its effectiveness in meeting Nigeria's national goals, while draft Teachers' Guides in the nine subjects and the electives thereof have been developed and are being produced for distribution. In addition, capacity development programmes have been held to enable teachers effectively communicate the curriculum
- A total of 1.967 million instructional materials in 4 core subject areas of english language, mathematics, basic science and technology, and social studies were provided to primaries 1 and 2 pupils. In addition 4.144 assorted Junior Secondary library materials were provided to schools across the country.

Supply of Instrumental Materials to Schools



Federal Government Girls College, Lejja



Federal Government College, Ilorin & Federal Government College, Warri

- 51 Federal and State Polytechnics have been refurbished and equipped with modern laboratory equipment to encourage participation in Technical and Vocational Education and training.



Federal University, Lokoja

- Over 352 science and technical laboratories in the 104 Federal Unity Colleges were refurbished, in addition to providing 62 ICT centres and 40 sets of mathematical kits.



Federal Government College, Lagos & Federal Government College, Kaduna



Mathematics & Chemistry Laboratory, Federal Government Academy, Suleja



Vice President Namadi Sambo and other Dignitaries during the distribution of educational materials to JSS Students

- Scholarships were awarded to over 5000 staff of Nigerian tertiary institutions for doctoral level study, in Nigeria and overseas, in addition to a total of 101 beneficiaries of the Presidential Special Scholarship for Innovation and Development (PRESSID) selected for training in the top 25 universities of the world.



Beneficiaries of the Presidential Special Scholarship for Innovation and Development (PRESSID)

As a result of the sustained implementation of the plan and these interventions, there was an improvement in the performance of students in public examinations in 2012, compared to the 2011. Specifically, 38.81 percent of candidates that sat for the 2012 Senior School Certificate Examination obtained credits in five subjects including English and Maths which is eight percentage points more than the 30.91 percent recorded in 2011. This trend is expected to be sustained.

13.2 Health Sector:

The health sector has made significant improvements in the two years of this Administration. The Federal Ministry of Health, the State and Local Governments as well as our development partners have been steadily working toward reducing the mortality rate and improving access to quality healthcare in the country. In line with the Transformation Agenda, effort is being made to accelerate progress towards achieving the MDGs, especially, the health related MDGs.

To guide the health sector reform, an over-arching compass document that provides broad strategic direction for the health sector, the National Strategic Health Development Plan (NSHDP) was developed in 2010. The NSHDP has 8 priority areas: Leadership and Governance for Health, Health Service Delivery, Human Resources for Health, National Health Management Information System, Partnerships for Health, Community Participation and Ownership, and Research and Development.

In the current Administration, the Action Push Agenda (APA) was initiated to support the priority areas of the NSHDP. It seeks to identify low hanging fruits from the NSHDP, and put in place actions to fast track their implementation to yield quick dividends for the Nigerian populace. The APA is based on six (6) core values. They are action, community, teamwork, networking, outreach, and innovation. Through, NSHDP and APA interventions to improve access to affordable quality healthcare in Nigeria.

13.2.1 Access to Primary Healthcare:

To support the Transformation Agenda and NSHDP's goal, a vision to save one million lives by 2015 was articulated. This represents a major paradigm shift in the approach to service delivery in the health sector. This approach involves moving away from focusing on just inputs, to a focus on delivery and impact. Government launched the Saving One Million Lives (SOML) Initiative in October 2012, for delivery of quality health care services for the underserved through a public/private coalition.

The SOML Initiative also demonstrates Nigeria's commitment to the UN Commission on Life-Saving Commodities' goal to save the lives of 6 million women and children globally by 2015. The UN Secretary General appointed Mr. President as co-Chair of the UN Commission on life-saving commodities, with Prime Minister H.E. Jens Stoltenberg of Norway.



Professor Oshotimehin, Dr. Ado Muhammad, Dr. Muhammad Pate, Mr. President, Ms. Angell-Hansen, and Professor Chukwu looking at Exhibitions during the Launch of the SOML Initiative

Four pillars are critical to achieving this goal: expanding access to basic services, with a focus on maternal, neonatal and child health, including using the SURE-P funds; encouraging the prevention of major illnesses, especially communicable diseases; improving the quality of care in healthcare facilities through better clinical governance; and reviving the private health sector through unlocking its market potential.

Commendable progress has been made in achieving various health outcomes. Most importantly, the SOML Initiative estimates that over 433,650 lives have been saved in 2011 and 2012 through the multiple interventions (MCH, PMTCT, Malaria control, Nutrition, Routine Immunization and Essential Commodities) by the international development partners, in collaboration with Federal MDAs. With this result and sustained increase in health interventions and coverage levels, the country is almost half way to achieving the target of saving at least one million lives by 2015.

Significant progress has equally been made under maternal and child health, resulting in the consistent decline in the maternal mortality rate in the intervention areas. The government initiated programs to address the critical shortages in human resources for health that have been a constraint to scaling up access to care. For instance, under the Midwives Service Scheme (MSS) and SURE-P maternal and child health (MCH) program, a total of 9,243 frontline health workers (4,995 midwives, almost 3,000 community health extension workers (CHEWS) and 1,248 village health workers) have been recruited, trained and deployed to the most underserved communities in Nigeria. In addition, 1,500 primary healthcare facilities have been refurbished and supplied with essential commodities. As a result, in 2012 alone, 1.044 million antenatal care visits were made in the 1,000 MSS facilities across 36 states and FCT, which is a 26 percent increase from the 828,922 reported in 2011. Also, over 141,929 deliveries were carried out by skilled birth attendants, and over 145,990 women attended family planning clinics in 2012.



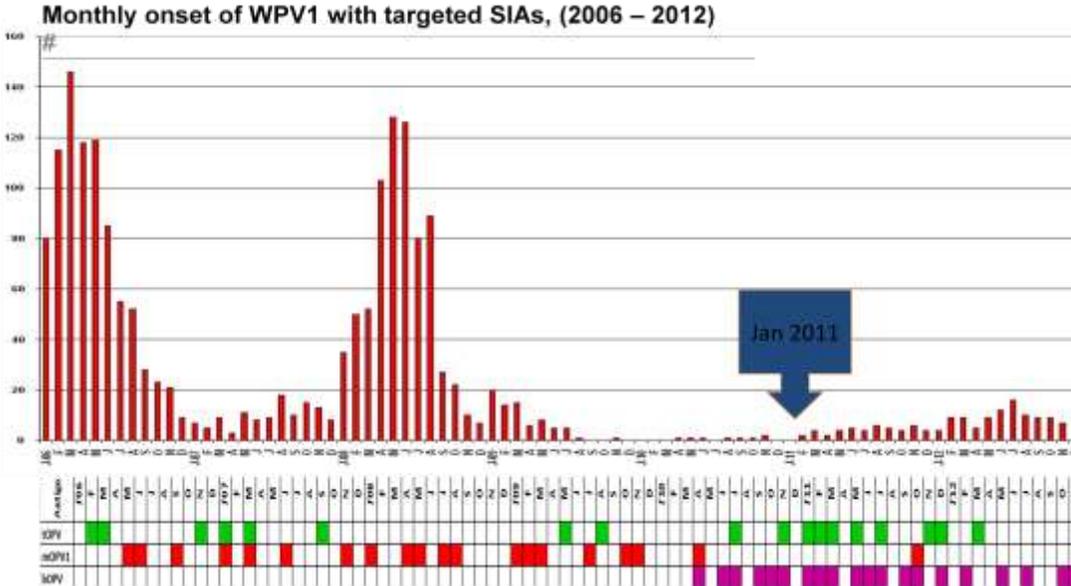
First SURE-P Baby

In recognition of the achievements made by the MSS, it was awarded the Innovation in Government Services and Programmes Award at the Commonwealth Association of Public Administration and Management (CAPAM) held in Delhi, India in October 2012.

The Pentavalent vaccine was introduced into the EPI schedule. This singular vaccine provides the protection against Diphtheria, Pertussis, and Tetanus (DPT), Hepatitis B, and Hemophilus influenza type b (Hib). Thirteen states and the FCT were selected for phase 1, based on their DPT3 performance in 2003, 2006 and 2010 National Immunization Coverage Surveys.

The commitment to polio eradication has begun to pay off. From an average of over 1000 cases annually in 2008, 2009 and this has come down to 62 in 2011, 122 in 2012 and only 8 so far in 2013. In addition, population immunity for wild polio virus Types 1 and 3 has increased year on year by about 25 percent since 2011 (Figure1) .

Figure 13.1: Monthly onset of WPV1 with targeted SIAs (2006 – 2012)



For more than 4 years, there has been no case of guinea worm infestation and we are making all efforts to ensure that Nigeria receives certification as being guinea worm free before the end of the year. The WHO Certification Team will visit the country in June, 2013 to commence the certification process.

Another major focus in the health sector is nutrition. The percentage of children under five that are underweight dropped from 27.1 percent at baseline to 24.2 percent (MICS 2011) in 2012. This shows an improvement in the national status of malnutrition between 2010 and 2012. With the sustained implementation of the SOML Initiative, the donors have invested additional funds and effort to increase the coverage of Community Management of Acute Malnutrition (CMAM). These efforts to combat malnutrition have been in collaboration with other stakeholders, including the Ministries of Finance, Agriculture, National Planning Commission and development partners.

Table 13.1: Key Performance Indicators of the Health Sector Showing Annual Performance and Targets

Performance Indicators	2010 Baseline	December 2011	2012	2015 Target in Transformation Agenda
Number of Lives Saved	-	433,650		1,000,000 (total)
percent change in under-5 children that are underweight	27.1	27.1	24.2	17.9
Under 5 mortality rate per 1000 live births	157	141	158	75
Maternal Mortality: Deaths due to pregnancy per 100,000 live births	545	487	487	136
Increase in total focused ANC attendance in MSS sites		828,922	1,044,863 (26 percent increase)	
Number of Polio virus cases per year	21	62	122 in 2012; only 8 cases in 2013	0
percent of Nigerians covered under any form of health insurance	-	6	7.5	30
Proportion of 1 year old immunized against measles	85	90	75	95
Prevalence of HIV/AIDS infections among 15-24 year olds	4.4	4.1	4.1	3.1
Percentage of children under 5 sleeping under insecticide-treated bed nets	5.5	29		80
TB case detection rate under direct observation treatment short course (percent)	31	45	50 percent	70 percent
TB cure rate	-	84 percent	85.5 percent	85 percent

Government is also implementing a novel quality improvement and clinical governance program to improve quality of care in primary, referral and tertiary facilities. The quality improvement and clinical governance agenda assesses quality improvement through three

principal lenses: patient safety, improving clinical outcomes and enhancing patient experience.

Within the last two years, there has been an unprecedented increase in private sector engagement. Over two hundred private health sector leaders across the healthcare value chain have been engaged and the first ever private health sector summit was convened. The Federal Ministry of Health also partnered with several organizations including PharmAccess, GE Healthcare, the Gates Foundation and the World Bank, each of which is supporting specific projects that promote quality-based accreditation, leadership training and facility benchmarking. Additionally, under the SURE-P Maternal and Child Health (MCH) program, quality improvement is being incorporated as an essential aspect of upgrading the primary care facilities in order to ensure that while there is an increase in demand for MCH services at these facilities, the quality of care delivered is not compromised.



Permanent site of Federal Staff Hospital, Abuja

As a result of the private health sector's potential to expand access to health services, improve quality of care, contribute to Nigeria's GDP (and job creation drive), reduce the financial burden on government and finance additional private sector investment in the health sector, the Government has prioritised "Reviving the private health sector by unlocking its market potential" as one of the four levers for the health sector.

The programme is at its final phase of implementation. It has evolved into five interventions which include fiscal policy (to reduce tariffs and duties on undeserved health commodities), regulatory, access to capital and model investment projects (such as the Abuja Medical Mall/City) to support the growth of the private sector across the entire value chain.

The Government has also set up the Nigeria Private Sector Health Alliance which aims at identifying and mobilising eminent and influential private sector leaders - and galvanize resources to accelerate progress towards achieving the health related MDGs.

13.2.2 Improving Tertiary Healthcare

Government has been upgrading the country's tertiary health facilities to bring them up to international standards. Upgrades include infrastructure development which involves the rehabilitation and equipping of Federal Tertiary Hospitals. There are also ongoing efforts to engage the private sector to build world class hospitals across the six geopolitical zones in the country.



Commissioning of the Federal Staff Hospital Jabi, Abuja by Mr. President represented by the Vice President: L-R - Prof. Onyebuchi Chukwu, China Ambassador, Arc. Mohammed N. Sambo - VP, Dr. Shamsuddeen Usman-Minister, National Planning, Hajia Zainab, Minister-HMWA

In continuation of the modernization of the Federal Teaching Hospitals by the Federal Government to international standards, two additional Hospitals (Obafemi Awolowo University Teaching Hospital, Ile-Ife and the University of Benin Teaching Hospital, Benin City) have been completed, while the Nnamdi Azikiwe University Teaching Hospital and the University of Calabar Teaching Hospital are at advanced stages of completion.

