



# Report of the 22<sup>nd</sup> Nigerian Economic Summit



FEDERAL MINISTRY OF  
BUDGET AND NATIONAL  
PLANNING





“ As I have said in the past, we need to diversify the economy so that we never again have to rely on one commodity to survive as a country. So that we can produce the food we eat, make our own textiles, produce most of the things we use. We intend to create the environment for our young people to be able to innovate and create jobs through technology. ”

-President Muhammadu Buhari

Report on the

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# 22<sup>ND</sup> NIGERIAN ECONOMIC SUMMIT

*Made-In-Nigeria*

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\*The 22nd Nigerian Economic Summit (NES 22) took place from 10 to 12 October, at the Congress Hall of the Transcorp Hilton, Abuja. NES 22 was jointly organised by the Nigerian Economic Summit Group (NESG), and the Ministry of Budget and National Planning (MBNP).

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## Executive Summary

Nigeria's current economic recession, not experienced in over 20 years, provided a relevant context for the 22nd Nigeria Economic Summit (NES #22) which held at the Transcorp Hilton Hotel, Abuja, from October 10 to 12, 2016. A crisis can be an opportunity and "Made-in-Nigeria" is that opportunity for this economic crisis. The Summit, which is recognised as the most significant annual private and public policy dialogue, was hosted by the Nigerian Economic Summit Group (NESG) and the Ministry of Budget and National Planning. The Summit was organised around the timely theme "Made-in-Nigeria" and it emphasised the need to look inwards for home-made, sustainable solutions to the country's problems so "Made-in-Nigeria" speaks to our ability to create an economy that is productive, globally competitive, inclusive and adds value.

The Summit was attended by relevant stakeholders and dignitaries including His Excellency, President of the Federal Republic of Nigeria, President Muhammadu Buhari; His Excellency the Vice-President, Professor Yemi Osinbajo; His Excellency Senator Bukola Saraki, President of the Senate, Federal Republic of Nigeria; State Governors; Federal Cabinet Ministers, members of National and State Houses of Assembly, top public officers, captains of industry, academia, representatives of multinational corporations, international organisations, civil societies among other participants

### Background

Nigeria went into a recession in the 2nd quarter of 2016 when the economy recorded two successive quarters of GDP contraction of 0.4% and 2.1%, respectively. This slide into recession was the culmination of months of economic slow-down arising from the global dip in the price of crude oil in 2014. The country, has since then, been pronounced as being in a stagflation – a situation characterised by no growth and rising cost. While Nigeria's economy, as indicated in its post rebased GDP in 2013, reflected broad sector diversification, the impact is nevertheless belied the lack of robustness in many of these segments, still resulting in the overdependence on oil and a handful of other sectors (agriculture, real estate, ICT and trade).

Pertinent to note is that the oil sector has continued to provide the mainstay for foreign exchange earnings in a largely import dependent nation, thus creating a huge source of macro vulnerability. A clear evidence is reflected in how Nigeria's foreign reserves dropped from \$43 billion at the beginning of 2014 to \$25 billion by September 2016, correlating to the global drop in oil prices. The impact of this trend has been further exacerbated by country's drop in production volumes arising from the militancy and restiveness in the Niger Delta. All of this has resulted in the naira exchange rate suffering a radical devaluation of over 100% in the last 24 months, which in turn has largely fuelled year inflation rate to over 17%. An outcome is that Nigeria lost its rank as the largest economy in Africa a few months before the Summit.

In spite of this, there is wide-ranging consensus around the nation's potential to re-emerge from this decline stronger, if the right decisions are taken and rigorously implemented. There is also consensus that Nigeria does not have a lot of time within which to get it right in view of its current unemployment crisis affecting over half of its youth, aged between 15 – 24 years who constitute 19.4% of the population. Youth restiveness has been highlighted as a major source of the security concerns faced by the country recently, as a result of the growing inequality and a prevailing sense of marginalisation.

NES #22, with the theme "Made-in-Nigeria", focused on the need to revitalise the economy through strategies that promote inclusive growth as well as higher levels of broad-based production and consumption.



Undergirding this theme are major sub-themes that underscore its relevance, including:

- The globally recognised Nigerian ingenuity, entrepreneurial spirit and zest;
- Nigeria's teeming population of 170 million which presents an immediate and potential market for Nigerian produced goods and services;
- Nigeria's international attractiveness as a commercial hub arising from its land & resource wealth; accessibility as a coastal nation; its Anglo-colonial legacies of English language and familiar judicial practices founded on Common law principles, amongst others.

However, there is an acknowledgement that Nigeria faces significant challenges in leveraging these advantages. Current rankings and assessments place the nation at #169 out of #189 in the World Bank Ease of Doing Business Rankings. Specific concerns include the lack of, or challenges with, infrastructure, education, corruption and regulations, which have led to a growing sense of frustration among the populace.

While the government's efforts to stem corruption and leakages have been globally acknowledged, its ability to improve living standards and quality of life have, however, been greatly impacted by fiscal constraints, lack of a coherently communicated plan and an inconsistency of policies required to steer the economy through these difficult times.

## NES #22: The Deliberations

The participants at the NES#22 deliberated over three days along various sub-themes. This Summary attempts to provide a high-level overview of key discussion thrusts that engaged them. Of great concern was the need for an enabling environment to address some of the perennial issues and constraints facing businesses in Nigeria. These included poor infrastructure in terms of access to good roads, rail, ports, power, amongst others; security and safety concerns spawned by the unrests and festering dissatisfaction in various parts of the country; access to adequate human capital; business friendly laws and tax frameworks, to mention a few.

At various times during the sessions, the government attempted to address these concerns by emphasising the role of private capital, not only in revitalising the Nigerian economy but in powering it for the long-run. In this context, the government stressed that the concept of an enabling environment was at the core of its agenda. A positive sign of improvements to come is the approval of an inter-ministerial body called the Presidential Enabling Business Environment Council (PEBEC), to be chaired by the Vice President reporting to the President and the Federal Executive Council. PEBEC will have the responsibility of addressing undue bureaucracy and critical issues currently presenting unnecessary difficulties and constraints to doing business in Nigeria. To operationalize this objective, PEBEC's mandate will be administered through a secretariat EBES (Enabling Business Environment Secretariat), led by an appointee from the private sector, which will be focused on the day to day requirements of driving the council's agenda.

The need to stimulate the real sector and to diversify the economy away from its dependence on oil was recognised by the participants as the heart of the Made-in-Nigeria campaign. It was agreed at the Summit that diversification presented the only viable strategy for inclusive growth and tackling Nigeria's current challenges of unemployment and underemployment. Stimulating entrepreneurship, industry and commerce through various opportunities within which MSMEs and Nigeria's cottage industry can sustainably thrive therefore must be government's priority in the short to medium term. In pursuing diversification, the government outlined to the Summit its job creation strategy which is focused on four major sectors: agriculture & agro-allied; construction; ICT & technology, retail trade and renewable energy. The initiatives aimed at bolstering these sectors were presented and included the establishment of industrial parks and clusters at commercially viable locations across the country.



It is expected that these business clusters will be facilitated by access to relevant infrastructure and through attracting private sector investments in shared facilities, value chains and financing options. Government's ability to optimise and promote underutilised opportunities, such as the export opportunities presented by the African Growth and Opportunity Act (AGOA), remain an easily exploitable objective or low hanging fruit, which the government must pursue.

Nevertheless, for the participants at the Summit, closely related to the above challenge, was the lack of clarity around government's plans. The private sector expressed frustration over the difficulty in aligning with government's directional thrust in the short, medium to long-term. Policy inconsistency and ambiguity were also cited as a major concern. For instance, the government's foreign exchange policy implementation appears, in many ways, to be at odds with the needs of the real sector in fundamentally damaging ways. The review of some of the critical raw material input, among the 41 prohibited items barred from foreign exchange availability by the Central Bank of Nigeria was, therefore, strongly recommended. The Summit also raised the need for a consolidated plan with a national and sub-national context that would serve as an effective guide to stakeholders, including investors, who need to understand the short and medium term priorities and programmes of government in order to proactively align their business objectives and plans. The opportunity cost of not delivering this plan, in the shortest possible time, is to weaken Nigeria's position in the intense competition for global capital flow.

The Minister for Budget and National Planning acknowledged the need for such a comprehensive and cohesive plan. The need to effectively engage sub-national governments in order to optimise resource allocation, while avoiding logjams experienced by businesses seeking state level support, such as for access to land, in order to benefit from well-intentioned programmes by the federal government was also highlighted.

Nigeria's current low level of global competitiveness and productivity remains a concern to promoting a Made-in-Nigeria agenda. This is underscored by the unfortunate association of Made-in-Nigeria products and services with substandard quality, a paradigm that must be proactively addressed if locally produced goods are to attract a significant market share. Currently, Nigeria has weak "value-addition" capabilities with most of its creative input being either imported or in the case of its raw commodities' value-chain(s), exported. A Made-in-Nigeria agenda will require a holistic realignment of key dynamics towards improving competitiveness. This will include the robust, strategic management of the exchange rate; development of local value-added capacity through appropriate incentives; improving critical ease of doing business metrics; and nurturing innovative, skilled human capital for relevant aspects of production value chains. In a global economy, the nation's ability to leverage available science and technology, while achieving and maintaining global quality and service standards will be critical in achieving growth across key sectors of the economy. Also, the need to encourage technology relevant to local productive capabilities, such as locally made machinery in support of Nigeria's mining and agro-allied industries was also embraced by the Summit.

Finally, the quality of services and accommodation provided by Nigeria's public service institutions remain at the heart of government's ability to diversify and transform Nigeria into a viable, thriving economy. Testimonials from representatives of various African governments, such as Rwanda and Kenya, who have shown commitment to similar objectives, reinforced the need for strongest degrees of commitment and involvement from highest levels of government. It also recognises the critical necessity of reorienting, retooling, retraining and restructuring the public service to align with the stated objective(s). Concern at the Summit highlighted the difficulty posed by the public service to the ease of doing business in the country. From a structural perspective, discussions emphasised the need for a "one-stop-shop" to facilitate the ease of doing business through providing timely and synergistic services, as well as facilitating the easy resolution of problems faced by businesses.



Complementary to this requirement is the need to address the various endemic issues plaguing the public service including corruption, inadequate skills and business-unfriendly attitudes by staff. In a nutshell, the Made in Nigeria programme must be owned, championed and promoted by public servants and institutions for it to be effective.

The 22nd Nigerian Economic Summit concluded on five pillars linked to the theme and described as the 'Wills' of Progress that will eventually turn the wheel of Made-in-Nigeria: Governance & Economic Environment; Technology & Innovation; Finance; Business Environment; and Behaviour & Attitudes. These pillars identified pertinent issues with key recommendations.

### Governance & Economic Environment

Fiscal and monetary policies misalignment, security, political and social tensions are some of the identified challenges. The stability of the Governance & Economic Environment allows entrepreneurs and investors a wide scope to plan and take calculated risks.

- Surefootedness and clear communication of policies to engender investor and citizen confidence.
- Articulate a National Development Plan that defines our developmental priorities, choices and paths.
- Pursue and achieve consistent, stable and internally coherent fiscal, monetary and regulatory policies.
- Make public procurement of Made-in-Nigeria goods and services at the National and sub-National levels an imperative, with clear and incremental targets.

As a key Action Point, the Summit recommended pragmatic action on the Niger Delta crisis to boost oil production in order to provide respite and increase government revenues and reserves and reduce the pressure on the exchange rate.

### Business Environment

The issues affecting the business environment include the ease of doing business and the cost of doing business (notably enabling legislations, infrastructure, etc.). A conducive business environment is necessary for the accumulation of capital and other factors of productions.

- Provide incentives (tax holidays, etc.) for "Made-in-Nigeria" products and innovations.
- Restructure the mandate of Small and Medium Enterprise Development Agency for effectiveness.
- Full operation of the proposed Presidential Council on Ease of Doing Business.
- Fast-track the passage of bills and amendment of Acts that improve our Ease of Doing Business.



## Technology & Innovation

Technology enhances competitiveness and productivity; and innovation guarantees continued relevance in a fiercely competitive world.

- Create industrial parks/clusters for MSMEs as a platform for shared-services such as captive power solutions, infrastructure, etc.
- Create technology corridors in key cities, with IT infrastructure (such as fibre optics, Wi-Fi, etc) that MSMEs can leverage for their operations.
- Prioritize implementation of renewable energy solution to reduce overall production costs.
- Establish the National Research and Innovation Fund.

## Finance

This is the bane of several businesses, particularly micro, small and medium enterprises. Several affordable financing options were discussed but challenges remain with sustainability and transparency of various government initiatives.

- Establish the Development Bank of Nigeria to provide access to affordable long-term capital for on-lending through local development finance institutions (BOI, BOA, etc.)
- Review the list of items excluded from the FOREX market.

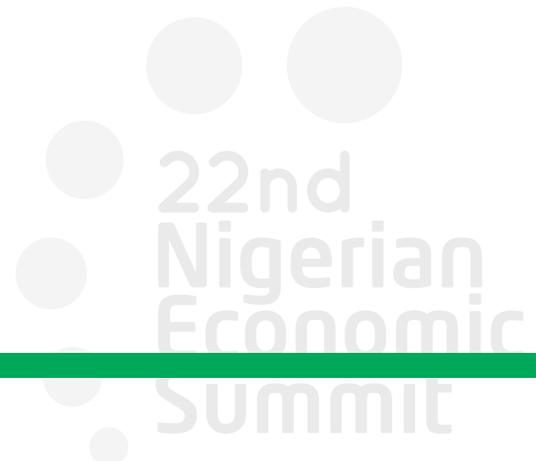
## Behaviour & Attitudes

There are discussions on ensuring that the quality of Made-in-Nigeria goods and services are globally competitive and making deliberate attempts to locally patronise them.

- Create a brand and sensitization strategy for Made-in-Nigeria.
- Entrench Made-in-Nigeria preferences, choices and approaches in Procurement, Practices, Processes, Conduct and Priorities by use of legislation and affirmative action initiatives.



# The 'Wills' of Progress





## Governance and Economic Environment

A stable macroeconomic environment promotes productivity and well-coordinated fiscal and monetary policies affect economic growth because it supports aggregate demand. Uncertainty about the economic outlook driven by volatility in inflation, interest rates, exchange rates and balance of payments disequilibrium can dramatically reduce investments. High inflation means that future prices are less certain so returns are less predictable. This reduces the willingness to invest. In addition, doubts about the management of public finances may also cause potential investors to prefer short-term investments to longer-term ones that would have higher returns and more impact on productivity growth.

Nigeria's economy has faced slowdowns in the past, most notably in 2008, but recovered. The country can no longer sustain its economy with a heavy reliance on a single export commodity and heavy dependence on imported goods and services. The economy has a poor resilience to economic shocks and the current characteristics of the economy are rising inflation, unemployment, trade imbalance, foreign exchange scarcity, reduced revenue streams, increasing external debt profile and they have significantly constrained the government's development efforts. Continued oil price crashes also mean budget revenues will continue to be squeezed and an increase in oil prices is unlikely considering the dynamics which cheaper shale oil production has had on international oil prices. Added to these, historic growth in GDP has been non-inclusive: there are approximately 46 diverse industries in Nigeria, but only 4 sectors provide 70% of revenue. There is also a high level of national poverty and more than half of the youth between the age range of 15-25 (the largest demographic group of the nation's population) are unemployed or underemployed. Other global economic trends such as global macroeconomic policy, trade and capital flows are negative and will most likely remain so during the tenure of the current administration. However, Summit participants were concerned that in a time of crisis, there is a sense of urgency that is not yet seen.

Even though Nigeria remains an attractive investment destination, capital flows are not coming here and the world is awash with liquidity. Yet this is a time when other emerging market countries are beginning to see a sustained and strong recovery in foreign direct investment and foreign portfolio investment. As of today, approximately US\$13 trillion is invested in assets that at the point of investment produce a negative yield and yet Nigerian instruments with about 20% yield cannot attract investment. The instability in the foreign exchange market and capital controls is also making the investment case more difficult. The Summit noted that fiscal and monetary policies do not complement each other and investors are not confident that their investment will be protected. Another major concern was that currently between 30% - 70% of value created in the Nigerian economy is spent on imports and this adversely affects the growth of local businesses, especially "Made-in-Nigeria" products.

On the positive side, diaspora inflows have remained positive and the government has established a higher level of security. Other achievements of the administration include managing the energy crisis (petroleum and electricity) it met on assumption of office, providing financial bailouts to states, introducing a flexible exchange rate regime, improving fiscal discipline, blocking financial leakages and improving compliance in regulations on public finance management. It was noted that Nigeria remains a huge market and accounts for about 26% of Africa's consumption. The country has also grown more non-oil revenues by about 13% per annum for the past 15 years but challenges in non-oil exports remain. However, this directly increases the potentials for "Made-in-Nigeria". The Summit wants the government to sustain its policy of diversification, especially in sectors that create value (not just primary commodities). Two of the identified sectors are agriculture and solid minerals. The Summit supports a ban on the importation of agricultural products that Nigeria has a competitive advantage as this will encourage local production and value-addition.



It has also become imperative to think through new consistent and proactive macroeconomic measures that will break through the current headwinds and support Made-in-Nigeria products and services in a sustained manner. As such, there is a strong need for a policy framework by the government that can engender investor and citizen confidence. The framework has to articulate a national development plan that defines our developmental preferences, choices and paths. The government was commended for the Strategic Implementation Plan but the Summit observed that it falls short of a development plan and it does not help investors or guide the economy towards our national preferences and development paths.

An appropriate framework is expected to achieve fiscal and monetary policy convergence that is consistent, stable and internally coherent. It must also emphasize coordination between government institutions. Government policies must continue to support the growth of the private sector. It should also make public procurement of “Made-in-Nigeria” goods and services at the national and sub-national levels an imperative, with clear and incremental targets. To this end, the role of the states as engines of economic prosperity, not just centres for fiscal allocations was reemphasized at the Summit.

Participants acknowledged that the challenge is not just in putting plans together but in their execution. There are institutional constraints to effective policy implementation and as such, there is a consensus that far-reaching institutional and governance reforms are required to improve the capacity of government to implement plans and policies. This will bridge the gap between plans and outcomes with sanctions for non-compliance and key performance indicators. Government must always be seen to respect institutions (especially the autonomy of the Central Bank of Nigeria), sanctity of contracts and the rule of law. This will boost investor confidence in the economy.

To achieve its short and medium term objectives, government has to mobilize more resources. Therefore, as a matter of great urgency, there is a strong need for pragmatic action on the Niger Delta crisis. This will not only boost oil production and increase government revenues, it will also grow our reserves and reduce the pressure on our foreign exchange demands.



## Business Environment

A conducive business environment will drive the success of “Made-in-Nigeria”. Businesses require a number of transactions and processes to set up, operate, and even wind up. These transactions are guided by rules put in place by the government through regulations for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, paying taxes, trading across borders, enforcing contracts, regulating the labour market, etc. But these regulations can in turn inhibit the ease of doing business and enable rent-seeking. They largely constitute the indicators in the World Bank's Ease of Doing Business Rankings and Nigeria currently ranks 169 out of 189 countries. In addition to these, unfriendly and uncertain government policies, macroeconomic volatility, duplication of regulations and regulatory bodies, lack of power and transportation infrastructure, multiplicity of taxes and rising costs of production have increased the costs of doing business in Nigeria. Therefore the ease of doing business must be considered side by side with the cost of doing business.

Inadequate skills, corruption and insecurity have resulted in low domestic and international investor confidence is also as a result of. These are disincentives to investments in Nigeria. The unfavourable business environment hurts micro, small and medium enterprises (MSMEs) and increases their probability to become more informal.

One of Africa's best performers in the Ease of Doing Business Rankings is Rwanda and their experience was shared with Summit participants. Some of the actions instituted by Rwanda include merging 8 government institutions to become Rwanda Development Board, bold and broad business reforms touching the entire business life cycle, ease of international trade and dispute resolution/commercial justice administration. Most importantly, the President is the Champion of Doing Business reforms. Key outcomes of the reforms are the creation of a credit reference bureau and the establishment of commercial courts and a Kigali International Arbitration Centre. Added to these, all districts in the country were connected to a Land Administration Information System and 24 Business Support Legislations were enacted. With these reforms, the country moved from 143 in the rankings to 42. Lessons learned from the Rwanda experience include a high level commitment of the leadership, streamlined institutions, working on timelines, learning from best practices, readiness to reform boldly and broadly, and allowing the private sector to lead the process at all levels.

Nigeria's government has initiated its own reforms to improve the business environment. The Presidential Enabling Business Environment Council (PEBEC), an inter-ministerial body, has been established to be chaired by the Vice President reporting to the President and the Federal Executive Council. PEBEC will have the responsibility of addressing undue bureaucracy and critical issues currently presenting unnecessary difficulties and constraints to doing business in Nigeria.

To operationalize this objective, PEBEC's mandate will be administered through an Enabling Business Environment Secretariat (EBES) to be led by an appointee from the private sector and will be focused on the day-to-day requirements of driving the Council's agenda. It is expected that the Presidential Council on Ease of Doing Business will soon become fully operational.

On its part the National Assembly has established the National Assembly Business Environment Roundtable (NASSBER) as a platform for the legislature and the private sector to engage, deliberate and take action on a framework that will improve Nigeria's business environment through a review of relevant legislations and provisions of the Constitution. It is a partnership between the National Assembly and the Nigerian Economic Summit Group, UK Department for International Development through the ENABLE II programme and Nigeria Bar Association – Section on Business Law. NASSBER is currently reviewing 54 Acts and 50 Bills that will improve Nigeria's business environment.



Some of them include the Company and Allied Matters Act, Investments and Securities Act, Federal Competition and Consumer Protection Bill, Customs and Excise Management Act, Arbitration and Conciliation Act, Small and Medium Scale Development Agencies Act as well as the transportation infrastructure reform bills such as National Transport Commission Bill, Federal Roads Authority Bill, National Roads Fund Bill, National Ports and Harbour Authority Bill, Nigerian Railway Authority Bill and National Inland Waterways Authority Bill. NASSBER has also identified some constitutional provisions that adversely affect the business environment such as the Land Use Act and the removal of Minerals and Mines as well as other items from the Exclusive List. The Summit wants the National Assembly to fast-track the passage of the bills and amendment of the Acts and participants received a firm commitment in this direction from the National Assembly.

The reform initiatives by the Executive and Legislature are expected to improve Nigeria's business environment. However, it was noted that it is equally as important to engage the states and local governments on their roles because "every business is a tenant of a state". The Summit concluded that without such engagement and coordination, value created by the Federal Government will be destroyed at the states. Nigeria's 36 states are expected to be centres of excellence and it was recommended that they should be rated on "Ease of Doing Business" using the same metrics as the World Bank.

In order to support "Made-in-Nigeria" products and innovations, incentives such as tax holidays should be provided to start-up businesses that are active in the production of "Made-in-Nigeria" goods and services. Also, regulations and policies specific to MSMEs must recognise that conditions for big business are not applicable to MSMEs. To this end, the Summit recommended that the mandate of the Small and Medium Enterprise Development Agency (SMEDAN) should be restructured for effectiveness.

Efficient infrastructure reduces the cost of doing business and facilitates the business environment and the Summit identified the strategic infrastructure that are the backbone for "Made-in-Nigeria" economic clusters in various products and services across the country such as agribusiness (cocoa, palm oil, groundnut, rubber & leather), services (banking, telecommunications & entertainment) and manufacturing (textile, cement, steel & automobiles). The Summit wants these clusters to be integrated by infrastructure that will link all ports to inland container depots as well as industrial and production centres; provide access to demand centres; facilitate movement of people; products and services; key into the multi-billion dollars air freight export market out of Africa; and achieve efficient service delivery.

It is also very important that government institutions are better coordinated in such a way that agriculture policy is aligned with trade policy (as it relates to imports and exports) just as technology and innovation ought to align with education and industrialization.

Overview of Key "Made in Nigeria" Economic Clusters

Product	2013–2015 Output	Regional Clusters
<b>Agribusiness</b>	<b>20% of GDP</b>	
Cocoa	235,000 MT	South-West
Palm Oil	960,000 MT	Niger Delta states
Groundnut	2,475,000 MT	North
Rubber	144,000 MT	South-West, South-East
Leather	2.3 million pieces	North
<b>Services</b>	<b>55% of GDP</b>	
Banking	₦7.1 trillion deposits	South-West
Telecoms	146 million active lines	South-West
Entertainment	₦1.1 trillion	South-West, South-East
<b>Manufacturing</b>	<b>26% of GDP</b>	
Textile	37 tonnes	South-West, North
Cement	22.2 million MT	South-West, North
Steel	100,000 MT	North, South, East, West
Automobiles	10,000 vehicles	North, South-West, East

Sources: Food and Agriculture Organization; World Steel Association; Nigerian Communication Commission; Business Monitor International; Central Bank of Nigeria and KPMG analysis

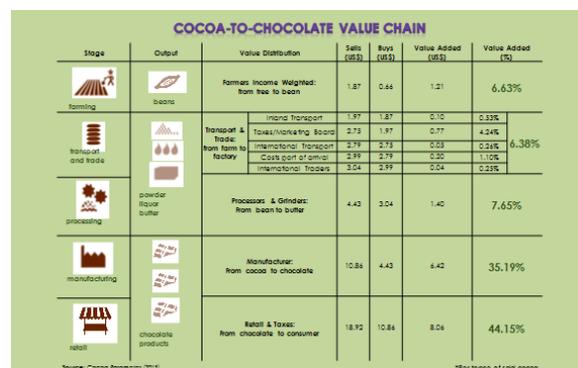
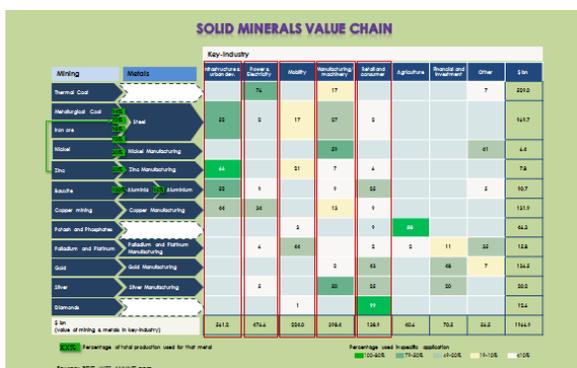


## Technology and Innovation

“Made-in-Nigeria” is Nigeria's own brand equity in local and foreign markets. It refers to goods and services domestically produced that leverage on our processed raw materials and human resource inputs (high domestic research & development, technology and innovation) that deliver efficiency and competitiveness. The frontiers of “Made-in-Nigeria” that can be transformed by technology and innovation include agriculture, manufacturing, solid minerals, information & communication technology, financial services, infrastructure, renewable energy, health, education and petroleum, among others.

Technology and Innovation will also accelerate Nigeria's aspirations to achieve competitiveness and move up the World Economic Forum's Global Competitiveness Index as two of its pillars emphasize that relevance: Technological Readiness and Innovation. Nigeria currently scores 3.0 out of 7 and ranks 106 out of 140 countries on Technological Readiness and scores 2.8 out of 7 and ranks 117 out of 140 countries on Innovation.

In simple terms, Nigeria can capture an extra 14% of the value chain of cocoa and 60% of value per refined barrel of crude oil if we develop our processing capabilities with technology and innovation. It is also estimated that Nigeria is completely missing out on the US\$2tn market in the solid minerals sector despite our enormous resources due to a lack of value addition aided by the application of modern technology. On ICT, despite Nigerian's high consumption of ICT products due to our population and potentials, investments in ICT and related areas have been low from both the government and private sector. This has a direct negative impact on the ability of the sector to grow as expected and can easily be seen in the huge number of prototypes and patents that are awaiting approval. It was observed that as the population of youths in Nigeria with ICT knowledge and innovative skills keeps increasing, they are not encouraged and empowered by the government through policies to develop these skills. The low participation of individuals/private sector in angel investments, especially for start-ups is also reducing the growth in the sector and its potential in the economy.



The challenges facing Nigeria in mainstreaming science, technology and innovation (STI) to deliver “Made-in-Nigeria” include a weak appreciation of the role of STI in transforming an economy, low investment in research and development (R & D) projects, an absence of a conducive environment to propagate innovation, a preference for importing (usually obsolete) technology; a lack of interest in start-up technology firms, the absence of policy coordination over the years, a fierce global competition from advanced technology, and the absence of synergy between government's STI policies with competition, commercial and trade policies. The Summit also observed that there is a weak alignment between the country's STI aspirations and our education policy.



On the part of the private sector, businesses have not yet fully embraced STI and R & D to deliver that handshake between investors and inventors.

However, there are emerging success stories. A company which produces warmers, coolers and ice block making machines and founded by a graduate from the Federal Government-owned Technology Incubation Centre in Benin has been listed by the Nigerian Stock Exchange. Also, another company which produces various food products such as beverages, special meal for the malnourished using local raw materials and founded by a graduate from the Technology Incubation Centre in Lagos has been invited for listing. One of the foremost “Made-in-Nigeria” companies, Nasco Foods Limited has signed an MoU with the Federal Government for the commercial production of High Nutrient Density (HND) biscuit intended for the National School Feeding Programme from the research output of a government agency.

To achieve policy coordination, the Federal Government has operationalized the National Research and Innovation Council, chaired by the President with 16 ministers as members. The government also announced its intention to establish a National Research and Innovation Fund with the private sector. The size of the Fund is expected to be 1% of our GDP. The Summit supports the establishment of the Fund and urged the government to put it in place urgently. It is very encouraging that government has committed to explore advanced technologies such as biotechnology, nanotechnology, artificial intelligence and space technology.

Science, technology and innovation must be a critical pillar of the economy because “Made-in-Nigeria” starts with our STI infrastructure. Advanced economies of the world reversed their import dependence and underpinned their self-sufficiency in local production through research & development and science, technology & innovation.

Nigeria needs industrial parks/clusters for our MSMEs as a platform for shared-services such as captive power solutions, infrastructure and technology corridors in key cities, with IT infrastructure (such as fibre optics, Wi-Fi, etc.) that MSMEs can leverage for their operations. MSMEs should also have access to innovations and technology by government research centers to accelerate commercialization of these innovations.

To drive “Made-in-Nigeria”, science, technology and innovation must support the growth of other sectors like agriculture, health, housing, infrastructure, etc. to create jobs. To do this requires accelerating technology commercialization and adoption as we build on areas of competitive advantage in technology sub-sectors to create new opportunities. Nigeria has to develop skills and talent for a knowledge-based economy and expand markets in Africa for Nigeria's technology.

We have to find applications for technology outputs, especially technological breakthroughs, improve access to information for researchers and inventors, strengthen institutions necessary to build technology capacity like bureaucratic processes, regulations and laws especially those that protect intellectual property rights, build physical infrastructure that support technology such as stable water and electricity supply, education, telecommunications and transportation and establish a strong public-private partnership that will turn ideas into industry.

There has to be an increased application of our own technology and innovation. Just as nations with large populations like India, it is important that we raise national consciousness of the impact of technology development and innovation to truly achieve “Made-in-Nigeria”. There needs to be a renewed focus to identify and incubate the best and most practical innovative ideas that can then be unleashed and utilized to not only create a technological base to drive “Made-in-Nigeria” but also make us a net exporter of technology to the world. Modern technology is gigantic, highly complicated and requires huge capital investment. But it can start small, simple and cheap. Nigeria must identify and make use of modern knowledge and our natural resources. It would be a result of conscious decisions taken by government, scientists, inventors, innovators, investors and consumers. Its nature and direction will be influenced by public policies and incentives.



## Finance

The private sector in Nigeria faces a major challenge of access to finance for their businesses and to support the development of “Made-in-Nigeria” goods and services, especially for Micro, Small And Medium-Sized Enterprises (MSMEs). MSMEs represent 96% of Nigerian businesses and they drive the engine of growth for the economy. The Small and Medium Enterprises Development Agency of Nigeria (SMEDAN) estimates that there are over 17 million MSMEs that employ over 32 million people and contribute over 24% to our GDP. But a joint survey conducted by SMEDAN and the National Bureau of Statistics indicates that majority of MSMEs lack access to credit facilities offered by banks and other financial institutions.

Past government intervention initiatives did not succeed. These interventions have been anchored by the Central Bank of Nigeria (CBN) to increase focus on MSMEs through a number of lending and credit facilitation programs. In 2003, the CBN introduced the Small and Medium Industries Equity Investment Scheme (SMIEIS) to not only tackle the challenge of long-term finance, but also to deal with other bottlenecks to SMEs development in Nigeria. It was established in conjunction with the Bankers' Committee (comprising the CBN and commercial banks) to the effect that 10% of banks' profit before tax should be channeled into equity investments in SMEs.

In 2010, CBN also established a N200 billion Small and Medium Enterprises Credit Guarantee Scheme (SMECGS) to promote access to credit for SMEs in Nigeria. The objectives of the Scheme was to fast-track the development of the manufacturing SME sector of the Nigerian economy by providing guarantee for credit from banks to SMEs and manufacturers, set the pace for industrialization of the Nigerian economy, increase the access to credit by promoters of SMEs and manufacturers, increase output, generate employment, diversify the revenue base, increase foreign exchange earnings and provide inputs for the industrial sector on a sustainable basis. As a part of another initiative, the CBN also earmarked N200 billion for the refinancing and restructuring of banks' existing loan portfolios to the MSMEs and the manufacturing sector. There have also been initiatives supported by international financial institutions and multilateral development finance institutions such as the World Bank, International Finance Corporation, African Development Bank and Islamic Development Bank.

There have been specialized financial institutions established with a focus on providing long-term finance for Nigeria's SMEs. These include the Small Scale Industry Credit Scheme (SSICs), Nigerian Industrial Development Bank (NIDB), Nigerian Bank for Commerce and Industry (NBCI) and National Economic Reconstruction Fund (NERFUND). These institutions are now defunct. However, they have been replaced with new institutions such as the Bank of Industry (BOI) and Bank of Agriculture (BOA). Microfinance banks were also licensed but they are not sufficiently liquid and this has also hampered the volume of funds accessible to MSMEs. When credit is available from the commercial banks, the cost is high due to very high interest rates. Despite the initiatives and institutions, access to finance remains a big challenge to “Made-in-Nigeria” in manufacturing, technology, services and creative industry. Inventors and innovators still lack start-up capital and angel investments.

There is a high loan default rate by borrowing MSMEs indicating unwillingness to repay the loans and a low financial literacy level among MSMEs that affects their ability to understand the requirements for access to finance. Financial institutions in Nigeria consider lending to MSMEs as high risk due to lack of managerial experience, lack of technical skills, poor quality of financial statements, inability to meet collateral requirements, high business mortality rate, etc.



The government has committed to recapitalize BOI and BOA, attract private sector capital while retaining its strong shareholding to ensure that they continue to serve their development mandate. They will also be restructured as specialized retail lending institutions to support MSMEs.

However, the government's latest intervention is the establishment of the Development Bank of Nigeria (DBN) which will lend to the retail institutions such as BOI, BOA and commercial banks for on-lending to SMEs. It is a publicly sponsored private institution with the Federal Government of Nigeria and African Development Bank as shareholders and supported by the World Bank and the European Investment Bank. The DBN will support medium to long term lending with duration up to 10 years and moratorium period of up to 18 months to enable MSMEs a comfort period before they begin to repay, allowing them to match loan terms with longer term investment cycles and at more affordable rates. At the 2016 Annual Meeting of the IMF and World Bank, it was announced that agreement has been reached for the release of US\$1.3 billion for DBN's take-off. The Summit welcomed this development and urged the immediate commencement of the Development Bank of Nigeria.

There is also a need for financial regulations for SMEs to access finance to have less cumbersome documentation requirements. Special programmes by SMEDAN in collaboration with state governments, private institutions and civil society organisations are required to promote financial literacy for MSMEs that will cover an understanding of the financial environment, basic accounting concepts, risks involved in loans, entrepreneurship, etc. In order to encourage "Made-in-Nigeria" businesses, access to and utilisation of the Nigerian Content Development Fund should be improved. Also, the Summit wants the Central Bank of Nigeria to review the list of 41 items excluded from the official foreign exchange market because they are key to achieving our "Made-in-Nigeria" objectives.

On the legislative side, the National Assembly should merge the Secured Transactions in Movable Assets (STMA) Bill with the Nigerian Independent Warehouse Regulatory Agency (NIWRA) Bill and urgently pass it. The STMA Bill aims to enhance financial inclusion in Nigeria, stimulate responsible lending to micro, small and medium enterprises, facilitate access to credit secured with movable assets, facilitate perfection of security interests in movable assets, facilitate realization of security interests in movable assets; and establish a Movable Collateral Registry and provide for its operations. The NIWRA Bill creates an Agency that, among others, will promote awareness and use of warehouse receipts, promote the tradability of warehouse receipts, and create electronic linkages between the Warehouse Receipts Registry and existing commodity exchanges. This will enable warehouse receipts to serve as collateral for access to finance.

More complimentary alignment between fiscal and monetary policies is expected in order to achieve a single-digit interest rate for MSMEs and big businesses.



## Behaviour and Attitudes

In today's global business environment, high quality products and services are central to sustaining a competitive advantage. While national sentiments are good in driving Made-in-Nigeria, the key to ensuring that it gains acceptability will be in ensuring, delivering and managing the quality that meets global standards. It starts with changing our orientation in consumption pattern by shifting our mind-set and preference for imported and foreign-made goods and services to patronizing "Made-in-Nigeria". Of course there are challenges in promoting "Made-in-Nigeria" products, as many Summit participants complained about quality and value for money, but that is exactly the point. The government has to set out and enforce such international standards within the local environment. Customer satisfaction will then lead to brand loyalty and acceptability.

Our behaviours and attitudes indicate that Nigerians have not fully embraced Made-in-Nigeria goods and services. An average Nigerian will most likely choose an imported product over a locally produced one, even when they compete very well in quality and price. Worse still, there has been an apparent preference of the government for foreign goods and services in public procurement, probably until recently. This has led a number of MSMEs to prefer foreign labels on their products and services that give an impression that they are made in America, Europe or Asia.

Nigerians should re-orientate and consume more of the nationally produced goods it will reinvigorate moribund industries that have shown potentials in the past such as textiles (30 years ago Nigeria was the 3rd largest producer of textiles with 500,000 direct jobs and 2 million indirect jobs). "Made-in-Nigeria" speaks to our ability to create an economy that is productive and globally competitive.

Institutions such as the Standards Organisation of Nigeria (SON), National Agency for Food Drug Administration and Control (NAFDAC) and Consumer Protection Council (CPC) were established to ensure that the right quality of goods are manufactured in Nigeria and are sold to Nigerians. On the other hand, regulatory agencies such as the Central Bank of Nigeria (CBN), National Broadcasting Commission (NBC), Nigerian Communications Commission (NCC), among others were created to regulate standards in the services industry such as financial institutions, entertainment and telecommunications. In spite of their existence, Nigerians still have a deep mistrust for these agencies and there is still a perception that the quality of "Made-in-Nigeria" goods and services is not yet good enough based on past experiences, poor packaging, faulty production processes, counterfeiting and substandard raw materials. This reduces confidence in their value.

However, there are sectors of our "Made-in-Nigeria" economy that have gained wide acceptability in Nigeria and globally. One such sector is the creative industry: Nigeria's internationally acclaimed Nollywood (the movie industry) and the music industry. Today, Nigerian movies, songs, film stars and movie artistes are widely recognised and celebrated. The contribution of Nigeria's entertainment industry to the country's GDP rose from 1.4% in 2013 to an impressive 2.5% in 2015, which is an equivalent of N9 trillion in total earnings. This indicates that the contribution from 2011/12 to 2014/15 is N1.5 trillion (\$796.8m). Even though the sector is still dogged by piracy and copyright protection issues, their successes in acceptability have been largely driven by favourable government policies and advertising.

Another sector that has constantly made appreciable progress in product quality and thus changing our behaviours and attitudes towards them is the manufacturing industry, especially pharmaceuticals, foods and beverages. The shelves of Nigeria's stores and supermarkets now have more of their products than foreign ones and Nigerians are buying them. Efforts are also currently scaling up to add value and improve the quality of more finished products in agriculture by transforming of our agro-processing potentials and capabilities.