Also planned for upgrading are 6 other Teaching Hospitals, namely: Abubakar Tafawa Balewa University Teaching Hospital, Bauchi, National Hospital, Abuja, Federal Teaching Hospital, Abakaliki, University of Abuja Teaching Hospital Gwagwalada, Irrua Specialist Teaching Hospital, Irrua, Edo and University of Uyo Teaching Hospital, Uyo. Upgrading and accreditation of the four Regional Biomedical Maintenance Training Centres have also commenced.

The Government has continued to ensure that Nigerians get screened for the common cancers, such as cancer of the breast, cervix, and prostate. New centres have been established in 2012 and they are:

- Federal Medical Centre, Gusau.
- University of Port-Harcourt Teaching Hospital, Port-Harcourt.
- National Obstetric Fistula Centre, Abakaliki.
- Federal Medical Centre, Keffi
- Federal Medical Centre, Ebuta Metta
- Abubakar Tafawa Belewa Teaching Hospital Bauchi.

In spite of the improvements made in this sector, the health sector goals will require significant acceleration in program implementation and coverage to be able to achieve the set targets. Effort is being made to increase the retention of healthcare workers, given the security challenges in the affected parts of the country.

The Government will continue to work towards increasing access to healthcare through creative and innovative partnerships and interventions. Meeting the MDG goals for 2015 continues to remain a challenge, but with accelerated effort, tangible results will be produced, to save the lives of mothers and children. To accelerate progress, we will continue to intensify our efforts in the following areas: sustained focus on delivery and outcomes, strong performance management, effective partnership and collaboration at the States and LGA levels, and enhanced citizen and community participation.

13.3 Progress on Human Capital-Related MDGs

Given the importance of human capital in global development, human capital indicators have been included as part of the globally agreed Millennium Development Goals. For instance, goals 2, 4, 5 and 6 focus on primary education and health-related issues.

13.3.1 MDGs Intervention in Education

Nigeria has made significant progress in the achievement of the human capital-related MDGs in the last 2 years. Remarkable increase has been achieved in the area of net enrolment ratio and net attendance ratio in primary education, up from 62.1 percent in 2008 to 70.1 percent in 2012. The literacy rate of 15-24 year-olds, male and female, increased slightly from 64.3 percent in 2008 to 66 percent in 2012 with a gap of 34 percent yet to be achieved, before the end of the MDGs in 2015. The ratio of girls to boys in primary, secondary and tertiary education (per 100 boys) has been surpassed, growing from 76:100 in 2008 to 102:100 in 2012. This shows that elimination of gender disparity at all levels of education has been achieved in Nigeria.

13.3.2 MDGs Intervention in Health

Appreciable progress was made in the reduction of under-five mortality (per 1,000 live births) from 157 in 2008 to 141 in 2011. Equally, the percentage of children under five with fever who are appropriately treated with anti-malaria drug increase from 33.2 percent in 2008 to

54.8 percent in 2012. Nigeria has surpassed the target in the reduction of maternal mortality rate (per 100,000 live births) which dropped from 545 in 2008 to 487 in 2011 and is estimated to further decline in 2012, given the scale-up of health related interventions during the period. This is also consistent with the target of the Transformation Agenda of 273 for 2013. In the area of sustainable development, it was recorded that the proportion of the population using improved drinking water rose slightly from 55.8 percent in 2008 to 57 percent in 2012, with a deficit of 20 percent yet to be achieved, while the proportion of the population using improved sanitation facilities dropped significantly from 39 percent to 33.7 percent, leaving a deficit of 35.8 percent, to meet the MDG target. In this regard, more effort will be geared towards sustainable development, polio immunization, training and deployment of skilled healthcare personnel.

The key challenges that remain include: inadequate funding of projects; late release of budgeted funds; lumping of MDGs funds with MDA's funds, which slows down programme implementation; weak M&E systems; insecurity and natural disasters; and insufficient data and statistics.

The prospects for achieving the Millennium Development Goals (MDGs) on universal primary education, promoting gender equality and women's empowerment, some aspects of environmental sustainability, and developing a global partnership for development are good. However, the goals on poverty reduction, child mortality, maternal health and disease are still providing rather difficult.

Going forward, there is need for increased community participation and improved ownership and sustainability of projects. Collaboration between the MDAs and OSSAP-MDGs would also promote synergy between the three-tiers and various arms of government. The Conditional Grant Scheme (CGS) for the purpose of alleviating poverty among the most vulnerable and absorption of teachers through the Federal Teachers' scheme, should be encouraged further.

13.4 Eradicating Poverty

The problem of poverty and how to reduce it remains the most pressing challenges in sub-Saharan Africa. Poverty is said to be multi-dimensional, consequent on the fact that it can be as a result of lack of technology, lack of education, lack of adequate health services, unemployment, and inadequate data on the nature, sources and causes of poverty, including its intensity and spread.

As part of the Government's effort to arrest the above problems, a Social Protection and Safety Nets programme was designed in the Subsidy Re-investment Programme to protect the vulnerable and to redistribute resources in favour of the poor. In particular, the number of social protection programmes have increased, notably the National Health Insurance Scheme (NHIS), the Contributory Pension Scheme, which has about N3 trillion accumulated capital and contributors spread across the federal and states governments and the private sector; National Housing Fund Scheme, SURE-P, Employee Compensation Scheme, etc. Other social protection programmes include protective social assistance, such as the conditional cash

transfer, targeted at nutrition programmes, education and health waivers, subsidies, and Conditional Grant Scheme.

13.4.1 Job creation

A number of initiatives have been embarked upon to reverse the high unemployment trend. These include The Public Works and Women/Youths Employment (PW/WYE) project, which was launched by the President. The project targets 370,000 jobs across the country in 2011. Similarly, the YouWiN (Youth Enterprise with Innovation in Nigeria) project was launched in October 2011, to provide jobs for 80,000 to 110,000 unemployed Nigerian youths (<https://www.youwin.org.ng/whatisyouwin.php>). The YouWiN Programme is a collaboration of the Ministry of Finance and the Ministry of Communication Technology (MCT). Jobs would be created through businesses created by the 3,600 youths with brilliant business ideas, who are identified through YouWiN and directly supported to realize their entrepreneurial ideas over the next three years. After intensive business development training, the first set of 1,200 potential beneficiaries were selected in March 2012 for grants to start their proposed businesses.

In 2011 the Conditional Grant Scheme in the State and Local Governments recorded a number of key successes. These include, the construction, renovation and equipping of 1,646 health facilities, construction of 4,478 water facilities, a conditional cash transfer to 39,567 households, payment to 2,260 new village health workers, building and renovation of 742 classroom blocks, and procurement of 1,214,271 textbooks, among others.

In 2012, the OSSAP-MDGs extended the Conditional Grants Scheme to Local Government Authorities (LGAs). The expected deliverables are construction, renovation and equipping of a further 1,743 health facilities, construction of 4,507 water facilities, building and renovation of 972 classroom blocks, and the procurement of 1,590,373 textbooks. As agriculture represents one of the target areas of the Office for improving progress against MDG 1, OSSAP-MDGs is introducing the funding of 148 agricultural co-operatives, one in each of the targeted LGAs, the SURE-P, YouWin, Graduate Internship Scheme, CSWYEP, NDE, NAPEP, Microfinance, ATA Financial inclusion, Technology incubation centres, and entrepreneurship development.

13.4.2 Access to Microcredit

The Administration, in its bid to further reduce poverty in Nigeria embarked on other social assistance programmes, such as conditional cash transfers (CCT) or target waivers/subsidies for education or health practiced by a few States. The best form of CCT is Care of People (COPE) which is funded through the MDG-DRG and targeted at the very poor or vulnerable households with children of basic school age. Other CCTs include reduction of girl drop-out as a result of early marriage in Bauchi, Kaduna and Kano States. In many States, while primary education is free, a number of targeted school subsidy and free waiver programmes have been introduced. In the same vein, the Maternal and Child Health Care Programme (MCH) provides free primary health care for children less than five years of age with primary and secondary care for pregnant women until six weeks after delivery.

The 1st NIP target was to reduce the poverty and vulnerability level from 65 percent to 50 percent by 2013. In terms of implementation, however, it is evident that the National Plan of Action (NPOA) did not include specific linkages to national planning instruments. Also, care support and protection services have not been well integrated with other social sector planning e.g. health and education.

13.4.3: Affordable Quality Homes

Shelter is one of the most basic human needs; 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 urbanisation, with nearly 50 percent of the population living in urban areas. The federal government of Nigeria is working towards increasing access to quality and affordable housing to 37 percent of Nigerians, by the end of 2013. The progress recorded so far shows that the sector can exceed this target. Provision of affordable housing is a key performance indicator for the sector. Other indicators are employment generation; development of professional and skilled persons in the housing sector; fixing of land efficiency; as well as provision of policy regulatory services. The Government is also intensifying effort to train artisans to become skilled labourers, so that they can have sustainable jobs.

Provision of affordable housing includes easing the process of acquiring land that can be used for building houses, and creating a separate window for housing players to network. This is a network of participants; governments, banks, development institutions and others. .

The Federal Mortgage Bank of Nigeria (FMBN) achieved remarkable progress in Housing, since the inception of the present administration. The success achieved can be attributed to the reform strategy implemented by the new FMBN management, in line with the Transformation Agenda of the Federal Government. The FMBN-administered National Housing Fund (NHF) scheme has been making gradual impact on Nigerians. The scheme has since funded the building of more than 61,193 housing units in the six geopolitical zones in the country.

The following strategic targets are directed towards providing affordable quality housing to Nigerian's;

- Developing an efficient land administration system to make land ownership available, accessible and easily transferrable at affordable rates
- Providing adequate and affordable housing finance to all Nigerians by developing an efficient secondary and primary mortgage markets;
- Establishing an efficient legal and regulatory framework to enforce the control and monitoring of housing delivery;
- Developing professional and skilled manpower, and building adequate capacity through training and skills acquisition to support the housing sector;

- Reducing the cost of production of houses by developing and promoting appropriate designs and production technologies in housing sector; and
- Adding 10 million new homes to the National Housing stock.

The Federal Ministry of Land, Housing and Urban Development (FMLHUD) report shows that 35.93 percent in 2010, and 35.96 percent in 2011, of the population have access to qualitative, affordable and sustainable housing. Considerably, more effort is needed here, to ensure that a higher proportion of Nigerian's can afford quality homes.

The total number of housing units provided by the FMLHUD rose by 1,407 in 2011 from 7,743 in 2010, as a result of a new initiative of Public- Private-Partnership (PPP).

The key challenges facing the sector include access to finance for house buyers and housing developers, high interest rates and low level of income, high cost of building materials, weak planning/building regulations, high cost of estate infrastructure and lack of skills/capacity. The dearth of finance remains a major factor for the current huge housing deficit in the country.

13.5 Women and Social Development

The main thrust of the National Gender Policy is to promote a gender-sensitive and gender responsive culture in policy planning and national development. A major tool for the required social transformation shall be the system-wide approach of promoting gender mainstreaming and women's empowerment in all public and private sector policies and programmes.

The key achievements include creating awareness on the participation of women in politics and support for women aspirants towards participation as candidates in general elections, creation of a database of women political aspirants, establishment of a women political trust fund implementation of national and international policy treaties, conventions and protocols, such as the Child Rights Act, Gender Policy, Convention on the Elimination of Discrimination Against Women (CEDAW), Rehabilitation Policy, Social Welfare Policy and the dissemination of the OVC National Survey in 3 geo-political zones.

Other initiatives undertaken during the period included: promoting and protecting the rights of children and enhancing their developmental well-being i.e. (i) enhancing awareness and enforcement of protection related legislative and policy frameworks and (ii) raising awareness, preventive activities and response services to address child protection vulnerabilities, in partnership with relevant public service agencies (schools, health facilities, police etc), the justice system, etc. Others include care, welfare, empowerment and protection of the rights of persons with disabilities by provision of aids and appliances, vocational skills training, materials and assistance; promoting gender equality for sustainable development; harmonization of OVC M&E tools and pre-testing in 7 States; and review, domesticating and implementing international and regional commitments/agreements, aimed at advancing the Rights of women, children, PWDs, the elderly and other vulnerable groups.

A significant achievement of the Administration was the increase in women's representation in governance and the attainment of 33 percent Affirmative Action in Federal Appointments at the Executive level, with the appointment of 13 female Ministers out of 42, representing 31 percent and 4 Special Advisers out of 18, representing 23 percent. These appointments, which were made directly by President Goodluck Jonathan, set the stage for the attainment of the Millennium Development Goals (MDGs) target number three on Gender Equity and Women Empowerment.

Another initiative is the construction and equipping of 77 skills acquisition centres across the country, of which 24 have been completed. Installation of equipment is going on 15 out of the 24 centres while 2 out of the 15 centres are fully equipped and awaiting commissioning. These centres, when completed, are expected to reduce unemployment and associated social vices in the society, increase income generation through job creation for women and assist in reducing youth restiveness, especially at the grassroots. It is expected that each skills acquisition centre will train a minimum of 500 women and persons with disabilities per annum.

The National Centre for Women Development has trained of 9,210 women nationwide, from January to December 2012, in the following vocational skills: interior and outdoor decorations, cosmetology and beauty therapy, hair dressing, fashion designing and garment making, etc.

Two micro-credit schemes have been set up to assist women, namely: The Women Fund for Economic Empowerment (WOFEE), in collaboration with the Bank of Agriculture and the State Governments and the Business Development Fund for Women (BUDFOW), in collaboration with the Bank of Industry. The two schemes are revolving facilities with an interest rate of 10 percent. The WOFEE scheme provides group credit facilities to rural.

The policy of assisting the mobility of Persons With Disabilities (PWDs) through provision of various aids and appliances has continued. Five hundred (500) PWDs were assisted and a total of 115 Visually Impaired Persons benefited from skills acquisition programmes from the Nigerian Farm craft Centre for the Blind in Lagos.

The key challenges for the sector include poor understanding of gender issues in the country; non-domestication of international laws, treaties and conventions; inadequate number of professional socio-economic security for women and other vulnerable groups; inadequate physical infrastructure; and absence of specific infrastructure for the physically challenged, among others.

Despite the progress made over the years at both the Federal and State levels to ensure gender equality in all sectoral policies and programmes, challenges that are attributable to patriarchal, deep-rooted traditional beliefs and customs and low level of female involvement and participation in creating change, have contributed immensely to the perpetuation of gender inequality in the country.

13.6 Youths Development

Youths development aims at empowering the Nigerian Youths to become self-reliant and socially responsible, especially in eschewing social vices that are prevalent in the society. The youths in any society are the greatest investment that any country requires for meaningful development. They are the most active segment of the population, whose energies, if properly harnessed, can contribute in no small measure to a nation's economic, social and political development.

The youths population in Nigeria is estimated at over 60 million. They are the largest demographic group and have the potential to facilitate the rapid development of the country. Currently, the state of youths development in the country today is challenging. Youths unemployment is very high and alarming particularly among graduates of tertiary institutions. It is estimated, for example, that about 230,000 NYSC members are discharged annually, with less than 10 percent of them gaining employment.

All these have given rise to high level of crime, militancy and youth restiveness, increasing levels of drug addiction and usage, general breakdown in moral values and norms, a perverse culture of get-rich-quick and a host of other negative dimensions.

A number of initiatives have been embarked upon to reverse the trend. In January 2012, the Public Works and Women/Youth Employment (PW/WYE) project was launched by the President. The project targets 370,000 jobs across the country in the year. Similarly, the YouWiN (Youth Enterprise with Innovation in Nigeria) project was launched in October 2011, to provide jobs for 80,000 to 110,000 unemployed Nigerian youths (<https://www.youwin.org.ng/whatisyouwin.php>). The YouWiN Programme is a collaboration of the Ministry of Finance, the Ministry of Communications Technology (MCT), and the Ministry of Youth Development.

The sector faces the following challenges:

- Insufficient and late release of funds for both administration and provision of infrastructure
- Land availability and other problems associated with land acquisition for building youths centres
- Incoherence in sports policies and programmes
- High rate of uncompleted projects
- Lack of comprehensive and reliable data on the youths and youths NGOs across the country, which poses a challenge for planning
- Limited collaboration with relevant MDAs in addressing challenges faced by the youths.

13.7 Sports Development

Sports touch the hearts of millions of people. They promote national unity and image. An efficient sports system will assist in nation building, provide youths empowerment, wealth creation, employment generation and health and social mobilization. It is obvious that the physical fitness and wellbeing of Nigerians are a function of sports and sporting activities. The expectation from the sub sector is to develop sports to contribute to the growth and development of the Nigerian economy. The overall objective of sports in Nigeria is to become one of the 20 best sporting nations of the world.

The sports sector has a mixed grill of exciting memories and disheartening experiences where at the 2012 Olympics, Nigeria won no medals, and barely 3 weeks after the paralympians had raised the profile to 13 medals; six (6) gold, five (5) silver and one (1) bronze. In football, Nigeria won the 2013 Africa Cup of Nations held in South Africa. In 2012, the 18th National Sports Festival, EKO 2012, held in Lagos State. We recorded the highest number of participants ever in the history of the festival. 11,045 athletes and officials from all the 36 states and the FCT participated. The Falconets made it to the semi-finals of the Women U-20 World Cup in Japan.



President Goodluck Ebere Jonathan with official and players of the 2013 AFCON Team

The Golden Eaglets won silver for the 2013 African U-17 Championship in Algeria. Nigeria won gold and silver medals at the 2012 World Chess Olympiad in Turkey. Nigeria emerged 3rd at the 2012 Senior African Wrestling Championship in Morocco. To improve Nigeria's performance in sports, a Presidential Sports Sector Retreat was held, where a strategic and sustainable sports development and funding plan was fashioned out, to raise a pool of talents and to put Nigeria back on the global sports map. New strategic management activities to enhance qualitative performance were introduced, which included the following: capacity building and early talent detection.

The new, strategic management activities for qualitative performance and mass participation are the capacity building of coaches and administrators, early talent detection and development, policy direction on partnership and collaboration, sports facilities maintenance, central national sports programmes, and national sports performance monitoring and evaluation.

There is a growing awareness of the importance of sporting activities. More forms of competitive sports have been introduced and facilities have continued to be improved and expanded both at the federal and state levels. The idea of a zonal network of federal stadia has been accepted, with locations in Kaduna, Lagos, Enugu and Abuja.

All the federal stadia are not in good shape. Another challenge which still remains in our sports development is the organization of professional sports in accordance with an already accepted governmental policy. There is also the growing neglect of sports as a necessary part of general education in our schools. If it is realized that national heroes in sports invariably emerge from lower levels of the school system, then the importance of regarding sports as an integral part of the learning process at the general educational level becomes rather obvious. Also, school sports has taken a greater stride as many schools are now engaging in sports competition in order to identify talented sports children. Some sports enthusiasts are hunting for talented footballers and they are going to various schools for this purpose.

A National Data Base for coaches in the six geo-political zones has been developed. This is to enable the National Sports Commission (NSC) establish a National Coaches Council. This will serve as a clearing house to co-ordinate, certify/licence, regulate and control the activities of coaches in Nigeria. It will also provide leverage for the selection of our coaches for international sporting engagements, from time to time. Some of the challenges facing the sector, during the period under review are:

- i. Absence of an active base of sports development in educational institutions and the communities
- ii. Lack of both institutional and human capacity for sports development
- iii. Inadequate sports management coordination and administration
- iv. Too frequent changes of sports administrators
- v. Absence of legislative backing to the establishment of the National Sports Commission
- vi. Inadequate corporate support
- vii. Absence of deliberate policy on talent identification and development
- viii. Non-functional database for sports planning and development
- ix. Lack of adequate funding.

Efforts will be made to work closely with the Ministries of Education at both the Federal and States level to ensure that school sports are given increased attention, especially at competitive levels. There should be a new consciousness to encourage successful performance through celebration of national athletes as heroes and heroines by encouraging the States to offer generous educational and health insurance coverage for their athletes, encouraging all governments to create award and recognition schemes for individuals, advocating for

institutional and organizational contributions to sports development, training and talents discovery; creation of a hall of fame for the different sports; and naming of streets, monuments and landmarks after outstanding sports men and women who have brought honour to the country. In future, the sustenance of Nigeria's achievements in sports should be ensured, through deliberate national efforts to develop a comprehensive sports master plan.

13.8 Environment Sector

Environment sustainability is critical to the development of the Nigerian economy and the social well-being of its citizenry. The proper management of the environment has the potential to support the growth and development of the other sectors of the economy. On the other hand, its improper handling can result in poor performance of the economy, in addition to creating serious hazards and threats to human existence and survival. The current Administration is determined to preserve the environment for sustainable socio-economic development, with the following broad objectives: strengthen environmental governance; promote environmental education and awareness and optimize economic benefits from sustainable environmental management.

The key targets of the Government in the area of sustainable environment include:

- The implementation of the National Biodiversity Action Plan will ensure that Nigeria attains the 25 percent vegetation cover and enhance biodiversity enrichment and conservation thereby promoting community livelihood by 2015
- Establishment of 15-row Greenbelt in 8 States - Borno, Gombe, Jigawa, Kano, Kebbi, Sokoto, Yobe and Zamfara (80km in each of the 8 States)
- Presidential Initiative on Afforestation in 11 Frontline States - Adamawa, Bauchi, Borno, Gombe, Jigawa, Kano, Katsina, Kebbi, Sokoto, Yobe, and Zamfara;
- Increase Nigeria's forest cover from the present 6 percent to 10 percent by 2013;
- Reduce environmental pollution related health risks by at least 25 percent by 2013;
- Reduce losses and impact due to flood and draught by 10 percent by 2013; and
- Increase public information, education and participation in environment among 25 percent of the population by 2013;

The Government implemented a number of initiatives in the area of environmental sustainability during the period under review. The key achievements of the sector include the following:

- Development and equipping of 4 numbers of reference laboratories across the country
- Development of National Green House Gas Inventory System and purchase of green gas measurement equipment
- Establishment of a 1500km great green wall in the frontline States
- Acquisition of environmental compliance monitoring equipment and accessories
- Establishment of procedures for Clean Development Mechanism (CDM) and generation of 20 CDM projects in 2012

- Construction of inland erosion control structures in various locations nationwide, to safeguard infrastructure, reclaim agricultural land and protect lives and property which, have reached 50 percent completion
- Construction of flood control structures in various locations nationwide to properly channel flood water basins and safeguard infrastructure, reclaim agricultural land, protect lives and property, which have reached 50 percent completion
- Construction of coastal and shoreline protection structures along the nation's coastline and major waterways in the country, to safeguard infrastructure and protect lives and property, which are 60 percent completed
- Installation of automated and community based Flood Early Warning Systems (FEWS) equipment along the nation's river basins nationwide, for real time forecasting of floods to safeguard and protect lives and property, which are 60 percent completed

Despite the achievements recorded in this sector, the country still faces a number of challenges, which include: land degradation, flooding, drought, desertification, gully and coastal erosion and loss of biodiversity. Other challenges are environmental health and safety, urban waste, pollution, climate change and ozone depletion.

13.9 Labour and Productivity

Industrial peace and harmony as well as enhanced productivity of the citizens in a country are critical to sustained growth and development. They facilitate production and enhance competitiveness, thereby providing employment and export for any economy. Nigeria's labour force has continued to grow, in line with the growth in population and natural age-specific transition in the economy. The country is currently facing the challenges of unemployment and social exclusion, that are traceable to issues of labour and productivity. Although sustaining and improving upon the recent expansion in economic activity is important, strengthening both forward and backward linkages among the sectors is a more critical requirement for pro-poor growth and poverty reduction. This has been highlighted in the Transformation Agenda.

The strategic goals for Labour and Productivity during the period are:

- promoting industrial peace and harmony;
- facilitating social security and safety nets;
- creating high quality job opportunities; and
- promoting occupational safety and health protection of the workforce and infrastructure.

The key targets of the sector include:

- i. Create one million jobs annually

- ii. Develop skills and competencies of the work force by 10 percent annually by the year 2020
- iii. Expose 50 percent of students to Entrepreneur Development Programmes
- iv. Develop 74,000 to 100,000 new entrepreneurs annually
- v. Reduce annually the spate of industrial actions in the nation by 25 percent
- vi. Curb unfair labour practices emanating from casualization at an annual rate of 10 percent
- vii. Reduce the number of factory accidents and injuries by 10 percent annually
- viii. Increase the number of regular inspection of work places nationwide and enforcement of labour laws by 10 percent annually
- ix. Provide skills upgrade to 10 percent of informal operators per year
- x. Achieve 20 percent conversion rate from informal to formal businesses annually

The key achievements of current Administration in the area of labour and productivity include:

- i. Completely and successfully resolved 96 disputes representing 85 percent of the 213 trade disputes apprehended during the period, while 17 of the disputes representing 15 percent were pending at various stages of mediation, conciliation and arbitration, at the National Industrial Court;
- ii. Trained 3,126 persons in long term, basic education programmes, including the National Diploma in industrial relations, to enhance workers' career aspirations and progression;
- iii. Established relations with 10 international agencies globally for collaboration on labour and industrial relations matters;
- iv. Increase of 40 percent in the number of research and publications done by Micheal Imodu National institute of Labour Studies (MINILS), as a result of improved training in research;
- v. 5,337 persons benefited from education from labour agencies, leading to a 57.4 percentage change in education development in labour issues and also resettled 1,639 skilled beneficiaries, leading to a 16 percent change in the number of skilled persons successfully resettled;
- vi. Obtained approval for all FEC contract awards to mandatorily indicate the local employment content. This has led to the generation of about 198,534 jobs nationwide as at April 2012;
- vii. Established National Electronic Labour exchange, to enable the generation of accurate statistics of jobless youths for proper employment policies and planning. As a result, the Ministry of labour and Productivity has already recorded a total of 6,952 or 97.53 percent registration of the number of applications received from public and private employment agencies;
- viii. Issued 150 new recruiters licenses;
- ix. Conducted skills acquisition training for 139,371 employed candidates in vocational, technical and agric trades and provided entrepreneurial skills acquisition training for 75,640 tertiary students and artisans;

- x. Provided 4,379 soft loans to set up micro and cottage enterprises and 3,255 transient jobs for graduates of tertiary institutions;
- xi. Offered 53,925 employment counselling services to the unemployed at various job centres;
- xii. Constructed three agric skills training centres in Jigawa, Zamfara and cross river States and rehabilitated 10 agric skills training centres in Abia, Ebonyi, Kaduna, Benue, Oyo, Kwara, Taraba, Delta, Ogun and Kano States.
- xiii. Construction of 9 MDG/NDE skills acquisition centres in each of the three Senatorial Districts in Akwa Ibom, Ondo, and Nasarawa States;
- xiv. Commenced the construction of 10 model skills acquisition centres which are at various stages of completion in Katsina, Sokoto, Yobe, FCT, Delta, Anambra, Rivers, Kwara, Ekiti and Oyo States;
- xv. Trained a total of 276,820 persons under the various programmes of the NDE, during the period under review;
- xvi. A total of 9,409,259 persons benefited from various social security payments by the Nigeria Social Trust Fund (NSITF), in the areas of compensation for death, injuries, mental stress, occupational disease, etc;
- xvii. Established Enugu State Office of National Productivity Centre, bringing the number to 11 offices; while the construction of the office in two other States of Abia and Akwa Ibom are under consideration;
- xviii. Validated the National Policy and Action Plan on the elimination of the worst forms of child labour in Nigeria, in December 2011 and
- xix. Conducted 6,522 inspections of work places across the country during the period under review. This resulted in the investigation of 72 accidents, issuance of 10 prohibition notices, and prosecution of 3 cases, among others. This led to a significant drop in the number of man-days lost due to industrial accidents, injuries and sickness, during the period under review.