But the services industry is still struggling to gain full acceptance by Nigerians, especially the hospitality, tourism and healthcare industry. Services in most of Nigeria's hotels, restaurants and hospitals do not yet meet global standards. There is a strong need for better regulation of the services industry to achieve global standards. However, the ICT sector is receiving an encouraging patronage from Nigerians despite stiff competition from global brands.

The capacity of Nigeria's regulatory and consumer protection institutions should be continuously strengthened to restore the confidence of Nigerians to "Made-in-Nigeria" goods and services. We also need to create and strengthen existing MSEs knowledge and learning platforms for sharing best practices that can be adapted by MSE operators such as MSEs associations; harmonize and address issues related to standards and quality assurance to enhance the acceptability of "Made-in- Nigeria goods and services. Also, concrete steps have to be adopted to the change mindset of Nigerians through the implementation of policies and programmes that encourage identification with the Nigerian brand. This will require encouraging and creating a brand and sensitization strategy for "Made-in-Nigeria".

Big enterprises should also patronise SMEs for the local supply of their goods and services to encourage and enable them improve their quality and standards. It will also expose them to demands and requirements for global competitiveness and change the behaviour and attitude of Nigerians towards the products and services. As Nigerians, we are enjoined to keep faith with good quality "Made-in-Nigeria" products and services and continue to patronise them as this will encourage such businesses to remain in production, improve quality and standards, and become enduring global brands for the Nigerian economy.

But general consensus, we must entrench "Made-in-Nigeria" preferences, choices and approaches in procurement, practices, processes, conduct and priorities by use of legislation and affirmative action initiatives. To this end, public procurement of "Made in Nigeria" goods and services has to become an imperative. Nigerians will like to know the proportion of the government budget, even if only at the federal level, that gets spent on procurement of "Made in Nigeria" goods and services.

If we can change our behaviour and attitude to the goods and services that are already up to standards for consumption we will increase opportunities for local businesses. It will also reduce the demand for foreign exchange, conserve and potentially even add to our foreign reserves and reduce the pressure on the Naira relative to other currencies.

**Day 1**

Monday, 10 October 2016.





## Opening Session



“ I hope that by the end of this Summit, participants will make realistic and enforceable recommendations on policies, initiatives and incentives that will enhance the work we are already doing in this administration to encourage more local production, improve our ease of doing business environment, transform our technology and innovation capabilities, improve quality and standards, promote exports and change our own attitude and behaviours to “Made in Nigeria” products and services. ”

President Muhammadu Buhari

### Welcome Address

Mr. Kyari Bukar; Chairman, Nigerian Economic Summit Group

### Opening Remarks

Senator Udoma Udo Udoma; Minister of Budget & National Planning

### Keynote Presentation: State of the Nigerian Economy

Dr. Adedoyin Salami; Chairman, NESG Board Committee on Research and Publication

### Opening Declaration of NES#22

President Muhammadu Buhari; President, Federal Republic of Nigeria

## Introduction

At the 22nd Nigerian Economic Summit, the need to create and sustain a productive economy was the focus of the three-day dialogue. In the opening session which had President Muhammadu Buhari in attendance for the first time, Mr. Kyari Bukar, Senator Udo Udoma and Dr. Doyin Salami presented a strong case that related the current economic challenges to the opportunities that Nigeria should leverage to implement the much needed structural and fiscal changes.

The opening session applauded NES for its growing relevance as the biggest national platform where the academia, civil society, development partners, private sector and public sector collaborate to proffer solutions to Nigeria's economic challenges. The session acknowledged the private sector as the engine room of the economy required to drive the Made-in-Nigeria initiative. The collaborative efforts that came as an offshoot of NES#21 recommendations were presented alongside critical characteristics of an idea Made-In-Nigeria economy.



## Welcome Address

Mr. Kyari Bukar; Chairman, Nigerian Economic Summit Group



**“Unfortunately for us, our options are now limited but we can begin by focusing on Made in Nigeria.”**

**Mr. Bukar Kyari**

Chairman, NESG Board of Directors

Mr. Bukar welcomed everyone present to Nigeria Economic Summit (“NES”) #22 and noted that since its inception in 1993, the Nigerian Economic Summit had become a credible platform for interrogating and understanding the nation's economic policies, policy direction and economic growth strategies with a view to addressing existing challenges. He noted that the current recession facing the Nigerian economy should be seen as an opportunity to implement the much needed structural and fiscal changes in the country. The Chairman emphasised the need for a practical roadmap which will chart the path for Nigeria's short and long term growth in the Made-in-Nigeria initiative.

The NES has made significant contributions to the nation's economic development in the last 22 years. These include advocacy for policies and strategies that have improved the economic standing of the nation, such as:

- liberalisation of telecommunications sector;
- fostering public-private dialogue;
- infrastructure concessions and public-private partnership through the establishment of the Infrastructure Concession Regulatory Commission.

Mr Kyari Bukar also reviewed the achievements from the previous Summit – NES #21, noting that the theme “Tough Choices: Achieving Competitiveness, Inclusive Growth and Sustainability,” was chosen based on the realization that both the public and private sectors will be confronted with tough choices in order to turn around the fortunes of the nation's ailing economy.

At the end of the NES#21, recommendations were made addressing foreign exchange stability, reinventing public institutions, investing in economic infrastructure, enabling business environment through legislative efficiency, reform of the formal sector of the economy and alternative funding model for joint venture cash call obligations. Although the Summit was held prior to the formation of the National cabinet, Government demonstrated its commitment to dialogue by accepting and implementing some of the recommendation of the Summit.

NESG collaborative efforts transcend the Summits as it has continued to work with the government in between Summits. The following were presented as evidence of follow-up initiatives/ activities as at last Summit (NES#21):

- NESG's ongoing assistance to the Jobs Creation Unit (JCU) in the office of the Vice President, a private sector job creation initiative, in the following five (5) cardinal areas- ICT, construction, agriculture, retail as well as clean and renewable energy.



- NESG's working relationship with ministries such as Science and Technology; Power, Works and Housing; Industry, Trade and Investment; Environment and Finance. An example of such collaboration is the effort at championing the cause of clean and renewable energy as an alternative source of energy required to productively drive the economy, create jobs and address desertification. In this regard, NESG was part of deliberations at the national council on power held in Kaduna in July, with a target of generating 30,000MW of electricity from the renewable energy to contribute to 30% of the energy mix by 2030.
- National Assembly Business Environment Roundtable (NASSBER) which is NESG's partnership with the National Assembly, Nigerian Bar Association (Section on Business Law) and UK-Department for International Development ENABLE2 programme and this resulted in the presentation of the Business Environment Legislative Review Report to the National Assembly, advocating for the development of a competitive business environment in Nigeria. The first Bill that was passed from that partnership is the Railway Bill. This has also resulted in private sector input into the legislative process, through direct work with various technical committees in the National Assembly.
- Roundtable discussion in Lagos with the United Nation Office for the Coordination of Humanitarian Affairs (UN-OCHA) aimed at mobilising private sector response and investment in the North-East, followed by NESG's field visit to Maiduguri (a camp of internally displaced persons and the state government) which was facilitated by UN-OCHA.

The Summit, he said, had grown to be one of the largest gatherings (involving people from all walks of life including academia, civil society groups, captains of industries, etc.) dedicated to finding solutions to the Nigerian economic challenges with a view to moving Nigeria forward.

In concluding his address, Mr Bukar suggested that the outstanding recommendations from NESG#21 should be implemented by the present administration in order to improve the economic and policy landscape of Nigeria.



## Opening Remarks

Senator Udoma Udo Udoma; Minister of Budget & National Planning



**“ You should leave this Summit with a renewed determination to step up the tempo of your activities, confident that you have in us a government that is determined to support enterprise, that is determined to support productivity. ”**

**Senator Udoma Udo Udoma**  
Minister for Budget & National Planning

In his opening remarks, Senator Udoma Udo Udoma, the Minister of Budget and National Planning reaffirmed government's commitment to the Made-in-Nigeria campaign, stating that the presence of the President at the opening of the NES#22, as well as the confirmation from the Vice President (and other ministers) who promised to attend various sessions at the Summit, was a clear indication of the government's commitment. The minister applauded the NESG for dissipating the suspicion of the public sector towards the private sector, which led to the public sector's initial reluctance to collaborate with the private sector in matters of economic development.

He noted that public sector had not only overcome its initial suspicion but had also recognised the private sector as the engine of growth in the attainment of national economic objectives. The public sector, represented by the Ministry of Budget and National Planning, according to him, had been taking a much more proactive role in the organisation of recent Summits. The public sector is also beginning to accept the private sector as true partners in the development of Nigeria.

The minister affirmed that the private sector is the true engine of growth which should not be excluded from participating in any sector of the economy, including previously considered no-go areas such as telecommunications, postal services, power and water supply and distribution, the provision of rail, road and ports infrastructure. He added that government was seeking for partnership from the private sector in solving Nigeria's infrastructure challenges.

According to him, civil servants were also beginning to understand that they, as government officials, have a responsibility not just to police the private sector but indeed the more important responsibility is to facilitate and promote an environment that is conducive for business growth.

He added that the public sector's desire is to now see the engine operating at optimum capacity. He challenged captains of industry present at the Summit to leave at the end of the Summit with renewed commitment to drive the growth of the economy on the assurance that they have government's commitment to provide necessary support for such endeavour.

On Made-in-Nigeria, the minister also highlighted current efforts of the government to promote an enabling environment for business, thereby fostering economic growth.



The government, he said, was already implementing policies aimed at getting the economy out of the current recession and outlined them as follows:

- Government is taking actions to reduce disruptions in the Niger Delta, fast-tracking measures to raise funding from foreign loans and other sources to fund the 2016 capital budget. Targeting capital releases to project with impact on employment, speeding up the implementation of the social investment programmes
- Government's focus on agriculture is beginning to yield fruit as indications are that the agricultural sector will show quite strong growth in the third quarter which is just ending. But after even getting out of the recession, the government will continue with the implementation of its Strategic Implementation Plan (SIP) which was launched at a time the 2016 budget was signed into law by President Muhammadu Buhari. The bivariate plan will restructure our economy onto the path of sustainable growth.

The SIP is anchored on the commitment of the administration of President Muhammadu Buhari to create a more diversified sustainable and inclusive economy that releases the latent potential of the Nigerian people, of communities and the natural resource endowment across the nations federating unit. One of SIP's thematic areas is to diversify the economy by fast-tracking industrialisation agriculture and agro-allied processing as well as attracting investment into the solid minerals, tourism and entertainment sectors.

An important mechanism for doing this is by encouraging a Made-in-Nigeria philosophy and preference to take root in all our practices. There is no doubt the fastest route to grow our economy and the fastest route to creating jobs is by encouraging Nigerians to produce more and by encouraging more export. This strategy would also generate foreign exchange and help in stabilising and strengthening the naira.

- The government is taking steps to encourage public officials to buy Made-in-Nigeria products. "We have also been working with the private sector and other related stakeholders to encourage more production and consumption of Made-in-Nigeria goods and services". With more patronage, Nigerian producers will be encouraged to improve our quality and create jobs for our youths.
- The government would continue to improve the enabling environment for businesses to thrive. Amongst other things, spending towards critical infrastructure will be a top priority to improve Nigerian competitiveness. Government agencies would work with the private sectors to support research with a view to developing high-quality indigenous products and technologies. Many of government programmes have been structured in such a way as to stimulate domestic production. But more needs to be done by both the public and the private sector to encourage and support local production.

The minister remarked that the Summit would provide an opportunity to examine what more could be done. He expected NES#22 would provide a platform to sharpen the focus of the conversation and also offer recommendations that would help reinvigorate industries and services so as to curtail the growing demand for foreign exchange for imported finished goods.

Senator Udoma Udo Udoma suggested that NESG should compile the recommendations proffered at NES#22 into a practical roadmap which the current administration could run with in its quest for the country's economic growth. The minister emphasised that the practical roadmap should be realistic, implementable and measurable.

The minister commended the NES for growing to become the biggest national platform where the academia, civil society, development partners, private sector and public sector collaborate in order to proffer solutions to economic challenges of the country.



## Keynote Presentation: State of the Nigerian Economy

Dr. Adedoyin Salami; Chairman, NESG Board Committee on Research and Publication



**“ We cannot have a situation where fiscal, monetary and regulatory policies are looking in different directions. They must complement each other but at the heart of all of them, they must convey short-footedness on the part of our economic managers. ”**

**Dr. Doyin Salami**  
Chairman, NESG Board Committee  
on Research & Publications

In his presentation on the state of the Nigerian economy, Dr. Doyin Salami, the Chairman of NESG Board Committee on Research and Publication, noted that the Nigerian economy had gone into recession and associated the root cause with the inability to successfully implement the Made-in-Nigeria initiative. According to him, the state of the economy was far from the ideal and that the economy must meet three (3) imperatives: it must be globally competitive and productive, be inclusive – that is, work for everyone and must add value.

Dr. Salami informed the Summit that Nigeria's economic challenges started in 2013 and that the economy was contracting, leading to a situation that is worse than stagflation (a situation where there is stagnant economic growth accompanied by rising inflation). He noted that the Nigerian economy is driven by two (2) broad issues - local factors and international events. While local factors are mainly affected by absence of adequate regulatory framework, international factors comprise global economic trends, global trends in trade, global capital flows (all of which are negative, and will most likely remain so for the term of the current administration) and diaspora inflows, (the only factor which is currently positive in Nigeria.)

The current state of the economy offers an opportunity for the revitalization and re-engineering of the economy. The following challenges were identified as challenges affecting the Nigerian economy:

- Challenges associated with Made-in-Nigeria goods and services, which include poor quality, inability to compete globally and absence of real value.
- Lack of clear or comprehensive policy framework that articulates national development plans and preferences. The Strategic Implementation Plan for the 2016 Budget (“SIP”) prepared by the Federal Ministry of Budget and National Planning, although commendable falls short of a national development plan. Failure to produce a clear policy on national development keeps investors wary and at bay.
- The policy environment is inconsistent, unstable and internally incoherent. Fiscal and monetary policies do not complement each other and investors are not confident that their investment will be protected. In addition, the government does not effectively communicate its existing policies to the public. Although the government has introduced a flexible exchange rate, there is still high uncertainty and lack of transparency in the foreign exchange market.



- There is a need for the government to create and sustain a productive economy. Nigeria needs to begin to locally produce the goods and services that its population requires, and create structures to keep the value produced in the country. Currently, between 20%-70% of the value created in the Nigerian economy is spent on imports, which hampers indigenous economic growth. For example, in the industrial sector, every N20 out of N100 generated in the industrial sector is spent on imports. Real economic growth is limited where value is not retained in the economy.
- There is low productivity and ease of doing business is also low. Despite the public sector's commitment to creating an enabling environment for business, Nigeria still remains uncompetitive and is currently ranked 127th in the global competitive index. The target given to the National Competitiveness Council of Nigeria in that regard is unclear.
- The need for a policy to encourage private investment cannot be overemphasised as the National Integrated Infrastructure Master Plan ("NIIMP") requires USD100 billion investment in the Nigerian economy annually for the next 20 years. Government alone cannot provide the required finance, thus there is a renewed need to create an enabling environment that would stimulate investment in the country. Current policy attitude to private investment and the market is uncertain. The possibility of market failure is insufficient reason for the government to jettison the transparency and allocative efficiency that markets forces bring for less transparent and allocative systems.
- Nigeria's continued over-dependence on oil for revenue. Current dynamics of the international oil market, particularly the development of cheaper oil – shale oil technology, make hope for improvement in intentional oil price. The key issue for diversification is for the nation to wean itself off oil. An attempt is made to address this through the drive to diversify the economy. While there are 46 sectors in the economy in 2016, compared to the 33 sectors of the economy in 2010, the oil sector remains a core contributor to revenue accounting for more than 20% of public earning and more than 90% of foreign exchange earnings.

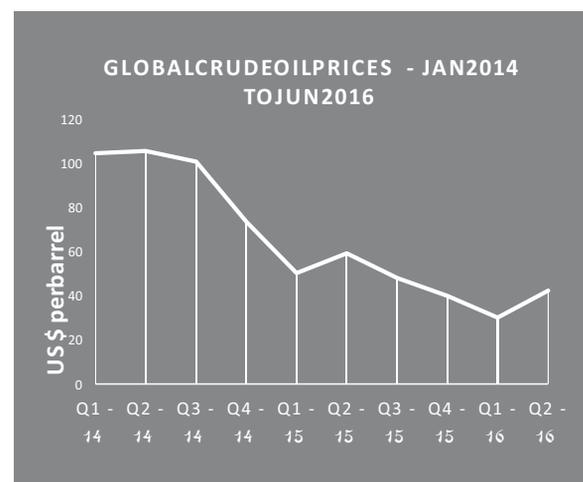
Secondly, four sectors of the Nigerian economy provide 70% of revenue, which is an unsustainable model. Thus, the real problem facing the economy is not diversification in a strict sense, but it is that of reducing the level of concentration in the economy.

Following the challenges identified, Dr. Salami recommended the following solutions to the economic crises:

- To successfully implement the Made-in-Nigeria initiative, the goods and services produced should be globally competitive and productive, inclusive and add real value to the economy.

Successful implementation of the Made-in-Nigeria initiative will curb the demand for imported goods and foreign exchange. In order to improve the quality of local production, the government needs to provide infrastructure and create an enabling environment for business.

- Although the recession has created a tough environment for business, the recession should be taken as an opportunity for the government to implement immediate structural and fiscal changes which will ensure that Nigerian becomes a producing nation that is not predominantly reliant on oil. The Nigerian economy needs to be truly diversified so that other sectors of the economy apart from agriculture, oil and gas, ICT, real estate and trade will contribute substantially to the economy.



- The government must ensure that policies are consistent, stable and internally coherent. The fiscal and monetary policy must complement each other.

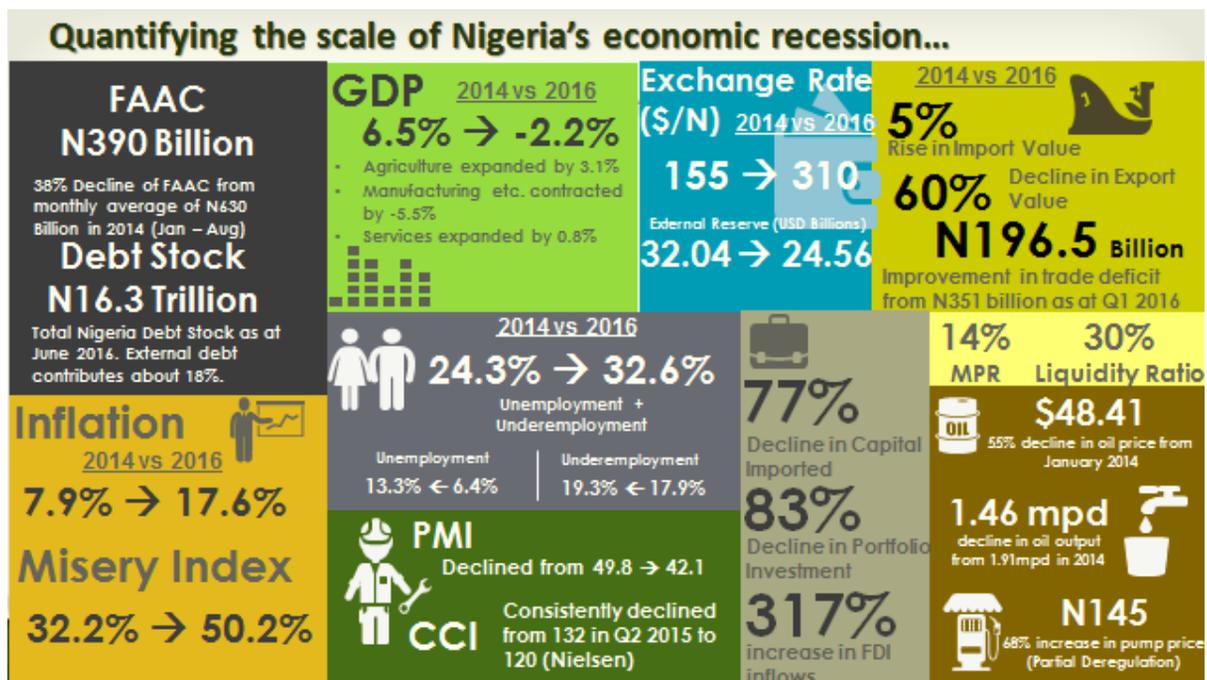


Policy managers must recognise the risk faced by investors and create an environment which guarantees the protection of investors' (both local and international) investment. Government policies must be such that they create advantages for those investing and doing business in Nigeria. Also, the various existing roadmaps for different sectors need to be harmonised into a comprehensive development plan, which should be made available to the public before the end of 2016. The comprehensive development plan is expected to chart the path for Nigeria's short, medium and long-term growth. In addition, the government needs to effectively communicate its policies to the public.

- Government intervention in the foreign exchange market should be limited to ensure transparency.
- There is a need for a review of the policy direction for local content in Nigeria, in order to ensure that value is retained in the domestic market and reduce the loss of value arising through imports.
- The government should make administrative and bureaucratic processes easier in order to improve the competitiveness of doing business in Nigeria.

The Ministerial verbal commitment to support private capital investment must be backed by appropriate policies and attitudinal changes in relevant organs of government.

- The State governments need to create economies where agriculture, production and processing take the centre stage, rather than have economies dependent on civil servants purchasing power.
- Government should stay away from the idea of strong currency and instead concentrate its efforts in exploiting opportunities provided by global trends. Currently, the focus should be for the government to work towards having a currency that confers advantages to Nigerian producers in the face of international competition, as successfully employed by several Asian countries.
- Public procurement of Made in Nigeria goods should be vital to the government. The government must increase the percentage of the budget spent on Made in Nigeria goods.





## Opening Declaration of NES#22

President Muhammadu Buhari; President, Federal Republic of Nigeria



“As I have said in the past, we need to diversify the economy so that we never again have to rely on one commodity to survive as a country. So that we can produce the food we eat, make our own textiles, produce most of the things we use. We intend to create the environment for our young people to be able to innovate and create jobs through technology.”

President Muhammadu Buhari

The President of the Federal Republic of Nigeria, Muhammadu Buhari, declared NES 22 open and noted that the theme of the summit (Made-in-Nigeria) aligns with the policy of his administration to diversify the economy and increase local production of goods and services. The President reiterated the commitment of his government to the Made in Nigeria initiative and stated that all hands are on deck to revive the economy of the country.

He affirmed that there is no better way to achieve it without building our economic foundation on “Made in Nigeria” goods and services. The President noted that fortunately there are champions of “Made in Nigeria” that have defied the odds over years to produce locally and contribute to our economy.

President Buhari stated that his greatest desire is that Nigeria moves from import dependence to self-sufficiency in local production to become an export-led economy in goods and services. He expressed his delight that Summit process has endured over the years and through successive governments and has in the process strengthened the symbiotic relationship between the public and private sectors of our economy.

The President assured participants that the Vice President, Prof. Yemi Osinbajo and other members of his cabinet would participate at the Summit and stated that he would be happy to receive the report generated from discussions at the Summit with a view to implementing the recommendations contained therein.



## Highlights

Key Priority Areas	Priority and Action Steps	
	Government-Driven	Private Sector-Driven
Outstanding recommendations from NES 21	Government to ensure that outstanding recommendations from NES 21 are implemented.	
Global competitiveness of Nigerian goods and services	Government to provide infrastructure and create an enabling environment for business to thrive.	Private sector to continuously work on improving the quality of locally produced goods and services.
True diversification of Nigerian economy	Government to diversify the economy, so that non-oil, agriculture, ICT, real estate and trade exports will contribute substantially to the economy.	Private sector to take advantage of the increasingly diversified economy to make strategic investments.
Communication	Government to effectively communicate its policies to the public	
Preparation of a comprehensive development plan	The various road maps for different sectors need to be harmonised into a comprehensive development plan that is consistent, stable and internally coherent.	
Foreign exchange policy	Government intervention in the foreign exchange market should be limited and market forces allowed to control the market.	
Recognition and exploitation of global trends	Government to take advantage of the reduction in the value of the Naira as an opportunity to implement economic policies that confer advantages on Nigerian producers.	
Public procurement	The government must increase the percentage of the budget spent on Made in Nigeria goods.	
Local content laws	A thorough review of local content laws should be conducted to curb the loss of value created in the Nigerian economy through exports.	

## Plenary I: Policy Dialogue On The Nigerian Economy



**“ We are left with no choice at this time but to diversify our economy. ”**

**Prof. Yemi Osinbajo**  
Vice President of Nigeria

**“ We have to get into the 'nuts and bolts' of making it easy for people to do business. ”**

**Dr. Okey Enelamah**  
Minster for Industry, Trade and Investment

**“ We are not where we want to be (in the ease of doing business) but we are not where we used to be. ”**

**Dr. Okey Enelamah**  
Minster for Industry, Trade and Investment

### Chaired by:

His Excellency Prof. Yemi Osinbajo; Vice President of Nigeria

### Panelists:

Senator Udoma Udo Udoma; Minister of Budget and National Planning

Dr. Okechukwu Enelema; Minister of Industry, Trade & Investment

Dr. Kayode Fayemi; Minister of Mines and Steel Development

### Moderated by:

Zain Asher - Anchor, CNN International; Host, CNN Marketplace Africa

Kayode Akintemi - G.NEC Television Network

### BACKGROUND

Nigeria is currently undergoing serious economic challenges. The drastic fall in crude oil prices in the international market, High unemployment, rapidly deteriorating foreign exchange, high inflation rate and negative growth rates in gross domestic product (GDP), and low productivity are some of the key challenges facing Nigeria's economy in recent times. The aim of the session is to engage stakeholders in the public and private sector to discuss the issues facing Nigeria economy with a focus on Made in Nigeria products and services.

### PROGRESS

- Government is investing heavily in the agricultural sector.
- Government is focusing on encouraging and supporting game-changing private sector investment.
- The government has produced a Strategic Implementation Plan (SIP) that contains clearly stated policy objectives for the 2016 budget.
- Government is currently investing in heavily in the technology sector via initiatives such as the Aso Rock Demo Day where government will support a number of tech businesses, training 35,000 youths in development of technology related skills, establishment of 2 technology hubs in Lagos and Port Harcourt with plans to have one in each geo-political zone.
- Government has set up an inter-ministerial council to address issues relating to the ease of doing business in Nigeria.
- Government has finalised steps to initiate the Social Intervention Programme aimed at assisting the most socially vulnerable. Government is investing considerably in transportation infrastructure. Most capital expenditure is going into rail and road construction.
- Government is focusing on solar power projects which will provide the best option in terms of domestic use.



- Government has established an “N-Power Programme” which will employ 500,000 graduates who will be working in the area of teaching and public health.
- Government has initiated a N5,000 a month programme to address the needs of 1 million Nigerians considered as poorest of the poor.
- Provision of loans between N60,000 and N100,000 to small-scale enterprises.
- Government is trying to fast-track loans from the African Development Bank and issue a Eurobond to raise funds.
- Issuance of presidential directives on the implementation of the Steve Oransanye Report, including the one on “One Government Initiative” which requires collaboration among government agencies in relation to procurement of government document.

### ISSUES AND CHALLENGES

- Urgent need for diversification of the Nigerian economy. There is no choice than to diversify the economy from being oil dependent and focus on other sectors such as agriculture, solid minerals, power, etc. Diversification is an imperative. However, since the economy is diversified to an extent, the issue is deepening the diversification – how to deepen the diversification and attendant contribution to the economy. There is a need to deepen the diversification in order to achieve the growth and sustainable development of the Nigerian economy.
- Failure of Government to effectively communicate policies and actions taken to the average Nigerian. This has resulted in uncertainty and lack of clarity among the people about government's policy direction.

Government policies are not understood by the public due to lack of effective communication between the government and members of the public. However, it was explained that a lot of the policies, particularly those in relation to Made-in-Nigeria initiative are policies that will take a while to come to fruition and their impact may not be felt immediately. The government is doing a lot in the area of ease of doing business, in the agriculture sector where various programmes are being implemented. In the technology space, the government hosted a technology innovation competition to look for the best technology innovation in Nigeria. Participants have been reduced from the initial number of 4,000 to 30 of the very best entries. Government plans to invest in the 30 best entries and provide support for them. Government also train 35,000 young people in technology-related businesses to create opportunities for young people. Government is also working on two (2) technology hubs in Lagos and Port Harcourt. It is intended that there will be six (6) hubs – one in each geopolitical zone.

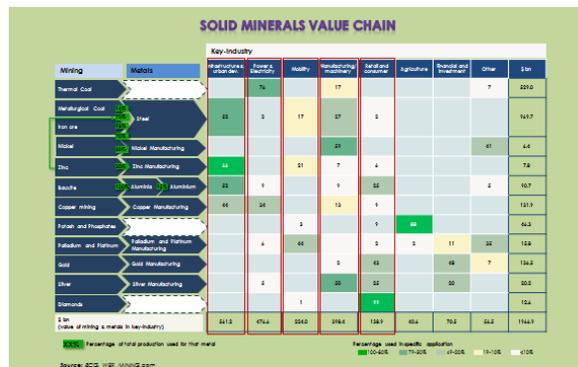
- The absence of enabling environment for business. There are three key policies to make it easier to do business in Nigeria. First, the president has issued a directive establishing an inter-ministerial council comprising all relevant ministers and headed by the vice president to deal with the constraints to ease of doing business at an operational level. National Investment Promotion Council will host the secretariat and the assistance of KPMG has been secured in relation to setting it up. Second, at the heart of Made-in-Nigeria initiative is industrialisation.



The key document for this is the Nigerian Industrial Implementation Plan which pre-dates the current administration. Government has adopted the principle of selectivity in its implementation and this entails identifying the areas where Nigeria has a competitive advantage such as agro-processing and petrochemical. Due to the inability to provide infrastructure everywhere, Government plans to establish industrial Zones and is currently working with a former chief economist of the World Bank to put in place demonstration industrial parks. Thirdly, work in place to provide support for SME. In this regard, the social intervention programme is being considered and largely focus on some of the most vulnerable in Nigeria.

- Lack of transparency on the use of funds seized from the anti-corruption drive. Opinions differ on the use of the funds. Some advocate the use of the funds to implement a specific project so people could see how the funds are being spent. However, the government prefers using the funds to finance the budget for the year and the 2016 budget contains a line item of N350 billion which is what is expected to be recovered this year from the drive. The money recovered will be used to fund the budget rather than invest it in a specific project.
- The shortfall in receipts to fund 2016 budget. As of half year 2016, the government had received approximately 55% of expected revenue. This has affected government spending. Government's first obligation is payment of staff emoluments. Overhead costs have been reduced, but capital spending has been sustained as much as possible. The capital spent has been focused on infrastructure, however, there has been a serious slowdown in implementation. In addition, the government is attempting to fast track loans from the African Development Bank as well as issue a Eurobond.
- The inability of the government to successfully exploit solid minerals. This is attributable to challenges in enforcing the applicable law and obtaining information to drive exploitation of available minerals. Although Nigeria is reputed to have various mineral deposits, not all of them are in a commercial quantity or quality and a geological prospectivity study is required to identify which to focus on. Also, a lot more needs to be done in terms of enforcement of the law and a mining surveillance team has been created to address this. While the government is channelling efforts to include informal artisanal miners into the formal system, these efforts will

not resolve the challenges facing the sector. Government needs to attract the major mining concerns into the industry and a geological prospectivity and mineral prospectivity mapping is required to identify commercially viable mineral deposits in order to attract them. The ministry is working with the Nigerian Sovereign Investment Authority (“NSIA”) in this regard. Policy stability is also required to attract such investors. For the mining and solid mineral sector, Made-In-Nigeria means that mined minerals need to be processed in the country. Government seeks to avoid a situation where solid minerals mined in the country are exported in their raw form. Efforts must be made to ensure that solid minerals are processed in Nigeria. Government intends to replicate the successes recorded with cement, where Nigeria has moved from being an importer to net exporter of the product, in relation to other solid minerals in the country. While the mining sector is not a quick-turn around the sector, it is expected that before the end of 2019, significant results would be seen. For instance, it is expected that by then bitumen obtained in Nigeria would be locally processed into asphalt for road construction.



- Challenges in transportation and power. The government is investing a substantial amount in rail transportation such as Lagos - Kano standard gauge line. Before the end of the year, the Lagos - Kano line should begin operation. The existing route is to be concessioned to General Electric. Government has prioritised the rail the transportation of heavy goods by roads has been a major contributory factor to the deterioration of the roads. In addition, the rail lines are being built from the ports to the hinterlands to facilitate quick movement of goods. A lot of money is also being spent on roads.



As at February 2015, Nigeria produced 5,000 megawatts of electricity but since the Forcados terminal was blown up, the national output of power reduced by 40%. Government is considering outsourcing the gas pipelines to address pipeline vandalism. The government is also focused on exploring alternative energy sources such as solar, wind and other renewable sources of energy. Solar energy is a viable option in because of the natural advantages of the sun in Northern Nigeria. There are also cheap and easy to produce domestic solar plants which cost approximately USD 200 which will not be too expensive for local people. In addition, 1600 megawatts of power from solar is expected to be added to the grid.

- Lack of an explicit plan on developing the education sector. The success of the Made-In-Nigeria initiative is dependent on the ability of Nigerian to produce it needs. The government has implemented an Empower program through which 500,000 graduates who will be employed to teach, farm and provide other public services. Government is adopting technology in the training of these graduates. Each of them will be given a device that will contain teaching materials on entrepreneurship, code writing and so on. The materials will also be provided on an open portal which will be available to everyone. Government recognises the fact that technology provides a means of quick training and is investing heavily in this.
- Lack of transparency in the foreign exchange market. The foreign exchange policies of the government have created a lack of transparency, resulting in a gap between the official exchange rate and parallel market rate. In addition, the government needs to review the list of 41 items for which foreign exchange cannot be sourced from the official forex market, as some of those items are raw materials needed for the production of other goods.

## RECOMMENDATIONS

- Urgent need for diversification of the Nigerian economy, with focus on deepening the diversification of the economy.
- A more comprehensive medium-term strategic plan which incorporates all other sectoral plans already approved by the Federal Executive Council that is currently being developed should be completed by the end of the year and aggressively disseminated using available media of mass dissemination of information, particularly social media platforms.
- Geological prospectivity/ mineral prospectivity mapping is required to identify commercially viable mineral deposits.
- Government needs to do more in areas of enforcement to minimise the activities of illegal miners and find a way to bring them into the mainstream.
- Government need to create a platform for participation of major mining concerns particularly in the areas of exploration and processing of raw materials into semi-finished products.
- Investment in infrastructure developments, particularly transportation and power infrastructure.
- Reduction in the size of government in order to be able to divert needed resources to more productive sector, including implementation of the Oronsanye Report on streamlining of government agencies.
- Review of the list of items for which forex may not be sourced at the official forex market as some of those items are raw materials required in some key sectors of the economy. Also, forex policy needs to be better implemented.



## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Diversification of the economy	Government needs to diversify the economy as well as deepen the extent of diversification, with a review to ensuring that all sectors of the economy substantially contribute to the economy.	Private sector to take advantage of government's diversification to promote Made in Nigeria goods and services.
Strategic Planning Document	Government needs to generate a document that incorporates all sectoral plans approved by the Federal Executive Council by the end of the year. In addition, government needs to aggressively disseminate information using available media, particularly social media platforms	
Prospecting of minerals	Government should do more in terms of geological prospectivity/ mineral prospectivity mapping is required to identify commercially viable mineral deposits and guide exploitation initiatives	
Countering illegal mining activities	Government needs to take steps to minimise the activities of illegal miners and find a way to bring them into the mainstream.	
Processing of mining raw material into semi-finished products.	Government needs to create a platform for participation of major mining concerns particularly in the areas of exploration and processing of raw materials into semi-finished products	
Infrastructure development	Government should invest in infrastructure developments, particularly transportation and power infrastructure	
Cost of running the government	Reduction in the size of government in order to be able to divert needed resources to the more productive sector, including implementation of the Oransanye Report on streamlining of government agencies.	
Forex regime	The government should review the list of items for which forex may not be sourced at the official forex market, as some of those items are raw materials required in some	

## Plenary II: Breaking Through Macroeconomic Headwinds



“ When incentives are given, government has a responsibility to ensure that the implementation, even by the private sector is tracked, so that the benefits are ploughed back not taken away. ”

**Mrs. Zainab Ahmed**  
Minister of State for Budget and National Planning

“ In a crisis, there are certain behaviours and a sense of urgency that is expected. Without a doubt, a lot is being done but we need to communicate more of a sense of urgency. ”

**Mrs. Adepeju Adebajo**  
MD, Geocycle & Project Management Office; Lafarge Africa PLC

“ We should step back from the discussion and remember that we have an amazing country, we have a huge market, extremely entrepreneurial culture, very high quality public service leaders and we have clear plans we talked about. I just think we should get on with execution. ”

**Mr. Acha Leke**  
Senior Partner, McKinsey & Company

“ We tend to think that states cannot be engines of prosperity or centres of excellence or providing an environment where investors can do business. ”

**Prof. Osita Ogbu**  
Director, Institute of Development Studies

### Panelists:

- Mrs. Zainab Ahmed - Minister of State for Budget and National Planning
- Prof. Osita Ogbu - Director, Institute of Development Studies
- Mr. Acha Leke - Senior Partner, Mckinsey
- Mrs. Peju Adebajo - Managing Director, Geocycle and Project Management Office, Lafarge

### Moderated by:

Maggie Fick – West Africa Correspondent, Financial Times

### BACKGROUND

The session focused on sharing information and perspectives on issues surrounding the theme of the summit and the current macroeconomic situation in Nigeria. The main objectives were to:

- Identify strategies to achieve macroeconomic stability in the short term (inflation, exchange rates and interest rates);
- Enumerate policies to reverse capital flight (enhance steady inflow of foreign direct/foreign portfolio investments); and,
- Itemise options that will diversify the economy in the medium term (increase productivity growth to reverse the recession, focus on domestic production as against imports, and reverse negative terms of trade by growing the non-oil sector for export).

The discussion centred on macroeconomic structural policies, fiscal sustainability, budget implementation, monetary and fiscal policy, and foreign exchange misalignment.

### PROGRESS

#### Government Policies and Regulations

- The Strategic Implementation Plan for the 2016 budget has been developed based on Vision 2020 plan, Transformation Plan and the National Economic Empowerment and Development Strategy (NEEDS).
- A Presidential council on Ease of Doing Business has been created and a secretariat has been established to support the objective of moving Nigeria up by 20 places in the Ease of Doing Business ranking in the next one year. A new Trade Policy has also been developed and is ready for exposure to the public.



- There has been increased government engagement with different stakeholders to address policy inconsistencies and to inform businesses in advance of policy changes.
- The cost of governance has reduced culminating in savings of N6 billion monthly. This is due to the establishment of an efficiency unit, which has eliminated costs associated with ghost workers and instituted a continuous audit of operational costs such that prices of some items have now been standardised across MDAs.
- The cement industry has experienced growth due to the successful implementation of deliberate backward integration and import substitution policies as well as tax incentives.

### Economic Growth

- Today, Nigeria accounts for about 26% of consumer spend in Africa.
- Nigeria's use of technology has increased significantly and there is a growing entrepreneurial culture.
- Nigeria's non-oil revenue has grown by an average of 13.5% over the past 15 years.

## ISSUES AND CHALLENGES

### Poor resilience to economic shocks

- Rising inflation, unemployment, trade imbalance, foreign exchange scarcity, reduced revenue streams, and increasing external debt profile have significantly constrained the government's development efforts.
- High cost of governance.

### Overdependence on Oil

- Overtime, Nigeria has depended on oil revenue and has not sufficiently diversified its economy leaving it open to external shocks arising from the drop in oil prices.
- Historic growth in GDP has been non-inclusive.

### Harsh Business Climate

- Inadequate government support for businesses to create and sustain jobs.
- Low domestic and international investor confidence as a result of inadequate skills, corruption, insecurity and policy inconsistency.
- Ease of doing business challenges remain especially for international investors.
- Increasing risk profile of Nigeria is resulting in higher expected returns from investors to be commensurate with the risk.
- Scarcity of foreign exchange, security and inconsistent policies are impacting negatively on investor confidence.
- Unfavourable taxation regime; multiple taxations at federal, state and local government levels.
- Lack of sustainability of the supply chain to support manufacturing in the long-term.