Given the recent economic crisis experienced globally, particularly concerning employment, labour related crises increased in Nigeria during the period under review. As a result, the number of trade disputes apprehended increased by 88.5 percent from 113 in 2011 to 213 in 2012, which posed a greater challenge to government-labour relations during the period under review and resulted in increased resistance from organized labour.

The Government is, however, committed to improving labour and productivity related issues in Nigeria. The FEC has already granted approval for the development of the National Action Plan on Employment Creation (NAPEC) that would be incorporated into the national development plan and is aimed at creating approximately five million jobs yearly, in the short run. The Government has equally formulated a National Policy on Productivity, aimed at stimulating and institutionalizing productivity culture and consciousness in both the public and private sectors of the economy. In addition, the Government is increasingly adopting a greater human face, in dealing with labour related issues, to enable effective communication and information sharing, as the bedrock of social dialogue with stakeholders.

13.10: REGIONAL DEVELOPMENT

Regional Development is a core objective in the NV 20:2020 and TA. Critical issues such as promoting sustainable development of the regions and environment degradation, erosion, soil leaching, landslides and desertification are paramount.

The Niger Delta and Federal Capital Territory (FCT) are two of the critical institutions under this sector. The present administration has committed itself to the full implementation and sustenance of the FCT and Niger Delta master plans.

13.10.1: FEDERAL CAPITAL TERRITORY

Initially intended to house diplomatic missions, ministries, the headquarters of the civil service, and the three branches of the federal government, namely executive, legislative and the judicial, all three rooted at the foot of the impressive Aso Rock. Its design provided for a four phase development with the city divided into sectors, and further sub divided into districts. It was projected that each sector would accommodate between 100,000 and 250,000 people. Thus the city would have a population of 1.6 million people and a total of 3.1 million people at the end of phases one and two.

The Federal Capital Territory Authority is set up to effectively manage the administration of the FCT and is expected, among other things, to provide critical infrastructure, various services to the FCT residents, wealth creation and poverty reduction, ensure safe and secure environment, etc.

The FCTA through its provision of critical infrastructure, has been able to reduce the travel time within the FCT as the travel time between the Airport/Kubwa to the city is now 30mins and the rate of accident has reduced by more than half.

In the provision of critical infrastructure the FCT Administration has been able to create employment opportunities for skilled and unskilled labour to about 57,600 persons. The FCT also has been able to provide access to 5,824 commercial and residential plots in Jahi, Wuye, Kagini, Maitama extension and katampe Districts of the Federal Capital City, in addition to providing ready access to about 2,300 plots for development of building structures in Kubwa, Bwari and Karshi satellite towns.

There has been continuous installation of solar powered road studs (1,313 installed), delineators (1,050 installed), solar warning lights (20 installed), anti-glare curtains (1,800 installed) on major roads to regulate human and vehicular traffic. Also, three bus operators have been licensed for high capacity operations in the city. NURTW (40 buses), AUMTCO (200 Buses) and FABREM (60 Buses) have started operation in the daily movement of people. In the provision of taxi services four operators (NURTW, PAT, Print Field, and City Cab) provide regular taxi services in the FCT.

In the area of Transport services the FCT Administration has been able to achieve the following:

- 10 percent reduction in accidents on the roads
- About 1,200 jobs were created through Rail Project, on street parking and operators licenses for buses and taxis
- 65 percent reduction in traffic congestion
- Easy movement of goods and services
- Improved security on the highway
- Reduction in traffic congestion
- Orderliness and free flow of traffic

The gross school enrolment ratio in the FCT is at 27.5 percent for ECC, 64.1 percent for primary, 67.9 percent for secondary and 44.0 percent for the senior secondary, all surpassing its set target for each category. However, the retention rate for FCT is 97.7 percent for primary, 98.2 percent for junior secondary and 96.2 percent for the senior secondary category; which is impressive though not meeting up with its set target of 100 percent for all categories. The pupil/student ratio has also been impressive as FCT was able to achieve 1:24, 1:19 and 1:14 for primary, junior and senior secondary respectively with all categories having a uniform target 1:35. The examination pass rate for JSCE is 94.4 percent surpassing its target of 91.6 percent while for WAEC and NECO, the pass rate is 38.2 percent and the target is 21.0 percent.

The Under 5 mortality rate per 1000 live births in the FCT has improved as the mortality rate is 150/1000 doing better than the target of 170/1000. Also, the maternal mortality ratio per 100,000 live births is 211/100,000 showing an improvement from the 2010 and 2011 ratio of 378/100,000 and 375/100,000 respectively. The FCTA equipped 500 youths that went through vocational training skills, rehabilitated and empowered 300 physically challenged, economically empowered 1000 women, and reduced social menace within the FCT by 45 percent. For all these, the FCT surpassed its entire target on these services. The population with access to potable water supply in the rural area has improved when comparing the previous years. For 2012, it supplied 63 percent of the population, though not able to meet its set target of 68 percent but surpassed its 2011 achievement of 42 percent.

The FCT administration created 3,220 jobs for 2012, through empowering communities but did not meet up with the set target of 6,000 jobs. Also, 4207 youths and women trained under skills acquisition programmes which surpass its set target of 2,997.

- Inadequate funding and budget appropriation
- Infrastructure deficit as a result of over stretching of infrastructure
- Increasing rate of influx into the city

Government will intensify efforts in the areas of infrastructural provision for the satellite areas; resettlement of people from the urban to the satellite towns; development of an economic framework for each national council like Abaji for inland port, Bwari as an educational town etc. and sanitation for the whole FCT.

13.10.2: NIGER DELTA

The Niger Delta region is of significant importance to the national economy being the oil and gas base of Nigeria. Unfortunately, past development planning efforts had failed to adequately address the region's needs due to implementation lapses. In order to ensure sustainable development in the area, Government is intensifying action on proper coordination of efforts of all stakeholders towards the realization of NV 20:2020 objectives of bringing peace and stability to the region and significantly enhances the living standards of the people.

The security of the Niger Delta region has really improved since the inception of the present administration, as there had Interventions through organised security and consultative meetings to sustain peace and security in the region; this has helped to increase oil production from 700,000 bpd to the current 2,500,000 bpd.

The Ministry of Niger Delta Affairs is providing training opportunities for the youths in the Niger Delta. In the past year, a total of 704 youths have been sent for training, abroad and locally, in various fields of endeavour, including agriculture, petroleum engineering, commerce, tourism, and maritime studies.



In the Niger Delta region there has been a visible improvement in the provision of infrastructures in the region in terms of roads, housing, potable water supply, electrification, etc. Construction and rehabilitation of roads are currently in progress, in the region, to enhance the movement of people, goods and services within the region. For example, work is

progressing on the East-West Road which is now at halfway into completion and remaining 50 percent completion. Also, construction is on-going in respect of eleven (11) other roads projects which have achieved more than 22 percent completion and among them are:

- a. Re-construction of Elele - Owerri Road,
- b. Obehia-Azumini-Ukanafun Road, Abia and Akwa - Ibom State
- c. Obehia-Azumini-Ukanafun Road, Abia and Akwa - Ibom State, Sec II
- d. Re-construction of Benin Abraka Road, Phase I
- e. Construction of Orhorbor - Odurubuo, Kpakama- Bomadi Road Phase I, Gberegolor-Ogriagbene Road, Delta State
- f. Rehabilitation of Okpuala - Iguruta Road, Imo and Rivers State



In reducing the housing shortage in the region and to provide affordable houses to the inhabitants of the region, the present administration is constructing a total number of 360 housing units across the 9 states which are at 55 percent completion.



Housing Scheme

Ministry of Niger Delta Affairs

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The administration has embarked on the construction of Skills Acquisition Centres in the 9 States at various stages of completion and this is aimed at training youths in the various sectors of the economy including Oil and Gas, Tourism, Construction, Marine and Agriculture/Commerce. In line with this 701 non-militant youths have been trained locally and overseas - 314 in Oil and Gas, 270 in Maritime, 90 in Agriculture.

Also, the Government through the Ministry of Niger Delta Affairs, has contacted eleven (11) major companies in the Oil and Gas for either permanent employment or on industrial attachment basis. Likewise, the Nigerian Maritime Administration and Safety Agency (NIMASA) have been contacted to place all the youths trained in Maritime Studies on industrial attachment on board sea-going vessels. There is also a Niger Delta Collaborative Development Framework (NDCDF), a comprehensive and coherent programme investment in the social and public sectors of the various communities of the Niger Delta. All these are aimed at reducing unemployment especially among the youth by keeping them gainfully employed.



Status of the Skills Acquisition Centres

Ministry of Niger Delta Affairs

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In its effort to improving the living standard of the Niger Delta inhabitants', effort has been made to provide 37 communities with potable water and electricity supply. Water supply and Electrification projects are also ongoing in the following locations.

- a. Idoro - Eaten - Itam Water Project, Akwa-Ibom State
- b. Owerri Urban Water Scheme
- c. Water project at Ukparam, Ondo State
- d. Ubane Utanga Water Project, Cross Rivers State
- e. Electrification Project in Khana LGA, Rivers State
- f. Electrification Project in Eleme, Rivers State
- g. Eri Electrification Project, Cross Rivers State
- h. Electrification - Peremabiri - Ogbokiri in Akassa, Bayelsa State.

Government is carrying out the Implementation of Environmental Management and Protection Projects, which include the land reclamation and erosion control works project at:

- a. Kurutie, Gbaramatu Clan, Warri South LGA, Delta State (71 percent completion);
- b. Idumuje - Unor Erosion Control Project, Delta State (70 percent completion);
- c. Igonton - Igbanke and Oyomo/Okhelen-Awo Road, Uromi, Edo State (85 percent completion);
- d. Ibakang Nsit - Ikot Ekpo - Unyene Road, Nsit Attai in Akwa - Ibom State (48 percent completion); and
- e. Essien town - Ekorinin Community, Cross Rivers State - (35 percent completion).

Also, for erosion control and improved transportation the canalization of Odobou - Ogbobagbene Creek, Burutu LGA, Delta State is ongoing; it is at 30 percent completion. In addition, to the efforts towards land reclamation and erosion control there is ongoing consultancies for thirteen (13) land reclamation/shoreline protection/erosion control projects which is at 70 percent level of completion.

Similarly, studies on the remediation, rehabilitation and restoration of thirty-three (33) Oil impacted sites in the Niger Delta is 100 percent completed; and so far the Remediation, Rehabilitation and Restoration of the Oil Impacted Site at Stubbs Creek, Eket, Akwa-Ibom State - 26 percent completion.



PRE- PROJECT CONDITIONS

Eroded land to be reclaimed - 6Ha
 Drains to be constructed - 9km

PROJECT DELIVERABLES

Eroded land reclaimed - 6Ha
 Drains constructed - 9km





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Land Reclamation and Erosion Control at Ibakang Nsit-Ikot Ekpo-Unyehe Road, Nsit Attasi LGA, Akwa Ibom State Nsit Attai LGA, Akwa Ibom State



Land Reclamation / Erosion Control at Essien Town – Ekorinim Community, Cross River State



Work In Progress Photo No 1: Land Reclamation At Essien Town



Work In Progress Photo No 2: Culvert Construction At Essien Town



Current Status Photo 1: Constructed Drains At Essien Town



Current Status Photo 2: Reclaimed Land With Culvert To Drain Water

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Furthermore, the administration has signed a Memorandum of Understanding (MOU) with OSTIM of Turkey to facilitate the establishment of Industrial Parks in each of the region. Each Park will comprise 5,000 SMEs to manufacture and produce goods and services in over 100 sectors of the economy. The Industrial Parks will employ thousands of Niger Delta youth in addition to other multiplier effects.

CHAPTER FOURTEEN: ENSURING SECURITY AND SAFETY OF LIVES FOR ALL NIGERIANS

The primary duty of any Government in a world of startling change remains the security of the country and its people. Security impacts directly on all facets of human endeavor and plays a crucial role in governance, economic development and the welfare of the society in general. It also involves providing and maintaining internal surveillance and the territorial integrity of the nation and ensuring that safety of lives and property is guaranteed. It is in this context that the Transformation Agenda of this Government places great importance on building modern, well-equipped and well-motivated security agencies that are capable of protecting the citizens internally and defending the country's territorial integrity.

The approach to the management of security is multi-sectoral, as it involves several security and intelligence agencies. In Nigeria the offices involved are the Department of State Service (DSS), National Intelligence Agency (NIA), Defence Intelligence Agency (DIA), Nigerian Police Force (NPF), Nigerian Armed Forces (NAF), and other para-military organisations. The key goals of these agencies are to prevent crime and protect lives and property, uphold and enforce the law, control traffic and prevent external aggression.

Other specific goals of the sector are to:

- i. shore up the capacity and capability of the law enforcement agencies, with a view to responding promptly to national security emergencies.
- ii. ensure that the lives and property of the people are guaranteed against victimization from both external and internal threats and attacks, in all places and at all times.
- iii. ensure socio-economic well-being and peaceful coexistence for all citizens, with increased attention to human rights protection.
- iv. reduce crime and other social vices.
- v. enhance the operational and infrastructural capacity of the security services.
- vi. enhance the training and retraining of security personnel.
- vii. strengthen research and development by the security training institutions and the development of new technologies.
- viii. ensure accurate and timely delivery of intelligence, through an efficient, reliable and proactive information system.

14.1 Safe and Secure Community

In order to have a safe and secure nation, there must be safe and secure communities within the country, with focus on security agencies responsible for maintaining law and order

particularly the Nigeria Police Force. The key strategies adopted by Government to improve the safety and security of Nigerians includes:

- enhancing funding for the operational and infrastructural capacity of the security services;
- enhancing funding for training, retraining and staff welfare; and
- improving public confidence in the Nigerian Police.

The key achievements in the area of maintaining a Safe and Secure Community include:

- I. The Police Ports Authority Command and the Inland Waterways Formation were merged to pave the way for the establishment of a Maritime Police Command. The Command is charged with the responsibility for maintaining law and order and providing adequate security in the nation's ports and harbours. It is also charged with the task of tackling contemporary security challenges such as armed robbery, piracy, kidnapping, gun running and other related crimes in our creeks, harbours and territorial waterways;
- II. Increase in the number of police stations across the country to improve access by the populace. An Anti-Terrorism Unit has also been established in the Nigeria Police to curb the increasing incidence of terrorism in the country;
- III. Training of 42,772 officers and men in the areas of crisis management in 2012. This represents 327.72 percent increase above the 10,000 target for 2012 and 751.18 percent above the 5,025 in 2011. In addition, the Nigerian Police Academy in Kano has been upgraded to a degree awarding Institution;
- IV. Procurement and equipping of operational vehicles to address the current security challenges. In this regard, three helicopters, 275 toyota hilux pickups and 33 Armoured Personnel Carriers (APC) were procured for the Police in the first quarter, 2013;
- V. recovering of large quantities of illegal arms in various locations across the country;
- VI. Installation and deployment of over 2000 video surveillance cameras (CCTV) in Abuja and Lagos, with 36 nos equipment rooms and two main switch centers, in 2012.
- VII. Video conferencing systems were established in 36 commands, national Headquarters and the Ministry of Police Affairs to enhance intelligence gathering and communication among the various commands, while e-Police and Coalition Emergency Response Subsystems (CERS) were delivered in 37 commands. This has led to a drop in the number of reported crimes in the country by 94.7 percent from 177,271 recorded in 2011 to 9,343 in 2012;
- VIII. Emergency response time improved to 15 - 20 minutes in 2012 from 20 - 25 minutes targeted for 2012 and 25 - 30 minutes witnessed in 2011; and
- IX. Significant progress has been made in the area of funds generation through other sources. The NPF generated funds from donors, private sector partnerships and internally generated revenue to the tune of N7.872 billion in 2012 alone or 490.47 percent of the N1.605 billion target in the same period.



President Goodluck Jonathan Lunching Helicopters, APCs and operation vehicle to police during 2013 police week

Despite these achievements, death due to violence increased marginally from 1,046 in 2011 to 1,091 in 2012, falling short of the 800 planned target and also higher than the 756 recorded in 2010. This can be attributed to the bombings and socio ethnic violence recorded in parts of Borno, Plateau, Kaduna and other Northern parts of the country.

To further combat the rising menace of terrorism and violent crimes, the Government plans to procure additional helicopters to cover the remaining States, during 2013 and 2014. Similarly, about 2,000 security operatives have been earmarked for training in anti-terrorism, with a view to combating terrorism activities in Nigeria, particularly the insurgency in the North. Community policing is also being encouraged to ensure friendly, fairer and firmer interactions between the police and the public. Effort is also being made to guarantee citizens increasing access to justice (the law and the courts), with or without the intervention of lawyers, by simplifying proceedings, strengthening the law and encouraging the use of alternative dispute resolution mechanisms.



Marine Police Boat mounted with long-range guns and Police APC

Efforts are being made also to ensure sustenance of policies and strategies in addressing internal security challenges through the implementation of key initiatives in the sector; procurement of modern security equipment and facilities, capacity building, effective collaboration within the security services and the development and implementation of a performance based monitoring system for Nigerian Police operations. Others include: the development of a National Policy on Public Security and Safety, expansion of the scope of coverage of Community Policing, as well as enhancing intelligence gathering, to strengthen the capability of the police in foiling activities of criminals and insurgents.

14.1.1 Safe and Secure Nation (Internal Perspective)

Over the years, external threats to the country's security have been minimal. However, internal security has posed a significant challenge, especially in the areas of internal conflicts, notably religious and ethnic violence; terrorism; kidnapping; political violence; and pipelines vandalism. In addition, the illegal movement of small arms across the country has fuelled violence and crimes. These have had a negative effect on the country's image and development as they have contributed to the perception of Nigeria as a risky investment destination.

The strategic objectives of the Government in the area of safe and secure nation as outlined in the Transformation Agenda include:

- development and implementation of a comprehensive, effective and efficient crime prevention and control strategy;
- improvement in the administration of justice, enhancement of social justice and enhancement of national security; and
- strengthening of the relevant security services to respond effectively to emergencies and national and man-made disasters.

The key achievements in the area of maintaining Safe and Secure nation (internal perspective) include:

- I. Decrease in prison congestion, as result of the reduction in the percentage of recidivism by convicts. This is largely attributed to the rate of increased training of inmates on vocational skills as the number of inmates trained increased slightly, from 515 inmates in 2010 to 519 in 2011;
- II. 50 inmates at various prisons in Nigeria currently undergoing National Open University of Nigeria Programme while 20 prison officers are currently serving outside the country on United Nations peace keeping mission;
- III. Establishment of new fire stations and installation of automatic fire alerts, as well as the training and re-training of officers in modern trends of combating fire outbreak and rescue operations. This has reduced the average response time to fire incidents from 40

- minutes in 2010 to 30 minutes and 25 minutes in 2011 and 2012 respectively. Equally, the number of lives lost during fire and emergency related situations dropped by nine percent from 288 lives in 2010 to 262 and 186 in 2011 and 2012 respectively;
- IV. Procurement of 240 pairs of fire resistant jackets, trousers, helmet and boots, 110 self-contained breathing apparatus, 25 hand-held mobile radio and two terminal imaging equipment all in a bid to ensure safety of firefighters in Nigeria;
 - V. Increased provision of patrol infrastructure and gadgets leading to improvement in the patrol presence of the Federal Road Safety Commission (FRSC) for every 20km stretch of road from 131km in 2010 to 106km in 2011. This has led to a reduction of Road Traffic Crashes (RTC) from 5,217 in 2010 to 4,765 in 2011;
 - VI. Reduction in the average time taken to process e-passports, from 48 hours in 2010 to 36 hours in 2011 and 2012, as a result of the deployment of modern equipment and staff training by the Nigeria Immigration Service (NIS);
 - VII. Reduction in the number illegal immigrants in the country as a result of the repatriation as well as denial of entry for those that do not have proper documentation. For example, 5,768 illegal immigrants were repatriated in 2011 as against 3,254 in 2010 representing a 77 percent increase;
 - VIII. Control of illegal immigrants through closure of some borders in Borno and Yobe States, resulting in the refused of entry of about 10,401 Nigeriens, Beninians, and Camerounians, amongst others, were while 8,337 Nigerians were repatriated in 2012;
 - IX. Initiated the construction of Structured Border Control Plazas in the 84 regular/legal or officially identified entry routes in Nigeria, resuscitation of two of the three aircrafts of the NIS for border patrols and electronic Passenger Registration System (ePaRs) is being extended to land borders for audit trail of passengers;
 - X. Continuous screening of persons crossing Nigerian borders and apprehending suspected human traffickers leading to the arrest of 60 suspected human traffickers who were handed over to NAPTIP for prosecution in 2012;
 - XI. Installation of International Civil Aviation Organization Public Key Directory (ICAO-PKD) Global Platform at all Nigerian international airports to provide the authentication of Nigerian e-passport and other electronic Machine Readable Documents (MRTD) of other countries;
 - XII. Approval of a new visa policy that allows notable businessmen (frequent travelers) and top management staff of Multinational organizations to be issued entry visas at points of entry. Similarly citizens of countries with which Nigeria has visa agreements are being issued entry visa at points of entry;
 - XIII. Increase in the number of registered private security agencies to complement the effort of the government in ensuring the security of lives and property, to 607 in 2011 from 278 in 2010. This represents an increase of about 118 percent over the previous year and has led to the creation of jobs for teeming Nigerian youths;
 - XIV. Reduction in the incidence of pipeline vandalization from 6,815 in 2010 to 6,015 and 4812 in 2011 and 2012 respectively. This represents a decrease of 11 percent and 20 percent reduction in 2011 and 2012 respectively due to increased surveillance of pipeline facilities, rigorous sensitization campaigns on the effect of pipeline

- vandalization to the public as well as recruitment, training and re-training of officers of the Nigeria Security and Civil Defence Corps (NSCDC) on anti-vandalization activities;
- XV. Automation of citizenship, business permit and expatriate quota administration leading to faster and timely processing of application;
 - XVI. Completion and furnishing of the passport complex annex in December 2012 and the completion of a block of 18 one bedroom flats as junior staff quarters as well as access roads and drainage at the Senior Staff quarters at the Immigration Service Headquarters in Sauka Abuja;
 - XVII. Completion of library/ICT centre and a block of 8 numbers 2-Bedroom flats at service Headquarters in Abuja; 10 rooms hostel at immigration training school, Ahoada, Rivers State and passport office at Alausa, Lagos;
 - XVIII. Completion a storey block for 212 inmate at Kano central prison, a story building for 136 inmate at Aba prison, and a storey cell block at Kaduna prison (90 percent completion), drug compounding laboratory (92 percent completed), and prison barracks hospital (over 95 percent completion);
 - XIX. Completed 101 units of two and three bedroom flats for senior and junior staff in prison village, Abuja; and
 - XX. Completion of block of 6 units of 2 bedroom flat, administrative block and indoor sporting complex at Sauka Abuja and a story building administration bloc and 36 units of 1 bedroom at Katsina by the Nigerian Security and Civil Defence Corps.

A number of challenges to internal safe and secured nation still remain, however. Traffic crash fatalities per 100,000 population increased from 4 to 5 persons between 2010 and 2011. The incidences of pipeline vandalisation, sporadic attacks on security outfits, kidnapping and other violent crimes were also of great concern to the Government.

To reduce fire related loss of lives and property, the Government is making effort to develop a National Fire Academy to enhance the capacity of the Fire Service personnel. Also, it will intensify effort towards the procurement of firefighting equipment, enforcement of the National Fire Safety Code, establishment of a Fire Disaster Response Centre in the 6 Geo-political zones and embarking on enlightenment campaigns on fire related issues, as well as the establishment of automatic fire alert systems in all public and private premises.

The Government will also continue to provide and maintain adequate operational equipment, recruitment, training and re-training of personnel to equip the FRSC with 21st century skills and competence in managing road traffic activities. Rehabilitation of all Nigerian roads and provision of road infrastructure to minimize the rate of road accidents will also be accorded priority. Aerial surveillance equipment for the monitoring of movement of passengers across the country would be procured to secure Nigeria's borders.