### Poor communication and implementation of government policies and regulations

- Government has been inarticulate in the communication of its policies.
- Government has been inconsistent in the implementation/rollover of its policies.



- Lack of Execution of development plans especially in priority areas.
- Conflict/ duplication of regulatory bodies with similar functions and responsibilities.

#### Unavailability of Skills

- Lack of required relevant skills especially in Science and Technology to drive research and innovation.

### RECOMMENDATIONS

#### Proper planning and execution of policies

- Develop a comprehensive and accessible National plan, which includes prioritisation, timelines, responsibilities and Key Performance Indicators (KPIs), from which sector-focused plans should be formulated/ derived;
- Accelerate the implementation of the National plan and sector plans and monitoring with defined Key Performance Indicators which are communicated to the public to facilitate self-monitoring and public monitoring;
- Implement consequence management policies to ensure that officials are held accountable for execution of plans and achievement of KPIs;
- States and other sub-national actors to be incorporated in plan and policy formulation and execution;
- Engage with key industry stakeholders and agree on transition processes prior to making policy changes;
- Rethink the education policy in order to provide skills required to drive key sectors of the economy and provide investor's confidence.

#### Proper communication of government policies

- Communicate government plans and policies in a timely and consistent manner utilising appropriate channels including social media in order to engage citizens and investors;

- Involve the President and Vice President directly in the communication of government plans and policies;
- Undertake some symbolic gestures as part of the process of communicating plans.

#### Improve cost and efficiency of government

- Accelerate restructuring of ministries, departments and agencies (MDAs) in order to reduce cost of governance and enhance coordination;
- Rationalise and consolidate research functions across MDAs to minimise duplication and consolidate best research capabilities;
- Enable the Ministry of Science and Technology to have required input in the economy by becoming a member of the economic management team;
- Respect the rule of law and autonomy of independent institutions (such as the Central Bank of Nigeria);
- Ensure consistency of policy and institutional credibility that allows continuance of policy even as governments change.

#### Improve business environment

- Enable sustainability of the supply chain to support manufacturing across various sectors; and,
- Define tangible and measurable targets to improve the ease of doing business in Nigeria.
- Build resilience in the economy by focusing diversification efforts on areas where value is being created and revenue can be sustained.



## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Planning and Execution	<ul style="list-style-type: none"> <li>Develop a comprehensive national plan, which includes prioritisation (with implementation roadmap), timelines, responsibilities and Key Performance Indicators (KPIs)</li> <li>Develop sectoral plans based on the National Plan (with implementation roadmap)</li> <li>Implement the National and Sectoral Plans based on the implementation roadmap</li> </ul>	<ul style="list-style-type: none"> <li>Communicate private sector needs</li> <li>Provide adequate support or partnerships where possible</li> </ul>
Communication	<ul style="list-style-type: none"> <li>Communicate government plans and policies utilising appropriate channels including social media</li> <li>Organise periodic briefings (monthly or quarterly) to communicate policies</li> </ul>	
Cost and Efficiency	<ul style="list-style-type: none"> <li>Accelerate restructuring of ministries, departments and agencies (MDAs)</li> <li>Make the Ministry of Science and Technology a member of the economic management team;</li> </ul>	
Business Environment	<ul style="list-style-type: none"> <li>Define supply chain sustainability plan to support manufacturing across various sectors</li> <li>Define tangible and measurable targets to improve the ease of doing business in Nigeria</li> </ul>	<ul style="list-style-type: none"> <li>Provide input into the supply chain sustainability plan to support manufacturing across various sectors</li> </ul>



## Plenary III: Underpinning Made-In-Nigeria on Technology and Innovation



“We are interested in making sure that the private sector plays the leading role in the commercialization of research findings, not just the ones from the government but also the universities and industrial laboratories.”

**Dr. Ogbonnaya Onu**  
Minister for Science and Technology

“Nigerian companies have developed capacity to fabricate a lot of items that are used in oil production but they are shipped to Korea for integration. Why are we not doing the integration here in Nigeria?”

**Dr. Ernest Azudialu-Obiejesi**  
GMD, Obijackson Group

“Imagine a 22-year old Nigerian with a bright idea that can change the world but he does not have money.”

**Mr. Collins Onuegbu**  
CEO, Sasware Nigeria Limited

### Introduced by:

Dr. Ogbonnaya Onu - Minister for Science & Technology

### Panelists:

- Mr. Collins Onuegbu – Chief Executive Officer, SASWARE
- Dr. Ernest Azudialu-Obiejesi - GMD/CEO, Obijackson Group
- Mr. Femi Oye - Founder, SMEFunds

### Moderated by:

Mr. Kingsley Osadolor; Anchor, Good Morning Nigeria, NTA

## BACKGROUND

The drive to promote Made-In-Nigeria goods and services would be an exercise in futility without the consciousness of the cascading effect of indigenous technology development. In order to tap into the opportunities science & technology can create in Nigeria's development, the stakeholders need to create practical approaches for renewed focus to identify and incubate the best and most innovative ideas.

This session seeks to:

- Ascertain the current state of technology and innovation in Nigeria;
- Realise how Nigeria can capitalise on science & technology for Made-In-Nigeria goods and services;
- Identify the issues that impede science & technology in Nigeria.
- Articulate the advantages of imbining science & technology to our economy.

## PROGRESS

### Technology

- The crossbreeding programme introduced in Kwara State by the nomad farmers has increased milk production from 2.5 litres a day to 15 litres a day.

### Innovation

- The National Board of Technology Incubation has set up incubation centres, where start-up companies are grown and nurtured. One of such companies is now listed on the Nigerian Stock Exchange.



### System Review

- The National Research and Innovation Council (NRIC) has begun its strategic reorganisation to deliver on its mandate and will have a fund that will increase investment in research and development, innovation and sustainable development.

### Structure & Regulation

- The 17 agencies under the Ministry of Science and Technology, are commercialising their research findings. An instance is the research findings from FIIRO that has been commercialised through NASCO to produce a biscuit that uniquely supplies significant dietary need contents for children.

### Partnerships

- There is a partnership with intellectual organisations such as the NESG, MAN, Chambers of Commerce and Industry to institutionalise some of the findings from the research organs to foster greater participation in the sector.

## ISSUES AND CHALLENGES

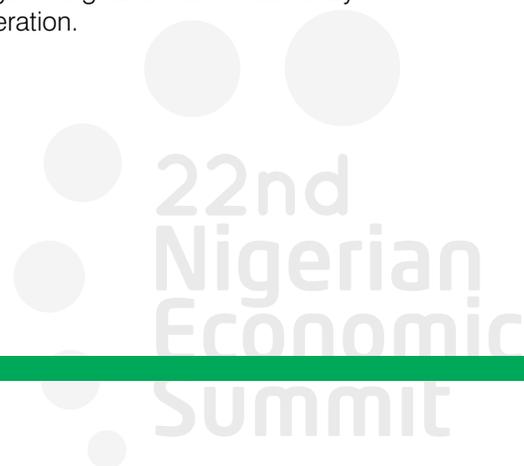
### Technology (Technical & Governance Framework)

- There is a general lack of understanding and appreciation of science and technology and its correlation to nation building. This has led to a high reliance on importation and established the country as a consumer nation. With the current economic situation, Nigeria needs to harness the natural resources she has.

- Lack of dedicated focus on the part of the government to develop indigenous technology. For goods and services to be Made-In-Nigeria, a high domestic content is important and with the export of our resources to be refined, Nigeria loses both revenue, by-products and job creation. Technology is underutilised in sectors such as agriculture and energy. For instance, the largest refineries are found in countries such as India, Italy, Germany and South Korea where there is no oil.
- There is a heavy dependence on imported technology to achieve Made-In-Nigeria goods and services and this defeats the entire purpose as a Made-In-Nigeria product is by definition to have a high domestic content.
- There is a lack of synergy between the ministries, departments and agencies to promote science and technology. If science & technology is to become attractive to the future generation, then ministries such as Education need to collaborate with the Ministry of Science and Technology.

### Capacity Development

- Due to the disconnect between the industry and curriculum in schools, there is a shortage of skills for innovation, science and technology. This is as a result of the huge gap that exists in the educational system between what is being taught, the current realities of our economy and global technological advancement. A key related issue is the lack of interest in Science, Technology, Engineering and Mathematics by the younger generation.





### Policy Formulation

- The hesitance on the part of the private sector to invest in start-ups stems largely from the inadequacies that exist in policy formulation. This is mainly due to the disconnect between the policies developed by the government and the needs that the private sector requires policy documents to address or correct.
- Research institutions in government agencies, academia, industry research institutions lack the framework for commercialising research findings.
- The tone of the government in setting strategic direction in science & technology is largely unclear and this impacts on the role of culture and the value system in driving technology and innovation.
- The policy framework of the country does not provide incentives for companies that patronise local technology. The government needs to go beyond creating policies, it needs to put realistic structures on ground.
- The legal perspective is a key issue that international investors consider and they will face higher risks investing in a start-up where the intellectual property is insufficiently protected..

### Funding

- The allocation of Nigeria budget dedicated to research and development has been very low at 0.02 percent of the national budget. The country should take a cue from Israel and South Korea that spend as much as 4 percent of their budget on research & development.
- The technology industry has the age group of 18 – 25 that have the ideas but do not have the funds to develop the ideas and mostly rely on family & friends to provide the start-up funds. Unfortunately, this means that there is no access to finance when the business needs to grow and taken to the next level such as prototyping and scaling as commercial banks are unwilling to participate in such ventures.

## RECOMMENDATIONS

### Technologically driven enhancement of product and operations

With the introduction of greater value-add technology in different sectors, the local capacity to produce goods and services will increase. For instance, in the value chain analysis of cocoa, the introduction of technology in roasting, grinding and drying in the development process, the monetary value will go from \$3,079 per tonne to \$8,000.

### Funding

In order to increase funding in the science and technology sector in Nigeria, there is a plan to set up the NRIC Fund and this will be financed with 1% of Nigeria's GDP. Also, there are plans to set up a technology bank that will serve as venture capitalists.

### Development of functional innovation centres in Nigeria

The government needs to encourage and help already functional ecosystems like the one in Yaba, Lagos rather than just creating hubs across the country. With the support of the government, the existing ecosystems will grow and promote investments from the private sector.

### Education

- The educational system needs to take into cognizance the realities of the industry, the global competitiveness and push native innovations. There is a need to close all technological gaps and ensure that all skills are available in the country. We can replicate the Ireland success story where there was a shift from classical education to science and technology.
- Also, there is a need to establish a science and technology museum in Nigeria and this will be done in collaboration with the private sector. This will help in getting children involved in Science, Technology, Engineering and Mathematics (STEM) programme and visitors under the age of 18 will have free entry.



### Private and Public Sector Partnerships (PPP)

The government needs to partner with the private sector, to create favourable policies for businesses to thrive. Such a partnership will also promote technology and R&D. And to achieve this, the government should engage already established research institutes and universities.

### Local Content Policy

The introduction of the local content law had some positive impacts on local companies but the enforcement has not gotten to the level that it encourages the local people. To enable the companies to survive, the government needs to understand why certain companies such as Dunlop left Nigeria and close those lapses thereby encouraging the local people.

## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Funding	<ul style="list-style-type: none"> <li>1% of National GDP in the NRIC Fund</li> <li>The establishment of a technology bank</li> </ul>	<ul style="list-style-type: none"> <li>Businesses can invest in research to drive science &amp; technology</li> <li>Angel investors and venture capitalists should contribute to start-up funds</li> </ul>
Policy Development	<ul style="list-style-type: none"> <li>Engage the private sector and understand their needs</li> </ul>	<ul style="list-style-type: none"> <li>Engage the government and show a willingness to work with them and influence policies</li> </ul>
Sensitization	<ul style="list-style-type: none"> <li>Conduct annual technology &amp; innovation exposition</li> <li>Partner with intellectual organisations such as NACCIMA, NESG, MAN, NOTAP</li> </ul>	<ul style="list-style-type: none"> <li>Sponsorship in both the know-how and finance</li> </ul>
Inclusion	<ul style="list-style-type: none"> <li>Involve more women in STEM</li> <li>Support SMEs</li> <li>Distill research findings and make them usable at the grassroots level</li> </ul>	

# Day 2

## Tuesday, 11 October 2016



## Plenary IV: Roundtable with The Vice President on Job Creation, Skills and Employment



“If the thought process about the recession is that it is going to go away tomorrow and oil prices are, by some miracles, coming back to where they were, then it will not help us.”

H.E. Abubakar Bagudu  
Governor of Kebbi State

“We don't just want to farm: whatever we grow, we want to process. We want to take full advantage of the value chain that agriculture offers and with that we have now noticed that our youths are now being employed.”

H.E. Ibikunle Amosun  
Governor of Ogun State

“I started hearing about diversification since 1978. We are still talking about diversifying the economy for 38 years and I hope that next year we are not going to sit down and talk about the same thing.”

Alhaji Aliko Dangote  
President, Dangote Group

“For us as a multinational company, the most expensive way to operate in a country is to bring in foreign nationals instead of locals.”

Mr. Jay Ireland  
CEO, GE Africa

“The response by Nigerians to invest in agriculture has been massive. We are really proud of Nigerians.”

Chief Audu Ogbe  
Minister for Agriculture

### Panelists:

- His Excellency Prof. Yemi Osinbajo - Vice President of the Federal Republic of Nigeria
- His Excellency Ibikunle Amosun – Executive Governor of Ogun State
- His Excellency Abubakar Bagudu – Executive Governor of Kebbi State
- Alhaji Aliko Dangote - President, Dangote Group
- Mr. Jay Ireland - President/CEO, General Electric Africa

### Moderated by:

Ms. Kadaria Ahmed; Director, Daria Media

### BACKGROUND

The session aimed to examine the interventions currently being deployed to address unemployment and underemployment issues as contained in the strategic framework and implementation plan for job creation and youth employment conceptualised by the Job Creation Unit in the office of the Vice President with the support of the UK-Department for International Development (UK-DFID). The key sectors identified included:

- Agriculture and the agro-allied value chain
- Construction
- Wholesale and retail
- ICT
- Clean and renewable energy

Discussions at the session were centred on:

- Maximising the potential opportunities for job creation in these key sectors.
- Facilitating private sector involvement in support of the stated goals.
- Ensuring government provides support to SMEs as backbone of economy.
- Promoting local participation in economy by relying on home-grown skills and businesses.
- Stimulating job creation by ensuring continuous technical and vocational education training.
- Ensuring government policies reflects a commitment to short-term interventions and long-term projections geared towards job creation and expansion of local economic participation.



## PROGRESS

### Job Creation Unit

- The Federal Government set up a job creation unit with a mandate to address prevalent issues of youth unemployment, insufficient jobs, skills and capacity development.
- The job creation unit works in collaboration with support agencies and organisations including NESG as a facilitator of private sector participation and the UK Department for Foreign Investment and Development (DFID).

### Social Housing Programme

- Progress has been made in the conception and development of the federal government's social housing programme which was created to address the huge housing deficit that currently exists in Nigeria.
- For the government to deliver on the promises of this programme, human capital will be required across the entire construction value chain. This will inevitably create employment opportunities.

### Growth of the Non-Oil Sector

- The economic recession confirmed by the National Bureau of Statistics has led to a forced diversification of the Nigerian economy.
- Overarching dependency on a single commodity is no longer sufficient to maintain economic growth at the levels that were recorded in the middle of the recent oil boom. The government's call for investment in other commodities is gradually being heeded and conscious action is being taken to ensure the growth of these commodities.

- Increased investment in the non-oil sector and particularly in a labour-intensive sector like agriculture, has led to an expansion in the jobs pool- more jobs available for more people in more lines of work.

## ISSUES AND CHALLENGES

### Land acquisition for Agriculture

#### Availability of and access to good land for agricultural use

Investors and operators in agriculture and the agro-allied value chain who require land for development often experience bottlenecks in the process of land acquisition. These hurdles exclude MSMEs from the call to agricultural participation. They also slow down the progress of bigger organisations or investors who are unable to expand their participation.

#### Disparities between federal government policy stimuli and ownership of land by the State Governments

Despite the federal government's best intentions in incentivizing agricultural production and participation, ownership of land remains constitutionally vested in state governments. The absence of a common policy binding state government land allocation agenda to federal government policies and initiatives in order to accomplish shared goals remains a challenge.

#### State government attitude to land allocation

State governments are currently pre-disposed to providing access to land for specific purposes, like agriculture and may lose not focus on allocating land for other development objectives. The result is a disregard for vital projects which may lead to jobs and skills creation.



## Financing

### **High lending rates set by commercial banks and insufficient cheap financing for small and medium-scale businesses to facilitate development and job creation.**

There is a general acceptance that only the most successful businesses can thrive within the high lending margins operated by financial institutions. Businesses obtain funds at high costs and, even when productive, their turnover is dragged down by the pinch of exorbitant interest rates.

## Fiscal Policy and incentives

### **Unfavourable fiscal policies and incentives**

This issue is twofold in that, on the one hand, fiscal policies and incentives that were created to stimulate businesses and, in turn, ensure job creation, are not tailored to support the businesses that actually need them. This arises from a failure to match these policies and incentives to specific sectors on a needs basis. On the other hand, existing policies and incentives which might benefit MSMEs and new businesses looking for tax reliefs and similar breaks are not popular.

### **Insufficient support from larger organisations to MSMEs and from government to cottage industries**

Larger corporations exclude smaller competitors and feeder organisations from the benefits of their expansion and profitability and do not do enough to bolster a thriving ecosystem that supports operators at all levels of the economy. This stifles job creation. Also, the growth of cottage industries is not actively encouraged by government. Targeted policies and directives with financing packages that provide greater access to funding are not available.

## Skills

### **Technical Skills Gap**

In economic sectors where highly skilled labour is in demand, there is often a mismatch between available skills and job opportunities with the latter exceeding the former and leading to human capital importation to the detriment of Nigerian workers. There is a huge workforce waiting to be exploited that is unfortunately under qualified for technical positions and thus, overlooked in the hiring process.

### **Insufficient Knowledge transfer by foreign businesses and nationals to locals**

Several foreign and international organisations with their base of operations in Nigeria do not adequately support local growth by failing to transfer technical skills and knowledge to local partners and counterparts. The consequence is a dependency on foreign skills and resources and a failure to build capacity within Nigeria.

## Infrastructure

### **Infrastructure deficit and poor power supply**

Companies and investors looking to participate in the Nigerian economy are often plagued by infrastructure deficits which are an obstacle to growth and expansion. Poor power supply is a crucial challenge and these issues prevent the creation of self-serving industries and self-sustaining production and consumption patterns. Aspects of the value chain within the various sectors of the economy will often be outsourced and/or underdeveloped, leading to stagnation in capacity development.

## RECOMMENDATIONS

### **Agriculture**

The agricultural sector has garnered support from the government as one of the major sectors that will facilitate diversification and drive economic development. Strategies include:

- Integration of national agricultural programmes with state agenda to ensure seamless implementation and access to resources for businesses. This will facilitate economic growth and present job creation opportunities.
- Development of comprehensive policies to ensure ease of acquisition of land for agricultural purposes.
- Other states should adopt the creation of a 'Land Bank', similar to that of Anambra State in order to fast-track land acquisition and eliminate issues arising from interfacing with local stakeholders.
- Redefining the template for distribution of fertilisers to local farmers.



- Creation of avenues to encourage businesses involved in the fabrication of agricultural machinery.

#### Intervention Funds

- Government should make available more intervention funds that can be easily accessed by SMEs and cottage industries to stimulate growth and opportunities for job creation.
- There are existing intervention funds designed by the government such as the CBN's Commercial Agriculture Credit Scheme and Anchor Borrowers Programme but more short-term funding is required to meet the growing demand for financing.

#### Technical and Vocational Skills Training

- Government should partner with the private sector to facilitate adequate technical and vocational skills training to close the skills gap that currently exists.
- Policies and directives should be issued and adopted by relevant government agencies to enforce training of local employees and knowledge transfer by multinationals and foreign companies based in Nigeria.

#### Fiscal Policy and Financing

- Government should craft and propagate favourable tax policies and incentives that will stimulate the development of businesses in all sectors of the economy. These policies and incentives should be purposed for specific industries on a needs basis and in accordance with sectoral business cycles- e.g. tax breaks should have a lifespan that is in step with the growth cycle of targeted businesses, and duty waivers for the importation of agricultural equipment should explicitly include equipment that is most difficult to obtain locally).

- Tax rebates and clemency for MSMEs generating over N1million.
- Provision of interest-free loans by the private sector to stimulate growth in MSMEs and create more jobs.

#### Social Housing Programme

- Government should harness the potential job creation opportunities in the Social Housing Programme. This was established to provide contributory funding to enable low-income earners to afford their own homes. The programme would generate job opportunities for technicians, bricklayers, engineers, and labour across the entire spectrum of jobs in the construction value chain.
- Specific skills training should be provided by the government in conjunction with the private sector to make sure the workforce is adequately prepared to take up the opportunities the social housing programme will create.

#### Policy Formulation and Stakeholder Cooperation

- Continuous collaboration between all stakeholders- federal government (policy makers), state government (land owners), organised private sector (economic agents- large and small businesses) to facilitate development.
- Ensure all agencies mandated to facilitate industry and commerce are more responsive.
- Continue to support big businesses due to their impact on aggregated growth and complementary effect on the MSME space.



## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Technical Training & Knowledge Transfer	<ul style="list-style-type: none"> <li>▪ Partner with private sector to facilitate adequate technical &amp; vocational training skills</li> <li>▪ Enforce local content regulation such as the Nigerian Oil and Gas Industry Content Development Act across all sectors</li> <li>▪ Develop policies to ensure knowledge transfer to local employees by multinationals &amp; foreign companies based in Nigeria</li> </ul>	<ul style="list-style-type: none"> <li>▪ Collaborate with federal government to provide technical &amp; vocational education to facilitate economic development</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>▪ Creation of land banks to streamline land acquisition for agricultural projects</li> <li>▪ Federal government policies should be integrated with state agenda for ease of land acquisition for agricultural purposes</li> <li>▪ Continuous improvement of power supply for sustainability of businesses to stimulate creation of jobs</li> </ul>	
Financing	<ul style="list-style-type: none"> <li>▪ Increasing intervention funding for SME's and cottage industries</li> <li>▪ Empower Bank of Agriculture to provide adequate funds at cheap rates</li> </ul>	<ul style="list-style-type: none"> <li>▪ Collaborate with government to make funds available as a way of supporting the growth of SME's</li> </ul>
Government Policies & Incentives	<ul style="list-style-type: none"> <li>▪ Complete tax clemency for SMEs with turnover in excess of N1Million</li> <li>▪ Create favourable tax policies &amp; incentives</li> <li>▪ Government needs to ensure all agencies mandated to facilitate industry &amp; commerce are more responsive</li> <li>▪ Restructuring incentives like duty waivers and tax holidays to better suit the peculiar needs of the various players in the industry</li> </ul>	



## Plenary V: National Assembly Business Environment Roundtable (NASSBER) - Ensuring A Legislative Framework For Made-in-nigeria



“For the first time we are truly engaging with the private sector. For the first time we are guiding our actions based on need, it is not a case of passing laws that have no relevance to people's businesses. ”

**Dr. Bukola Saraki**  
President of the Senate

### Background Presentation on NASSBER:

Mr. Seni Adio (SAN) - Vice Chairman, NBA-SBL

### Panelist:

H.E. Senator (Dr.) Bukola Saraki - President of the Senate, Federal Republic of Nigeria

### Moderated by:

Mrs. Ndidi Nwuneli - Co-Founder, AACE Foods and Member; NASSBER Steering Committee

### BACKGROUND

Arising from recommendations at NES #21 that outdated laws and regulations be reviewed and/or amended, the National Assembly, engaged the private sector led by the NESG in conjunction with the UK Department for International Development (DFID) and the Nigerian Bar Association, Section on Business Law (NBA-SBL) with a view to ensuring that legislative process addressed the concerns of businesses and industries and create an enabling environment for doing business.

The session aimed to provide an overview of the collaboration between the National Assembly and the private sector to provide legal framework necessary to facilitate the ease of doing business in Nigeria, provide a platform for the engagement of key stakeholders, diversification of the economy and enhancing competitiveness and spread of Made-in-Nigeria goods and services.

The session commenced with a presentation by Mr. Seni Adio, SAN, the Vice Chairman of NBA-SBL, on the achievements of the National Assembly Business Environment Roundtable (“NASSBER”) till date (as highlighted below), following which the Senate President, Dr. Bukola Saraki was engaged (in a question and answer session) on factors militating against the creation of an enabling legislative framework for the realisation of the NES #22's Made-in-Nigeria initiative.

The Senate President gave the assurance that the Legislature shared the same sense of urgency as the nation, the need for a business law reforms, and is committed to the reforms. He gave the assurance that lobby by special interests will not deter the Legislature from the path of reform in so far as the Legislature is convinced of the necessity of the relevant course of action in the national interest.



## PROGRESS

### Establishment of NASSBER

NESG engaged a team of consultants to review the institutional, regulatory and legislative framework affecting business environment in Nigeria. The report issued by the consultants was reviewed by key experts in the public and private sectors and subsequently presented to the National Assembly on February 29, 2016. NASSBER was established to formalise the relationship between the National Assembly and the private sector. A key achievement is that the legislature is working with the private sector in a choice of and passage of laws and as a result, laws are being considered by the legislature based on needs.

### Establishment of NASSBER Secretariat and Private Sector Liaison Office

Following its inaugural meeting on March 21, 2016, the Honourable Speaker provided a NASSBER liaison office within the National Assembly complex. The NASSBER secretariat was established within Summit House, NESG's office complex, Ikoyi, Lagos.

### Accelerating the Hearing and Passing of Key Bills

NASSBER has been instrumental to the hearing of the following key bills at the National Assembly:

- Federal Competition and Consumer Protection Bill 2015 aimed at promoting competition and ensuring fair trading practices (gone through a public hearing and is awaiting 3rd reading and passage).
- National Transport Commission Bill 2015 aimed at establishing National Transport Commission which will ensure cohesion in government policies on transportation (gone through 2nd reading in both chambers as well as gone through a public hearing at the House of Representatives and awaiting a public hearing in the Senate).

- Nigerian Railway Authority Bill 2015 (passed by the Senate and awaiting 3rd reading at the House of Representatives).
- Federal Roads Authority Bill 2015 (awaiting 3rd reading in the House of Representatives).
- National Roads Funds Bill 2015 (awaiting 3rd reading in the House of Representatives).
- Nigerian Ports & Harbours Authority Bill 2015 (gone through 2nd reading in the Senate).
- National Inland Waterways Authority Bill 2015.
- Nigerian Postal Commission Bill 2015.

### Review of the Companies and Allied Matters Act ("CAMA")

Following review by the Corporate Affairs Commission, a draft bill to amend the Companies and Allied Matters Act was presented to various stakeholders for review and comments. The proposed amendment will address issues such as delay in business registration, reduction in the cost of business registration, removal of antiquated provisions such as minimum share capital, directors and shareholder.

### Review of Investment and Securities Act ("ISA")

The ISA has been earmarked for review and amendment where necessary in order to harmonise its provisions with the provisions of the relevant laws affecting business in Nigeria such as the CAMA.



## ISSUES AND CHALLENGES

### **Nigeria's ranking of 169 (out of 189 countries) in the World Bank Doing Business Report 2016.**

The World Bank Doing Business ranking puts Nigeria in a position which is inconsistent with the Made-in-Nigeria revolution. The ranking has spurred discussions necessary to create an enabling environment for doing business in Nigeria. One of these efforts is the establishment of NASSBER.

### **Slow legislative process, largely due to the bicameral legislative system.**

The fact that bills have to go through a legislative process which involves three (3) readings and a public hearing in each of the two (2) houses of the legislature before they can be passed into law has made it difficult to pass critical bills into law in good time. Also, the constitutional requirement that Bills not passed and/or assented to by the President before the expiration of a legislative session should start the legislative process all over again (irrespective of the stage of hearing of those bills)

### **Difficulty in enforcing property rights in Nigeria.**

This difficulty is largely attributable to the long process and cost of registering title to property in most parts of Nigeria and the lengthy period that proceedings in Nigerian courts take.

### **Obsolete laws**

Most of our laws are obsolete and no longer fit for purpose and this continues to affect the ease of doing business in Nigeria.

## RECOMMENDATIONS

- Fast tracking the legislative process to ensure that laws are passed in good time. In this regard, it was suggested that bills that have been considered by one (1) of the legislative houses should not go through the whole legislative process at the other house. Senate already set aside its standing rules and now passes bills already passed by the House of Representatives through the three (3) hearings in a single day. Further an amendment to the constitution is being considered which will make laws passed by the National Assembly to automatically become law if the President fails to veto the law within thirty (30) days of passage.
- Passage of relevant key legislations, expected to take Nigeria out of recession, as highlighted in achievement section should be passed into law before the end of 2016. The Senate President indicated that eleven (11) bills have been identified which will significantly drive the economy forward and effort is being directed at ensuring that they are all passed into law by the end of the year.
- Urgent passage of the amendment of the Public Procurement Act to compel ministries, departments and agencies to patronise made in Nigeria goods. National Assembly through its oversight function has undertaken to enforce the implementation of such amendment when passed into law.
- The report of the Comprehensive Review of the Institutional, Regulatory, Legislative & Associated Instruments Affecting Businesses in Nigeria should be published by NESG on an open platform to enable interested persons to get access to it.

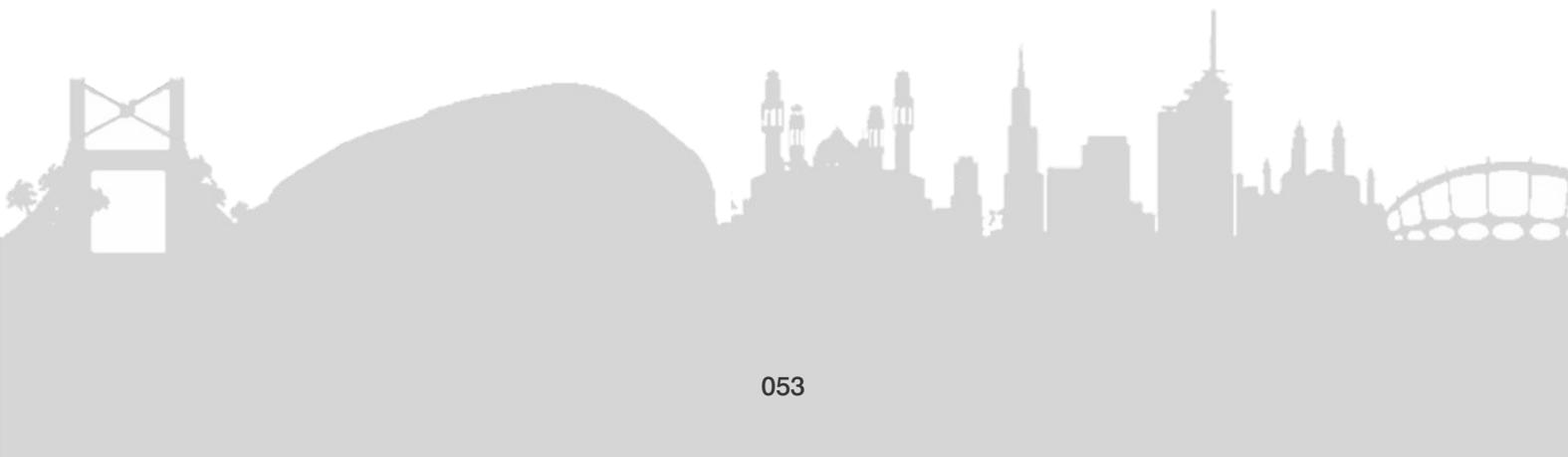


## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Fast Tracking of Legislative Process	<ul style="list-style-type: none"> <li>The legislative arm of government should take immediate steps to fast track the legislative process to ensure that laws are passed in good time.</li> </ul>	
Passage of Key Legislations	As a matter of urgency (before the end of the year), the legislature should ensure the passage key legislations, as highlighted above.	The private sector should make contributions to enable tailor-made bills targeted at pressing industry issues.
Prioritising in the passage of Bills	The National Assembly should prioritise and focus on passing key laws necessary to transform the economy.	
Amendment of the Public Procurement Act	As a matter of urgency, the Public Procurement Act should be amended to compel government, ministries, departments and agencies to patronise Made-in-Nigeria goods.	

## Situation Room: Parallel Insight Sessions

- Manufacturing
  - Services
- Agro-Processing
  - ICT
- Creative Industry
- Micro & Small Enterprises
  - Inventor & Innovator





## Manufacturing



### Discussion Leader:

Hamma Kwajafa - Director General/CEO, Nigerian Textile Manufacturers Association

### Facilitated by:

Mrs Lynda Quayaor

### BACKGROUND

The session identified challenges faced by the manufacturing sector, the strategies for overcoming these challenges and developing the sector. The objectives of the session included the following:

- Understand why consumers and producers do not patronise locally made finished goods or raw materials and what the manufacturing sector should be doing to address the situation.
- Examine the mindset and behaviour shift that needs to occur to grow the patronage of Made-in-Nigeria products.
- Address quality and safety standards to encourage the purchase of locally made goods.
- Identify required infrastructure and policies that will facilitate the rapid growth of the manufacturing sector.
- Understand the key drivers of consumer behaviour in Nigeria.
- Proffer solutions to the issues affecting the growth of the sector with specific timelines.

### PROGRESS

Despite the enormous challenges of doing business experienced by manufacturers, some companies have strived to increase the percentage of their domestic inputs while a few industries have enjoyed government support with favourable policy implementation.

- Coca-Cola Nigeria has grown to source roughly 80% of its material inputs from the Nigerian economy.
- Increase in cement production from 3 million tonnes in 2002 to about 40 million tonnes today is an example of government enabling the manufacturing sector.



## ISSUES AND CHALLENGES

The following were identified as challenges experienced by manufacturers of local goods and factors affecting consumer patronage of Made-in-Nigeria goods.

### Manufacturers

#### **Inadequate supply and high tariff of electricity**

One of the major challenges of manufacturers in Nigeria is the inadequate power supply. Where it is available, the tariff is higher compared to countries like China, South Africa and Ethiopia and this makes local production output uncompetitive compared with the lower prices of imported goods.

#### **Poor road networks for transportation and logistics**

The distribution phase of the manufacturing value chain has to deal with poor road networks and sometimes insecurity. This can lead to loss of products during distribution and consequently loss of income.

#### **Non-inclusive policy formulation process/government policy somersaults**

Policy makers are perceived as not deliberately staying abreast of resource and operational constraints of manufacturers. Manufacturers are not carried along in policy formulation for the sector, leading to unfavourable and stringent policies that have caused the death of some manufacturing companies, especially in the textile industry.

#### **Insufficient cheap funds**

High interest rates charged by commercial banks do not suit the financing needs of businesses in the manufacturing sector. This creates a funding gap that limits the ability of the manufacturers to produce, expand and also improve the quality of their output.

#### **Inadequate requisite technical skills**

The technical skill-set required for improved quality and quantity of manufacturing output is inadequate. Hence manufacturers often depend on skills importation, which increases the cost of production and this leads to the uncompetitive pricing of the final output.

#### **Multiplicity of taxes**

Manufacturers are faced with multiple tax payments from federal, states and local governments. This has made it very difficult for them to survive and be competitive.

#### **Absence of relevant statistics**

Another major challenge faced by the manufacturing sector is the absence of adequate statistics to show which specific small-scale domestic manufacturers are in specific industries to enable policy formulation that is targeted towards those industries.

#### **Inadequate research & development**

There is no visible investment effort in research and development process that will drive improved quality and quantity of output.

#### **Ineffective import restriction policies**

Import bans and restrictions have been poorly enforced so far. The act of smuggling in sub-standard products is on the increase and these sub-standard products account for almost 95% of the textile market in Nigeria. They are smuggled into the country, do not attract duty and their prices are much cheaper than locally manufactured goods.



### **Poor communication, advertisement and visibility of Made-in-Nigeria goods**

Consumers are almost unaware of the local alternatives that exist for most imported finished goods or raw materials due to the poor communication and advertisement strategies deployed by manufacturers and in some cases, no strategies are deployed for consumer awareness and product visibility.

### **Inadequate supply of Made-in-Nigeria products**

Locally manufactured goods are not readily available and easily accessible in some cases. An example is the Nigerian brown rice from Ebonyi which is currently in high demand but not readily available to consumers.

### **Unsupportive ECOWAS Common External Tariff (CET)**

The ECOWAS CET charges 5% tariff on the importation of pharmaceutical raw materials procured for the production of pharmaceutical output. However, no charges are levied against imported manufactured pharmaceutical finished products. This discourages local manufacturing and thus places domestic pharmaceutical manufacturers in a disadvantaged position.

### **Inadequate patronage of locally manufactured goods by the government**

Government as the major spender in the economy does not sufficiently patronise local manufacturers despite the Procurement Act, as preference is for foreign brands.

## **Consumers**

### **Perceived poor quality**

Past experiences of consumers about the poor quality and sub-standard nature of locally produced goods compared to some imported alternatives has over time created the bias that currently exists in favour of imported alternatives.

### **Poor packaging of locally manufactured products**

There is a general impression that Made-in-Nigeria products are not well packaged and are highly unattractive to consumers.

### **Loss of confidence in the regulatory bodies**

Over the years, consumers have observed that the regulators of consumer protection, quality and standards of production fail in carrying out their duties hence, consumers are sceptical about the quality of and accreditation process for locally produced goods.

### **High and uncompetitive prices**

The high cost of doing business in the country is often reflected in an increase in prices of locally made goods. This causes a natural shift towards imported goods by consumers.

## **RECOMMENDATIONS**

### **Government Legislation on Procurement**

- Enact legislations to encourage its ministries, departments and agencies (MDAs) to purchase Made-in-Nigeria goods.
- Implement existing legislations to promote Made-in-Nigeria goods such as redefining the Procurement Act that makes government patronage of local manufacturers mandatory.
- Collaborate with donor agencies to ensure that they also procure Made-in-Nigeria goods in the course of their interventions in the country.

### **Quality and Standards**

- Enforce effective regulatory interventions by relevant agencies to enhance public confidence.
- Collaborate with the private sector to ensure improved quality of inputs (local raw materials).
- Ensure regulatory authorities improve their level of compliance verification and mete out sanctions for non-compliance.
- Nigerian Customs Service should intensify efforts on surveillance at the borders to prevent smuggling and importation of sub-standard goods.

### **Infrastructure – Power and Transport**

#### **Government should:**

Address the issue of gas supply and electricity tariff to facilitate availability and affordability of energy to local manufacturers.



**Manufacturers should:**

- Strive for efficiency in the use of energy by devising energy saving measures and also explore the use of renewable energy sources.
- Work with government to address the transport and logistic challenges for effective distribution of locally made goods.

**Funding, Tariffs and Incentives**

**Government should:**

- Impose high tariff and bans on imported goods to protect domestic manufacturers.
- Provide tax subsidies, waivers, incentives and intervention funds for local manufacturers.
- Create uniform tariffs for importing pharmaceutical raw materials and pharmaceutical finished products.

**Research and Relevant Statistics**

**Government:**

- Nigerian manufacturing output should be focused on areas of competitive and comparative advantage. Appropriate policy to enhance the capacity of industries with a comparative advantage should be implemented.
- Identify manufacturing industries with comparative advantage based on local inputs and design appropriate policies to encourage such industries.
- Carry out a survey of the Nigerian manufacturing sector in an effort to determine goods that are produced locally and their level of patronage. This will influence policy formulation and direction by government.

**Manufacturers:**

- Engage research institutions in an effort to identify new and improved operational procedures to drive prices lower and also increase the quality and quantity of outputs.

**Technical Training and Skills Development**

**Manufacturers should:**

- Invest in capacity building and skills upgrade of employees for enhanced productivity by dedicating a percentage of their annual budget to training and exposure.

**Awareness campaigns**

**Government:**

- Craft a structured and strategic campaign for Made-in-Nigeria. There is a need to showcase Made-in-Nigeria goods and educate the populace on the advantages of buying locally-produced goods to boost economic growth.

**Manufacturers:**

- Improve marketing strategies to attract patronage. This will involve effective communication, product visibility and engagement with consumers to create awareness.



## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Legislation & Regulation	<ul style="list-style-type: none"> <li>Enact legislation that compels MDAs to consume and utilise Made-in-Nigeria goods</li> <li>Ensure donor agencies procure Made in Nigeria goods.</li> <li>Ensure regulators of quality and standards are more effective for improved consumer confidence.</li> </ul>	
Infrastructure	<ul style="list-style-type: none"> <li>Accelerated increase in availability of power supply to local manufacturers at an affordable price.</li> <li>Address critical road network challenges that affect distribution and logistics.</li> </ul>	<ul style="list-style-type: none"> <li>Explore the use of alternative renewable energy sources.</li> </ul>
Research & Development	<ul style="list-style-type: none"> <li>Examine the entire manufacturing sector and in the short to medium term focus on developing industries with competitive and comparative advantages.</li> </ul>	<ul style="list-style-type: none"> <li>Engage research institutes to determine efficient means of improving quality and quantity of output while reducing cost.</li> <li>Output should be focused on areas of competitive and comparative advantage.</li> </ul>
Awareness	<ul style="list-style-type: none"> <li>Create and implement a sustainable “Proudly Nigerian” or Made-in-Nigeria campaign.</li> </ul>	<ul style="list-style-type: none"> <li>Embark on aggressive awareness campaign of Made-in-Nigeria products.</li> </ul>
Human Capacity Development		<ul style="list-style-type: none"> <li>Invest in talent management for improved quality of staff and output.</li> </ul>
Finance	<ul style="list-style-type: none"> <li>Create intervention funds and facilitate ease of access to cheap funds.</li> </ul>	

## Services



### Discussion Leaders:

- Dr. Sally Uwechue-Mbanefo – Director General, Nigerian Tourism Development Corporation
- Mr. Shola Adekoya – Managing Director/CEO, Konga
- Mrs. Fola Laoye - Director, Hygeia Nigeria Limited
- Mr. Adetokunbo Ogundeyin – Group Managing Director, O'la-kleen Nigeria Ltd

### Facilitated by:

Ms. Maureen Ideozu, Technical Adviser to CEO, NEPC

### BACKGROUND

The drive to promote Made-in-Nigeria goods and services would be an exercise in futility without an understanding and recognition of the services sector. Though services sector encompasses different sectors, this session is limited to trade, e-commerce, tourism, healthcare and cleaning services. Focus was on these sectors because of their potential to replace crude oil in helping the Nigerian economy as services sector contributes 53.18% to the country's GDP; hence a true driver for the Made-In-Nigeria mantra.

This session sought to:

- Understand what services are;
- Articulate the constraints in making the Nigerian services sector viable;
- Identify the untapped opportunities;
- Understand the role of government in services and government funding
- Devise strategies for encouraging the upcoming generation in the services industry
- To create a platform using technology to develop t services industry

The objectives of the session were:

- Facilitate a robust sector discussion on the underlying behavioural attitudes towards local goods and services by producers and consumers.
- Define tangible steps towards improving product and service quality and standards and ensure fit for a global marketplace.
- Agree on specific reforms and timelines required to make industry outputs fit for the global market.

### PROGRESS

#### Tourism

- The Nigeria Tourism Development Corporation has signed MOUs with embassies to promote Nigeria as a tourist destination of choice to their citizenry.



- The NTDF has identified medical centres with world-class facilities to cater for tourists in some locations. Worthy of note is Ondo State where there is a helipad for medical emergencies.

### E-Commerce

- The introduction of online shopping in Nigeria has led to employment in the logistics and finance sectors, and the growth of software application development skills among young Nigerians.
- E-Commerce has reduced the start-up capital required for small businesses as location cost is removed.

### Healthcare

- Significant growth in the sector due to increased private sector participation. The introduction of health insurance and health management business models has increased demand as well as supply.

## ISSUES AND CHALLENGES

### Technology

- There is a lack of understanding and misapprehension when it comes to people using technology in e-commerce. Nigerians do not understand technology and a majority of the older generation is unwilling to put in the required effort to understand it.
- The government is not employing the technological know-how that will drive the service industry and this is because the government itself demonstrates a lack of understanding of the vast differences that technology has contributed in same sectors in developed countries.

### Tourism

- The absence of adequate infrastructure to support the growth of the sector, such as good transport system, good public health care system, inadequate power supply etc.
- Lack of synergy among government agencies whose activities impact on the sector and absence of co-ordinated government action in addressing public sector issues that negatively impact the sector or reduce investor confidence in Nigeria, such as security, consular services and immigration. The immigration service needs to be educated on the importance of tourism to the GDP and improve their processes.

The security agencies also have to devise ways to ensure that tourists can have the confidence to visit tourist sites.

### Capacity Development

- Even though the number of medical schools has increased, the funding to those schools have reduced and this has affected human capacity.

### Policy Formulation

- There are no practical policies, reforms and initiatives by the Nigerian government to promote the service sector in the country. Although the sector does not have the technical dependence that is involved in the production of goods, its success is highly dependent on domestic consumption. Without the right policies in place, Nigeria would continue to have a heavy reliance on exports. For instance, these are some of Nigeria's top services as at 2015:

- Transportation: \$8billion on import \$1.8billion on export
- Travel: \$5.7billion on import \$414million on export
- Other business input: \$2billion on import \$0 on export
- Government goods & services: \$1.3billion on import \$499million on export
- Finance: \$1.1billion on imports \$259million on exports
- Personal, cultural and recreational: \$170 million on imports \$0 on exports

### Funding

- Inadequate funding. For instance, in the healthcare sector, this has led to the inability of supply side to meet demand resulting in medical tourism and attendant drain on foreign exchange reserve. The national budget for health is insufficient to improve the system and upgrade the supply side. Only about 3% of the Nigerian budget is dedicated to healthcare and this is grossly inadequate. More developed countries dedicate not less than 10% to healthcare and the USA has a 17% allocation to healthcare. This has also led to a dearth of top quality facilities in the tourism and hospitality sectors.

### Importation

- Heavy dependence on importation of key inputs in some of the sectors. For instance, most consumables in the healthcare sector are imported.



The Nigerian pharmaceutical industry is worth about \$1.2billion but only about \$200million of the products and services are Nigerian made. Eighty percent of the raw materials used in the local manufacture are imported.

## RECOMMENDATIONS

### Infrastructure

- To improve the viability and competitiveness of the service sector, the government needs to develop infrastructure such as power, roads, emergency health services, rail and airports. These are key gaps that need to be closed as they have a direct impact on the services sector.
- Given the limited resources of the government, investment in certain areas of the services sector such as healthcare, tourism, technology should be prioritised, due to their potential to grow the nation's GDP exponentially if properly financed and managed.
- The private sector should also be incentivised and encouraged to contribute to/invest in the development of infrastructure such as building and upgrading of hotels and other relevant facilities. Some may adopt tourist sites, renovate/rehabilitate them and brand them.

### Institutional

To ensure standards and regulatory compliance, the government needs policies that can promote strong capacity and sustainable models such as:

- A review of the existing laws and regulation that promote Made-In-Nigeria such as the Public Procurement Act and the Local Content Law. This will limit foreign participation in certain sectors of the service industry
- Full implementation and execution of existing policies that promote procurement of Nigerian made services and reduce importation of services that are feasible in Nigeria.
- Review of the tourism master plan as well as policies and processes that impede the growth of the tourist market.
- The strengthening of regulatory bodies and educating them on the importance of the services sector as a major part of the diversification of the nation's economy.

### Governance

The government needs to adopt certain processes to grow the services sector such as:

- The reduction of multiple taxations across the states, ministries, agencies and departments and harmonisation of tax laws. These are important in creating investor confidence in the services sector.
- Promotion of the services sector as a ready means of job creation (particularly among the youth) due to the capability of a start-up with little or no capital outlay. To this end, tax incentives can be introduced for the young business start-ups that are interested in the services sector. In addition, government and the private sector can create mentorship programmes and schemes for young entrepreneurs. This will have the dual effect of celebrating the industry champions and promote the sharing of industry knowledge.
- Simplification of business registration, approval and permit processes through adoption of policies such as one-stop shops for business registration and issuance of permits. This will create conducive environment for business and improve the ease of doing business.
- A coalition of services associations is required to harmonise the sector and provide information readily for future business owners and investors.

### Mindset and Behaviour Change

- Adopt strategies to change the mindset about Made-in-Nigeria services and implement policies that encourage identification with the Nigerian brand such as adoption traditional dress codes on Fridays, hosting of government sponsored conferences in Nigeria etc. The federal government should work towards making Abuja the conference hub for Africa.
- There is an urgent need for advocacy to promote the services sector and change the mindset of the citizenry. This will help people to understand the sector and the market and promote interest in the sector.
- The introduction of technology in the sector to increase efficiency and productivity in line with the current global trends.



## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Funding	<ul style="list-style-type: none"> <li>▪ The provision of tax incentives</li> <li>▪ Increase the national budget to adequately match the sectors that will promote “Made in Nigeria”</li> </ul>	<ul style="list-style-type: none"> <li>▪ Businesses can invest in the tourist sites</li> <li>▪ Implement private sector funding support for the service sector</li> </ul>
Policy Development	<ul style="list-style-type: none"> <li>▪ Engage the service sector and understand the gaps and deficiencies</li> <li>▪ Develop policies to reduce foreign dependence in the services sector such as medical tourism</li> <li>▪ Develop policies that promote Made-in-Nigeria</li> </ul>	Engage the government and show a willingness to work with them and influence policies
Infrastructure	<ul style="list-style-type: none"> <li>▪ Upgrade the current structures in areas such as transportation and power to facilitate improved patronage</li> </ul>	<ul style="list-style-type: none"> <li>▪ Contribute to/invest in the development of infrastructure such building and upgrading the hotels and other relevant facilities. Some may adopt tourist sites, renovate/rehabilitate them and brand them.</li> </ul>
Advocacy	<ul style="list-style-type: none"> <li>▪ Key government officials should spearhead the promotion of Nigeria in their locality</li> <li>▪ Better synergy between government agencies that influence the services sector</li> </ul>	<ul style="list-style-type: none"> <li>▪ Create awareness sensitisation programmes</li> <li>▪ Partner with the government to develop the sector</li> </ul>

## Agro-Processing



### Discussion Leaders:

- Charles Ugwu – Chief Executive Officer, Ebony Agro Industries Limited
- Yemisi Iranloye – Chief Executive Officer, Psaltry International Company
- Olatunde Agbato - President, Animal Care Services Konsult Nigeria Limited.

### Facilitated by:

Lanre Akinbo – Chief Executive, Wizer Advisory Limited

### BACKGROUND

There has been relatively low adoption and acceptance of “Made-in-Nigeria” products in agro-processing, due to issues surrounding policy, regulation, quality, capacity, know-how, branding and supply chain management. The Session identified specific challenges, proposed recommendations highlighted priority areas for government and initiatives that can help move the agro-processing sector in the right direction. A number of them were also referred to be taken up and followed through by the NESG agriculture policy commission.

### PROGRESS

- \$1.3b has been approved for SMEs by the World Bank
- The federal government is partnering with a number of institutions including the World Bank, the CBN, ministries and state governments to promote an enabling business environment for the sector to grow.
- The federal government in collaboration with the CBN has disbursed more than N4b across 12 states within two years. The initiative has increased capacity for top, medium and bottom tier players across the states by providing links to financial service providers.
- The federal government has made certain tax benefits and other incentives available to players within the industry.
- The federal government has established FAFIN, an initiative which assists with providing training, supply chain management and investment for players.

### ISSUES AND CHALLENGES

#### Tough Business Climate

- High reliance of consumers on imports is a barrier towards the adoption of locally produced agricultural products
- Lack of protection of local agro-processing firms from dumping of products by international suppliers
- High cost of doing business due to poor infrastructure (roads, power, railways, etc.).



### Lack of Standardisation and Unmet Industrial Demand

- No proper definition of what constitutes a “Made in Nigeria” product and what the value proposition is.
- Poor quality of locally fabricated equipment and general lack of requisite skills needed to produce equipment locally.
- Constraints in the supply chain due to fragmentation of farmer groups.
- Low quality of agro-processing end products in comparison to international players.
- Lack of standardisation of quality across the industry (equipment, goods, etc.).
- Insufficient production of raw materials, locally, to meet industrial demand.
- Lack of transparency amongst applicants looking to access government incentives.

### Inefficient Funding Mechanisms

- High levels of credit risk borne by banks looking to disburse CBN funds
- Low ceiling placed on interest rate charges is hindering the ability of government-owned development finance institutions to be financially sustainable.
- Limited willingness of banks to provide loans to the agro-processing sector due to investment in lower risk government securities.
- Lack of synchronisation in the provision of loans between the formal banking sector and the informal agro-processing sector
- Lack of proper education on requirements to access loans.
- Crowding out of the private sector in the loan market by government borrowing.

### Poor Education and Communication

- Limited knowledge of many firms about agriculture-related incentives provided by the government.
- Limited understanding of the agro-processing business by the commercial banks.
- Closure of many agro-processing factories due to limited knowledge of and engagement with the entire supply chain.
- Poor communication of agricultural policies and incentives by relevant government authorities.

## RECOMMENDATIONS

### Encourage standardisation of the industry

- Goods categorised as Made-in-Nigeria should have at least 50 percent of inputs sourced locally.
- A map of farmers' clusters should be provided by the NESG to aid the agro-processing sector in identifying potential sources of raw materials.

- Local fabrication of agricultural equipment should be encouraged by building institutions to increase skills of local fabricators.

### Improve efficiency of government interventions plans

- Development finance model needs to be restructured to address the high costs associated with lending.
- Government agencies and ministries need to be aligned to enhance the transparency and execution of agriculture policies.
- As government is proposing to create a development bank, tariffs collected on imported produce should be used as a source of funding for the bank.
- Government must provide necessary infrastructure e.g. roads, power, railway, etc. to support the agro-processing sector.
- CBN should closely supervise the relationship between banks and the agro-processing sector to ensure that funding bottlenecks are addressed.
- Merge various government DFIs into one national DFI, which will be funded into perpetuity, similar to the Brazil model of agriculture financing.

### Provide incentives to stimulate greater participation in the sector

- Made-in-Nigeria goods should have at least 50% of inputs sourced locally.
- Priority should be placed on identifying and promoting areas of comparative advantage in the agricultural sector; consideration should be given towards banning importation of similar goods.
- Agro-processing firms should be given incentives such as preferential foreign exchange terms, access to fuel during scarcity and subsidies to offset costs of fuel.
- Channel funding from the formal sector to the informal sector through village savings associations and other local informal financial institutions thereby stimulating the value chain for agro-processors.
- Adopt the agricultural loan refinancing model used by the Indian National Bank for Agriculture and Development (NABAD).
- Custom levies collected from imports should be excluded from the government federation account and placed in a fund exclusively for the development of the sector
- Incentives for players working along the entire value chain and saving Nigeria foreign exchange should be created.



- Build warehouses in various local governments to serve as storage for small agro-processors
- Use funds from the statutory account to de-risk the agriculture value chain e.g. developing feeder roads.
- Increase education and awareness of public and private sector support
- Ministry of Agriculture should collate and regularly review and communicate government agricultural policies to the public through their website and other relevant platforms.

**Tighten business processes and strategies**

- Agro-processors should study their target market and develop products at par with their quality standards
- Firms should develop backwards integration models to guarantee a viable supply chain for their raw material inputs
- In requesting loans from banks, agro-processors must take the responsibility of providing adequate information needed to meet requirements

## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
	Standardisation	<ul style="list-style-type: none"> <li>▪ At least 50% of inputs in “Made in Nigeria” goods should be sourced locally</li> <li>▪ Identify products that Nigeria has comparative advantage in producing and ban importation of related goods</li> </ul>
Access to finance	<ul style="list-style-type: none"> <li>▪ Close supervision of banks by the CBN to address bottlenecks associated with credit risk and cost of borrowing</li> </ul>	<ul style="list-style-type: none"> <li>▪ Applicants to provide adequate information to meet loan requirements</li> </ul>
Access to proper infrastructure	<ul style="list-style-type: none"> <li>▪ Provide necessary infrastructure e.g. roads, power, railway needed to support the development of the sector</li> </ul>	
Governance	<ul style="list-style-type: none"> <li>▪ Alignment of government agencies and ministries to enhance transparency and execution of agriculture policies</li> <li>▪ Merge DFIs and provide funding to perpetuity</li> </ul>	
Incentives	<ul style="list-style-type: none"> <li>▪ Place custom levies collected from imports in a development fund for the sector</li> </ul>	
Communication	<ul style="list-style-type: none"> <li>▪ Regularly review and communicate government policies to the public through website</li> </ul>	
Business Strategy		<ul style="list-style-type: none"> <li>▪ Develop backwards integration model to guarantee viable and sustainable supply chain</li> </ul>



## Information and Communications Technology



### Discussion Leaders:

- Leo-Stan Ekeh – Chief Executive Officer, Zinox Technologies Limited
- Bosun Tijani – Chief Executive Officer, Co-Creation Hub Nigeria
- Gossy Ukanwoke - Founder, BAU

### Facilitated by:

- Uche Rowland - GM (Strategy), SCILS Management Centre

### BACKGROUND

ICT is a rapidly growing sector with the capacity to diversify and create growth through indigenous innovations and entrepreneurship, its growth rate may be higher than other sectors with the vast investment opportunities locally and abroad. With an ecosystem that ranges from software start-ups to infrastructure firms, Nigeria has grown into one of Africa's largest and most vibrant markets for ICT products and services.

The session aimed to

- Stimulate discussion on the local production, sales and consumption of high-quality ICT products and services that serve the unique needs of local and global markets,
- Facilitate capacity building required to equip Nigerians to engage and participate in the local ICT industry;
- Identify positive success strategies to deal with the environmental constraints facing local ICT vendors, and
- Examine appropriate environmental factors to enable foreign investment in ICT, and export of local ICT goods and services.

### PROGRESS

#### ICT Businesses

- Despite the tough operational environment, several local ICT businesses including hardware manufacturers and a major data centre received government buy-in and patronage which assisted them to take off successfully and thrive at the early stage
- ICT start-up initiatives such as BudgIT have blossomed and are currently making a significant contribution to the shaping and development of the Nigeria economy.

#### Partnerships and Collaborations

- Policy and regulatory regime coordination by government institutions such as National Communication Commission (NCC) responsible for maintaining fair competition among operators to ensure high quality and low-cost telecom services.



- Successful public and private sector collaborations such as the Lagos State Government and Main One Cable initiative in Yaba, Lagos have helped to grow the number of ICT start-up businesses.
- Telecommunication firms have been supporting Value Added Service (VAS) providers and developing that aspect of the ICT industry.

### Human Capital

- There is significant growth in and passion for ICT among old and especially young people in Nigeria. This is evidenced in the raw talent and drive of the Nigerian youth.

### ISSUES AND CHALLENGES

#### The inability of tertiary institutions in the country to teach modern and relevant courses relating to ICT

Most tertiary institutions in Nigeria currently teach outdated and/or irrelevant programming languages which students are unlikely to use in the real world. Lecturers do not have requisite knowledge and certifications to teach relevant ICT skills and there is the absence of ICT-focused educational institutions. Educational facilities at tertiary institutions are inadequate.

#### Weak ICT Policy

Despite the critical role of telecommunications in ICT businesses, telecoms companies have not been fully involved in the ICT policy development process. The government does not currently have any specific mandates or initiatives to patronise local ICT firms such as producers of computer hardware and local data centres. Tax and other government policies also fail to encourage investment in ICT.

#### Poor Infrastructure

The lack of adequate power supply is a major challenge facing the ICT industry, in addition to inadequate infrastructure for bandwidth connectivity.

#### Insufficient Government Support

There are insufficient support and involvement from sub-national levels of governments in relation to creating the right environment for local ICT to thrive. Lack of commitment to research and development on ICT-related issues by both the ministries of communication and science & technology.

### RECOMMENDATIONS

#### Human Capital

It was recognised that human capital development was the most critical issue in the development of ICT in Nigeria. While the raw talent and drive of the Nigerian youth were acknowledged, the session identified the points listed below as critical steps needed to enhance the quality of human capital in Nigeria:

- Review and updating of the curriculum of computer science and other ICT-related courses in Nigerian tertiary institutions in order to ensure the development of modern programming and software writing skills required in the ICT industry;
- Establishment of ICT-focused tertiary institutions by Federal and state governments to ensure the priority development of relevant and useful ICT skills;
- Designation of selected existing tertiary institutions in strategic locations across the country, which could serve as tech-hubs for incubation of start-up ICT businesses; and
- Mandating ICT lecturers in tertiary institutions to upgrade their ICT knowledge and certifications in order to ensure that they are better able to educate students of modern programming and software.

#### Government Support

While previous government support for ICT businesses was acknowledged and deemed crucial to the success of pioneering local ICT businesses, the session still agreed that more support was required in order to ensure that a greater number of ICT businesses matured. Also, it was recognised that government policy and support could be better coordinated and focused on the welfare of the ICT industry. The main recommendations regarding government policy and support are:

- Telecoms companies should henceforth be better incorporated into the process of formulation and execution of ICT policy considering that telecommunications and broadband service underpin all ICT activities;
- The Ministry of Science & Technology should make ICT research and development one of its top priority programmes and should allocate funds and formulate policy in that regard;



- There should be stronger collaboration and cooperation between the ministries of communication and science & technology in relation to local ICT development;
- Government at subnational levels should be more actively involved in the creation of a more enabling environment for ICT with focus on dealing with the issues that relate to their specific needs;
- Governments at all levels should issue directives mandating government ministries, departments and agencies (MDAs) to host their data and web presences with local data centres in accordance with the renewed commitment to made in Nigeria goods and services;
- Government should encourage MDAs to patronise to Nigerian-made hardware and software; and
- Tax and other incentives should be designed to encourage and support investment in local ICT firms and to improve the ease of establishing and growing ICT businesses in Nigeria.

### Infrastructure Development

In addition to all of the other issues identified, the session acknowledged that addressing infrastructural gaps in relation to ICT would go a long way to improve the prospects of the sector. The recommendations of the session in this regard are detailed below:

- In addition to major investment in improving power infrastructure across Nigeria, the government needs to prioritise the provision of power infrastructure for telecommunications base stations as affordable telecommunications expansion underpins ICT expansion.
- Government to facilitate and encourage further investment in broadband infrastructure in order to significantly improve the speed and quality of internet service in Nigeria being a major driver for many ICT businesses.
- It is also necessary for the government to invest in upgrading ICT facilities at tertiary institutions across Nigeria to complement the upgrades to lecturer qualifications and to the ICT curriculum at the institutions. This will ensure that students are able to combine theoretical and practical training at universities and will go a long way to harness the existing raw ICT talent in the country.

## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
ICT Infrastructure Development	<ul style="list-style-type: none"> <li>Government should, as a matter of urgency, upgrade power and broadband infrastructure across the country in order to support ICT</li> </ul>	<ul style="list-style-type: none"> <li>The private sector should also invest in infrastructure, to the extent that it can.</li> </ul>
Human Capital Development	<ul style="list-style-type: none"> <li>Within the next 12 to 18 months the curricular of ICT courses at tertiary institutions should be revised and updated to ensure they meet the current requirements of the ICT industry and international standard</li> <li>Within the next 6 months, Government should build capacity in the ICT industry by funding training, particularly in tertiary institutions offering ICT related courses.</li> <li>Within the next 12 to 36 months, government should designate a number of existing tertiary institutions to focus on ICT. These institutions lecturers to be retrained, the curriculum should be overhauled, required infrastructure provided and learning/living environment renovated.</li> </ul>	<ul style="list-style-type: none"> <li>Private sector collaboration with the government in the area of capacity building.</li> </ul>
Policy Making	<ul style="list-style-type: none"> <li>Within the next 1 to 12 months:               <ul style="list-style-type: none"> <li>All public/government sector data managed and stored abroad should be transferred to local data centres.</li> <li>Government should encourage MDAs to patronise Made-in-Nigeria hardware and software.</li> </ul> </li> <li>The government needs to formulate policies that create an enabling environment for the ICT industry to thrive.</li> </ul>	
Collaboration and Coherence	<ul style="list-style-type: none"> <li>Ministries of Communication and Science &amp; Technology must immediately collaborate and be coherent in moving the ICT industry forward.</li> </ul>	
Research and Development	<ul style="list-style-type: none"> <li>Ministry of Science &amp; Technology should make ICT research and development one of its top priority programmes.</li> </ul>	
Roundtable Discussion	<ul style="list-style-type: none"> <li>All stakeholders in the ICT industry should be invited to a roundtable discussion in order to identify and proffer solutions to issues affecting local ICT within a period 12 months.</li> </ul>	
Involvement of States and local governments	<ul style="list-style-type: none"> <li>State and local governments should immediately take steps to create an enabling environment for players in the ICT sector within the respective state.</li> </ul>	



## Creative Industry



### Discussion Leaders:

- Omoni Oboli – Film Producer and Actress
- Oke Maduwesi – Chief Executive Officer, Zaron Cosmetics

### Facilitated by:

Audu Maikori – Chief Executive Officer, Chocolate City

### BACKGROUND

The Session facilitated a robust sector discussion on the underlying behavioural attitudes towards the creative industry by Nigerians. It defined tangible steps towards improving quality and standards and ensure that is continues to be fit for a global marketplace. In the end, participants agreed on specific reforms and timelines:

- Fiscal responses to innovation;
- Essential regulatory issues, standards and organisations
- Manufacturing
- Piracy/ counterfeiting
- Patriotism, patronage and endorsement
- Mindset and behavioural change
- Insecurity
- Tax incentives and tariffs
- Trade laws

### ISSUES AND CHALLENGES

With the looming challenges within the creative industry, drastic measures need to be taken in order to tackle leakages in the industry. Practical policies and reforms to drive the change need to be implemented. For example, to promote the patronage of local brands in South Africa the government pursued a buy local campaign to boost economic growth, create jobs and to address youth unemployment. The “Proudly South Africa” initiative was formed to address government's five main priorities which were; education, health, job creation, fight against crime and corruption, rural development and land reform. In Nigeria, we can adopt some measures to promote local brands as follows:

#### Fiscal Responses to Innovation

- Inadequate funding of business projects,
- High interest rates and currency fluctuation,
- Lack of adequate information on sectors such as film and television, advertising and music. Therefore, people cannot invest in the sector.



Proposed action steps:

- Government and financial institutions should collaborate for the creation of an intervention fund to encourage innovators.
- Government agencies such as NEXIM, NCPC, NFCB, etc. to track all exported intellectual property offshore and ensure appropriate remuneration for work exported.
- Involvement of private sector giants for promoting the industry.

#### Essential regulatory issues, standards and organisations

- Inadequate enforcement of government policies on piracy.
- Inadequate enforcement of government policies on standards and quality.
- The standard institutions do not carry out their function.
- Slow approval processes.

Proposed action steps:

- Amendment of obsolete laws by the National Assembly.
- Creation of legal framework for value chain
- Enforcement of government policies on piracy
- Speedy approval process

#### Manufacturing

- High cost of production resulting in low patronage in the sector.
- Low patronage and lack of industrial clusters.
- Lack of federal and state governments' drive towards consumption of Made-in-Nigeria goods and services.

Proposed action steps:

- Creation of industrial clusters at low costs of factors of production to foster patronage.
- Government campaign towards "Made-in-Nigeria" goods.

#### Piracy / Counterfeiting

- There are low returns on investments due to pirates' activities.
- Compromise of the brand due to various counterfeit products which reduce consumer confidence in the brand and low patronage.

Proposed action steps:

- Tracking and destruction of counterfeit goods.
- Enforcement of piracy laws.
- Educational advocacy on the ills of piracy.

#### Patriotism, Patronage and Endorsement

- There is a poor perception of local brands
- Loss of brand to foreigners who can provide wider sales and distribution channels
- Government and international community need to support and endorse local brands

Proposed action steps:

- Campaign to promote the use of Made-in-Nigeria goods

#### Mindset and Behavioural Change

- Government needs to take active steps to guide the perception of local brands, backing its credibility and promoting its patronage
- Government should endorse and promote a buy-local campaign to boost economic growth in the sector

Proposed action steps:

- Promotional endorsement of Made-in-Nigeria goods
- Citizen participation in monitoring of counterfeiting

#### Insecurity

- There is gross insecurity in the country. Some states in the country have been rendered insecure due to religious, social and cultural differences and therefore revenue generating activities and patronage of the creative sector cannot be carried out there.
- Due to the high profitability of counterfeiting and piracy, the perpetrators take great caution and arm themselves with weapons to carry out their activities.

Proposed action steps:

- Government to create funds for the fight of insecurity in the country.
- Government to fight insecurity.

#### Tax Incentives and Tariffs

Proposed action steps:

- Government should offer tax holidays and incentives to manufacturers in this industry to promote participation in the sector.
- Government should impose tariffs on imported substitutes of the Made-in-Nigeria goods.



**Trade Laws**

- Due to the unavailability of trade laws between Nigeria and its counterparts, foreigners cannot easily do business and these opportunities are lost to neighbouring countries.

Proposed action steps:

- Government needs to enact trade laws with other countries to promote industry activities.

**RECOMMENDATIONS**

- Train the people who can enforce standards and quality controls.
- Infrastructure: there should be the development of recreational centres which include cinemas around the country.

- Public-private partnership models can be adopted to promote the development of cinemas, creative content development.
- Government needs to audit all its cluster facilities to reallocate those that are unused to these industries to promote manufacturing activities.
- Intensive policing of the institutions to carry out their functions.
- Effective interrelation across the board between MDA's.
- Venture capital and financing should be created to promote and generate activities in the sector.
- Better data capturing on business intelligence should be carried out.
- Government should create funds to pursue piracy infringement.
- Government should endorse and promote a buy-local campaign to boost economic growth in the sector.

**Priorities and Action Steps**

Key Priority Areas	Priority and Action Steps	
	Short-term	Long-term
Creative industry: private sector	<ul style="list-style-type: none"> <li>▪ Occupational standards: the industry in itself should have standards that all its participants adhere to</li> <li>▪ Creation of venture capital and private equity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Engage and develop local suppliers of raw materials in a backwards integration programme</li> </ul>
Government	<ul style="list-style-type: none"> <li>▪ Enforcement of piracy laws</li> <li>▪ Tax incentives for local products and impose tariffs on imported substitutes</li> <li>▪ Collation of data on intellectual property export</li> <li>▪ Audit and reallocation of all idle or unused government assets to the creative industry</li> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Tax restructuring</li> <li>▪ Creation of legal framework for value chain</li> <li>▪ Review of the selection criteria for board membership for agencies that regulate the creative industry</li> <li>▪ Creation of an implementation plan for standardisation of goods and services.</li> </ul>

## Micro and Small Enterprises



### Discussion Leaders:

- Godwin Ehigiamusoe – Chief Executive Officer, LAPO Microfinance Bank
- Reuben Onwubiko – COO, Afrobeverages & Distillers, Aba
- Austin Ufomba – SSA to the Abia State Governor on Investments & PPPs
- Aisha Yakubu-Bako – min9ja.com

### Facilitated by:

- Mr. Abiola Lukman Lawal, Chief Executive Officer, Ashton & Dave Travels

### BACKGROUND

Micro, Small and Medium Enterprises (“MSEs”) are an integral part of any economy. In both developing and developed countries, MSEs play an important role in job creation and overall economic growth. The objective of this session is to examine how MSEs enhance patronage of Made-in-Nigeria goods and also promote the concept of “Made-in-Nigeria”.

This session is critical to the “Made-in-Nigeria” discussion, as MSEs drive the utilisation of local content, materials, resources and technology in production activities.

The objectives of the session were to:

- Examine the issues and challenges preventing the growth of MSEs in Nigeria;
- Proffer solutions to the problems identified; and,
- Develop a time-bound and measurable action plan for the implementation of solutions proffered.

### PROGRESS

- The Central Bank of Nigeria (“CBN”) and Bank of Industry (“BOI”) have instituted intervention funds targeted at MSEs.
- Several private-sector led initiatives which demonstrate the private sector's increased commitment to MSEs development such as the entrepreneur brand conference and Made-in-Nigeria leather goods trade fair.

### ISSUES AND CHALLENGES

#### Access to Finance

##### High cost of credit

- Double-digit interest rates on loans to MSEs serves as a deterrent from accessing loan facilities.
- The implicit cost of time spent by MSEs to process and negotiate loan facilities with banks is a further discouragement to SMEs.



### **Commercial Banks have an ineffective structure for transacting with MSEs**

- Commercial banks do not have a flexible model for dealing with peculiarities of the MSEs industry including lack of adequate documentation.
- MSEs are considered to be “high-risk” clients which is reflected in high pricing and commercial banks' reluctance to absorb the administrative costs involved with transacting with MSEs, that typically have high number of transactions with low value;
- Commercial banks do not have a thorough understanding of the MSE ecosystem; therefore, are not able to provide bespoke solutions to MSEs financial needs

### **Microfinance Banks are not sufficiently liquid, which hampers the volume of funds accessible to MSEs**

- With approximately nine hundred Microfinance Banks in Nigeria, there is still inadequate liquidity to meet the loan demand of MSEs in Nigeria
- Less than 10% of MSEs have access to the type and volume of finance required.

### **High loan default rate on the part of borrowing MSEs discouraging lending to MSEs**

Due to several factors including unconducive business environment, the wrong mentality towards repayment of loans and force majeure events, MSEs are unable to repay loans as at when due.

### **Low financial literacy amongst MSEs**

- MSEs lack financial education; they do not understand how to keep proper records such as cash book, profit and loss account and balance sheets.
- MSEs are not educated enough to know how to present required documentation for loan processing such as cash flow statements, five-year projections, etc.
- Poor dissemination of information on bank products, procedures and required documentation restricts the reach and effectiveness of finance for MSEs who do not have adequate knowledge of financial products and services offered by commercial banks and development finance institutions (“DFIs”).

### **Lack of Competitiveness**

#### **Lack of standard operating procedures and poor quality of products**

- MSEs typically do not have standard operating procedures and processes that ensure the consistency of quality of their products which often affects the acceptance of their products.
- Lack of policies and structures that guide MSEs business operations.

#### **Low-value addition by MSEs at the local level**

- Low-value addition by MSEs as the tendency is to trade in raw produce/ products rather than value-add or processed products due to focus on immediate profit.

### **Lack of Skills**

#### **No clear understanding of the route to market including structures for marketing and distribution of SME products locally and internationally.**

- In addition, regulatory agencies that should facilitate product certification for proper penetration into international markets do not expedite action in certain instances, hence market deepening for products of small local industries remains a challenge.

#### **Low understanding of the value chain of SME businesses:**

- Demand-side of the value chain which results in MSEs being unable to take advantage of local resources and build sustainable business relationships which can result in more efficient business outcomes; and,
- Supply-side of the value chain which restricts the markets in which MSEs can operate, therefore SMEs are not able to capture as much market share as is potentially possible.



#### **Lack of sound human capacity development strategies:**

- Many MSEs do not recognise the importance of training and development of staff including continuous development programmes.
- A vicious cycle in which skills set available does not meet the requirements of MSEs further exacerbated by the human capital deficit challenges.

#### **Little or no entrepreneurship education in primary and secondary schools:**

- Ineffective curriculum on Entrepreneurship in schools, covering: strategy, business practices/ management, and entrepreneurship
- This impacts the orientation, skills and knowledge to succeed at entrepreneurship especially during youth formative stages.

#### **Lack of platforms for knowledge and technology sharing amongst MSEs**

- The advantage of sharing resources have not been fully explored by MSEs. As a result of this, MSEs lose viable opportunities to reduce costs of doing business, which could have a positive impact on their pricing strategies and overall competitiveness.

#### **Failure of large enterprises to promote MSE development**

- Many large enterprises, which depend on MSEs as part of their value chain, fail to initiate or champion backwards integration or invest in the efficiency of MSEs operations through Corporate Social Responsibility (“CSR”) programmes.

#### **Inadequate Support from Government**

#### **Unfavourable government policy prescriptions which stifle entrepreneurship development**

- Some government policies are at variance with the interests of MSEs do not support the growth of MSEs including multiple taxations at federal, state and local government levels
- Poor implementation of government policies targeted at MSEs.
- Lack of implementation of the 1% budgetary allocation to financial literacy at the state level.

#### **Inadequate infrastructure**

- MSEs often provide basic infrastructure such as power, water, roads, storage facilities and other social and economic infrastructure, in order to run their businesses, which further increases the cost of production and hampers the MSE ability to compete.

#### **Failure of Federal, State and Local Governments to identify areas of competitive advantage**

- Failure of government at all levels to understand and articulate core areas of competitive advantage which will guide policy direction and assist in the effective deployment of resources. Based on the foregoing, MSEs will be able to take advantage of focused policy interventions.

#### **Sustainability of government intervention funds for MSEs development**

- Many government intervention funds have been established by different administrations but these intervention funds have not been implemented in a sustainable manner due to policy summersault by succeeding administrations.

#### **Low public investment in research and development to create indigenous solutions to challenges faced by MSEs**

- The commitment of government at all levels to research and development is low. MSEs require data and other outputs from research and development to innovate, develop strategies, and be more competitive. Generation of data relevant to local conditions is capable of stimulating indigenous solutions to problems by MSEs.
- The Small and Medium Enterprise Development Agency (“SMEDAN”), the Government agency responsible for developing the MSEs, is not effective in its operations and in providing adequate support for MSEs.

#### **RECOMMENDATIONS**

- Creation of special purpose industrial parks/ clusters for MSEs as a platform for providing shared services such as captive power solutions, infrastructure, business advisory, etc. which can be wholly government funded or through public-private partnerships;



- Government policy intervention to provide single-digit interest rate facility available to MSEs;
- Commercial banks should create partnerships with microfinance banks, cooperatives and other relevant institutions for the purpose of channelling funds to MSEs and to improve access to finance;
- Integration of insurance into financial services rendered to MSEs to provide comprehensive financial solutions;
- All stakeholders (government, private institutions, Development Finance Institutions (“DFIs”), NGOs etc.) should collaborate to promote financial literacy;
  - To complement states efforts, private sector players, through their CSR activities should be encouraged to invest in financial literacy programmes and activities
  - Immediate implementation of 1% budgetary allocation to financial literacy at the State level;
- Creation of business support and advisory desks in all state ministries of commerce and industries;
- Creation of programmes by stakeholders to improve competitiveness of MSEs; assistance with business support/ advisory services, value chain integration and other support services relevant to the development of MSEs;
- Mentoring and skills transfer by successful entrepreneurs or large enterprises in order to help MSEs thrive and compete favourably. This can be part of the large organisation's Corporate Social Responsibility (CSR);
- Develop the right operational policy and strategy to develop MSE industry, starting with a study that can help MSEs have a clear understanding of local strength and areas of competitiveness by federal and state governments;
- MSEs are to connect to our culture, traditions and local realities in order to promote local content and development of cottage industry;
- Define curriculum in primary and secondary schools to improve entrepreneurship skills development;
- Create and strengthen existing MSEs knowledge and learning platforms for sharing best practices that can be adapted by MSE operators such as MSEs associations; harmonise and address issues related to standards, quality assurance to enhance the acceptability of Made-in-Nigeria goods;
- Engage local entrepreneurs on the need for unique and innovative business content – ideas, strategies, processes, solutions etc., while also educating and training them on business operations efficiency;
- Harmonise and address issues related to standards and quality assurance to enhance the acceptability of Made-in-Nigeria goods; and,
- Government to patronise Made-in-Nigeria products and services.



## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Access to finance	<ul style="list-style-type: none"> <li>Government to intervene by providing single-digit interest rate facility accessible to MSEs.</li> <li>Implementation of the 1% budgetary allocation to financial literacy at the state level.</li> </ul>	<ul style="list-style-type: none"> <li>Commercial Banks to create partnerships with microfinance banks, cooperatives and other relevant institutions for the purpose of channelling funds to MSEs.</li> <li>Insurance to be integrated into financial services rendered to MSEs.</li> </ul>
	<ul style="list-style-type: none"> <li>Promotion of financial literacy.</li> </ul>	
Competitiveness	<ul style="list-style-type: none"> <li>Creation and facilitation of special purpose industrial parks, hubs, clusters for MSEs through PPPs.</li> </ul>	
	<ul style="list-style-type: none"> <li>Creation of business support and advisory desks in all State Ministries of Commerce and Industries.</li> <li>Government at all levels to conduct studies that can help MSEs have a clear understanding of their local strength and areas of competitiveness.</li> <li>Define curriculum in primary and secondary schools to improve entrepreneurship skills development</li> <li>Government to patronise Made-in-Nigeria products and services.</li> </ul>	<ul style="list-style-type: none"> <li>Creation of programmes by stakeholders to empower MSEs, in form of assisting with business support/ advisory services, value chain integration and other support services relevant to the development of MSEs.</li> <li>Mentoring and skills transfer by successful entrepreneurs or large enterprises in order to help MSEs thrive and compete favourably.</li> <li>Engage local entrepreneurs on the need for unique and innovative business content – ideas, strategies, processes, solutions etc.</li> </ul>
	<ul style="list-style-type: none"> <li>Harmonise and address issues related to standards and quality assurance to enhance the acceptability of Made-in-Nigeria goods</li> </ul>	



## Inventors and Innovators



### Discussion Leaders:

- Bankole Oluwafemi - Co-Founder, Big Cabal Media
- Azuka Ijekeye - Founder, Zuky Products; Managing Director Interstreet
- Chika Uwazie – Chief Executive Officer, Talentbase
- Dan-Azumi Ibrahim- Director General, NOTAP

### Facilitated by:

John Yisa-Doko – Managing Director, Mobitech

### BACKGROUND

The Session dissected the issues plaguing innovation and stifling the emergence of inventions in Nigeria. It also facilitated a robust discussion on the challenges faced by Nigeria's inventors and innovators. Participants agreed on specific reforms and timelines required to make industry outputs fit for the global market.

### ISSUES AND CHALLENGES

#### Product Standard and Quality

##### Low quality and lack of standards

Made-in-Nigeria products are currently largely synonymous with poor quality and lack of standards. This has, in part, remained prevalent due to the near absence of proper monitoring of production process by regulators.

##### Poor customer profiling

While Nigerians are known to be a patriotic people who typically desire to patronise Made-in-Nigeria goods, there, however, seems to be a significant mismatch between what's available from Nigerian producers and what consumers truly want. This arises from producers failing to respond to the explicit and implicit expectations of their customers.

##### Poor product specifications

Nigerian products are often of inadequate specifications needed to meet buying objectives. This makes these goods incompatible with international standards and unfit for collaboration with other accessories.

##### Few options and iterations

Nigerian products seldom have a wide range of options and iterations. This limits the utility consumers can derive from them, thereby elevating the attractiveness of foreign alternatives.



### **Poor product design and production processes**

Due to shoddy prevailing business practices, under-trained human resources and inadequate tools & machinery, product design and production processes, a lot of Nigerian companies cannot compete favourably with their foreign counterparts, as this implies a resultant differential in the quality of their final products.

### **Lack of consistency**

The prevalent lack of consistency in features, packaging and availability of Nigerian products leave consumers with no choice than to seek out more reliable international brands, which are not only better packaged but also deployed using more sophisticated supply chain models.

### **High prices**

Most foreign products are produced under more favourable infrastructural conditions – and in some cases enjoy outright subsidies. On the other hand, their Made-in-Nigeria counterparts are produced usually under very harsh business conditions, which in turn results in higher unit prices.

## **Business/Innovator Characteristics**

### **Business continuation risk**

Considering the difficulty of doing business in Nigeria, the Nigerian startup is less likely to succeed, and if it does, it faces a host of challenges impacting its sustainability on a continuous basis. This informs the hesitation by clients to enter into long-term engagements with Nigerian businesses.

### **Poor customer service**

Poor customer service in the consumer's sale and after-sales experiences, arising from poor processes as well as unprofessional and discourteous personnel, continue to plague Nigerian businesses; thereby diverting demand to foreign brands and options in instances where customers have a choice.

### **Mediocrity**

Mediocrity, lack of attention to detail and low service delivery seem to be endemic in most Nigerian businesses. This is partly hinged on an educational system that fails to offer the training required to deliver world-class service levels.

### **Short-lived entrepreneurial motivation**

Prevalently, the entrepreneurial motivation in Nigeria is often not driven to deliver long-term, sustainable business solutions, but usually fueled by a short-term survivalist instinct. This mindset does not promote continuous investment in research for innovation and best-practice, which are necessary for building sustainable institutions with a continuing relevance.

### **Poor branding**

Nigerian innovators and inventors seem to be most concerned with delivering the core functions of the product with little concern for augmented features, branding and the creation of a purchasing experience for the consumers. While the core product is a given, these peripherals are often the differentiators that influence choices where there are options.

## **Customers**

### **Low-quality perception of Nigerian products**

There exists a pervasive view of Nigerian products as being of low quality when compared with foreign substitutes and this has created a significant distrust for Made-in-Nigeria products. This perception results in the total avoidance of, or a willingness to patronise them only at costs relatively lower than those of foreign counterparts.

### **Low purchasing power**

High poverty rates, with the resultant impact on purchasing power, negatively impacts the willingness to invest research and development. Would-be inventors/innovators often hold the view that there may be no effective demand for any potential products that may result, due to the likelihood of higher costs, and therefore increase in prices.

## **Government**

### **Retrogressive policies**

There is a dearth of progressive policies that stimulate innovation and invention. Some existing government policies make it harder, more expensive and sometimes risky to invest innovating and new inventions. Such policies serve as bottlenecks, preventing the emergence of new products, services and ways of doing things.



## RECOMMENDATIONS

### Government Reforms

#### Reorientation of MDA's to be supportive

There is a need for government officials, agencies and parastatals to be retrained to become more market and business-friendly, in order to make public officers more supportive of policies and practices that produce a thriving business environment.

#### Streamline government agencies that have duplicated functions

Some government parastatals, commissions and agencies have duplicated functions, which make it unclear and cumbersome for businesses. Effectively streamlining these bodies will resolve issues of overlapping, policies and double taxation, which entrepreneurs have to contend with.

#### Improve business policy framework

Many existing policies and regulations that would improve innovation and invention are largely unknown or may be unclear to people. These policies ought to be better promoted and more widely propagated.

### Made-in-Nigeria Brand Awareness

#### Create a brand sensitization strategy for Made-in-Nigeria

Promotion of the Nigerian brand in terms of products and services would guarantee sustainable employment and turn around the economy. Both the private and public sector should be involved in a strategic campaign to promote Made-in-Nigeria goods and this could require branding such goods and services as "Made in Nigeria", while also investing in media promotions, road shows, stakeholder engagements etc.

### Product Quality/Standards

#### Enforce standards

Enforce standards that will bring "Made in Nigeria" goods and services to par with foreign counterparts. In addition, the protection of intellectual property rights with strong patent, trademark and copyright systems is very essential. These systems provide a reliable safeguard for innovations driven by large research and development investments and serve to protect products and solutions to enable them to compete internationally.

### Government Reforms/Fiscal Policy

#### Employ stringent tariff measures on imported goods

Stringent tariffs should be charged on imported goods which Nigerians can or are currently competitively producing. This will limit the import of foreign alternatives, and in turn, help to promote local manufacturing and the GDP contribution of the real sector.

#### Offer incentives and differential tax holidays

Incentives and differential tax holidays should be offered for Made-in-Nigeria products and innovations. These incentives can be channelled towards basic, early-stage research to stimulate the creation of new, strategic fields of knowledge.

### Infrastructure

#### Establish industrial clusters

Government should facilitate and encourage the establishment of industrial clusters, IT parks/hubs and other business agglomerations for competitive advantage through economies of scale. Government should also designate free trade zones and special economic zones to promote investment in choice sectors. These measures will help reduce operating costs, regulatory constraints and other hurdles that confront local businesses (particularly small and medium enterprises).

#### Reduce infrastructure deficit

The absence of basic infrastructure such as power, roads, rail and internet connectivity in both rural and urban areas impede on the realisation of innovative ideas and inventions. These go to create a difficult environment thus stifling production. Considering the limitation of resources, targeted investments in infrastructure are required to foster innovation and invention, which in return will enhance the operational environment of local businesses.

### Access to Finance

#### Create funding programmes for SMEs

Create programmes for enabling and funding SMEs such as angel capital, venture capital, private equity and loans. Small and Medium Enterprises (SMEs) have the potential to play a significant role in driving economic development in Nigeria, however, funding has continued to impede their emergence and growth.



## Education/Skills Development

### **Integrate industry leaders in teaching/academia**

The linkage between stakeholders is a special and innovative mechanism for fostering academia–research–industry partnerships and facilitating the mobility of experts from academia to industry and vice versa. This would help address issues of curriculum relevance and employability of students while creating opportunities for the private sector to fund academic research.

### **Promote STEM (Science, Technology, Engineering and Mathematics)**

As most nations of the world move towards a knowledge economy, science, technology, engineering and mathematics (STEM) have become even more critical to their success. This should also be encouraged in Nigeria to ensure that a culture of innovation and invention is promoted starting with pupils in primary schools all through all higher educational levels. The curricula of Nigerian vocational and technical education institutions should be reviewed to meet the demands of the labour market. In addition, the trainers and teachers need to be retrained periodically and empowered with the infrastructure to ensure they are in tune with improvements in both technology and methodology. It is also pertinent to monitor and regulate the informal sector that produces artisans and technicians. Such training establishments should be licensed to certify trainees at the end of the apprenticeship period.

### **Revamp existing and create new vocational and technical schools**

Inadequate funds affect the quality of teaching and the provision of essential tools including equipped laboratories and workshops, relevant textbooks and training manuals. Adequate resources should be allocated to technical and vocational education. In addition, technical institutions should establish a good relationship and linkages with similar institutions abroad as this will promote cross – fertilisation of ideas and enhance technology transfer. By doing this the technical institutions will have access to new developments, exchange programmes and other numerous benefits available at those institutions whose technical programmes are well developed.

### **Support existing research centres and set up new ones**

There is a need for the establishment of a Public-Private Partnership (PPP) fund created to invest in the research and development of innovation and invention projects. The fund should be applied towards financing operational and targeted activities of existing research centres and setting up new centres to cater to pre-determined research requirements.

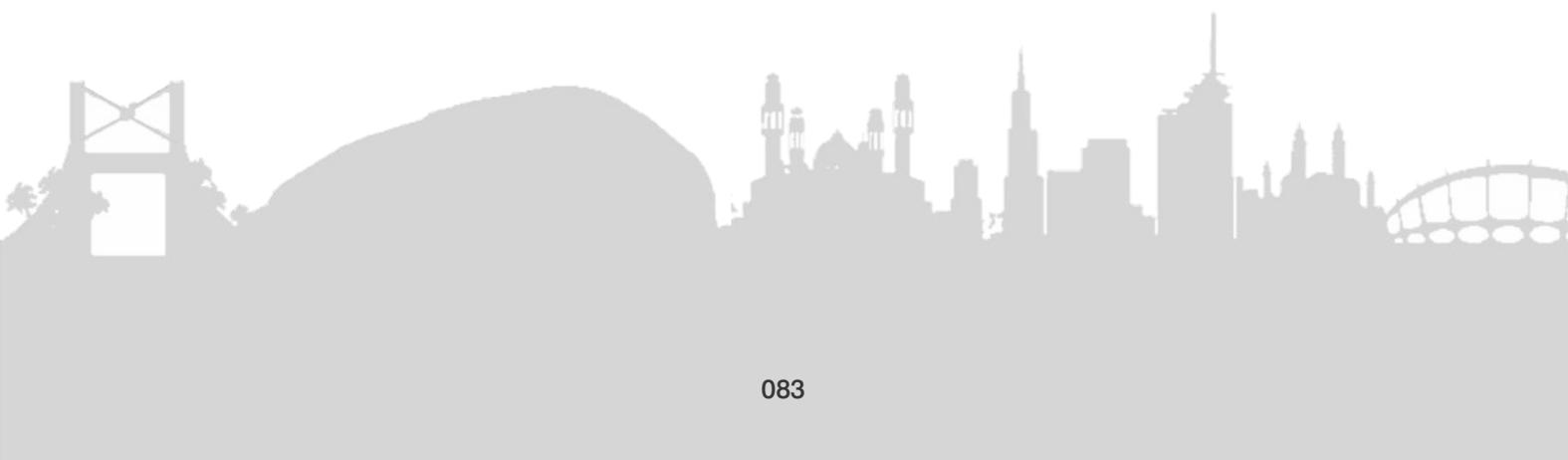


## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Government Reforms & Policy	<ul style="list-style-type: none"> <li>▪ Employ tariff measures on imported goods to generate revenue for government and protect/make Made-in-Nigeria products competitive</li> <li>▪ Offer incentives and differential tax holidays for Made in Nigeria products and innovations</li> </ul>	
Made-in-Nigeria Brand Awareness	<ul style="list-style-type: none"> <li>▪ Create a brand and sensitization strategy for Made-in-Nigeria                             <ul style="list-style-type: none"> <li>- Create a “Proudly Made in Nigeria” logo and brand</li> <li>- Create a strategic plan for sensitization of the Made-In-Nigeria initiative</li> <li>- Embark on promotional road shows and media campaign</li> <li>- Implement an import substitution strategy and campaign</li> <li>- Implement an export promotions strategy and campaign</li> <li>- Create incentives to encourage private sector purchase of Made-In-Nigeria products/services</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Fully participate in the Made-in -Nigeria campaign by:                             <ul style="list-style-type: none"> <li>- Incorporating the “Proudly Made in Nigeria” logo in consumer product offerings</li> <li>- Encourage private sector Made-In-Nigeria promotional campaigns</li> </ul> </li> </ul>
Access to Finance	<ul style="list-style-type: none"> <li>▪ Improve access to finance by creating programmes for enabling and funding SMEs such as angel investing, venture capital/private equity, loans                             <ul style="list-style-type: none"> <li>- Partner with the private/financial sector to create venture capital (equity) funds, and encourage state government to do likewise</li> <li>- Enable and promote the creation of Incubators, innovation centres, technology parks by the private sector</li> </ul> </li> <li>▪ Partner with state governments and private sector to create angel investor networks in all states</li> <li>▪ Create credit guarantee schemes in collaboration with banks to encourage loans to inventors and innovators</li> <li>▪ Creation of grants focused on very critical areas of opportunity for inventions and innovation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Create programmes for enabling and funding SMEs such as angel investing, venture capital/private equity, loans                             <ul style="list-style-type: none"> <li>- Partner with the federal and state government to create venture capital (equity) funds</li> <li>- Investment in the creation of incubators, innovation centres, technology parks</li> </ul> </li> </ul>

## Policy Commissions Breakout Sessions

- Agriculture and Food Security PC
  - Energy PC
- Governance and Institutions PC
- Human Capital Development PC
  - Infrastructure PC
  - Real Sector PC
- Science and Technology PC
- SME, Financial Inclusion & Financial Markets PC
  - Sustainability PC
- Trade, Investment and Competitiveness PC





## Agriculture and Food Security Policy Commission

Made-in-Nigeria – “Growing what we eat, and eating what we grow”



### Panelists:

- Ms. Kikelomo Longe - Principal and Head of Investor Relations African Capital Alliance
- Barrister Paul Angya - Acting Director General, CEO Standard Organisation of Nigeria
- Mr Eze Nwakanma - Unit Head, corporate agribusiness, Union Bank of Nigeria
- Ms. Dupe Catherine Atoki - Direct General, Consumer Protection Council of Nigeria
- Mr. Olusegun Awolowo - Executive Director, Nigerian Export Promotion Council
- Mr. Onyekachi Nwankwo - Country Representative, African Agricultural Technology Foundation
- Dr. Victor Iyama, President - Federation of Agricultural Commodities Association of Nigeria

### Facilitated by:

Mr. Ayodeji Balogun; Country Manager, ACE Limited

### BACKGROUND

The session distilled issues regarding the agricultural sector on; investment and management of infrastructure in the country, assessing the markets, consumers and farmers, identified the lead factors that could create the paradigm shift for better policy such as the zero-oil plan, assessing the target market whilst meeting the demands of the wider population, policy consistencies to mitigate the risks involved and chart a path to forward the agricultural industry.

### “Made in Nigeria”: The Opportunities

- Realising Nigeria's significant agricultural potential would be a game-changer for our economy, particularly as the advantages of agribusiness are obvious.
- Nigerians spend so much money on importing food in Nigeria. It is not necessary when the country can produce so much. Considering the effect on inflation, most households nowadays spend a significant portion of their income on food. If the goal of self-sufficiency in food production could be attained, that will affect the rate of inflation currently being experienced.
- Agriculture is a sector that has large job creation opportunities - that is another advantage of growing agribusiness sub-sector. Beyond what the country consumes here, being able to export and earn dollars for ourselves will benefit the country, in terms of foreign exchange. Besides, a lot of industries require input; they will be much better of getting locally sourced raw materials than importing the raw materials.



- The end market of agribusiness seeks to serve the diverse consumers. Nigeria has a large population and a huge demand for food and other items. In the mass market, there is a segment for primary produce i.e rice, wheat, maize, cassava etc. These are produce that require a large volume and are commodities with standard prices. Some other higher margin produce such as shea butter, mushrooms, snails, etc. are able to command attractive margins.
- Industries are willing to pay a premium price for cosmetics-related products like the Aloe vera plant. Also, another example is the tropical plants. A lot of people doing events decorations use imported flowers and that is because nobody produces the tropical flowers at the scale they require it, which makes it a premium item. It is there important for farmers and agro-processors to find out what the industries and consumers want and plan to meet their wants.
- There is actually demand for exports. But due to global competition, suppliers need to meet the quality, packaging and labelling of food products in international markets. There are over 170 million domestic consumers for a range of processed and unprocessed products. There is a need to better understand, influence and reach consumers.
- Large & growing industrial users of raw materials are facing acute shortage insufficient supply of locally sourced raw materials, putting them under pressure to consider alternatives like backwards integration, vertical integration, importation, etc.
- There is demand for exports from both regional and international customers for Made-in-Nigeria products. The Nigerian government through the Nigerian Export Promotion Council is increasingly encouraging Nigerian industrialists, businessmen and agriculturalists to export more non-oil products so as to grow the country's export index, create jobs and, in the long run, stabilise Nigeria's economy. The potentials of non-oil exports are largely untapped due to over-dependence on crude oil exports. Exports will create an opportunity for both consumers and industry.
- Successful public, private and donor collaboration, in the case where the Nigerian Breweries (NB) committed significant resources to the commercial cultivation of sorghum as a response to FGN's call for backward integration through the use of local cereals; invested in R&D to establish better varieties and trials to perfect use in beverages; collaborated with USAID & Institute for Agricultural Research and other partners to support adoption of new varieties by farmers.
- In the last 10 years, NB has spent over N100m per annum to increase the capacity of local farmers and suppliers.
- Estimates that Nigerian Breweries's expenditure on local sorghum supports a total of N8.8bn value-added in the supply chain and associated employment is over 50,000 people. This is in addition to reducing importation of an essential raw material.
- Government has over time established development projects across the agribusiness.
- Introduction of controls (e.g. duties) to reduce imports and make local production more attractive
- The agriculture system has metamorphosed into such a way that today's youth can see the results of input with the introduction of other aspects of agro-allied produce such as ginger, mushroom.

## PROGRESS

- Enablement of various financing schemes to reduce the cost of capital on loanable funds available for the Agricultural sector by the government and other finance institutions.

## ISSUES AND CHALLENGES

### Economic and Industry Challenges

#### Foreign Exchange Shortages

With naira/USD at 450 and above, our \$20 billion food importation bill is not sustainable; This explains how ongoing Foreign Exchange shortages will significantly impede sustainable food importation in the short term to medium term; therefore, the need to speed up on the Agriculture value chains to enable sustainable local food production that could in turn provide alternate FX for public spending across other priority areas of economy.

#### Poor research and development centres

Despite the state of National Agricultural Research System (NARS), which comprises 15 commodity-based Research Institute, 11 federal colleges of Agriculture etc, there have been little or no impact on research outputs for improved Agriculture practice.



Part of which has been attributed to lack of political will across the federal, state and local levels of government; Inadequate funding; weak mechanisms for translating research into field usage etc. Brazil as a case study with the EMBRAPA – a research programme set up in 1973 that led to one of its major breakthroughs as one of the world's largest producers of soya beans in the world. This presents the urgent need to address the poor research challenge in the region.

### Markets Demand Challenges

- High local demand compared to supply, owing to increasing population, urbanisation, a rising middle class, and climate change threat to local and global food supply coexisting with vast untapped opportunities. The nation has seen a growing demand for food but with supply not meeting up to demand. This creates a huge supply gap challenge to meet the needs of a growing market.
- The attitude of consumers in relying on foreign products thus making Nigeria currently the number two importer of rice in the world; this is in furtherance to the fact the Nigerian economy is largely import dependent and consumption is driven by behavioural habits of patronising goods and services in other emerging and developed markets
- International market not appreciating “Made in Nigeria” as a result of an inability to meet world market standards, further affected by the volatile state of Nigeria's economy to changes in the international business which cannot be predictable.
- Highly priced products and services following, imported inflation, and other uncertainties arising from poor management and regulations

### Technological and Communications Challenges

- Huge communication gaps that exist among agents in the value chain, that is from farmers to producers/manufacturers, thereby disrupting adequate utilisation of resources.
- Lack of modern farm practice due to inadequate technology adoption and utilisation across the agric value chain
- Inadequate storage and logistics to help avoid wastage of crops in transit from farm to market and vice versa.

### RECOMMENDATIONS

- Saturate the local market and satisfy the local customers first before anything else. With a focus on the current population in the country, the government is currently working on farm produce expansion to provide for the increasing need of food from the lowest level of the demand bracket to the highest.
- Scale up productions where we have a comparative advantage. Nigeria is one the largest producers of cassava in the world, to this end, in terms of export the country has a comparative advantage over any country in the production of this product and as such should focus on this area of agricultural produce. It should involve drawing up the metrics and measures through which we can boost the export and also use not just for the primary consumption but for other aspects of manufacturing and production, in order to grow supply of foreign exchange, export should be increased; With naira/USD at 450 exchange rate, \$20 billion food importation bill is not sustainable; This further shows how ongoing foreign exchange shortages will significantly impede sustainable food importation in the short term to medium term; therefore the need to speed up on the agriculture value chains to enable sustainable local food production for the increasing population in Nigeria that could in turn provide alternate FX for public spending across other priority areas of economy.
- Pay attention to the aesthetics on the packaging of goods and services (NAFDAC, SON) In order to ensure that the content and quality of the food is right for the market, then there would be a better appreciation of locally made goods.
- Survey and feedback mechanisms should be carried out to enable the consumers to articulate what they want and why are they not getting what they want right.
- Pricing must be competitive. This is part of the dynamics to be put in place to ensure that our locally made goods are attractive. The cost of goods in other parts of Africa must be the same with the cost of goods in the country, to boost competition and level the demand and supply of the market.
- Activate consumer redress of the products through the platform of the Consumer Protection Council (CPC).



The Government agencies are currently addressing institutions responsible for customer service delivery and satisfaction to strengthen their workforce and ensure that they are working favourably with addressing the needs of the customers especially when it comes to complaints of service delivery and customer satisfaction.

- Zero-oil plan policy. Government is focused on all the policies being developed currently at the presidency level and the value addition of other agro-allied products. However, with a streamlined view of the zero-oil plan currently ongoing with eleven sectors being looked into and nine of them which are on agriculture, this explains the fruition of the soon coming rice evolution in Nigeria.

## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Internal productions	<ul style="list-style-type: none"> <li>▪ Scale up productions where we have comparative advantage- The Rice Revolution</li> <li>▪ Government should review policies being formerly developed in the past and take momentary steps to allow for value addition, leave room for multi-dimensional use of agro-produce, a classic example is cassava; With a focus on the zero-oil plan currently ongoing- eleven sectors are being looked into and nine of them are in agriculture, this is a huge deal going forward.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Pay attention to the aesthetics on the packaging of goods and services to enable an immediate response to flow back to the consumer survey and feedback mechanisms to be carried out to enable the consumers to articulate what they want and why are they not getting what they want right</li> <li>▪ Metrics should be put in place to measure agro output quarterly, this would help in ascertaining the level of impact and in what areas agriculture has impacted positively on the economy</li> </ul>
Consumer redress of products through the Consumer protection commission (CPC)	<ul style="list-style-type: none"> <li>▪ The government agencies should speed up initiatives on addressing issues around consumer protection, quality service delivery and satisfaction. This is expected to boost patronage for Made-in-Nigeria by Nigerians and expand to reach global markets for competitiveness.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The private sector players within the industry must be committed to churning out quality goods and services.</li> </ul>
Need for Competitive Pricing	<ul style="list-style-type: none"> <li>▪ Government must create policies to protect local brands and ensuring pricing stays competitive in relation to prices in emerging and developed markets. This is to avoid the challenge of dumping.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensure production of goods and services are consistently done in a competitive manner to avoid dumping in other markets and build patronage in existing markets.</li> </ul>
Provide Tax incentives for growth	<ul style="list-style-type: none"> <li>▪ Government should work with key stakeholders in the Nigerian tax space to create incentives and encourage necessary investments to speed up growth in the sector</li> </ul>	<ul style="list-style-type: none"> <li>▪ Must commit to efficient resource allocation and maximum utilisation across its value chain.</li> </ul>

## Energy Policy Commission

Creating a “Made in Nigeria” Global Champion: The NLNG Story



### Panelists:

- Mr. Tony Attah – Chief Executive Officer, Nigeria LNG Limited
- Arc. Denzil Kentebe – Executive Secretary, Nigerian Content Development and Monitoring Board
- Mr. James Rockall – Managing Director, World LPG Association
- Mr. Henry Okolo – Chairman, Enfrasco Limited
- Mr. Bayo Ojulari - Managing Director, SNEPco

### Facilitated by:

Mr. Cyril Odu – Chief Executive Officer, Africa Capital Alliance

### BACKGROUND

The objective of the session was to elicit applicable lessons learnt and elicit a better understanding of the attendant issues from the local content experience of Nigeria Liquefied Natural Gas (NLNG). The company remains a success story which serves as a point of reference for other players in the energy sector to scale up on Nigerian content development and to become more competitive global players especially Joint Venture (JV) partners.

### PROGRESS

NLNG achievements to date include:

- 100% Nigerians at top management, with 95% of staff as Nigerians (Ship Captains, Chief Engineers, etc.)
- NLNG Act was the enabler of the acceleration of Train 1 – Train 6.
- Asset base/ investment worth \$13bn.
- Raised \$85bn in revenues.
- Remitted \$5.5bn in taxes to government.
- Built 23 Liquefied Natural Gas (LNG) carriers; the largest LNG fleet in Africa.
- Currently owns 6 new vessels as at 2015, worth \$1.6 in investments.
- A total of 600 Nigerians trained in operational and maintenance capabilities.
- Built the first dry dock.
- Successfully reduced gas flaring from 65% to less than 20%
- Pioneered the Bonny-Dubai city visions.
- Spent N2bn investing in engineering support in 6 universities across the 6 geopolitical zones, including Maiduguri, Kano, Port-Harcourt.
- Construction of Bonny Utility Centre.
  - 24 hours power supply
  - Potable water
  - Housing (with over \$200m expended)



- Construction of Roads.
- Created educational scholarship opportunities.
- Instituted the Bonny Vocational Centre.

## ISSUES AND CHALLENGES

### Inadequate Policy Environment including Taxes

- Government policy inconsistency and constraints in implementing Train 7 ranging from political will to smart execution. If Train 7 is implemented, it is estimated that it would increase total gas production up to 30 million tonnes from the current production of 22 million tonnes. By this, Nigeria is expected to move to 3rd or 4th place ahead of Malaysia in gas production rankings.
- Absence of a clear comprehensive stable and long-term national Liquefied Petroleum Gas (LPG) policy to guide activities, operations and development in the gas sector.
- Inconsistency in tax laws; local manufacturers are required to pay Value Added Tax (VAT) but foreign importers get incentives including zero VAT.
- Lack of support and commitment from the government through healthy incentives and active partnerships, as noted in instances where NLNG indicates interest to fund 50% of road rehabilitation in its operating community and the same lacked adequate support and political will.
- Inadequate local content that expands beyond the oil and gas sector.

### Inadequate Coordination, Supporting Infrastructure and Funding

- Lack of communication and coordination amongst stakeholder Ministries, Departments and Agencies (MDAs), to help foster impactful development of the sector.
- No active steel manufacturing plant across the federation to support efficiency across the Gas production and distribution value chain.
- Funding of the oil industry has fallen short of expectations, impacting the operators' cash flow with negative consequences on the confidence, performance and growth of local suppliers as well as continuation of ongoing efforts to encourage the development of Nigerian contractors and vendors.

### Inadequate Regulatory Oversight

- Poor regulations and No testing of imported cylinders which over time have shown a fall in standard.
- Substandard and illegal installation of LPG centres.
- Huge production of LPG with low local consumption and under-utilisation across all strata of the society to curtail health hazards and other implications especially on the less privileged

### Inadequate Legislation Coverage

- The impending cancellation/ change of the NLNG Act, which originally spurred confidence in shareholders' investments in NLNG despite having a JV government ownership of 49% and provided a ten-year tax holiday that altogether provided the basis of the success of the NLNG
- Problems emanating from impending incorporation of the NLNG to the Niger Delta Development Commission (NDDC) act that states oil and gas producers would contribute 3% of their budget to NDDC. NLNG raises concerns that the company remains a "buyer" and not "producer" of gas
- No incentives to build local, standard and main cylinders, while importation of cylinders is done on a 40% markup
- The challenge of sustainable clean energy solutions, which can also be forced by legislation

## RECOMMENDATIONS

### Government to provide enabling policies

- Define clear comprehensive long-term and stable national LPG policy.
- Define an appropriate local content policy that expands beyond the oil and gas sector for widespread impact and achieving global competitiveness.
- Define legislation to encourage Made-in-Nigeria and focus on developing local suppliers and encourage Nigerian contractors.



### Government to review inconsistent regulations and taxes

- Align/ harmonise custom duty tariffs to address the disparity on duty application on raw materials versus finished products. For example, a local Nigerian fabricator pays between 10 -12.5% duties on imported raw materials versus 0% duty for already finished elements will always put the Nigerian fabricators at disadvantage.
- Utilise deep-water integration export free zones to reduce local taxes before items are shipped out to the marshalling yards. This will reduce the tax burden on the Nigerian companies and will enable the companies to competitively benchmark.
- Reduce the interminable contracting cycle delays and reduce duplication of regulatory process that impedes speedy decision-making and swift implementation of projects.
- Harmonise/ normalise VAT payment where either both local and foreign producers pay VAT or locals are exempted from VAT remittances.

### Utilise legislation to encourage local content and Made-in-Nigeria

- Project scope definitions should deliberately take into account available Nigerian capacity and capabilities and consider deliberately ring-fencing certain scope in the invitation to tender for Nigerian contractors only.
- Early passage of the National Oil and Gas Industry Content Development (NOGICD) amendment bill.
- Amendment being made to NLNG Act should be to encourage the growth of the company.
- The government needs to improve access to and utilisation of the Nigerian Content Development Fund as well as provide appropriate infrastructure and industrial parks.

### Build local capacity across value chains in the oil and gas sector and various related industry segments/inputs

- Increase capacity of strategic industry inputs such as steel production, power, security, offshore rigs etc. required to drive industrialisation by utilising enablers to incentivise/ stimulate growth.
- Encourage JV funding for financing support to local suppliers and service SMEs through JVs. For example, the Shell Kobo Fund and Shell Contractor Support Fund which enable local contractors to access financing at reduced interest rates, relaxed collateral requirements and reduced loan processing time. To date, over US\$1 billion has been disbursed under these schemes by the banks to more than 200 contractors.
- Capacity building through direct support to companies. For example, Caverton Helicopters, a Nigerian company helped the company to expand its fleet by providing funding support with which the company purchased six Augusto Westland 139 helicopters. Today, Caverton has become the single-largest provider of aviation services to the oil and gas sector in the West African shelf and has listed on the Nigerian Stock Exchange, thus providing an opportunity for all interested Nigerians to share in its success
- Develop capacity/ skilling up more indigenous hands in operational and maintenance techniques.

### Enhance Security

- Improve overall security to enable oil and gas operations thrive.



## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Enabling policies	<ul style="list-style-type: none"> <li>▪ Define clear comprehensive long-term and stable national LPG policy</li> <li>▪ Define an appropriate local content policy that expands beyond the oil and gas sector for widespread impact and achieving global competitiveness.</li> <li>▪ Define legislation to encourage Made-in-Nigeria and focus on developing local suppliers and encourage Nigerian contractors</li> </ul>	
Inconsistent policies and taxes	<ul style="list-style-type: none"> <li>▪ Align/ harmonise custom duty tariffs to address the disparity on duty application on raw materials versus finished products.</li> <li>▪ Utilise deep-water integration export free zones to reduce local taxes</li> <li>▪ Reduce the contracting cycle delays and reduce duplication of regulatory process that impedes speedy decision-making</li> <li>▪ Normalise/ harmonise VAT payment where either both local and foreign producers pay VAT or locals are exempted from VAT remittances</li> </ul>	<ul style="list-style-type: none"> <li>▪ Swift implementation of projects</li> </ul>
Utilise Legislation to encourage local content and Made-in -Nigeria	<ul style="list-style-type: none"> <li>▪ Project scope definitions to deliberately ring-fencing certain scope in the invitation to tender for Nigerian contractors only.</li> <li>▪ Early passage of the National Oil and Gas Industry Content Development (NOGICD) amendment bill.</li> <li>▪ Amendment being made to NLNG Act should be to encourage the growth of the company</li> <li>▪ Improve access to and utilisation of the Nigerian Content Development Fund as well as provide the appropriate infrastructure and industrial parks</li> </ul>	



Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Build local capacity across value chain in the Oil and Gas sector	<ul style="list-style-type: none"> <li>▪ Increase capacity of strategic industry inputs such as steel production, power, security, offshore rigs etc. required to drive industrialisation by utilising enablers to incentivise/ stimulate growth</li> </ul>	<ul style="list-style-type: none"> <li>▪ Improve operational efficiency to allow effective applicability and maximal returns on National policy</li> <li>▪ Encourage JV funding for financing support to local suppliers and service SMEs through JVs</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Capacity building through direct support to companies.</li> <li>▪ Develop capacity/ skilling up more indigenous hands in operational and maintenance techniques</li> </ul>	
Enhance Security	<ul style="list-style-type: none"> <li>▪ Improve overall security to enable oil and gas operations thrive</li> </ul>	



# Sustainability Policy Commission

Made-in-Nigeria for a Greener Economy



### Special Guest:

Amina Mohammed; Minister of Environment

### Chaired By:

Christine K - Country Head, Heinrich Boll Foundation (Nigeria)

### Panelists:

- Femi Oye - Co-Founder/CEO, SMEFUNDS
- Oluseyi Afolabi - Executive Director of Exxon Mobil Upstream Nigeria
- Haruna Jalo Waziri - Executive Director, Nigeria Stock Exchange
- Dayo Adeshina - President of Nigerian LPG Association, Strategic Energy
- Joseph Owolabi - Head of Climate Change & Sustainability Services, West Africa, Ernst & Young
- Ify Malo - Country Director, Power for All,
- Dayo Dairo – Chief Executive Officer, Quintas Energy

## BACKGROUND

The session aimed to distill issues regarding the Sustainability Policy Commission – Made-in-Nigeria for a Greener Economy. The session was structured into a twofold undertaking:

- Small and Practical – With focus on off-grid renewable energy as a way to stimulate economic growth and promote Made-in-Nigeria.
- Policy Level – Nigeria NDC (Nigeria Determined Contribution) which used to be the INDC.

NESG has been working with the NDC framework and the Job creation agency of the Presidency to address the issues around Sustainability and the Green Revolution.

## PROGRESS

### Governance and regulation

- The creation of the Sustainable Economic Development Corporation of Nigeria (SEDCON) and development funds for projects.
- NESG has been working with the NDC to align private sector focus on government role on COP 21 agreements
- Dedicated focus on job creation and awareness.
- Government initiatives aimed at partnering with Green Energy Entrepreneurs e.g. Quintas' partnership with the Ministry of Science and Technology in the Biomass Plant technology project.



- A Clear roadmap to implement the Seven Point Agenda for the low Carbon Growth Policy 2016, to wit:
  - Gas flare out --- use downstream commercial activities to create jobs rather than simply re-inject the gases.
  - Achieve low-carbon power through increased use of solar, gas and other renewable energy sources in line with the goal of the National Renewable Energy & Energy Efficiency Policy (NREEEP) to attaining 30,000MW of power by the year 2030 with at least 30% renewable energy in the electricity mix (Electricity Vision 30:30:30)
  - Deliver 2% energy efficiency from households and industry – requires massive upscale of energy efficient products – bulbs, refrigerators, green homes and green buildings.
  - More use of gas efficient generators to replace diesel and petrol generators for captive and embedded power generation.
  - Climate smart agriculture and reforestation, including affordable and increased access to off-grid power for agribusiness and agro-allied industry.
  - Increased use of auto gas and transport shift from cars to buses – improving mass transit, locomotives and vehicles switch to gas.
  - Improve Global Competitive Index – improves international and local trade earns forex.

### Operational Effectiveness

- Alignment of government low carbon growth policy (NDC) with several policies in agriculture, power, works, housing, trade, petroleum, transport, science & technology sectors of the economy.
- More focused drive and political will on the part of government to drive sustainability.

## ISSUES AND CHALLENGES

### Poor policy implementation.

While the policies exist, there are challenges with the implementation of the policies. Industry policies are not consistent with the economic agenda advanced by the government. The policies for green energy are not centralised. There are various policies across various ministries that seem to hamper the implementation of the low-carbon policy by the government. Investors do not seem to know which government policies are applicable.

### Lack of funding and conducive business environment.

There is an opportunity for growth but the challenge lies in the lack of finance and conducive business structures as well as access to the market. The commercial banks are not willing to lend to the entrepreneurs without adequate collateral and when they do, it comes with high-interest rates. High CAPEX (Capital Expenditure) and OPEX (Operational Expenditure) cost also hampers the development and implementation of green energy sources due to infrastructure challenges and high operational cost. The lack of attractiveness of the business opportunities due to low perception of returns on investment

### Untapped market due to over-reliance on crude oil

There is a huge untapped market for green energy sources. Over 150 million tonnes agro residue that can be used as alternative source of energy. There are 247 small hydro units across the country which can help provide an energy source for the country. The over-reliance on oil and gas remains a challenge unless focus can shift to alternatives e.g. the untapped economic potential of water hyacinth and other second generation biofuels.

### Inadequate green energy infrastructure

Lack of infrastructure for Green Energy projects affects the ability of private entrepreneurs to produce at optimal capacity to help bridge the energy gap in the country. The infrastructure supporting green revolution production and delivery to the end consumers remains inadequate along the entire value chain. Rapid and massive infrastructural development is required to meet Nigeria's energy aspirations.

### Inconsistent and unstable policies.

Industry policies are not consistent with the economic agenda advanced by the government. For example, the government wants to increase local production but has imposed a restriction on access to the FX market for the importation of certain raw materials.

### Lack of awareness on sustainability.

There is the lack of awareness and/or poor perception of sustainability. People still see sustainability and the green revolution as a CSR activity instead of a proper business with clear investment strategy and returns.



### Social inclusion challenges including the capacity for reaching out to communities with the Green Revolution.

The impact of involving women in the Green Revolution project cannot be overemphasised. From findings, over 80% of those who understand the green language are women. Women have a slogan that “climate change is good business”.

### Market entry barriers for entrepreneurs.

Entrepreneurs with interest in sustainability face high market barriers due to unstable government policies and guidelines. Lack of incentives for upcoming businesses and start-ups by the government.

### Inadequate skills and capacity for sustainability

There is a dearth of skilled and employable manpower to meet the demand of manufacturers and factory operators. As a result, skilled labour is limited and mostly expensive.