14.1.2 Safe and Secure Nation (External Perspective)

The constitutional roles of the Armed Forces are primarily to loyally defend and protect the sovereignty, territory and people of Nigeria against external aggression. Their secondary role is to assist the civil authorities in maintaining law and order, whenever necessary. The Government has further developed the National Defence Policy to facilitate the actualization of the set roles, in line with the Transformation Agenda.

The key goals in the area of a safe and secure nation (external perspective) are:

- enhance funding for the operational and infrastructural capacity of the security services;
- strengthen the Research and Development (R&D) facilities of the security training institutions for optimal innovation and development of new technologies;
- the Defence Industries Corporation (DICON) to produce all the small and medium arms and equipment for the defence and security services by 2013.
- delivery of accurate and timely intelligence, through an efficient, reliable and proactive information gathering system.

Nigeria’s external contribution to world peace and security, especially in Africa has been remarkable. In this regard, the armed forces of Nigeria (AFN) are participating in nine United Nations on-going peace keeping operations, within and outside Africa.

- I. Construction of an indigenous armoured personnel carrier through a team of Nigeria Army electrical and mechanical engineer personnel at reduced cost and recently commissioned by Mr. President in Kaduna as well as refurbishment of 7 number shilka anti-aircraft guns in kachia by the Nigerian Army electrical and mechanical engineers;



<p>MR PRESIDENT AT THE COMMISSIONING OF NEWLY CONSTRUCTED ARMY INDIGENOUS APC</p>	<p>Refurbished Shilka Guns</p>
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- II. Establishment of Nigeria Army Dog Centre at Ipaja, Lagos;



Commissioning of Na War Dog Centre

- III. Refurbishment of 36 SCORPIO Combat Vehicles Reconnaissance (Tracked) and 36 MOWAGS APC located in Bauchi;
- IV. Acquisition of 8 K-38 boats introduced to complement the Nigeria Army in fighting economic and violent crimes in Calabar;
- V. Rehabilitation and construction of Barracks across the country through direct labour such as Goodluck Jonathan Barracks in Ohafia, Abia State and Kuje Barracks in the FCT;



K-38 Boat



Rehabilitation and construction of barracks

- VI. Fabrication of locally made electric target range
- VII. Acquisition of 115m multi-purpose frigate formerly United States Coast Guard Cutter (USCGC) CHASE, now christened Nigerian Navy Ship (NNS) THUNDER. The ship was commissioned by the First Lady of the Federal Republic of Nigeria on 19 January 2012. Government also commissioned the first locally built Seaward Defence Boat, NNS ANDONI by Nigerian Naval Dockyard on 1 June 2012;



LOCALLY MADE ELECTRIC TARGET RANGE



NNS THUNDER

- VIII. Laying of keel for the construction of the second Seaward Defence Boat by the President, Commander-in-Chief of the Armed Forces of the Federal Republic of Nigeria on 1 June 2012 and Acquisition of 2 Shaldag Boats increasing the number of Shaldag Boats in the NN inventory to 3;
- IX. Acquisition of 2 Offshore Patrol Vessels (OPVs) from Chinese Ship Building Company. About 40 percent totalling N10 billion has been paid by the Federal Government out of the total cost of N24 billion for the 2 OPVs. The balance has been captured in the 2013 Budget. Construction of one tugboat by Nigerian Naval Shipyard, Port Harcourt;



MR PRESIDENT APPENDING HIS SIGNATURE ON THE KEEL OF THE SECOND SEAWARD DEFENCE BOAT



ONE OF THE 3 SHALDAG BOATS RECENTLY ACQUIRED BY THE NIGERIAN NAVY ON PATROL

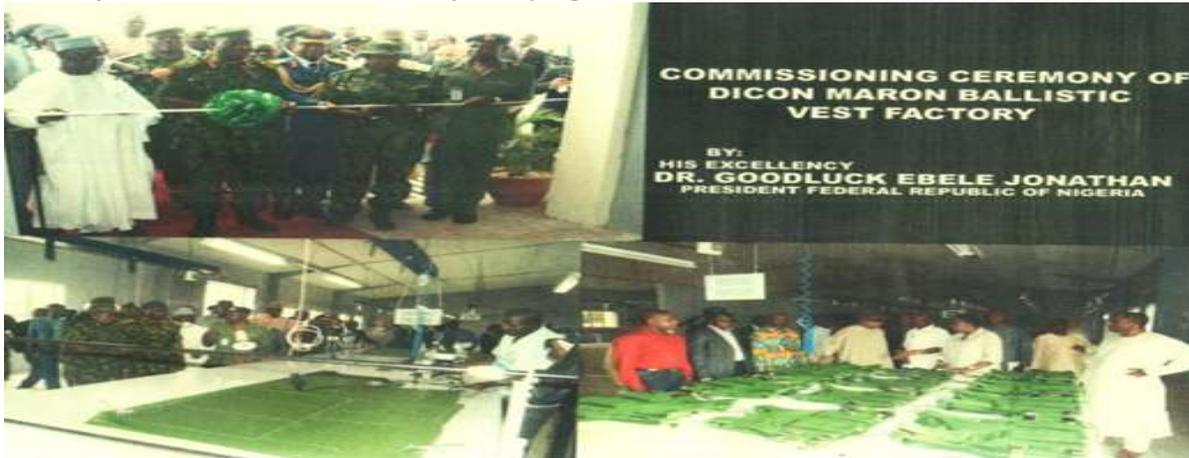


Computer impression of the OPV ordered from China by Nigerian Navy

A tugboat under construction at Nigerian Naval Shipyard Port Harcourt

- X. Successful hosting of a multinational maritime exercise code-named Exercise OBANGAME EXPRESS in March 2012 off the coast of Calabar;
- XI. Initiated Operation Prosperity in September 2011 to check the increasing level of piracy, hijacking and illegal bunkering along Republic of Benin and Nigeria waters. The operation has helped to reduce criminality along the border leading to increased commercial maritime activities in the area. The operations include EX FARAUTA in 11-18 NOV 2012 and EX FARAUTA which took place in the gulf of Guinea from 11-18 Nov, 2012. Over 12 ships were interrogated but only 3 were arrested (AEGAN HORIZON, ANDROSSA and Eney 6503);
- XII. The Nigeria Navy maintained presence at sea for 8 days and tested command, control and communication system of Nigerian ships as well as sustain its logistic support. After FARAUTA, the operations command carried out 3 days exercise each at the following areas: IDIKARA - Eastern Naval Command, ICHUNTA - Western Naval command and SAITU DOPAMO - Central Naval Command;
- XIII. Streamlining of NN clearance to oil marketers thereby forestalling duplication/scam in the oil subsidy regime and Establishment of the Naval Standards and Evaluations Branch and provision of requisite infrastructure for the Branch.
- XIV. Reactivation and upgrade of the dialysis centre at naval medical centre, Victoria Island, Lagos and successfully conducted the 2012 fleet evaluation exercise code-named Exercise FARAUTA, a 7 day exercise to clamp down on oil thieves;
- XV. Periodic depot maintenance on C-130H aircraft NAF 918 by Messrs Marshall Aerospace of Cambridge and conduct of PDM on another C-130H, NAF 913 Messrs SABENA at Ikeja in conjunction with the NAF AETSL is currently.
- XVI. Reactivation of two additional Alpha jet aircraft by the NAF through AETSL, an indigenous aeronautic company owned by the NAF resulting in substantial reduction in the cost of PDMs.
- XVII. Successful installation of the A-jet engine test bench and training of NAF personnel on its operations.
- XVIII. Development of the first indigenously designed and built Unmanned Aerial Vehicle (UAV) in Nigeria. The UAV named AMEBO has been modified up to the current third version AMEBOIII
- XIX. Rehabilitated of a total of 14 Barracks nationwide including 492 number Family Units for Men, 8 number Family Units for Officers and 2 number Access Roads in Ogoja and Onitsha, 30 number family Units for Senior Non-Commissioned Officers 8 number family Units for Officers, NAFRC Oshodi and Games Village, Esa Oke (2 Barracks)

- XX. Adoption of PPP initiative by DICON resulting in the establishment of DICON-Marom in partnership with Marom Dolphin Nigeria Limited, for the manufacture of ballistic vests and other protective wares as well as repair of night vision goggles. The new factory was commissioned by Mr. President on 2 July 2012 as shown in the enclosed pictures. So far, DICON-Marom has supplied 2500 ballistic vests to DHQ among other achievements. DICON is also considering proposals for the establishment of a production line for the Kalashnikov rifle as well as local manufacture of armoured personnel carriers and troop carrying vehicles.



Currently, about 5000 officers and men of the Nigerian armed forces, along with relevant in military hardware, are deployed in peace keeping missions including:

- XXI. 1592 AFN personnel in the UN mission in Liberia since 2010, with other personnel serving in the Mission as Staff Officers and UN military observers;
- XXII. A level two hospital in Darfur, Sudan in support of the AFN mission, manned by 63 Nigerian Military medical experts;
- XXIII. 186 AFN personnel in the ECOWAS mission in Guinea Bissau were deployed in 2012 as part of the military intervention force to restore normalcy to the troubled West African country. The Nigerian Government provides about \$10 million annually in logistics and financial support to the military in Guinea-Bissau, as part of its effort in conflict prevention in the sub-region;
- XXIV. Establishment of a multi-national Joint Task Force, a tripartite operation involving Nigeria, Chad and Niger Republic to flush out Chadian and Nigerien insurgents who operated in the lake Chad region and to contain cross-border banditry and criminal activities by the rebels around the international borders. Also, the task force is to checkmate the influx of illegal arms into the country;
- XXV. 137 officers and senior non-commissioned officers were deployed to eight on-going UN missions to monitor the Syrian crisis; among others; and
- XXVI. The level of local production of ammunition and weapons by the Defence Industries Corporation of Nigeria (DICON) improved slightly from 30 percent in 2010 to 35 percent in 2011, with a similar trend in 2012.

In spite of the recent policies, projects, and programmes aimed at enhancing security in the country, certain key issues and challenges remain. For example, inadequate research and

development institutions to pursue specific national security goals have hindered the achievement of strategic outcomes related to security. The existence of a weak military-industrial-complex for the manufacture, maintenance as well as administration of operational equipment is also a major constraint.

The Government is already addressing these security challenges. Effort is being made to strengthen DICON to carry out its mandate of producing all small and medium arms and equipment for the defence and security services. The service of the military is being enhanced through the planned establishment of a Joint Maritime Training Centre. In addition, equipment for the disposal of Improvised Explosive Devices (IEDs) would be procured to counter the spate of terrorism in the country. Equally, the borders would be adequately secured to minimize the influx of immigrants from neighboring countries. The Government has established an amnesty committee to dialogue with the members of the Boko Haram as a way of ending the insurgency in the Northern part of Nigeria. Also, effort is being made to sustain the implementation of the Niger Delta amnesty programme.

CHAPTER FIFTEEN: STATE GOVERNMENTS

The Nigerian constitution gives autonomy to the three tiers of government, namely Federal, State and Local. To achieve national growth and development, concerted and joint efforts are required of these three. Therefore, the Federal Government can only achieve its national aspirations by collaborating with the states and local governments.

15.1 Relationship with State Governments

The current administration has improved and maintained a cooperative, synergized and harmonious relationship with the other tiers of government, since inception. It has equally encouraged the States to formulate and implement policies and programmes in line with the Vision 20:2020 and the Transformation Agenda. Collaborative efforts among all tiers of government have also been made towards addressing pertinent issues militating against effective intergovernmental relationships through a number of interventions and initiatives. Through these interventions, the Federal Government has put in place frameworks to deliberate on issues that are of critical concern to the nation. These include:

- i) The National Council of State, a constitutional body chaired by Mr. President with membership, among others, by former Presidents and Heads of State and all the 36 State Governors provides the highest consultative body on a number of critical national issues;
- ii) The National Economic Council (NEC), a constitutional mechanism established to provide for consultation and joint decision making between the federal and state governments on economic development matters;



- iii) National Economic Management Team (NEMT) was set up as an economic advisory body of Federal Government, Private sector and State Governors representatives for facilitating policy decisions of national interest;
- iv) National Council on Development Planning (NCDP), a policy body that takes decisions on planning and development issues of mutual interests between the Federal and State Governments represented by the Honorable Minister of Planning and State Commissioners for Planning;
- v) The Joint Planning Board (JPB), the technical arm of the NCDP has its membership extended to relevant Federal MDAs, private sector and development partners;

- vi) Federation Account Allocation Committee (FAAC), a body for revenue sharing among the three tiers of government for the purposes of implementing policies, projects and programmes; and
- vii) Other national councils on Agriculture, Education, Works, Environment, Power, Water Resources, Trade & Industry, etc, are also platforms for the federal and states officials to consult and take decisions on matters affecting their respective, statutory mandates.