### Multiple taxation and regulatory agencies

The cost of tax compliance in Nigeria is high due to the numerous taxes (direct and indirect) collected at the Federal, State and Local government levels. In addition, these taxes are administered and collected by different regulatory/ tax agencies who are empowered to audit companies as and whenever they deem necessary. These compliance requirements are time-consuming, and the audit processes are a huge distraction to business operations.

## RECOMMENDATIONS

### Governance & Regulatory Framework

- Encourage Made-in-Nigeria green energy sources e.g. biomass, LPG, Hydro,
- Ministry of Environment should conclude the agenda for MDAs to mainstream NDC low carbon growth for Nigeria as soon as possible.
- Harmonise, consolidate or streamline regulatory institutions with overlapping functions and responsibilities.
- The government should set up the SEDCON Funds with a view to providing necessary finance for the five (5) job streams envisaged under the policy and provision of funds to SMEs through cooperative societies.

- Restructure the overall governance of the green energy and sustainability initiatives by centralising relevant policies across various government parastatals.

### Training and Capacity Development

- Awareness creation on sustainability and Green Revolution opportunities in the economy should be scaled up significantly nationwide.
- Youth involvement should be promoted to take ownership of and drive sustainability. In addition, structured stakeholder sessions should be organised.

### Strategic Framework

- Resource optimisation; gas flare out and gas monetization should be directed at job creation.
- Leveraging ecosystem functions and habitat services e.g. US EPA reported 30% increased yield against fertilisers. Wild honey business is booming in Nigeria combined with crops, saves environment and costs.
- Cost Efficiency: bioremediation should be adopted to tackle groundwater pollution in the Niger Delta. The US EPA reports \$5bn savings using bioremediation in Carswell Golf Course watershed instead of new purification plant.
- Restore ecological scarcities; for instance, restoring biodiversity loss in Lake Chad for 33m people.
- Reclaim eroded lands using plants known for soil stabilisation is more sustainable & cheaper.

### Operational Efficiency

- Seek partnership with local and international agencies on sustainability.
- Provision of tax rebates and incentives for entrepreneurs.
- Government should fund research ideas and projects on sustainability.



## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Green Energy Initiative	<ul style="list-style-type: none"> <li>▪ FG to approve recommendation to establish SEDCON Funds with 20bn for projects which target youth, women and the informal sector</li> <li>▪ Improve access to finance and market</li> <li>▪ Provide necessary infrastructure by building roads and rail lines</li> <li>▪ Provide tax rebates and incentives for entrepreneurs</li> <li>▪ Ensure regulatory policies are consistent and stable.</li> <li>▪ Remove FX restrictions on importation of certain goods</li> </ul>	<ul style="list-style-type: none"> <li>▪ Engage and develop local suppliers of raw materials in a backward integration programme</li> <li>▪ Contribute to the SEDCON Funds and support government initiatives</li> </ul>
Policy and Infrastructure	<ul style="list-style-type: none"> <li>▪ Enable fiscal terms – Green Bonds</li> <li>▪ Harmonise all government policies across ministries and centralise them.</li> <li>▪ Enable sufficient alternative infrastructure and attract investments</li> <li>▪ Provide necessary infrastructures for development of green energy and sustainability</li> <li>▪ Create job opportunities for sustainable development</li> <li>▪ Support Made-in-Nigeria Green Energy initiative</li> </ul>	<ul style="list-style-type: none"> <li>▪ Invest in domestic energy infrastructure</li> <li>▪ Support local entrepreneurs through loans and technical ideas</li> </ul>

## Governance and Institution Policy Commission

Governance and Institutional Reform Imperatives of Made-in-Nigeria



### Special Guest:

Mrs. Winifred Ekanem Oyo-Ita - Head of the Civil Service of the Federation

### Chaired By:

Dr. Ernest Ndukwe – Former Executive Vice Chairman, Nigerian Communications Commission

### Panelists:

- Dr. Eric Ogunleye - African Development Bank
- Dr. Joe Abah– Director-General, Bureau of Public Service Reforms
- Mr. Olusoji Apampa – Director, The Convention on Business Integrity

### Presentation by:

Dr. Tunji Olaopa – Executive Vice Chairman, Ibadan School of Government & Public Policy

### Facilitated by:

Dr. Tayo Aduloju- Consultant, Governance and Institutions Policy Commission of the NESG

### BACKGROUND

The session aimed to distill issues impeding the Made-in-Nigeria imperative including, identifying failed reforms and weak institutions, overstated the lack of capacity and other negative factors militating against the emergence of a strong public sector. Other objectives of the session focused on:

- Providing a model of what the ideal Made-in-Nigeria government looks like
- Exploring the change agenda for government and how this needs to impact the public-sector paradigm, philosophy and mindset
- Identifying the governance and institutional conditions crucial to the success of a Made-in-Nigeria programme
- Identifying policies crucial to creating an enabling environment to drive Made-in-Nigeria
- Outlining the public-sector readiness to drive a public-sector agenda for “Made-in-Nigeria and specific actions required

### PROGRESS

One of critical tipping points identified at the session is the establishment of the Presidential Enabling Business Environment Council and its secretariat to serve as a facilitator by improving constraints and removing the challenges to doing business in Nigeria.



## ISSUES AND CHALLENGES

### Inefficiency in the Nigerian Civil Service

Focus should be on developing a strong civil service that is efficient, productive, incorruptible and citizen-centred. There is a need to remodel the civil service by deploying entrepreneurial and technocratic managerial reforms. The civil service should be re-created and re-engineered to support the government's ability to aid revenue generation.

### Inconsistency in Government Policy, Operations and Regulations

Lack of policy continuity and reversals due to change in governments over the years is a major challenge. There have been several policies in the past that have effectively driven a Made-in-Nigeria agenda. Most of these policies were discontinued or reversed before they could become transformative. Examples include:

- The import substitution policy for technology transfer which led to the floating of assembly plants in the 1970s;
- “Operation Feed the Nation” and the “Green Revolution”;
- “Mass Mobilisation for Social and Economic Revival” (MAMSER) which was a development communication initiative to ignite national transformation through culture change and values reorientation;
- “Rebranding Nigeria Project” which was to reignite identity and pride in everything Nigerian

### Weak Government Support/ Funding of Research and Development

- Constraints to domestic production .
- Failure to improve outdated laws and regulations such as the existing land tenure system;
- Low farm yield resulting from the absence of extension services and improved seed varieties.
- Inefficient fertiliser procurement and distribution systems.
- Higher costs of locally produced goods due to high overheads; and
- Limited access to credit whereby the financial institutions focus on short-term lending to traders with high-interest rates.

### Ineffective Government Policies

The poor deployment of resources towards good infrastructure has negatively impacted the manufacturing and production capacity of Nigerian businesses. It has also restricted our international competitiveness in terms of pricing and quality when compared to imported goods.

The regulatory bodies must be devoid of politics and self-interest, so they can effectively provide service. There is a need to move the FGN from a corporatist culture to a developmental one, where the public service focuses on creating an enabling environment for businesses.

## RECOMMENDATIONS

### Implement administrative reforms to strengthen civil service implementation capabilities

- Improve entrepreneurial culture and commercial orientation in the civil service
  - Using the mandate of the existing MDAs, drive improvements in the performance of civil servants and the relevance/ quality of service rendered
  - Civil servants should fully utilise the infrastructure provided by the government in carrying out their assignments
- Design incentives for innovative civil servants starting with compensation systems that link pay and performance
- Undertake comprehensive job evaluations for optimum staffing numbers.

### Reform of the National Planning System to provide for proper strategic planning towards promoting Made-in-Nigeria

There is a need to focus on proper strategy and scenario planning to create short, medium and long-term plans to support a Made-in-Nigeria campaign.

### Better co-ordination of macroeconomic policies Ministries, Departments and Agencies (MDAs)

- Reengineer MDAs management systems towards a stronger performance-orientation enabled by technology
- Leverage appropriate PPP models to deepen service delivery capabilities.
- MDAs should be subjected to capability reviews to rectify structural weaknesses in operations and to enable professionalism
- Strengthen planning systems and processes
- Build competencies in project management and inject high-profile skills that provide staff with opportunities to experiment with new tools, techniques and work methods for better policy execution.



### Deepen the “Buy Nigerian” Campaign through public sector patronage of Nigerian made goods and services

- Patronage of Made-in-Nigeria products and services by the public sector, for example, the Bureau of Public Reforms use of Innoson Motors as official vehicles
- Ensure that locally produced goods and services are of equivalent quality through quality control championed by the public sector.
- Support local businesses by eradicating the bureaucracy associated with starting up a business in Nigeria, obtaining permits, licences and clearance.

### Restore meritocracy in the Nigerian civil service as a national human capital development imperative

- Change work culture to restore values, enforce a code of ethics and reorient the service into a rebranded profession.

### Decentralise government control of institutions and encourage a shift to private sector participation

- Encouraging private sector participation in resolving infrastructural deficit and identifying appropriate Public-Private Partnership (“PPP”) frameworks for financing infrastructure projects using the most appropriate variant of PPP models.

### Utilise homegrown capabilities of government parastatals to drive the Made-in-Nigeria imperative

- Borrow systems and processes employed by other government parastatals and agencies to drive the Made-in-Nigeria imperative where relevant.
- Willing reformers and support groups should mobilise a larger set of stakeholders to drive the Made-in-Nigeria campaign.

## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Reform of the Nigerian civil Service	<ul style="list-style-type: none"> <li>▪ Improve entrepreneurial culture and commercial orientation in the civil service;</li> <li>▪ Design incentives for innovative civil servants with a compensation system that establishes links between pay and performance; and</li> <li>▪ Undertake comprehensive job evaluation for optimum staffing and rightsizing.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Support from private sector in terms of capacities for national job study, compensation and total reward strategy</li> </ul>
Promoting the Made-in- Nigeria campaign by the public sector	<ul style="list-style-type: none"> <li>▪ Patronage of Made-in-Nigeria products and services by the public sector.</li> <li>▪ Ensuring that locally produced goods and services are of equivalent quality through quality control championed by the public sector.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Standardisation and compliance to detailed quality specifications provided by public sector for Made-in-Nigeria product and services must meet for government patronage</li> </ul>
Decentralise government control and encourage private-public partnership	<ul style="list-style-type: none"> <li>▪ Encouraging private sector participation in resolving infrastructural deficit and identifying appropriate Public-Private Partnership (“PPP”) framework for financing infrastructural projects.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Deepen private sector understanding of PPP models and frameworks, laws and regulations, processes and procedures</li> </ul>
Promulgate policies, regulations and laws to drive Made-in-Nigeria	<ul style="list-style-type: none"> <li>▪ Audit civil/public service processes, regulations and policies that hinder economic development and ease of doing business</li> <li>▪ Report and close critical gaps that hinder development</li> </ul>	<ul style="list-style-type: none"> <li>▪ Hold government accountable for improving civil and public Service performance</li> </ul>

## Human Capital Development Policy Commission

Strengthening Nigeria's Teacher-Training and Healthcare Institutions to Produce Made-in-Nigeria Professionals



### Chaired By:

Dr Modupe Adefeso-Olateju - Chief Executive Officer, The Education Partnership Centre

### Panelists:

- Mr. Fela Bank-Olemoh - Special Advisor on Education to Lagos State Governor
- Dr. Ahmed Iliyasu - SSA to the DG, National Teachers Institute (NTI)
- Dr. Patrick Nwakama - Pharmacists Council of Nigeria (PCN)
- Dr Olusegun Odukoya; CEO, The Eko Hospital

### Presentation by:

Dr Nguyan Feese - Teacher Development Program

### BACKGROUND

A well-trained and healthy workforce drives the economy. Professionals in both the education and health sectors require different types of training, skills and knowledge to make good judgements and to do their job well. The session objectives were:

- How Nigeria can develop a coordinated framework for the re-professionalisation of teaching profession thereby improving the quality of teachers and health professionals produced by the Nigerian institutions.
- Analysing the practical ways of repositioning training institutions in health and education to produce a qualified and effective workforce with the knowledge, good judgement and attitude to drive the knowledge economy.
- How we can use the successes of the private sector (private schools and all) to galvanise development in our public sector both within the education and health sectors for uniform national development.

### ISSUES AND CHALLENGES

#### Uneven distribution of skilled staff across the country

There is a challenge with the concentration of skilled workers in the southern part of the country and shortages in other areas. The production quotas are not linked to state and national needs, and unfortunately, there is no mechanism to distribute professionals between states. This is evident in both the education and health sector and has impacted gravely on timely and quality service delivery.



### **Imbalance in the demand and supply side for required professionals**

There is an unequal distribution of professionals who are mainly concentrated in urban areas, in addition to the huge disparity between the number of professionals required and quality of the teachers available to readily fill the positions. It appears the country has a huge number of teachers with minimal knowledge of the profession. Likewise, in the health sector, there are shortages of medical workers in our hospitals and this might have originated from the length of time spent to obtain degrees in our universities with the incessant closure of the schools.

### **The economic situation of the country impact on the sectors' competitiveness to attract the best brains**

It becomes increasingly difficult to retain best talents due to the poor condition of service such as low salaries and sometimes late payment of salaries and this has led to low morale and status. The profession no longer attracts the best brains as research has shown that a considerable number of people end up in the teaching profession due to lack of job than a passion for the profession.

### **Brain drain**

A large number of trained professionals, such as nurses, midwives and doctors trained and produced in Nigeria migrate to other countries. Some of these talents outside the country do not want to relocate to Nigeria due to social insecurity, inadequate power and infrastructure, as well as the depreciating value of currency.

### **Quality of training for professionals**

The quality of teachers and education has deteriorated from primary level to tertiary institutions due to lack of up-to-date facilities and capabilities, over-stretched facilities, poor quality of teaching, lack of practical experience, and challenges with accreditation.

### **Faulty foundation of teachers' training and certification processes**

There is also the problem of robustness of the curriculum being used in training our Teachers at the Colleges of Education. The curriculum has not evolved over the years and is not in tune with the realities of the present age. For instance, Teachers at the nursery and primary level are teaching students using lecturing style for adults.

### **Minimal investments in the sector, fund flow constraints and inefficient systems**

The investment in the health sector has been very low over the years and this has led to a decline in the quality of operations, inefficient systems and lack of infrastructures in our hospitals. This problem has also resulted in professionals moving to private hospitals while our public hospital's conditions keep deteriorating year after year.

### **Adopted curriculum is often times not relevant to the needs of the sector**

It appears that attempts to improve the quality of curriculum and other teaching guides have not been successful. The realities of the time are making it necessary to review the curriculums in our schools to reflect the economic needs and realities of our economic needs. Some courses are no longer relevant in this 21st century.

### **Limited private sector participation**

The private sector has played a little role to assist the public sector address the problems being faced in the education sector. The gap is widening with the advent of more private schools with very similar or worse state than the public schools.

### **Limited opportunity for continuous development in both education and health sectors**

It appears there is the absence of a framework for a continuous development programme to ensure education providers update their knowledge from time to time. Most teachers still have the qualifications they joined the teaching profession with no improvements for over 10- 15 years in our schools. Compared to counterparts in leading private schools, most do not obtain relevant training, further degrees or studies to widen their knowledge base and exposure.

### **Mortality Rate in Africa**

Nigeria has the worst mortality rate in Africa and life expectancy ratio in the recent years. This has been created due to poor health facilities and access to public health in different parts of the country, especially in the north-eastern region. This may become worse if adequate interventions to strengthen the sector are not put in place immediately.

### **Employability and under- employability of graduates**

Due to the poor state of education quality, the teachers' education standards and low attention to the economic relevance of what is being taught, most colleges are producing graduates that are not of competitive standards in the international market.



### Teachers practice are being downplayed

The essence of teaching practice has been lost in the teachers' development and professional path of our teacher. The new crop of teachers lacks teaching role models they can understudy as a result of the unattractive state of the public sector teaching space. There is not laid out structure for teachers already in the system to have posting to a model school to advance their teaching skills and knowledge.

## RECOMMENDATIONS

### Education Sector

#### Operational Structure

- Restructuring of Colleges of Education (COEs) and periodic accreditation – There is a need to restructure the operations of the colleges of education and curriculum used to ensure standardisation, and improve the quality of their outputs to make them more responsive and competitive. The education board should conduct upgrade training and carry out periodic accreditation exercises in the COEs for the institution, staff and the curriculum to ensure that standards are maintained.
  - Develop the capacity of teacher-educators and student teachers using the Learner-Centred Approach – There should be a system where the teacher-educators programme will be introduced into the system through the Ministries of Education in different states across the federation. These educators should be selected teachers trained in line with 21st-century teaching skill and be assigned to teachers in schools for continuous knowledge transfer. This will be in form of mentorship program that is peering outstanding teachers to other teachers in schools across each state.
  - Enhance teaching practices through greater collaboration between State Universal Basic Education Boards (SUBEBs) and COEs. Teachers must first be engaged in a monitored and structured teaching practice before they are drafted into classrooms to teach. With a proper monitoring model from the SUBEBs, only students that have completed this stage of training and passed should be allowed to enter classrooms to teach.
  - Create awareness on the importance of reforming the training institutions and restructure the training institutions to be “fit-for-purpose”-
- This should be a nationwide campaign which will involve all stakeholders in creating a workable roadmap and framework for training, retraining and development of our teachers to be fit for the roles they are applying to. This is to ensure that teachers getting into schools are the needed and necessary teacher rather than make shifts in schools.
- Declare a state of emergency situation in the education sector to revamp the sector and strengthen the quality assurance processes. This must be done as a matter of utmost urgency to halt the continuous decline in quality of education in the country.
  - Implement Continuing Professional Development programme (CPD) among professionals in line with the NCCE agenda. This will assist in monitoring and create a continuous learning system among the teachers and also root out the non-functional ones. This yearly point based CPD must be made a condition for promotion or career advancement which must be enforced by the Ministries of Education.
  - Improve pedagogical skills and content knowledge of teacher-educators by strengthening partnerships with stakeholders. The existing international partnership and linkages, there must be a framework for constant knowledge and skill upgrade for teacher educators within the states. With a couple of international bodies such as the British Council and Google for learning willing to help, government should leverage on existing models and content developed by these organisations to improve the quality of our teacher educators.
  - Link production quota to national and state needs – There is an urgent need to use data to know the number of professionals we have in the teaching space nationally from the primary to secondary level. This will help us identify the number of teachers required in each state and determine the teacher – student ratio. On the other hand, the responsible body will then create an operational framework on how to make sure we get teachers evenly across the states from areas with enough teachers to lacking areas.
  - To enhance the quality and effectiveness of teaching practice, government must ensure the student teachers get practical classroom experience to understand and appreciate the art of teaching. Going forward, we must make teaching a choice profession in our states and not a backup plan for jobless people to take as a

- profession.
- There must be the creation of associate or demonstration schools to support quality of teaching practice and act as a training centre for new teachers having teaching practice and monitored by senior model teachers.
  - There is a need to establish a sustainable cadre of trainers at the state and local government levels to facilitate ongoing training and support for teachers. This can be strengthened by the support and mentoring services through the CPD and continuous unscheduled visits to schools.
  - As a matter of priority, states should focus on promoting the STEM programme to help increase the number of students, interests and opportunities in this area of specialisation.
  - Technology should also be considered as a game changer in our schools. Teachers should be encouraged to use technology for self-study, personal learning and development while research should be encouraged to understand best practices in other countries.

#### Funding

- Government must be willing to allocate more fund to the education sector and more importantly set up a mechanism for accountability of allocations made through agencies like the UBEB. This is to ensure that the allocation given by UBEB to assist the states in the education sector is used for the purposes given and not diverted.
- States should endeavour to create intervention funds dedicated to promoting quality education.
- There must be more funds dedicated to Research and development to help promote research and encourage researcher to develop an indigenous method of teaching to improve our education system

#### Role of the Private Sector

- There is a need to involve the private sector to improve the quality of education in our schools. The Private Public Partnership (PPP) model should be adopted for the training of teachers and also the development of infrastructures in our schools. The Lagos State model of Ready, Set, Work program can be adopted across other states where graduates can be paid by the private organisation to teach in schools.

- The PPP model should also be considered for students in COE. This will be done through a paid internship program that will ensure student teachers are attached to a high ranking private school or company where they will go through a retraining in readiness for the sector with up to date information and facilities. At the completion of the programme, they are posted back to public schools to help transfer what they have learnt to other teachers and school system as a whole.

#### Implementation of Reforms

- There is urgent need to implement recommendations within the education sector, such as, the Oronsaye's report which touched on the management of quality with regards to the teachers' curriculum, teachers' quality, learning environment and duplication of examination bodies. The report also addressed issues of ethics and integrity in the profession, monitoring and evaluation, inadequate data for planning and lack of harmonisation of education policies.

#### Health Sector

##### Medical Education

- To curb brain drain and brain waste in the country, there is a need to develop structures to solve the problems – The curriculums for our medical professionals must be further developed and reengineered to address the issues of medical and community health problems in Nigeria.
- Significant effort must be geared toward ensuring our education system focus more on practical teaching than theory in the classrooms. To this effect, there is need to leverage on internships and house jobs to scale up and increase knowledge base.
- There must be concerted effort to generate data to influence decision-making in the health sector. There is a need to know the number of doctors and health workers required across the country which should invariably determine the course study and admission quotas in our medical schools. This will also help in posting doctors to parts of the country where there is a scarcity of health workers from parts that have a surplus.
- Medical schools should seek means of ensuring that our medical schools continuously produce high-quality doctors and also ensure that academic calendars are adhered to in order to prevent shortages of medical practitioners in the long term.



- There must be a Continuous Development Programme (CPD) designed for doctors to ensure they are constantly learning and updating their knowledge for continuous practising.
- It must be made compulsory for every medical school to have a digital and clinical skill library to help the learning and training of medical practitioners before they can be accredited to run a medical school.

**Infrastructure**

- We also need human capital development programs to help the human capital base.
- To attract best brains and retain them, government needs to fix power, security and quality of lives. When we have these things in place, it will be easier to persuade interested medical practitioners from other countries to help add value and also assist with the transfer of knowledge to our own local doctors.
- We need infrastructures to solve the medical problem faced in Nigeria. Government needs to

invest in equipping the hospitals we have with basic medical facilities and a monitoring team put in place to ensure they are working from time to time.

**Public Private Partnership in Health**

- Each state government should seek means of making provision of health services lucrative for the private sector and encourage private investment. The states should adopt the Lagos state model of giving private health servicing companies land and spaces to build centres such as laboratories, diagnostic centres and morgues within already established hospitals and clinical centres in the state. This will promote efficiency and effectiveness within the sector.

**Medical Regulatory Body**

- Establishment of a regulatory body responsible for all the training institutions in the medical field. This body should be professionals who can formulate policies for the medical field, have authority to sanction erring practitioners and also enforce the CDP of medical practitioners.

## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Operational framework	<ul style="list-style-type: none"> <li>▪ Implementation of the Oransaye Report.</li> <li>▪ Restructuring of the curriculum and operations of the colleges of education</li> <li>▪ Declaration of a state of emergency in the education sector</li> <li>▪ Ensure regulatory policies are consistent and stable.</li> <li>▪ Enforce practical classroom training for student teachers before they enter classes</li> </ul>	<ul style="list-style-type: none"> <li>▪ Conduct periodic training for teachers</li> <li>▪ Be open to the internship and teaching practice approach to assist the public sector grow</li> </ul>
Funding	<ul style="list-style-type: none"> <li>▪ Create Intervention Funds for the education sector</li> <li>▪ Create an operational mechanism to monitor how the UBEB fund is being spent</li> </ul>	<ul style="list-style-type: none"> <li>▪ Invest in research and development in learning institutions</li> </ul>
HEALTH	<ul style="list-style-type: none"> <li>▪ Establishment of the medical regulatory body to enforce uniform operation among medical schools</li> <li>▪ Create a PPP framework to encourage private sector investment in health.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Investment in building medical infrastructures within established government centres</li> </ul>

# Infrastructure Policy Commission

Strategic Infrastructure – The Backbone to Drive Made-in-Nigeria



**“ Nigerians must first be proud of what they produce before sharing it with the world. Charity begins at home. ”**

**Mr. Babatunde Fashola, SAN**  
Minister for Power, Works & Housing

## Infrastructure Policy Commission

Strategic Infrastructure – The Backbone to Drive Made-in-Nigeria

### Panelists:

- H.E. Babatunde Fashola (SAN) - Minister for Power, Works and Housing
- H.E. Rotimi Amaechi - Minister for Transportation
- His Excellency Nasir El-Rufai – Executive Governor of Kaduna State (Represented)
- Mrs. Chinelo Anohu-Amazu - Director-General, National Pension Commission
- Mr. Kunle Elebute – Partner, KPMG Professional Services

### Moderated by:

Engr. Kashim Ali - Partner, Impact Engineering Limited

## BACKGROUND

A nation's economic and social infrastructure lays the foundation for growth, development and prosperity. Nigeria's ability to grow its local production capacity and capabilities (i.e. Made-in-Nigeria) depends largely on the development and maintenance of strategic infrastructure. However, challenges exist which impose a huge cost on business growth and overall productivity. With the emphasis on Made-in-Nigeria, this section focused on how to address infrastructure constraints to the real and services sectors.

## PROGRESS

### Policy

- A national housing design has been done, which reflects cultural and geographical diversities in the country.
- Policy decision for the use of Made-in-Nigeria in the housing sector (such as doors, cables, windows, tiles, ceiling materials, paints and iron rods) for federal government construction projects.

### Infrastructure Funding

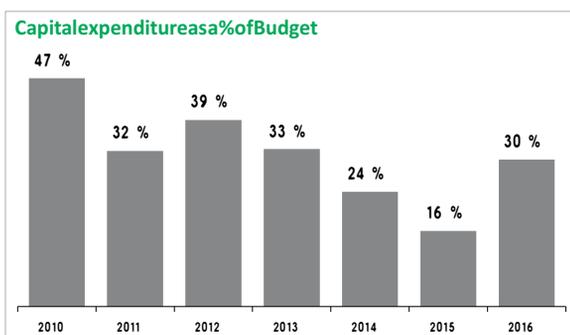
- Sustained reforms responsible for moving the pension sector from one with over N2 trillion liability to over N5.7 trillion that could potentially invest in infrastructure development.
- About 85 major road projects mobilised back to site.

### Infrastructure PPPs/Concession

- Negotiations at advanced stage for concession of narrow gauge (with about USD 2 billion investment) along major national route (Lagos-Kano-Funtua-Kaura Namoda).



- Partnership sealed between Federal Ministry of Power, Works and Housing; Kaduna State and private investor for a 215 MW power generation plants dedicated for Kaduna industrial cluster.
- Preliminary understanding for light mass rail transit in Kaduna through PPP arrangement between Kaduna State and Indian firms.
- Preliminary discussions with foreign investors to dredge River Niger and concession the river ports.



#### Manpower Development and Local Content

- Reported increase patronage of locally produced electricity meters.
- Patronage of locally produced galvanised steel for transmission lines.
- Preliminary understanding with potential railway concessionaire to establish a Transport University in Nigeria to produce the required manpower.

## ISSUES AND CHALLENGES

### Infrastructure deficit lowered “Made-in-Nigeria” production

Current infrastructure deficit in the country is a binding constraint to local productivity and global competitiveness. It has been the key contributor to the observed deterioration of Made-in-Nigeria production trends.

### Low investment largely responsible for huge infrastructure deficit

- The huge infrastructure deficit in the country is has been partly due to minimal growth in Nigeria's infrastructure stock over the years. As at 2013, the stock of critical infrastructure was only 25% of GDP, as against 58% and 87% for India and South Africa respectively. This was as a result of a combination of factors such as low capital expenditure, inadequate releases of appropriated capital expenditure, low private investment in infrastructure, poor maintenance and unsupportive legal framework.

- Nigeria's contracting economy characterised by stagflationary trend requires an intensive boost to local industry and commerce.

### Urgency for innovative funding solutions

The infrastructure funding requirement is very huge. Averagely, USD 33 billion is required annually to finance infrastructure priorities in the medium term, an amount that is significantly higher than government capital expenditure. Meeting this funding requirement has become very challenging considering the decline in crude oil revenues. Therefore, Nigeria needs to urgently adopt innovative funding solutions.

### Over reliance on road transport

Nigerian roads currently bear most of the freight and passenger movements. This partly as a result of poor integrated planning and underinvestment in the sector to maintain and upgrade the roads, as well as underinvestment in other modes to reduce the burden on the roads. Currently, most of the over 53 million tonnes freight that can be transported via the rail is transported by road.

### Uncertainties for infrastructure investments

The current inflationary trend and inconsistency in government policies create uncertainties for investors. Inadequate legislations to create the enablement for private sector participation in infrastructure. The laws in the road and rail sectors are not private sector friendly.

### Rent seeking attitude of private sector

The attitude of some potential investors does not encourage public-private partnerships in infrastructure delivery. In some cases, the private sector does not demonstrate a clear understanding of the PPP arrangements and/or have the needed technical, financial and managerial capacity to successfully manage PPPs. This has partly been responsible for the poor performance of some private sector owners of privatised public enterprise.

### Inadequate local human capacity

There is the inadequate local human capital capacity to meet the needs of expanding infrastructure. There is a lot of foreign inputs in the road construction sector.

### Unsupportive culture to PPP

Lack of cultural acceptance of PPP arrangements as viable and sustainable means of infrastructure development. Experience shows cases where PPP projects were associated with a lot of litigations from stakeholders such as labour, human rights advocates and host communities.



### Poor conception of PPP projects

Some initiatives of states that are conceived as bankable projects

### Long concession processing period

- Long period for procuring and sealing concession agreements impedes smooth take-off of discussions on railway concessions
- The current uproar about the generation of power using coal should not deter Nigeria from exploring the potentials. Effort should be made to use bleach coal.
- Poor quality and standards of Made-in-Nigeria goods and service could impact the willingness to patronise them for infrastructural development. There is weak enforcement of standards and regulation of practices in infrastructure sector, resulting in poor quality projects and loss of lives due to collapse of buildings

## RECOMMENDATIONS

- Nigeria should explore the following infrastructure funding options:
  - Leverage pension funds and sovereign wealth funds.
  - Capital market financing through conventional infrastructure bonds and Sukuk.
  - Enabling participation of insurance companies in infrastructure project financing.
  - Part sale of government's interest in national assets.
- Implement strategies for ensuring the use of local raw materials, accessories and manpower in infrastructure construction and maintenance.
- Increase investments in manpower training to bridge skills and competency gaps needed to bridge the existing infrastructure gaps and services.
- Adopt the cluster approach to providing critical infrastructure in order to ensure economy of scale and optimisation of access along identified value chains.
- Strengthen institutions to ensure policy consistency and continuity.
- Standardise the expectations for Made-in-Nigeria inputs to infrastructure development to enable suppliers to understand and tap into such opportunities on a mass scale.
- Fast track the passage of the Road Transport Bill to enable private sector participation in the sector.
- Use legislative oversight to ensure that government debt is largely committed to bridging infrastructure needs.
- Encourage the deepening of pension reforms to capture the informal sector, thus increasing the potentials for generating investible funds available for infrastructure development over time.
- Improve integrated planning and investment to ensure transport inter-modality.
- Educate and improve on the packaging and implementation of PPP arrangements in order to attract needed private capital.
- Avoid infrastructure proliferation, where instead of sharing regionally located resources, States plan on sole investments.
- Review existing pension reform act to support potential investment in core infrastructure.
- Introduce duty-free import of high capacity and modern construction equipment.
- Provide government guarantees for bankable infrastructure projects to attract local and foreign investment.
- De-risk the sector by increasing access to longer tenored financing.
- Promote long-term concession periods – greater than 30 years.
- Introduce and implement fiscal incentives – tax holidays for infrastructure related investments.
- Easier access to local currency infrastructure projects to access foreign currency funds.



- Government guarantee of exchange rate for infrastructure projects.
- Local currency interest rate subsidy to minimise Naira cost of funds.
- Road tax can be introduced to fund government obligation under the subsidy/guarantee scheme highlighted above.

## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Local content	<ul style="list-style-type: none"> <li>▪ Enhancing capacities of Nigerian local manpower</li> <li>▪ Policies that incentivize/stipulate use of Made-in-Nigeria raw materials and accessories in infrastructure construction</li> <li>▪ Work with relevant MDAs to ensure local producers of construction materials are supported and patronised</li> </ul>	
Legal and regulatory framework	<ul style="list-style-type: none"> <li>▪ Fast track the review of critical enabling laws such as the Road Sector Bill and Nigerian Railway Corporation Law</li> <li>▪ Ensure passage of Economic Emergency bill into law to fast track procurements/concessions</li> </ul>	
Infrastructure financing	<ul style="list-style-type: none"> <li>▪ Deepen pension reforms to tap into the huge potentials in the informal sector through micro pension schemes</li> </ul>	<ul style="list-style-type: none"> <li>▪ Innovative products to optimise opportunities</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Reducing concession/procurement process to speed the uptake of flagship projects needed to stimulate local production</li> </ul>	

## Real Sector Policy Commission

Harnessing the potential of the real sector to achieve sustainable production of Made-in-Nigeria goods and services



### Chaired by:

Mr. Niyi Yusuf - Country Managing Director, Accenture

### Panelists:

- Mr. Nicolaas Vervelde - Managing Director, Nigerian Breweries
- Mrs Adepeju Adebajo - Managing Director, Geocycle & Project Management Office, Lafarge Africa
- Mr. Hassan Bello - Chief Executive Officer, Nigerian Shippers' Council
- Mr. Audu Maikori - Chief Executive Officer, Chocolate City
- Mr. Babatunde Ogunlaja - Assistant Director, Central Bank of Nigeria

### Facilitated by:

Dr. Ikenna Nwosu, Mooregate Investment

### BACKGROUND

The session sought to highlight how Nigeria can harness the potential of the real sector to achieve sustainable production of made in Nigeria goods & services by addressing both policy & infrastructure challenges. There is a need to develop solutions, suggestions & interventions to have in terms of policy and to address infrastructure issues for the real sector to be the engine of growth, a means of job creation and an avenue for wealth generation.

The objective of the session was to showcase the potential of the real sector as well as calling out its key policy & infrastructural challenges; come up with action steps in the area of policy and infrastructure that can be recommended to government to cater to for major thematic areas:

- Manufacturing
- Transportation
- Arts, Entertainment & Tourism
- Solid Minerals

### PROGRESS

The Solid Minerals Sector

- The Mining policy & regulations are one of the best in the continent.
- The cement industry has been a success story in Nigeria and that progress needs to be replicated in other sectors.
- The production of Limestone in all 36 states in Nigeria will help drive and increase production of cement and boost the economy.



### The Manufacturing Industry

- There are currently 11 fully functional breweries in Nigeria.
- The manufacturing industry contributes to various aspects of the economy from agriculture to packaging, transportation and wholesale distribution.

#### Financing

The Anchor Borrower's Scheme has been very successful in making finance available for the agricultural sector.

### ISSUES AND CHALLENGES

#### Government Regulation & Enforcement

- A lack of regulatory enforcement in the mining industry creates issues such as illegal mining.
- Intellectual property is not regulated in the creative industry which in turn leads to an increase in piracy.
- There are various agencies that handle different aspects of the manufacturing process creating bottlenecks and duplication of roles.
- A major drawback in the mining industry is a lack of sectoral policies to manage the various sectors in the industry.

#### Infrastructure

- There is a huge deficit in infrastructure, especially in the transport sector.
- There is a lack of connectivity between the various areas of the transport sector.
- Infrastructure costs are too high making manufacturing not profitable.

#### Financing

- There are significant challenges accessing funds which prevent the growth of the real sector.
- There is a lot of focus on financing for the agricultural sector but other areas of the real sector are not being catered for adequately.
- The commercial banks are not adequately equipped to finance various aspects of the Real Sector.
- There is no clear definition of how the Real Sector will be financed; not just in regards to commercial banks but also agencies such as Bank of Agriculture & Bank of Industry.

### RECOMMENDATIONS

#### Government Regulations

- Government needs to develop sectoral policies for the mining industry.
- Government should create stronger enforcement measures to prevent activities such as illegal mining in the mining industry.
- A cultural policy needs to be developed to address various issues in the creative industry such as protection of intellectual property and the scourge of piracy.
- Government should develop consistent policies and collaborate with the private sector to boost the Real Sector.
- Fiscal authority and monetary authority need to speak with the same voice for consistency.
- The various agencies need to be reworked and revamped to avoid duplication of jobs and creation of bottlenecks in the manufacturing process.
- A credible databank needs to be created to highlight the various resources that are available in different parts of the nation.

#### Infrastructure

- Connectivity needs to be developed between the various areas of the transportation sector.
- Infrastructure costs need to be reduced in order to make manufacturing more profitable.
- Distribution logistics need to be sorted out to ensure progress in the Real Sector.
- Issues of cargo clearance need to be addressed.
- Better roads need to be created in order to move raw materials from the rural areas to the factory locations efficiently.
- Government needs to work with the private sector in order to finance the infrastructure changes that need to be made.
- Rail transport needs to be greatly developed because it is fast, cheap and dependable so it can greatly improve the economy.
- The ports need to be automated and the dry ports need to be built up for ease of transportation.
- Government needs to create an enabling environment for the private sector to make improvements in the transportation sector.
- Government needs to take an account of the various wasted spaces and buildings they have and develop a plan on how to convert them to spaces for the development of craft in the creative industry.



### Financing

- The acts and policies of certain industry players, such as Bank of Agriculture and Bank of Industry, need to be amended to facilitate access to various funds and interventions.
- Government needs to collaborate with the private sector in order to access finances to develop the transportation sector.
- Commercial banks need to restructure their services and have a policy shift in order to cater to the needs of the real sector.
- Financing framework must be included in all policies the government is making in regards to the Real Sector.
- Government needs to make certain concessions in regards to access to financing for the Real Sector.
- Export expansion grants need to be consistent in order to create sustainability.

## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Manufacturing	<ul style="list-style-type: none"> <li>▪ Restructuring the various agencies to reduce duplication &amp; bottlenecks.</li> <li>▪ Consistency in policy development.</li> <li>▪ Improvement in ease of doing business.</li> <li>▪ Export expansion grants need to be consistent.</li> <li>▪ Improvement of the access to financing.</li> <li>▪ Reduction of infrastructure costs.</li> </ul>	
Transportation	<ul style="list-style-type: none"> <li>▪ Development of a seamless transportation system from water to road, rail, pipeline &amp; air.</li> <li>▪ Automation of ports.</li> <li>▪ Improvement in the breaks in the chain of transportation.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Collaboration with government to finance the development of the transportation sector.</li> </ul>
Arts, Entertainment & Tourism	<ul style="list-style-type: none"> <li>▪ Creation of creative development hubs with abandoned spaces in various states in Nigeria.</li> <li>▪ Development of a cultural policy.</li> <li>▪ Enforcement of protection of intellectual property.</li> <li>▪ Creation of an enabling environment for the exportation of creative products.</li> </ul>	
Solid Minerals	<ul style="list-style-type: none"> <li>▪ Development of sectoral policies.</li> <li>▪ Creation of credible and accessible databank of available resources in various parts of Nigeria.</li> <li>▪ Regulatory enforcement in the mining sector.</li> <li>▪ Access to finance needs to be enforced.</li> </ul>	

## Science and Technology Policy Commission

Developing Science and Technology to International Standards; Made-in-Nigeria, Exports from Nigeria”



### Chaired by:

- Mr. Ayotunde Coker - Managing Director, Rack Centre
- Mr. Temitope Aladenusi - Partner, Deloitte West Africa

### Panelists:

- Mr. Yele Okeremi – Chief Executive Officer, Precise Financial Systems Limited
- Mr. Abdulhameed Abubakar - Director/Head of Strategy & Engagement, Africappractice
- Mr. Oluwole Oyeniran - Associate Director, Technology & Digital Leader Consulting West Africa
- Mr. Ekanem Udoh - Director, Ministry of Science & Technology
- Mr. Collins Onuegbu - Founder, Signal Alliance Information Technology

### BACKGROUND

The session aimed to highlight the challenges faced by the science and technology sector in Nigeria and ways to move it from the service economy to a knowledge base economy. The level of outputs in agriculture, manufacturing and exports are expected to record appreciable improvements with the knowledge economy. Science and technology being a cross-cutting sector of any economy is critical to Nigeria's quest to diversifying from being an oil-dependent nation. The objectives of the session were:

- Developing science and technology to international standards;
- To device practical action steps by stakeholders towards achieving the provision and consumption of Made-in-Nigeria ICT solutions
- To move Nigeria towards a knowledge-based economy

### PROGRESS

- Dialogue with the Honourable Ministers of Science and Technology and Information & Communication Technology which has produced an agreed detailed agenda for the year.
- There are 30 fully functional technology incubator centres across the country, additional 6 are to be set-up within the next year in order for each State to have an assigned centre.

### ISSUES/CHALLENGES

- Low investments in ICT related issues. Despite Nigerian's high propensity to consume ICT products due to its population and the potentials it presents, investments into ICT and related areas have been low from both the government and private sector. This has a direct negative impact on the ability of the sector to grow as expected as evidenced by the huge number of prototypes and patents that are awaiting approval of the responsible government agency.



- Lack of youth empowerment in the ICT sector. As the population of youths in Nigeria with ICT knowledge and innovative skills is on the rise, they are not being encouraged and empowered by the government through its policies to develop these skills. The low participation of individuals/private sector in angel investments also negatively impacts youth empowerment in the ICT sector.
- Nigeria's education system does not encourage creativity and innovation. The usual hype for western education system and the emphasis on paper qualifications does not encourage those without these qualifications to contribute their creative quota in ICT-related products and services. It is argued that knowledge is not the same as wisdom in a world that encourages knowledge over wisdom, the uncertified individuals are not being encouraged and empowered.
- Lack of basic ICT enabling infrastructure. Infrastructure such as power, roads, rails and most especially internet connectivity are not available or are in limited number; the available internet connectivity is provided at prohibitive prices. Nigeria should be looking towards connectivity being an important resource in the growth of the economy.
- Poor investment in Research and Development. The government and private sector are not investing enough in research and development, which ultimately would have prepared the country to meet up with future challenges in any sector of the economy; science and technology/ICT has a direct influence on research and development and must be at the centre. The government and private sector must align both for adequate and growth and development to take place in the economy.
- Lack of funding of Science and Technology/ICT Start-ups. Funding for start-ups are lacking or are very limited; adequate funds are not available to S&T/ICT new business due to the high level of exposure to risk. The private sector is not allowed to take up more of the risk as they are more suited. The participation of Nigerians in angel investment is low and this has affected the development of start-ups to become successful S&T/ICT businesses. More people in the private sector should be more involved as angel investors.
- The absence of government policies that encourage local content and homegrown solutions in the ICT sector. Agencies of government responsible for making policies to encourage homegrown solutions in the ICT sector are not living up to their responsibilities. Concrete policies on patronising local contents are lacking. Policies that will mandate government agencies to lead in the digitalization of its processes are lacking.
- Low ranking on the World Economic Forum for science and technology readiness reducing the ease of doing business. Nigeria is placed at a ranking of 120 in the World Economic Problem for ICT. With this, we are not in the top 10 in Africa. Our aim should be to take Nigeria to the top 5 within a specified number of years.
- Lack of human development in the science and technology/ICT Sector. Due to political considerations, ICT-related institutions are sited in geographical locations where they are not needed, rather such institutions should be located in zones where ICT activities thrive. This should increase the output of more ICT developed individuals across Nigeria and in turn, improve the human development in the Science and Technology/ICT sector.
- Private Sector not given the control required by the ICT sector for better development. With regards to standardisation of S&T/ICT products and services, private sector practitioners are not involved in or given the mandate to set standards with regards to the ICT sector. Alternatively, government should take feedback from industries or practitioners before policies on standardisation are made.
- Diversification of balance of payment deficit by increasing exportation. Nigeria has a diverse economy but the problem has been about diversifying our balance of payment deficit. Nigeria needs to improve on the exportation of other products (agriculture, minerals, made in Nigeria products and ICT services). All products and services in Nigeria should meet international standards to be more competitive and attract patronage from other countries.
- Urgent need to improve the perception of Nigeria as a brand to increase the possibilities of investing in our economy. Nigeria should work on its global brand in terms of government and individuals being accountable for marketing Nigeria as a country. The attractiveness of Nigeria as a potential investment opportunity has reduced as the economy has worsened.



Efforts should be focused on making brand Nigeria an enabling economy with the ease of doing business

## RECOMMENDATIONS

- There should be regular dialogue between the public and private sector. A yearly summit is too long a time to wait before another session is held between the public and private sector as it creates too many gaps in communication and other important areas of development.
- Collaboration of the Science and Technology and ICT Ministries and clarity in their mandates to prevent duplication of efforts and conflicts.
- There should be standardisation of Science and Technology/ICT product quality to international standards.
- Nigeria should work on its global brand in terms of Government and individuals being accountable for marketing Nigeria as a country. A proper national strategy for changing the perception of Nigeria to enable foreign investments in technology.
- Reconsider the proposed introduction of 9% tax on telecoms services, given potential unintended consequences on the macro economy and growth of ICT as a growth enabler.
- The roadmap and framework developed by the former minister of the ICT industry should be implemented instead of starting with completely new ideas
- Government policies should provide conducive environment for funding of new ideas that will grow Made in Nigeria businesses
- A database of locally available technology products should be created to create adequate awareness
- Encourage Nigerians to as much as possible patronise made in Nigeria products.
- Set a goal for moving Nigeria to the top five in the WEF ICT readiness index in the next two years.
- Ensure broadband penetration plan is executed and fast-tracked.
- Drive a knowledge-based economy through increasing government ICT competency.



## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Government Policies	<ul style="list-style-type: none"> <li>▪ Government policies should provide conducive environment for funding of new ideas that will grow Made-in-Nigeria businesses</li> <li>▪ The roadmap and framework developed by the former Minister of ICT should be updated (if needed) and implemented instead of reinventing the wheel</li> <li>▪ Reconsider the proposed introduction of 9% tax on telecoms services, given potential unintended consequences on the macro economy and growth of ICT as a growth enabler.</li> <li>▪ Encourage Nigerians to as much as possible patronise made in Nigeria products</li> </ul>	
Communication	<ul style="list-style-type: none"> <li>▪ Dialogue with private sector and other stakeholders to put across the policies or issues being faced by the government</li> <li>▪ Collaboration of the Science and Technology &amp; ICT Ministries and clear definition of their mandates to prevent duplication of efforts and conflicts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensure dialogue with the public sector to keep track of actions and areas in which the private sector need to be more active to ensure implementation</li> </ul>
Product Quality	<ul style="list-style-type: none"> <li>▪ Standardisation of Science and Technology/ICT product quality to international standards.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Involvement of the private sector in the defining and setting the S&amp;T/ICT standards</li> </ul>
Branding	<ul style="list-style-type: none"> <li>▪ Government should work on Nigeria global brand with the appropriate national strategy adopted for changing the perception of Nigeria to enable foreign investments in technology.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Individuals should work on Nigeria global brand</li> </ul>

# SME, Financial Inclusion and Financial Markets Policy Commission

Driving SME Growth for Made-in-Nigeria Products & Services



## Chaired by:

Mr. Abiola Lawal – Chief Executive Officer, ExeQute Partners Inc

## Presentation by:

Dr. Mannesah Alagbaoso – Head, Commercial Banking Africa, Standard Bank

## Panelists:

- Mr. Adetokunbo Abiru - Chief Executive Officer, Skye Bank Plc
- Mr. Obinna Ukachukwu - Head SME Banking, Stanbic IBTC Bank
- Mr. Waheed Olagunju - Acting MD/CEO, Bank of Industry
- Mr. Paul Kokoricha - Chief Investment Officer, Africa Capital Alliance Nigeria Limited
- Mr. Azuka Ijekeye - Chief Executive Officer, Interstreet Messenger Limited
- Mrs. Omoyemi Chukwurah – Managing Director, Seams and Stitches Nigeria Limited

## BACKGROUND

This session aimed at facilitating discussions underlying behavioural attitude towards local goods and services, define tangible steps towards improving products and service quality standards to ensure and agree on specific reforms and timelines required to make industry outputs fit for the global market.

## ACHIEVEMENTS TO DATE

Nigeria has a large population of over 180 million people, which provides one of the largest markets in Africa and in the world. This huge population creates an opportunity to be translated into economic growth through viable SMEs. More than 50% of Nigeria's population are under 25.

The federal government, Central Bank of Nigeria and other the financial institutions have earmarked funds for SMEs through Bank of Industry and SMEDAN to aid SMEs in Nigeria.

The federal government has invested in power supply in terms of increasing the power output and recently ensuring or bringing calm to the Niger Delta.



## ISSUES AND CHALLENGES

### Business Environment

- **Poor enabling environment for SMEs to finance business take-off**

Nigeria is ranked 169 out of 189 countries in the World Bank Ease of Doing Business index. The government has not been able to provide conducive regulatory structures that enable businesses easy to start up and operate. This has led to weak operations of SMEs in Nigeria.

- **Inefficient regulatory and legal environment for small businesses**

The regulatory framework for doing business is unconducive for SMEs to thrive as the framework for doing business does not differentiate small businesses from large scale businesses often leading to higher costs of doing business for SMEs

- **Inadequate infrastructural facilities**

The cost of infrastructure such as poor power supply, the high cost of transportation and bad roads has greatly impacted the cost of doing business in Nigeria. SMEs generally have to generate their own power to sustain their businesses further increasing the cost of operations.

- **High cost of raw material**

Some SMEs inputs/ raw materials such as fabrics, machinery etc. required for production cannot be sourced locally and have to be imported. In cases where local alternatives are available, quality of the alternatives is a major challenge. This further increases the cost of production and limiting margins.

- **Challenges with land acquisition**

Limited control of federal government on land allocation at the state government level and challenges with state land acquisition laws make it difficult for SMEs to acquire land to run their businesses.

- **Lack of industrial culture**

The government has neglected the light manufacturing industry (light bulbs, metal, ceramic plates, crockery, etc.), which has discouraged the local manufacturers and has affected production capacity.

### Financing

- **Credit access**

- The administrative procedures for SMEs in accessing loans are cumbersome which makes it difficult to finance for their businesses.

- The requirement of collateral remains an obstacle for SMEs with no tangible assets to access credit facilities. Most businesses do not have the financial capacity to leverage on capital.

- **High-Interest rate**

The double-digit interest rate in Nigeria has made it difficult for SMEs to sustain their business and also for intending entrepreneurs to secure loans for business start-up.

- **Fiscal Policy**

Failure to harmonise multiplicity of taxes and levies by federal, state and local government regulatory agencies has resulted in high cost of doing business and discourage entrepreneurs. Due to this, the SMEs evade tax which has posed a great challenge for government to track such SMEs

### Management Capacity

- **Lack of managerial skills**

Most SMEs lack the capacity in terms of managerial and technical skills and the understanding of entrepreneurship in the full context. This has reduced the viability of SMEs and shortened the lifespan of some SME businesses in Nigeria.

- **Poor financial literacy**

Entrepreneurs lack the understanding of the financial system, basic accounting concept and the risk involved in doing business. In addition, the basic knowledge of how to acquire and manage loans remains a challenge that is threatening the survival of SMEs.

- **Lack of linkages in economic activities and economic growth**

Poor linkage between economic activities of buying local products resulting in SME growth and economic growth.



## RECOMMENDATIONS

### Business Environment

- Create an enabling environment to help access suitable financial arrangements for SMEs.
- Put in place regulatory structures to enable the easy start-up of SME businesses.
- Financial regulation for SMEs to access finance with less cumbersome documentation to encourage more entrepreneurs to produce Made in Nigeria thereby increasing productivity
- Zero taxation policy for SMEs that make less than N1m per year to encourage more SMEs to enter the government tax net;
- Harmonise multiple taxations at the federal, state and local government levels to reduce the burden on the SME;
- Adequate and effective infrastructural facilities are the key to stimulating growth in the economy. Provision of infrastructure facilities such as power, transportation, raw materials, machinery etc. would go a long way to support SMEs, reduce the cost of production and encourage exportation with will boost global competitiveness.
- Strategies must be put in place to encourage light manufacturing in Nigeria. Facilities should be put in place to encourage entrepreneurs to explore the light manufacturing industries which would go a long way to boost production capacity and reduce spending on importing light materials.
- Improve the components of Nigeria's ease of doing business rankings; procedures for registration of businesses should be improved to meet the growing need of today's societal development.

### Access to Finance

- Create appropriate regulations and policies for SMEs such that conditions to access finance for big businesses are not applicable to SMEs; procedures for accessing finance should be made attractive with less cumbersome documentation requirement to enable SMEs access credit for their businesses.
- Prerequisites by financial institutions for SMEs to present collateral in order to access loans should be reconsidered.
- Government intervention is needed to reduce interest-rate to a single digit. There is a need for these financial institutions to reconsider SME interest rates to make entrepreneurship more attractive.

### Managerial Capacity

- Enable financial literacy programmes for SMEs which will cover: understanding the financial environment, basic accounting concepts, the risks involved in taking loans, entrepreneurship, etc.
- Organise SMEs into trade associations to increase advocacy and capacity.
- Introduce entrepreneurship into the school curriculum to start building capacity of entrepreneurs.
- Campaign to build acceptance of Made in Nigeria goods and services by encouraging patriotism and ensuring reduced cost of production.
- Ensure that Made in Nigeria goods and services are of global standards by improving quality standards and processes.
- Government at all levels to resuscitate state-owned manufacturing concerns and partner with



## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Business environment	<ul style="list-style-type: none"> <li>▪ Provide enabling environment to access suitable financial arrangements.</li> <li>▪ Revisit the documentation requirements for SMEs to access credit</li> <li>▪ Improve the component of Nigeria's ease of doing business rankings</li> <li>▪ Adequate and effective infrastructural facilities</li> <li>▪ Strategies to be put in place to encourage light manufacturing in Nigeria.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Strategies must be put in place to encourage light manufacturing in Nigeria.</li> </ul>
Financing	<ul style="list-style-type: none"> <li>▪ Prerequisites by financial institutions for SMEs to present collateral needed to access loans should be reconsidered.</li> <li>▪ Reduction in interest rate to single digit interest rate</li> <li>▪ Harmonise taxation policy in Nigeria</li> <li>▪ Zero taxation policy for businesses with more than N1m profit per annum</li> </ul>	<ul style="list-style-type: none"> <li>▪ Less cumbersome procedures and more attractive packages for accessing loans</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Conditions for big businesses to access finance should not be applicable to small businesses</li> </ul>	
Managerial capacity	<ul style="list-style-type: none"> <li>▪ Create financial literacy programme for SMEs</li> <li>▪ Introduction of entrepreneurship into the school curriculum.</li> <li>▪ Government at all levels to resuscitate state - owned manufacturing concerns and partner with SMEs to run this business</li> </ul>	<ul style="list-style-type: none"> <li>▪ Establish SMEs trade associations to increase advocacy and capacity</li> </ul>
	<ul style="list-style-type: none"> <li>▪ Campaign to build acceptance of Made-in-Nigeria goods and services</li> </ul>	

## Trade, Investment and Competitiveness Policy Commission

Made-in-Nigeria: A Strategic Imperative for Growing the Non-Oil Sector and Boosting Non-Oil Exports



### Chaired by:

Mr. Olufemi Boyede, President at Koinonia Global Services Inc., Canada

### Panelists:

- Chief Olabintan Famutimi - National President, The Nigerian-American Chamber of Commerce
- Alhaji Sanni Dangote - Vice President, Dangote Group
- Bashir M. Wali - Ag. Managing Director, Nigerian Export-Import Bank (NEXIM)
- Mr. Ekenem Isichei - West Africa Lead, Corporate Council on Africa
- Mr. Goodluck Obi – Partner, KPMG Professional Services
- Ms. Shade Bembatoum-Young - Founder and Executive Director, African Sustainable Small Enterprise Export Development Foundation

### BACKGROUND

This breakout session aimed at identifying how the future of Nigeria can be improved through increased industrial performance, competitive presentation of Made-in-Nigeria goods and services in the international market, amongst others. Specific objectives of the session included identifying the following:

- Opportunity areas on which Nigeria should focus in the bid to grow the non-oil sector and boost non-oil exports.
- The incentives that are available or required.
- The trade, fiscal and competitiveness issues inhibiting the growth of the non-oil sector.
- Ways in which the challenges may be addressed and the identified opportunities maximised.
- The timelines and monitoring/review mechanisms that should be adopted.

### PROGRESS

**Rising considerations for Africa Growth and opportunity Act (AGOA).** Officials of the United States' Presidential Committee on Doing Business in Africa was hosted by the African Chamber in January 2016.

**An AGOA Implementation Strategy drawn up by the Ministry of Trade in 2013.** This should help to accelerate non-oil exports from Nigeria to the United States.

**NEXIM has achieved significant strides on its core mandate.** It has declared its commitment to focus on Manufacturing, Agriculture, Solid Mineral and Services sectors (MASS).



As per funding, a N500 billion export stimulation facility with the CBN was recently approved by the government, with an interest rate of about 7.5% and a maximum processing period of 60 days. However, there seems to be widespread ignorance about this fund among private sector players.

## ISSUES AND CHALLENGES

### Weak Non-Oil Sector and Weak Export Sector

The amount of non-oil exports has declined from independence to date owing to the dearth of right incentives to sustain an export-driven economy. In addition, the contribution of the non-oil commodity to Nigeria's foreign exchange earnings has also reduced over time. This has resulted in a mono-export economy, making us vulnerable to whatever happens to the global price oil. This has resulted in a budget deficit, recession, inflation, unemployment amongst others. As such, Nigeria needs to rebuild export proceeds to strengthen the value of the naira. However, if exports must grow we must find alternatives to oil, to bring in non-oil exports to increase our competitiveness.

### Poor considerations of the African Growth and Opportunity Act (AGOA)

AGOA was enacted in the year 2000. It was enacted to enable African countries to export over 6,000 items into the USA duty-free. Under AGOA, there were hubs in various countries of sub-Sahara Africa, namely Ghana, South Africa and Kenya. Nigeria never paid serious attention to AGOA, due to oil revenues. As at the time Nigeria began to consider getting involved on the West African hub, no Nigeria company was really AGOA-ready. In addition, Nigeria has not been well represented at AGOA conferences in Africa and in the United States.

### Lack of self-sufficiency as a nation, primarily due to dearth of local processing facilities

Nigeria is not self-sufficient as a nation as the country produces far below the needs of its populace. In the agric sector, for instance, agro-processing is very weak, such that the country has not been able to meet the needs and the requirements of the local market.

### Low global competitiveness ranking

A look at Nigeria's global competitiveness scorecard shows a weak status. Take the World Bank's Ease of Doing Business index, Nigeria has been at the bottom for several years i.e. at 175, 170, and 169 in 2014, 2015 and 2016 respectively. A similar weak competitiveness outlook is also

portrayed in the World Economic Forum's index as well. These rankings indicate that Nigeria has a very poor business environment. Nigeria needs to act, so as to be seen by foreign investors as the right place to do business.

### Inefficient Policy Landscape

There are contradictions in policies provision in Nigeria. More so, while the country aiming to have an export-led economy, policies are counterproductive. One instance was the recent suspension of the export expansion grant. Another problem is the port, in which the policies that exist make it difficult to get good across in ways that favour exports from Nigeria. A public-private dialogue should be held soon to host the Minister of Transport.

### Inadequate finance to promote export initiatives

The export promotion council is under-funded. Therefore, the solution to an export-led economy, in the case of Nigeria, is not the export promotion council. Indeed, the country lack's strong finance frameworks to encourage the growth of an export-driven economy. Interest rates and dismal understanding of necessary requirements to gain access to finance and export expansion grants are key problems.

### Passive involvement in multilateral organisations such as ECOWAS

Nigeria is part of ECOWAS. However, the country's involvement in ECOWAS is somewhat inactive. For example, under the ECOWAS liberalisation scheme, it takes too long to get approvals. As a result, Nigerians are losing market share in the West African market. Despite the country's membership in ECOWAS, not much has been done by the country to salvage this situation.

### An unhelpful Nigerian mindset

There is a pervasive mindset problem in the country which militates against patronising Made in Nigeria products. A number of people consider it an indication of affluence to make use of imported products.

## RECOMMENDATIONS

### Strengthen the policy landscape, consider non-oil sectors with export potentials and bridge policy disconnects

- The country is missing out on export opportunities and jobs creation potentials which abound in other sectors.



These opportunities abound in agriculture, solid minerals, intellectual jobs, health services, entertainment and creative industry (such as Nollywood), tourism and educational services, amongst others. The government needs to create policies that will intensify local production in these sectors, as well as the overseas patronage of the products and services in these sectors.

- Such policies will need to clarify sectoral areas of focus for the nation. One good way to do so would be to consider the employment potentials of the sectoral areas, for example, in terms of skilled labour requirements, unskilled labour requirements etc. The areas of priority should be areas that are in tandem with the skills profile of our (young) people.
- To strengthen the policy landscape, there is a need for close partnership between the private sector and the government (ministries and agencies). This will help to bridge the gap between government prescriptions and the real needs of the private sector. This partnership will help to chart sectoral action plans with timelines. This should be done for various priority sectors.

**Specific areas to be addressed by the policies should include:**

- **Incentivising foreign processing companies.** The government should create incentives for processing plants in foreign countries to come into Nigeria (for example, in the leather manufacturing sector, producers have to take leather abroad to process, and ship back into Nigeria, before such leather is then used to make shoes in Nigeria).
- **Protection of local businesses.** In addition, there is a need to set up frameworks for cushioning local companies against the shocks of imported goods (as we try to grow Made-in-Nigeria). Regulatory agencies and enforcement agencies should work together with growing local industries to ensure protection against competing and particularly substandard foreign products.
- **Operationalising the African Growth and Opportunity Act (AGOA) Implementation Strategy.** Government needs to look into operationalising the AGOA Implementation Strategy which has been drafted by the Federal Ministry of Industry, Trade and Investment in 2013, as there is a disconnect between these draft policies, and what the industry practitioners know and are working with.

- **Export policy reviews.** Export policy reviews should be conducted on some of the currently existing export policies which do not support the market. For instance, the policy on 48-hour maximum clearance limit for horticulture by the customs is ill-advised given the perishability of horticulture products. Another example is the Export Promotion Act, which also needs to be reviewed. Other policy recommendations should include expanding the Local Content Act beyond the oil and gas sector; and importantly, the release of policies which better promote and project locally-made products.

**Convene a private-sector led retreat (a 2-day retreat) as soon as possible**

All the issues raised in this session would be addressed at the retreat which should also involve stakeholders from both state and federal levels, rather than just focusing on the federal level, as exports potentials come mainly from the state and local government levels. Key issues to be addressed at the retreat should include:

- Reconsidering and strengthening Nigeria's place in some of the multilateral committees we are part of. In ECOWAS, for example, where we are seen as a big bully, rather than big brother. Nigeria needs to leverage the opportunity that the ECOWAS platform presents.
- The creation of a task force to be jointly driven by the Lagos Chamber and the NESG.
- Review of the Export Promotion Act (EPA) and Export Processing Zone (EPZ).
- Creating timelines of targets and activities in form of a strategic action plan document, which should be a deliverable of the retreat.

**Strengthen finance frameworks for exports and make the Export Development Fund work.**

Currently, interest rates in the financial sector are high. It is advised that goods with export potential should have capped interest rates, say to 5%. Without this, local organisations will not be able to compete with imported goods at such high-interest rates coupled with strict loan conditions. Incentives, reasonable moratorium period should be considered. In addition to this, Nigerian businesses – including the big local players and more importantly the SMEs – should be made aware of the finance opportunities at NEXIM, and the procedures for obtaining access to finance for exports.



**Exclusion of oil exports from Nigeria's AGOA performance index and other export indices.**

Using oil exports to gauge the strength of Nigeria's export typically creates an illusion. Although the country has huge export stakes given the strength of the oil industry, in reality, Nigeria does less than Lesotho in terms of exports of commodities when oil is not taken into cognisance. As such, crude oil should be removed from the calculation of Nigeria's performance on AGOA, and on all other indices used in measuring Nigeria's export performance and growth.

**Further strengthen the big local manufacturers and build export capacities of SMEs.**

There is the need to strengthen already-existing local manufacturers with large production capacity. These include the likes of P&G, Unilever, Coca-Cola etc., who

already have standard production systems and simply require the right incentives and enabling the environment to be trigger exports of their products from Nigeria. In addition to the big players, there is a need to build export capacities of small and medium enterprises. Indeed, SMEs have led an export revolution in many countries, and the same can happen in Nigeria. Required initiatives might include Train-the-Trainer type of programmes, etc.

**Establish frameworks for ensuring consistency in supply and quality standards.**

A number of locally made goods such as our cocoa, groundnuts etc. have quality issues. Therefore, in order to ensure consistent supply and quality of products to be exported from the country, there is a need to establish frameworks, and design systematic processes, that will help to coordinate and provide guidance to local businesses to consistently deliver high quality products and services and to also ensure that the supplies are steady. Involvement of the Standards Organisation of Nigeria (SON) is key to achieving consistent quality of delivered products. Other agencies to work with – in order to achieve consistent supply and quality – include the Export Promotion Council and the Nigerian Port Authority

**Advocate for nationwide change in mindset.**

We need to kick start a change in mindset amongst Nigerians. Nigerians should be made to realise that we should not be pushing for exports simply because we want exchange rates to be more favourable. Rather we need to understand that a strong economy driven by exports – after local demands have been sufficiently met – would help to enhance affordability and better standards of living.

Therefore, we need to embark on campaigns for a mindset change, to encourage Nigerians to move away from the elitist mentality which makes some people think that someone who purchases foreign-made products is superior to one who patronises only locally-made goods.

**Encourage data collection and proactive research.**

Data collection requirement should mainly include mapping of overseas demand for Nigeria's products. As a country, aiming at achieving export-driven economy, Nigeria needs to understand who her foreign customers are (i.e. identification of stores, wholesalers, and businesses abroad, who need her local products). Efforts should be geared towards capturing the value of Nigeria total exports per time. Such data would help in evaluating, and planning for, Nigeria's exports. In addition, there is also a need for frequent research into areas of skills shortage in other wealthier countries where the country can then sell out its services and/or products. Consider the IT sector for example; this is an area in which there are skills shortages in countries such as the United States.

Nigeria should consider training people in these areas and exporting such services to the countries where they are needed.

Another critical area of consideration is an investment in proactive research i.e. "looking into the future". It should be noted that there are virgin areas of investments in which no specific country of the world has clear leading global competitiveness. Nigeria should invest in these areas, particularly in science and technology fields, just as Singapore (a former third-world country) have placed themselves at the leading edge of biotechnology.

**Urgently address existing infrastructural challenges.**

Critical sectors such as power and transportation should be urgently addressed. The constant power failures and poor road transport networks, which sent manufacturing companies packing from the country, need to be seriously tackled. Nigeria needs to address infrastructural challenges to stimulate the growth of Made in Nigeria and to enhance exports.

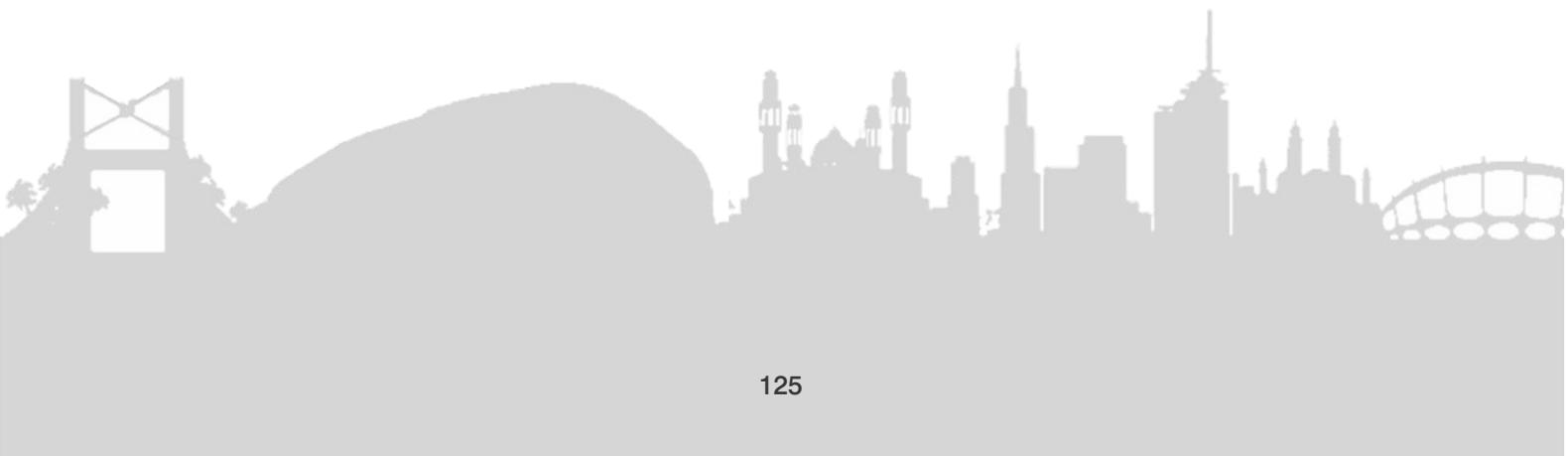


## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Policy	<ul style="list-style-type: none"> <li>▪ Enact laws and create policies to foster shift from oil economy into other viable sectors</li> <li>▪ Identify/declare commitment to priority sectors of focus to give confidence and clarity to private sector</li> <li>▪ Create policy to protect the interests of local business against influx of imported products;</li> <li>▪ Create policy to incentivize foreign processing companies to establish plants in Nigeria;</li> <li>▪ Undertake export policy reviews as required</li> </ul>	<ul style="list-style-type: none"> <li>▪ Shift focus of investment from oil into other sectors such as agriculture, services, ICT, tourism, solid minerals etc.</li> <li>▪ Work with the Federal Ministry of Industry, Trade and Investment to operationalise the AGOA implementation strategy;</li> <li>▪ Work with the government at all levels to bridge policy gaps in the light of existing industry realities</li> </ul>
Dialogue and partnerships		<ul style="list-style-type: none"> <li>▪ Convene a 2-day retreat as soon as possible, to discuss and address the identified issues (deliverable: action plans for priority sectors)</li> </ul>
Finance	<ul style="list-style-type: none"> <li>▪ Direct the CBN (and the entire financial sector) to provide financial incentives to encourage export businesses</li> <li>▪ Make the Export Development Fund work and fund the Export Promotion Council which is currently underfunded</li> </ul>	<ul style="list-style-type: none"> <li>▪ The banking sector should create frameworks to encourage export businesses, particularly in non-oil sectors, using instruments such as lower interest rates etc.</li> </ul>
Capacity	<ul style="list-style-type: none"> <li>▪ The Standards Organisation of Nigeria should work on more sophisticated standards for a variety of sectors which were hitherto ignored in the mono oil economy. SON should help businesses, particularly SMES, understand the application of such standards</li> </ul>	<ul style="list-style-type: none"> <li>▪ Create programmes to train and build capacity for SMEs to prepare them for export, particularly in terms of consistent supply and maintaining high quality</li> </ul>
Data	<ul style="list-style-type: none"> <li>▪ Establish frameworks (and/or assign agencies) to regularly collect and analyse data on exports and export potentials in different countries. Direct the CBN (and the entire financial sector) to provide financial incentives to encourage export</li> </ul>	<ul style="list-style-type: none"> <li>▪ Maintain records of exports and invest in research in “virgin” areas of global competitiveness</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>▪ Urgently tackle power and road transport challenges to enhance ease of doing business in Nigeria</li> </ul>	

# Day 3

Wednesday, 12 October 2016



## Plenary VI: Mitigating The Impact Of Crisis And Conflict



**“ Almost 50% of our population is made up of youths. They could be our greatest opportunity or greatest threat. ”**

**Mr. Fola Adeola**

Member, Board of Trustees;  
International Crisis Group

### Introduced by:

Mr. Fola Adeola - Founder & Chairman, FATE Foundation

### Panelists:

- His Excellency Kashim Shettima – Executive Governor of Borno State
- Ms. Comfort Ero - Africa Program Director, International Crisis Group
- Ms. Ayo Obe - Legal Practitioner, Human Rights/Civil Society Activist
- Mr. Simon Taylor - Deputy Head, UN/OCHA (Nigeria)

### Moderated By:

Mr. Patrick Okigbo III - Managing Partner, Nextier Consulting

### BACKGROUND

Nigeria in the past few years has been faced with series and episodes of crises and conflicts manifesting in different forms; terrorism, kidnapping, herdsman-settler clashes, militancy etc. in different parts of the country. From the North to the South, these incidences have severely impacted economic stability and growth, as well as the quality of life and lifestyles of the communities most proximate to such crises. Seeing that Nigerian produced goods and a thriving consumer base are the underpinnings for a successful Made-in-Nigeria campaign, it is increasingly important for leaders across various sectors to understand what triggers these conflicts and how the risks can be better managed for households, commerce – and industry, in general. Importantly also is the compelling need to explore multi-sectoral partnerships and engagement in proactively mitigating the occurrence and impact of such conflicts. The objectives of the session included the need to:

- Understand the root causes of conflicts and crises in Nigeria.
- Identify the relationship between the quality of governance and conflict.
- Evaluate Nigeria's strategic readiness to manage conflicts and crisis.
- Discuss roles and responsibilities of stakeholders in preventing, managing and coping with the attendant impact of crises outcomes.

### PROGRESS

The discussions largely focused on the crisis perpetrated by Boko Haram in the North-Eastern part of the country. While the extent and impact of the devastation was stressed, the following highlight some of the achievements that have been made to date.



- Relative security and liberation of occupied territories from insurgents in the North-Eastern part of the country
- Bold step of Governor of Borno State to relocate to Bama to kick-start reconstruction and resettlement of Internally Displaced Persons (“IDPs”)
- Strategic investment by the Borno State Government in agriculture, with over N30-40 billion invested in the acquisition of the latest agricultural machinery, with 6 to 7 companies so far declaring an interest to invest in various aspects of the agro-allied industry
- Mobilisation of private sector players to respond to the Boko Haram crisis in the North East. On 15 January 2016, the Nigerian Economic Summit Group (NESG) led a delegation to Borno State.
- Schools have been reopened after many years of closure due to the crisis.
- Disruption of domestic production in agriculture, oil and gas etc, which causes shortages and fuels to inflation.
- Loss of internal revenue. A 2015 study of the conflicts in the Middle Belt – Benue, Plateau and Nassarawa and in Kaduna reported that the country was losing close to US\$13.7.
- Loss of human resources with more 600 teachers killed, 1500 schools destroyed and over 1 million children denied access to education.
- Cost of maintaining security and providing humanitarian assistances constitute a drain on scarce resources:
- Reduction in Foreign Direct Investment (FDI). Crises and conflicts and perceived insecurity contribute to the alienation of foreign investments in conflict areas and areas where there are no conflicts, resulting in a reduction in FDI from about US \$20 billion received in the past 20 to 30 years US \$7 billion in 2015 and even lower for 2016 as projected.

## ISSUES AND CHALLENGES

### Conflicts and Crises on the Rise

- Nigeria is currently experiencing an increase in violent conflicts and general insecurity across the country: The Boko Haram insurgency in the North East, militancy in Niger Delta, herdsman-farmer conflict, and violent crimes such as kidnapping and banditry. These conflicts in their manifestations have national implications despite originating from either states or regions.
- The humanitarian crises unfolding in the country is one of the worst in Africa with over 7 million people in need of urgent humanitarian assistance (in the space of 90 minutes, it is estimated that 7 children likely die from acute malnutrition).
- The socio-economic impact of these conflicts and crises are enormous for the country generally, but to the region in particular. They include:
  - Extensive damage to social and economic infrastructure.
  - Loss in external revenues especially the significant reduction of crude oil revenues and cross-border trade in the North East.
  - Loss of External Revenue. Billions of dollars of oil revenue are lost to the Niger Delta crisis. Also, derivable revenue from import and export activities that could have happened in the North East has significantly reduced due to crises and conflicts in these zones.

### Poverty-induced inequality, marginalisation and widening distrust between government and citizens are major causes of conflicts and crisis.

- The violent crises, of the sort, witnessed across the country, are rooted in the obvious inequality and perception of marginalisation evident in various parts.
- Poverty, increasing unemployment, low level of education especially in the North-East account for why the youth are easily recruited into violent activities. Despite these glaring difficulties, there are little signs of a concerted effort on the part of the government to invest in education and other life-enhancement interventions that would unleash the latent potential of the burgeoning youth in these parts.



- The level of distrust has heightened in recent times due to many unfulfilled promises by the government to the masses, as well as the current recessionary trends and headwinds. Failure of the government to deliver on its promises especially those that target the most vulnerable in the country causes disillusionment and dissatisfaction among the populace fueling agitation which sometimes escalates into conflicts and crisis.
- Girl-child education, which is a proven strategy for sustainable poverty alleviation needs to be prioritised and given special attention in most conflict and crises affected areas.
- Limited job opportunities for young people is breeding a pool of potentially rebellious youth in the country.

### **Dangerous and Poor Quality of Life in IDPs Camps**

- There are over 2 million IDPs in the North East. The living condition in IDPs camps is extremely poor arising from issues such as poor drainage, grossly inadequate sanitation, lack of basic shelter, no access to basic services and insufficiency of food, which health risks – including the possible the reemergence of polio in affected areas.
- Social vices in IDP camps such as rape, child trafficking, prostitution and gangsterism are on the rise.
- Interventions at the IDP Camps are ad hoc and not sufficiently strategic. For instance, there are no programmes to ensure the productive engagement of youth, men and women in preparing them for life after the camps; in addition to which children in the camps are not being educated.

### **Neglect of IDPs outside the IDP camps.**

Currently, humanitarian assistance is targeting largely IDP in camps, which accounts for only 9 percent of IDPs in the North East.

**International and regional multilateral organisations are going through severe stress thereby incapacitating them from effectively rendering assistance to countries in conflict and crisis management**

### **Faulty approach to conflict management and crisis resolution**

- Current approaches to conflict management and crisis resolution have not yielded sustainable result as it emphasises more on the use of force.
- Approaches have not been with a view to understand the perspective of the aggrieved party. In many cases, government use subtle force when dialogue is ongoing, which often further aggravate tensions.

Lack of effective communication and avenues for aggrieved and deprived populations to vent their angst also contribute to conflict and crisis management failure.

- Lack of clear multi-sectoral and multi-stakeholder strategy towards preventing, managing conflicts and crises in the country.
- Wrong perception of responsibility points:
  - Violent conflicts and attendant humanitarian crisis are wrongly seen as subnational challenges which mute the call for a national approach to resolving same. This results in often sub-optimal interventions from state governments, Non-Governmental Organisations (“NGOs”) and aid organisations.
  - Crisis and conflicts are usually regarded with a bias, spawning unhealthy sentiments, which discourage collaborative solutions resulting ultimately in national disasters.
  - There is typically weak involvement and connection of private sector actors in conflict and crisis prevention strategies. In addition, the government often lacks adequate support for private companies providing business and humanitarian service in such areas e.g. it is often unable to provide adequate support in terms of logistics, security etc. to private sector players providing critical services in conflict and crisis-affected areas, yet there are many private sector actors whose activities are valuable in mitigating the impact of such crises and conflicts.