The cordial relationship among the Federal and State Governments has resulted in tremendous achievements during the period under review. Prominent among them are:

- i. Establishment of a Sovereign Wealth Fund to replace the Excess Crude Account (ECA) through a decision reached at NEC;
- ii. All tiers of government benefit from the gains of the partial removal of oil subsidy in the SURE-P. This has provided funding for critical infrastructural projects and social projects;
- iii. Encouragement of sub-national governments to establish statistical agencies, leading to the passage of laws to this effect in over 20 States as at end-2012;
- iv. Approval for the adoption and institutionalization of the National Monitoring and Evaluation framework and performance management system at the States;
- v. Establishment of a joint Federal-State monitoring and evaluation Task Force to verify Federal agricultural and water projects as well as Tertiary Education Trust Fund projects in 2012. This led to verification of projects, identification of needs, assessment of impact and development of strategies to complete uncompleted projects;



Team 3 Inspection of Adani Irrigation Project



The Team with Contractor at the Greater Onitsha water supply scheme



Monitoring of TETFund Projects across the country

- vi. Active partnership among the Federal and State Governments in the computation of States' GDP, in close collaboration with the National Bureau of Statistics (NBS), NPC and NISER;
- vii. The approval of a National Housing and Urban Development Policy and endorsement of the framework for the Development of the National Integrated Infrastructure Master plan (NIIMP) 2014 - 2043;
- viii. Joint endorsement of the National Tax Policy and Tax Payers Identification No. (TIN) to improve tax collection and remittance.



State Gross Domestic Product computation flag-off in Niger State

Although, much has been achieved in intergovernmental cooperation in the country under the current Administration, a number of challenges still exist, including the lingering dispute between the Federal and State Governments on the management of the Excess Crude Account (ECA).

The government is intensifying efforts at promoting the cordial relationship with the State Governments, to address the challenges, especially those pertaining to enduring efficient, transparent and accountable governance. The mechanisms already put in place would help achieve effective implementation of resolutions by all tiers. The Federal Government will continue to guarantee that the constitutional roles and rights of each tier of government are respected and upheld.

CHAPTER SIXTEEN: THE PRIVATE SECTOR AND INTERNATIONAL DEVELOPMENT PARTNERS

Private actors and international development agencies are important partners to achieve the socio-economic goals of any country. While harnessing initiatives and investment of actors in the private sector is needed for achieving the social and economic goals of a country, the international development partners are necessary for development assistance in key areas, involving financial and technical assistance. Private sector investment in competitive markets has high potential for productivity growth, productive job creation, and poverty reduction.

On the average, private sector operations create around 80 percent of all economic activities and jobs in most emerging economies of the world. Therefore, private investment and initiatives in basic services, infrastructure and innovation can help provide the basic services and conditions that empower poor people by improving health, education, and infrastructure. Similarly, the international development partners cooperate with government in implementing its national development priorities and agenda. Thus, both the private sector and the international development partners serve to complement government efforts, in its drive to achieve national goals and aspirations.

16.1 Role of private sector in the transformation agenda

The prominence accorded the private sector in the realization of the Transformation Agenda and the NV 20:2020 derives from the belief that the sector has high potential for delivering on those programmes and projects that will lead to a fast-paced economic growth and transformation. For instance, out of the total expected investment of ₦25.7 trillion over the life of the TA, the private sector's contribution is projected at ₦11.1 trillion or 43.1 percent for 2012-2015 (see Table 16.1). This further reinforces the importance of a private sector-led, growth strategy in further accelerating the growth momentum in the country.

Table 16.1: Structure of Gross Investment at Current Market Prices (₦ b), 2012 - 2015

	2012	2013	2014	2015	Total (2012- 2015)	Per Annum	percent of Total
Gross Investment	5,231.59	6,045.39	6,782.02	7,615.16	25,674.17	6,418.54	100
Public Sector Investment	3,138.95	3,385.42	3,797.93	4,264.49	14,586.80	3,646.70	56.82
Private Sector Investment	2,092.64	2,659.97	2,984.09	3,350.67	11,087.37	2,771.84	43.18

Source: NPC

Other roles of the private sector include:

- Mobilization of domestic resources that will promote wealth creation and serve as a catalyst for job creation;
- Mobilization of private direct investment;
- Promotion of innovation and expanding the knowledge economy, through investment in R&D;
- Engagement in public-private partnerships in critical national projects;
- Promotion of staff exchange programmes between private and public institutions to enhance public sector efficiency; and
- Provision of feedback to the public sector.

16.1.1 Binding constraints on the private sector

The existence of a number of binding constraints limits the effective performance of the private sector to achieve its full potential in complementing government development policy efforts. Thus, despite the sustained, high and broad-based growth recorded during the period and the contribution of the private sector to this, the lack of conducive business environment remains a dampening factor. Other challenges are: inadequacy of legal, regulatory and institutional frameworks for investment in some sectors; poor infrastructure and business logistics, especially inter-modal transport infrastructure; high cost and unstable power and energy supply, leading to high overhead costs; cumbersome land titling and administration practices that constrain the optimisation of land as a factor of production; high domestic public debt, which tends to crowd out private sector borrowing, thereby undermining real sector growth; security threat to lives and property; multiple taxation; high cost of capital and inadequate term lending; and skills mismatch between education system and industrial needs.

16.1.2 Government support to the private Sector

The Federal Government under its Transformation Agenda has outlined various strategies to improve the business climate for the private sector and open up the sector to private engagements. For example, the reform in the banking sector engineered by the Central Bank of Nigeria (CBN) reinforced the culture of risk management and macro-prudential supervision with a view to instilling private sector confidence in the financial system. In order to further stabilize the banking sector. Other reforms of the sector include enforcement of full information disclosure and good corporate governance. In addition, the CBN intervened in the banking sector by creating AMCON to enhance solvency in the sector and increase credit to the private sector. Other initiatives include various sectoral schemes aimed at promoting SMEs and SME finance, power and airline intervention funds worth N300 billion entrepreneurship development centres and national financial inclusion strategy.

In the area of insurance, the gaps identified in the regulatory process are being addressed. Through several initiatives, the gaps in the regulatory process have been bridged through guidelines issued, thereby improving regulatory oversight and ensuring in-depth analysis of financial reports. The Government is also undertaking comprehensive reform of the pension

system, that would further make available financial resources for private sector use and deepen the financial system.

To strengthen the private sector in the real estate sub-sector, the Administration is opening up the mortgage sector, particularly mortgage financing. A Mortgage Refinance Company (MRC) has been proposed to assist in resolving the financing gap. This is expected to be a public-private partnership (PPP) arrangement, involving both local and foreign partners. A takeoff capital of N5 billion has been pledged by the government to deliver on this initiative. The Government has also negotiated financing agreements totaling US\$ 12 billion to support the real sector. Other interventions currently being developed and strengthened include industrial policy, trade policy, tariff policy, financial development and inclusion policy, and SME development policy.

The Infrastructure Concession Regulatory Commission (ICRC) has been strengthened for effective implementation of the PPP framework. Henceforth, projects to be approved for implementation by MDAs must be validated by the ICRC, to ensure that are economically viable projects were handled by the private sector. The Administration has also approved the setting up of PPP Units in all Government MDAS.

Other critical roles of government in providing the enabling environment for the private sector development are:

- promoting and projecting Nigeria as a safe, profitable and investment friendly destination;
- proactively introducing policy/reforms designed to improve Nigeria's business climate and global competitiveness;
- substantially removing legal and administrative barriers to doing business in Nigeria;
- diversifying FDI from oil and gas to non-oil sectors at an annual minimum of US\$5 billion;
- targeting and attracting FDI into critical priority sectors of the economy: Infrastructure, Agriculture, Solid Minerals, Manufacturing and Tourism and Hospitality;
- encouraging innovations that ensure effective utilization of resources for economic growth;
- taking advantage of bilateral, regional and multilateral integrations to expand Nigeria business abroad;
- facilitating access to loanable funds at single digit for the industrial/manufacturing sector of the economy;
- providing a predictable, consistent and level playing National Investment Policy, to enhance the competitiveness of the business environment;
- proactively providing competitive and attractive incentives to attract private sector into industry, especially manufacturing value chains, agriculture, mining and construction
- encourage private investment through Public-Private-Partnerships for the execution of infrastructure projects.

16.1.3 Outcomes of government support for the private sector

As a result of the CBN's interventions aimed at improving private sector confidence in the financial system, the net foreign assets of the banking sector increased substantially from N6.5 trillion at end of December 2010 to N9.3 trillion at end of March 2013. The Net Domestic Assets increased from N5.0 trillion at end of December 2010 to N6.0 trillion at end December 2012 and N6.2 trillion at end March 2013. In addition, the Net Domestic Credit to the economy rose to N15.4 trillion as at end March 2013 from N14 trillion as at end December 2012 and N8.7 trillion as at end December 2010.

The capital market has also witnessed improvement, with the All-share Index (ASI) increasing from 24,770 to 27,330 and 28,078 in 2010, 2011 and 2012, respectively. Market capitalization increased significantly from N7.9 trillion in 2010 to N10.6 trillion in Q1, 2013. Foreign Direct Investment increased significantly in 2011 by 46.07 percent to US\$8.91 billion from US\$6.10 billion in 2010 despite the global economic crisis. International home remittances of workers in 2012 were valued at US\$21.9 billion as at the end-December 2012 against US\$20.5 billion in 2011 with Nigeria ranking 4th globally in terms of worker remittances behind China, Bangladesh and Egypt.



President Goodluck Jonathan Chairing a session on investors' forum during the 17th Nigerian Economic Summit

Given that the responsibility of governance is the concern of all, government requires the active participation of the private sector to be able to achieve its objectives. Public-Private Partnerships (PPP) will continue to receive prominence by this Administration. In this regard, the Infrastructure Concession Regulatory Commission (ICRC) will be further strengthened to ensure the effective delivery of its mandate. The Government will intensify effort to address the security challenges which affect investments, and also deal with the issues of multiple taxation, high cost of doing business and inadequate power supply, among others.

16.2 Role of International Development Partners in the Transformation Agenda

International development partners play a crucial role in the economic development of countries by complementing domestic efforts. They participate in the development of national strategic plans and collaborate with civil society organizations to provide additional avenues to influence local and community programmes development. The international development partners have been supportive in the area of providing the needed financial and technical assistance to enable the government achieve its set goals and objectives of the Transformation Agenda. Notable among the partners are: The UN System, European Union, World Bank, IMF, African Development Bank, Japan International Cooperation Agency, German International Cooperation, UK Department for International Development, Canadian International Development Agency and the United States Agency for international Development.

A review of the activities of IDPs indicated that aggregate disbursement of development assistance to Nigeria during the period 2010 and 2011 stood at USD2.76 billion representing an annual average of 0.59 percent of GDP and 12.6 percent of the Federal Government budget. This also represents a disbursement rate of 50.09 percent. The social sector accounted for 82.02 percent, while the real/productive and physical infrastructure sectors accounted for 4.57 percent and 1.43 percent respectively. Most of the interventions were channeled to the Human Capital Development and Governance sectors.



Hon. Minister NPC Dr. Shamsuddeen Usman Signing the UN corruption fund with EN country Director for Nigeria



Hon. Minister NPC Dr. Shamsuddeen Usman Signing the Trans Euro Gas pipeline with EU

The international development partners have increasingly recognized the critical importance of the private sector in developing the economy, which has led to the increase in the flow of credit to the private sector from IDPs. The bilateral economic cooperation with other countries has brought about immense benefits to Nigeria through different programmes/projects implemented in different locations in the country. The country is also engaging in Joint/Bi-National Commissions with many other countries.

Other critical roles of government in providing an enabling environment for the IDPs are:

- i. Inaugurating the Government-Partners consultative forum under the coordination of the National Planning Commission. The forum meets bi-annually to discuss issues of mutual interest with respect to development assistance to the country
- ii. Review of Official Development Assistance Policy to take account of the identified gaps in the implementation of ODA programmes. This is consistent with the Paris Declaration, Accra Plan of Action and Bussan Declaration
- iii. Develop a Development Assistance Database (DAD) to effectively coordinate and monitor the activities of the partners

To enhance coordination with the work of the development partners, the Administration will further strengthen the development assistance coordination process and sustain the implementation of Development Assistance Database (DAD). The Government will also encourage the partners to align their assistance programme frameworks with Nigeria's medium and long-term development agenda.

CHAPTER SEVENTEEN: OUTLOOK AND PROSPECTS OF THE NATION

The nation's economic outlook and prospects in the medium term remain very bright and positive, despite continued uncertainty and sluggish global economic recovery. The trends in most macroeconomic variables show that the economy is on the right path to sustained growth and transformation. Deepened reforms in various sectors of the economy, strong domestic demand, increased domestic and foreign private investment, continued fiscal consolidation, and innovative sectoral and activity-specific government interventions and reforms are expected to support economic growth and prosperity in the next two years. Conversely, a weak external environment, insecurity resulting from the continued threat of terrorism, and negative effects of climate change are some of the events that could pose a threat to the good outlook and prospects of the economy and could act as a drag on growth and prosperity. Therefore, there are upside and downside risks whose interactions would determine near term developments in the economy.