## RECOMMENDATIONS

- Use education as a strategic tool for preventing conflicts and crises; education should be seen as a major game-changer
- Encourage girl-child education and gender empowerment.
- Government at federal and state level should consolidate efforts on the recovery, stabilisation and reconstruction of affected economies through investment in critical physical, social and economic infrastructure.
- Improve collaboration among stakeholders (government, the private sector and civil society organisations (CSOs)) towards conflict and crisis response and resolution, especially in the area of mobilising humanitarian assistance, with government and platforms like NESG taking the lead.
- Government should re-think its approach towards crisis management with emphasis on crisis prevention by encouraging the use of dialogue and engagement over force. The following were recommended as Made-in-Nigeria approach:
  - Invest in conflicts prevention; early warning systems and mechanisms at the national and subnational level should be in place
  - Take early actions; identify key entry points to preventing and combating crises. There is a need for proactive strategies for example, after amnesty programmes end, what happens?
- Deploy the use of force cautiously. Force must not aggravate and increase tension but seek to reduce it. Therefore, it should be deployed as part of a holistic solution.
  - Accompany force with a comprehensive approach to preventing and combating crises. Force is not a strategy for winning hearts and minds in times of conflicts and crises.
  - Develop a multi-stakeholder strategy for managing conflicts and crisis. The private sector must necessarily be part of the strategy.
  - Communicate programmes and initiatives – always engage.
- Development organisations, governments, the private sector should be mindful of extending support to IDPs resident outside of the designated camps.
- Government should take the lead in bridging the trust gap between government and citizens through open and transparent governance and effective communication.
- Citizens should engage the government constructively, and support government to succeed.
- Government should provide security and logistics support to private sector organisations providing business and humanitarian services.
- Platforms like the NESG should engage the Organised Private Sector (OPS) on the need to their corporate social responsibility activities towards addressing the underlying causes and palliatives of conflicts and crises.
- Focus the Made-in-Nigeria campaign on developing home-grown solution to conflicts and crises, beyond production of material goods but also home-grown solutions to crisis
- Government should design programmes and strategies to decongest IDPs camps owing to increasing social vices.
- Government should engineer the development of backup plans and strategies to guarantee sustainability of interventions in liberated areas
- States should focus on attracting investment in areas of comparative advantage for the purpose of job creation for the bulging youth population.
- Stakeholders (Government, Civil Society Organisations (CSOs), Non-Governmental Organisations (NGOs), Private Sector) should promote national ownership of conflicts and crisis.



## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Education	Invest in education, focus on attracting investment that can create jobs	Streamline CSR activities to sufficiently focus on crisis prevention, management and mitigation.
Mobilisation of support for conflict and crisis management Creating national ownership of crisis and conflicts	Development of multi-sectoral strategies in combating and managing crisis and conflicts	NESG to help in mobilising private sector support
Improving living standards in IDPs camps	Decongest IDP camps by resettling all IDPs by May 29, 2017	
Developing strategy for resettling IDPs Education	<ul style="list-style-type: none"> <li>▪ Mobilise assistance for IDPs outside the IDP camps</li> <li>▪ Design economic recovery plan</li> </ul>	
Job creation	Provide security and logistics support for private sector actors delivering services in affected states and communities	

## Plenary VII: Ease Of Doing Business



“Every time one talks about ease of doing business, it also brings out a second issue about the cost of doing business.”

**Mr. Francis Gatare**  
CEO, Rwanda Development Board

“We've spoken about this (ease of doing business) for 25 years, let's make sure 10 years from now we're not talking about this. What do we need to do? Let us set that specific target, let us say we are going to be No. 50 by this date, just the way JFK did: we're going to put a man on the moon. Let us go for that audacious goal, we are going to be No. 50 on the Doing Business Index or No. 1 in Africa, No. 1 investment destination in Africa outside oil and gas. Everything else will fall in place. Let's go for it.”

**Mr. Kamar Bakrin**  
Partner, Helios Investment Partners

“Every business is a tenant of a state, no matter the business you're doing, you'll reside in one state and what the state government does has greater impact on you. So how that Council at the federal actually involves states in a way that they can have that coordination such that every value that is created at the federal level is not destroyed by the actions of the state is critical.”

**Mrs. Ibukun Awosika**  
Chairman, First Bank of Nigeria PLC

### Panelists:

- Mr. Francis Gatare - Chief Executive Officer, Rwanda Development Board
- Mr. Okechukwu Enelamah – Minister for Industry, Trade & Investment
- Mr. Julius Koriri - Permanent Secretary, Kenyan Government
- Mrs. Ibukun Awosika – Group CEO, The Chair Centre Group
- Mr. Kamar Bakrin – Operating Partner, Helios Investment Partners
- Mr. Abdulrazaq Busari - Ag. CEO, NASCO Foods Limited

### Moderated By:

Mr. Boason Omofaye - Head, Business Desk, Channels Television

### BACKGROUND

The session discussed Nigeria's doing business environment with an in-depth emphasis on lessons learnt from leading African countries including Rwanda and Kenya. Nigeria is currently ranked 169 on the World Bank ease of doing business index. The economic development is largely tied to making sure that businesses thrive. However, a number of processes are required to set up, operate, and even wind up a business. These processes are guided by rules put in place by the government through regulations for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, paying taxes, trading across borders, enforcing contracts, regulating the labour market, etc. Some of these regulations inhibit the ease of doing business.

Rank	Economy	DTF score	Rank	Economy	DTF score	Rank	Economy	DTF score
1	Singapore	87.34	64	Jamaica	67.27	127	Lithuania	55.12
2	New Zealand	86.79	65	Bahrain	66.81	128	Maldives	55.04
3	Denmark	84.40	66	Kosovo	66.42	129	West Bank and Gaza	54.82
4	Korea, Rep.	83.88	67	Kyrgyz Republic	66.01	130	India	54.68
5	Hong Kong SAR, China	83.57	68	Qatar	65.57	131	Egypt, Arab Rep.	54.43
6	United Kingdom	83.46	69	Panama	65.34	132	Tajikistan	54.39
7	United States	82.15	70	Oman	65.40	133	Mozambique	53.96
8	Sweden	81.72	71	Ethiopia	65.21	134	Leo PDR	53.77
9	Norway	81.61	72	Ecuador	64.98	135	Grenada	53.46
10	Finland	81.25	73	South Africa	64.69	136	Palest.	53.43
11	Taiwan, China	80.55	74	Tanzania	64.68	137	Seyn.	51.83
12	Macaronesia, FRT	80.18	75	Morocco	64.51	138	Pakistan	51.69
13	Australia	80.08	76	San Marino	64.21	139	Tanzania	51.62
14	Canada	80.07	77	St. Lucia	64.20	140	Marshall Islands	51.58
15	Germany	79.87	78	Togo	64.18	141	Uganda	51.43
16	Estonia	79.49	79	Iceland and Herzegovina	63.71	142	Cote d'Ivoire	50.92
17	Ireland	79.15	80	Malta	63.70	143	Burkina Faso	50.81
18	Malaysia	79.13	81	Guatemala	63.49	143	Mali	50.81
19	Iceland	78.93	82	Saudi Arabia	63.17	145	Papua New Guinea	50.74
20	Lithuania	78.88	83	Ukraine	63.04	146	Ethiopia	49.73
21	Austria	78.38	84	Brunei Darussalam	62.93	147	Sierra Leone	49.65
22	Latvia	78.06	84	China	62.93	148	Micronesia, Fed. Sts.	49.67
23	Portugal	77.57	86	El Salvador	62.76	149	Kiribati	49.50
24	Georgia	77.45	87	Uzbekistan	62.60	150	Togo	49.63
25	Palau	76.83	88	Fiji	62.58	151	Gambia, The	48.99
26	Switzerland	76.94	88	Trinidad and Tobago	62.58	152	Burundi	48.82
27	France	75.96	90	Vietnam	62.10	153	Senegal	48.57
28	Netherlands	75.94	91	Dominica	61.44	154	Comoros	48.22
29	Slovak Republic	75.62	92	Uruguay	61.21	155	Zimbabwe	48.17
30	Slovenia	75.57	93	Dominican Republic	61.16	156	Ghana	47.85
31	United Arab Emirates	75.10	94	Vanuatu	61.08	157	Bolivia	47.67
32	Mauritius	75.05	95	Seychelles	61.05	158	Benin	47.15
33	Spain	74.86	96	Samoa	60.70	159	Sudan	46.97
34	Japan	74.72	97	Albania	60.50	160	Niger	46.37
35	Armenia	74.23	97	Zambia	60.50	161	Iraq	46.66
36	Czech Republic	73.95	99	Nepal	60.41	162	Gabon	45.99
37	Romania	73.78	100	Paraguay	60.19	163	Algeria	45.72
38	Bulgaria	73.72	101	Ruanda	60.17	164	Madagascar	45.68
38	Mexico	73.72	101	Haiti	60.17	165	Burkina Faso	45.54
40	Croatia	72.71	103	Philippines	60.07	166	Sao Tome and Principe	45.30
41	Kazakhstan	72.68	104	Antigua and Barbuda	59.97	167	Myanmar	45.17
42	Hungary	72.57	105	Swaziland	59.10	168	Moldova	44.69
43	Belgium	72.50	106	Bahamas, The	59.01	169	Nigeria	44.69
44	Russia	72.33	107	Sri Lanka	58.96	170	Guatemala	44.69
45	Italy	72.07	108	Kenya	58.24	171	Djibouti	44.25
46	Bulgaria	71.85	109	Indonesia	58.12	172	Cameroon	44.11
47	Cyprus	71.78	110	Honduras	58.06	173	Timor-Leste	44.62

Source: World Bank Ease of Doing Business Report



## PROGRESS

### There is political will to create an enabling business environment

- A Presidential Business Enabling Council has been created, which is headed by the Vice President; the Council is mandated to report to the President on a monthly basis.
- A secretariat is being created through the Nigerian Investment Promotion Commission (NIPC); the private sector is being engaged to play a leadership role in driving the process and external consultants are involved in improving capacity quickly.

### Alignment between the executive and legislative arms of government and general buy-in from the public and private sector players regarding the importance of ease of doing business.

## ISSUES AND CHALLENGES

### Absence of holistic and coherent government policies/plans

- Lack of holistic and cohesive plans that harmonises the critical components required for creating an appropriate environment – for ease of doing business.
- Porous borders, which have led to the dumping of foreign goods in Nigeria.

### Poor supporting processes and operational bottlenecks

- Presence of ambiguity and discretion involved in government processes, which increases the time and resource requirement.
- Presence of bottlenecks and lack of end-to-end processes in government ministries, departments, and agencies (MDAs) limiting implementation of government policies and processes.
- Lack of clarity and communication regarding licensing permits for investors.
- Discriminating Economic Community of West African States (ECOWAS) duties on pharmaceutical raw material imports.
- Lack of proper quality control and standard measurement processes arising from inefficiencies of Standards Organisation of Nigeria (SON) and National Agency for Food and Drug Administration and Control (NAFDAC).

- Poor access to business travel visas into Nigeria.
- Embassies tend to follow unwritten codes of reciprocating poor visa terms (e.g. short length of stay) issued by other country embassies.
- Poor payment systems for processing visa applications in Nigerian embassies.

### Inadequate Skilled Manpower and service orientation/buy-in

- Civil service lacks sufficient manpower with the requisite skills, attitude and experience needed to address issues related to the private sector and creating an enabling environment.
- Potential resistance to change from civil servants during implementation of new reforms on ease of doing business

### Tough Business Climate

- Fluctuating foreign exchange and lack of liquidity in the market.
- Multiple taxations at federal, state and local government levels

## RECOMMENDATIONS

### Accountability and Transparency

- Government should develop Key Performance Indicators (KPIs) and publish the scorecards of MDAs regularly
- Cost consequence approach should be tied to the performance of key government officials
- Federal government must involve the state governments in developing and executing reform; Government should engender competitiveness amongst the state; state governments should be rated and scored on the “ease of doing business” index using the same metrics
- Hold the private sector accountable for the delivery of government projects
- The legislative arm of government needs to be involved in the growth process especially its committees

### Implement critical reforms

- Set ease of doing business ranking target with clear timelines and hold all stakeholders accountable for its attainment.



- Nigeria must find a system that works for itself, leveraging lessons learned from other countries in developing its policies and reforms.
- Ease of doing business reform cannot be carried out as a project; it must become part of our culture/lifestyle and requires buy-in from the whole society.
- There must be collaboration between public and private sector players to develop a holistic national business plan.
- Reform the education sector to provide the relevant manpower needed to support the systems we are creating and reduce inflow of foreign nationals.
- Increase collaboration between the Ministry of Industry Trade and Investment and other critical ministries including the Ministry of Education, Mines, etc. to develop holistic reforms.
- Empower the Nigerian Investment Promotion Council (NIPC) to achieve its one-stop shop objectives, eliminating conflict between agencies that need to work together.
- Ease of doing business reform is always accompanied by hidden costs. Government must address these hidden multiple costs.

#### **Technology**

- Government processes should be automated so as to improve the ease of doing business in Nigeria.
- Ensure information is readily available and accessible especially to local and international investors.
- Eliminate Ambiguity and Discretion.
- The foreign service of Nigeria and Ministry of Industry, Trade and Investment need to collaborate better to ensure that embassies provide investors with the support that they need.

- Need to design a plan that will ensure removal of bottlenecks and reduce government processing time.

#### **Streamlined Operations/Automation of Processes**

- Define a plan that will ensure the removal of bottlenecks and reduce processing time of government processes.
- Government should eliminate ambiguity and discretion arising from permit and license registration processes. Also, consider introducing private sector type accountability for MDAs such as KPIs, timelines, reward systems and naming and shaming for those that failed to meet their targets.
- Develop critical databases to support government's efforts to automate its processes and increase its presence online.

#### **Governance & Regulatory Framework**

- Restructure the governance framework of doing business in Nigeria by introducing legal reforms that consider both the processes and the practice.
- Engage parties that are critical to the success of ease of doing business in Nigeria.
- Design and implement policies and framework to ensure collaboration with cross-border governments.

#### **Capacity Development**

- Re-orientate the civil service and align its interest with the vision of the government including ease of doing business.
- The Nigerian educational system must be tailored towards providing the requisite skills to support reform processes.



## Nigeria2015 - 2016 Global Competitiveness Ranking

Global Competitiveness Index 1-7 (best)			<b>124</b>	3.5	
Subindex A: Basic requirements 1-7 (best)			<b>136</b>	3.2	
	1st pillar: Institutions 1-7 (best)		<b>124</b>	3.2	
	2nd pillar: Infrastructure 1-7 (best)		<b>133</b>	2.1	
	3rd pillar: Macroeconomic environment 1-7 (best)		<b>81</b>	4.6	
	4th pillar: Health and primary education 1-7 (best)		<b>140</b>	2.9	
Subindex B: Efficiency enhancers 1-7 (best)			<b>81</b>	3.9	
	5th pillar: Higher education and training 1-7 (best)		<b>128</b>	2.8	
	6th pillar: Goods market efficiency 1-7 (best)		<b>100</b>	4.1	
	7th pillar: Labor market efficiency 1-7 (best)		<b>35</b>	4.5	
	8th pillar: Financial market development 1-7 (best)		<b>79</b>	3.8	
	9th pillar: Technological readiness 1-7 (best)		<b>106</b>	3.0	
	10th pillar: Market size 1-7 (best)		<b>25</b>	5.1	
Subindex C: Innovation and sophistication factors 1-7 (best)			<b>114</b>	3.2	
	11th pillar: Business sophistication 1-7 (best)		<b>94</b>	3.7	
	12th pillar: Innovation 1-7 (best)		<b>117</b>	2.8	

## Priorities and Action Steps

Key Priority Areas	Priority and Action Step	
	Government-Driven	Private Sector-Driven
Critical Reforms	<ul style="list-style-type: none"> <li>▪ Set ease of doing business target and hold stakeholders accountable</li> <li>▪ Involve the state governments and private sector in developing and executing reform</li> <li>▪ Collaborate with public and private sector players to develop a holistic national plan</li> <li>▪ Reform the education sector to develop skilled manpower needed to support reform</li> <li>▪ Set KPIs, timelines, reward systems, naming and shaming for MDAs</li> <li>▪ NIPC to achieve its one-stop shop objectives</li> </ul>	
Infrastructure	<ul style="list-style-type: none"> <li>▪ Public and private sector should collaborate to deliver on government infrastructure projects</li> </ul>	
Technology	<ul style="list-style-type: none"> <li>▪ Develop critical database to support government's efforts</li> <li>▪ Government processes should be automated so as to improve the ease of doing business in Nigeria</li> </ul>	
Accountability		<p>Hold the private sector accountable for the delivery of government projects</p>
Governance & Regulatory Framework	<ul style="list-style-type: none"> <li>▪ Restructure the governance framework of doing business in Nigeria by introducing legal reforms that consider both the processes and the practice</li> <li>▪ Design and implement policies and framework to ensure collaboration with cross-border Governments</li> <li>▪ Develop framework for state governments to be rated and scored using the ease of doing business index metrics</li> </ul>	



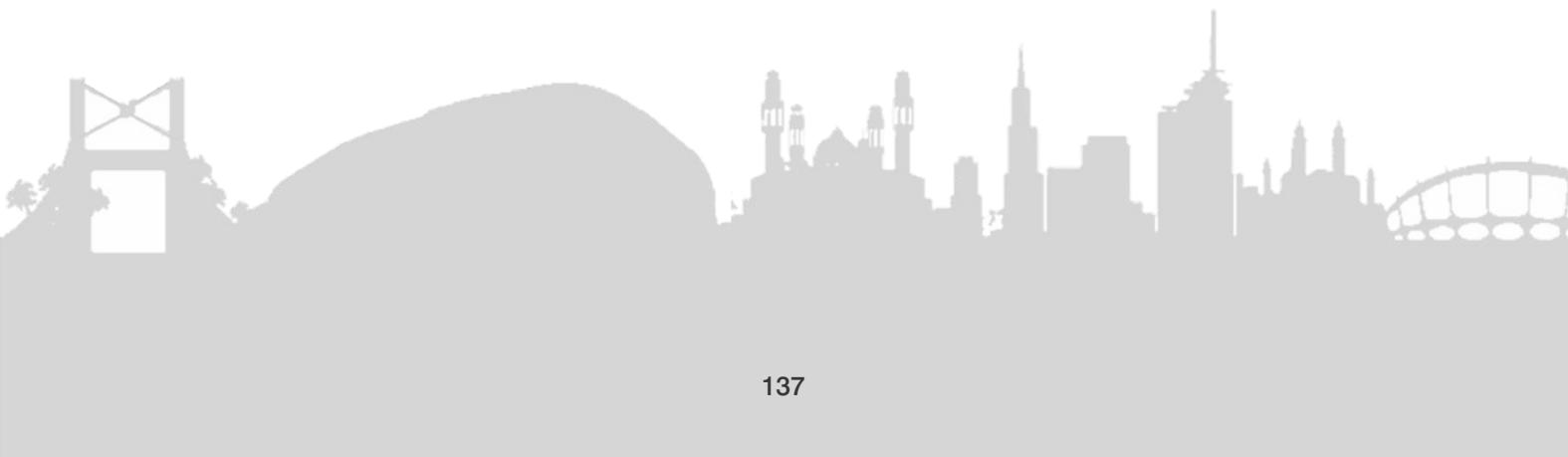
**“ This is just the first phase. It is the implementation that makes all of us satisfied. ”**

**Mr. 'Laoye Jaiyeola**  
CEO, Nigerian Economic Summit Group

**“ I want to pledge the commitment of this government to making sure that the economic challenges that we currently face are addressed. There is no better way to do that other than a very good partnership which we have with NESG. ”**

**Mrs. Nana Fatima Mede**  
Permanent Secretary, Ministry of Budget & National Planning

# Appendices





## AGENDA

<b>Day 0: Sunday, October 09</b>	
2:00 pm –	<b>Arrival and Registration of Delegates</b>
9:00 pm	📍 Lobby in front of Capital Bar; Ground Floor, Main Building
<b>Day 1: Monday, October 10</b>	
7:00 am –	<b>Arrival and Registration of Delegates continues</b>
9:00 am	📍 Lobby in front of Capital Bar; Ground Floor, Main Building
9:00 am –	Welcome Address – <b>Mr. Kyari Bukar; Chairman, NESG</b>
9:15 am	📍 Ground Floor, Congress Hall
9:15 am –	<b>Opening Remarks</b> – Senator Udoma Udo Udoma;
9:30 am	Minister for Budget & National Planning
	📍 Ground Floor, Congress Hall
9:30 am –	Keynote Presentation
10:00 am	<b>State of the Nigerian Economy</b>
	📍 Ground Floor, Congress Hall
10:00 am –	<b>Documentary</b>
10:15 am	📍 Ground Floor, Congress Hall
10:15 am –	<b>President Muhammadu Buhari Declares NES #22 Open</b>
11:00 am	<b>Vote of Thanks</b> - Mr 'Laoye Jaiyeola, CEO, NESG
	<b>Tour of 'Made-In-Nigeria' Galleria</b>
	📍 Ground Floor, Congress Hall
11:00 am –	<b>Tea Break</b>
11:15 pm	📍 Congress Hall Foyer; Ground Floor, Congress Hall
11:15 pm –	Plenary I: <b>Policy Dialogue on the Nigerian Economy</b>
12:45 pm	📍 Ground Floor, Congress Hall
12:45 am –	<b>Lunch</b>
1:45 pm	📍 Congress Mezzanine; Above Congress Hall
1.45 pm –	Plenary II:
3:15 pm	<b>Breaking Through The Macroeconomic Headwinds</b>
	📍 Ground Floor, Congress Hall
3:15 pm –	<b>Short Break</b>
3:45 pm –	Plenary III: <b>Underpinning Made-In-Nigeria on Technology</b>
5:45 pm	<b>and Innovation</b>
	📍 Ground Floor, Congress Hall
7:30 pm –	Gala Dinner
9:30 pm	📍 Ground Floor, Congress Hall



## AGENDA

Day 2: Tuesday, October 11	
9.00 am – 10.30 am	Plenary IV: <b>A Roundtable with the Vice President on Job Creation, Skills and Employment</b> 📍 Ground Floor, Congress Hall
10:30 am – 11:00 am	<b>Tea/Coffee Break</b> 📍 Congress Hall Foyer Ground Floor, Congress Hall
11:00 am – 12:30 pm	The Situation Room: <b>Parallel Insight Sessions</b> Session 1: <b>Manufacturing</b> 📍 Ogun/Nasarawa; Wing A, 02 Floor, Main Building Session 2: <b>Services</b> 📍 Osun; Wing B, 01 Floor, Main Building Session 3: <b>Agro-Processing</b> 📍 Lagos/Kogi; Wing B, 01 Floor, Main Building Session 4: <b>ICT</b> 📍 Plateau; Wing A, 01 Floor, Main Building Session 5: <b>Creative Industry</b> 📍 Congress Hall; Wing B, 01 Floor, Main Building Session 6: <b>Micro &amp; Small Enterprises</b> 📍 Borno/Anambra; Wing B, 02 Floor, Main Building Session 7: <b>Inventors &amp; Innovators</b> 📍 Cross River/Imo; Wing B, 02 Floor, Main Building
1:00 pm – 2:00 pm	<b>Lunch</b> 📍 Congress Mezzanine; Above Congress Hall
2:00 pm – 4:00 pm	Policy Commissions Parallel Sessions
	Breakout I: Agriculture and Food Security Policy Commission <b>“Made in Nigeria” – Growing What We Eat, and Eating What We Grow</b> 📍 Lagos; Wing B, 01 Floor, Main Building
	Breakout II: Energy Policy Commission <b>Creating a “Made in Nigeria” Global Champion: The NLNG Story</b> 📍 Osun; Wing B, 01 Floor, Main Building
	Breakout III: Sustainability Policy Commission <b>‘Made in Nigeria’ for a Greener Economy</b> 📍 Kogi; Wing B, 01 Floor, Main Building
	Breakout IV: Governance and Institutions Policy Commission <b>Governance and Institutional Reform Imperatives of “Made in Nigeria”</b> 📍 Rivers; Wing B, 02 Floor, Main Building
	Breakout V: Human Capital Development Policy Commission <b>Strengthening Nigeria’s teacher-training and healthcare Institutions to produce “Made In Nigeria” professionals</b> 📍 Ogun/Nasarawa; Wing B, 02 Floor, Main Building



## AGENDA

	<p>Breakout VI: Infrastructure Policy Commission  <b>Strategic Infrastructure – The Backbone to Drive Made in Nigeria</b>  📍 Cross River/Imo; Wing B, 02 Floor, Main Building</p>
	<p>Breakout VII: Real Sector Policy Commission  <b>Harnessing the potential of the real sector to achieve sustainable production of “Made-in-Nigeria” goods and services, by addressing policy and infrastructure challenges.</b>  📍 Congress Hall; Ground Floor, Congress Hall</p>
	<p>Breakout VIII: Science and Technology Policy Commission  <b>Developing Science and Technology to International Standards; “Made in Nigeria, Exports from Nigeria”</b>  📍 Rivers; Wing B, 02 Floor, Main Building</p>
	<p>Breakout IX: SME, Financial Inclusion and Financial Markets Policy Commission  <b>Driving SME Growth for Made in Nigeria Products &amp; Services</b>  📍 Borno/Anambra; Wing B, 02 Floor, Main Building</p>
	<p>Breakout X: Trade, Investment and Competitiveness Policy Commission  <b>Made in Nigeria: A Strategic Imperative For Growing The Non-Oil Sector And Boosting Non-Oil Exports</b>  📍 Plateau; Wing A, 01 Floor, Main Building</p>
4:00 pm – 5:30 pm	<p>Plenary V: National Assembly Business Environment  Roundtable: <b>Ensuring a Legislative Framework for Made-In-Nigeria.</b>  📍 Congress Hall; Ground Floor, Congress Hall</p>
7:30 pm – 9:30 pm	<p>Sponsored Events  📍 Congress Hall; Ground Floor, Congress Hall</p>
<b>Day 3: Wednesday, October 12</b>	
9.00 am – 10.30am	<p>Plenary VI: <b>Mitigating the Impact of Crisis and Conflict</b>  📍 Congress Hall; Ground Floor, Congress Hall</p>
10.30 am – 12.00 pm	<p>Plenary VII: <b>Ease of Doing Business</b>  📍 Congress Hall; Ground Floor, Congress Hall</p>
12:00pm – 1:00pm	<p><b>Presentation of Summit Summary to President Muhammadu Buhari</b></p>
1:00pm – 1:10pm	<p><b>Closing Address by President Muhammadu Buhari</b>  📍 Congress Hall; Ground Floor, Congress Hall</p>
1:10pm – 1.20pm	<p><b>Vote of Thanks</b> – Mrs. Fatima Mede, Permanent Secretary, Ministry of Budget &amp; National Planning</p>
1:20pm – 2:00pm	<p><b>Media Briefings</b>  📍 Kano Room Congress Mezzanine, Congress Hall</p>

The full programme  
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Appendix B: List of Officials

S/N	COMMITTEE	MEMBERS	CORPORATE AFFILIATION
1.	<b>JPC / Central Organizing Committee (COC)</b>	<b>Dr. Biodun Adedipe</b> <b>Mr. Tunde Lawal</b> <b>Mr. Lanre Akinbo</b> <b>Mr. Haruna Jalo-Waziri</b> <b>Mrs. Funmi Onajide</b> <b>Mr. Tunde Ojo</b> <b>Mr. Chidi Anya</b> <b>Mr. Nnanna Ayim-Ude</b> <b>Mr. Austin Olayemi</b> <b>Mrs. Bioye Davies</b> <b>Mr. Abubakar Suleiman</b> <b>Alh. Ahmad Rabiu</b> <b>Mr. Kunle Elebute (Ex-Officio)</b>	BA Associates (Co-Chairman) Ministry of Budget & NP (Co-Chairman) Wizer Resources Ltd Nigerian Stock Exchange MTN Touchstone Limited FBN Holdings Co. Agon Continental Ltd Akintola Williams Deloitte Senantra Limited CFO, Sterling Bank Dala Inland Dry Port Nig. Ltd KPMG Professional Services
	NESG Staff Anchors	<b>Charles Nwanze</b> <b>Feyi Ajayi</b>	NESG NESG
	MBNP Staff Anchors	<b>Mohammed Auwal</b> <b>Esege E. Esege</b> <b>Akeem Salami</b> <b>Charles Nwachukwu</b>	Ministry of Budget & National Planning Ministry of Budget & National Planning Ministry of Budget & National Planning Ministry of Budget & National Planning

S/N	COMMITTEE	MEMBERS	CORPORATE AFFILIATION
2.	<b>Funding / Mobilization Sub-Committee</b>	<b>Mr. Haruna J-Waziri (Chair)</b> <b>Alh. Ahmad Rabiu (Co-Chair)</b> <b>Mr. S.O. Odewale (Co-Chair)</b> <b>Dr. Famous Esebuwo (Vice)</b> <b>Mr. Abubakar Suleiman (Vice)</b> <b>Mr. Chidi Anya</b> <b>Mr. Fidel Agunbiade</b> <b>Mr. Gabriel Aduda</b> <b>Mrs. Patricia Ezeani</b> <b>Mrs. E. Egharavba</b> <b>Alhaji Yusuf Wushishi</b>	Nigerian Stock Exchange Dala Inland Dry Port Ministry of Budget & National Planning Office of Head of Civil Service of the Fed. Sterling Bank FBN Holdings Co. Cheqqueers Int'l OHCS of the Federation Federal Ministry of Finance Ministry of Budget & National Planning Office of the Sec. to the Govt. of the Fed.
	NESG Staff	<b>Charles Nwanze</b> <b>Amina Mustapha</b> <b>Ifeanyi Edeh</b>	NESG NESG NESG
	Anchors MBNP Anchors	<b>Justina D. Robert</b> <b>Lawali Musa</b>	Ministry of Budget & National Planning Ministry of Budget & National Planning





Appendix B: List of Officials

S/N	COMMITTEE	MEMBERS	CORPORATE AFFILIATION
5.	<b>Event Planning &amp; Management Sub-Committee</b>	<b>Mrs. Bioye Davies (Co-Chair)</b> <b>Mrs. Rukiyat Odekunle (Co-Chair)</b> <b>Mr. Ore Ademola Akerele (Vice)</b> <b>DCP Hamisu Makama (Vice)</b> <b>Mr. Aderemi Awe (Vice)</b> <b>Mr. Kingsley James</b> <b>Mr. Oze O. Oze</b> <b>Mr. Alexander Babs-Jonah</b> <b>Mr. Toruka Osadunkwu</b> <b>Ms. Mojisola Saka</b> <b>Mr. Felix Edionwe</b> <b>Mrs. Roselyn Gabriel</b> <b>Ms. Hauwa Yahaya,</b>	Senantra Limited (Chair) Private Sec. Ministry of Budget & National Planning Ministry of Foreign Affairs Nigeria Police Force Computer Prof. Asso. Of Nig. DigiPrints Int'l Limited First Bank Nigeria Plc Accenture UBA Soulcomm Publicis Unified Payment Services Limited Ministry of Budget & National Planning Ministry of Budget & National Planning Ministry of Budget & National Planning
	NESG Staff Anchors	<b>Esse Kughegbe</b> <b>Rotimi Oyelere</b>	NESG NESG
	MBNP Anchors	<b>Ms. Kike Ogunbadejo</b> <b>Mr. Anthony Monye</b>	Ministry of Budget & National Planning Ministry of Budget & National Planning

S/N	COMMITTEE	MEMBERS	CORPORATE AFFILIATION
6.	<b>E-Platform Sub-Committee</b>	<b>Mr. Austin Olayemi (Chairman)</b> <b>Dr. Anne Nzegwu (Co-Chairman)</b> <b>Mr. Salisu Haiba (Vice)</b> <b>Mr. James Akpandem ,</b> <b>Mr. Ime Umeh,</b> <b>Mrs. Seun Tayo-Balogun</b> <b>Mrs. Funmi Onajide</b> <b>Mr. Tomiwa Adefokan</b>	Akintola Williams Deloitte Ministry of Budget & National Planning Ministry of Budget & National Planning Ministry of Budget & National Planning Packard Nigeria
	NESG Staff Anchor	<b>Tolu Adigun</b> <b>Noah Olatoye</b> <b>Feyi Ajayi</b>	NESG NESG NESG
	Ministry of Budget & National Planning Anchor	<b>Mr. Henry Omori Ibiang</b> <b>Mr. Nura Murtala</b>	Ministry of Budget & National Planning Ministry of Budget & National Planning



## Appendix C: List of Accredited Media

NAME	COMPANY
Stanley Okpara	The Punch
Sam Adeko	The Punch
Emma Okonji	This Day
Oyinye Nwanchukwu	Business Day
Adeniyi Tunde	Business Day
Jide Babalola	The Nation
Akin Oladokun	The Nation
Michael Eboh	Vanguard
Kingsley Alu	Leadership
Zakaraya Adaramola	Daily Trust
Walter U	The Sun
Mathias Okwe	The Guardian
Lucie Elukp	The Guardian
Osasu Obayiuwana	NewAfrican Magazine
Olufemi Ajasa	Vanguard Online
Fumnanya Agbugah	Ventures Africa
Japhet Omojuwa	Twitter Influencer
Jude Akhabue	Twitter Influencer
Hauwa Norah	Voice of Nigeria
Folashade O.	Radio Nigeria
Alexis Akwagy	Reuters News Agency
Yvonne Ndege	Aljazeera TV
Cameraman	Aljazeera TV
Anthony Forsn	NTA INT.
Cameraman	NTA INT.
Omolara O	TV Continental
Cameraman	TV Continental
Reporter	Nigeria Info
Chamberlain Usoh	Supervising Producer Presenter
Sulai Aledeh	Supervising Producer Presenter
Maupe Ogun	Assistant Senior Producer Presenter
Harriet Agbenyi	Senior Presenter
Kehinde Olalafe	Production Assistant Producer
Osita Okere	AIT
Cameraman	AIT
Reporter	Silverbird TV
Cameraman	Silverbird TV
Reporter	Classic FM/Beat FM
Ashley Cashion	CNN
Stephanie Busari	CNN
Zain Asher	CNN
Onyi Sunday	CNBC
Francis Xavier	CNBC
Franklin Adeigbe	CNBC
Leah Katung	NTA 24
Cameraman	NTA 24
Ogunyombo Oludare	Brooks & Blake
Olujemisin Adebusola	Brooks & Blake
Fijabi Sola	Brooks & Blake
Ottoabasi Abasiekong	Proshare
Prosper Udawele	Proshare



Appendix C: List of Accredited Media Contractors

<b>NAME</b>	<b>CORPORATE AFFILIATION</b>
<b>Kehinde Olalafe</b>	Production Assistant Producer
<b>Temple Asaju</b>	Assistant Senior Reporter
<b>Theoplius Alighoda</b>	Head Cameraman
<b>George Ojolum</b>	Director
<b>Adefemi S Adewuyi</b>	Vision Mixer
<b>Ireti Oshofisa</b>	Sound Engineer
<b>Akinsoji Emmanuel</b>	Cameraman
<b>Thomson Ogba</b>	Cameraman
<b>Shina Oladele</b>	Cameraman
<b>Jerry Ademua</b>	Cameraman
<b>Joshua Adewale</b>	Cameraman
<b>Olufemi Adewuyi</b>	Engineer
<b>Favourite Tunde Fadex</b>	Engineer
<b>Oladipupo Tunde</b>	Engineer
<b>Omelogo Nnadi</b>	Reporter
<b>Sarah Effin</b>	Report
<b>Desmond Ngwa</b>	Satellite Engineer
<b>Abiola Arowolo</b>	Broadcast Engineer
<b>Solomon Akanbi</b>	Audio Enginee
<b>Sandra Nwaku</b>	Makeup Artist
<b>Goday Obi</b>	Driver
<b>Mark Sunday</b>	Driver
<b>Olalekan Sanusi</b>	Driver



## Appendix C: List of Rapporteur

NAME	CORPORATE AFFILIATION
<b>Oare Ehiemua</b>	Africa Capital Alliance
<b>Alex Iduma</b>	Agon Continental Limited
<b>Chidinma Ihemedu</b>	Alliance Law Firm
<b>Mariam Olafuyi</b>	American Tower Corporation
<b>Nnamdi Awa-Kalu</b>	Awa U. Kalu (SAN) & Associates
<b>Olamide Oshikoya</b>	Banwo and Ighodalo
<b>Tochukwu Nwoke</b>	BridgeGap Resource Initiative
<b>Adetola Adetayo</b>	Central Bank of Nigeria
<b>Daniel Iyang</b>	Corporate INK Consulting
<b>Dotun Seyingbo</b>	DAWN Commission
<b>Estelle Onyekachi</b>	Ducit Blue Solutions
<b>Mbadiwe</b>	Elixir Investment Partners
<b>Terri Iorshase</b>	Employment Clinic
<b>Ronke Kosoko</b>	Ernst and Young
<b>Benson Uwheru</b>	Heinrich Boll Stiftung Foundation
<b>Emmanuel Taiwo</b>	Kainosedge Limited
<b>Olaoluwa Ajayi</b>	Khallil Associates Nig. Limited
<b>Aisha Oumar-Shittien</b>	Lagos Business School
<b>Bunmi Adefisayo</b>	Lawrem Consult
<b>Anuoluwa Olajide</b>	Ministry of Budget and National Planning
<b>Sam Akhigbe</b>	Ministry of Budget and National Planning
<b>Gonya Philibus</b>	Ministry of Budget and National Planning
<b>Garba Ali</b>	Ministry of Budget and National Planning
<b>Esege Ebei Esege</b>	Ministry of Budget and National Planning
<b>Adeola Olusoju</b>	Ministry of Budget and National Planning
<b>Onwuha Felicia</b>	Ministry of Budget and National Planning
<b>Bappah Tijjani</b>	Ministry of Budget and National Planning
<b>Elizabeth Olufunke</b>	Ministry of Budget and National Planning
<b>Ladi Aduwak</b>	Ministry of Budget and National Planning
<b>Afam Nwaeze</b>	Nairacution
<b>Gospel Obele</b>	Next Generation Summit
<b>Kehinde Babaniyi</b>	Nigerian Economic Summit Group
<b>Rotimi Oyelere</b>	Nigerian Economic Summit Group
<b>Ifeanyi Edeh</b>	Northcourt Real Estate
<b>Tayo Odunsi</b>	SIAO
<b>Ene Agbese</b>	Silverace Solicitors LP
<b>Oluwajoba Oloba</b>	The Knowledge Hub Consulting Ltd
<b>Busola Wale-Siyanbola</b>	Udo Udoma & Bello-Osagie
<b>Tolulope Omoleye</b>	Verod Capital Management Limited
<b>Dipo Okuribido</b>	
<b>Waheeda Abdulahi</b>	
<b>Nadia Aminu</b>	



Appendix D: list of Acronyms

ACRONYM	MEANING
ACE	Abuja Commodities Exchange
AIDS	Acquired Immune Deficiency Syndrome
ATAP	Agriculture Transformation Action Plan
BASA	Bilateral Air Service Agreement
BPE	Bureau of Public Enterprises
CBN	Central Bank of Nigeria
CNBC	Consumer News and Business Channel
DFID	Department for International Development
DG	Director General
EFIA	Enhancing Financial Innovation & Access
FAAN	Federal Airport Authority of Nigeria
FBN	First Bank of Nigeria
FCT	Federal Capital Territory
FDI	Foreign direct investment
FGN	Federal Government of Nigeria
FMT	Formal Methods and Tools
FMW	Federal Ministry of Works
FRSC	Federal Road Safety Commission
GCFR	Grand Commander of the Federal Republic
GDP	Gross Domestic Product
HIV	human immunodeficiency virus
ICD	Inland Container Depots
ICRC	Infrastructure Concession Regulatory Commission
ICT	Information and Communication Technology
IMF	International Monetary Fund
IPC	International Patent Classification
IPP	Independent Power Producer
km	Kilometre
KPI	Key Performance Indicators
LGA	Local Government Area
LNG	Liquefied natural gas
MBNP	Ministry of Budget and National Planning
MDGs	Millennium Development Goals
MPR	Monetary Policy Rate
NAS	Nigeria National Assembly
NASRDA	National Space Research and Development Agency
NCAA	Nigerian Civil Aviation Authority
NCC	Nigerian Communications Commission
NERC	Nigerian Electricity Regulatory Commission
NES	Nigerian Economic Summit
NESG	Nigerian Economic Summit Group
NFIS	National Financial Inclusion Strategy
NGO	Non Governmental Organization
NIPRD	National Institute for Pharmaceutical Research and Development
NITEL	Nigerian Telecommunications Limited
NOC	National Oil Company
NRC	Nigerian Railway Corporation
NSE	Nigerian Stock Exchange
OSGF	Office of the Secretary to the Government of the Federation
PHCN	Power Holding Company of Nigeria
PIB	Petroleum Information Bill
PPMC	Pipelines and Product Marketing Company
PPP	Public Private Partnership
PSC	Production Sharing Contract
RMRDC	Raw Materials Research and Development Council
SME	Small Medium Enterprise
UK	United Kingdom
UNGC	United Nations Global Compact
USA	United States of America
WEF	World Economic Forum
WB	World Bank



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