The Government's continued implementation of the diverse reforms in the economy is expected to further sustain the economic growth momentum, diversify the economy and strengthen the non-oil sector's contribution to economic growth. In particular, the ongoing reforms in the power, petroleum, financial and banking, and other sectors and activities that are at very advanced stages, would further relax the constraints on the private sector to enable it play its leading role in job and wealth creation and poverty reduction. For example, the power sector reforms have begun to show visible results in the form of improved power generation and access for both industrial and domestic uses. This promises to reduce the cost of doing business, thereby improving the international competitiveness of the economy.

The unemployment situation is expected to improve in the medium term, resulting from the implementation of the several sector-specific initiatives aimed at further boosting real sector activities. One of the most prominent of these is the ATA, with high potential for job creation through commercial agriculture and the development of value chains in rice, sugar, cassava, wheat and cocoa. Also pertinent to job creation is the Commercial Agriculture Credit Scheme (CACS) and Nigeria Incentive-based Risk Sharing System for Agricultural Lending (NIRSAL), with the latter focusing on providing a risk sharing mechanism in support of agricultural lending. Other among government initiatives in the areas of agriculture, manufacturing and power infrastructure are expected to further unleash the potentials of the economy to create additional jobs to meet the demands of the economy.

The prospects for increased labour-intensive manufacturing are bright and would complement the agricultural sector in job creation. This stems from the size of Nigeria's ready market that remains attractive, given the increased number of the middle class, coupled with the incentive structure provided by the NIPC, the Textile Intervention Fund, the Local Content Development Policy, buy made-in-Nigeria campaign, banking sector revival through AMCON and several other initiatives. In addition, a number of tax and import duty waivers, import substitution measures, intervention funds for SMEs will continue to have a positive impact on labour-intensive economic activities. As these activities gain momentum, the economy is

expected to witness phenomenal evolution that would transform the lives of rural dwellers through improved job creation and wealth generation.

The Government's commitment to continue direct spending on priority infrastructure development projects would further improve the current state of infrastructure in the medium term. Dogged implementation of the power roadmap and rehabilitation and upgrade of existing power plants are expected to result in improved power generation. Also, significant government investment in transmission infrastructure is expected to boost transmission and enhance distribution efficiency. The commitment to developing an intermodal transport system would further improve transport infrastructure.

Additional infrastructure development initiatives that include the Gas Master Plan (GMP), National Transport Master Plan (NTMP), Rail Master Plan (RMP), Energy Master Plan (EMP) and National Integrated Infrastructure Master Plan (NIIMP) would consolidate the gains made so far and further increase infrastructure development opportunities.

The recent performance of Nigeria as the best foreign investment destination in Africa holds high promise for the country as a global investment choice, which is expected to continue in the medium-term. In addition, the good performance of the country's Eurobond and the high global appetite for it is a demonstration of the confidence foreign investors have in the Nigerian investment opportunities. As the reforms in the power, petroleum and other sectors deepen, more foreign investment is expected to be attracted to these and other promising sectors of the economy.

The restored confidence in the capital market through government interventions and the resultant good performance of the market are expected to be consolidated to further attract private foreign investors as evident in the country's improved sovereign credit rating. The recently proposed amnesty for the Boko Haram insurgency and the declaration of a State of Emergency in Borno, Yobe and Adamawa States are expected to drastically improve the security situation. Moreover, the CBN policy on foreign exchange rate management that has significantly stabilized the exchange rate would further dampen exchange rate risk and increase foreign investment inflows.

However, the delay and uncertainty surrounding the passage of the Petroleum Industry Bill (PIB) could serve as a major clog in the country's ability to attract foreign investment in the medium-term. This is especially so because investors may be postponing their decision to commit financial resources until they are certain about the new mode of engagements in the sector. Another major downside risk to foreign investment attraction is the lingering state of insecurity and acts of terrorism in some Northern parts of the country.

The country's fiscal position and recognition as a role model in building buffers to guard against financial vulnerabilities and withstand economic shock are expected to continue in the medium-term. The take-off of the Sovereign Wealth Fund in 2013, continued build-up of the country's foreign reserves that is enough to cover almost one year of imports, adherence to the Fiscal Responsibility Act 2007, continued restructuring of expenditures in favour of

capital expenditures, and several other fiscal consolidation initiatives would further stabilize and improve Nigeria's fiscal position.

On the downside, the high oil prices witnessed in recent years may be threatened by possible prolonged weak recovery in the global economy, especially in the Euro Zone that could lead to reduced demand for, and fall in the price of oil. The discovery of shale oil and high investment in alternative energy in the USA and other developed countries could further reduce demand for crude oil. This could induce significant fall in foreign exchange earnings, external reserves and fiscal revenues.

The current single digit inflation rate is expected to be sustained. Maintenance of government commitment to addressing the structural factors causing inflationary pressure is expected to have positive effects on reducing inflation and inflation expectations. For example, the implementation of the ATA is expected to improve the country's food security position and address the most important driver of inflation - food prices. The outlook for key macroeconomic variables in the medium term is set out in Table 17.1 below

Table 17.1: Outlook of the Key Macroeconomic Variables up to 2015

ACTIVITY SECTOR	2012	2013	2014	2015
Overall GDP Growth (revised) (percent)	6.58	7.2	7.84	7.63
Change in Deflator (percent)	1.69	2.08	1.89	1.98
Real GDP (N' billion)	888.89	952.89	1,027.60	1,106.01
Nominal GDP (N' billion)	40,544.10	44,367.31	48,747.60	53,507.20
Inflation Rate (Annual Average percent)	12.2	9.44	9.35	10.6
Gross Investment (N' Billion)	3,138.95	3,385.42	3,797.93	4,264.49
Private investment (N' Billion)	2,092.64	2,659.97	2,984.09	3,350.67
Federal Government Investment (N' Billion)	1,339.99	1,780.73	1,997.71	2,243.12
State and Local Governments (N' Billion)	1,487.86	1,604.69	1,800.22	2,021.37
Federal Government Revenue (N' Billion)	3,561.02	4,812.10	5,256.17	5,770.06

The public debt outlook presents at a low risk of debt distress and is expected to be stable and sustainable over the medium term. The continued implementation of the fiscal consolidation objective of the TA is expected to further reduce domestic borrowing, thereby allowing the private sector better access to domestic financial market financing. The medium term Debt Management Strategy recently approved by the Federal Executive Council is aimed at restructuring Nigeria's debt reducing the cost of borrowing and giving greater access to domestic and other funding sources to the private productive sector of the economy.

The revival of the financial and banking sector through the AMCON intervention and other capital market initiatives have served as major stabilizers of the sector and are expected to further continue playing this role. The banks are now healthier, with improved balance sheets and increased lending to the private sector and, productive sectors of the economy. The improved financial intermediation resulting from this would further improve domestic financial resource mobilization for long-term investment. It would also further improve the health of the financial sector.

A downside risk to a vibrant banking and financial sector and its ability to play its role in domestic resource mobilization is increase in the lending rates, as a response to the monetary authority's tightening of monetary policy aimed at containing inflationary pressures.

The outlook for the business environment is very promising and will continue in the near term. The various infrastructure development initiatives would significantly reduce the cost of doing business and further facilitate foreign investment and general business operations. The government is currently engaging in an assessment and review of the Nigerian regulatory framework, with a view to streamlining the functions of the regulatory agencies and realigning their functions. This would help evolve improved strategy, framework and policy for better regulation that ensures adequate protection of public interests, without stifling investment and growth in all socio-economic activities.

The effort of the government in addressing the problem of multiple taxation hold high promise for an improved business environment, in the near and long term. The competitiveness of the economy would continue to improve in the medium term as the works of the Competitiveness Council progresses. The benefits of these efforts are being felt and becoming more obvious, with Nigeria being ranked among the 50 economies narrowing the distance to the frontier the most, since 2005. This implies that the country is not very far from the best performance achieved by any economy on each Doing Business Indicators, since 2005. It is therefore necessary to intensify the implementation of the doing business reforms in the medium to long term.

The cordial relationship between the Executive and the Legislature, on the one hand, and the Executive and the State Governments, on the other is expected to be maintained over the medium term. The maintenance and strengthening of the various fora for interaction between the Executive and these two important stakeholders in the polity would further create a

conducive atmosphere for peace and progress. The downside risk to this outlook is a possible heat up in the political space, as the tempo of political activities in anticipation of the 2015 elections is expected to rise in 2014. In spite of this risk, however, the Jonathan Administration will continue to focus on the key goal of advancing the growth and development of the country.

The outlook for the state of security in the country is promising and is expected to continue to improve. As the Committee established to address the security challenges in the northern part of the country progresses in its work, it is expected that the challenges of insecurity and acts of terrorism characterizing parts of the area would drastically reduce. The recent declaration of a State of Emergency in Borno, Yobe and Adamawa States is also expected to have a dowsing effect on the security challenges in the particular States and the North as a whole. In addition the recent acquisition of state of the art equipment for security agencies and promise to deliver same to all States of the Federation would contribute in no small measure to addressing the security challenges in the country. Further efforts being made to consolidate the gains from the Niger Delta Amnesty Programme would reinforce these initiatives to improve national security.

The passage of the PIB in the foreseeable future would serve as a boost to the oil and gas sector and holds high promise for a positive outlook in the sector. This would encourage foreign investment, local participation and improve returns to the country from its oil resources. On the contrary, the delayed passage of the PIB would continue to cast a shadow over the sector, aggravating the state of uncertainty in oil and gas-related activities.

Overall, the trend in most important macroeconomic variables demonstrates that the economy is on the right path. Furthermore, the sustained implementation of the various reform initiatives would consolidate the gains made over the past two years and will position the country on the path to achieving the set targets over the remaining life of this administration. The current Administration is aware of all the challenges and would appropriately mitigate them through relevant policy interventions.

CHAPTER EIGHTEEN: CONCLUSION

This Mid-Term Review Report is an appraisal of the performance of the Goodluck Jonathan Administration for the purpose of apprising Nigerians on the progress made so far towards improving the economy and achieving the targets set out in the Transformation Agenda, 2011-2015. The resolve of the Administration has remained, to maintain macroeconomic stability, ensure economic growth, create jobs and keep a safe and secure environment for the citizens.

The policy interventions contained in the TA are geared towards addressing some of the key challenges facing the economy. Notable among which are high level of growth that is non-inclusive, high rates of unemployment and poverty, widening disparity in incomes, depleting foreign reserves, rising recurrent expenditure and overall fiscal deficit.

Through the macroeconomic and sector-specific reform efforts, remarkable achievements were recorded in the areas of improved macroeconomic conditions, with the nominal GDP rising from \$226.13 billion in 2010 to \$243.99 billion and \$257.42 billion in 2011 and 2012, respectively. Also, an average real GDP growth rate of 7.33 percent was achieved during the period under review. This has improved Nigeria's global GDP ranking from the 44th position in 2010 to 36th in 2012.

A comparison of the sectoral growth rates to their respective targets in the Transformation Agenda shows that eight out of the fourteen broad sectors namely, solid minerals, building and construction, real estate, financial institutions and insurance, transport, public administration, education and other services, exceeded their targets. All other sectors including the three key growth drivers of agriculture, wholesale and retail trade, and telecommunications had real GDP growth rates below the targets under the Transformation Agenda.

In the area of fiscal operations, remarkable progress was made, especially through the rationalization of recurrent expenditure as embedded in sweeping reforms in the public sector. This has led to a sustained reduction in the budget deficit to GDP ratio from 3.25 percent in 2010 to 3.14 percent and 2.81 percent in 2011 and 2012 respectively.

Within the past two years, the government's deep resolve to work for the interest of the nation above political or individualistic interests culminated in the ambience and cordiality existing among the three arms of government. In particular, the improved interaction between the executive and the legislature has reduced unnecessary frictions, distractions and impasse, thus eliminating avoidable delays in the business of governance. This has led to among others, the speedy passage of the budget and other matters of national interest. The Government will work towards sustaining this effort. The commitment to national duty has also ensured a harmonious working relationship between the States and the Federal Government.

The trend in most important macroeconomic variables demonstrates that the economy is on the right path. Moreover, sustained implementation of the various reform initiatives would

further consolidate the gains made over the past two years and position the country on the path to achieving the set targets of the Transformation Agenda, over the remaining life of this Administration. The Administration is aware of the challenges of insecurity, unemployment, inadequate infrastructure, and would appropriately mitigate them through appropriate policy interventions. The Government will take full advantage of the existing opportunities to ensure the objectives of the TA are vigorously pursued in order to achieve the stated targets and, possibly, exceed expectations.

As we move into the second half of the Administration, our government will intensify efforts at building a stronger and stable economy that will promote enduring growth and prosperity. The gains already recorded at the macro and sectoral levels will be improved upon. The Administration will continue to place national interest over and above any other sectional or personal interest. The Government will further strengthen efforts aimed at keeping our borders secure, as well as upscale the measures put in place to foster peace and public security, the necessary ingredients for growth and development.

The Administration's mission remains to continuously focus, prioritize and strategize, in order to make more positive impact on the quality of life of all Nigerians. The Government, while remaining focused on the big picture will, where the need arises, seamlessly review the national strategies towards achieving the targets of the Transformation Agenda.